Towards a Skills Strategy for Norway: results of the OECD Skills Strategy project

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Norwegian Productivity Commission
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OECD Skills Strategy: building resilient national skills systems

OECD Skills Strategy projects in countries
Building effective skills strategies: overview

How can a country maximise its skills potential?

What are the main skills challenges?

Which skills challenges are top priority?

What actions need to be taken, and by whom?

**OECF Skills Strategy Diagnostic Report**

2013

2014

2015

**NOR**

DIAGNOSTIC PHASE

ACTION PHASE

IMPLEMENTATION

**AUT**

DIAGNOSTIC PHASE

(tbc)

**KOR**

DIAGNOSTIC PHASE

ACTIVE LEARNING

**PRT**

DIAGNOSTIC PHASE

(tbc)

**ESP**

DIAGNOSTIC PHASE

(tbc)

(tbc)
Overall project goals

• Forging stronger links between education and skills policy and the broader economic and social policy agenda

• Fostering a whole of government approach to skills policy by building an inter-ministerial project team

• Raising awareness and engagement among stakeholders to invest in skills for the country’s future economic prosperity and social cohesion

• Strengthening evidence-based policy-making on skills and identifying any significant gaps in existing sources of data and how well they are used
The demand for skills is changing

Trends in routine and non-routine tasks in occupations, United States, 1960 to 2009

Levy and Murnane
Growing mismatches between skills demand and supply in Norway

Excess demand for nurses and caregivers

Excess supply of master level graduates in economics and administration

Source: Statistics Norway
Our journey

How can Norway maximise its skills potential?

What are the main challenges ahead?

Which challenges are top priority?

What actions need to be taken, and by whom?

Scoping workshop (11/01/13)
National diagnostic workshop (23-24/05/13)
Regional diagnostic workshops (17/09/13 & 01/10/13)
Priority-setting workshop (22-23/10/13)
Action Plan workshop (1-2/04/14)
What are the main skills challenges in Norway?

**Developing Relevant Skills**
1. Building strong foundation skills for all
2. Reducing drop-out
3. Informing educational choices

**Activating Supply of Skills**
4. Enhancing labour market participation among those receiving disability benefits
5. Encouraging labour market attachment among low skilled youth
6. Ensuring Norwegians remain active longer

**Using skills effectively**
7. Engaging employers in ensuring a highly skilled workforce
8. Promoting innovation and entrepreneurship
9. Enhancing the use of migrant workers’ skills

10. Facilitating a whole of government approach to skills
11. Ensuring local flexibility and adaptability for nationally designed policies
12. Improving implementation and building partnerships at the local and national level
Norway’s adults have good foundation skills...

Adult literacy mean score, 16-65 year olds (2012)

Source: Survey of Adult Skills (2012)
...yet some groups have low skills

Likelihood of low adult literacy
(scoring at or below level 2, odds ratio)

- Foreign-born/language
  - Neither parent attained upper secondary
    - Canada: 6.75
    - Norway: 13.54
    - Sweden: 3.51
    - Average: 3.10

- Foreign-born/language
  - At least one parent with upper secondary or higher
    - Canada: 1.33
    - Norway: 1
    - Sweden: 1
    - Average: 1.64

- Native-born/language
  - Neither parent attained upper secondary
    - Canada: 1
    - Norway: 1
    - Sweden: 1
    - Average: 1

- Native-born/language
  - At least one parent with upper secondary or higher
    - Canada: 1
    - Norway: 1
    - Sweden: 1
    - Average: 1

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Canada
Norway
Sweden
Average

OECD
Literacy skills in younger and older generations

Average 16-24 year-olds

Average 55-65 year-olds

Source: Survey of Adult Skills 2013
Share of STEM graduates is low

STEM graduates as share of total employment of persons aged 25-34

Source: EAG 2013
Rewards for tertiary education are limited

Earnings premium from tertiary education, 2011
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Share of people on disability benefits is high

Disability benefit recipients as a percentage of the population aged 20-64
Absenteeism due to sickness is high

Incidence of sickness absence of full-time employees

- Norway: 4.0%
- Germany: 3.5%
- France: 3.0%
- Portugal: 2.5%
- Finland: 2.0%
- United States: 1.5%
- Spain: 1.5%
- Austria: 1.5%
- Denmark: 1.5%
- United Kingdom: 1.5%
- Switzerland: 1.5%
- Poland: 1.5%
- Ireland: 1.5%
- Australia: 1.5%
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Enterprises across Norway have a interest in better skills policies

Enterprises facing recruitment problems, by county

- **Other**
- **Too few/no qualified applicants**
Employers invest in employees’ skills

