



A North American Workforce Development Agenda

Better Jobs for a More Competitive Region

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US-Mexico CEO Dialogue, 10/2018





North American Challenges

- The United States, Mexico and Canada face **alarming skills gaps** that negatively affect their competitiveness and economic performance.
- The continent's skills gap is likely to grow and change given the **technological transformations ahead and fierce global competition**.
- North America's highly integrated production and commercial networks mean that **regional collaboration on workforce development is vital**.
- How can CEOs and governments best support investment in the development of the continent's workforces as well as other ways to improve competitiveness?
- **AMLO** has opened the door for collaboration with focus on youth employment. **USMCA** opens new opportunities for tri-lateral dialogue on workforce development and initiatives previously embodied in US-Mexico HLED.

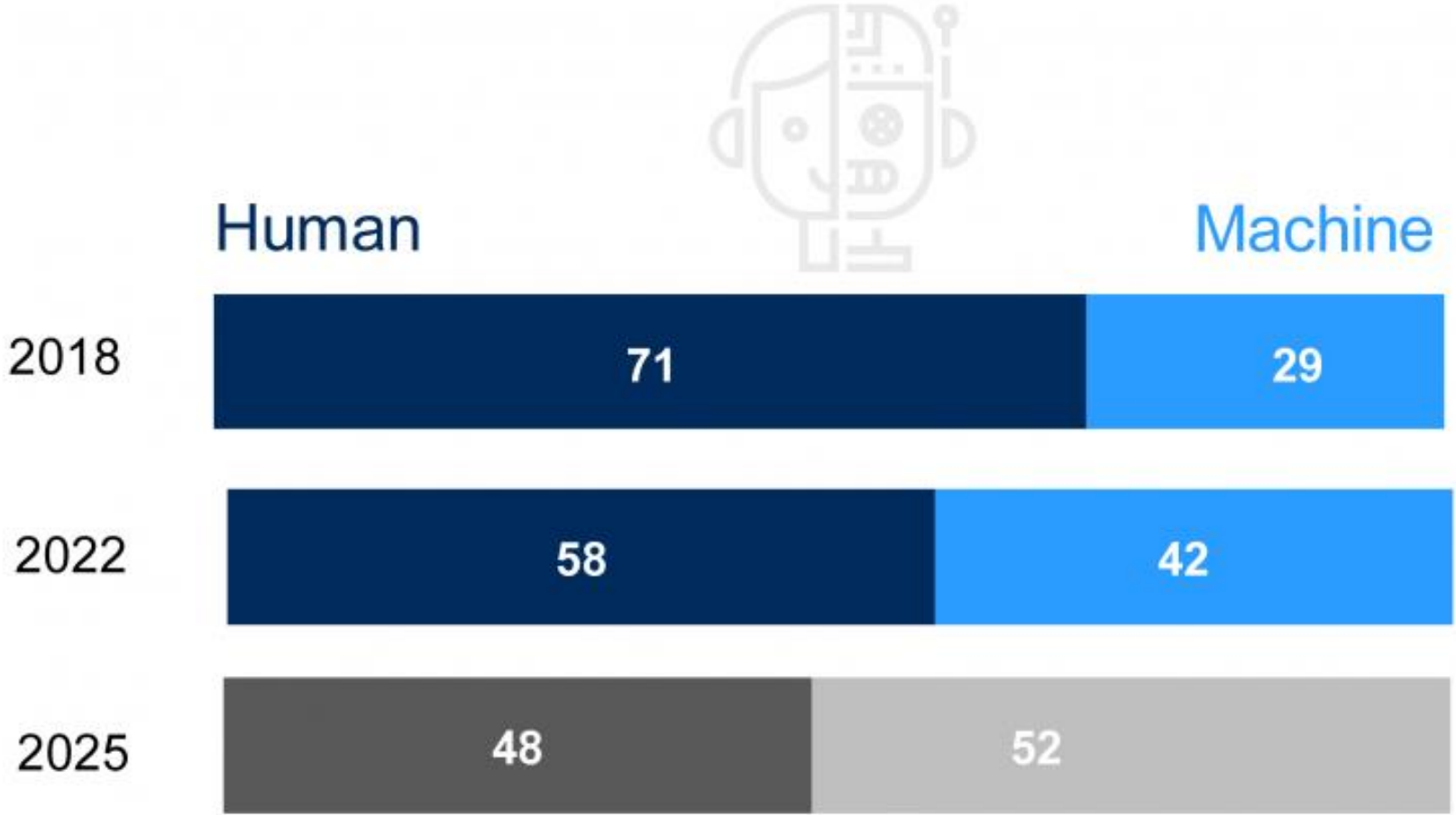
Global Findings: WEF 2018 Future of Jobs Report



