

FORECASTING THE JOB MARKET: CHALLENGES IN THE POST-WORK ERA

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Objectives of the Presentation

**Better understand the benefits, limits and challenges of
developing and implementing labour market forecasting
models**

Agenda

1 What are Labour Market Forecasting Models

2 Benefits

3 Limits

4 Challenges

5 Discussion

What are Labour Market Forecasting Models

- Simple accounting framework that helps organize and make sense of existing data
- Provides insights on the industrial and occupational structure of the labour market both on the demand and supply side
- Provides an outlook on employment gaps (surpluses and deficit) by occupations on the medium to long term (5-10 years)



What are Labour Market Forecasting Models

- Used in Canada, USA, Europe
- Implemented by CIDE in Namibia
- Currently being implemented in 7 countries of the south Mediterranean region (Algeria, Israel, Jordan, Lebanon, Morocco, Palestine, Tunisia) – EU/UNESCO Project (NET-MED Youth)

Example from Namibia: Top 5 jobs 2017-2021

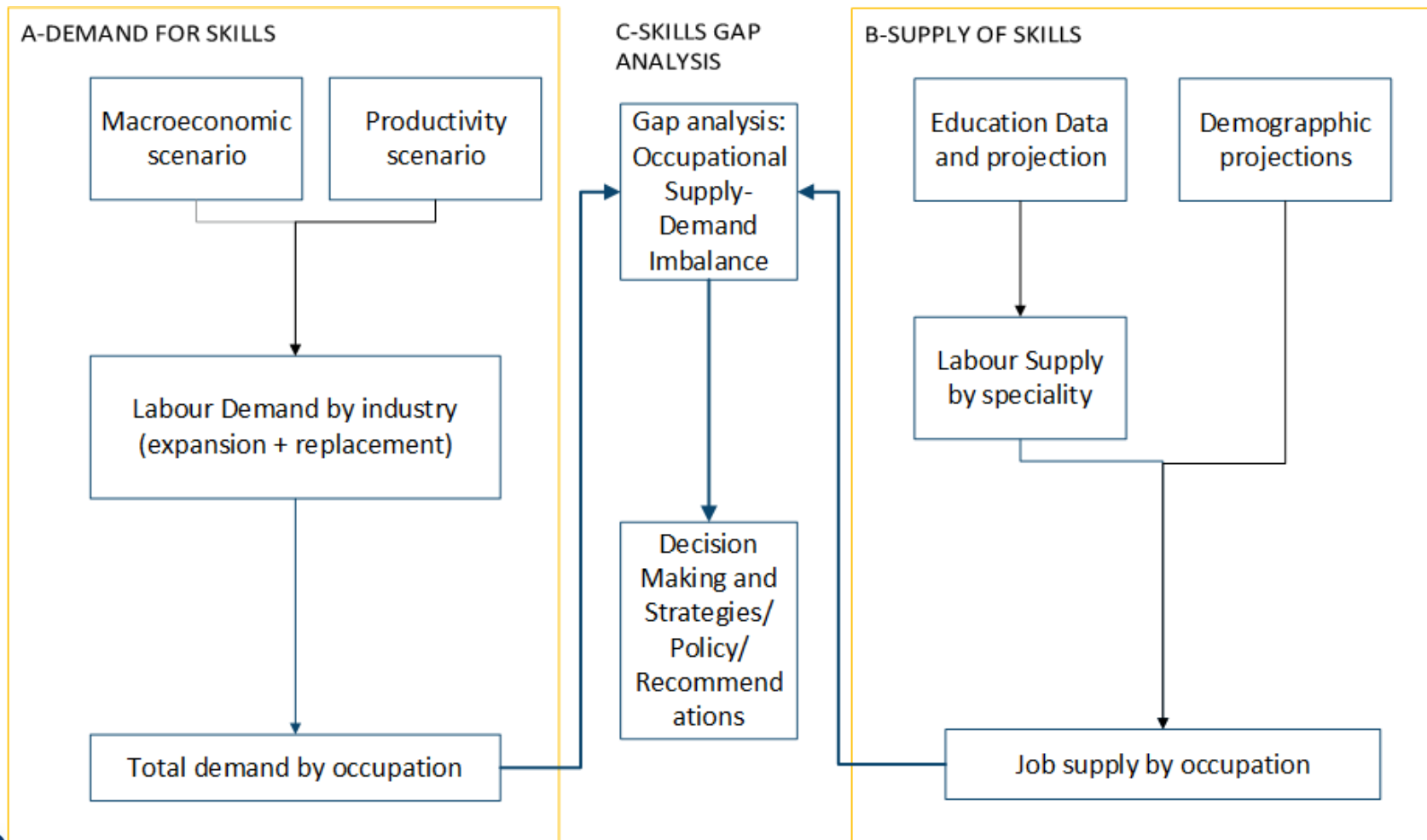
Main occupation groups with greater demand supply ratio

