



The Voice of OECD Business

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## **Building Strong Partnerships with the Private Sector for Better Jobs and Inclusion**

BIAC Discussion Paper for the Occasion  
of the 5<sup>th</sup> Annual LEED Forum Meeting

Vienna, Austria

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### **I. Introduction**

BIAC appreciates the opportunity to participate for the first time in the LEED Annual Forum Meeting. We welcome the new thrust in the LEED programme of work towards examining skills and competitiveness. The focus of the 2009 Annual Forum Meeting looks closely at these issues towards delivering better and more sustainable outcomes in the labour market by building public-private partnerships and relationships with local communities that also focus on skills development.

Partnerships between public, private sector and the educational system are effective ways to better identify future employment needs and skills gaps. They can contribute to ensure that the workforce has the necessary training and skills to succeed in the economy.

There is always great scope for improving these partnerships to ensure that opportunities are not missed and that local economies do not fail. In this spirit, this paper aims to provide some perspectives from the OECD business community in order to help build stronger and more effective partnerships going forwards. Especially in the current climate of economic decline, joined forces to facilitate skills development and job creation are crucial to restoring economic growth across all levels of our economies.

### **II. The value of partnerships**

As noted in the introduction, partnerships between the public, private sectors and educational institutions are effective ways to better identify future employment needs and skills gaps, helping to ensure that individuals have the necessary training to succeed in the

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economy. Moreover, transparent well-designed management and use of economies of scale can make partnerships highly cost-effective and speedy, particularly in periods where funds are scarce. Partnerships also contribute to more innovative approaches towards a more skilled, creative and flexible labour force. Through such partnerships, government and educational institutions can work with business to create a more effective enabling environment for individuals to successfully enter and remain in the labour market.

In short, partnerships facilitate the development of education services and training that are more responsive to the needs of individuals. Partnerships can help businesses improve their competitiveness through stronger, more skilled workforces and better productivity and are thus a key contribution towards sustainable economic development.

### **III. Recognising skills needs for better partnerships and better jobs**

Key to effective partnerships is for all parties to know the skills base and skills gaps. Business is aware that more individuals are needed with high and medium education levels in order to be both competitive and address specialised labour market needs. Particularly, skills in science, technology, engineering and mathematics are required in order to support innovation and sustainability of economic growth; unfortunately many OECD countries have significant skills shortages in these fields, and more needs to be done to increase their attractiveness.

Increasing links with universities, employment services, and local communities, creating internships, strengthening recruitment and communication strategies, and improving vocational training and life-long learning opportunities are all methods which hold great potential for better jobs and inclusion. Communication and engagement between all actors in the local economy are crucial in this effort, and signalling of skills needs must be quick and constantly refreshed. Local and regional level partnerships between the main economic actors will thus be critical towards effective signalling of local skills needs for competitiveness.

Given the dynamic nature of today's markets, it can be difficult for businesses to signal all long-term substantive skills needs. Given changing market demands, many business sectors are often necessarily more short-term oriented due to this environment. Nevertheless, when forecasting future skill needs, there are certain types of skills and/or attitudes that will generally be of undoubted importance.

#### ***“Boost generic employability skills”***

Across all sectors, generic skills, such as problem-solving and analytical skills, self-management, teamwork, linguistic skills, digital competences, and communication skills, will all become increasingly important in the labour market. This generic skills base will be critical towards improving flexibility and adaptability of economies.

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### ***“Facilitate condensed and intensive industry-specific training courses”***

In cases where industry-specific skills are required, industry most often takes the initiative (and in some cases with public support if necessary or possible) to train its new employees in the required skills. Such training, if carried out rapidly in condensed form, will increasingly facilitate flexible workers to make mid-career changes into new industries. Condensed and intensive industry-specific training courses will moreover become increasingly essential as professional knowledge becomes outdated at a faster rate than ever before, requiring continuous retraining and instruction.

### ***“Develop entrepreneurship skills”***

In addition, developing entrepreneurship skills is of great importance, as more individuals attempt to set up ventures and companies. Entrepreneurial enterprises are key drivers of growth in all economies. Entrepreneurism is also critical for individuals and even firms themselves in coping with economic changes or downturn when conventional jobs or demand for currently offered products or services may no longer exist. In the context of globalisation and the ever increasing numbers of small and medium sized enterprises in the economy, these sorts of skills will be valuable.

### ***“Be mobile”***

Individuals entering the job market, in our view, should hold a skills base that enables them to be flexible enough to meet the demands of an ever-changing job market. This will increasingly require individuals to be mobile and seek jobs in new locations or addressing new tasks within an organisation or sector.

We note that many economic sectors are geographically rooted, due to the tangible nature of certain jobs or the need for daily personal interactions. The intensity of interactions needed in certain sectors provokes accumulations of jobs and industries, making local areas particularly important (for example, Silicon Valley or Wall Street). Individuals seeking jobs in these sectors will therefore need to be prepared to move to areas where their skills are in demand.

### ***“Make greater use of tele-working – emphasis on ICT”***

In a growing number of economic sectors, however, individuals will make greater use of tele-working via information communication technology (ICT) tools for jobs where geographic proximity matters less. ICT skills will thus be essential, enabling many individuals to work effectively together regardless of distance.

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#### **IV. Overcoming the challenges to successful partnerships to create opportunities**

We do note that the challenges to successful partnerships are several. For instance, the constant change of contact persons on all sides can destabilise partnerships, as private sector people change jobs quickly just as elected public officials regularly change job and division. Moreover, the pace of implementation in partnerships may often be slowed down by lengthy negotiations between several partners. This is sometimes problematic given the often short-term needs of the private sector compared to the longer-term goals of the public sector.

Taking into account such challenges when designing partnerships is conducive to the success of the partnerships. Moreover, recognising the future skills needs, as described above, provides a basis upon which partnerships can be built and decisions can be implemented.

The 5<sup>th</sup> Annual Forum Meeting provides a unique setting in which steps forwards can be discussed and stakeholders can come together to discuss challenges with the goal of seeking solutions and ways forward to seek ever greater opportunities for all.

BIAC is pleased to participate in this Forum, and stands ready to provide input towards LEED regarding future work on partnerships and skills.

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### ABOUT BIAC

The Business and Industry Advisory Committee to the OECD (BIAC) was constituted in March 1962 as an independent organisation officially recognised by the OECD as being representative of business and industry.

BIAC's primary objectives are to:

- positively influence the direction of OECD policy initiatives,
- ensure business and industry needs are adequately addressed in OECD policy decision instruments and
- provide members with relevant and timely information on OECD policies and their implications for business and industry.

For more information about BIAC please visit our website [www.biac.org](http://www.biac.org) or contact us directly:

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