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Why measure skills?

- Skills are at the core of improving employment outcomes and increasing productivity and growth.
- Yet, in many countries education and training systems often lack quality and labor market relevance, leaving workers ill-prepared for the labor market.
- Many workers lack the right skills to match the requirements in available job openings or have limited opportunities to access high quality pre-employment or skills upgrading training programs that promote higher productivity jobs.
- Despite the central role of skills in shaping employment outcomes, there is very little information about the distribution of different types of skills in the labor force and their distinctive contribution to labor market outcomes.
- Ultimately, the lack of information affects the design of skills development policies and programs.

What is the STEP Skills Measurement Project?

- First-ever initiative to generate internationally comparable data on skills available in developing countries.
- The project supports the implementation of standardized surveys to gather information on the supply and distribution of skills and the demand for such skills in the labor market.
- The surveys include newly-designed modules that measure the cognitive skills, job-specific skills, and socio-emotional skills of a representative sample of adults aged 15 to 64 living in urban areas, whether they work or not.
- Survey modules collect information on respondents' skills acquisition and maintenance, transitions in the labor market, self-employed, health status and family background

STEP I Key Objective

Collect internationally comparable data on different types of skills to inform policy and skill development strategies

The project includes two survey instruments

(1) Survey of Individuals (HH survey)

Supply of skills

- Sample size: 2,000-3,500
- Length: 120-150 minutes
- Representative of urban areas
- Population aged 15-64

(2) Survey of Employers (Firms)

Demand for skills

- Sample size: 300-500 enterprises
- Length: 45-60 minutes
- Formal and informal sectors
- Geographic or economic sector based

What skills are measured in STEP?

Cognitive Skills

- Direct assessment of reading literacy based on the Survey of Adults Skills instruments
- Indirect assessment on individuals' use of reading, writing and numeracy skills at work and/or in daily life

Job-specific Skills

- Qualifications required for the job and job learning times
- Indirect assessment of skills used at work

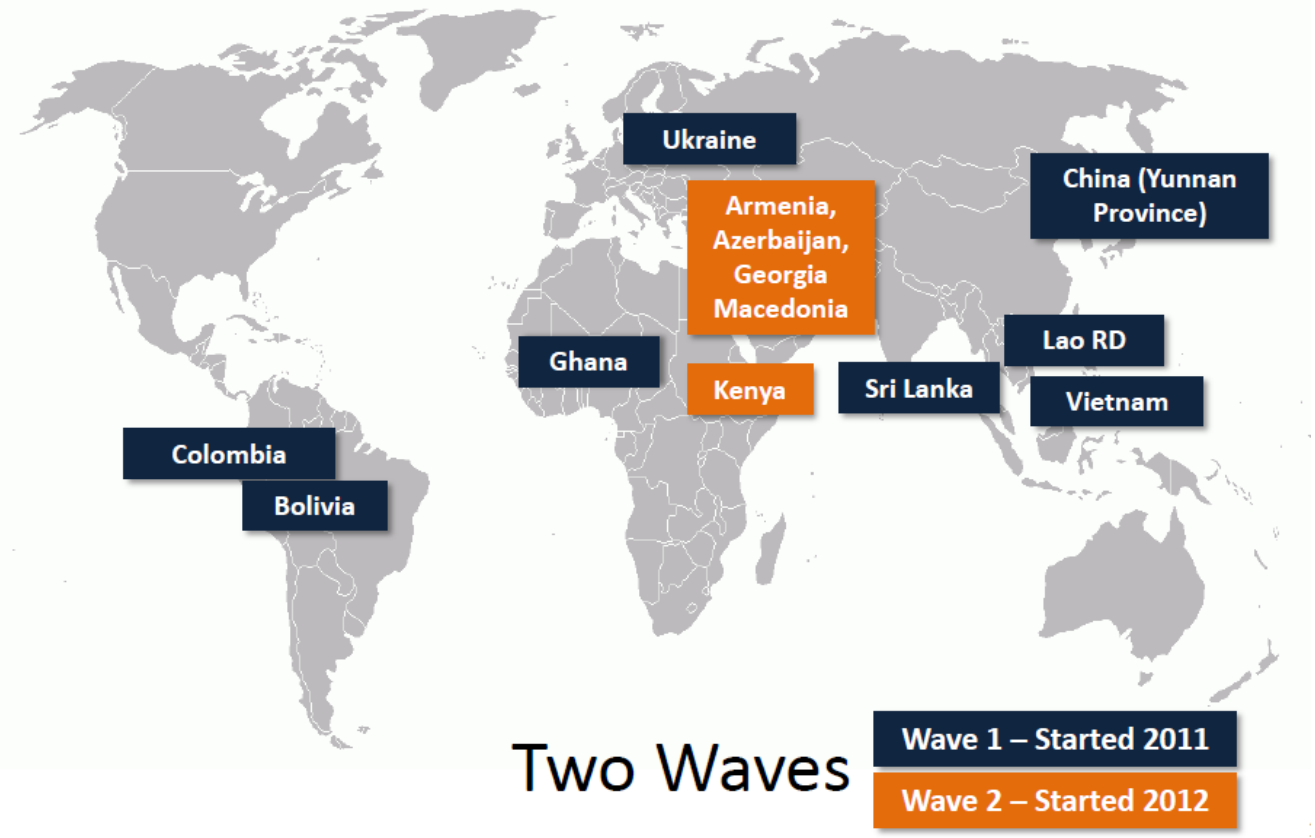
  Job tasks
  Data—cognitive, mental power
  People—interpersonal
  Things—physical, muscle power
  Technology use