1. Market oriented skilled agricultural and fishery workers
2. Other craft and related operators
3. Models, salespersons and demonstrators
4. Metal, machinery and related trade workers
5. Office clerks

Source: National Human Resources Plan 2010 – 2025; http://www.npc.gov.na/?wpfb_dl=203

What are Labour Market Forecasting

- Based on the *Manpower Requirements Approach (MRA)*, which consists of three independent stages :





Benefits

1. **Employer oriented:** Focuses on occupations needed by employers rather than education
2. **Efficient:** Make use of existing, national, quality data
3. **Simple:** Simple base-line framework that can be enriched progressively using more sophisticated approaches

Limits

1. **Data:** Assume national statistical institute data is reliable
2. **Forecasting in fragile/unstable countries:** the quality of outputs depends on quality of the forecast at each step
3. **From occupation to skills to education:** Further analysis is required to corner down the skills needed



Challenges

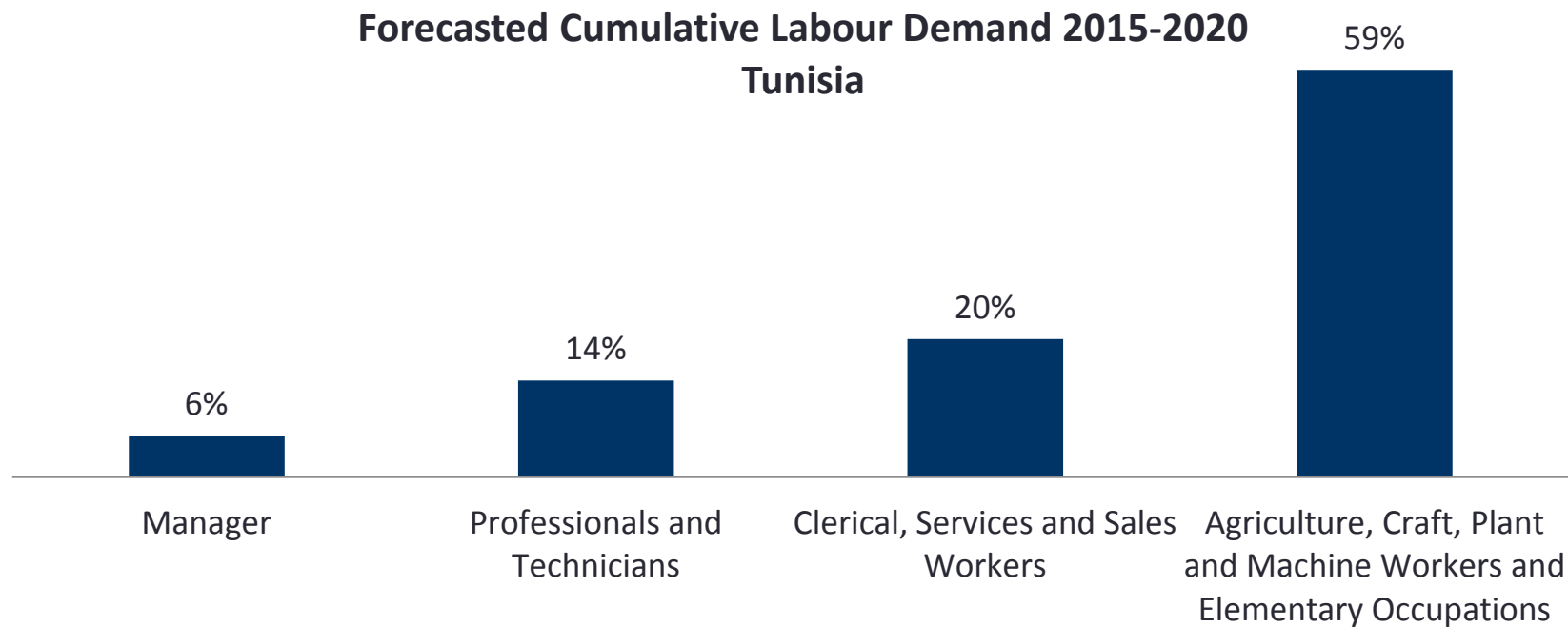
In the process

- 1. Limited access to household survey micro-data for research purposes**
 - Absent or inoperative data access protocols
 - Sensitive data
- 2. Partial and unorganized education data**
 - Higher Education and TVET data is usually not structured and incomplete
(numerous providers)
- 3. A system of information dissemination is required:**
 - Different users can benefit from the model if information is made available in a
coherent manner

