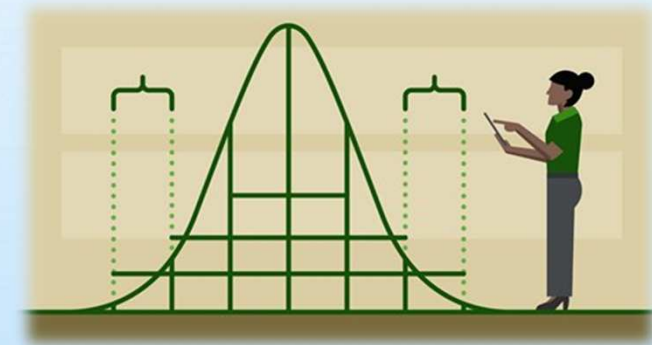# Methods for improving the collection and sharing of labour market information

**Inter-Regional Experts Forum on
Skills and Migration in the South Asia – Middle East Corridor**

25-26 July 2017

New Delhi, India

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Overview

❑Background

❑Labour market information flow and regional dynamism

❑Labour Market Information System

❑LMI Challenges

❑Recommendations

Goal 8: Promote inclusive and sustainable economic growth, employment and decent work for all

In 2016, a 'new' global goal on decent work and economic growth was included on a prioritized level under the Sustainable Development Goals.

Agenda 2030 places decent work for all, and the ILO's mandate and purpose of social justice, at the heart of policies for sustainable and inclusive growth and development.