Socio-emotional Skills

- Personality traits (Big Five and Grit)
- Behavior (Hostile Attribution Bias and Decision Making)
- Risk and Time Preference

Where is STEP being implemented?

- A total of 13 countries have participated in STEP, in two waves:



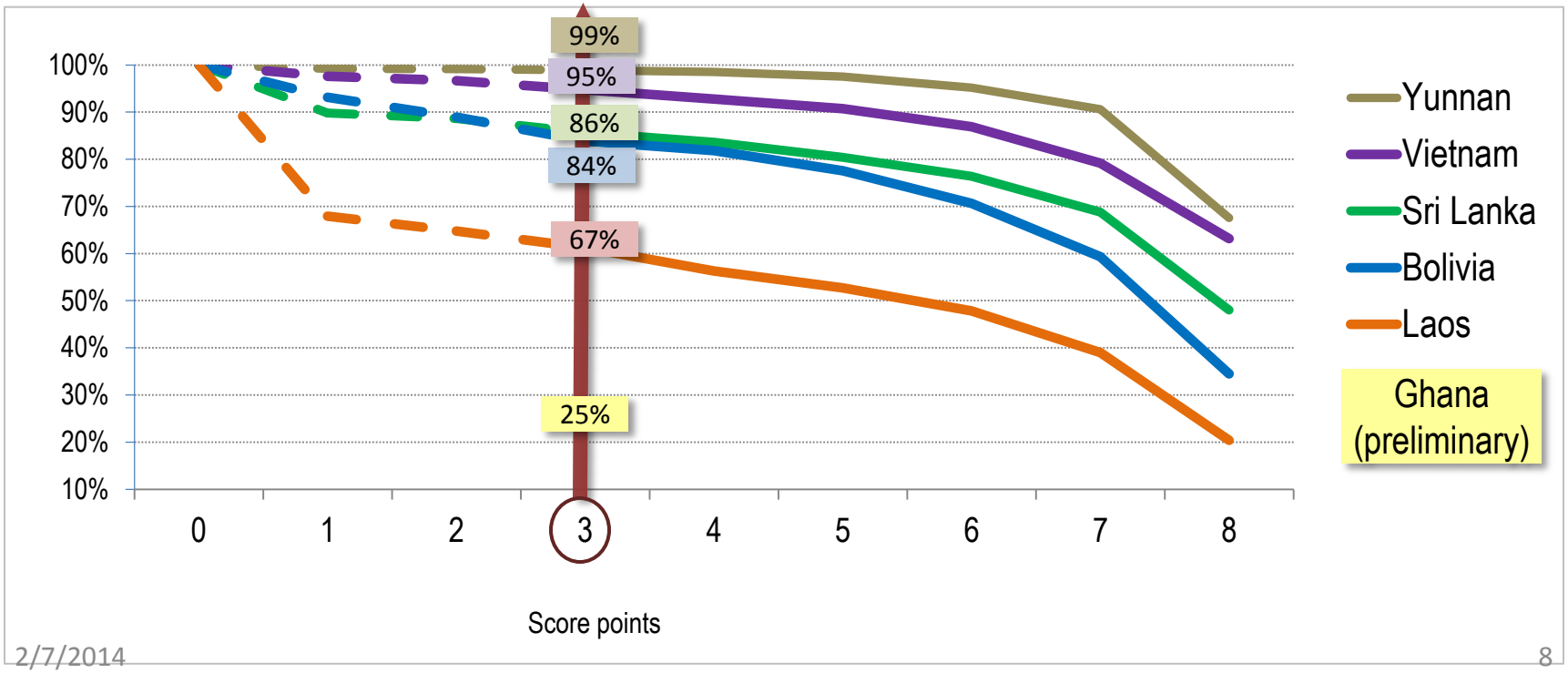
Status – January 2014

Country	Status	Country Report Completed
Wave 1		
Bolivia	Completed	
Colombia	Completed	
Ghana	Completed	
Lao PDR	Completed	✓
Sri Lanka	Completed	✓
Ukraine	Completed	
Vietnam Yunnan	Completed	✓
Yunnan Province (China)	Completed	✓
Wave 2		
Armenia	Completed	
Azerbaijan	Ongoing (Employer survey)	
Georgia	Completed	
Macedonia	Completed	
Kenya	Completed	

Preliminary Results | Cognitive Skills

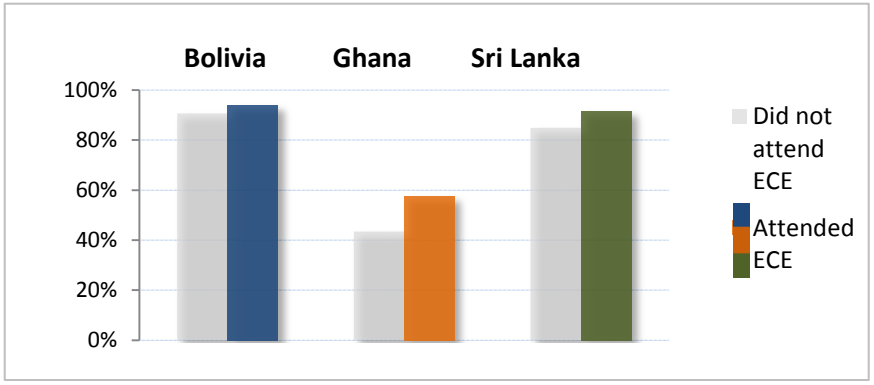
