Participant Discussion:

Sharing Country Best Experiences on Evidence Based Policy Formation and Implementation of Public Employment Services with Particular Reference to Labour Market Data and Statistics – KSA context

2nd Meeting of OIC Public Employment Services Network

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Objectives

- Present how LMI is driving Saudi Arabia labor market decision making
  *(What decisions are being made using LMI?)*

- Discuss LMI Key Challenges in Saudi Arabia
  *(What are the key LMI challenges?)*

- Present National Labor Observatory (NLO) Initiative
  *(What is Saudi Arabia doing to improve LMI system?)*

- Discuss Case Studies
  *(How will Decision Makers utilize LMI to make important decisions?)*
The Saudi labor force, throughout their lifecycle, consumes services from various KSA ministries and agencies resulting in Labor Market Information “islands” (fragmented & distributed data).

- ~300-400K young Saudis coming from education
- ~130K previously inactive Saudis
- Up to half a million entry-level jobs needed each year
- 12.9 M Saudis, and 8.0M expats
  - 4.9 M employed
  - 0.7 M unemployed
  - 3.1 M in education
  - 4.2 M inactive
- ~100K Saudis retiring each year

Sources:
1. CDSI data
2. GOSI data 2014 for expats in private sector
Source: CDSI Manpower Survey 2015, GOSI, BCG analysis
The Ministry of Labor and its sister entities (MoLplus), is playing a major role in consolidation of the Labor Market Information and is already making some decisions using the available LMI to drive:

- **Right market and economic environment**
  - MOL key Policies and decisions are based on LMI to:
    1. Ensure sustainable job opportunities for Saudi jobseekers
    2. Enhance labor market efficiency
    3. Ensure social protection

- **Right jobs for the right candidate**
  - HRDF utilizes LMI to design its employment support and skill enhancement programs to:
    1. Ensure sustainable employment
    2. Increase attractiveness of national workforce

- **Right skills & competencies**
  - TVTC utilizes LMI to design its vocational training programs to ensure they:
    1. Satisfy the current and future demand of Saudi labor market

- **Right support for employees and families**
  - GOSI utilizes LMI to improve effectiveness of its social insurance policies by:
    1. Providing leading and sustainable social insurance services
    2. Ensure reasonable standard of living
    3. Improve safety at workplace
    4. Promote early return to work
Saudi Arabia is actively developing its LMI maturity across six key categories:

1. **Macro Labor Force**
   - Population and demographics, employment and unemployment, labor force participation
   - CDSI, NIC

2. **Education & Training**
   - Education and training institutions, education and training programs
   - MoE, TVTC

3. **Occupational Supply**
   - Occupational employment, participants of education and training programs, geographic migration
   - MoL, HRDF

4. **Labor Demand**
   - Job vacancies, occupational wage rates, occupational employment estimates and projections
   - NLG, MOLplus BI

5. **Occupational Characteristics**
   - Job skills, abilities, knowledge, activities, content; job education and training requirements; interests; work styles
   - ASOC, TAQAT

6. **Classification System & Cross Walks**
   - Industry, occupation, education program, crosswalks between classification systems
   - NLO, MOLplus BI

Data exists but not consolidated:

- NIC

Initiatives have been launched to capture data:

- MoE
- TVTC
- MoL
- HRDF
- NLG
- MOLplus BI
- ASOC
- TAQAT
- NLO
- MOLplus BI
LMI challenges exist today in terms of its ownership, availability and accuracy of data, products & services offering and centralized platform for data consumption & distribution.

### LMI Challenges

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<th>LMI Challenges</th>
<th>Description</th>
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<td><strong>1. Data</strong></td>
<td>• Timely availability, accuracy, consistency of both qualitative &amp; quantitative data across the six components of LMI</td>
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<td><strong>2. LMI Product &amp; Service offering</strong></td>
<td>• Various reports, analytics and studies are conducted upon request rather than proactively by anticipating the LMI consumer needs</td>
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<td><strong>3. Information Dissemination</strong></td>
<td>• Lack of a centralized LMI data collection and delivery mechanism</td>
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<td><strong>4. Collaboration</strong></td>
<td>• Lack of effective collaboration across various ministries and agencies in terms of exchange of information</td>
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HRDF has launched the Saudi Arabia’s Labor Market Information initiative called “National Labor Observatory (NLO)” expected to resolve these challenges and enable fact-based decision making.
HRDF has launched the “National Labor Observatory (NLO)” to provide mature and holistic LMI

1. **Do:** Consolidate data, generate statistics and advanced analytics and insights and manage knowledge
2. **Enable:** Position NLO to be the cultural change agent in order to facilitate and empower users to access data, develop their own reports and insights and share them with the broader community
3. **Create transparency:** Ensure full transparency of all interested users on relevant data, research and capabilities to foster full leverage of resources, materials and insights
Nitaqat policy definition & implementation is driven using Labor Market Information. The private sector compliance with the policy is monitored on a regular basis and penalties applied as appropriate.
Nationwide initiative that will provide a centralized portal for employers, job seekers, related agencies and employment assistance program related information.
National Labor Gateway will provide services that will improve the nature and quality of data captured. Thereby, enhancing the overall maturity of the LMI.
Hafiz is an unemployment assistant program that provides employment and financial support to job seekers. The key policy decisions related to Hafiz are made using LMI.

**Objectives**

Support key actions/decisions

E.g.:

- Which initiatives should I implement to increase the number of Hafiz beneficiaries finding a job?

- Which educational paths should be promoted based on their effectiveness in finding a job?

Further analysis into the ratio of active job seekers vs. passive enrollees is required for a more accurate indication of Hafiz’s services effectiveness.
The decisions related to Taqat Employment Support programs such as establishing job placement centers where there is high density of job seekers are done using LMI.
Thank you