Promotes higher levels of economic **productivity through diversification, technological upgrading and innovation, including a focus on high-value added and labour intensive sectors.**
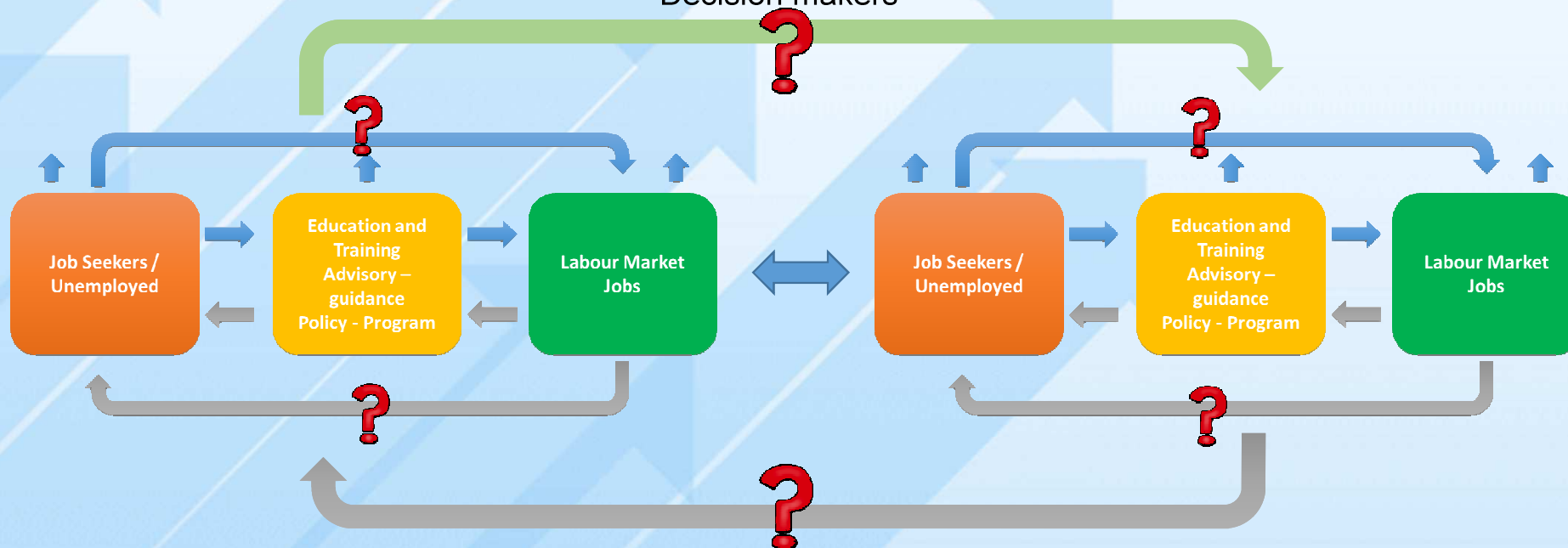
Labour Market Information Flow
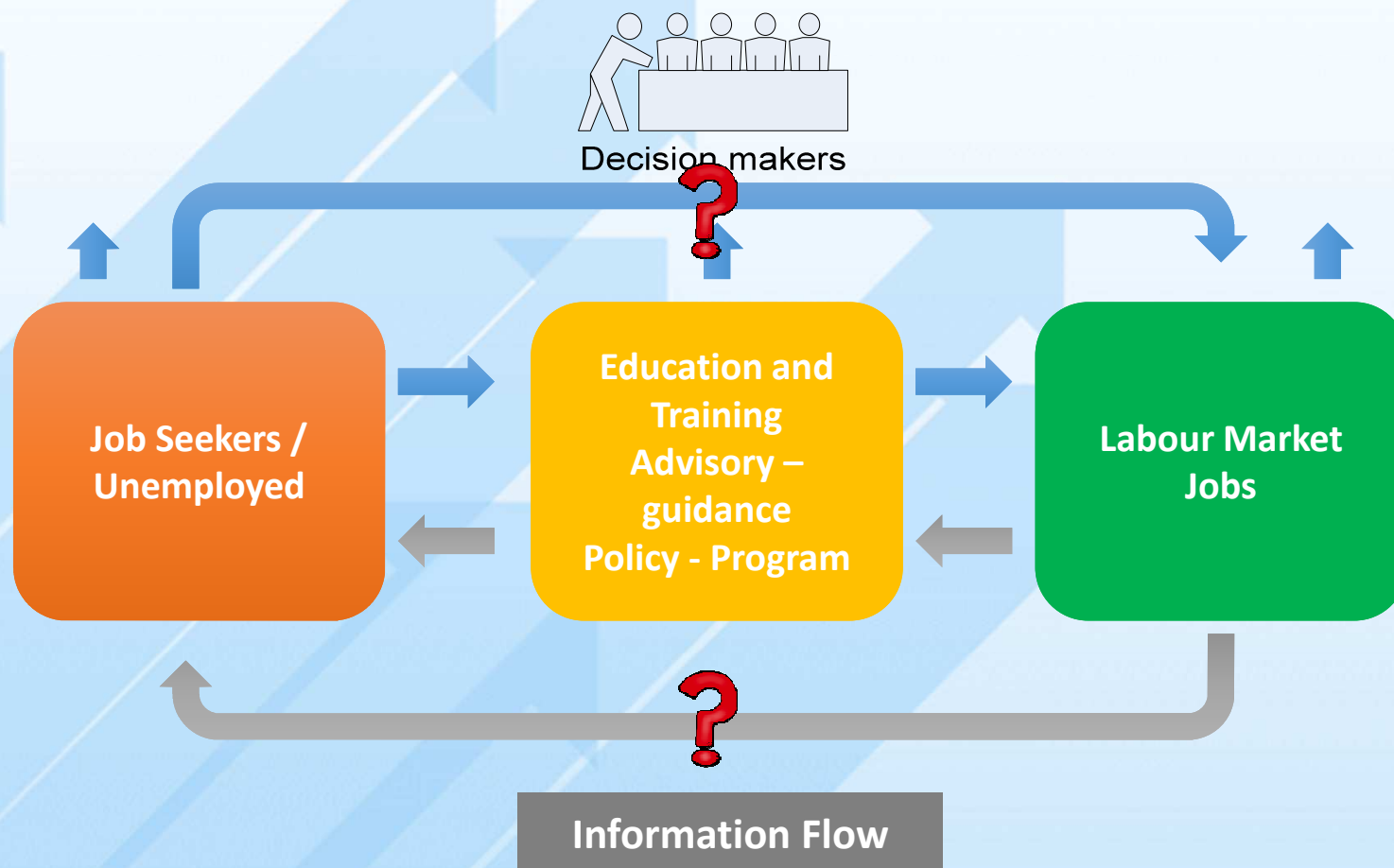
Regional Disparities in Economic Dynamism