1. Across all jobs there will be a 42% change in workforce skills from 2018-2022.
2. Over 54% of workers will require reskilling or upskilling.
3. 50% of companies expect to reduce full-time workers. But, almost 40% expect to expand their workforce.
4. Geographic location of production is determined by the availability of skilled local talent for 74% of companies surveyed. 64% are concerned about labor costs.
5. Current strategies to address skills gap vary widely: hiring new staff with required skills; automate work tasks completely; retrain workers; use contractors.
6. Workers most at risk of being displaced are less likely to be offered training.

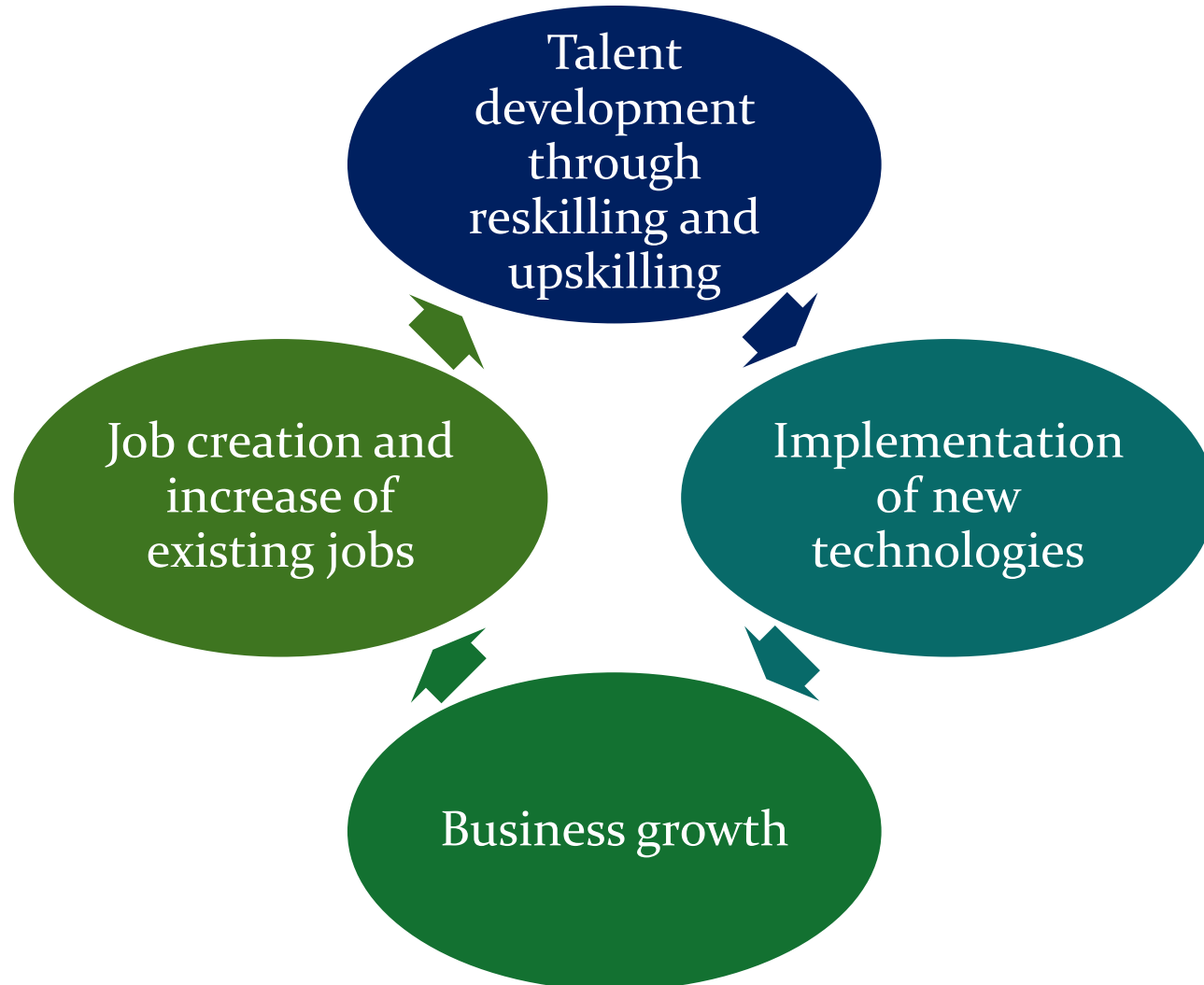
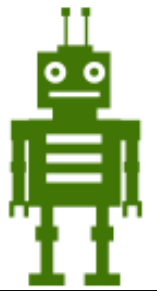
Global Findings: Division of Labor as Share of Hours Spent (%)

