
Beyond Measurement: Evaluation as a Catalyst for Effective Youth and Education Policies


Rafael de Hoyos

Wednesday, June 18

PROFEEDBACK network,
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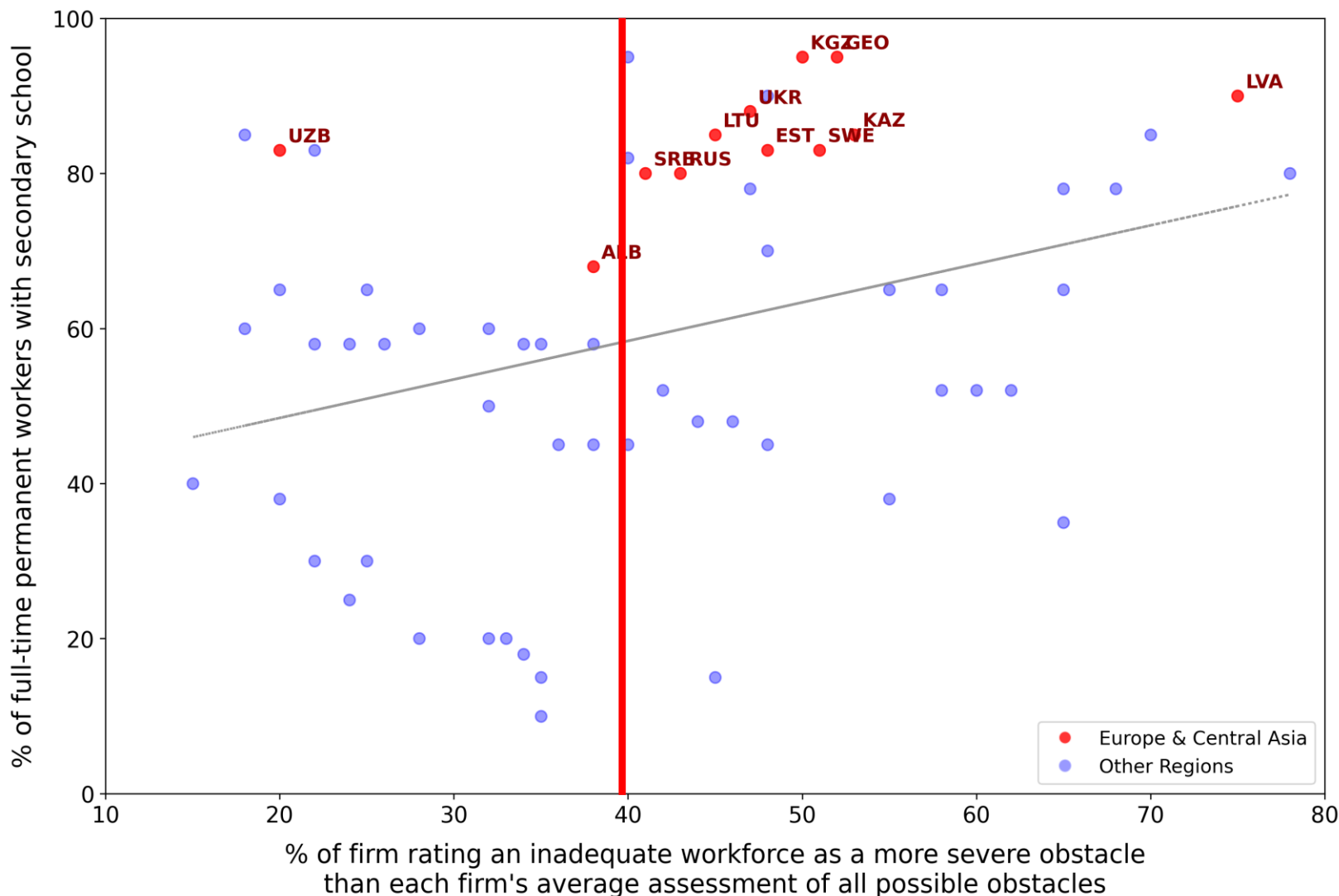


The labor market paradox.



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Many firms in Europe and Central Asia identify an inadequate workforce as the most severe **obstacle to productivity.**

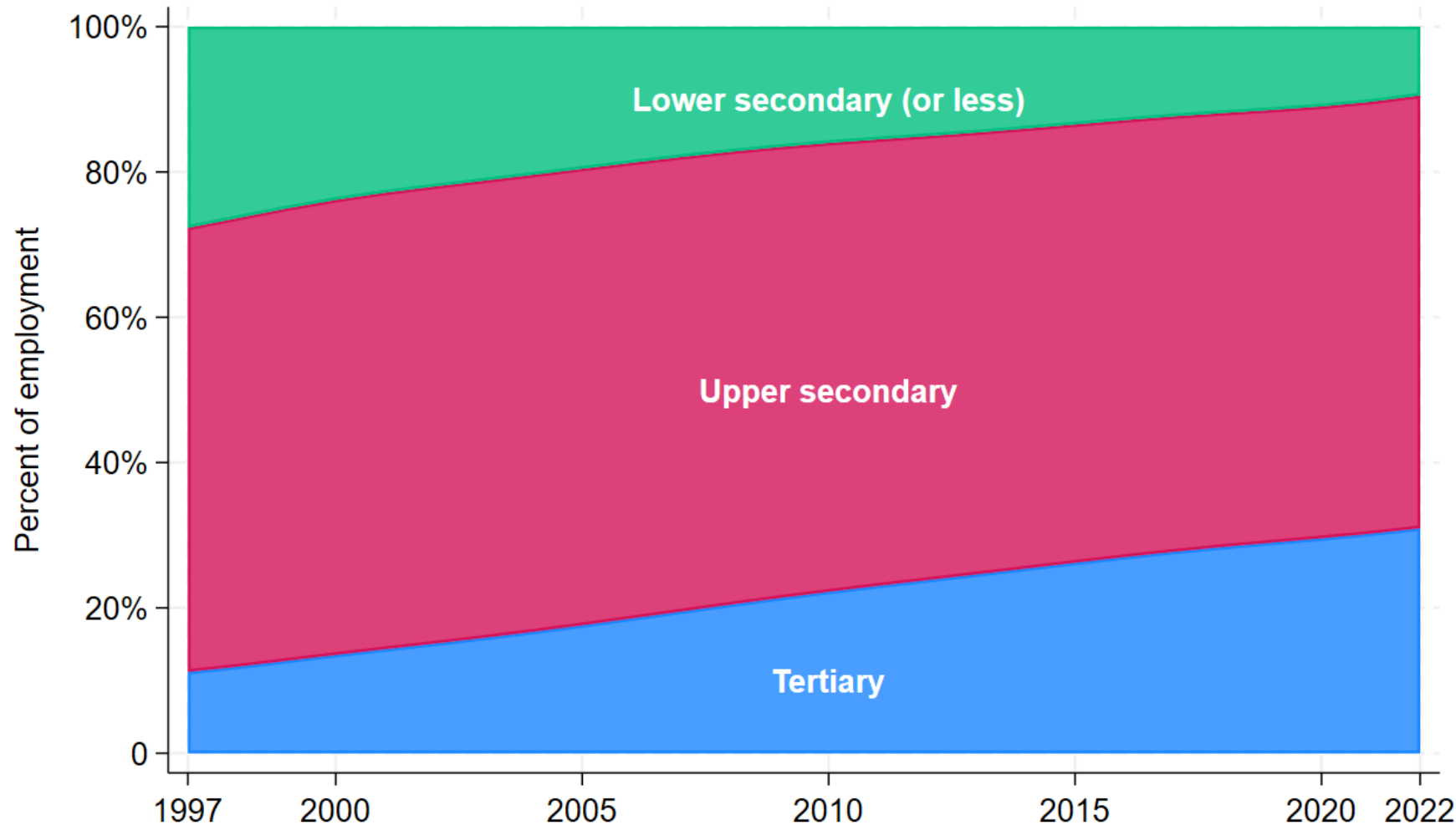


Source: Honorati, Santos and Gomez Tamayo (2024), using WB Enterprise Surveys.



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...even though educational attainment has increased significantly in the region.



Source: ECA labor force surveys.



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**15% of Youth Unemployment in EU (~3 million)
and ECA (~17 million).**

3x more than overall unemployment.

In a context of skills shortages.



