

Lack of worker skills threatens European recovery (Update 2)

October 8 2013, by Jorge Sainz



Protesters at Athens university, wearing white masks, shout slogans during a demonstration, in central Athens on Thursday, Oct. 3, 2013. University staff suspended all operations for the fourth week in protest at staff cuts. Hundreds of university administrative staff members held a protest march through central Athens against austerity measures that threaten their jobs. Banners read, "laid-off polytechnical university worker". (AP Photo/Dimitri Messinis)

Andrea Ortiz, a 24-year-old Spaniard, has degrees in law and business yet works in a multinational clothing company as a store clerk. She has little hope of advancement and fears that when finally she does get a job

she wants, she'll have no idea how to do it well.

"You arrive in class, they give you a book and they ask you to learn it, that's it. The teachers are very educated and well trained but I think that on many occasions they do not know how to transmit that knowledge," said Ortiz, who sells clothes at Zara in Madrid. "The day will come when I have to join a company and I won't know the basics of how an office works."

Her fears may be well-founded, according to a study released Tuesday that shows many countries in dire economic trouble have workforces that lack the skills needed to prompt an economic recovery.

In the first global study of adult skills, the Organization for Economic Cooperation and Development interviewed 166,000 people from 24 countries and regions—a rich sample of people from all walks of life who agreed to sit down for tests that could last up to 90 minutes. The results from mostly industrialized countries offered a snapshot into how people of different ages are educated, work and adapt to a changing world.

It did not include China, India or Brazil, which are among the world's fastest developing countries.

"We're looking at decades of policy. We're looking across generations," said Stefano Scarpetta, the OECD's director for employment labor and social affairs.

Gong Juhui is the same age as Ortiz, but says the education and training she received in her native South Korea have given her a very different outlook. She graduated from a four-year college with a degree in social welfare. With about four hours of computing classes a week, she learned how to make websites and use complex graphics programs and felt

confident and well prepared to start work.

Gong's first job, producing fundraising websites, required logic, planning and writing skills—all of which she learned at school and honed at work. She's since jumped to another career, confident of what the future holds. Her country's 3 percent unemployment rate is among the world's lowest.

Literacy, a facility with numbers and the ability to adapt to new technologies are among the strongest indicators of earning power. Without those skills, economists say, workers will find themselves unable to compete in a globalized world. And they are skills learned not just in schools but in the workplace and during time off.

Adults in Spain and Italy, two of the countries suffering the most in the European debt crisis and economic downturn, landed at the bottom of the list for proficiency in math and literacy among 16-to-65 year-olds. They also were near the bottom in the proportion of working-age adults with a minimal familiarity with computers. Both countries suffer from high unemployment—Spain has a 26.2 percent jobless rate, and over half of its workers younger than 25 are without employment. Italy's unemployment rate is just over 12 percent, with 40 percent of its young people looking for work.

The survey found that about one-in-four Spanish adults scored at the lowest levels of literacy and one-in-three at the lowest levels in numeracy. In contrast, Japanese and Dutch adults who were aged 25 to 34 yet only completed high school easily outperformed Italian or Spanish university graduates of the same age.

American workers fell well below the average in all categories.

"That is the kind of thing that makes me question—what are the longer term prospects of these countries to improve, to really get back at a

trajectory of long-term stable growth?" said Jacob Kirkegaard, an economist with the Peterson Institute for International Economics.

Large portions of Italian and Spanish adults have minimal familiarity with computers—nearly one-in-four in Italy, and nearly one-in-five in Spain, a lack that will make it increasingly difficult to gain new skills.

Veronica Martinez, who graduated with an education degree, does market studies for a company and essentially had to learn what she knows on the job.

"I wouldn't be able to compare the level with other countries, but the impression I have is that the education system is worse in Spain," said Martinez, 28.

She added: "I don't know if the crisis is to blame, but we're not prepared for the labor market. I studied to be a teacher and here I am working in something I don't know about. I have had to recycle myself totally for work."

An example of basic familiarity with numbers required respondents to read a thermometer: If the temperature shown decreased by 30 degrees, what would the new temperature be?

An example of basic problem solving asked respondents, who were looking at a simulated Internet environment, to find job sites that do not require registration or a fee, bookmark the sites and then navigate between them.

Although Japan and Finland came out on top in the survey by all measures, South Korea was the major success story. Older workers in Korea reported low levels of literacy and facility with math, but young people ranked at the top of the list—reflecting the country's enormous

support for universal education after the 1950-53 Korean War.

Jeong Yeon-ja, who is 69 and the grandmother of 24-year-old Gong, dropped out of elementary school in the southern city of Daejeon after a year of studies. She knows how to read and write but is sorry that she could not learn more.

"Now that I am old, I have regrets. But I did not feel that way at the time ... Things were just difficult back then," Jeong said.

Gong said their different educational backgrounds present no intellectual barrier between her and her grandmother, but she sees it in the use of technology.

"I feel a difference when I see my grandmother using bank machines or a smartphone," she said.

Kirkegaard said he hoped that governments address the implications of the survey's sobering results, which were fairly dismal for Ireland and France as well—both countries that have suffered in the economic downturn. Figures for Greece were expected to be available next year.

"It's no longer enough to be smarter than your parents," he said. "If you want to have a job that earns more than minimum wage you have to have the skills that allow you to take advantage of technology ... because if you don't, you're going to be in a situation where technology is going to replace you."

More information: Online: skills.oecd.org/skillsoutlook.html

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