Future of Jobs Report – WEF 2018



Source: Future of Jobs Report 2018, World Economic Forum

WEF: A Virtuous Cycle of Technology and Upskilling



- Skills gaps can hamper the incorporation of new technology and business growth.
- Good human capital investment can maximize use of new technology & business growth.
- Reskilling & upskilling should be included in business models: “augmentation strategy.”
- Governments should foster and support such trends with policies, programs and investments.



Workforce Development: North American Cooperation

- Can help create jobs, boost productivity, and strengthen the region's competitiveness. Each government has national initiatives/programs.
- Wilson Center proposal: a **tri-lateral task force, established by the three governments, to provide an umbrella for public-private, federal-sub-federal working groups to identify best practices and develop proposals for cooperation in strengthening workforce development efforts across the three countries. USMCA opens a window for cooperation.**
- Focus working groups on four areas: 1) Apprenticeships and other types of work-based learning and technical education; 2) Certifications and related issues; 3) Data collection and transparency; 4) Best practices to prepare for the Fourth Industrial Revolution.

AMLO'S PROGRAM "YOUTH BUILDING THE FUTURE"

An Opening for the U.S. & Mexican Private Sectors

Source: "Jovenes Construyendo Futuro" Website, 2018

- **Objectives:**
 - Increase job and training opportunities for **2.6 million young Mexicans** of 18-29 years old that are not studying or in employment.
 - **Reduce** youth involvement in **criminal activity**, and **Increase productivity** levels and **economic growth**.
- **Two Parts:**
 - 2.3 million scholarships for work training in the private, not-for-profit and public sectors.
 - 300,000 annual scholarships for college.
- **1-year mentorship programs** aimed at training young people with relevant work skills
 - Programs created individually by companies, NGOs or by the Labor Ministry; at least **one tutor** per firm.
 - 70% of programs in private sector, 20% in public sector, 10% in civil society sector.
- **Participating companies will be recognized as socially responsible organizations.**



Implementing a North American Agenda

- The overarching tri-national task force and the four working groups could be **usefully incorporated into or synced with the USMCA**, as part of a broader forward looking agenda.
- The successful implementation will depend on **joint collaboration** that includes **governments, private sector, educational institutions, and unions**, among other stakeholders, from all three countries.
- Add workforce development to a revived competitiveness agenda.
- The WEF's 2018 Jobs report is the latest study to highlight the dangers of inaction.



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Full study available at:

<https://www.wilsoncenter.org/publication/north-american-workforce-development-agenda>

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APPENDIX



RECOMMENDATIONS:
Four North American Working Groups
Under a Public-Private Task Force



Working Group #1: Apprenticeships and other types of work-based learning and technical education

1. Agree trilaterally on a definition of apprenticeships, and a minimum set of criteria and quality standards.
2. Agree on broad guidelines on assigning responsibilities to governments, industry and intermediaries regarding the development, implementation and funding of apprenticeships.
3. Agree on building a tri-national Career and Technical Education and apprenticeships taskforce to identify best practices to promote apprenticeships and other types of work-based learning programs.