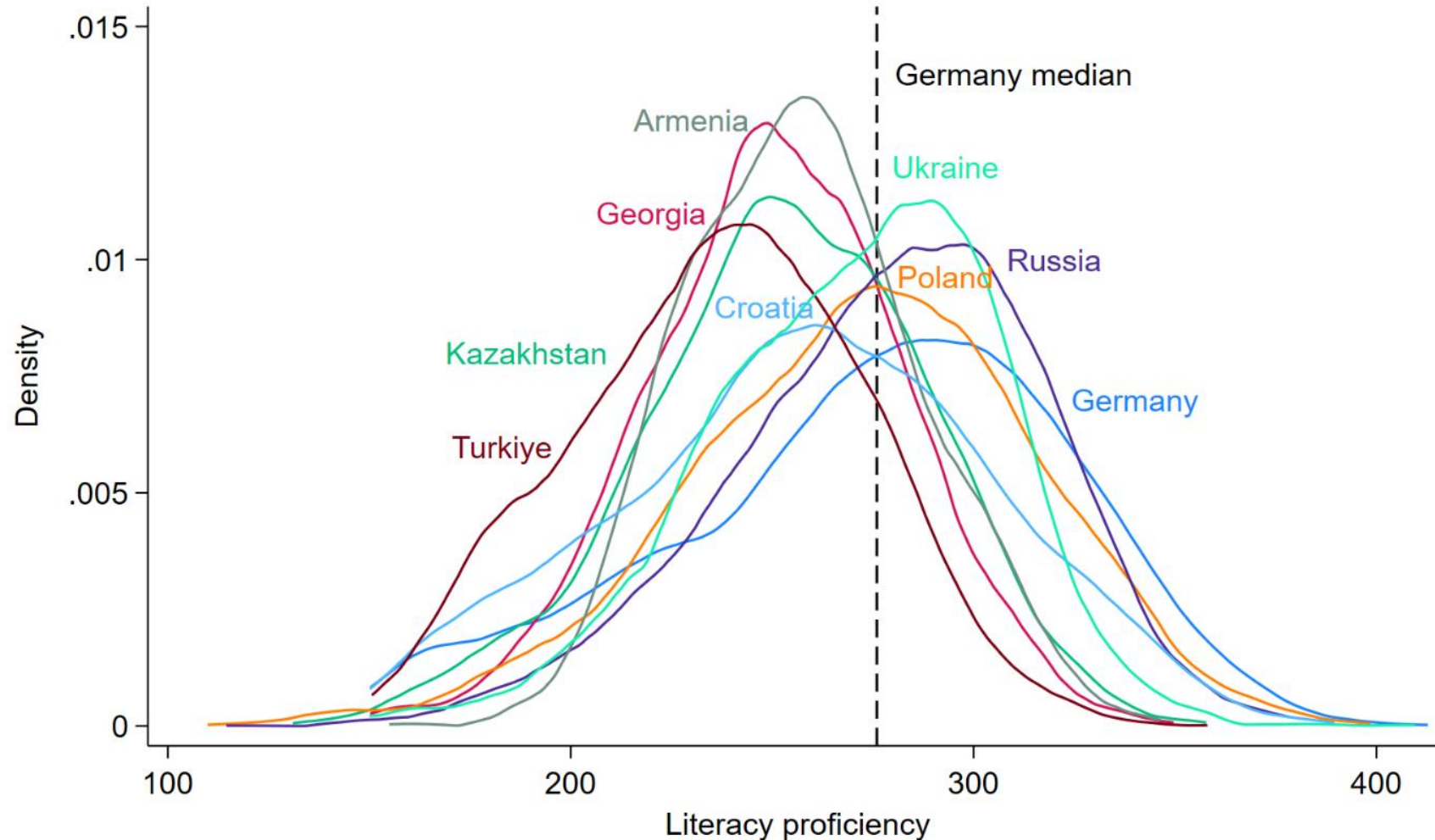


**What explains this
apparent paradox?**



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Basic, foundational skills (literacy & numeracy) are low among the current workforce.



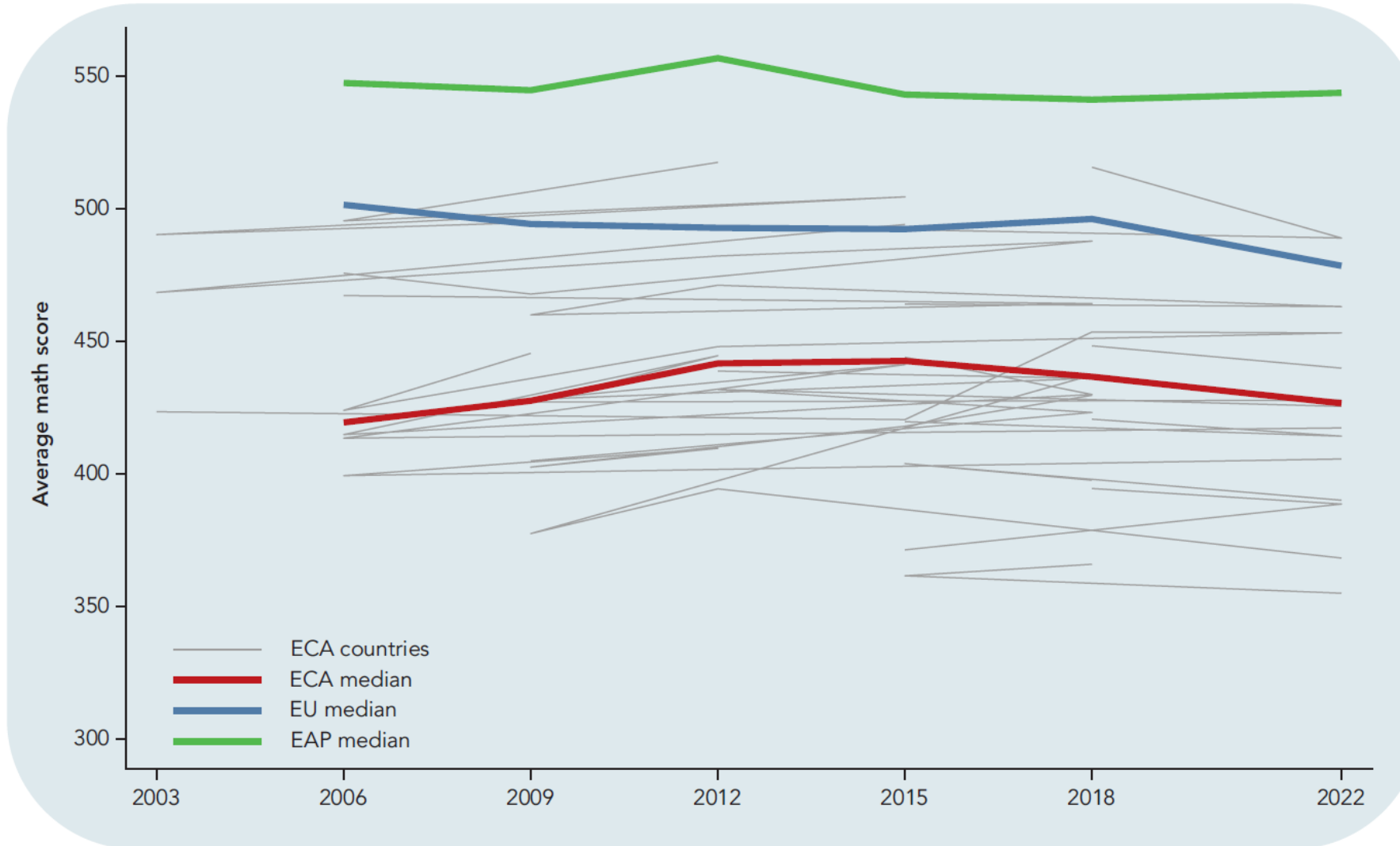
Most workers in “emerging” ECA countries have literacy skills below the median German worker.



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Authors' Computation. Data limitations: assessments of skill proficiency available only for countries participating in PIAAC and STEPS.

... and the prospects does not look bright.



