

Outlook on Skills Needed in the Future

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Ingrid Portenkirchner, Head of Secretariat DC dVET

Salvatore Mele, Secretariat DC dVET



Donor Committee for dual Vocational Education and Training

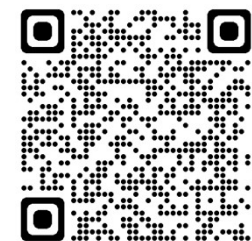
- ❖ Vocational education and training (VET) is an important pillar in the development cooperation of Austria, Germany, Liechtenstein and Switzerland.
- ❖ To better use their experiences and expertise, the four countries founded the Donor Committee for dual Vocational Education and Training – DC dVET.
- ❖ Knowledge hub for expertise, experience, and trends in dual VET in development cooperation.



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Website



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Agenda



Impact of
Macrotrends



Jobs of the future



Skills Outlook
(2023-2027)



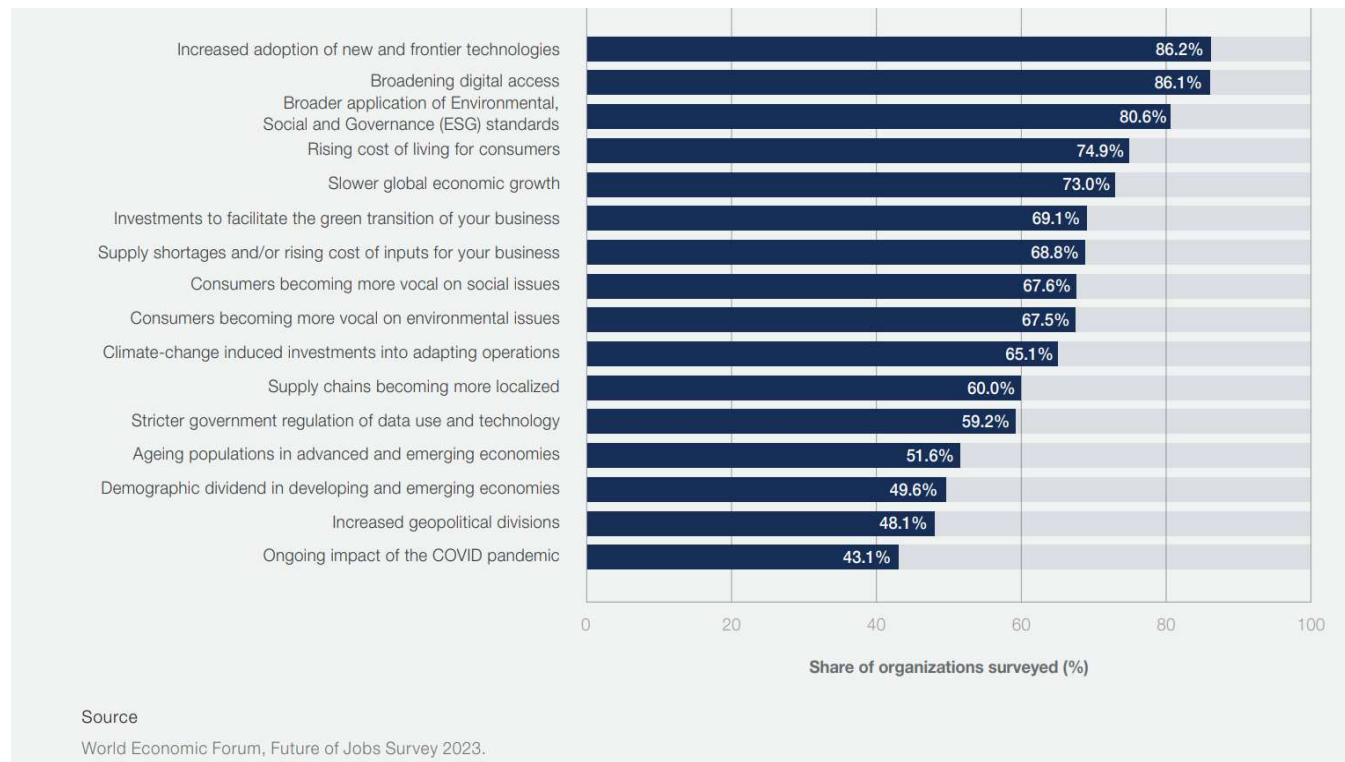
Skills Gap



DC dVET Micro
Survey

Impact of Macrotrends

Future of Jobs Survey (WEF) – Macrotrends driving (business) transformation

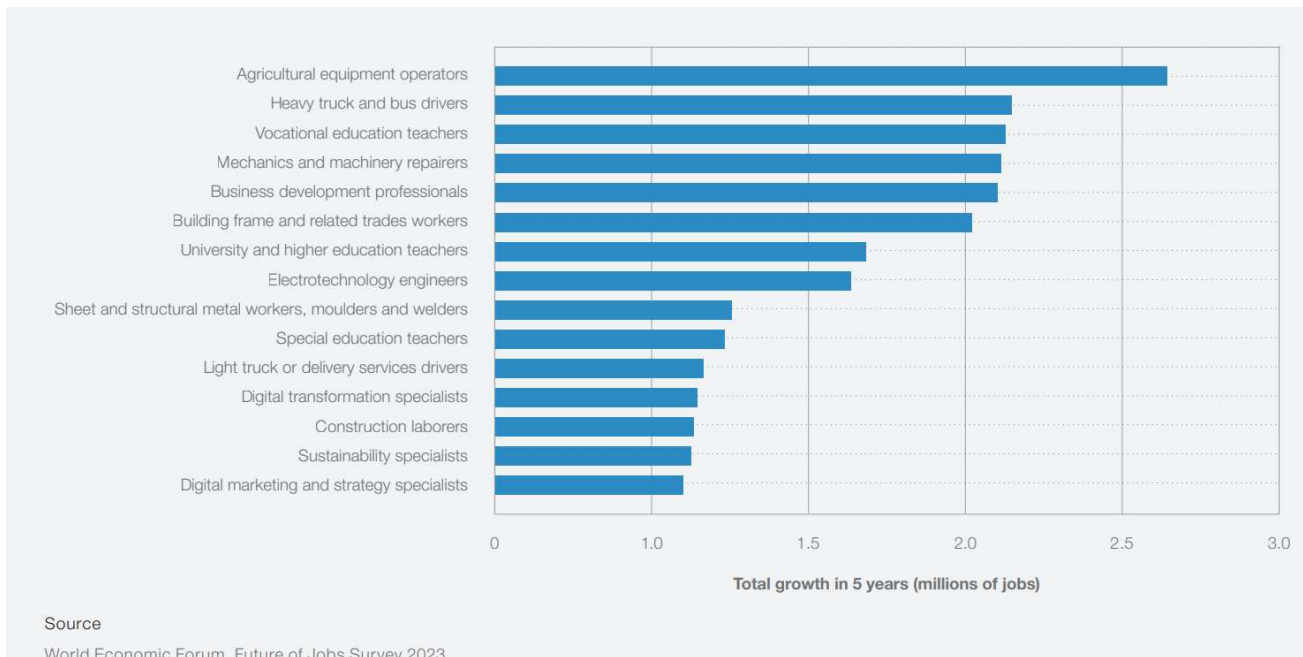


- Major macrotrends: technology/digital; sustainability, green transition
- Job effects mainly come from investments in green transition, broader application of Environmental, Social and Governance Standards and supply chains becoming more localized.

Source: World Economic Forum (2023):
Future of Jobs Report 2023, URL:
<https://www.weforum.org/reports/the-future-of-jobs-report-2023/>, p. 21

Which jobs will grow in future?

Future of Jobs Survey (WEF) – Largest job growth (millions of jobs until 2027)

