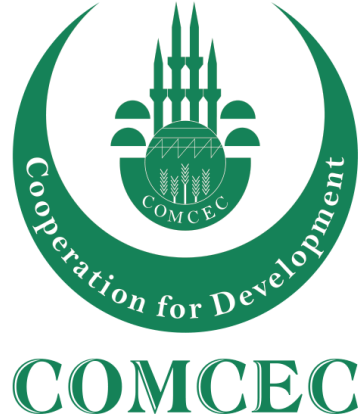




THE ROADMAP FOR PREVENTING THE SKILL MISMATCH

in the Labor Markets of OIC Member Countries

Conceptual Framework and Global Trends

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The problem is not simply unemployment.

Labor markets can simultaneously exclude workers and leave firms unable to find the skills they need.

4.9%

global unemployment

2025

≈408m

global jobs gap

2026

12.4%

youth unemployment

2025

20.0%

youth NEET

2025

A low headline unemployment rate can coexist with a large jobs gap, youth disengagement and persistent matching failures.

Only 38.1% of workers in OIC countries are matched to job requirements.

Qualification mismatch of the employed population by country group



51.4% of workers in OIC countries are undereducated, compared with 17.4% in developed economies.

“Skill mismatch” is an umbrella term, not a single diagnosis.

Vertical mismatch

Overeducation / undereducation

Horizontal mismatch

Field of study vs occupation

Overskilling / underskilling

Productive skills vs task requirements

Within-firm skill gaps

Current workers lack needed competencies

External skill shortages

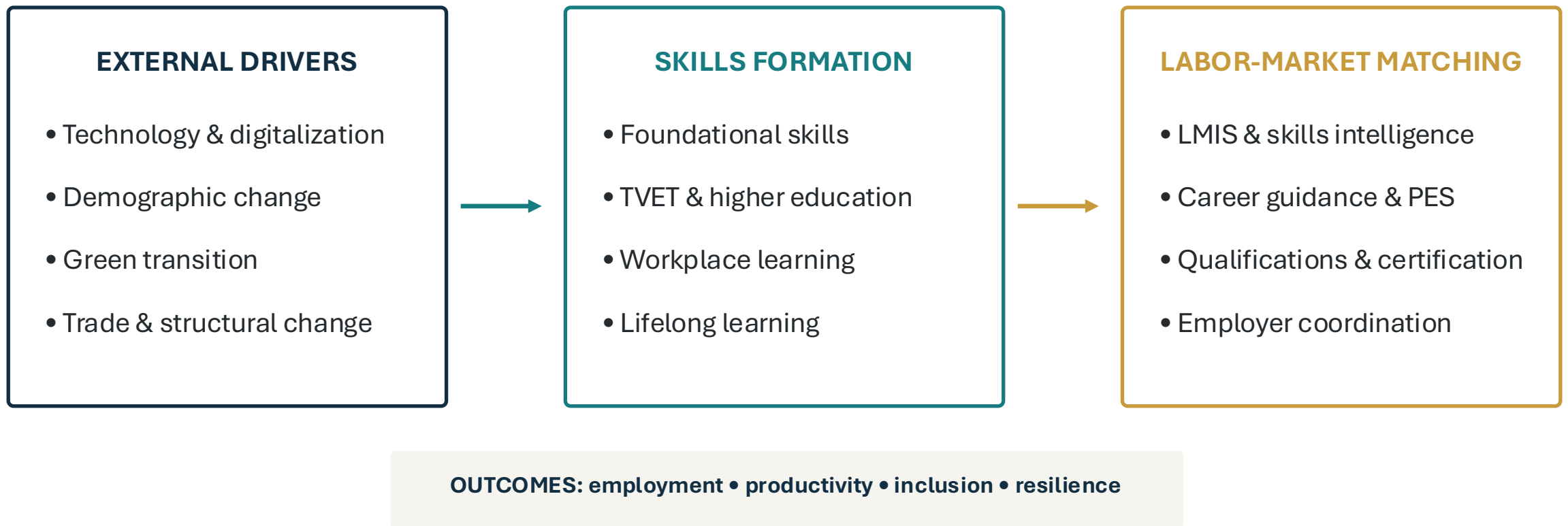
Employers cannot recruit required skills

Skill obsolescence

Skills lose relevance as technology changes

Different mechanisms require different measures and different policy responses.

Preventing mismatch requires alignment across the whole skills system.



