

# The experience of two pilots of sector skills councils in Peru

David Rosas Shady  
[davidro@iadb.org](mailto:davidro@iadb.org)

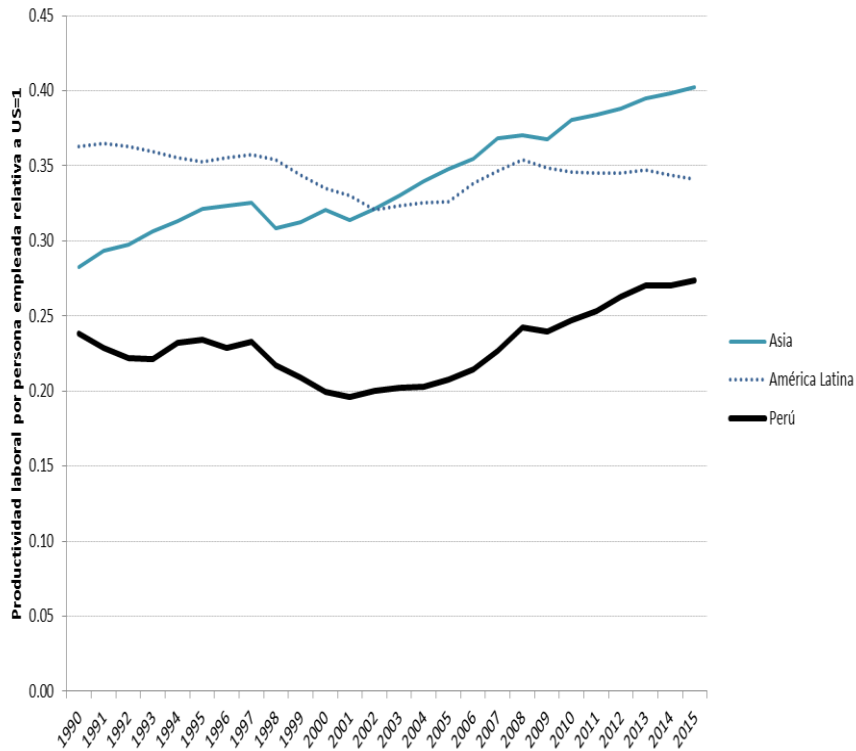
Labor Markets and Social Security Division  
Inter American Development Bank

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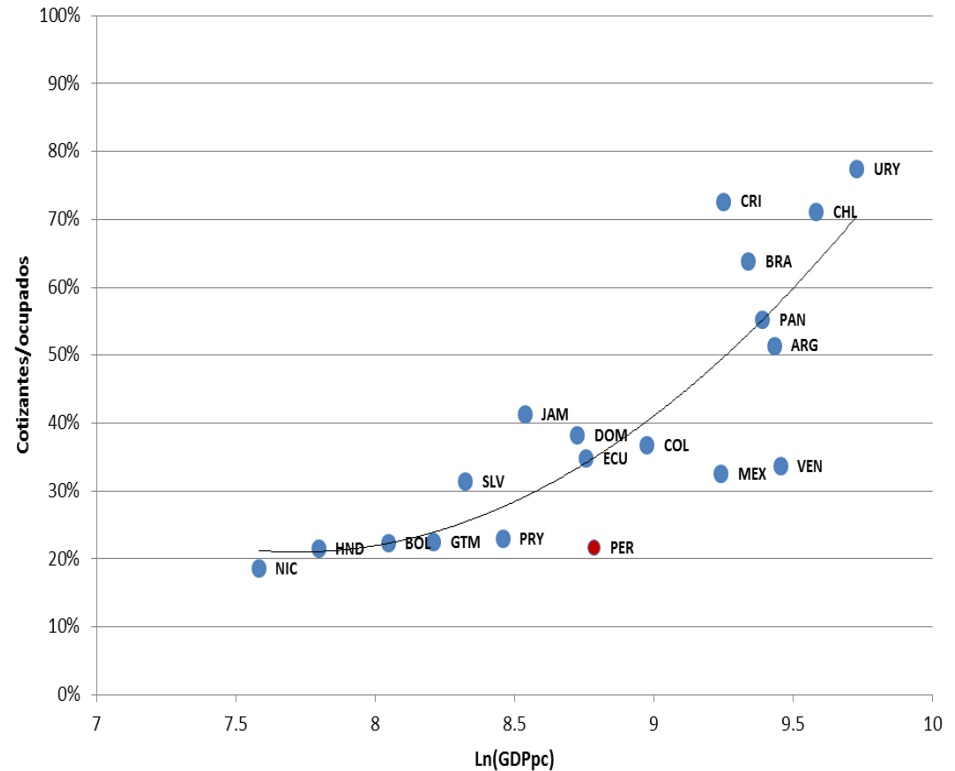
# Peru has low levels of labor productivity and high levels of informality