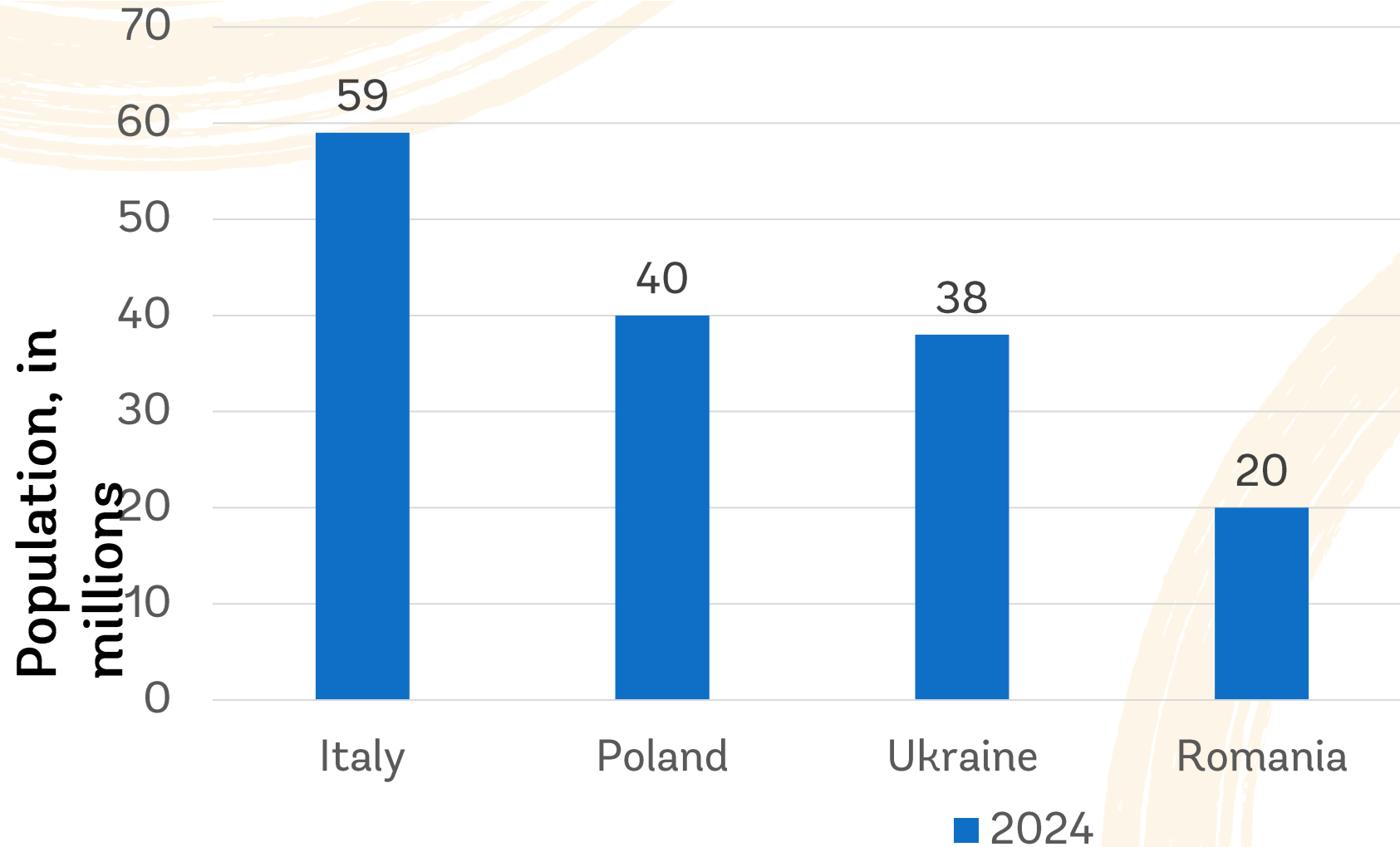
Foundational learning have stalled in ECA.



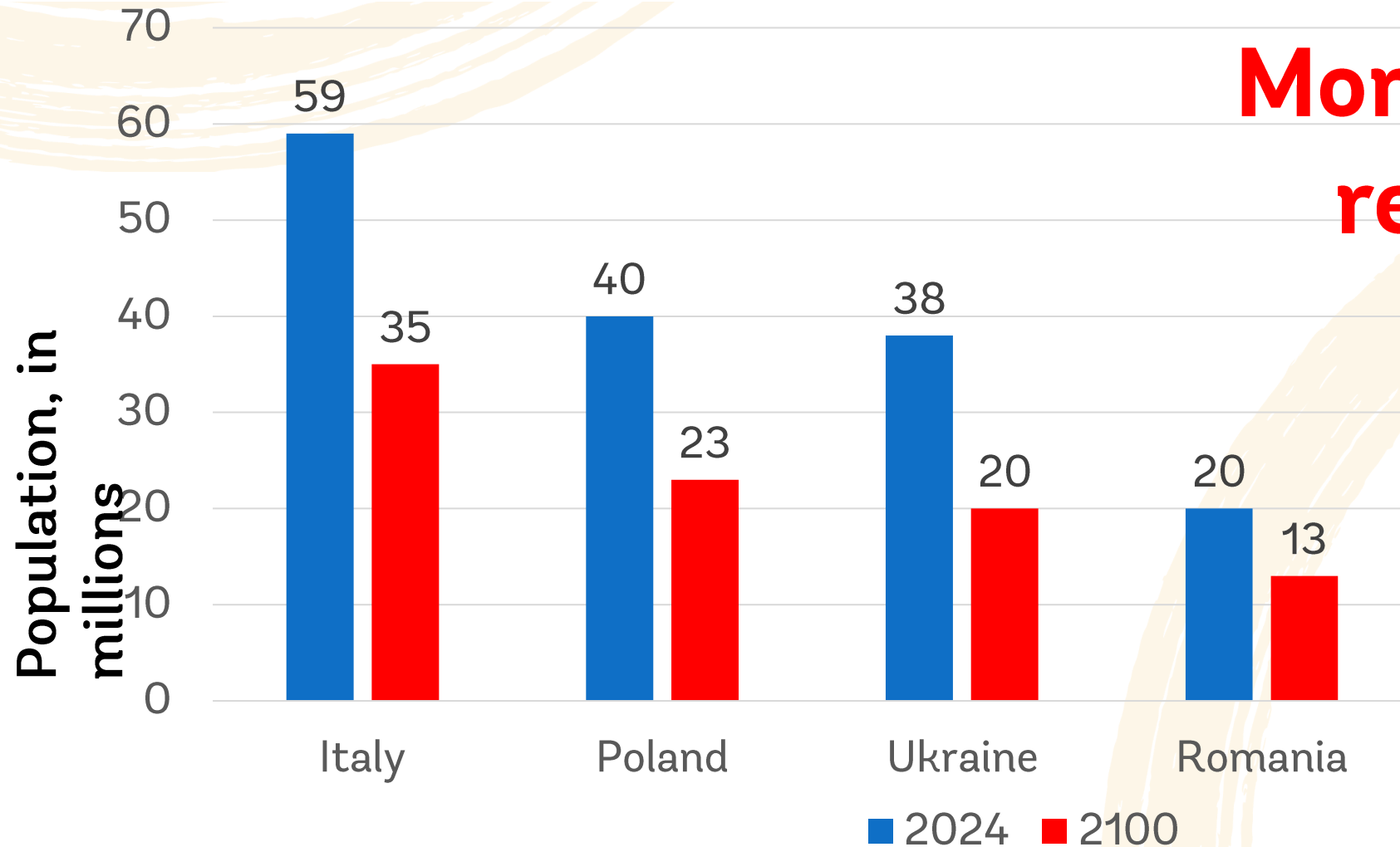
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Authors' Computation using data for PISA, various years.

In the context of shrinking population for the next 70 years.



In the context of shrinking population for the next 70 years.



**More than 40%
reduction!**



**The employment
agenda is a skills
agenda.**



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The Skills Agenda

When aligned with labor market demand, **short-term training can be effective.**

Professional Competences

Having a **well-functioning PES**, aligning supply and demand makes a difference.

PES in France

43 977 JS at risk of LT unemployment

Standard support
(4 565)

CVE : Reinforced counseling offered by the PES (3 385)

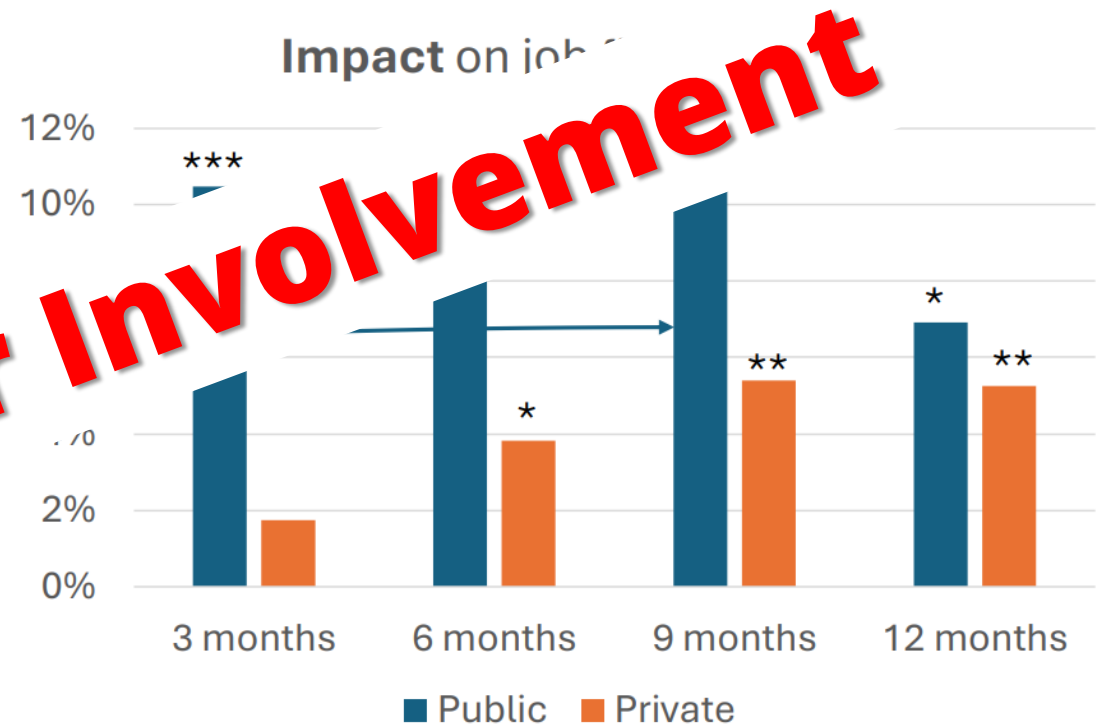
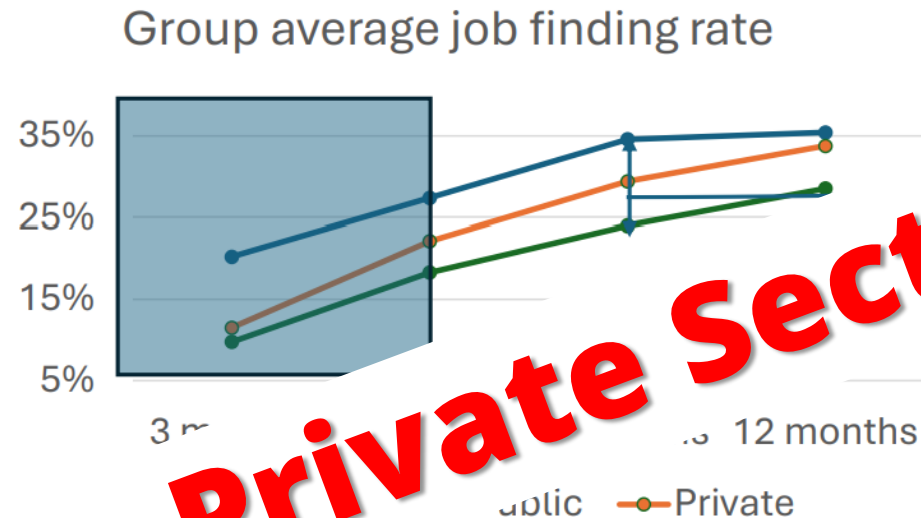
OPP : Reinforced counseling offered by Private Operators (36 027)