The proportion of adults reaching the minimum literacy proficiency threshold varies widely across countries

- Virtually all adults in Yunnan province and Vietnam pass the core literacy threshold (3 correct answers out of 8 questions)
- In contrast, only 25 percent of adults in Ghana pass the minimum threshold



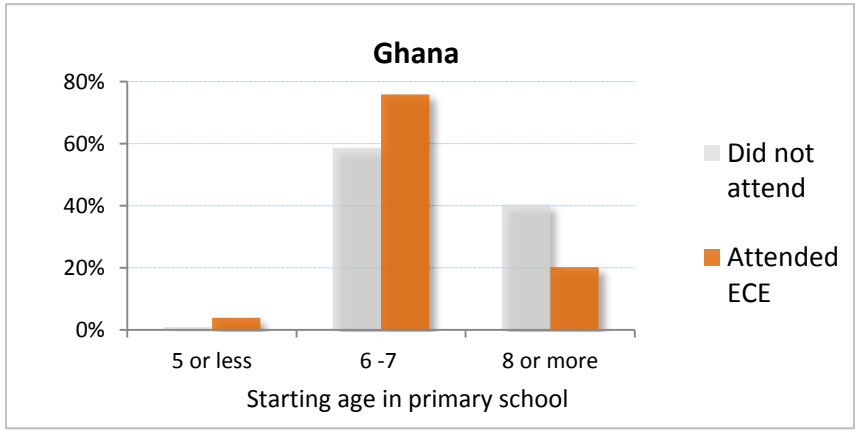
Preliminary Results | Cognitive Skills

Participation in ECE programs is associated with a higher probability of passing the core reading literacy assessment



- The probability of passing the core literacy assessment—a measure of minimum literacy—increases significantly for adults who responded as having participated in an early childhood education program prior to entering the first grade in primary education.