Productivity by person employed (US=1)



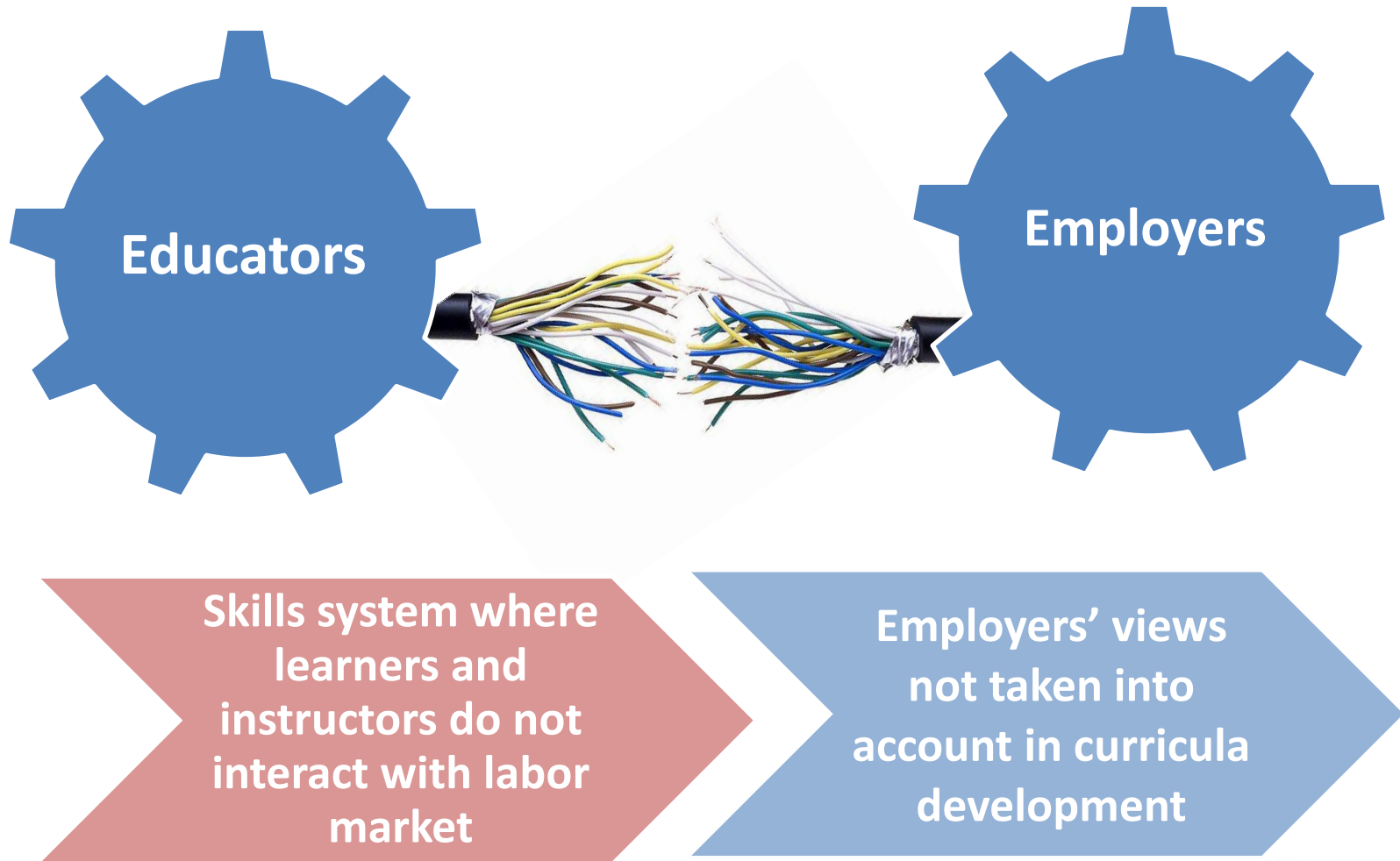
Source: The Conference Board Total Economy Database™ (2015).