Interregional Labour
Market Information

Decision makers

Job Seekers /
Unemployed

Education and
Training
Advisory –
guidance
Policy - Program

Labour Market
Jobs

Job Seekers /
Unemployed

Education and
Training
Advisory –
guidance
Policy - Program
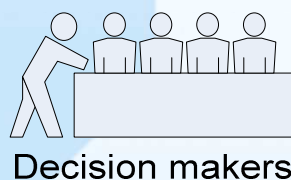
Labour Market
Jobs

Heterogeneity of national labour market policies, education, and training
Skill mismatch

Background

❑Simultaneous job creation and destruction dynamics characterize all economies.

❑Study estimates that 47 per cent of US jobs are at a high risk (greater than 70 per cent) of potential automation by computer-controlled equipment in the next 10 or 20 years.

❑ASEAN countries – Cambodia, Indonesia, the Philippines, Thailand and Vietnam – study estimates that 56 per cent of jobs in these countries is at a high risk of displacement.

❑A World Bank study in developing countries finds comparable figures of around 70 per cent or more for such countries as India, Bangladesh, China, Cambodia, Nepal and Ethiopia.

Background Cont. Ex. US Job Creation / Destruction

Ability to automate, %

0   50   100

Time spent in US occupations, %

50   25   10   5   1

Sectors by activity type	Manage	Expertise	Interface	Unpredictable physical	Collect data	Process data	Predictable physical	Automation potential
Accommodation and food services								73%
Manufacturing								60%
Agriculture								58%
Transportation and warehousing								57%
Retail trade								53%
Mining								51%
Other services								49%
Construction								47%
Utilities								44%
Wholesale trade								44%
Finance and insurance								43%
Arts, entertainment, and recreation								41%
Real estate								40%
Administrative								39%
Health care and social assistances								36%
Information								36%
Professionals								35%
Management								35%
Educational services								27%

Most automatable · In the middle · Least automatable

Potential Global Job Loss/ Creation

Employee weighted overall % of activities that can be automated by adapting currently demonstrated technologies

