



The Daily Dish

# Workforce Development

DOUGLAS HOLTZ-EAKIN | JULY 31, 2018

## Eakinomics: Workforce Development

Today the president is in Tampa for the latest in a series of events focused on [workforce development](#), with a particular emphasis on “re-skilling” workers to take advantage of different opportunities in the labor market. Obviously, it is a good idea for workers to have the skills necessary to fill the jobs that are open in the modern labor market, which may involve changes in location, occupation, and sector of the economy. Workers, firms, and governments all have various interests in successful re-skilling (see the [discussion](#) by the Council of Economic Advisers). Yet this feels like one of those issues where the closer you look, the less that is really there.

To begin, we’ve been at the re-skilling business for a long time under the auspices of the Workforce Investment Act, and hardly anyone equates those efforts with successful worker training. And regarding one specific cause of job displacement, Trade Adjustment Assistance was intended to identify those workers displaced by trade agreements, retrain them, and find re-employment. In case you hadn’t noticed, trade agreements are not universally popular, which is in part testament to the failures of TAA.

Nevertheless, here we go again, driven by a fear of robotic takeover. As noted in an [earlier Eakinomics](#), however, a new [report](#) by the Organisation for Economic Co-operation and Development (OECD) estimates that only 14 percent of jobs in OECD countries are highly “automatable” because automatons are unable to undertake complex social relationships, do complex and creative problem-solving (even in manual jobs), and deal with unstructured work environments. (Hmm, seems I know more robots than I thought.)

It makes sense to worry about those 14 percent of jobs, but the OECD’s other key finding was that “the risk of automation is the highest among teenage jobs. The relationship between automation and age is U-shaped, but the peak in automatability among youth jobs is far more pronounced than the peak among senior workers. In this sense, automation is much more likely to result in youth unemployment, than in early retirements.”

The fact that the young, inexperienced, and low-skilled are most at risk is a reminder that “skilling” — i.e., educating people the first time — is probably more important than “re-skilling.” And the United States is doing a [rotten job](#). In the most recent National Assessment of Education Progress, fully one-fifth of fourth graders are falling below basic proficiency in math, while the fraction is one-third for reading. In the eighth grade, the comparable “failure rates” are 30 percent and 24 percent. It is not a pretty picture and not one that should be acceptable.

An efficient, functional re-training program that addresses displacement from all sources is unobjectionable. But a disproportionate, uncoordinated initiative driven by the fear of robots will likely simply be a distraction from the real problem: fixing basic education in the United States.