Formality rate and GDP per capita: 2013

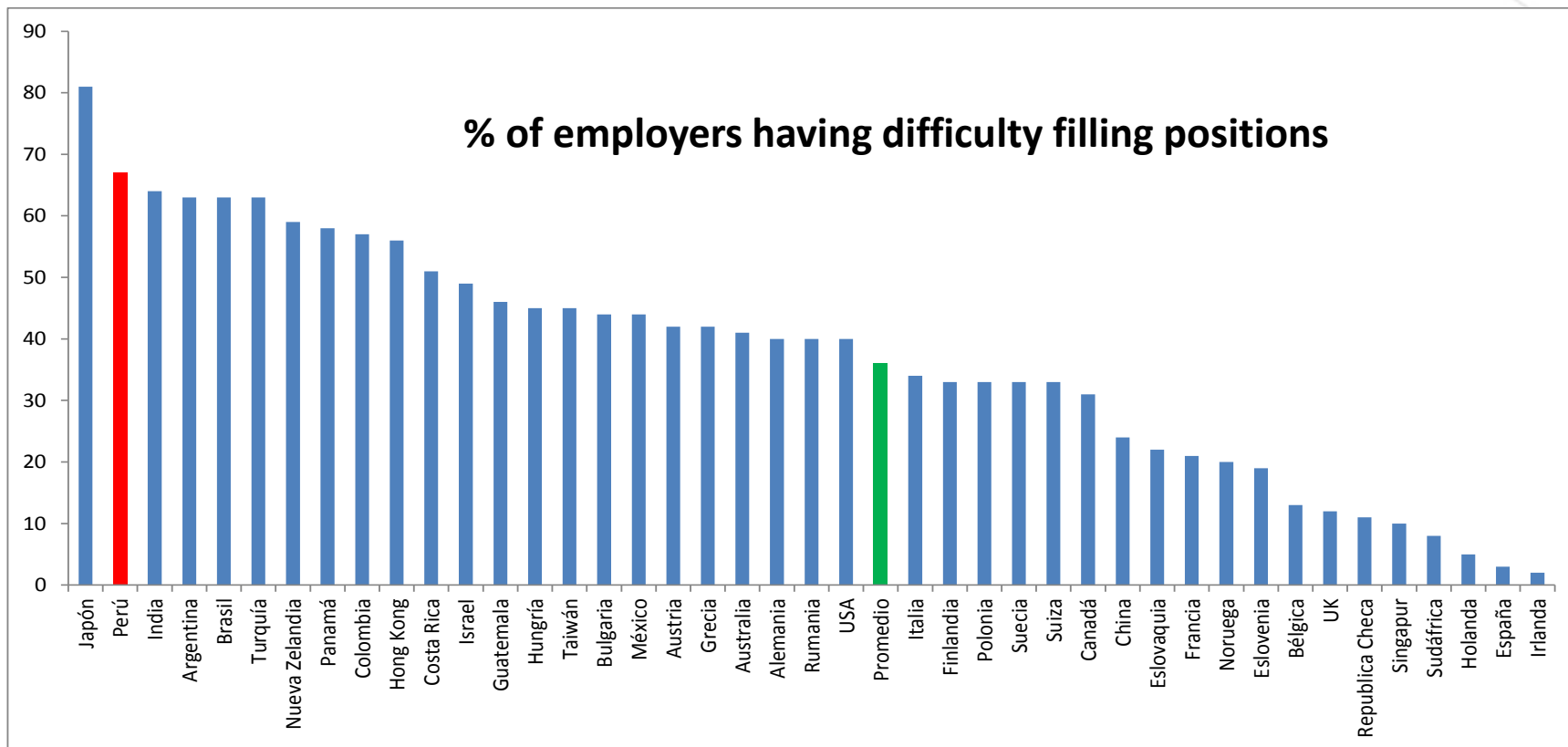


Source: Bosch, Melguizo, Pages (2013)