The Skills Agenda

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The Skills Agenda

Although vocational training can produce positive results in the short-term...



Professional Competences

... many short-term vocational training courses end up having little (or no) impact.

The Skills Agenda

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Including **socio-emotional skills modules** increases the impact.



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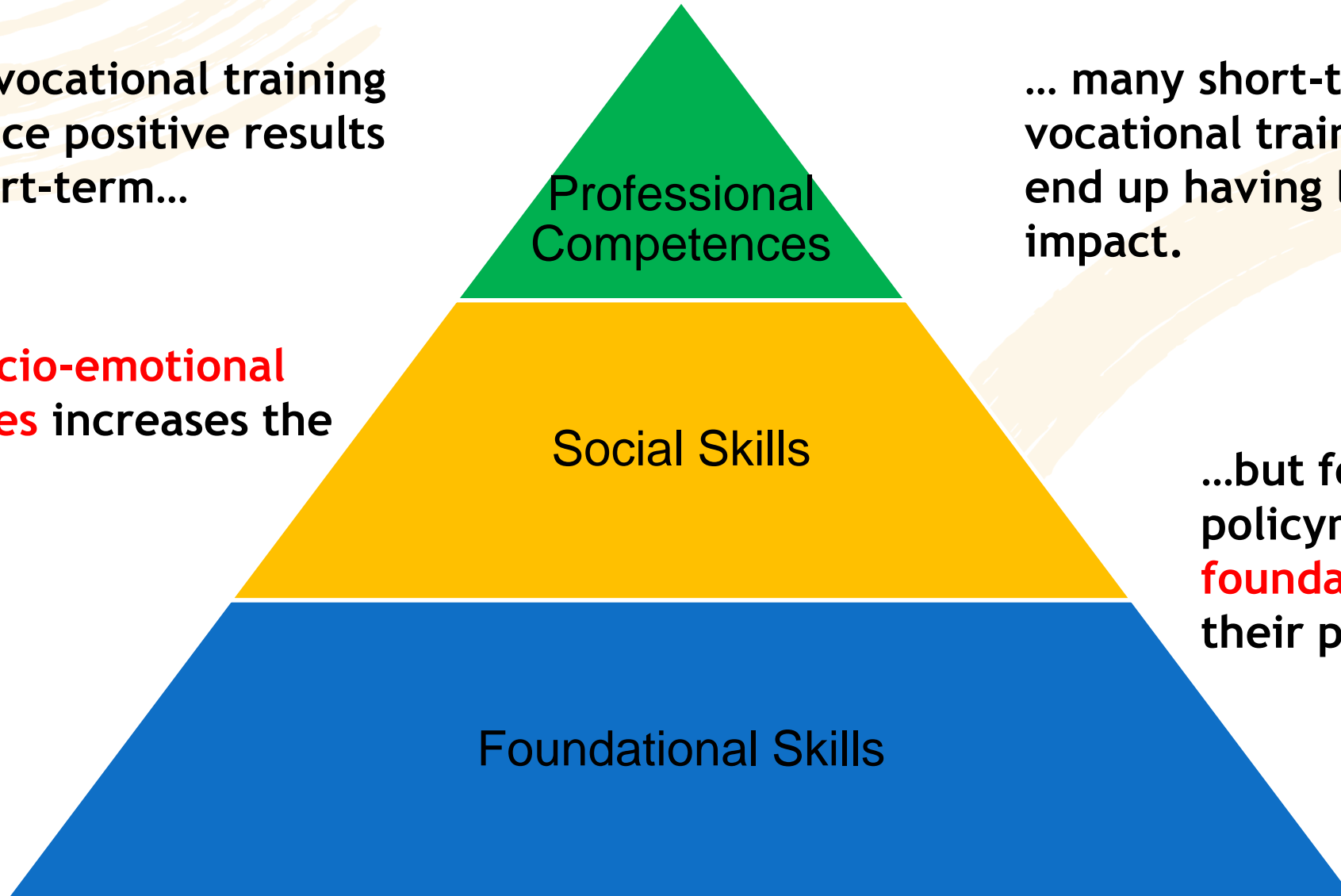
The Skills Agenda

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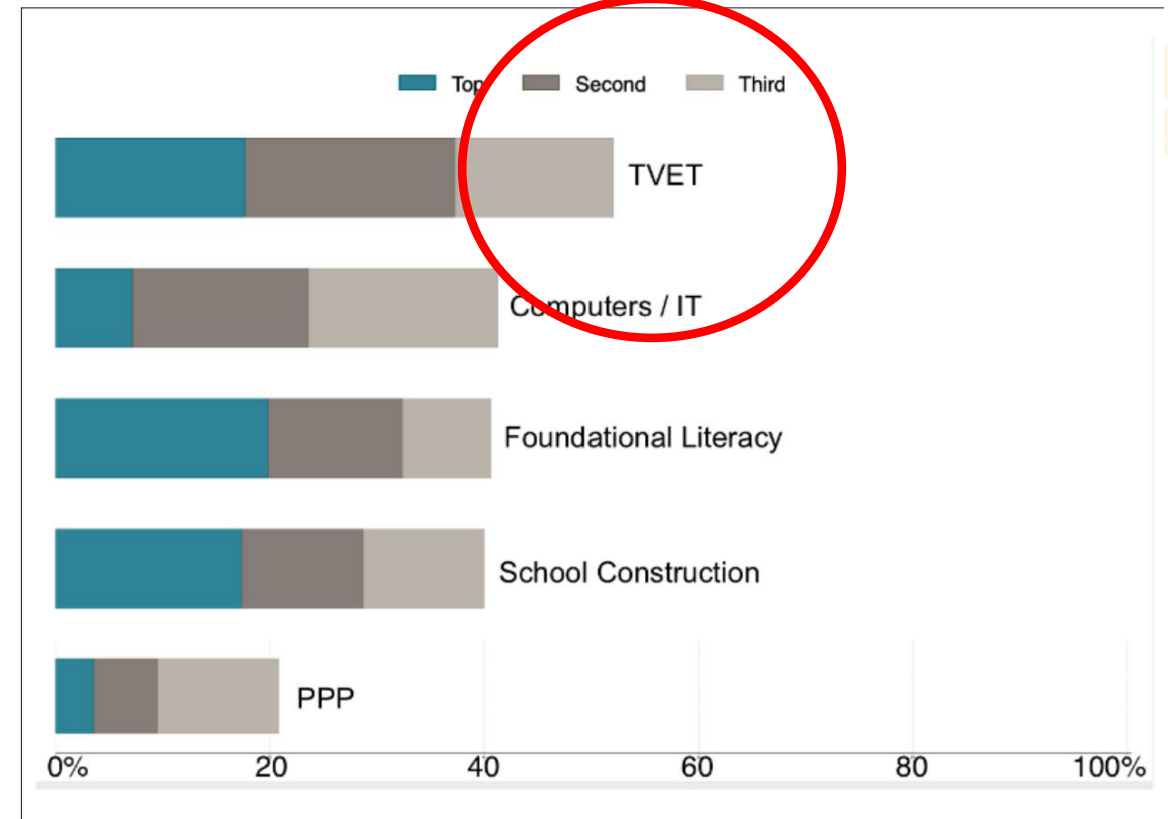
... many short-term vocational training courses end up having little (or no) impact.