OIC employment is concentrated in medium-skill occupations.

Employment by occupational skill level, by country group

71.1%

medium-skill occupations
in OIC countries

16.2%

high-skill occupations
in OIC countries

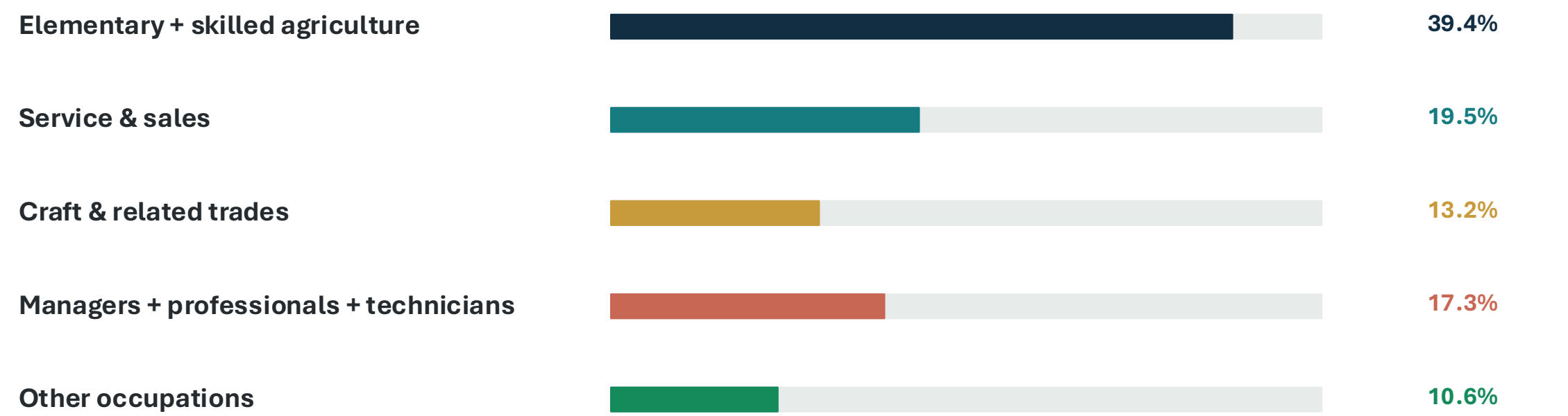
44.9%

high-skill occupations
in developed economies

The narrow high-skill job base constrains productive matching: the issue is labor demand as well as education supply.

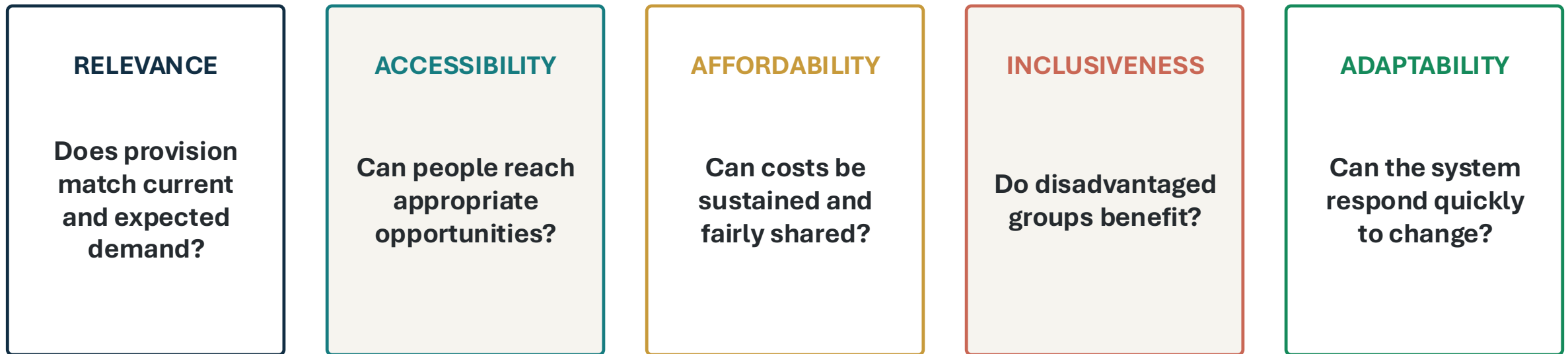
The structure of jobs limits how fully advanced skills can be used.

