



A North American Workforce Development Agenda

Better Jobs for a More Competitive Region

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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 in composition given the technological transformations and global competition ahead.
- North America's highly integrated production and commercial networks mean that regional collaboration on workforce development can be vital.
- Now is the time for companies, governments and others to focus on support for investment in the development of the continent's workforces.
- AMLO has a focus on youth employment. Canada and Mexico have national programs. USMCA opens opportunities for tri-lateral dialogue on workforce issues and a forward looking competitiveness agenda.

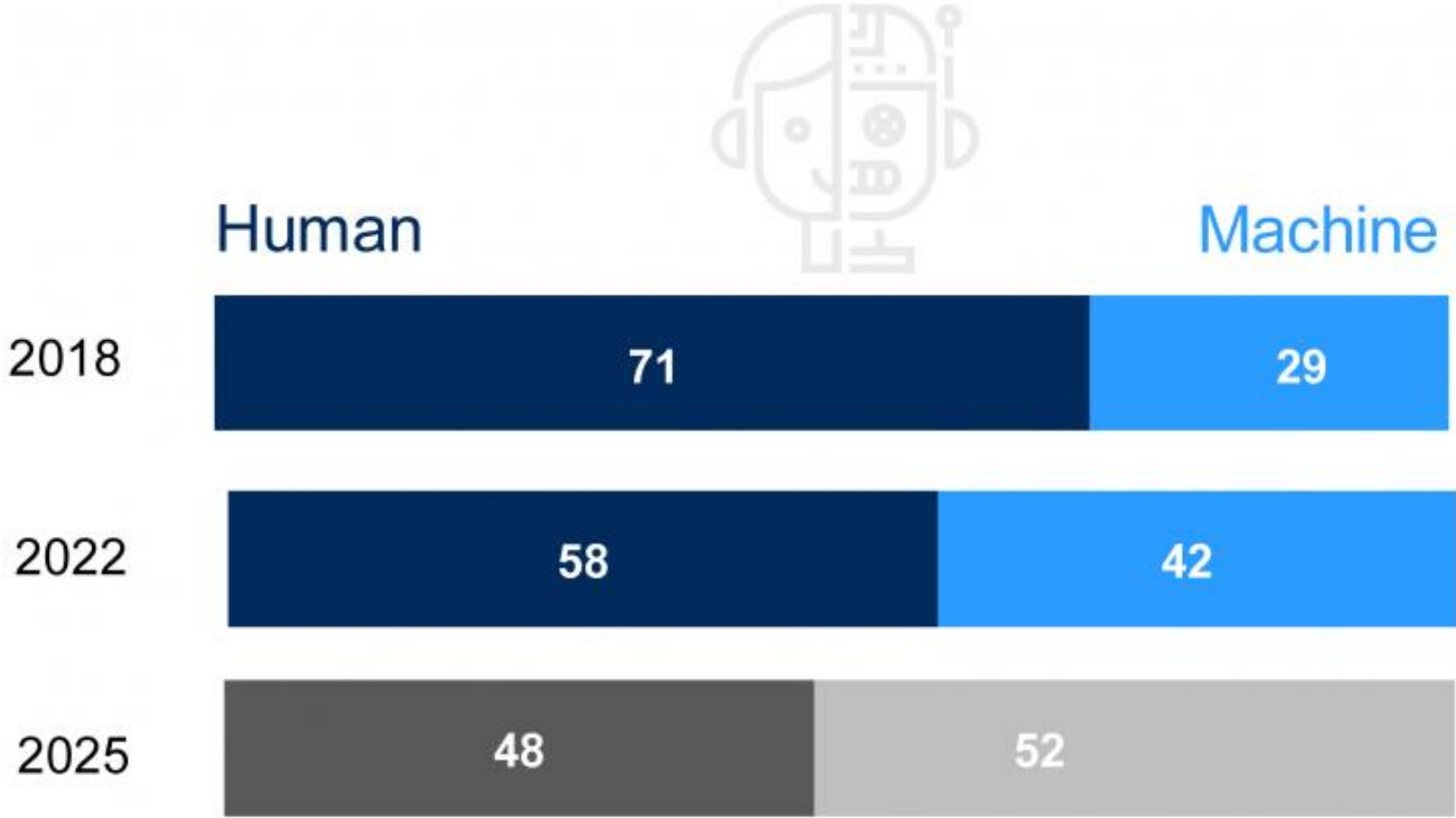