Percentage of employees who receive training by funding source

- Employer funded
- Self funded

Countries: Finland, Netherlands, Sweden, Slovenia, Norway, UK, Denmark, Ireland, Austria, Germany, Estonia, Belgium, Luxembourg, Poland, Spain, Portugal, Italy, France, Luxembourg.
Self-employment is low in Norway

Self-employment as a share of total employment

OECD
Many Norwegians feel they lack entrepreneurship skills

Share of respondents who perceive opportunities but do not pursue them due to fear of failure

Survival rates of enterprises, created in 2005, after 1 year
Share of researchers in business

Researchers (per thousand employed)
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**Enabling conditions:**
10. Facilitating a whole of government approach to skills
11. Ensuring local flexibility and adaptability for nationally designed policies
12. Improving implementation and building partnerships at the local and national level

**Using skills effectively**
7. Engaging employers in ensuring a highly skilled workforce
8. Promoting innovation and entrepreneurship
9. Enhancing the use of migrant workers’ skills
Building a whole of government approach and effective partnerships
MAXIMISING NORWAY'S SKILLS POTENTIAL

How can Norway maximise its potential?

What are the main challenges ahead?

Which challenges are top priority?

What actions need to be taken, and by whom?

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10. Facilitating a whole-of-government approach
11. Ensuring local flexibility and adaptability
12. Improving implementation and building partnerships

1. Norway's skills system effectiveness
2. Tackling skills imbalances
3. Education and training for low-skilled adults

PART I: 5 KEY ACTIONS AND DETAILED LISTS OF ACTIONS

1. Skills Strategy for Norway
2. Action plan on continuous education and training
3. Link between skills development and economic demand
4. Comprehensive career guidance system
5. Incentive for people to move into shortage occupations

1. National Skills Council(s)
2. Regional Skills Strategy
3. Regional systems for cooperation between labour market and academia
4. "Fit for work" and "fit for life"
5. Professional guidance services
6. National online career guidance
7. More guidance and advice for better educational choices
8. Career guidance and education and career choices
9. The tax deduction scheme for better skills
10. One-stop-shop for tailored adult education
11. Voucher system for skills
12. Smooth access to skills
13. Entrepreneurship matters
14. More relevant university colleges

PART II: 14 STAKEHOLDER PROPOSALS

COUNTRY EXAMPLES  DATA  WORKSHOPS

2013  2014

skills.oecd
Better Skills, Better Jobs, Better Lives
Moving from diagnosis to action: 
the case of Norway

Skills are the cure

“To diagnose what are Norway's challenges is helpful, but it is also the easiest part of the job. The demanding job is to implement policies that allow more people get a second chance in the workplace.”

- Prime Minister Erna Solberg

Minister of Labour and Social Affairs

Prime Minister

Minister of Education and Research
Skills Action Workshop

Three design challenges:
1) Improving skills system effectiveness
2) Tackling skills imbalances
3) Low-skilled adults
**KEY ACTION ONE**
Set up a 'Skills Strategy for Norway'

**HOW WILL THIS KEY ACTION HELP NORWAY ADDRESS ITS SKILLS CHALLENGES AND WHICH STAKEHOLDER PROPOSALS COULD BE USED FOR IMPLEMENTATION?**

**PRIORITY AREA**
**PRIORITY 1** Improving the effectiveness of Norway's skills system

**CHALLENGES**
**CHALLENGE 10** Facilitating a whole-of-government approach
**CHALLENGE 11** Ensuring local flexibility and adaptability
**CHALLENGE 12** Improving implementation and building partnerships

**STAKEHOLDER PROPOSALS**
**PROPOSAL 1** National Skills Council(s)
**PROPOSAL 2** Regional Skills Strategy
**PROPOSAL 3** Regional systems for cooperation between labour market and academia

*Stakeholders themselves have developed 14 proposals on how to tackle Norway's 3 priority areas for action. The following proposals appear particularly relevant for Norway's Implementation phase. Part II of this report provides more information on these stakeholder proposals and some OECD feedback on critical factors for implementation.*
Better Skills, Better Jobs, Better Lives

HOW WILL THIS KEY ACTION HELP NORWAY ADDRESS ITS SKILLS CHALLENGES AND WHICH STAKEHOLDER PROPOSALS COULD BE USED FOR IMPLEMENTATION?

