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# BRICS FUTURE SKILLS CONFERENCE



*Brazilian National Service for Industrial Training*

**THE FUTURE OF WORKFORCE**

# The future is today: megatrends reshaping the labor market globally

Change driver	Megatrends	Selected examples
Shifts in Technology and Digital Productivity	 Automation and Technological Innovation  Big Data and Advanced Analytics	1/3 of work automated by 2035 with 3/4 of jobs substantially impacted
Shifts in Resource Distribution	 New Demographic Mix  Shifting Geopolitical and Economic Power  Megacities and Agglomerations	Multigenerational workforce with over 25% of Generation Z by 2025 Another 2.5 billion people will move to cities by 2050
Shifts in Workforce Values and Culture	 Diversity and Inclusion  Entrepreneurship and Well-Being  Green economy  Inequality → Nationalism vs Global Mindset	Workforce mobility doubled in the last 20 years 5-45% of workers already involved in gig platforms Green economy will lead to job losses of around 6 million as well as the creation of some 24 million jobs by 2030

Source: Analysis of BCG research, media and publications

The majority of trends are already shaping the labor market. The key question is about the speed and depth of the changes

New circumstances on the labor market are changing the development and distribution of human capital

# Over 1.3 billion people in the world are employed in jobs they are under- or overqualified for

## Megatrends

Automation and Technological Innovation

Big Data and Advanced Analytics

New Demographic Mix

Shifting Geopolitical and Economic Power

Megacities & Agglomerations

Diversity and Inclusion

Entrepreneurship and Well-Being

Green economy

Inequality → Nationalism vs Global Mindset



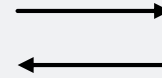
### Skills deficit

Lack of candidates with required skillset to fill specific vacancies

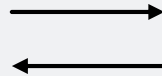


### Skills redundancy

Jobs disappear, skills are no longer in demand



People are employed in job activities that they are not fully qualified for and do not pursue opportunities that could be a better match for them