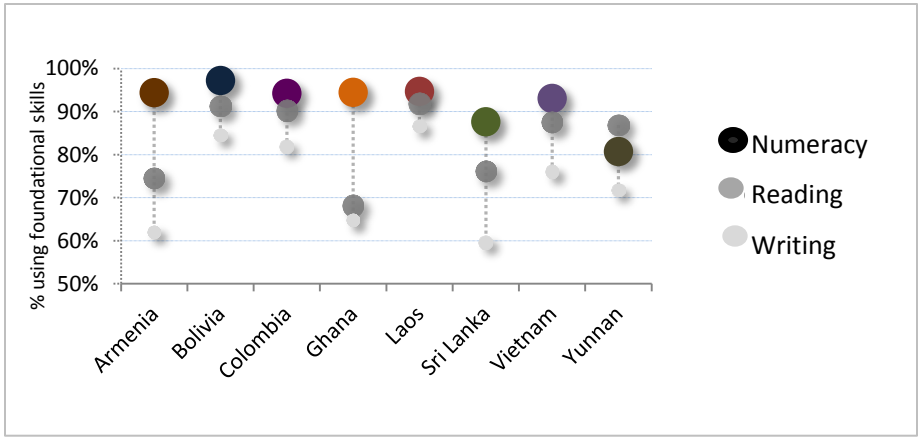
A higher probability of starting primary education at the appropriate age (6-7 years old)



- In Ghana, adults who participated in ECE are significantly more likely to start primary school at the right age. About 40 percent of adults who did not attend ECE reported starting late, compared to 20 percent of adults who attended ECE.

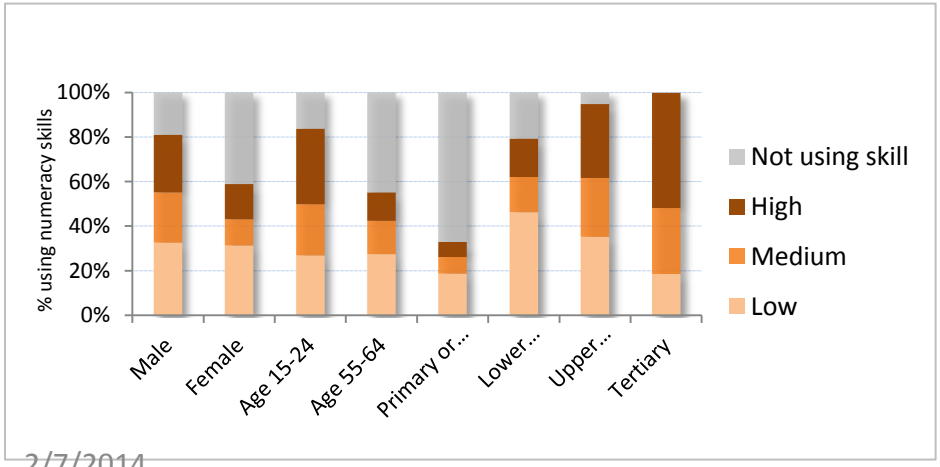
Preliminary Results | Cognitive Skills

Most adults report using foundational skills regularly, particularly numeracy…



- Foundational skills are widely used, especially numeracy and reading, but the intensity of use varies by demographic group.

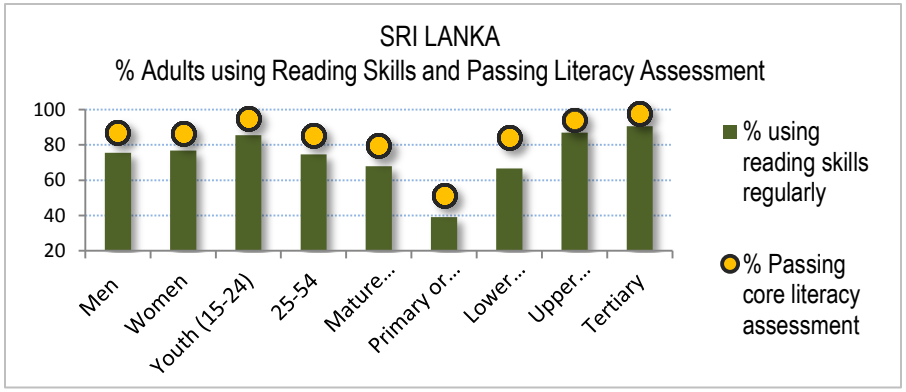
.. but not everyone uses foundational skills with the same level of intensity