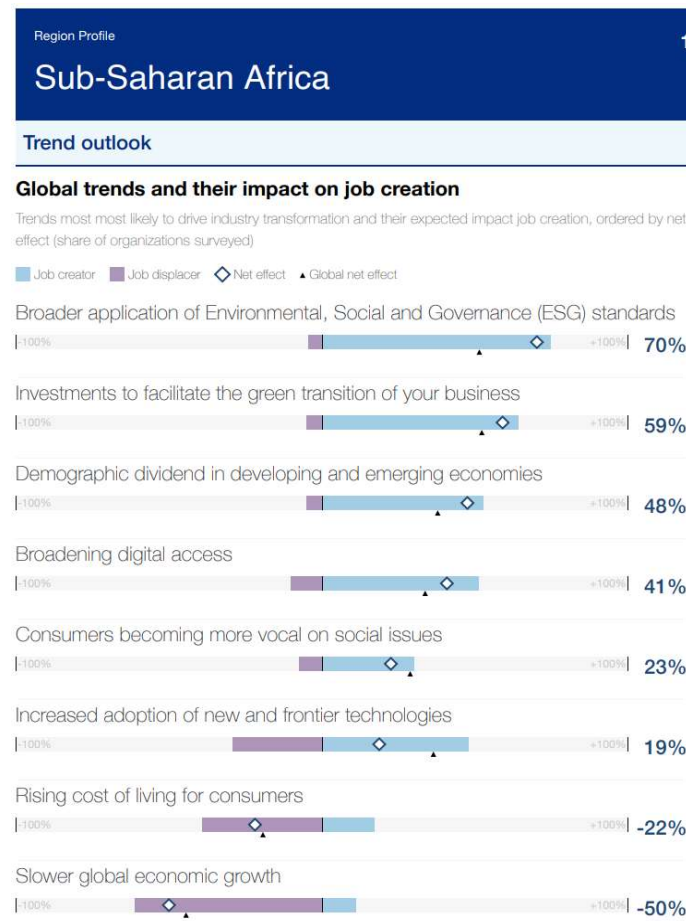
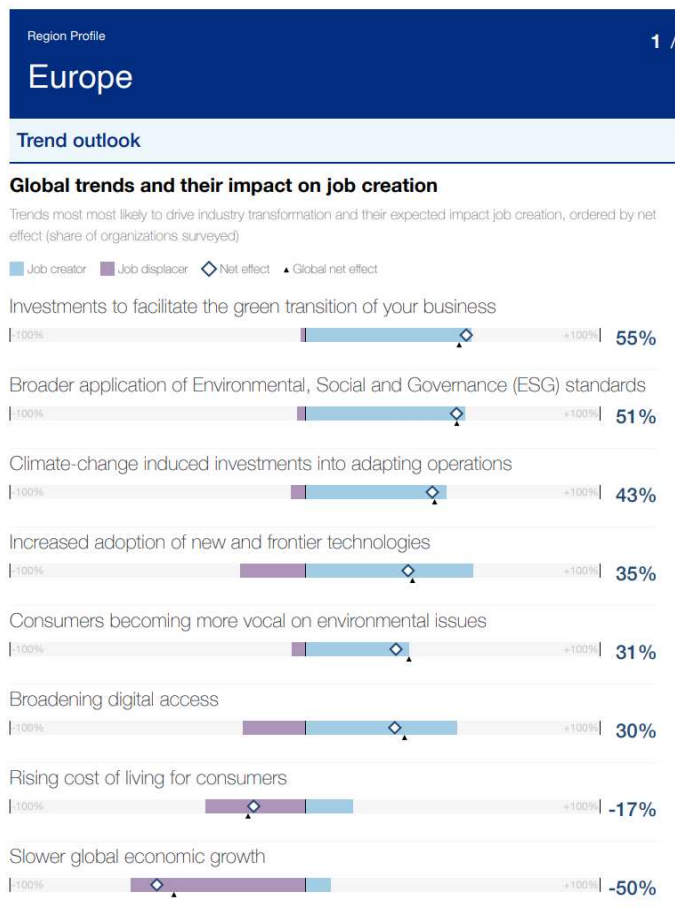


Fasted growing occupations:

1. Skilled agricultural workers
2. Construction sector occupations
3. Science technology engineering and math (STEM)
4. Health professionals
5. Personal service and sales workers

Source: World Economic Forum (2023): Future of Jobs Report 2023, URL: <https://www.weforum.org/reports/the-future-of-jobs-report-2023/>, p. 31