# This situation is explained (in part) because the workforce lacks the right skills

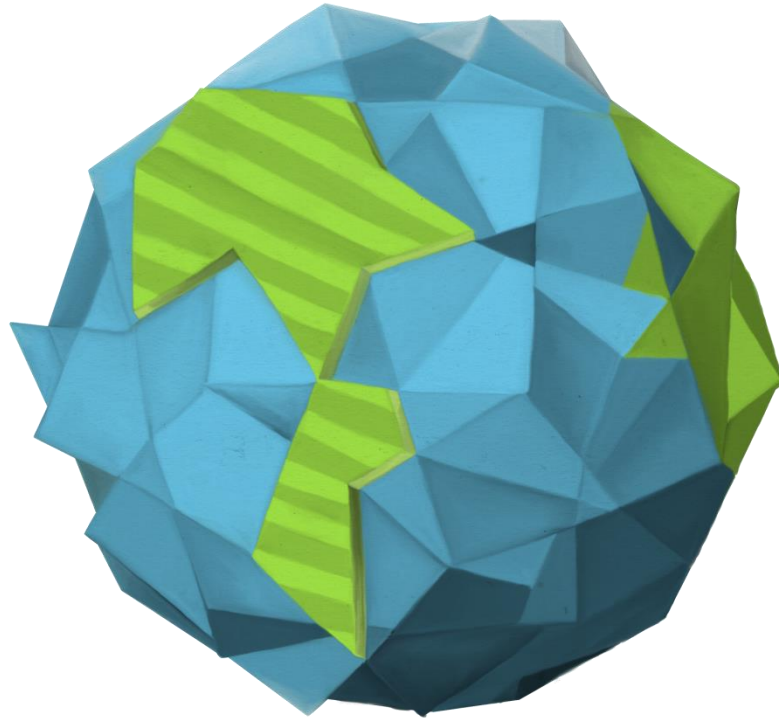


# This explains why companies find it difficult to fill their vacancies



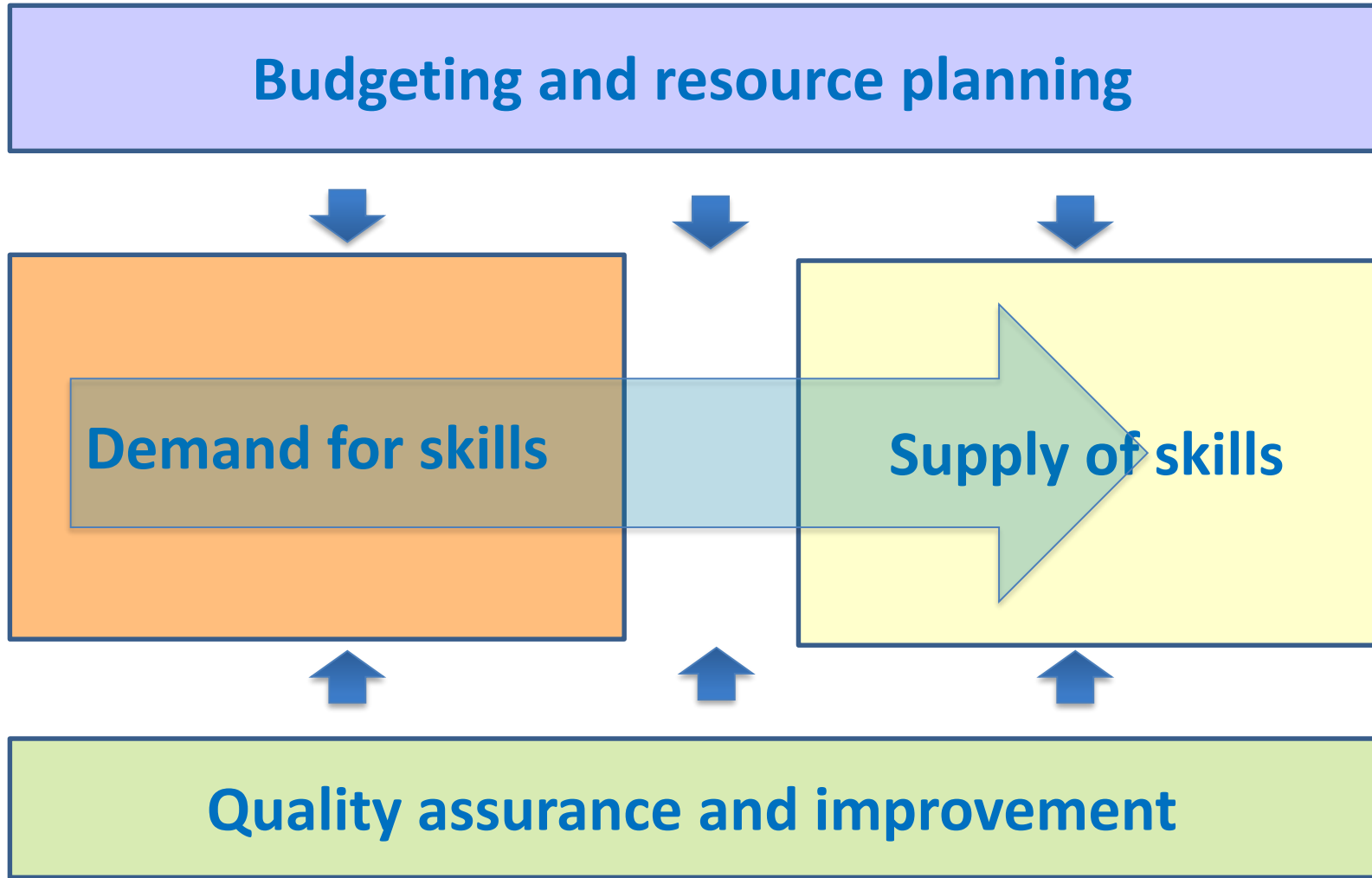
Source: (Manpowergroup, 2014).

