



Challenges and Prospects in Italy : a strategic approach to skills

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A Strategic approach to Skills



Overview of the Presentation

➤ Rationale

skills as a major driver of employability, well being, innovation and sustainable economic growth. Having strong foundation skills and adequate and updated occupation and sector specific skills are basic conditions to live and work in our century

➤ Content

- challenges Italy is facing on the issue of skills
- developments
- VET policies and actions within the Italian Skills Strategy

Challenges



- Low performance in foundation skills (PIAAC, PISA with positive trends)
- High rate of early school leaving: 14,7% vs EU avg 11%, dropping from 17,3% in 2012
- Low rate of tertiary graduates (age group 30-34): 25,3% vs EU avg 38,7%, increasing from 21,9% in 2012
- Low participation in adult learning: 7,3% vs EU avg 10,7%, increasing from 6,6% in 2012 but decreasing since 2014 (8.1%)
- Skills mismatch, skills imbalances and shortages (30% mismatch –PIAAC)
- High long-term unemployment rate (6,9% vs EU avg 4,5% , improving since 2014- 7,7%), with consequences on skills atrophy and eventually skills decline especially among young people, and NEETs

Strong heterogeneity at regional level

Waste of young women's talent

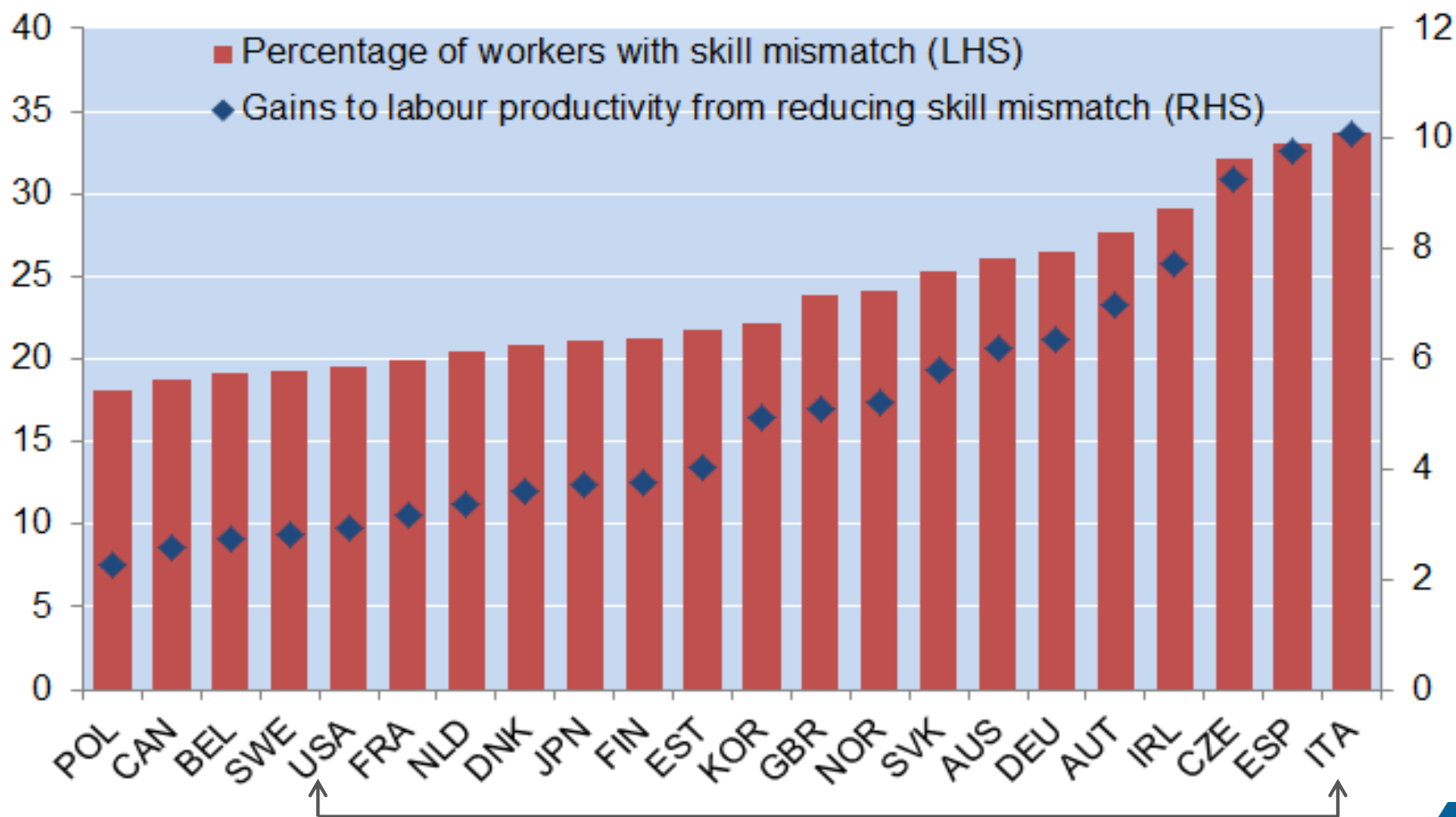
Challenges



- Clear evidence of the correlation between low skills and skills mismatch on productivity
- And the fact that it is not an issue of skills development and their responsiveness to labour market needs only, but an issue of skills use
- The big challenge which includes all specific challenges in developing skills, activating skills in the labour market and using skills at work is to break the low skills equilibrium trap that has characterized Italy in these many years of recession