Challenges

In the results

1. Bulk of demand is found in lower qualification jobs

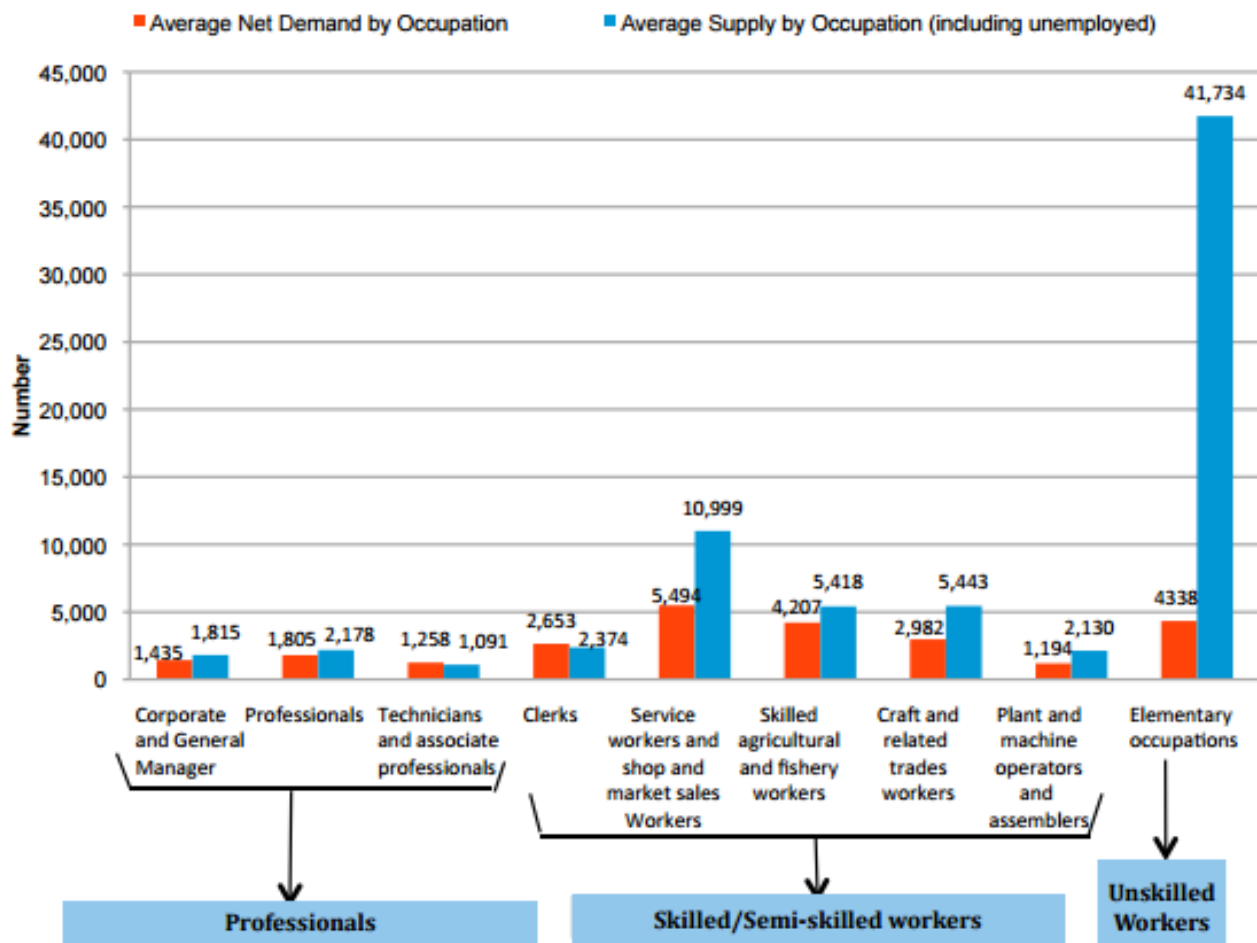


Source: ONEQ– (NET-MED Youth Tentative results)