## Skills mismatch

Qualifications do not meet those generally required for the job

1.3

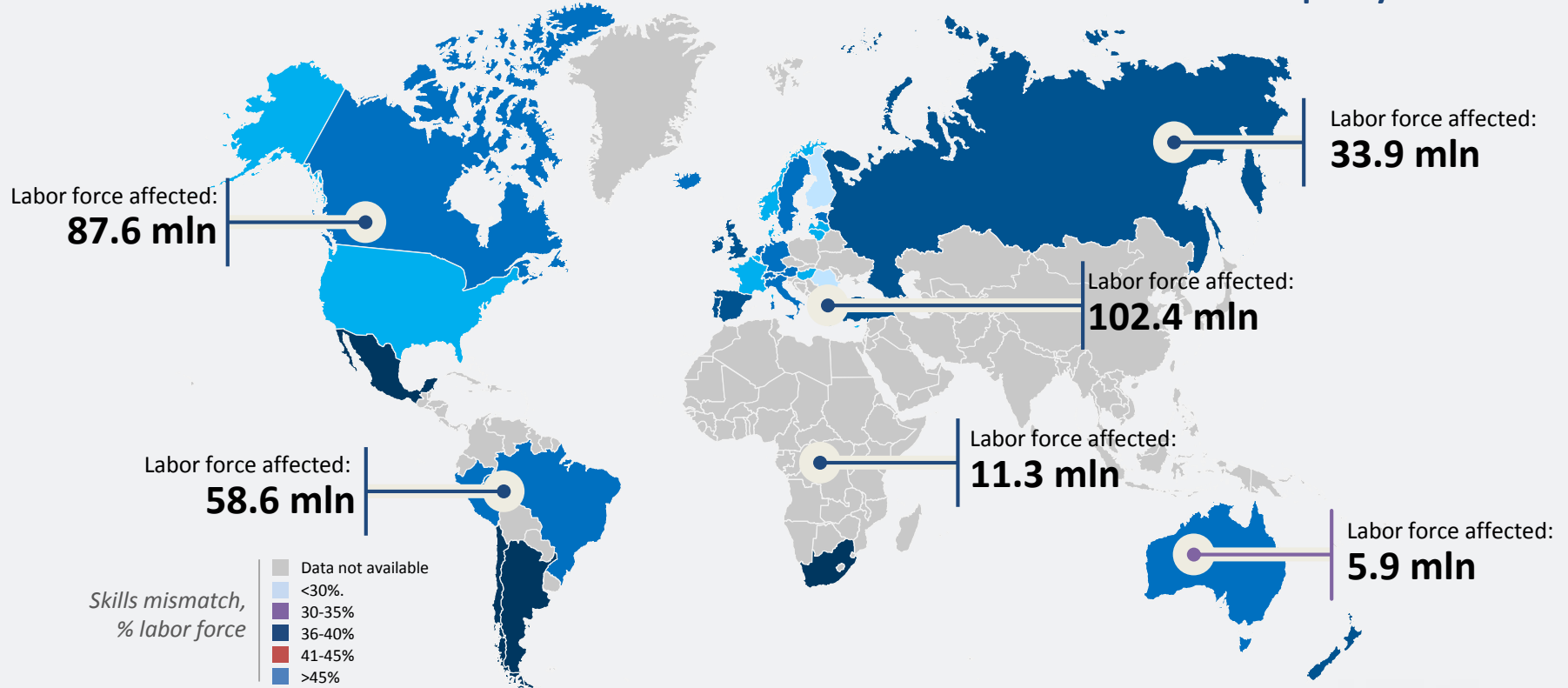
Labor force affected, bln people

6%

Global GDP affected, % (PPP 2010)

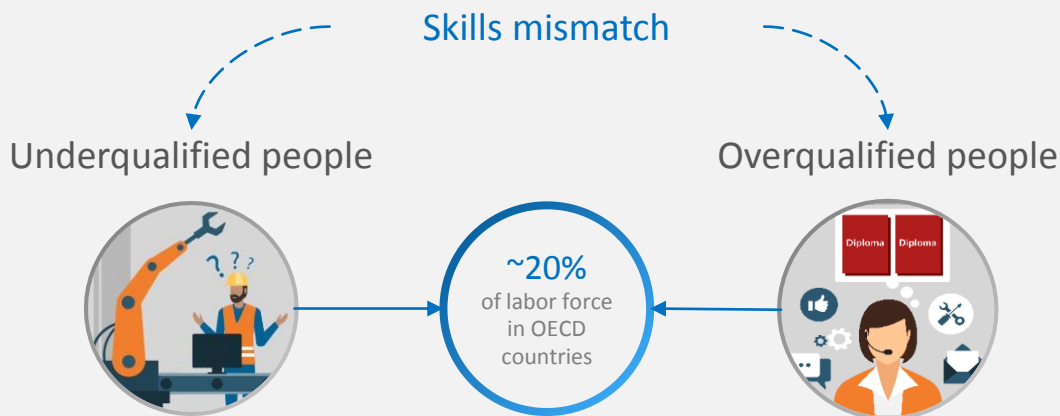


## In OECD countries<sup>1</sup> skills mismatch affects 2 out of 5 employees



1. Analysis covers 41 countries (incl. 35 OECD countries and 7 non-OECD countries (Argentina, Bulgaria, Cyprus, Peru, Romania, Russia, S. Africa))  
Sources: OECD, 2016; ILO, 2016; World Bank, 2016; BCG analysis.

Skills mismatch is a "hidden tax" on labor productivity withholding up to \$5T from global GDP annually

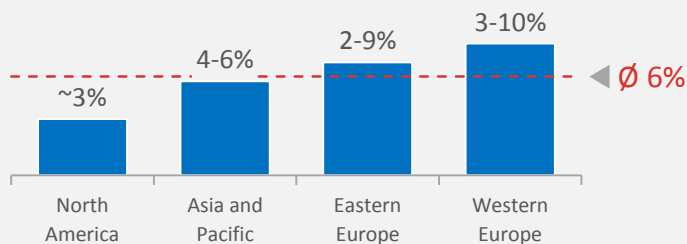


E.g. ~45% of employers deal with skills deficit during their employment<sup>1</sup>