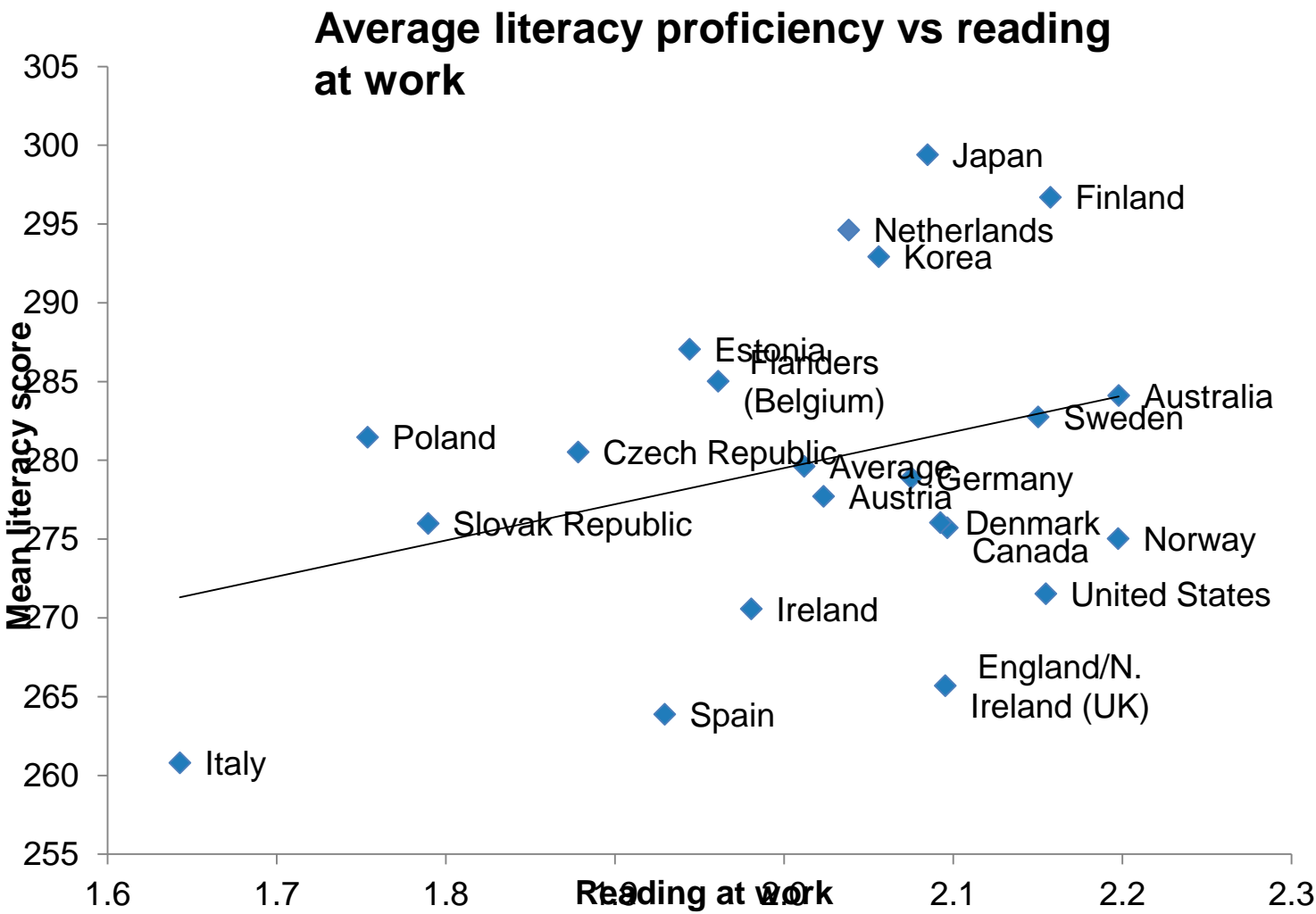


Productivity gains from reducing skill mismatch to the best practice level





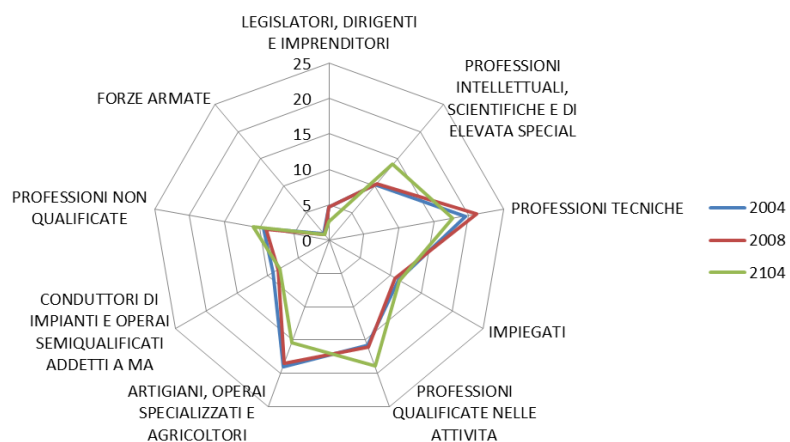
Effective use of skills



Source: OECD calculations based on the Survey of Adult Skills (PIAAC) (2012) (database).

Challenges: composition of occupations

Composizione % dei Gruppi professionali



Developments



Overarching & Coordinated Approach to Skills:

- Skills development mainly through education, training and learning policies at all levels and by mobilizing social partners , sectors and individual companies . “**Good School**” structural reform under implementation
- Skills activation as to avoid skills atrophy and decline through active labour market policies and incentives to permanent contracts. “**Jobs Act**” structural reform on labour market + Youth Guarantee
- Skills use through economic development policies and by mobilizing social partners , sectors and individual companies
- Strengthening skills system through partnerships, stakeholders engagement, labour market and skills intelligence provisions, validation of skills acquired in non formal and informal learning, lifelong guidance...

Developments



Recent launch of a comprehensive Italian Skills Strategy, in cooperation with the OECD for the diagnostic phase, adopting:

- A whole of government approach
 - Inter-ministerial partnership coordinated by the Ministry of Economy
 - widened to key stakeholders
- Cutting across all sets of policies that have an impact on skills

VET within the skills framework

Priorities of action



- Development of cognitive skills –foundation and specific- of young people:
 - Apprenticeship and work based learning within VET tracks (leFP, Technical and Professional Education, Tertiary non academic VET)
 - General Education and Tertiary academic pathways
 - Extra-curricula quality internships that lead to skills certification, not only in the private sector but also in civic services and voluntary organizations

NQF- National VET Qualification Register-Validation of NF learning

Engagement and partnership with sectors and firms

- Development of foundation skills, with a focus on low skilled adults and migrants, through adult education policies in formal and non formal settings, leading to formal qualification or certification

VET within the skills framework: Priorities of action

- Development of new/updated specific skills of the adult population , with a focus on the unemployed and NEETs as to strengthen their employability. Combined with passive employment policies
- Development of employee's new/updated specific skills . Balance between defensive and innovation driving actions
- Responding to skills needs, anticipating skills needs and fostering skills match

The new active policies system devised in the Jobs Act is based on the strict cooperation of a network of relevant institutions and stakeholders, under the coordination of the newly established National Agency for Active Policies (ANPAL): Regional Authorities, Social Security Institute (INPS), Work Accident Prevention Institute (INAIL), ISFOL, Regional offices and Public and licensed Private Employment Services, Chambers of Commerce, Bilateral Funds for Continuing Vocational Training (*Fondi Interprofessionali*), accredited vocational training bodies, upper secondary schools and Universities.

Thank you!