Working Group #1: Apprenticeships and other types of work-based learning and technical education



4. Agree on core elements of a marketing strategy to increase public awareness of the benefits and advantages of work-based learning.
5. Agree on building tri-national spaces to foster on-going dialogue between stakeholders across the region to share best practices on work-based learning and to strengthen public-private partnerships.
6. Agree among the three countries on promising means to incentivize and support companies, including SMEs, to develop training and learning programs for reskilling and “upskilling” their workforces.



Working Group #2: Certifications and related issues

1. Agree at federal and sub-national levels on a **common terminology about credentials and competencies** to facilitate broader understanding, transferability and recognition of credentials.
2. Agree on **developing or strengthening national competency frameworks** and aligning them to the tri-national common terminology for credentials and competencies.
3. Agree tri-nationally on a set of **guidelines to assess and validate informal learning and professional experience**, and to identify skills associated with such experience.

Working Group #3: Data Collection & Transparency



1. Agree on a tri-national set of norms to collect real time labor market data and information in a consistent and homogeneous way, so it is understandable and comparable across the region.
2. Agree on the development of a tri-national online platform (linked to national platforms) that can serve as a hub of the real-time labor market data collected by the three countries. It can also serve as a hub of best practices from across the region.
3. Agree on guidelines to make the tri-national platform and data tools openly available to all stakeholders, while allowing space for the development of private sector initiatives.

Working Group #4: Best Practices to prepare for the “Fourth Industrial Revolution”



1. Agree on key steps and tools to incentivize companies to invest in reskilling and “upskilling” of their workers, to provide mid-career training and learning opportunities, and to develop short-term, agile training and learning programs to ease the transitions needed with the technological changes expected with the Fourth Industrial Revolution.
2. Agree on building tri-national spaces to share best practices on the implementation of “Industry 4.0”, including on the roles of governments, the private sector, educational institutions and workers.
3. Agree tri-nationally on best practices to support SMEs in keeping up with technological changes, innovation and talent creation.

Working Group #4: Best Practices to Approach/Prepare for the Fourth Industrial Revolution

4. Agree tri-nationally on approaches and strategies to encourage companies to collaborate with educational institutions, unions and other interested parties in order to
 - better align curricula with the labor market needs,
 - better connect students to the labor market and workers with up-skilling and re-training programs,
 - and foster the ongoing modernization of academic spaces.
5. Establish trilateral research and innovation projects in strategic economic areas through grants and scholarships.

WEF FINDINGS: NORTH AMERICA





Factors determining job location decisions

Industry	Primary	Secondary	Tertiary
Automotive, Aerospace, Supply Chain & Transport	Talent availability	Quality of the supply chain	Labour cost
Aviation, Travel & Tourism	Talent availability	Organization HQ	Ease of importing talent
Chemistry, Advanced Materials & Biotechnology	Talent availability	Labour cost	Production cost
Consumer	Talent availability	Labour cost	Quality of the supply chain
Energy Utilities & Technologies	Labour cost	Production cost	Talent availability
Financial Services & Investors	Talent availability	Organization HQ	Geographic concentration
Global Health & Healthcare	Talent availability	Labour cost	Production cost
Information & Communication Technologies	Talent availability	Labour cost	Geographic concentration
Infrastructure	Talent availability	Labour cost	Geographic concentration
Oil & Gas	Talent availability	Production cost	Labour cost
Professional Services	Talent availability	Labour cost	Strong local ed. provision

Range of options: Flexibility of labour laws, Geographic spread, Quality of the supply chain, Ease of importing talent, Labour cost, Location of raw materials, Organization HQ, Production cost, Strong local education provision, Talent availability.