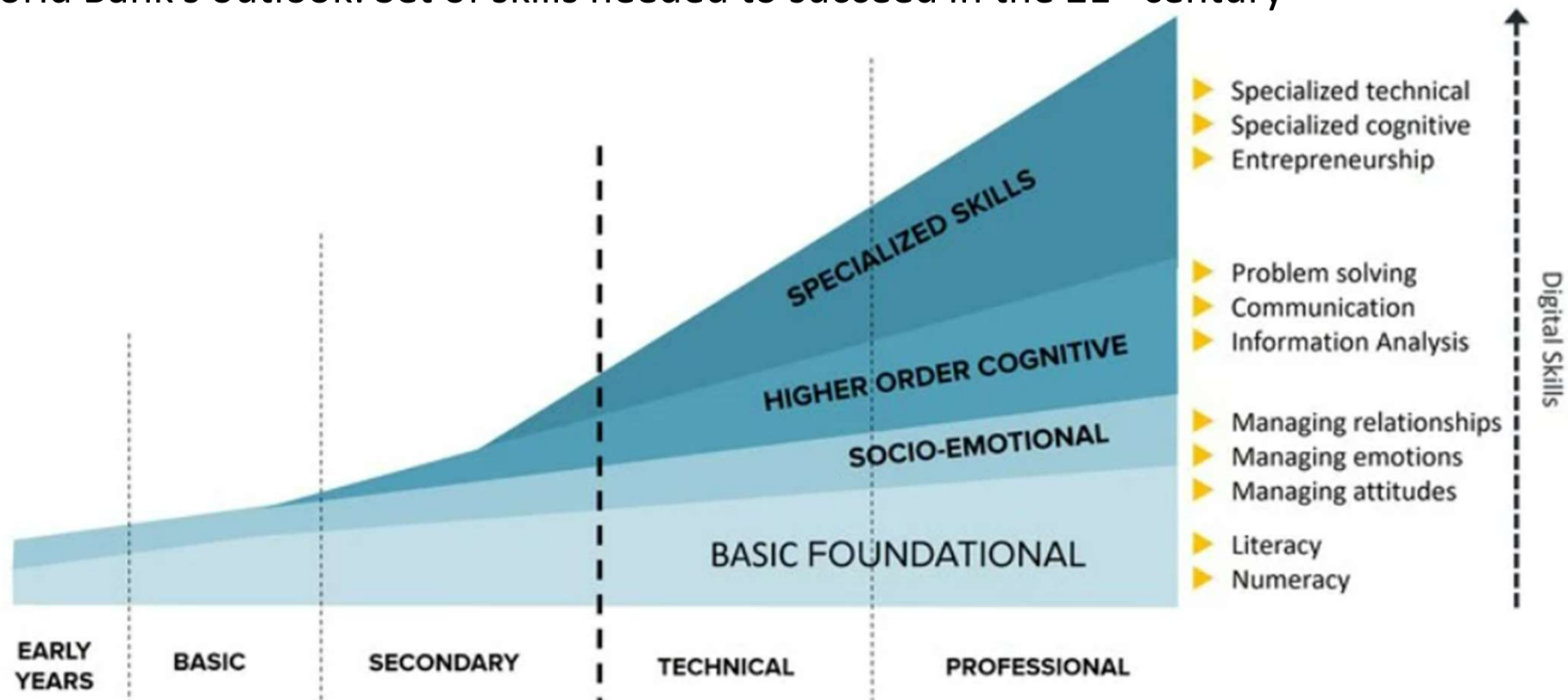
Global Trends and impact on job creation



Source: World Economic Forum (2023): Future of Jobs Report 2023, URL: <https://www.weforum.org/reports/the-future-of-jobs-report-2023/>, p. 224

Skills needed in the future

World Bank's outlook: Set of skills needed to succeed in the 21st century



Skills Outlook (SubSaharan Africa)

Core skills needed to perform well in key, stable roles within the company are very similar all over the regions

Source: World Economic Forum (2023): Future of Jobs Report 2023, URL: <https://www.weforum.org/reports/the-future-of-jobs-report-2023/>, p. 225

Skill outlook

Core skills

Skills needed to perform well in key, stable roles within the company (share of organizations surveyed)

■ Skills, knowledge and abilities ■ Attitudes

	27%	14%	15%	19%	14%
	REGION		GLOBAL		
Cognitive skills	27%	26%			
Engagement skills	6%	6%			
Management skills	14%	12%			
Physical abilities	1%	3%			
Technology skills	15%	16%			
Ethics	4%	3%			
Self-efficacy	19%	23%			
Working with others	14%	11%			

Skills gap are a main constraint for development, especially in partner countries

- ❖ Huge gaps in basic literacy/numeracy of working-age populations, skills mismatches.
- ❖ Megatrends will transform over 1.1 billion jobs in the next decade.
- ❖ 7 out of 10 youth economically disengaged, due to lack of adequate skills.
- ❖ Over 2.1 billion adults need remedial education for basic literacy, numeracy, and socio-emotional skills.
- ❖ About 23 % of firms: “workforce skills is a significant constraint to operations” (in some countries 40-60 %)
- ❖ Most African and South Asian countries do not have data on workforce skills.
- ❖ The global economy could gain 5-6 % of their GDP. Nonetheless, most countries invest less than 0.5 % of the global gross domestic product in adult lifelong learning.