...but few policymakers include **foundational skills** in their priorities.



The Skills Agenda: Policymakers (education) in developing countries tend to undermine the foundational skills challenge and it is not top of the priorities.

Figure A5: Stated policy priorities



Note: The question asked was: *What would your priorities be for any new additional aid spending? Please select your top 3*



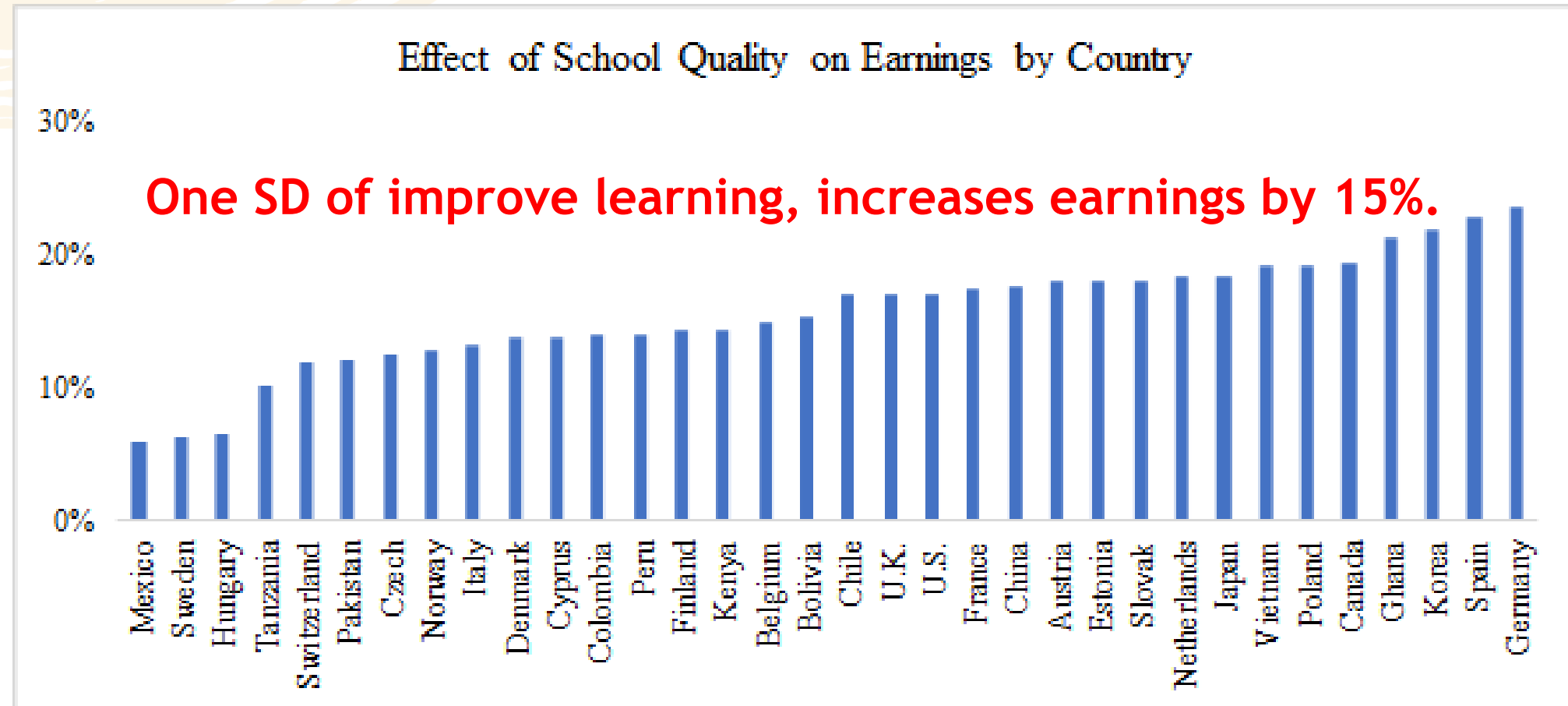
Why foundational skills should be at the core of the skills agenda?



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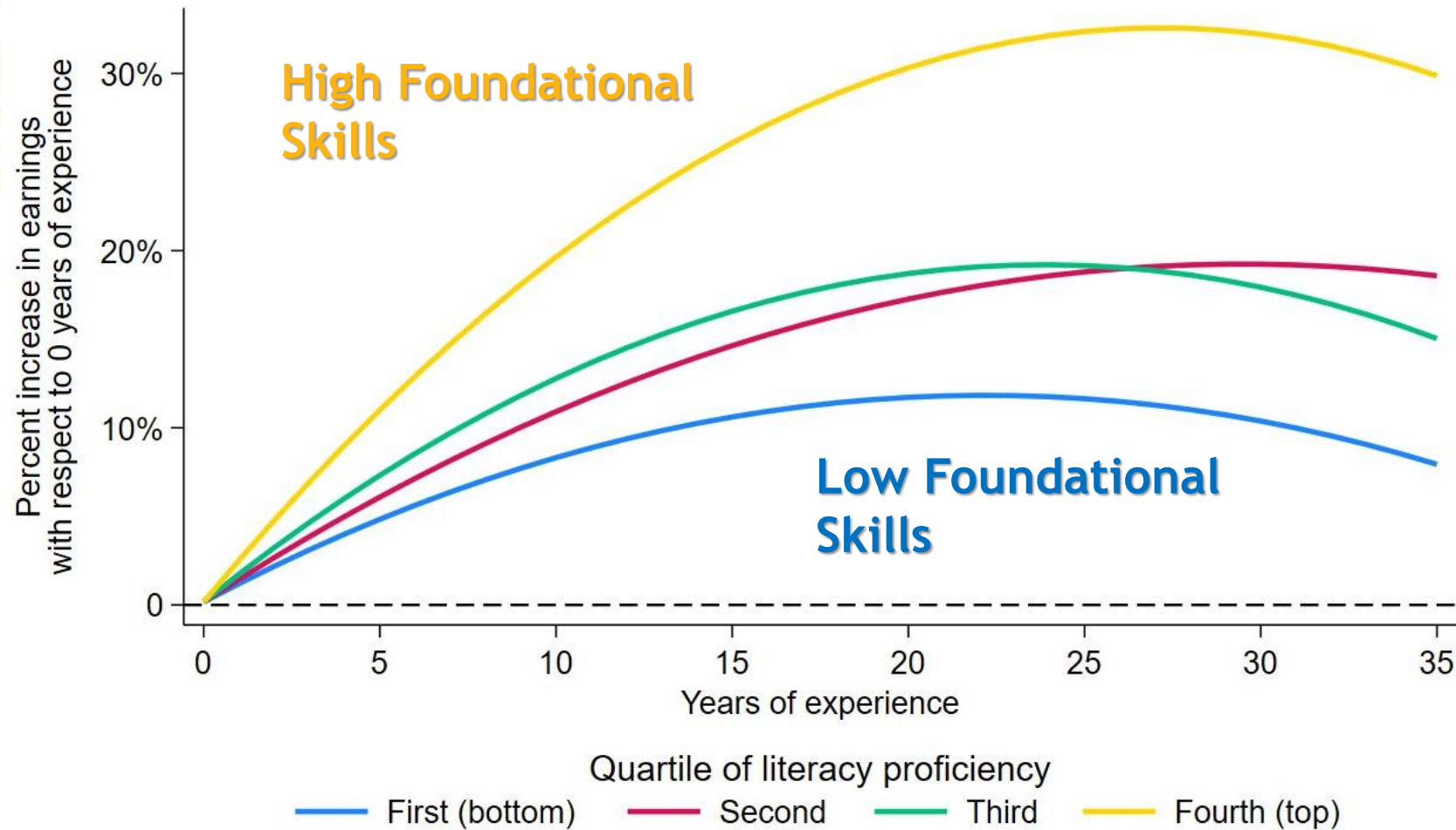
Reason #1: **Learning today, means earning tomorrow**



Psacharopoulos and Patrinos (2025) “The Effect of Raising School Quality on Earnings”, IZA DP No. 17939

Why foundational skills should be at the core of the skills agenda?

Reason #2: it enables lifelong learning (human capital accumulation).



Source: Author's own calculations using PIAAC data for Poland. The "returns to experience" are calculated using a Mincer equation controlling for years of schooling, occupations, and time fixed-effects.

Why foundational skills should be at the core of the skills agenda?