- In Ghana, intensity in the use of **numeracy** skills varies by gender, age and educational attainment

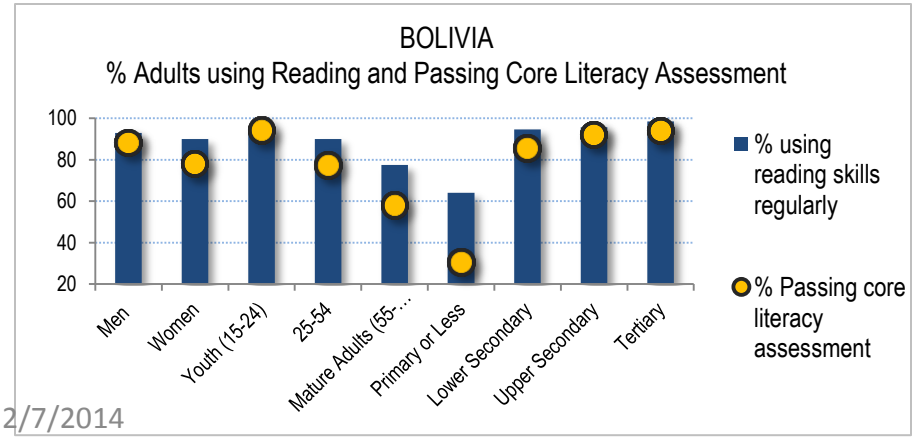
Preliminary Results | Cognitive Skills

In Sri Lanka, a substantial share of adults who met the minimum literacy threshold do not read regularly and are thus neither maintaining nor developing their reading skills



- In the case of Sri Lanka, the proportion of adults passing the core literacy assessment is higher compared to the proportion of adults using reading skills regularly
- The pattern and gap hold regardless of gender, age and educational attainment

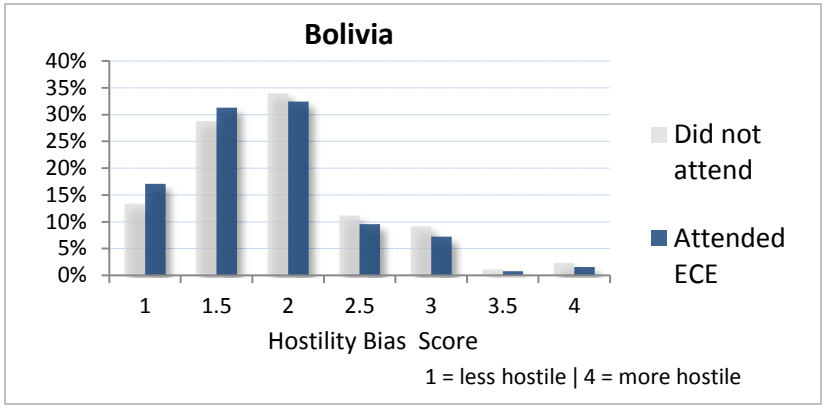
Conversely, the reverse is also true for Bolivia, not everyone who reports using reading skills regularly reaches a minimum level of reading proficiency



- Bolivia and Laos (not pictured) have a higher proportion of adults using reading skills regularly, even though a greater proportion cannot meet the minimum level of reading literacy
- The gap is more pronounced among mature adults and adults with primary education completed or less