Occupation composition of employment in OIC countries



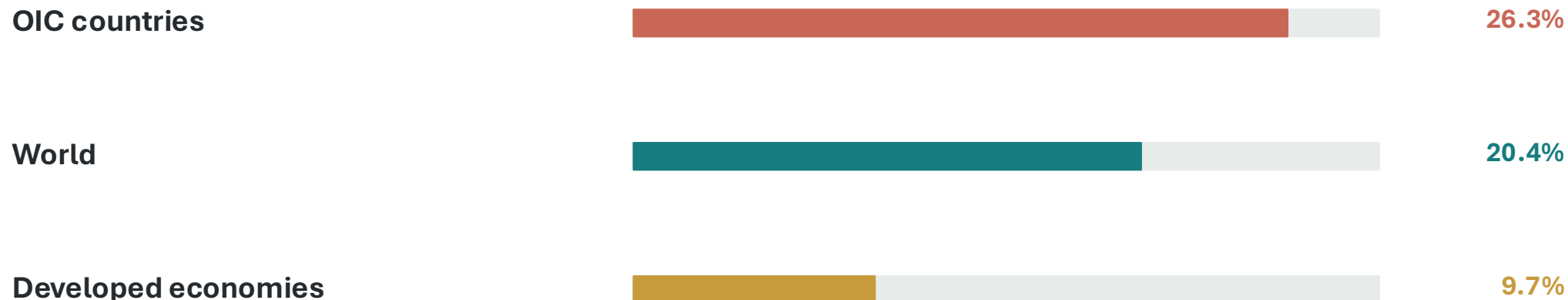
Skills upgrading works best when it is aligned with productive transformation and the occupational structure of demand.

A strong skills system must be relevant, accessible, affordable, inclusive and adaptable.



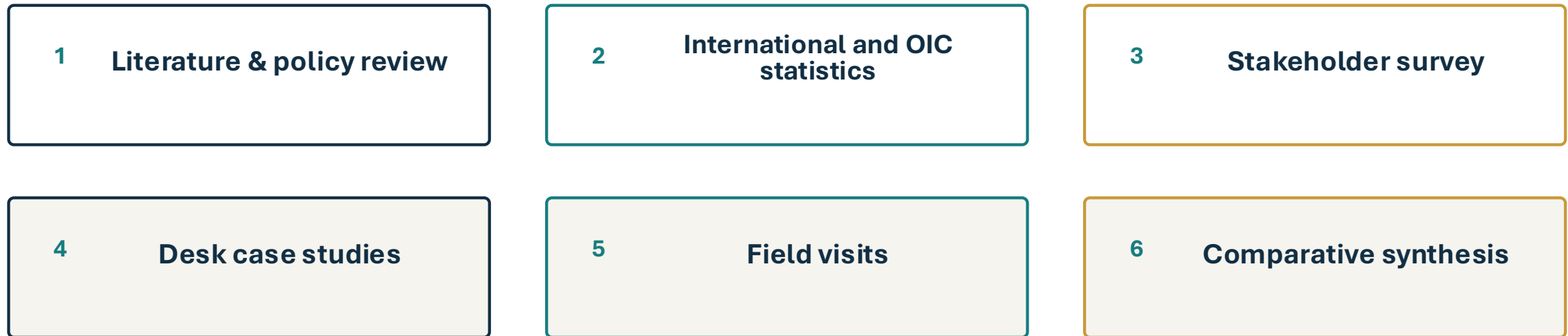
Cross-cutting conditions: institutions • financing • labor-market information systems

Youth unemployment understates the scale of disengagement in OIC labor markets.



OIC youth unemployment: 10.9% | OIC youth NEET: 26.3%

The report triangulates statistics, institutions, stakeholder evidence and country cases.



No single data source is treated as sufficient for diagnosing mismatch.

SECTION 3

Global labor markets are changing faster than many skills systems.

The issue is not one transformation, but interacting technological, demographic and green transitions.



Headline unemployment is stable, but the number of unemployed people still rises.

UNEMPLOYMENT RATE (%)	2024	2027	UNEMPLOYED (MILLION)	2024	2027
World	4.9	4.8		182.9	186.9
Low-income	5.4	5.3		15.1	16.1
Lower-middle	4.3	4.4		56.0	59.6
Upper-middle	5.5	5.4		79.9	78.9
High-income	4.4	4.4		32.0	32.3

World: +4.0 million unemployed between 2024 and 2027 despite a nearly unchanged rate.