Reason #3: **it increases the effectiveness of vocational training.**

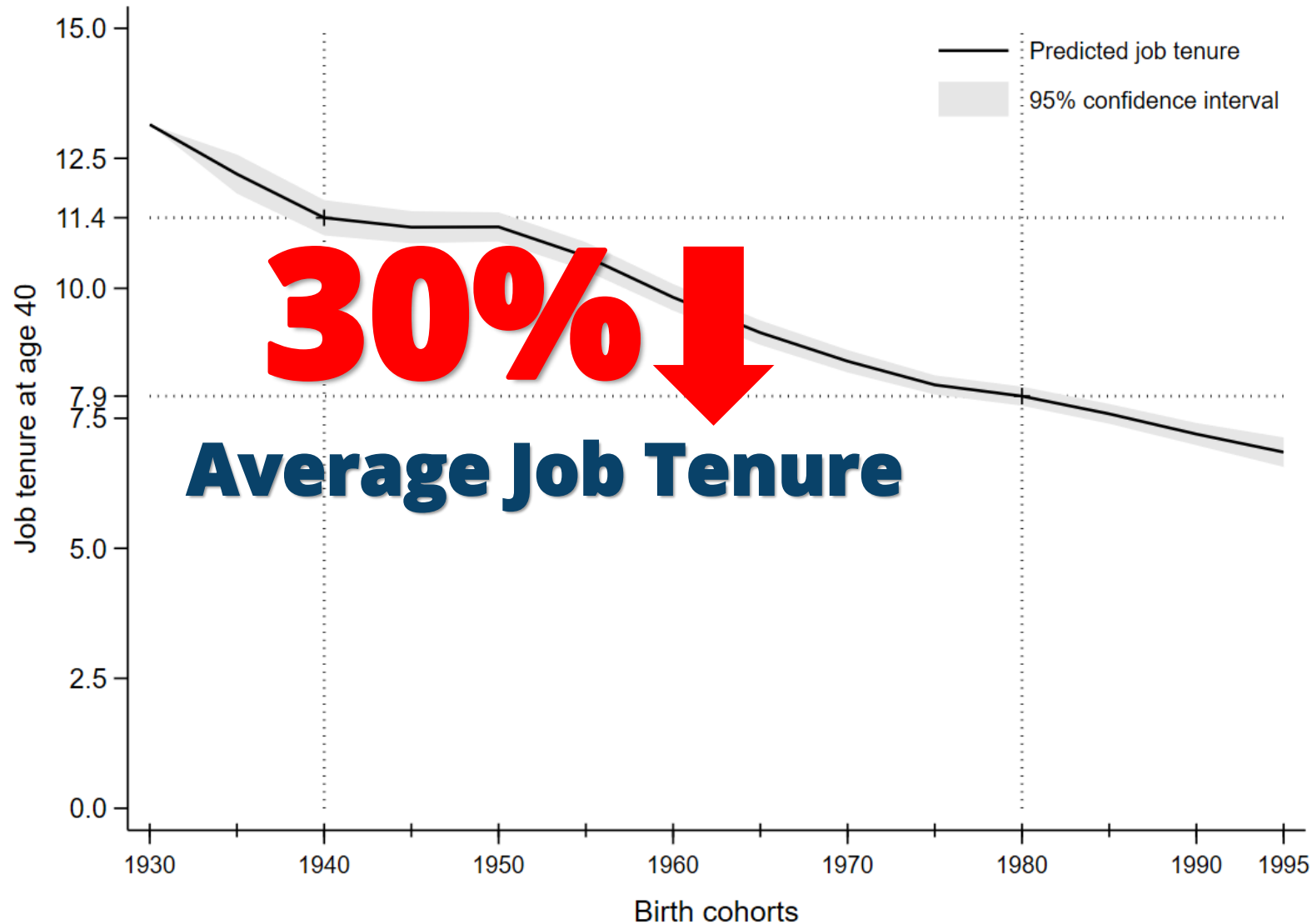
Workers with sufficient foundational skills, **benefit more from vocational training.**



Obiakor and Newman (2022) “Education and Employability: The Critical Role of Foundational Skills”, RISE Insights.

Why foundational skills should be at the core of the skills agenda?

Reason #4: technology increases the value of foundational skills.



Professional competences are **becoming rapidly obsolete**.

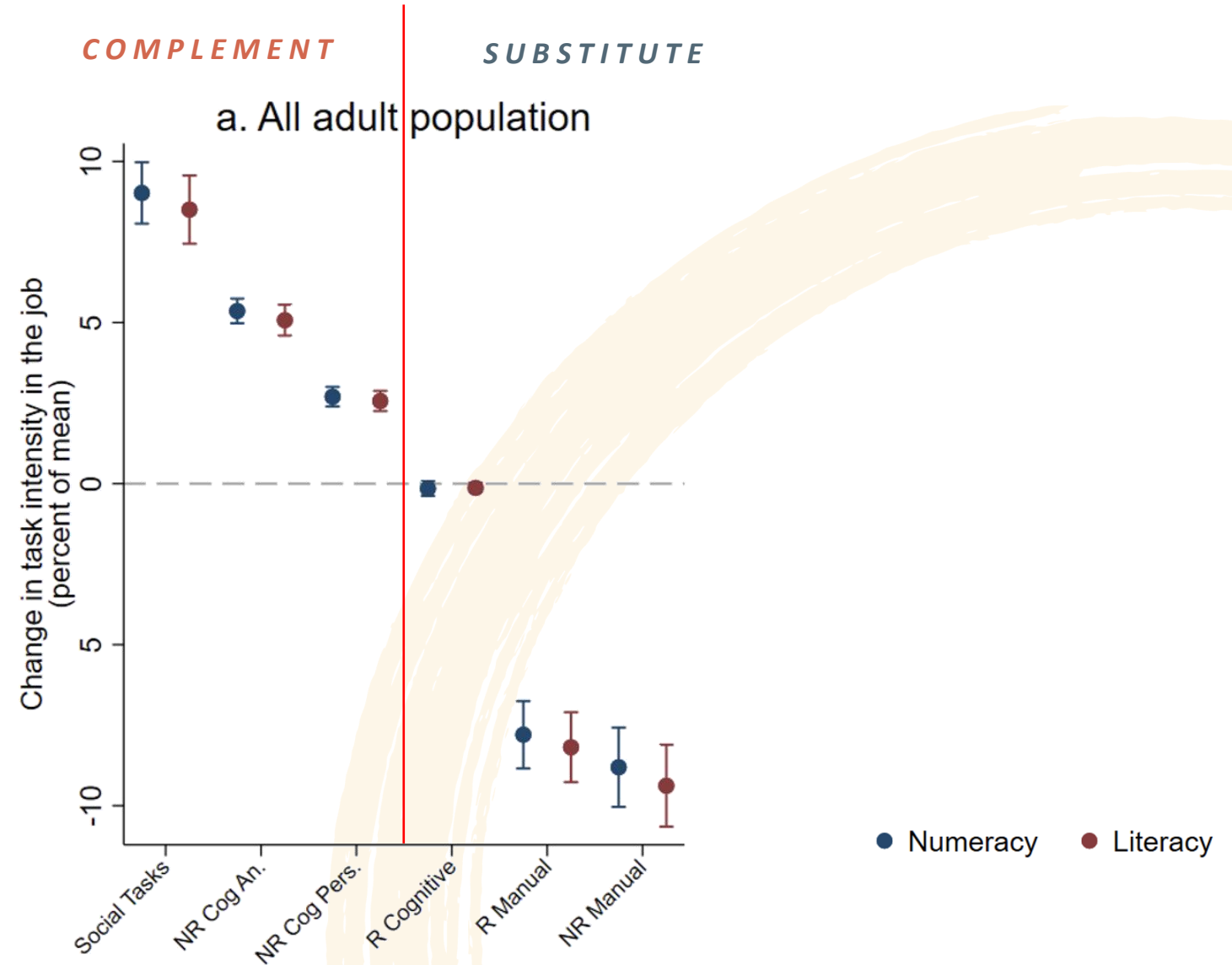
Workers need foundational skills to **“reinvent themselves”** every now and then.

[Dalvit, de Hoyos, Iacovone, and Torre \(2023\) “The Future of Work: Implications for Equity and Growth in Europe”, The World Bank, Washington, DC.](#)

Why foundational skills should be at the core of the skills agenda?