<45   45–47   47–49   49–51   >51   No data
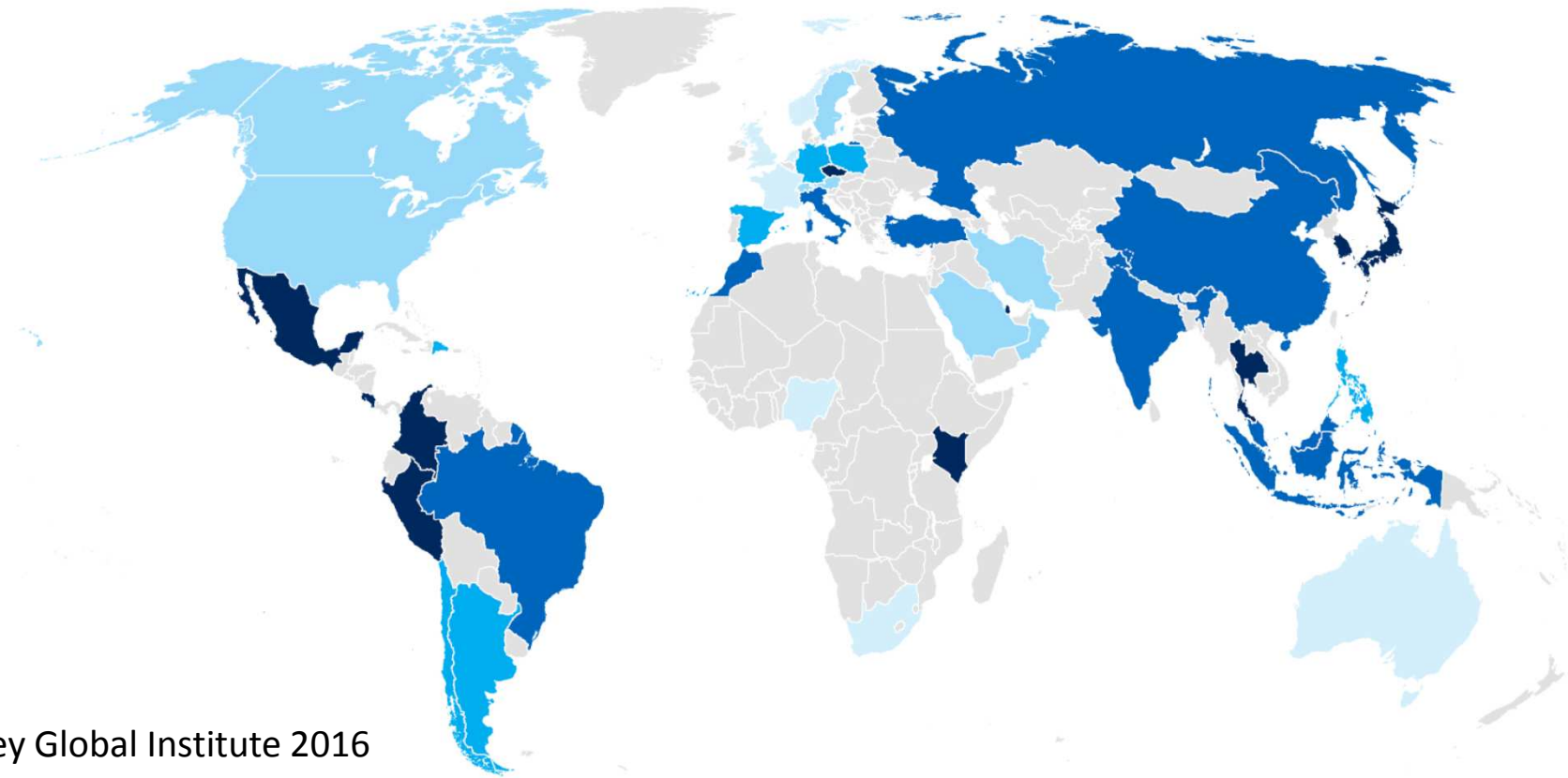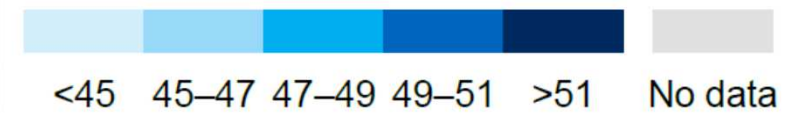
Source: McKinsey Global Institute 2016

Background Cont.

- GCC states will have to further reduce dependency on oil and reduce labour-intensive sectors and make the transition from a rent-based extractive to knowledge-based productive economies.

The rise toward New Skills

Why LMI?

LMI has crucial important to Skills and Migration: Promotes better utilization of human resources:

For Workers

- Higher wages
- Satisfaction
- Better working conditions
- Shorter job search period
- Lower risk of unemployment

For Employers

- Higher productivity
- Faster growth
- Market expansion
- Diversification

For Society

- Higher return on education
- Less cost on market mediation and employment services
- Tax revenues

Labour Market Information System: Definition

❑ Effective, credible and responsive labour market policies and programmes require an effective information system to guide, support, monitor and adjust them.

❑ An LMIS consists of a set of institutional arrangements, procedures and mechanisms that are designed to produce labour market information.

