

A skill in need

Last update: 19 June 2018



A skilled labour force can help countries integrate into the global market, but which skills are in demand and are countries able to supply them? OECD Skills Outlook 2017: Skills and global value chains provides some answers.

Based on the Survey of Adult Skills and the Trade in Value Added Database, OECD Skills Outlook 2017 reports on skill sets by country and how these skills translate to global market performance and global value chains (GVCs). It throws light on the global shift of market forces and the countries doing best to equip their population with the skills necessary to remain competitive on a global scale. The study shows that OECD countries that used to enjoy a comparative advantage because the education level of their population was higher, such as Canada, will have to focus on the right skills more than ever. This is especially the case as the levels of tertiary education and vocational skills are on the rise in many developing and emerging countries. Consequently, countries increasingly compete through their skills, not only through their level of education, in global value chains.

Several OECD countries have improved their participation in global value chains in recent years, including Israel, Japan and Turkey. Countries appearing to have benefited the most include Chile, Korea and Poland, having increased both their productivity and their participation in these value chains. On the other hand, the effects of participation in global value chains on employment and inequality remain unclear. Import competition from low-cost countries has led to a fall in employment, especially in the manufacturing sector. At the same time, OECD countries export high-tech products and business services to other countries, creating new employment opportunities. Bolstering cognitive skills, in IT for instance, is essential for rising up the global value chain and making it work for all.

References

OECD Skills Outlook 2017 <http://dx.doi.org/10.1787/9789264273351-en>