Increasing Opportunity
Introduction to ILO Discussion Paper

G8 Employment and Labour Ministers (Montreal April 27th, 2002)

Minister Stewart and Ministers of Labour and Employment of the G8 countries, thank you very much for the opportunity to participate in your meeting. My I apologise for the absence of our Director-General, Mr. Somavia, who unfortunately caught an unpleasant stomach virus on a recent visit to Burkina Faso and was unable to travel. He has asked me to introduce his paper.

The priority of investing in learning and training commands consensus across the political spectrum and amongst the key actors in the world of work, employers and unions. However, we all have to admit that translating that commitment into reality is very complex and results are mixed. We all have work to do.

Building on the 2000 International Labour Conference discussion of human resource training and development, the ILO will begin next year the process of preparing a new Recommendation on Human Resources Development. The first discussion report is just out and if you need a copy my colleagues will be glad to oblige. It invites governments and the social partners to give their views on the content of a new international labour standard instrument.

In November last year the ILO held a Global Employment Forum that discussed a Global Employment Agenda with a view to encouraging countries to put employment at the heart of national and international economic and social policies. Earlier this week, we held, here in Montreal, the first of a series of roundtable conferences to follow-up on the Global Employment Forum. The theme was “Knowledge and Skills for Productivity and Decent Work.” A number of themes emerged from the discussions relevant to your reflections.

So, before highlighting some of the issues in our background paper, perhaps I might briefly summarise the main points made by the experts from 23 countries and UNESCO and the European Commission at our tripartite Montreal Roundtable.

First, all agreed that education and training policies had to be part of a broader employment strategy and that the ILO’s Global Employment Agenda provided a useful framework for deepening the analysis of key policy areas such as increasing opportunities for acquiring and developing learning and skills.

Second, virtually all countries face the challenge of modernising the institutions and policies for training to meet the needs of the era of globalisation and more specifically the end of the task-oriented method of work organisation known as Taylorism.

Third, the concept of life-long learning is now broadly accepted, but it was recognised that a great deal more needed to be done to assure policy coherence between the different ministries and public agencies responsible for different phases of the life-cycle of learning, instil a culture of continuous skill acquisition throughout society and move beyond platitudes.

Fourth, new systems would have to be demand driven, flexible and quick in response. Social dialogue could help achieve this but it too needed reinvigoration to meet this challenge.
Finally, the ILO needed to focus on where it could add value to national efforts and those of other international agencies. This included preparing new policy guidelines at our 2003 and 2004 Conference; connecting the expected new Recommendation to the skills and learning pillar of our employment agenda; developing our on-line databases as a means of information exchange particularly for practitioners; researching and disseminating best practice, for example in the recognition of informally acquired competencies; building alliances with other agencies to achieve the Millennium Development Goals on Education for All; and offering technical assistance to countries in conducting comprehensive policy reviews.

Turning now to the paper, education and training have a major role to play in increasing two contrasting but linked areas of opportunity. They are essential for countries and companies in addressing the challenges of grasping opportunities in the global market place; and for increasing the life chances of large numbers of people struggling to overcome poverty, unemployment and marginalization. I will concentrate mainly on the second area but would stress that one way of looking at social exclusion is to think of it in terms of making globalisation work for all.

Poverty has, of course, many causes, but the lack of adequate education and training is one of the biggest barriers preventing people from realising their capabilities through decent work.

When we look at the situation of the low earning/precariously employed segment of the workforce anywhere in the world, we find the same problems of low levels of educational and skill attainment and few opportunities for accessing training.

The acquisition of knowledge and skills, both as a source of personal development and as means for earning a living, is a process of interaction between the individual and other members of the community. Some individuals are clearly better able to manage that process for themselves and seek out the knowledge and skills they want and need. Others need considerable support, but our systems are not always able to respond effectively to these different needs.

Ministers like yourselves have the lead responsibility in developing and organising a systematic approach that coordinates public and private action and ensures that everybody has opportunities for learning that fit their circumstances in a cost efficient manner.

In doing so a broad political constituency of support has to be mobilised around five major policy challenges central to making knowledge and skills the engine of both economic growth and also social development.