Labour Market Information System: Functions

❑The production of information and analysis for policymakers and other labour market stakeholders;

❑Direct involvement in monitoring and reporting on employment and labour policies, which may include policy analysis and evaluations;

❑Exchange of information or coordination of LMI activities of labour market stakeholders, which include statistical agencies, research agencies and agencies involved in policy formulation and implementation.

Labour Market Information: Skills Dimension
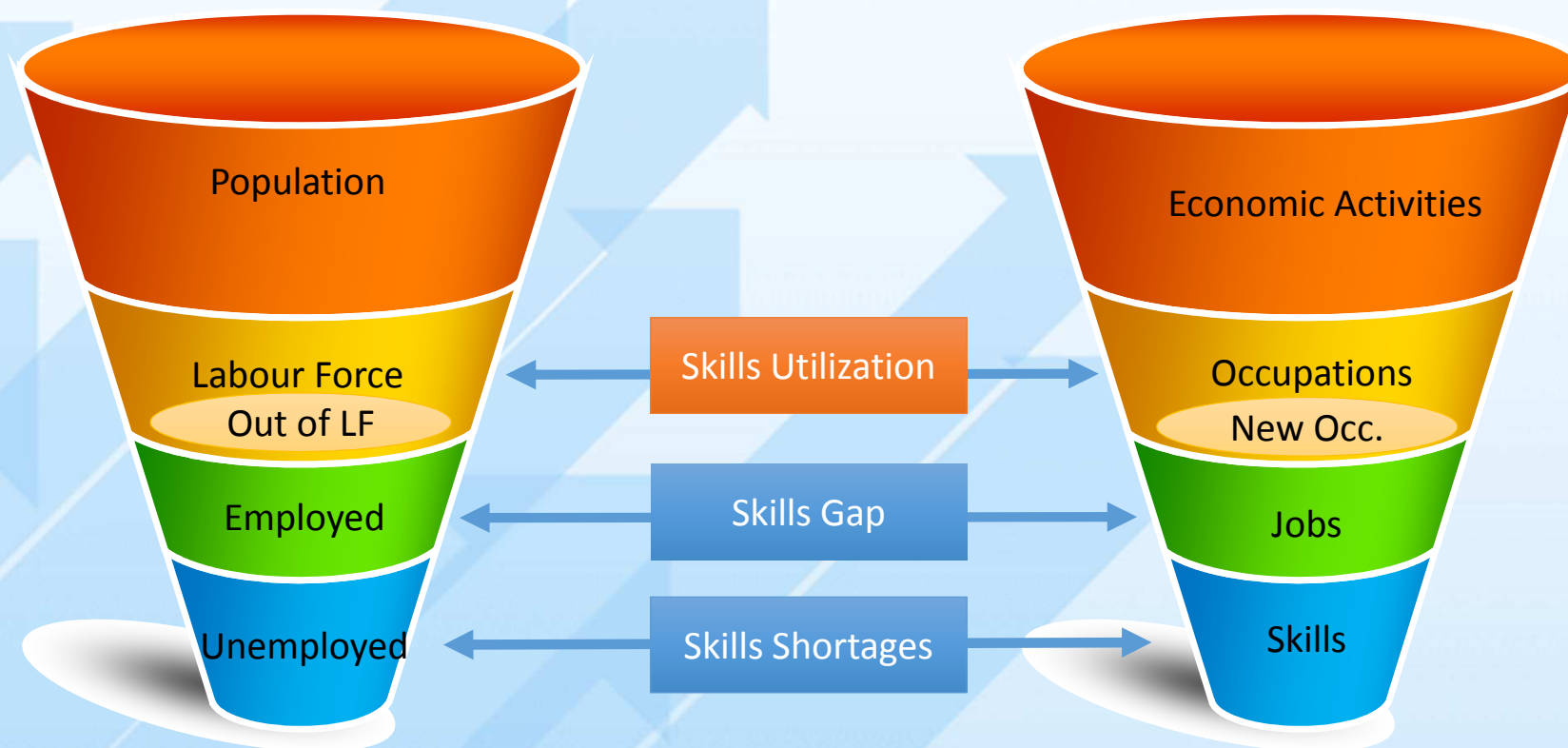
(i) Mismatch by level of education (ii) Mismatch by field of study (iii) Mismatch by years of on-the-job training and/or work experience
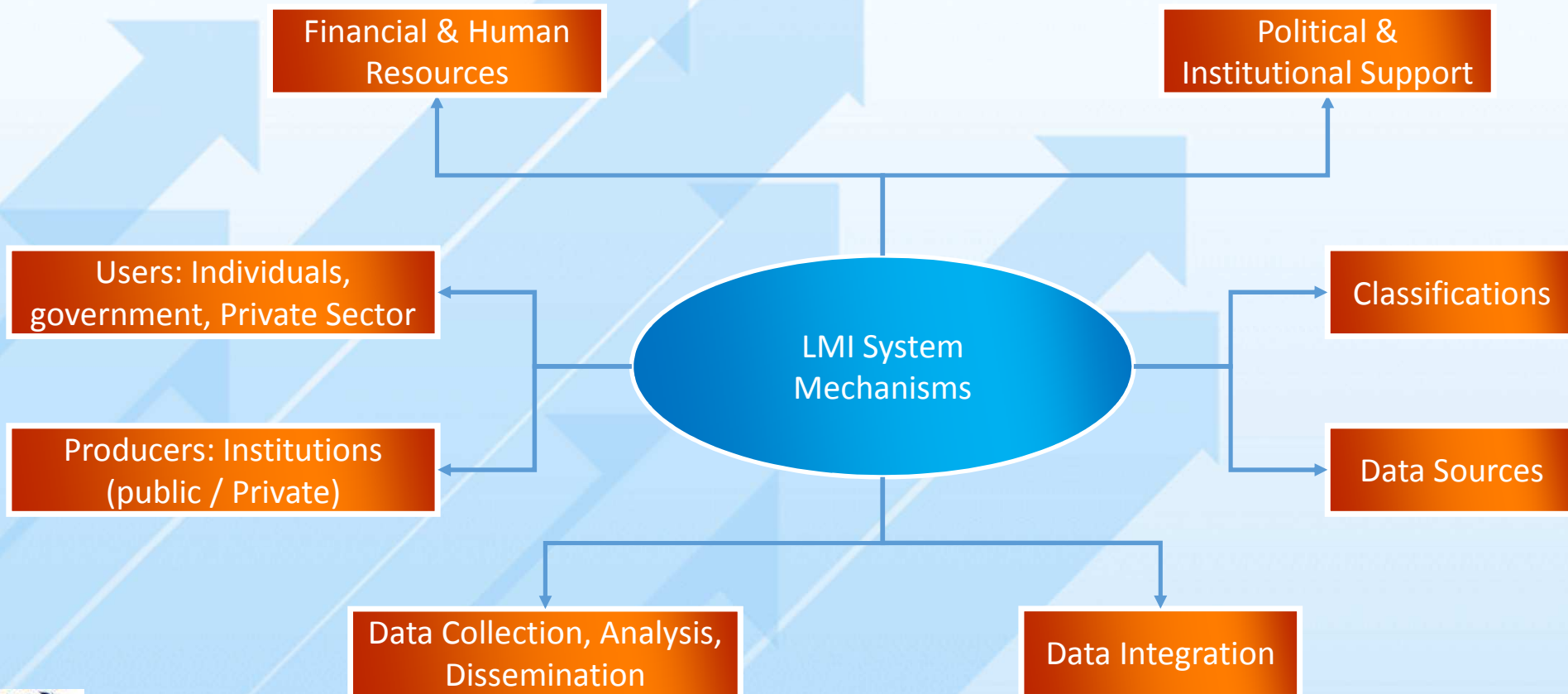
Objectives of LMI systems

☐1) **Matching labour supply** (workers supplying their labour in the market) and labour demand (employers offering jobs), that is, an intermediation function in the labour market exchange.

