

TERMS OF REFERENCE

Global research on the labour market value of micro-credentials with a focus on youth employment

1. Background

Over the past decade, micro-credentials¹, including digital badges, have emerged as increasingly popular tools to recognise completion of short learning activities delivered in non-formal or informal learning contexts. This trend, accelerated by the COVID-19 pandemic, is likely to continue due to the transition from physical to digital learning environments of education and training institutions, as well as the increasing growth of short cycle or micro learning offerings from private providers outside of the formal education and training system. Digital delivery of micro-credentials is flourishing as is the demand from learners and enterprises to provide and receive evidence of knowledge, competencies and skills acquired through non-formal and informal learning and partial completion of formal education or training.

With the advancement of digital technologies and the ongoing disruptions caused by the COVID-19 pandemic, the delivery of education and training is becoming increasingly flexible, diverse, and targeted at granular skilling needs. As the discussion on flexible training delivery has gained momentum in the context of the pandemic, the ways to capture learning outcomes achieved through flexible training modalities is also on the rise yet is still unclear. Individuals have a need to own their skill sets and make them visible to labour market stakeholders, especially employers. Employers, on the other hand, also need to make sure that the skill sets claimed by individuals are quality assured and meet industry needs. Moreover, governments, employers and workers recognize the value of lifelong learning to ensure that the skills of the labour force keep their labour market relevance in a context of increasingly frequent labour market transitions. These issues have gained renewed relevance in the ongoing discussion around the ‘fourth generation’ of qualification frameworks, mutual recognition systems and the Future of Work.

The potential of micro-credentials is being increasingly discussed by policy-makers in supranational organisations (see [the European Commission \(EC\)](#), [the Organisation for Economic Co-operation and Development \(OECD\)](#), and [the United Nations Education, Science and Cultural Organization \(UNESCO\)](#), as well as multinational enterprises such as Google, Microsoft, Walmart, among others.

Whilst some progress has been made towards a common definition (see [UNESCO forthcoming 2022](#)), substantial knowledge gaps remain, including:

- *The demographics of micro-credential users;*
- *Degree of up-take by learners and employers, particularly from a gender perspective;*
- *Return on investment;*
- *Quality assurance;*
- *Recognition by labour market institutions;*
- *The extent to which they contribute to youth school-to-work and early labour market transitions;*

¹ For this note, the use of the term micro-credentials is used as an overarching term, encompassing other similar concepts such as “digital badges” or “alternative credentials”.

- *Benefits and challenges;*
- *Capacity to rapidly update content of micro-credentials and respond to labour market changes;*
- *Integration in education, skills and employment policies and institutional frameworks, including qualification frameworks;*
- *Stackability and learning pathways;*
- *Trust of “for-profit” actors;*
- *Access;*
- *Data protection; and*
- *Lack of examples of good practices and lessons learned.*

Under Decent Jobs for Youth and Generation Unlimited’s *YouthForesight* partnership, the ILO will lead joint research with UNICEF on the topic of micro-credentials and their labour market value with a special focus on youth employment. With the rapid expansion of online learning accelerated by the COVID-19 pandemic, the demand for micro-credentials by individuals and enterprises and their offer by education and training providers seems to be increasing. The objective of this research is to review existing characterizations of micro-credentials and develop a working definition for the ILO and UNICEF for the purposes of the research. It will also explore challenges and opportunities presented by micro-credentials to facilitate labour market transitions, including from informal to formal market, and access to decent work opportunities for young people. The research will investigate the extent to which micro-credentials are recognised and valued by employers and young people and facilitate transitions of young people into and within the labour market.

2. Objectives

The objective of the research is to take stock of existing definitions, practices, and functions of micro-credentials, and study their labour market value and limitations for transitions into and within the labour market, with a focus on young people. In particular, the research will explore to what extent perspectives and expectations of micro-credentials held by employers (labour demand), young people, and labour market institutions, including employment services, are consistent with the offerings by education and training providers (labour supply). It will address the potential challenges and opportunities associated with micro-credentials, with specific regional and country level examples to the extent possible, particularly in low- and middle-income contexts.

A working definition to be used as an international reference for future research and debates, including in the ILO and UNICEF, will also be proposed building on previous work.

The following non-exhaustive list of questions will guide the research:

- What are the core features and functions of micro-credentials?
- What are the institutions and organizations delivering micro-credentials?
- What quality and verification standards guide their development and use?
- To what extent are micro-credentials recognized by national, regional, and international institutions?
- What type of employers (SMEs, large, or multinational) and young people (gender, residential areas, and educational attainment) are aware of and use micro-credentials and how do they use them?
- Are there any economic sectors and occupations, where the uptake of micro-credentials is particularly prominent?
- What types of micro-credentials are trusted by employers?
- How are companies and providers building partnerships to deliver micro-credentials?