The first challenge relates to the quantity and quality of investment in education and training opportunities. Women whose skills are either undeveloped or unrecognised and as a result are trapped in low productivity and low paid work or get little or no help in meeting family and societal responsibilities for caring for dependants; the 10 percent of the population in many countries with disabilities; the many people left stranded in long term unemployment by industrial restructuring with a skills profile ill-suited to the new jobs being created largely in the service sectors; these and other vulnerable groups represent a huge untapped reservoir for productivity growth. Tackling social injustice is not just a moral imperative, it is to put it crudely “a business opportunity”.
We cannot count on governments alone to foot the entire investment bill. We must mobilize all partners in raising and maintaining investments in the human resource: governments, enterprises, unions and individuals. Picking up one of the themes of yesterday’s discussions, can we pinpoint the mechanisms that have worked in raising and stabilising financial resources for education and training? And have we any advice to offer developing countries which face an even bigger challenge in reducing poverty?

The second policy challenge is basic education, literacy and core work skills. As we heard yesterday, too many young people either do not complete their basic school education or emerge with a weak capacity to read and write or manipulate numbers and thus lack the means to carry on learning through their working life. Poor educational attainment is passed on from generation to generation in a cycle of low paying precarious employment interspersed with bouts of unemployment.

Breaking the cycle requires focusing resources on creating opportunities for the children and their parents who need most support from the rest of society in accessing the learning process and the job market. Focusing on a successful school-to-work transition is critical but is only one element in reorienting the entire system towards lifelong learning.

Increased finance is needed, but is more likely to be forthcoming to support a reform process that ensures that all people have the chance to acquire the core skills needed for a full working life, preferably as children but, if necessary, as adults. But how do we get that reform process moving? Are there any common features of the political experience of reform that can help countries tackle some very tricky questions?

Thirdly, vocational education and training systems in many countries also need root and branch reform. Our Canadian hosts are well into a thorough review of skills and learning which we at the ILO find admirable for its thoroughness and frank questioning of received wisdom.

Responsiveness to shifting demand and social needs for knowledge and skills are the hallmarks of a flexible and effective education and training system. Fundamentally, we need to develop a culture of learning with supportive institutions with sufficient resources that encourages and makes it easy for individuals to engage in education and training throughout their life.

The question is how, in practice, do we get those who deal with education in the classroom and those who are focussed on training in and around the workplace to interact?

The fourth challenge is to recognise the skills people have. Many workers go through their working career without receiving any recognition for the skills they have gained, informally, at work or at home. We must therefore encourage the development of effective systems for recognition of prior learning and skills, irrespective of where they have been gained.

This will help us facilitate lifelong learning, help enterprises and employment agencies match skill demand and supply, and also help the individual worker in his/her choice of training and career. We have to work out how to pass on your experience to the development of cost-effective systems worldwide. Skills recognition allows workers currently classified as unskilled, because they lack a piece of paper but who have acquired a capacity to apply what is often termed tacit knowledge to
their work, to participate in further learning that can greatly improve their access to decent jobs and improved living conditions. But this is easier said than done. What is the experience so far in recognizing informally acquired competencies?

**Fifthly**, we need to strengthen the education and training “constituency” and hence the degree of priority that decision makers - and society - accord to the demands of the skills and knowledge based economy. This in turn suggests that we need to create the space for, and capacity of, trade unions and employers’ organisations to engage in meaningful and effective social dialogue and action on education and training.

I would however like to have your frank assessment as Ministers as to whether social dialogue is meeting the challenge of stimulating innovation in training and education?

To conclude, we often glibly talk about how people are the greatest asset of our country or company and that we must invest in their knowledge and ability to apply it at work. Yet in general our economic systems undervalue people and under invest in their education and training.

Employment and labour ministers are best placed to remedy this contradiction, but must develop the political muscle within cabinet and more broadly in society as a whole to make the heads that nod when we say education, education, education also become hands that write cheques.

At the ILO we are trying to construct a launching pad for a global drive to add a social dimension to globalisation. We have a special Working Party of our Governing Body and now a World Commission of 25 eminent persons with a mandate to study and report on how to improve coherence in our national and international social and economic policy making systems. The issue of education and training brings the need for such policy integration into sharp focus. I look forward to any comments you may have on the direction the ILO’s contribution should take in the future and how we should collaborate with our colleagues in other institutions like the OECD, UNESCO and the World Bank.

There is a clear economic demand for a much higher level of workforce skills in all countries but meeting that need requires social action because learning is a social process. Ministers around this table are in a position to make a difference in your own countries and internationally by helping us all to identify the best ways you have found for translating the rhetoric of policy integration into reality.