☐2) **Supporting decision-making and policymaking**, in particular, policy design in the fields of employment policy, education and vocational training policy, migration policy and overall social and economic development planning, and monitoring the implementation as well as evaluating the results and impact of such policies.

LMI System Components

Financial & Human Resources

Political & Institutional Support

Users: Individuals, government, Private Sector

Producers: Institutions (public / Private)

LMI System Mechanisms

Classifications

Data Sources

Data Collection, Analysis, Dissemination

Data Integration

GCC Labour Registers

☐ All GCC countries have register system to capture workers information that are submitted by employers to request to recruit a specific number of workers including qualifications.

☐ All foreign workers need to register their contracts after employers have recruited them through the quota system (employers may seek quota approvals on an individual basis or in bulk to cover projected manpower needs).

Vacancies are captured by authorities on the daily basis

LMI Challenges: GCC Countries

The challenge of labour and employment policy design, monitoring, and evaluation is hampered by three groups of challenges:

The lack of timely, objective and reliable LM statistics/data on the occupational and skills levels

Divergence between the quality of data needed for administratively structured purposes, and the quality of the data needed for the production of statistical indicators.

1. The lack of timely, objective and reliable LM statistics/data on the labour market (Skills)

- Fragmentation of data across various platforms and institutions(no data integration)

- No predefined indicators and reports to consolidate the data collected.

- Inadequate capacity in to collect and analyse data on the labour market, building a labour market profile, and using labour market diagnosis to design appropriate policies and evaluate such policies.

- Absence of labour market information officers across government authorities to administer and coordinate the collection, integration, and dissemination of data.

2. Divergence between the quality of data needed for administrative purposes, and the quality of the data needed for the production of statistical indicators

- Data collected is not well verified and represented to maintain consistent structure by the system which makes the quality level of information difficult to analyse;

- There is a large amount of incomplete, and missing information;

- Weak data quality and poor timeliness by the data entry staff (e.g., education level and skills are randomly entered into the system);

- No predefined indicators and reports are built into the system (policymakers and managers do not have online/offline access to any regular reports on registered foreign workers).

LMI (Administrative) Challenges in the ME Region

Data Collection

Data Processing

Data Analysis

Data Dissemination

-Inadequate requirements
-Missing information
-Inconsistent information
-No classification
-Weak staff capacity

-Low quality data input
-Unclear documentation
-Timeliness issues
-Outdated system
-Poor data integration
-Multiple applications

-Inadequate staff capacity
-Incomplete LM indicators
-Data interpretation / coherence.
-Dashboards issues for managers and policy makers with Ad hoc reporting features.

-Periodical publication
-Sharing platforms
-Ad hoc reporting
-Just in time information

LMIS Critical Success Factors

Institutions & Actors	Data Integration	Data Sharing	Analysis	Dissemination
Producers and users: inter-institutional information flows and coordination mechanisms.	LMIS should be based on the principle of integration, aiming to become an "integrated" labour market information system.	Data sharing should have a technological base and a set of rules for sharing or exchange (regularity, limitations, use and so on); and a joint understanding of concepts and definitions.	LMIS should process and analyse integrated data, in particular for policymaking purposes. This is often the weakest part of national LMIS in developing countries.	Regular analysis publications should disseminate the available information to all stakeholders on a periodical basis (e.g. monthly or quarterly bulletins with statistics and trend analysis and yearbooks).

Recommendations

❑Establishing inter-regional (across border) labour market information system to monitor the labour market integration of migrants using sets of economic and labour market indicators, with special attention for indicators capturing occupation and the utilization of skills

❑Establishing Inter-regional Labour Market Observatory (think tank) to facilitate the exchange research and good practices across-countries on skills needs and on education systems.

❑Strengthening the local capacity on labour market research and analysis and appointing LMI officers.