Global Findings: WEF 2018 Future of Jobs Report

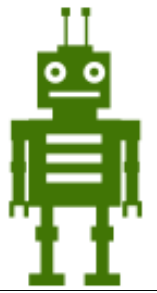
1. Across all jobs there will be a 42% change in workforce skills from 2018-2022.
2. Over 54% of workers will require reskilling or upskilling.
3. 50% of companies expect to reduce full-time workers. But, almost 40% expect to expand their workforce.
4. Geographic location for production will be determined by the availability of skilled local talent say 74% of companies surveyed. 64% highlight labor costs.
5. Current strategies to address skills gap vary widely: hiring new staff with required skills; automate work tasks; 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 (%)

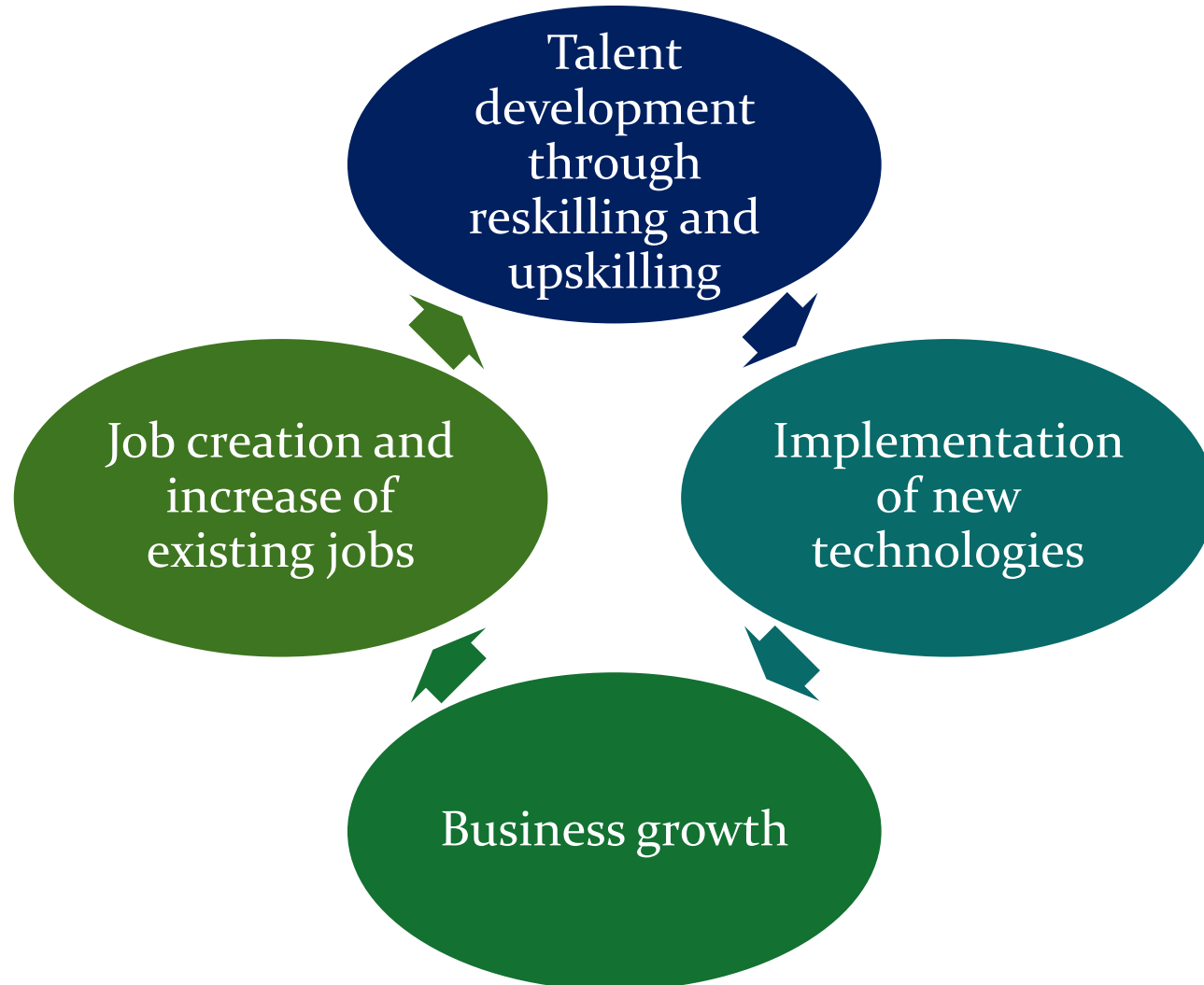
Future of Jobs Report – WEF 2018



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.



