

### **Better Skills, Better Jobs, Better Lives – policy lessons for Italy**

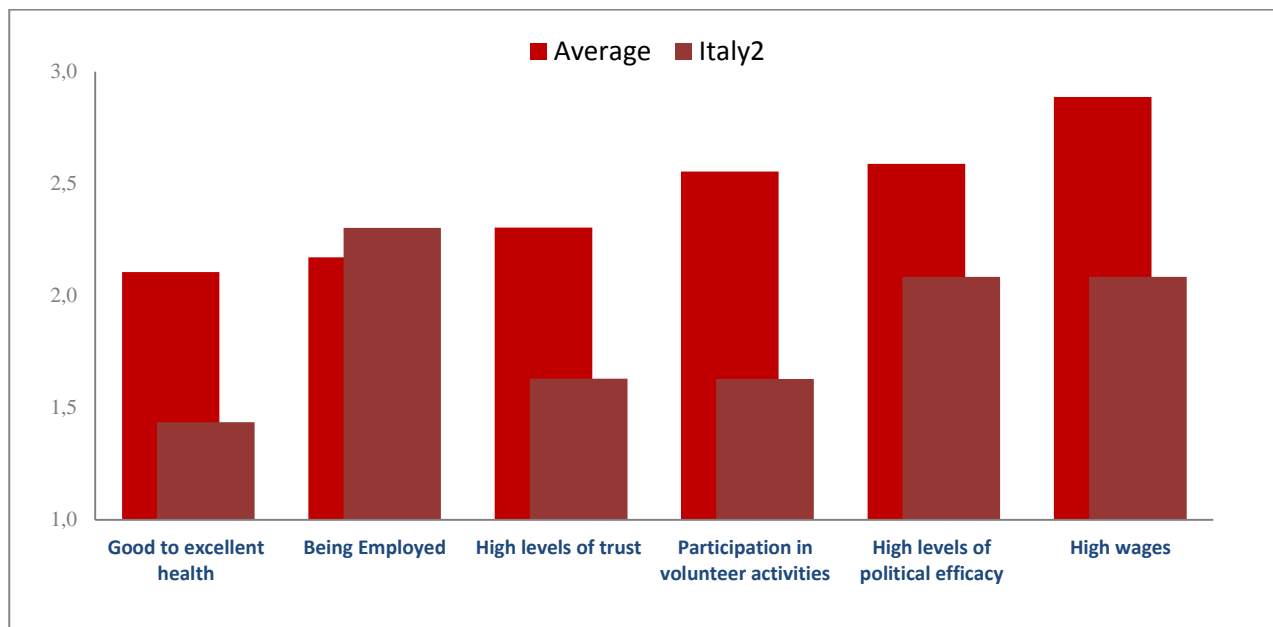
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Everywhere skills transform lives, generate prosperity and promote social inclusion. As Tom Friedman notes so eloquently, we cannot simply bail ourselves out of an economic crisis, we cannot solely stimulate ourselves out of a crisis and we cannot just print money our way out of a crisis. A much stronger bet for countries to grow themselves out over the long term is to equip more people with better skills to collaborate, compete and connect in ways that drive our economies forward.

If there is one central message emerging from OECD's new Survey of Adult Skills (conducted as part of the Programme for the International Assessment of Adult Competencies, or PIAAC), it is that what people know and what they do with what they know has a major impact on their life chances, even if this impact tends to be somewhat lower in Italy on average across countries (see Figure 1). For example, on average across countries, the median hourly wage of workers scoring at Level 4 or 5 in literacy—who can make complex inferences and evaluate subtle truth claims or arguments in written texts—is more than 60% higher than for workers scoring at Level 1 or below—who can, at best, read relatively short texts to locate a single piece of information that is identical to the information given in the question or directive, or understand basic vocabulary. Those with low literacy skills are also more than twice as likely to be unemployed. The survey also shows that this impact goes far beyond earnings and employment. In all 23 countries surveyed, individuals with poorer foundation skills are far more likely than those with advanced literacy skills to report poor health, to believe that they have little impact on political processes, and not to participate in associative or volunteer activities.

At the aggregate level, too, the distribution of skills relates closely to how the benefits of economic growth are shared among individuals and social groups.

**Figure 1: Likelihood of positive social and economic outcomes among highly literate adults (2012)**



**Source:** Based on data from the Survey of Adult Skills (PIAAC) 2012