E.g. in 1970 1% of taxi drivers had college degrees, in 2013 – 15%<sup>2</sup>

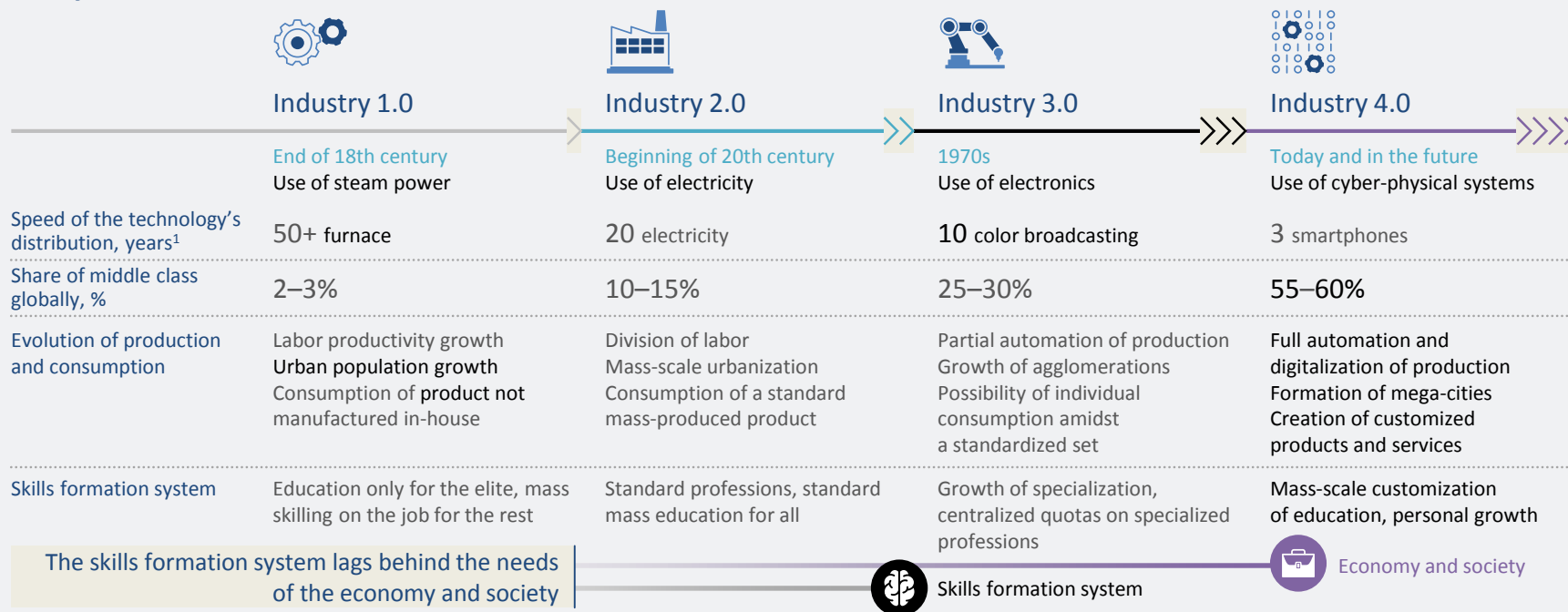
Mean productivity loss due to this mismatch is ~6% ...

... which withholds \$5T from global GDP in 2017



1. "Talent shortage survey 2018", Manpower Group 2. "Why Are Recent College Graduates Underemployed? University Enrollments and Labor-Market Realities", Center for College Affordability and Productivity, 2013  
Source: OECD "Skill mismatch and public policy in OECD countries"


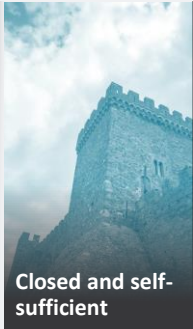





# Skills mismatch is a legacy of Industry 2.0 skills formation system – professional standardization and centralization




1. Number of years from launch to mass distribution to 60% of households 2. Specific occupational categories, IPUMS  
Source: Michael Felton, NYT; The Economist, Surjit Bhalla, The middle class kingdoms of India and China; IPUMS