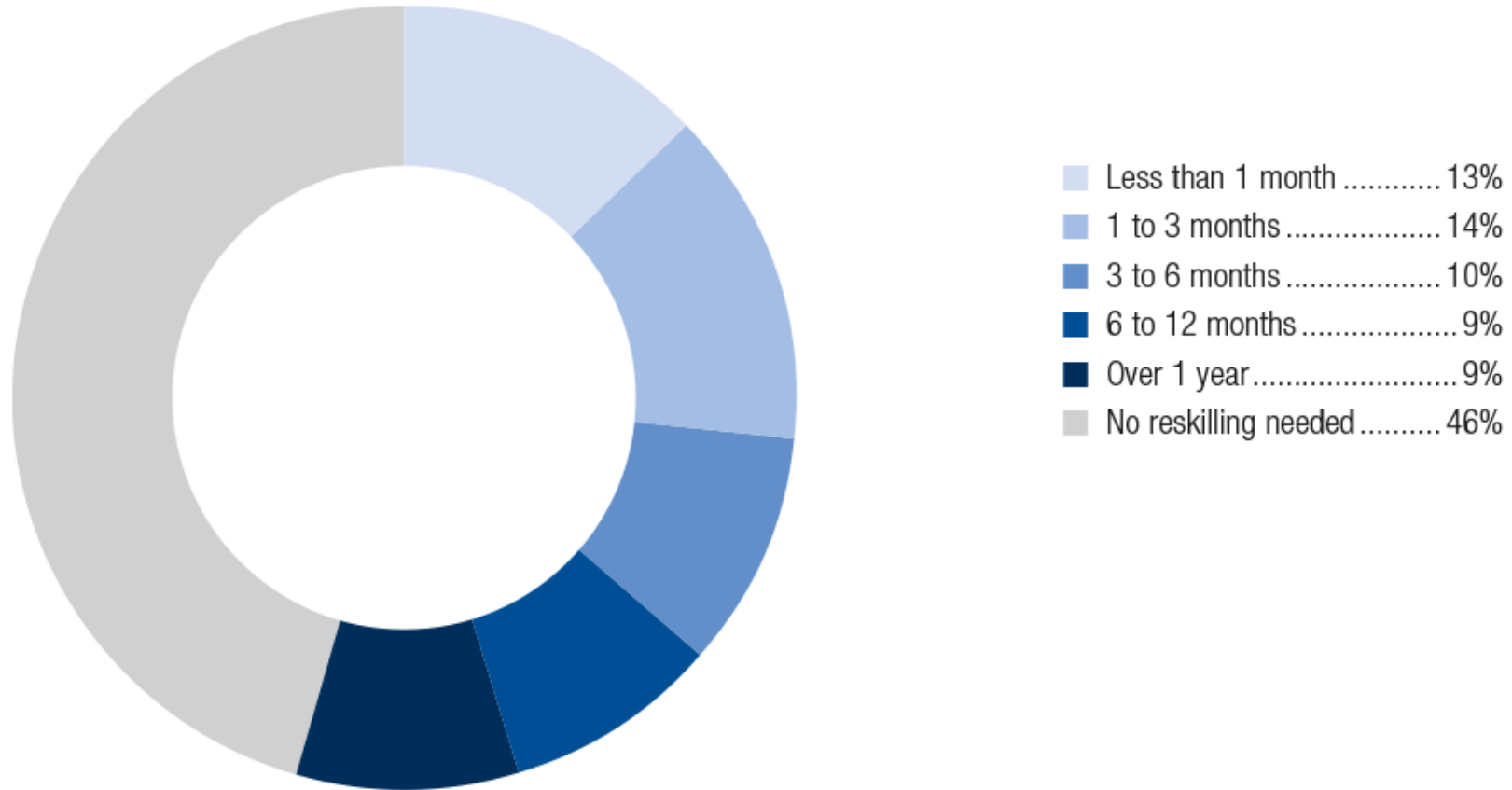
Factors determining job location in North America

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.