Reason #4: **technology increases the value of foundational skills.**

Top performers in numeracy and literacy **do more social and non-routine tasks.**



Dalvit, de Hoyos, Iacovone, and Torre (2023)
“The Future of Work: Implications for Equity
and Growth in Europe”, The World Bank,
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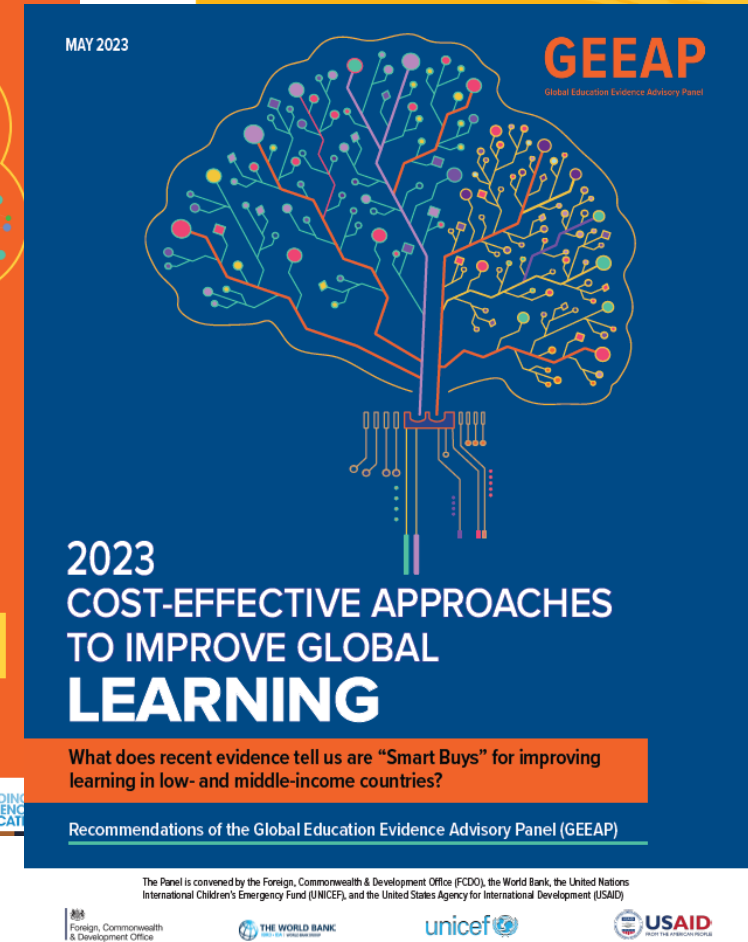
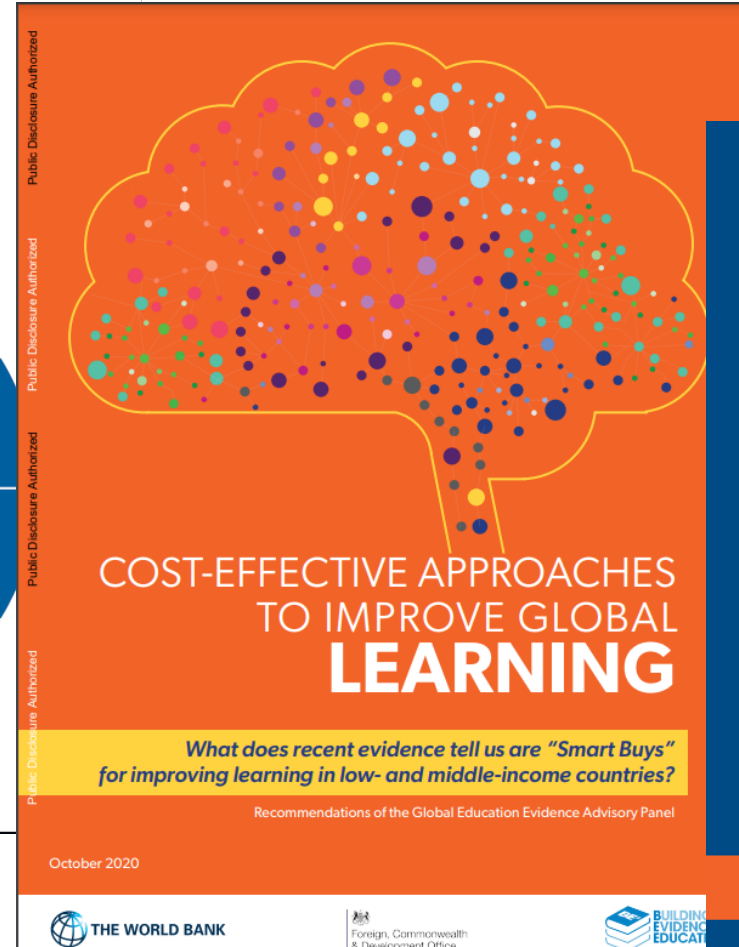
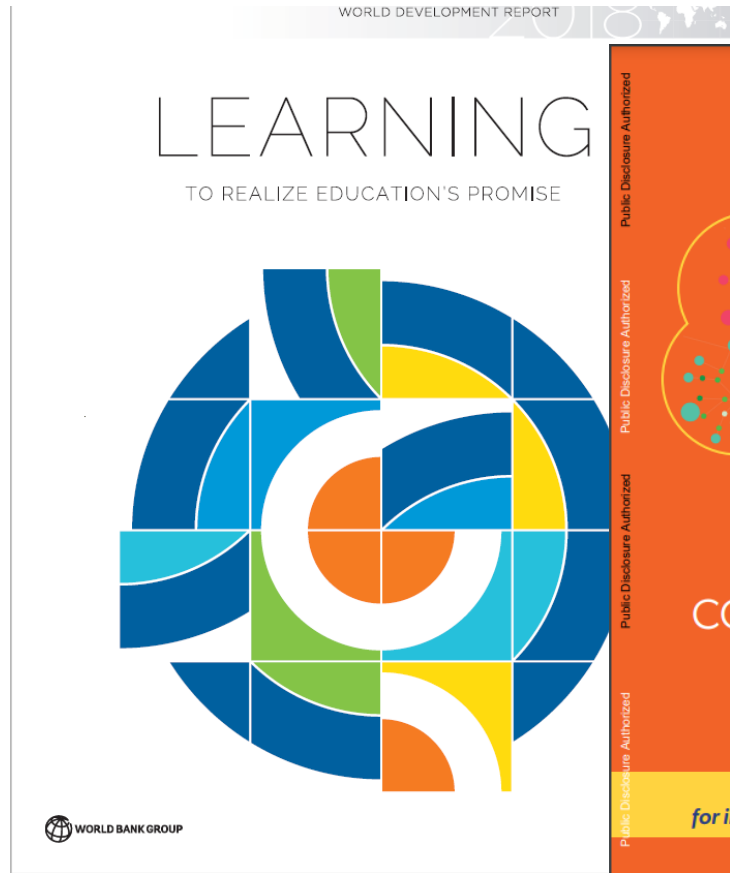


Implications for youth unemployment.



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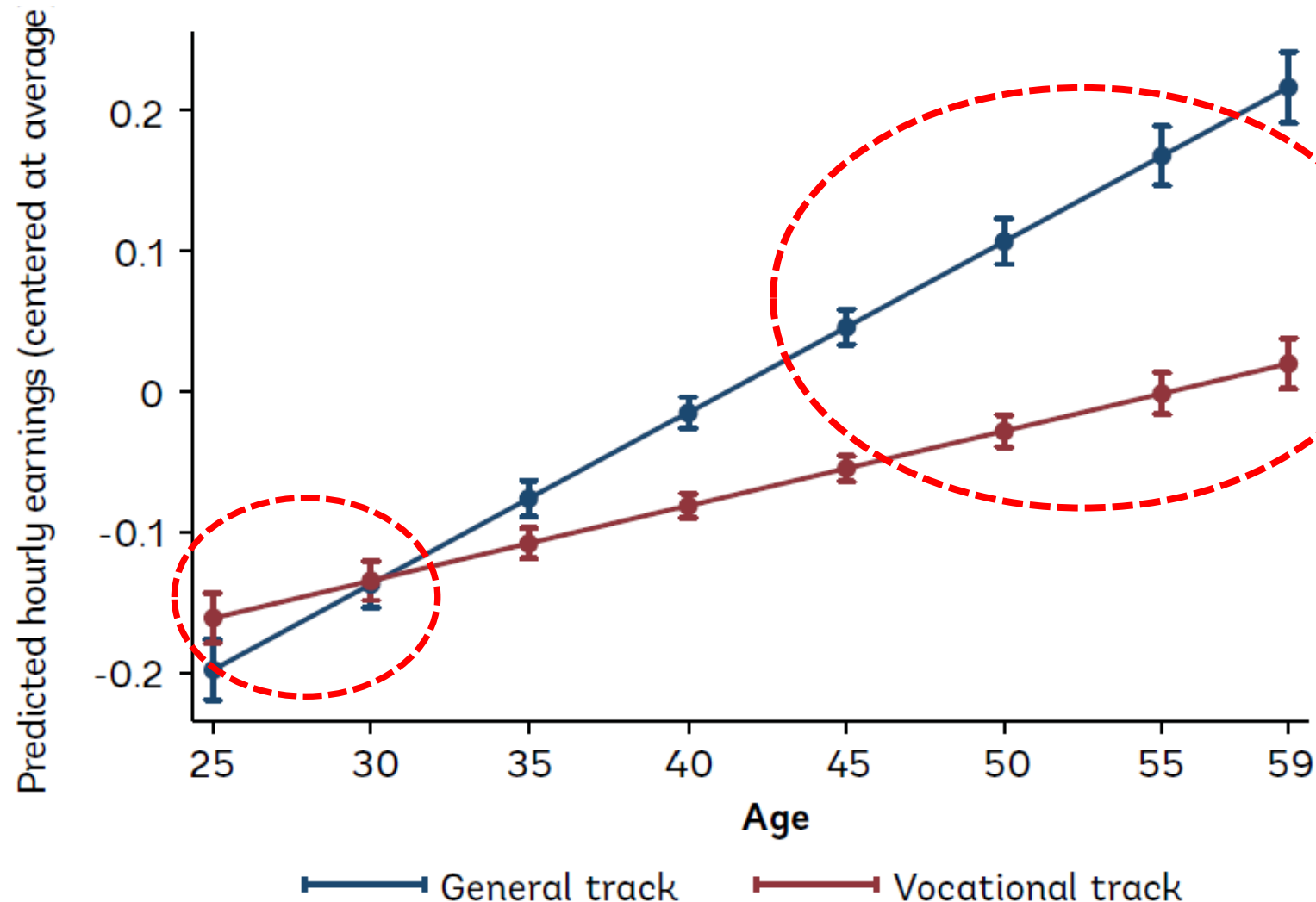
Thanks to robust evaluations, we know
how to improve foundational skills