# Each cluster has its unique strategy of development of talents and closure of skills mismatch

	 <p><b>Ambitious and open</b></p>	 <p><b>Closed and self-sufficient</b></p>	 <p><b>Developed and stable</b></p>	 <p><b>Talent exporters</b></p>	 <p><b>Labor force exporters</b></p>	 <p><b>Growing new world</b></p>	 <p><b>Talent importers</b></p>	 <p><b>Protracted crisis</b></p>
<b>Description</b>	Highly motivated, well-educated population driving their own development & supported by a strong skill building system  Inclusive labor market open for both local and international employees	Highly motivated labor force leveraging both a strong education system and self-learning to increase their competitiveness  Buyer's market: self-sufficient labor market dominated by employers	Developed countries with a strong educational system, but inert population focused on stability vs. growth  Seller's market: openness and inclusiveness, meeting the needs of employees	Historically strong educational system  Ineffective labor market: obscure job search, limited mobility, low competition  Massive brain drain and poor motivation of the remaining local labor force	Poor state education system, active self-learning, expensive private educational establishments  Inefficient matching in the labor market, unequal opportunities  High workforce emigration	Highly motivated labor force lacking proper educational foundation  Active and open labor market supporting entrepreneurship, workforce migration and new work modes	Countries with an inert population disengaged from self-development or career building  Open-air labor market with a high proportion of immigrants and temporary workers	Dysfunctional educational and labor market system  Population fleeing the country in search of safety and stability
<b>Examples of countries</b>	UK USA Finland	Japan China	Austria France Germany	Russia	Mexico	India	Saudi Arabia	Venezuela

 Development strategy suggested

# 5 basic principles of the Kazan Declaration cope with the 7 global challenges of the skill formation system and labor market

## 7 global challenges of labor market



- ⚡ Unreadiness of talent for future jobs
- ⚡ Need for life-long learning



- ⚡ Lack of motivation and responsibility for personal development



- ⚡ Inefficient access to labor market opportunities
- ⚡ Lack of diversity and inclusivity



- ⚡ Unequal distribution of human capital



- ⚡ Need for adapting of shifting values and needs of the labor force

## 5 basic principles of Kazan Declaration

### Skills of the future for everyone

- 1 Every person should receive a set of basic competences required for employment amid uncertainty and rapid changes on the labor market. This set should include basic and cognitive skills, as well as social, cultural, green and digital competences

### Self-sustainability

- 2 Every person's professional development should follow a unique and individual path throughout their life

### Freedom of opportunity

- 3 The information on job openings available in the employee's region of residence and beyond should be easily accessible. Employees should be hired based on their competences and actual experience, regardless of their formal education, life situation, physical health, or social status

### Skills mobility

- 4 Labor mobility, flexible employment formats and remote (virtual) employment should be available to everyone, regardless of their current place of residence

### Respect to individual

- 5 Individual is a core value. The workplace and the working conditions should enable self-fulfillment and professional development of every employee

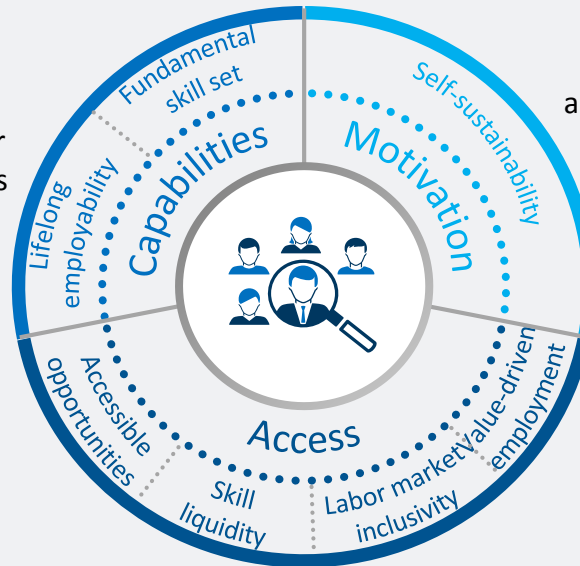


# Mass uniqueness is based on three main blocks: capabilities, motivation and access for everyone

Capabilities, motivation and access are created through cooperation between all participants of the ecosystem – the state, employers and the educational system

Employees have all necessary skills and knowledge to be in demand in the labor market in conditions of uncertainty

Employees are motivated to develop and adapt to change in order to realize their potential



Labor market opportunities are available to all potential employees and are consistent with their values and needs