North America: Average reskilling needs (*share of workforce*)



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.**
- Working groups focus in 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. (Have detailed proposals for each group.)

Implementing the North American Agenda



- The overarching tri-national task force and the four working groups could be usefully incorporated into or synced with the USMCA.
- The successful implementation will depend on joint collaboration that includes governments, private sector, educational institutions, and unions, among other stakeholders, from all three countries.
- The WEF's 2018 Jobs report is the latest study to highlight the dangers of inaction.
- Workforce Development can be a vital part of reviving a North American competitiveness agenda.

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 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.

US Workforce Development Proposals

- **July 2017 executive order: Expanding Apprenticeships in America**
 - Provide more affordable pathways to secure, high paying jobs by promoting apprenticeships and effective workforce development programs.
 - Ease regulatory burden on such programs and reduce or eliminate taxpayer support for ineffective programs.
 - Expand access to and participation in apprenticeships for secondary and post secondary students.
 - Establish the Task Force on Apprenticeship Expansion: will identify means to promote apprenticeships.
- **July 2018 executive order: Establishing of the President’s National Council for the American Worker; within 180 days the council will:**
 - Develop recommendations for the President on policy and strategy related to workforce development.
 - Develop a national campaign to raise awareness of the skills crisis.
 - Examine how government can better work with private employers and educational institutions.
 - Propose how to increase apprenticeship, earn-and-learn, and work-based learning opportunities.
 - Suggest ways to increase partnerships between companies, educational institutions and local governments.

Canada Workforce Development Proposals

- **Government of Canada has established Workforce Development Agreements (WDA's) with provincial and territorial governments.**
 - The agreements provide \$722 million annually, as well as an additional \$900 million from 2017-18 to 2022-23, for the development of programs to help Canadians get training and develop their skills.
- **In May 2018 the Minister of Employment & Workforce Development requested proposals for the new Future Skills Center and applications for the Future Skills Council. The Center will be tasked with:**
 - Exploring new and innovative approaches to skills development.
 - Identifying the skills employers will need now and in the future.
 - Sharing information and best practices to inform future investments and programming.
 - Investing \$225 million over 4 years and \$75 million per year thereafter.
- **Government investing \$11 million in the 2018 Flexibility and Innovation in Apprenticeship Technical Training pilot program**
 - Funds third-party organizations to test approaches to improve access to apprenticeships.
 - Currently, there are over 400 apprenticeship programs available across Canada.



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Full study available at:

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

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APPENDIX



WILSON CENTER

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.