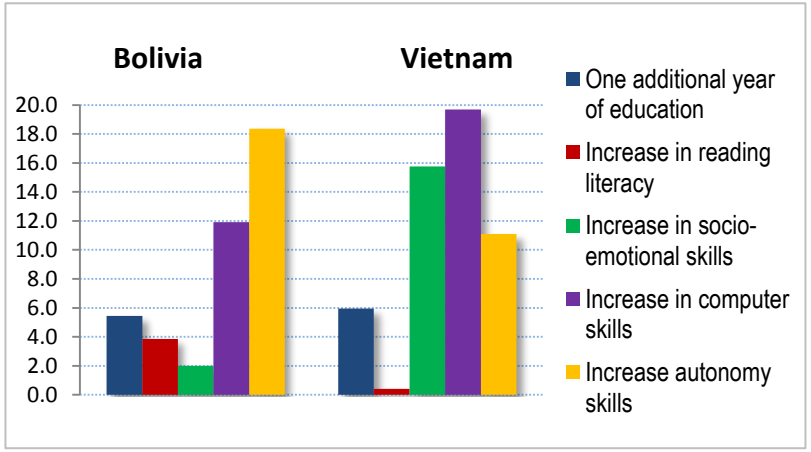
Preliminary Results | Socio-emotional skills

Participation in ECE programs is associated with a higher probability of scoring lower on hostility bias



- In Bolivia, adults who participated in ECE programs have a significantly higher probability of scoring lower in hostility bias

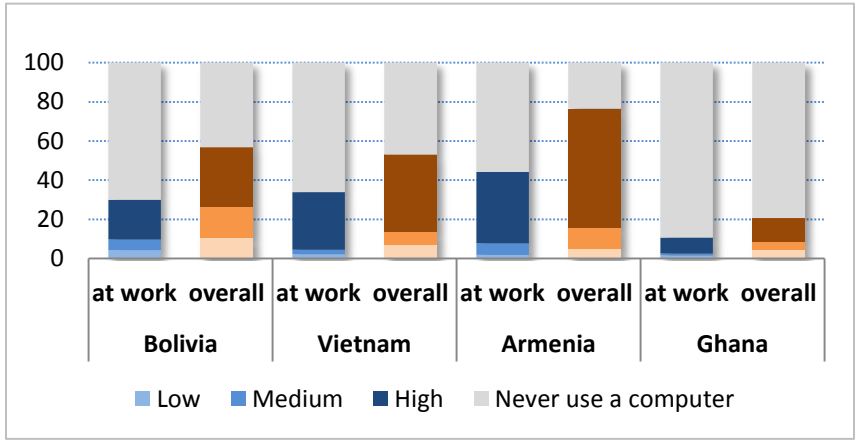
All skills matter for labor market success, including socio-emotional skills



- The greatest returns for wage workers are for socio-emotional skills and job-specific skills such as computer skills and autonomy and for socio-emotional skills. Wage workers in Vietnam may increase their earnings by more than 15 percent with an increase in socio-emotional skills

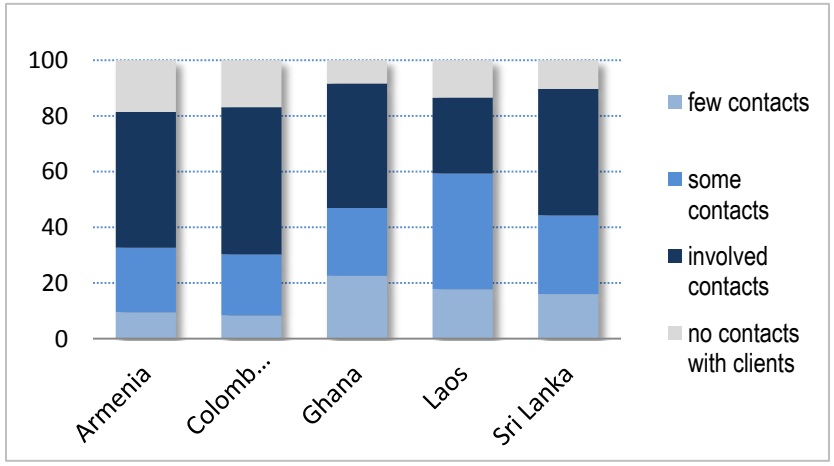
Preliminary Results | Job-specific skills

Workers seem to underuse their computer skills



- The share of workers who use computers in general is greater than the share of those who use them at work. The size of these gaps varies across countries. Armenia shows the largest difference: while 76 percent use computers in general, only 44 percent of workers use them at work

Client contact in the services sector is high in all countries, though the intensity varies



- Over 80 percent of workers in the service sector report frequent client/customer contact. The intensity of contact varies across countries with workers in Colombia and Armenia reporting the highest frequency of contact

STEPSKILLS
MEASUREMENT

For additional information, please contact:

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