Expanding job roles

Software and Applications Developers and Analysts

Data Analysts and Scientists

Managing Directors and Chief Executives

General and Operations Managers

Sales and Marketing Professionals

Sales Representatives, Wholesale and Manufacturing,

Technical and Scientific Products

Human Resources Specialists

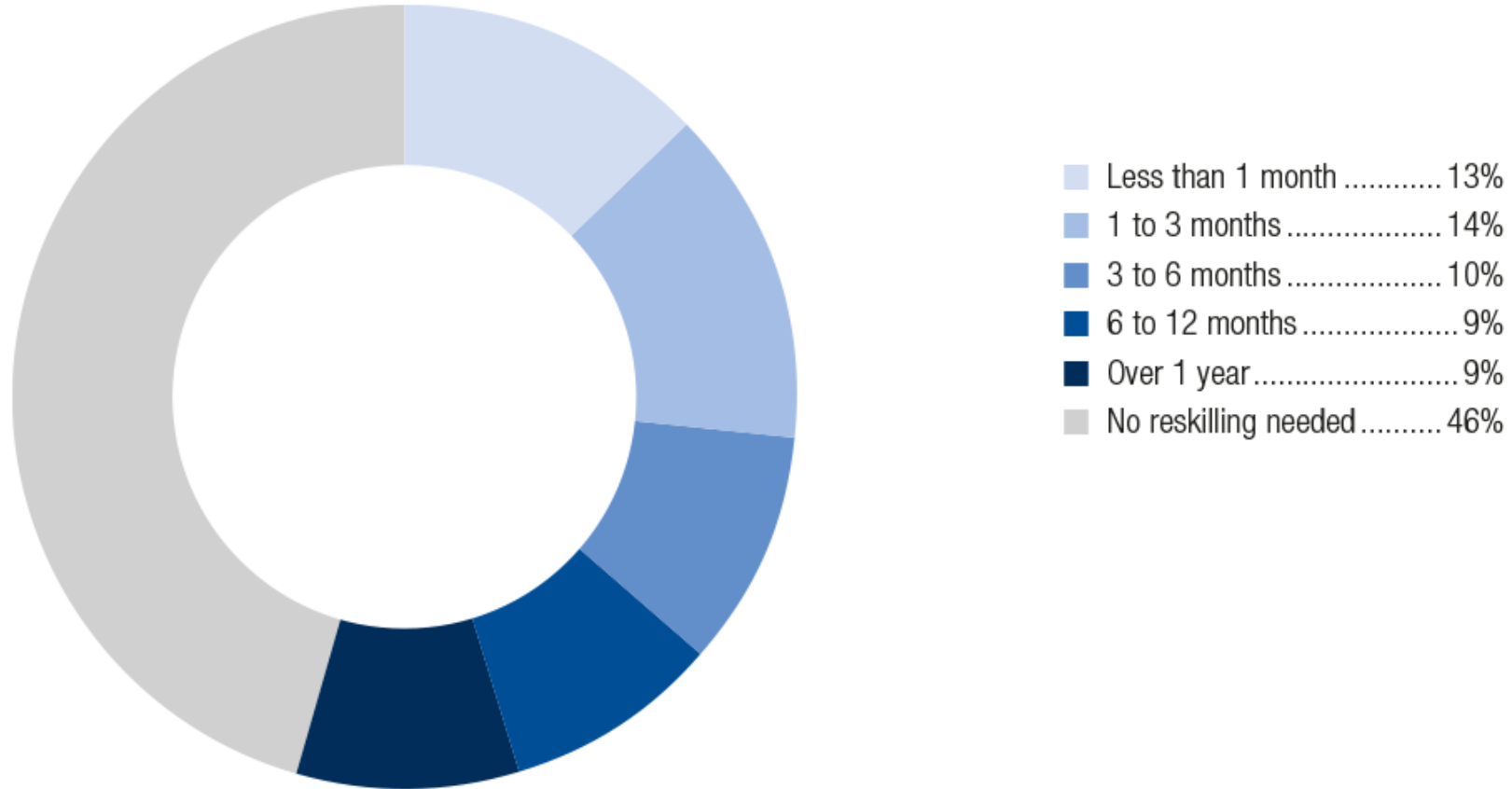
Financial Analysts

Electrotechnology Engineers

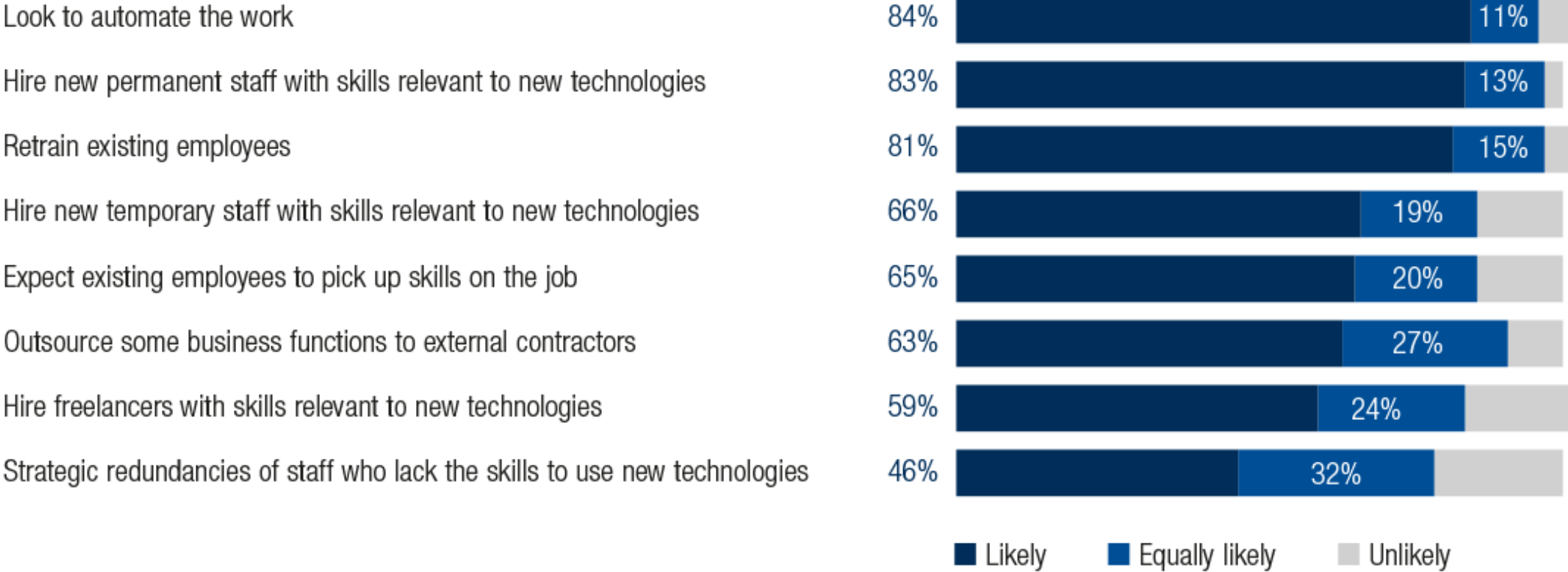
Financial and Investment Advisers



Average reskilling needs (*share of workforce*)



Responses to shifting skill needs (*shared of companies surveyed*)





Emerging Skills Needed

Analytical thinking and innovation

Creativity, originality and initiative

Active learning and learning strategies

Technology design and programming

Critical thinking and analysis

Complex problem-solving

Leadership and social influence

Reasoning, problem-solving and ideation

Emotional intelligence

Systems analysis and evaluation





Global Findings: Emerging and Declining Jobs in 2022

2018 WEF Future of Jobs Report

Top 10 Emerging	Top 10 Declining
Data Analyst & Scientists	Data Entry Clerks
AI and Machine Learning Specialists	Accounting, Bookkeeping & Payroll Clerks
General & Operations Managers	Administrative & Executive Secretaries
Software & Applications Developers & Analysts	Assembly & Factory Workers
Sales and Marketing Professionals	Client Information & Customer Service Workers
Big Data Specialists	Business Services & Administration Managers
Digital Transformation Specialists	Accountants & Auditors
New Technology Specialists	Material-Recording & Stock-Keeping Clerks
Organizational Development Specialists	General & Operations Managers
Information Technology Services	Postal Service Clerks