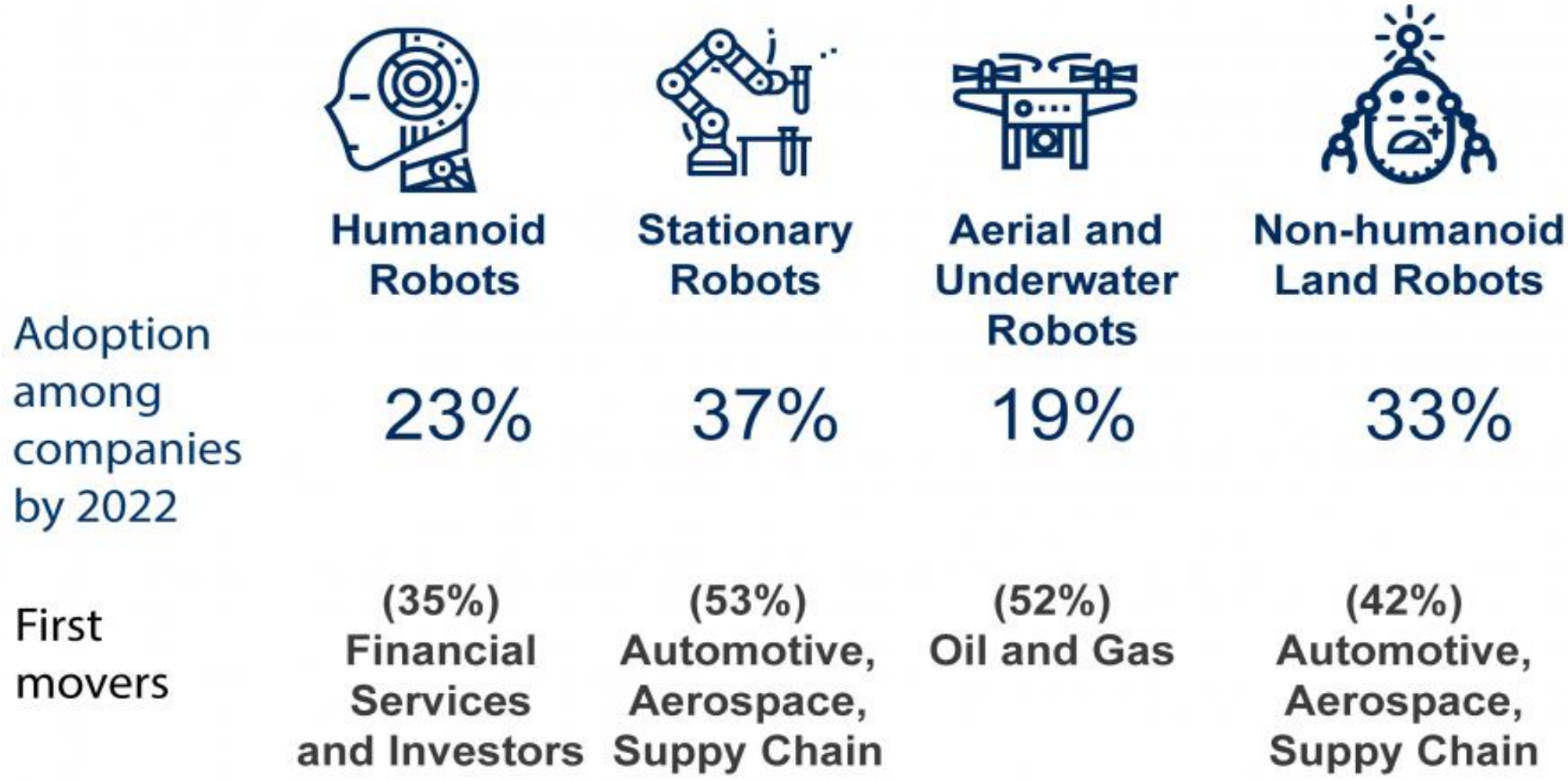
WEF Global Findings: Emerging and Declining Jobs in 2022

2018 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

WEF Global Findings: Adoption of Robots 2022

2018 Future of Jobs Report



Source: Future of Jobs Report 2018, World Economic Forum

WEF Recommendations for Governments

2018 Future of Jobs Report



- 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.

WEF Recommendations for Businesses

2018 Future of Jobs Report



- 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.