# How are skills systems around the world?

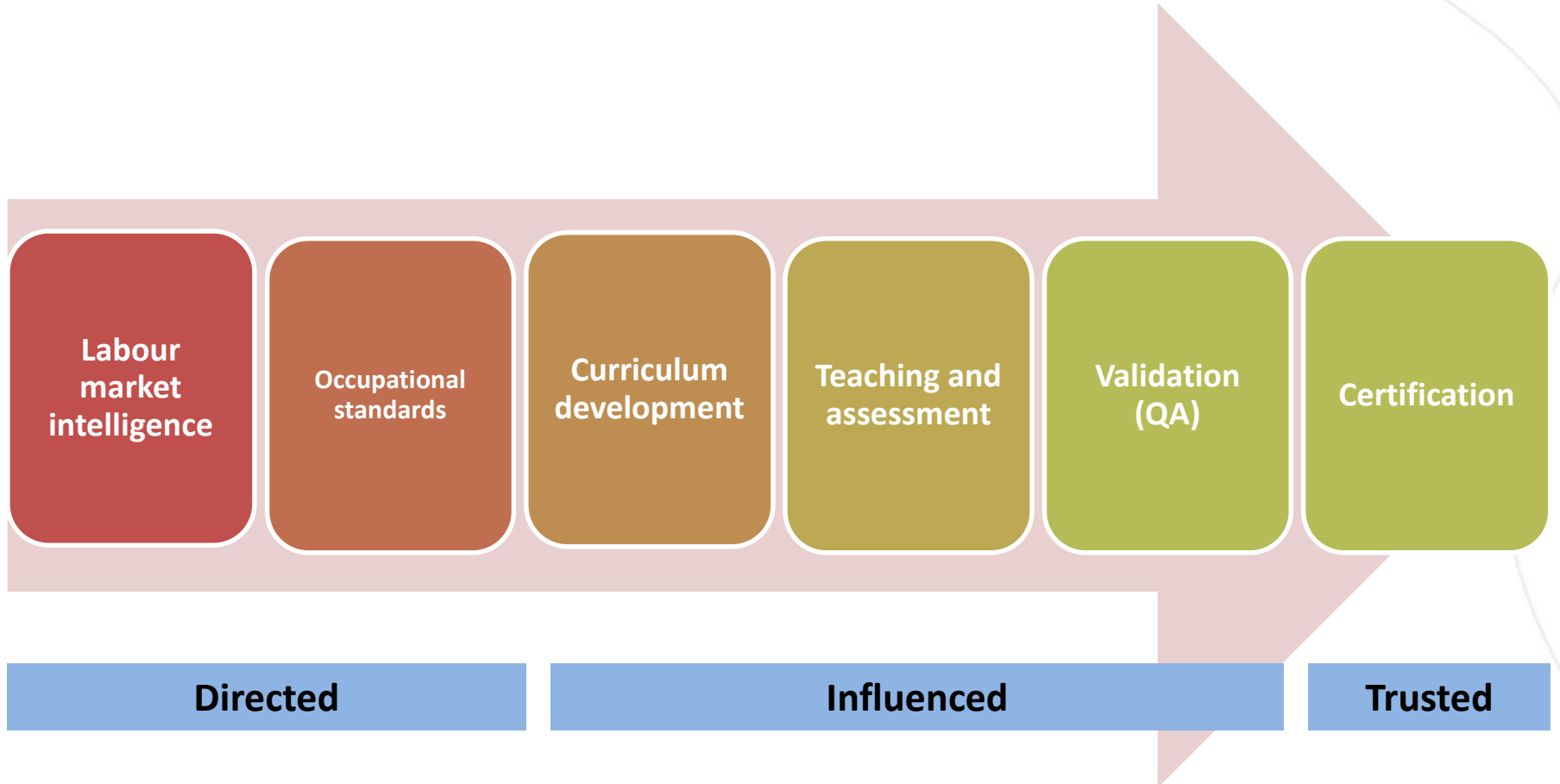


There is not a single model

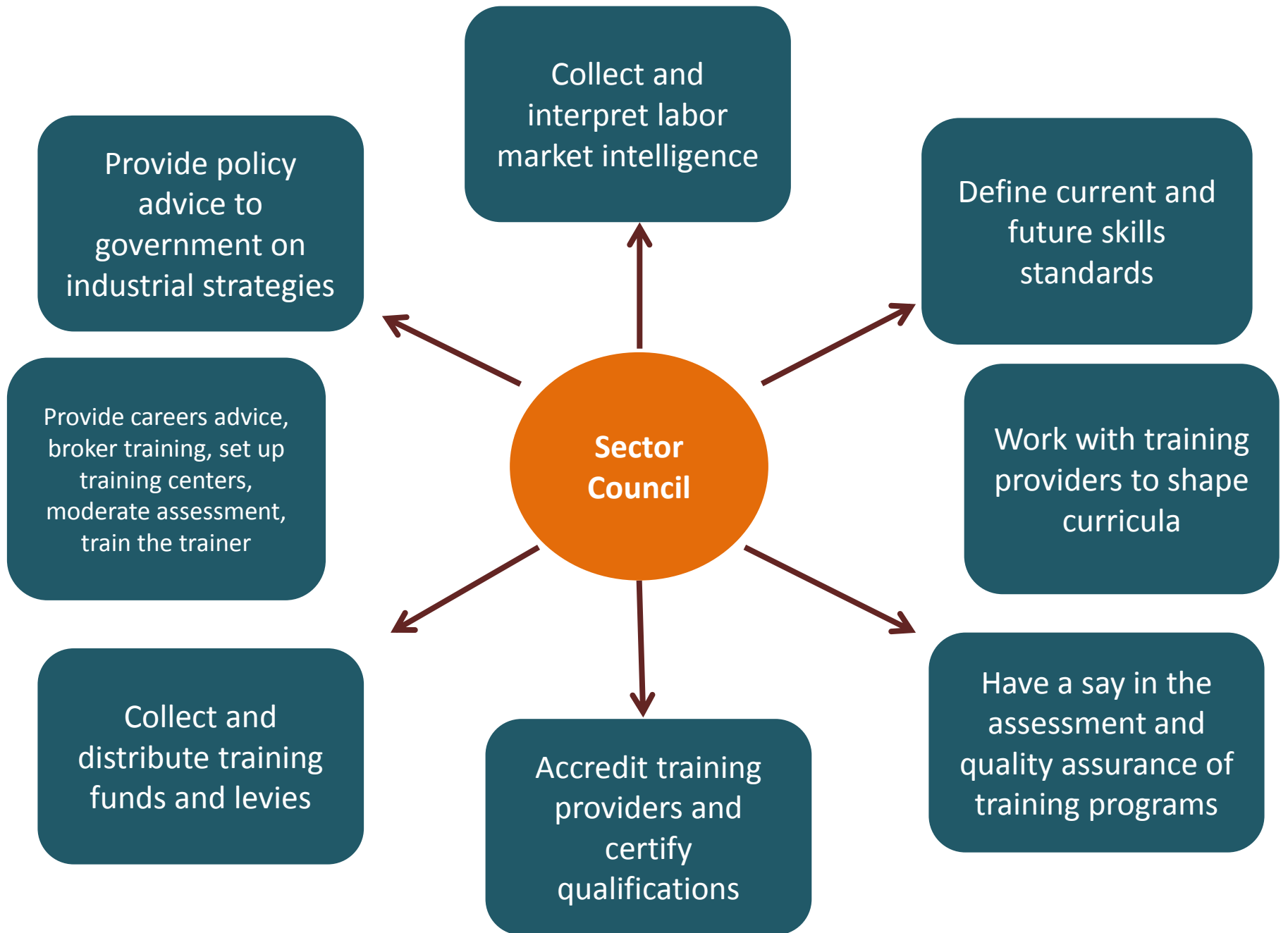
# Critical functional areas of skills systems



# From demand through to supply



**Potential role of Sector Councils**





# Different challenges to making it work

What power do we need to make things happen?

What do we mean by 'employers'?

Should the Trade Unions be involved?

Who pays for what?

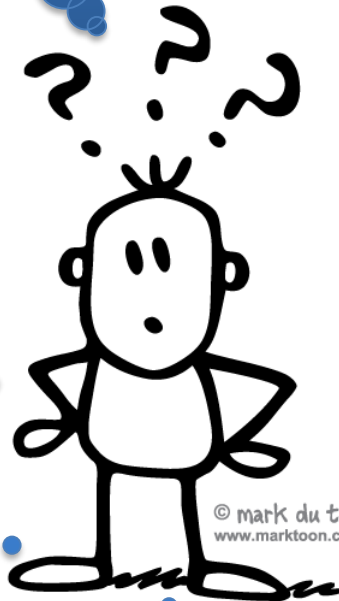
Should we focus or take a broader view?

What about employers not on the Board?

Where can we find the technical backup?

Who decides our sector 'footprint'?

Who we report to and how will we be regulated?



# The experience of setting two sector skills councils in Peru

- Project carried out at the request of the Peruvian Government with the support of the IDB and SECO.
- The objective of the project is to contribute **to improve the involvement** of the productive sector in the Peruvian TVET system.
- For this, two pilots of sector councils **led by the productive sector** in the mining and agro-export sectors are being developed.
- Based on the international experience but adapted to the characteristics of both sectors in Peru.

# Setting two sector skills councils in Peru

- Key players:
  - From the private sector: main sector associations and representative firms from both sectors.
  - From the public sector: ministries of labor and education, and finance.
  - A team of international experts (UK, CH, MX).
- The project started 1 year ago and has achieved results expected:
  - Creation of both sectors skills councils
  - Identification of main skills needed in both sectors
  - Development of functional maps and of competency standards
  - Development of qualifications
- Main challenges: **Sustainability and Replicability !!!**
- The project will not solve all the problems of the Peruvian TVET system but it provides a first "key piece of the puzzle".

Thank You