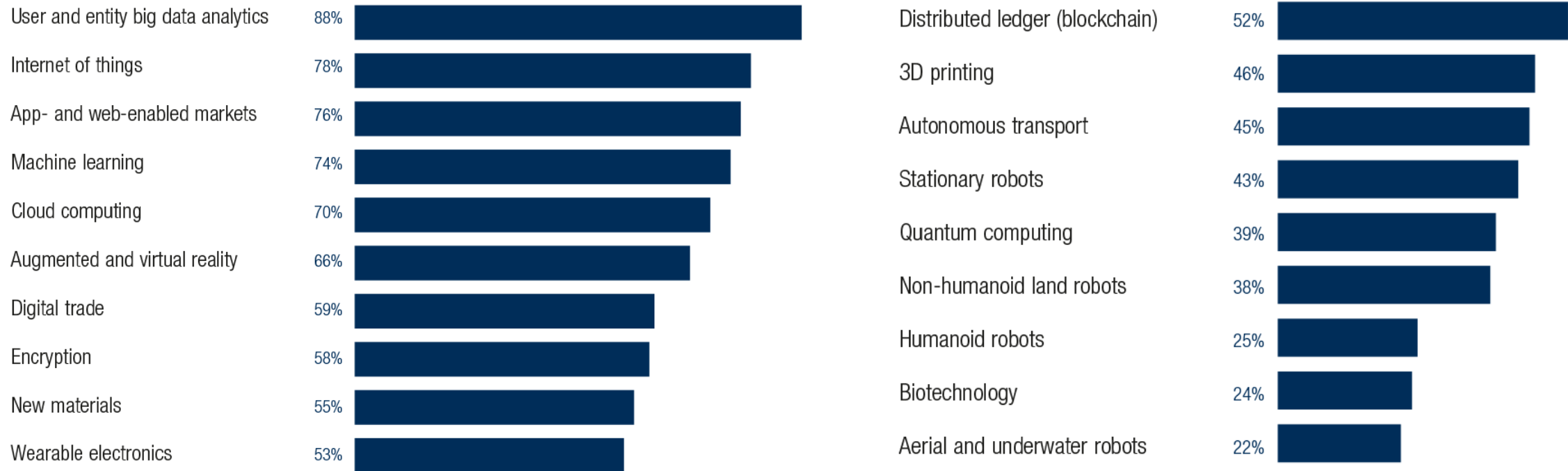
A) Global Findings: Adoption of Robots 2022

Future of Jobs Report - WEF

	 Humanoid Robots	 Stationary Robots	 Aerial and Underwater Robots	 Non-humanoid Land Robots
Adoption among companies by 2022	23%	37%	19%	33%
First movers	(35%) Financial Services and Investors	(53%) Automotive, Aerospace, Supply Chain	(52%) Oil and Gas	(42%) Automotive, Aerospace, Supply Chain

Source: Future of Jobs Report 2018, World Economic Forum

G) Technology adoption (*share of companies surveyed*)



K) Projected use of training providers (*share of training*)



Recommendations for Governments

Future of Jobs Report - WEF



- Upgrade educational policies to raise education and skills levels of people of all ages:
 - Adapt/update school curricula
 - Train teachers
 - Offer vocational training
 - Develop better social safety net programs to support reskilling/transition
- Complement educational and skills development with job creation through public investments.
- Use increased tax revenues from technology-enhanced productivity to fund social safety nets programs for at-risk workers.

Recommendations for Businesses

Future of Jobs Report - WEF



- Need for a **comprehensive augmentation strategy** in which businesses use automation to complement the human workforce and enable workers to better use their full potential.
- Develop **lifelong learning** systems in companies and in societies.
- Invest in **human capital** and establish **marketable credentials**; would increase labor market flexibility & reduce hiring time and costs.
- **Businesses, Governments, Educational institutions and workers/unions need to collaborate** on workforce strategy.