NEET captures a broader transition failure than unemployment alone.

257 million

young people were outside employment, education or training in 2025.

67.3 million

young people were unemployed in 2025.

Lower-middle-income countries record the highest NEET levels through much of the 2005–2027 period shown in Figure 3.1.

Employment growth is diverging sharply across income groups.

Projected employment growth, 2026

+3.1%

Low-income

+0.5%

Upper-middle-income

-0.1%

High-income

Rapid employment growth does not guarantee productive jobs; slow growth creates different adjustment pressures. Skills policy must respond to both.

Labor demand is being reshaped by interacting transitions.

TECHNOLOGY & AI

Tasks, occupations and business models change.

DEMOGRAPHY

Ageing in some economies; large youth cohorts in others.

GREEN TRANSITION

New skills needs and sectoral reallocation.

GEOECONOMIC CHANGE

Trade, value chains and uncertainty alter demand.

These drivers alter both the quantity of jobs and the content of work.

Skill mismatch is a moving target: 39% of core skills are expected to change by 2030.

39%
GLOBAL AVERAGE

≈28–38%

economies below the global
average still face substantial
disruption

40%+

several economies above the
average face still stronger
change

Static curricula and one-off training cannot keep pace with continuously changing task requirements.

Employer demand is hybrid: cognitive, adaptive, social and technological skills matter together.



The fastest-rising skills combine digital capabilities with human adaptability.