Challenges

In the results

2. Gap analysis is often characterized by labour surpluses:



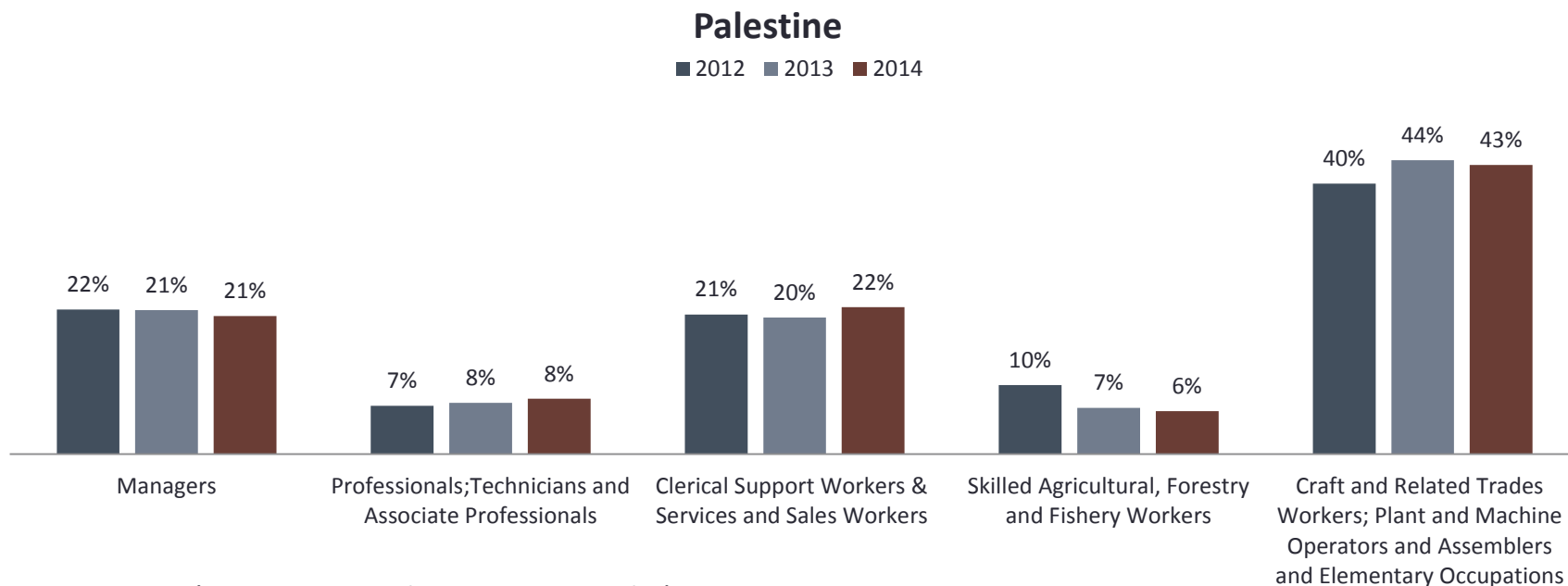
Challenges

In the results

3. Labour market structure is relatively static:

- Changes in economic situation are not influencing the occupational structure in the short-medium run
- Occupational approach to labour market analysis can provide valuable insight into future needs

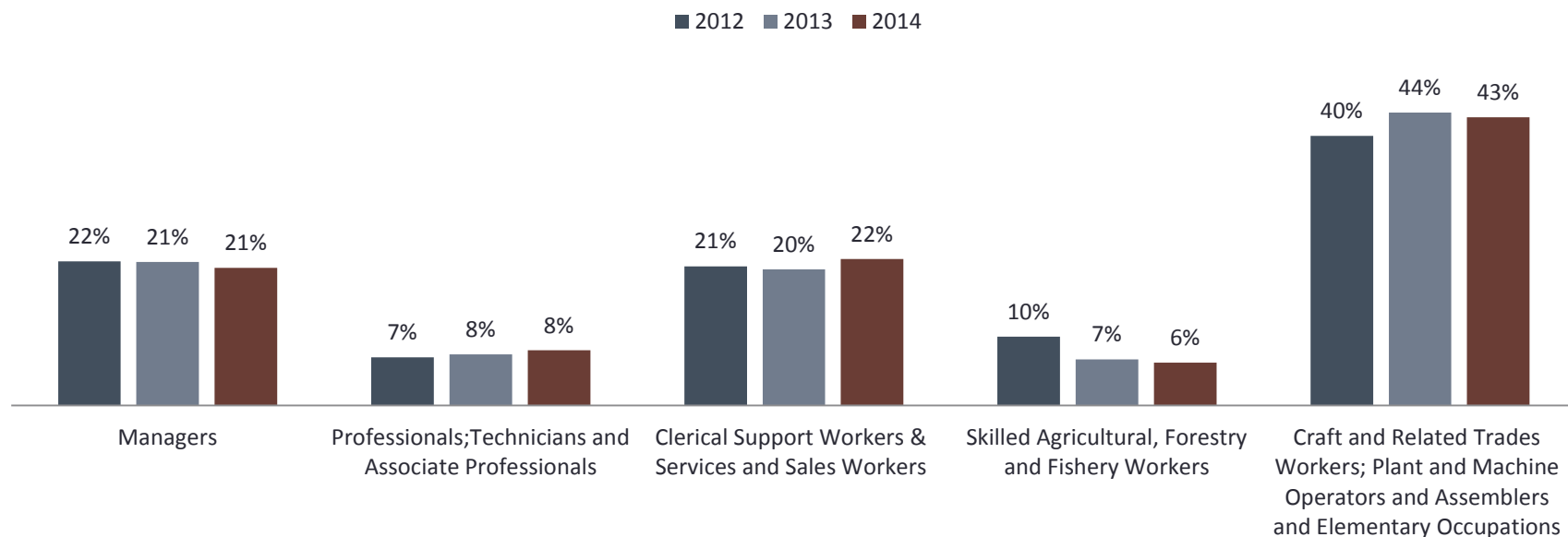
Occupational Structure Shift 2012-2014



Challenges

In the results

Example: Occupational Structure Shift in Tunisia



Source: Observatoire National de l'Emploi et des Qualifications – (NET-MED Youth Tentative results)



Discussion

How can we understand
labour market mismatch?

How can we coordinate
economic and
education/labour policies?

How can we effectively
promote evidence-based
decision making in education
and labour policies?



Thank you