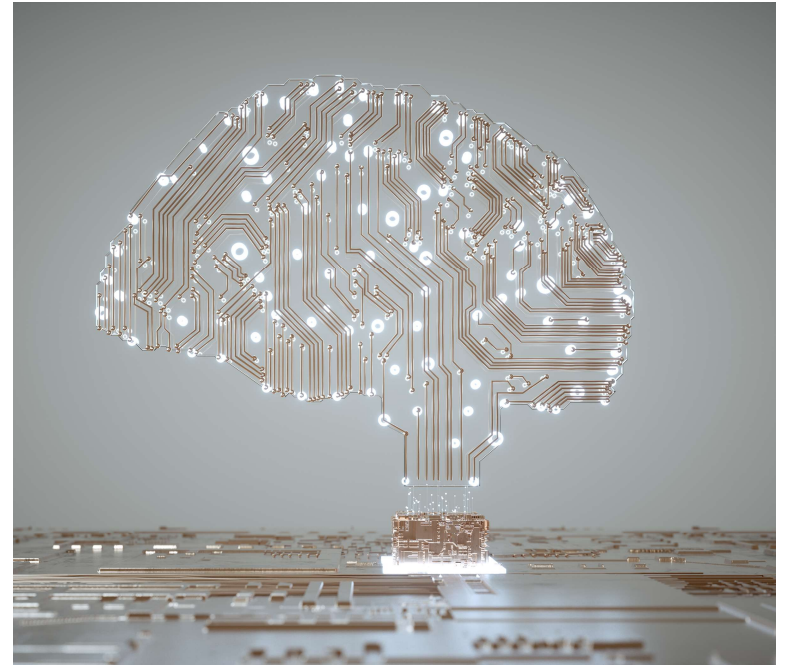


Source: World Bank 2024 [Skills Development \(worldbank.org\)](https://www.worldbank.org)

Closing the skills gap

1. Adaptation to Digitalization
2. Importance of Soft Skills
3. Lifelong Learning and Continuous Education
4. Sustainability and Green Skills
5. Entrepreneurial Skills and Micro-Entrepreneurship
6. Consideration of Local Contexts and Needs
7. Collaboration Among Various Stakeholders
8. Inclusion and Equal Opportunities

(recommendations generated by ChatGPT)



DC dVET Micro Survey

- ❏ **Q1:** What are the skills that will be most needed by the labour market in your country/countries in future (2030)?
- ❏ **Q2:** How does development cooperation need to adapt in the future to support these skills?

Result: 43 Projects replied from 16 countries



DC dVET Micro Survey

Q: What are the skills that will be most needed by the labour market in your country/countries in future (2030)?

1. Green skills
2. Digital Literacy and IT Skills
3. Adaptability and Flexibility
4. Critical Thinking and Problem-Solving
5. Foreign Language Proficiency
6. Entrepreneurship skills

Shift from activities that require only basic cognitive skills to those that use higher cognitive skills.

Higher cognitive skills such as creativity, critical thinking and decision making, and complex information processing



DC dVET Micro Survey

Q: How does Development Cooperation need to adapt in the future to support these skills?

- Microcredentials programs for upskilling and reskilling of the workforce
- Move away from long-term TVET trainings – short-term interventions
- Focus on a bottom-up approach – close stakeholder involvement
- Supporting Ecosystems: start-up units, access to funding, mentorship program, creation of small business associations & innovation HUBs
- Trainings in digital tools, data protection measures & access to hardware, software and internet
- Focus more on industrial and digital sectors
- Adaptability, Access, Efficiency and Quality of TVET



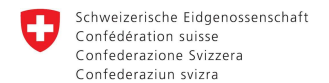
Key Take-aways

- ❏ Job growth through Macrotrends: e.g. green transition, ESG standards and digitalization etc.
- ❏ 23% of jobs are expected to change in the next five years
- ❏ Skills gaps needs to be tackled - need for training and reskilling across industries and regions.
- ❏ Core skills needed: cognitive skills, self-efficacy, technological skills
- ❏ Innovative approaches such as industry micro-credentials and skills-based hiring to tackle skills gaps and talent shortages.
- ❏ Development Cooperation + Private Sector need to be even more flexible and to apply a more comprehensive approach

THANK YOU FOR YOUR
ATTENTION!

coordination@dcdualvet.org

www.dcdualvet.org



Swiss Agency for Development
and Cooperation SDC