- What evidence is available on the return on investment of micro-credentials for young people?
- To what extent employment services providers (both public and private) use micro-credentials for (a) matching, (b) referral as an ALMP to improve employability?
- To what extent do micro-credentials fill the gap for skills that cannot be acquired through general education and training, especially among young people?
- What role can micro-credentials play in skills upgrading and reskilling especially young people) in the context of the COVID-19 crisis and the challenges and opportunities presented by the Future of Work?
- What has been the impact of the COVID-19 pandemic on the supply and use of micro-credentials by young people and employers?
- What lessons and good practices can be drawn for the future of micro-credentials as a means of improved labour market transitions of young people?
- Are there gendered implications for the use and uptake of micro-credentials?

3. Methodology

This research will be carried out through literature review and survey / interview data from micro-credentials stakeholders, as follows:

1. Literature review of micro-credentials² to capture their variety of definitions and use.
2. Global survey to capture views of micro-credentials by employers' organizations and enterprises.³
3. At least 3-4 country-level case studies in specific sectors/industries in at least 3 different world regions, primarily depicting the uptake of micro-credentials by employers, and secondarily by individuals (especially young people), training institutions and employment services.
4. At least 5 interviews with human resources staff in enterprises accepting / recognising micro-credentials.⁴
5. At least 5 interviews/focus group with young people who have acquired micro-credentials and use them in their job applications.⁵
6. At least 5 interviews/ focus group with selected national public employment services to gather their views on micro-credentials.⁶
7. At least 5 interviews/ focus group with social enterprises and civil society organizations delivering / using micro-credentials.⁷

The joint ILO-UNICEF research will be coordinated by the ILO which will contract an international consultant with a proven research record on the topic. It will build on available studies conducted by the ILO, UNICEF, UNESCO, and the European Commission, among others.

The research outcome will materialise as a report with a view to be the reference for further research and discussion amongst policy makers and practitioners.

² Including multiple related concepts such as “digital badges” and “alternative credentials”.

³ The questionnaire will be developed by the consultant as will be the analysis and integration of the responses. The survey will be conducted with the support of the ILO Bureau of Employer Activities.

⁴ The questionnaire will be developed by the consultant as will be the analysis and integration of the responses. The interviews will equally be conducted by the consultant.

⁵ The questionnaire will be developed by the consultant as will be the analysis and integration of the responses. The interviews will be conducted by Decent Jobs for Youth and GenU staff.

⁶ The questionnaire will be developed by the consultant with support of ILO employment services specialists, as will be the analysis and integration of the responses. The interviews will be conducted by ILO staff.

⁷ The questionnaire will be developed by the consultant as will be the analysis and integration of the responses. The interviews will be conducted by Decent Jobs for Youth and GenU staff.

Reference literature (non-exhaustive):

1. [Groningen Declaration Network Position Statement on Micro credentials](#)
2. [HolonIQ Micro & Alternative Credentials. Size, Shape and Scenarios](#)
3. [CEDEFOP Micro-credentials for labour market education and training](#)
4. [UNESCO: Towards a common definition of micro-credentials \(in drafting\)](#)
5. [The value of micro-credentials: The employer's perspective](#)
6. [OECD \(2020\) The emergence of alternative credentials](#)
7. [ETF \(forthcoming\) Survey on micro-credentials](#)

4. Deliverables

The following deliverables are expected

DELIVERABLES	Working days
Deliverable 1: Inception report – draft scoping report and research methodology	6 days
Deliverable 2: Draft questionnaires to survey / interview i) employers' organizations and enterprises; ii) training organisations; iii) young people; iv) public employment services; and v) civil society organisations / social enterprises. 5 questionnaires in total.	3 days
Deliverable 3: Conduct survey with i) employers' organizations and enterprises; ii) training organisations; iii) young people; iv) public employment services; and v) civil society organisations / social enterprises and draft analysis.	8 days
Deliverable 4: At least 4 case studies, one per world region, on the use of micro-credentials	8 days
Deliverable 5: Draft report with key findings, policy implications and recommendations.	10 days
Deliverable 6: Final report	5 days
TOTAL:	40 days

The ILO will expect from the consultant to engage with and integrate feedback from a reference group of international experts through at least 2 rounds of consultation meetings.

The draft should be analytical, highly polished, and accessible to specialist readers as well as non-specialists. The report must be written in English language and follow as much as possible the style manual (to be provided by the ILO). Facts, quotes, and figures in the report should be carefully referenced. Any forms of plagiarism will not be accepted.

5. Timeframe

1. Deliverable 1 by 20 March 2022
2. Deliverable 2 by 1 April 2022
3. Deliverables 3 by 15 May 2022
4. Deliverables 4 and 5 by 15 June 2022
5. Deliverable 6 by 15 July 2022

6. Requirements

The international expert must have at least 10 years of experience in labour market research and analysis. He / she must have a proven record of publications on the topic of micro-credentials or related topics, such as labour market policies and institutions, skills development, employment policies and youth

employment – preferably with a gender-inclusive approach. In addition, she / he must be fluent in English language (oral and written).

7. Application and deadline

Candidates should send their expressions of interest for this consultancy to the ILO by **28 February 2022** with the following:

1. Cover letter including their motivation, experience on the topic, and list of relevant publications.
2. CV.
3. Daily fee in United States dollars.

Expressions of interest and any question related to this consultancy opportunity with the ILO must be addressed to Mr. Marcelo Cuautle Segovia, Employment Officer, at segovia@ilo.org.