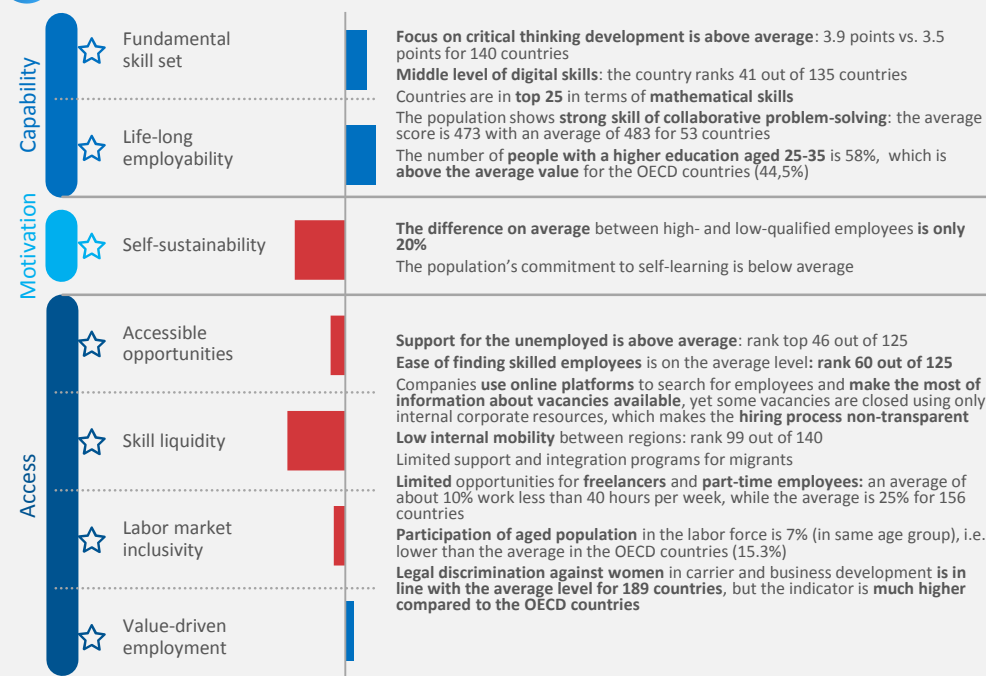
## 21st century challenge: change the social contract for activation of individual responsibility for professional development and self-realization for everyone



# Profile: talent exporters

Based on the example of Russia

## 1 Human-centricity of the system



## 2 Skill mismatch

45%



## Case #1: Career advice in Russia

### “Ticket to the Future”

**50%** of young people (18-24 yrs) do not feel confident that they will be able to find the job they really want to do\*

The most significant factors, influencing the mindfulness:



Access to  
Internet



Live talks  
with real professionals

**2018**

More than 187 000 participants (10-17 yrs) from 41 regions of Russia

**2019**


More than 700 000 participants (10-17 yrs) from 61 regions of Russia

**2020+**


- Collecting digital footprint
- Different formats of vocational guidance
- Career advice programmes for adults

## Case #2: “Skills of the Wise”


### REQUEST OF EMPLOYEES

Industry Employees 50+ 

New Skills 

Unemployed 50+ 

New Professions 

Adults 50+ 

New Skills and  
Professions  

Retraining and  
Continuing Education  
Programmes

13 543 people  
as per October, 31, 2019

II Skills of the Wise – National Final



26 skills competitions  
181 participant from 32  
regions of Russia

### REQUEST OF EMPLOYERS



Transforming Working Places



New Working Places



Existing Working Places

## Case #3: Demonstration Examination based on the WorldSkills Standards

1. EVALUATION OF TVET GRADUATES' SKILLS

2. IDENTIFYING STRENGTHS AND WEAKNESSES

3. INFLUENCING THE TVET SYSTEM DEVELOPMENT



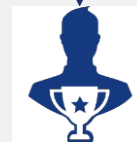
DEMONSTRATION EXAM



MASS EVALUATION OF  
STUDENTS/GRADUATES

More than 93 000 students  
took Demo Exam since 2017.

WORLDSKILLS  
COMPETITIONS



INDIVIDUAL EVALUATION OF  
CHAMPIONS



## Prospects of Cooperation in BRICS Skills Development

1

**Identify** the shared areas of economic/tech/social growth and development

2

**Choose** the priority skills, involve industry and edu partners

3

**Develop** new formats of training and cooperation programmes

# Thank you for your attention!

Share best-practices to overcome skills gap



Research “MISSION TALENT: MASS  
UNIQUENNESS a global challenge for one  
billion workers”