PRIORITY AREAS

PRIORITY 1
Tackling skills imbalances
PRIORITY 3
Strengthening education and training for low-skilled adults

CHALLENGES

CHALLENGE 1
Building strong foundation skills
CHALLENGE 2
Reducing drop-outs
CHALLENGE 6
Ensuring Norwegians remain active longer
CHALLENGE 7
Engaging employers in ensuring a highly skilled workforce
CHALLENGE 10
Facilitating a whole-of-government approach
CHALLENGE 11
Ensuring local flexibility and adaptability
CHALLENGE 12
Improving implementation and building partnerships

KEY ACTION TWO
Establish an action plan for continuous education and training

STAKEHOLDER PROPOSALS*

PROPOSAL 3
Regional systems for cooperation between labour market and academia
PROPOSAL 4
"Fra mismatch til miss match"
PROPOSAL 9
The tax deduction scheme for better skills
PROPOSAL 10
One-stop-shop for tailored adult education
PROPOSAL 11
Voucher system for skills
PROPOSAL 12
Smooth access to skills

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HOW WILL THIS KEY ACTION HELP NORWAY ADDRESS ITS SKILLS CHALLENGES AND WHICH STAKEHOLDER PROPOSALS COULD BE USED FOR IMPLEMENTATION?

PRIORITY AREAS

PRIORITY 2 Tackling skills imbalances
PRIORITY 3 Strengthening education and training for low-skilled adults

CHALLENGES

CHALLENGE 1 Building strong foundation skills for all
CHALLENGE 5 Encouraging labour market attachment among low skilled adults
CHALLENGE 7 Engaging employers in ensuring a highly skilled workforce
CHALLENGE 8 Promoting innovation and entrepreneurship
CHALLENGE 10 Facilitating a whole-of-government approach
CHALLENGE 11 Ensuring local flexibility and adaptability
CHALLENGE 12 Improving implementation and building partnerships

KEY ACTION THREE
Strengthen the link between skills development and economic growth

STAKEHOLDER PROPOSALS*

PROPOSAL 1 National Skills Council(s)
PROPOSAL 2 Regional Skills Strategy
PROPOSAL 3 Regional systems for cooperation between labour market and academia
PROPOSAL 4 "Fra mismatch til miss match"
PROPOSAL 7 More carrots and sticks for better educational choices
PROPOSAL 9 The tax deduction scheme for better skills
PROPOSAL 13 Entrepreneurship matters
PROPOSAL 14 More relevant university colleges

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HOW WILL THIS KEY ACTION HELP NORWAY ADDRESS ITS SKILLS CHALLENGES AND WHICH STAKEHOLDER PROPOSALS COULD BE USED FOR IMPLEMENTATION?

PRIORITY AREAS

PRIORITY 2: Tackling skills imbalances
PRIORITY 3: Strengthening education and training for low-skilled adults

CHALLENGES

CHALLENGE 1: Strong foundation skills
CHALLENGE 2: Reducing dropouts
CHALLENGE 3: Informing educational choices
CHALLENGE 4: Encouraging labour market attachment among low skilled adults
CHALLENGE 5: Ensuring Norwegians remain active longer
CHALLENGE 6: Enhancing the use of migrant worker skills
CHALLENGE 7: Facilitating a whole-of-government approach
CHALLENGE 8: Ensuring local flexibility and adaptability
CHALLENGE 9: Improving implementation and building partnerships

STAKEHOLDER PROPOSALS*

PROPOSAL 4: "Fra mismatch til miss match"
PROPOSAL 5: Professional career guidance service
PROPOSAL 6: National online career guidance
PROPOSAL 7: More carrots and sticks for better educational choices
PROPOSAL 8: Strategy on informed educational and career choices
PROPOSAL 9: One-stop-shop for tailored adult education
PROPOSAL 10: Smooth access to skills

KEY ACTION FOUR
Build a comprehensive career guidance system

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**KEY ACTION FIVE**

Strengthen incentives for people to move into shortage occupation

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**PRIORITY 2** Tackling skills imbalances

**CHALLENGES**

- **CHALLENGE 8** Promoting innovation and entrepreneurship
- **CHALLENGE 10** Facilitating a whole-of-government approach
- **CHALLENGE 11** Ensuring local flexibility and adaptability
- **CHALLENGE 12** Improving implementation and building partnerships

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Download OECD Diagnostic Report and Action Report on Norway’s country page skills.oecd.org
Tusen takk!
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Questions for discussion

• In its second phase of work, the Commission will focus on:
  1. **Technology, development and innovation: knowledge-based economy**
     • *How will Norway boost high end skills? What role for employers?*
     • *What incentives are needed for people to move into shortage occupations?*
  2. **Improved use of manpower resources: activating skills outside the labour force**
     • *How to reach low skilled adults? Migrant workers? NEETs?*
  3. **Improving public sector productivity**
     • *What impact will raising public sector productivity have on other sectors?*