**Implication #1: act on
evidence**

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Age profile of earnings of VET and general secondary graduates

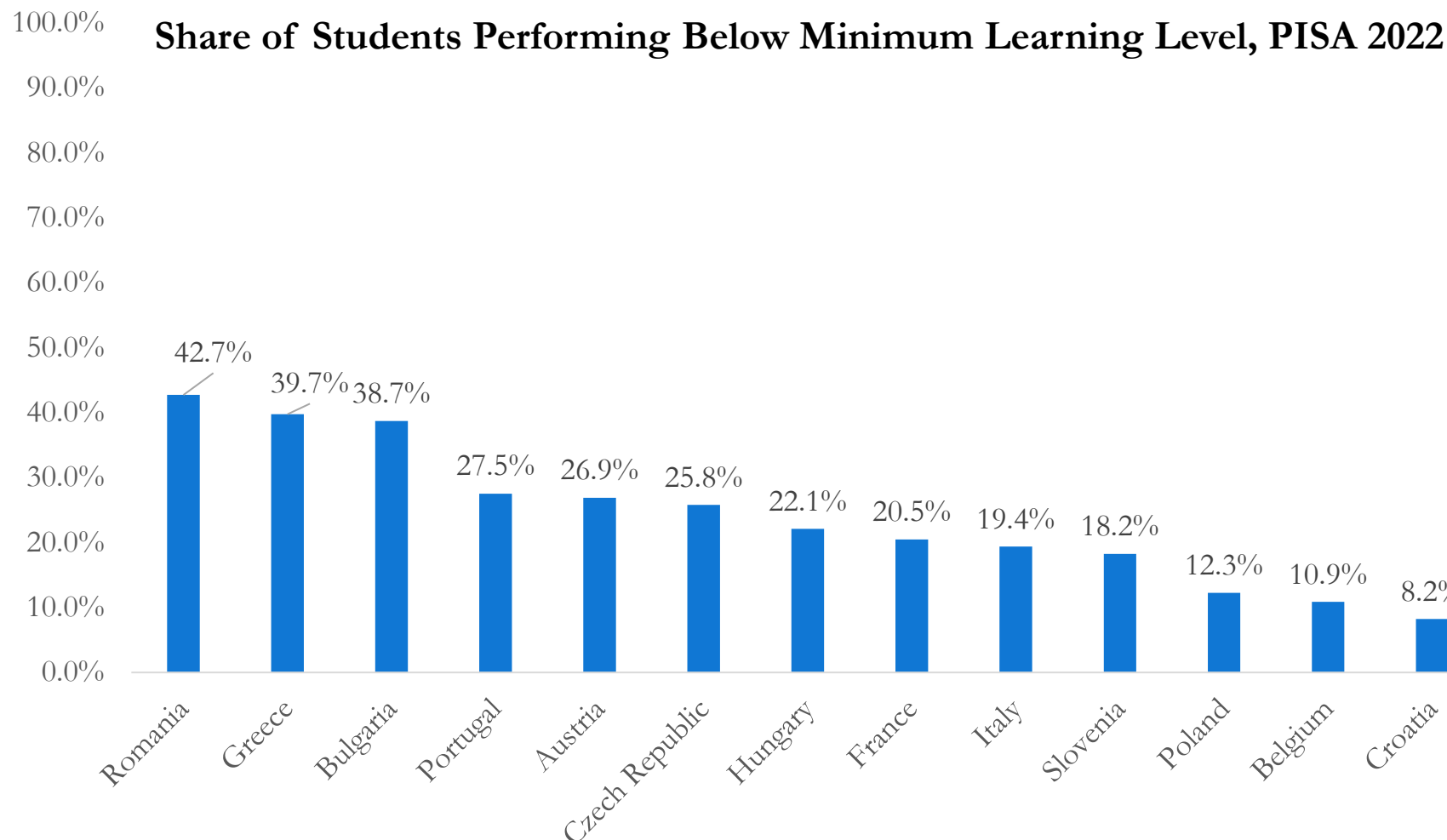


VET system graduates (which tend to be marginalized youth) face a labor market disadvantaged.

Source: Dalvit et al (2023) The Future of Work, Implications for Equity and Growth in Europe. The World Bank, Washington DC.



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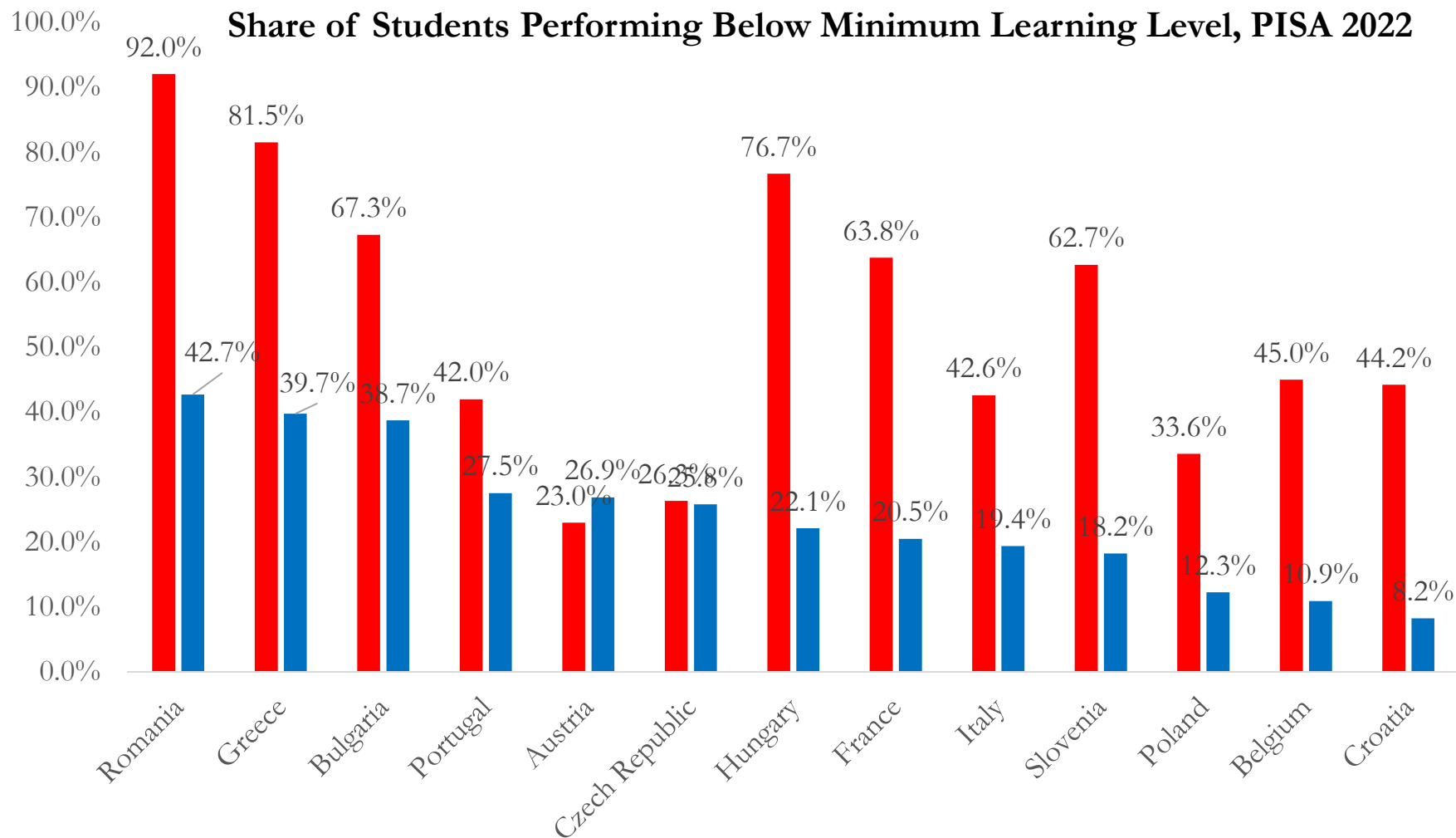


**Implication #2:
reform VET
systems to
ensure
foundational
skills.**



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General Secondary



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General Secondary

Vocational Secondary

The EU's “**union of skills**” strategy is well-design. Now it must deliver.



Trial-and-Adopt Feedback Loop

PES should include an **assessment and remediation** of social and foundational skills



Implication #3:
innovate in
the short-term
vocation
trianing.



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THANK YOU!

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