TECHNOLOGY-INTENSIVE

AI & big data

Networks & cybersecurity

Technological literacy

HUMAN & ADAPTIVE

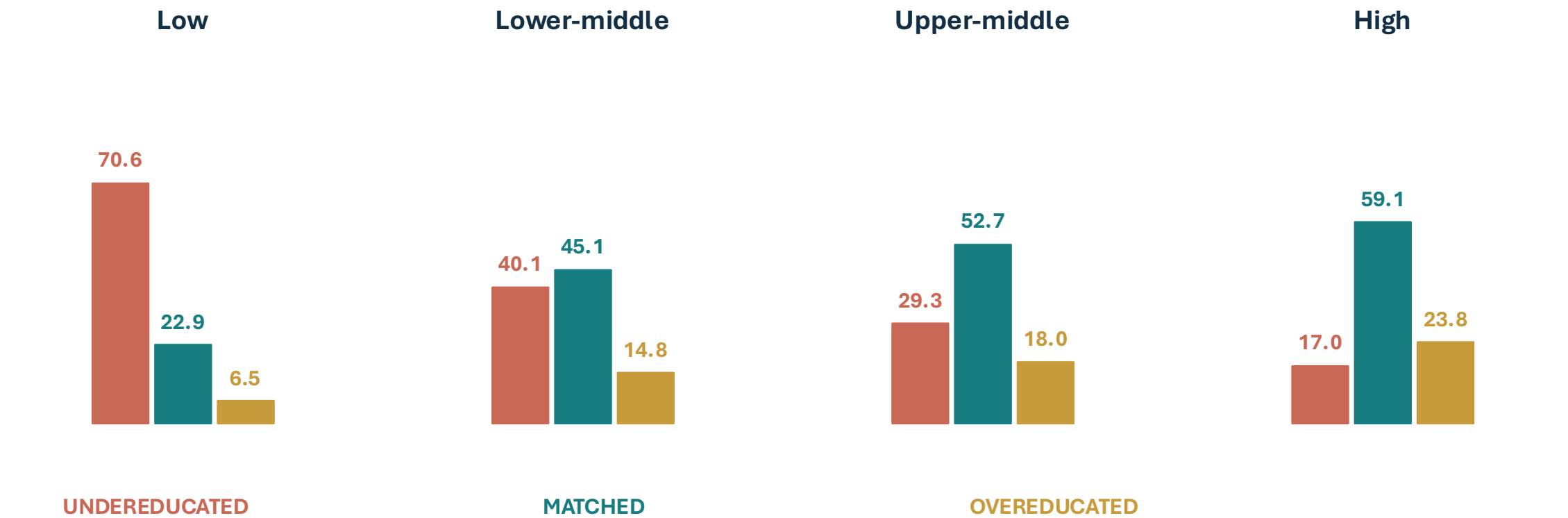
Creative thinking

Resilience, flexibility & agility

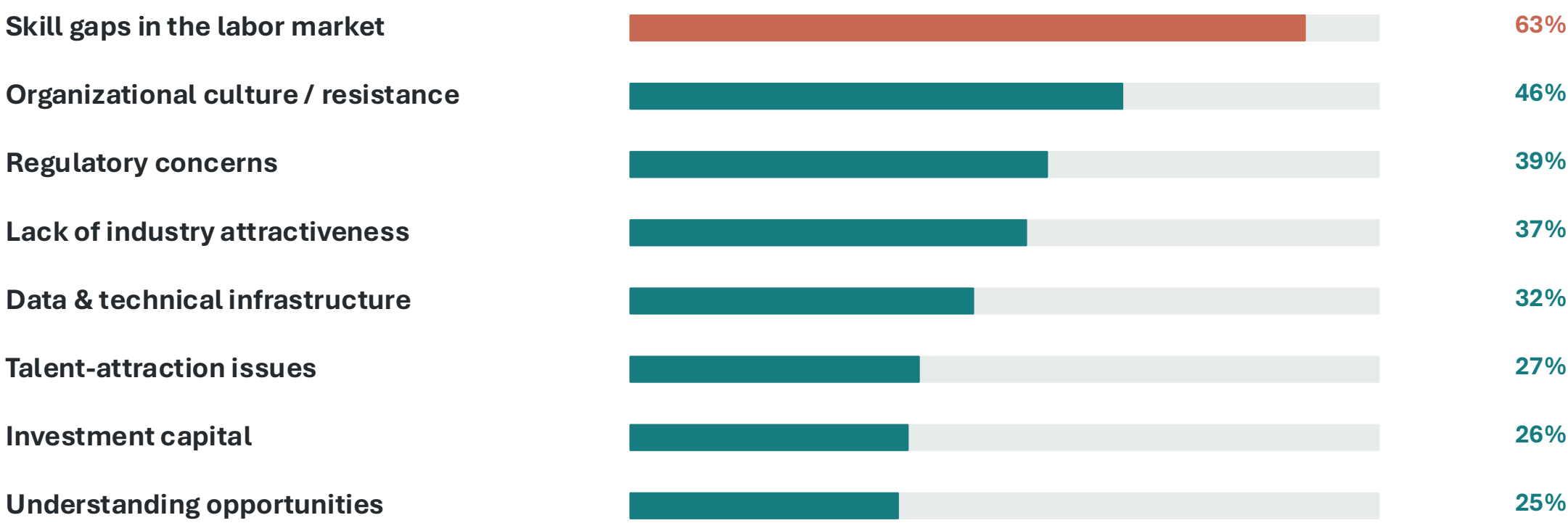
Curiosity & lifelong learning

Leadership & social influence

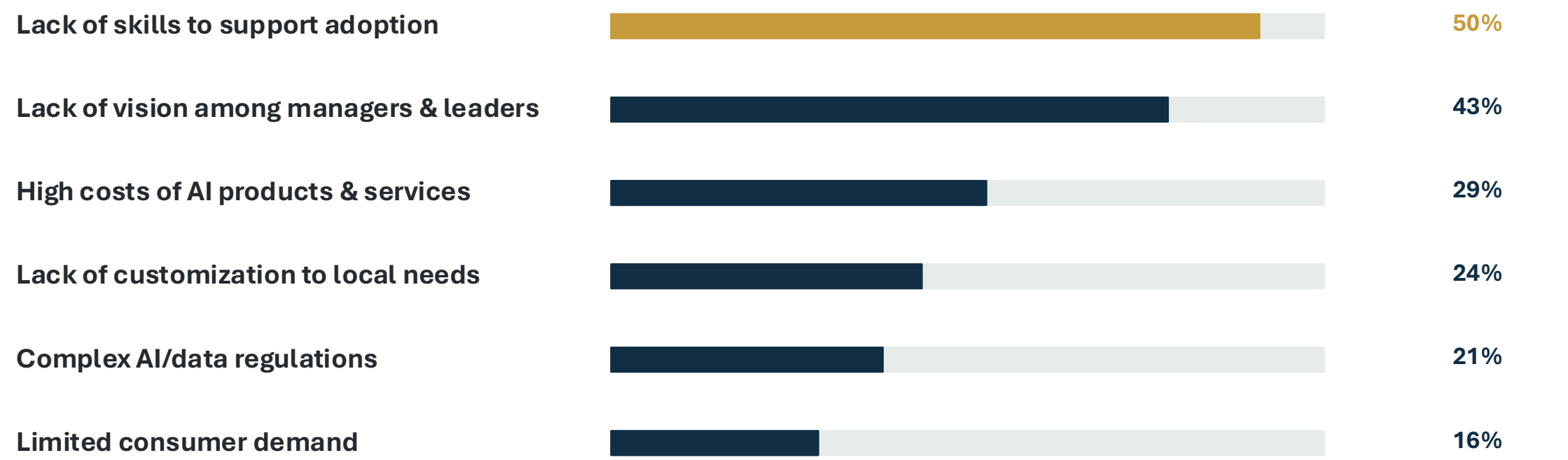
As countries get richer, mismatch changes form rather than disappearing.