2018 WEF FINDINGS: NORTH AMERICA





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



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

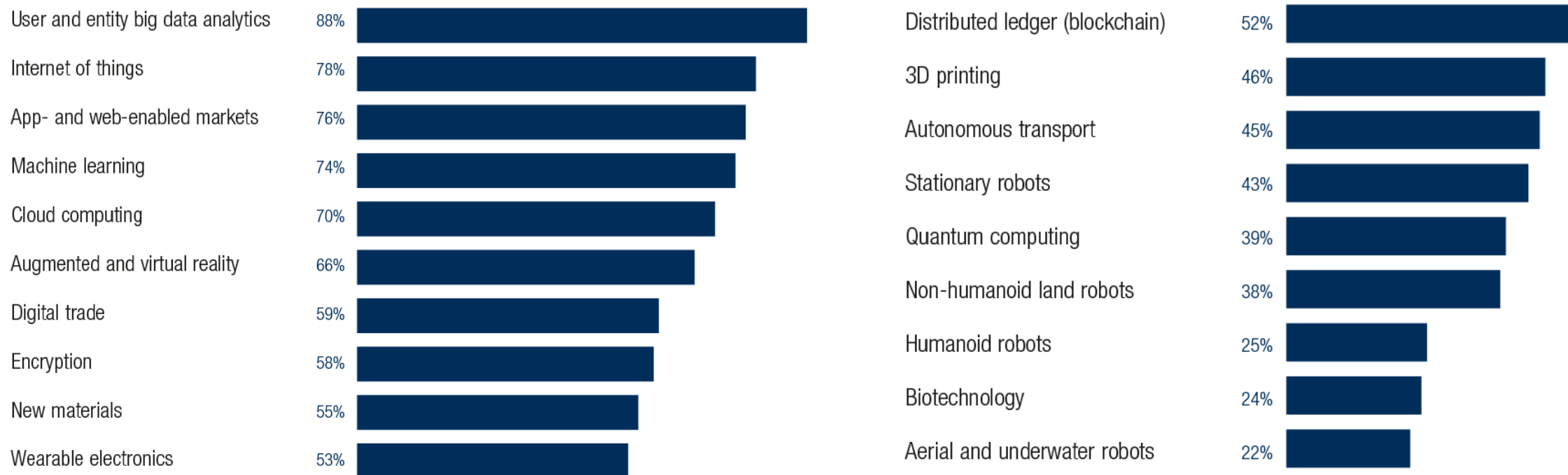
Reasoning, problem-solving and ideation

Emotional intelligence

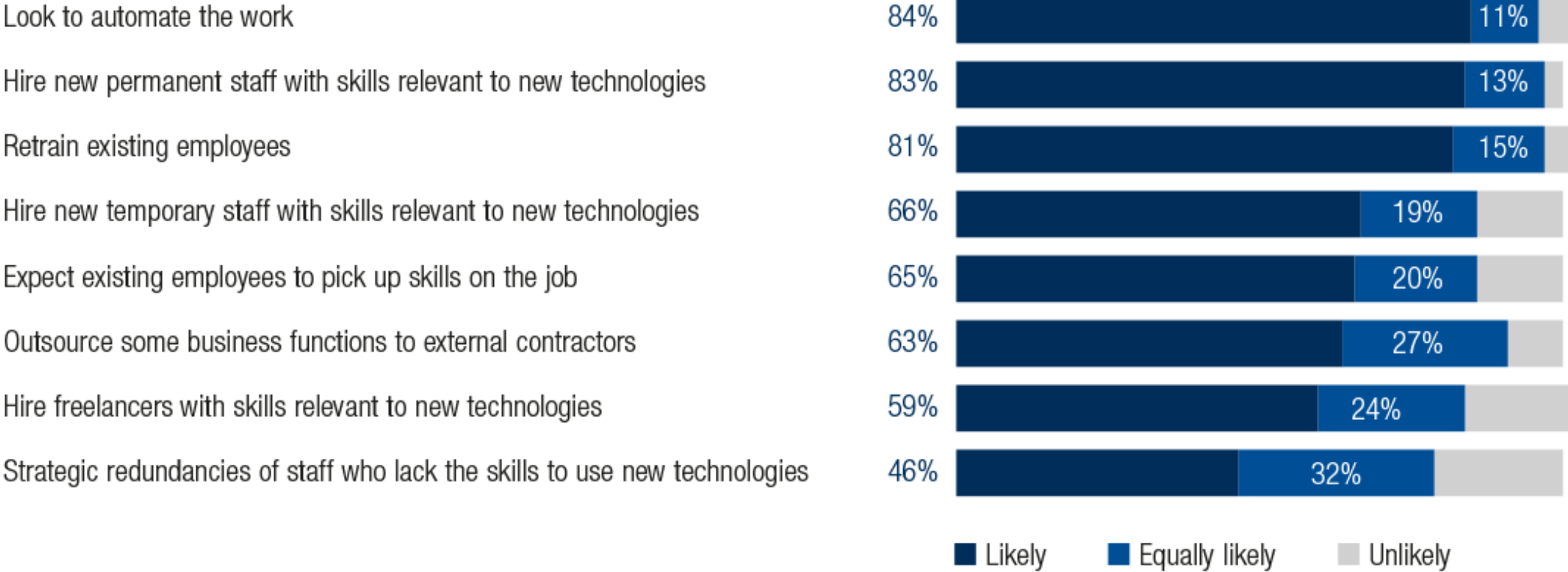
Systems analysis and evaluation



Technology adoption (*share of companies surveyed*)



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



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