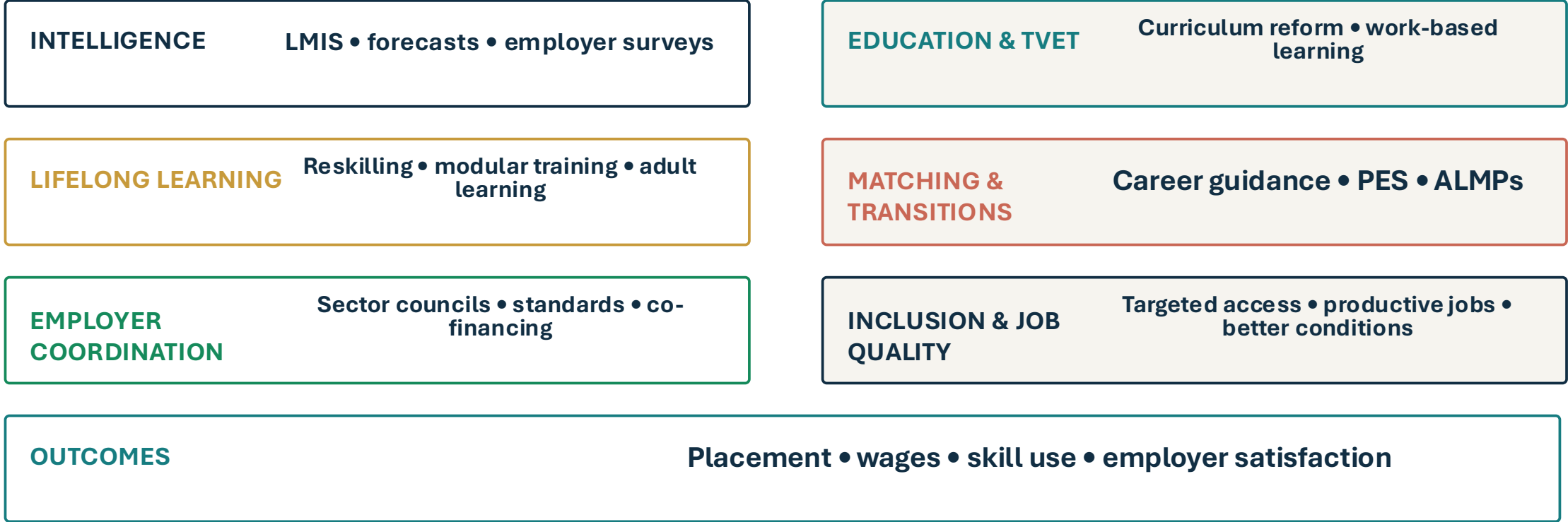
Skill gaps are the most frequently cited barrier to organizational transformation.



The leading reported barrier to AI adoption is not technology — it is skills.



Countries are moving from isolated training programs toward a coordinated policy mix.



The global evidence points to four priorities for OIC skills systems.

- | | | |
|-----------|--|--|
| 01 | Build usable labor-market intelligence | Data must change curricula, guidance, training and employment services. |
| 02 | Treat training as part of a wider labor-market strategy | Skills supply must be linked to job creation, mobility and job quality. |
| 03 | Design explicitly for inclusion and transitions | Youth, women, informal workers and workers in declining sectors need targeted support. |
| 04 | Institutionalize feedback | Employer input, outcomes and foresight must routinely alter provision and financing. |

THREE MESSAGES TO CARRY FORWARD



01 Mismatch is systemic.

It spans skills formation, labor demand and matching institutions.

02 Mismatch is dynamic.

AI, demography and the green transition continually change tasks and skill requirements.

03 Policy must close the feedback loop.

Information, employer input, training, matching and outcomes must alter one another.