

### Outlook on Skills Needed in the Future

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### 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.



Website



LinkedIn

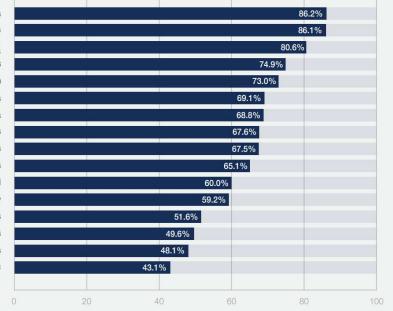




### Impact of Macrotrends

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

Increased adoption of new and frontier technologies Broadening digital access Broader application of Environmental, Social and Governance (ESG) standards Rising cost of living for consumers Slower global economic growth Investments to facilitate the green transition of your business Supply shortages and/or rising cost of inputs for your business Consumers becoming more vocal on social issues Consumers becoming more vocal on environmental issues Climate-change induced investments into adapting operations Supply chains becoming more localized Stricter government regulation of data use and technology Ageing populations in advanced and emerging economies Demographic dividend in developing and emerging economies Increased geopolitical divisions Ongoing impact of the COVID pandemic



Share of organizations surveyed (%)

- 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.

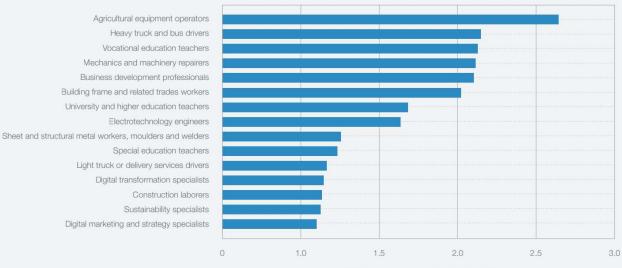
Source: World Economic Forum (2023): Future of Jobs Report 2023, URL: https://www.weforum.org/reports/thefuture-ofjobs-report-2023/, p. 21

Source World Economic Forum, Future of Jobs Survey 2023.



# Which jobs will grow in future?

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



Total growth in 5 years (millions of jobs)

#### 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, Future of Jobs Survey 2023.

Source: World Economic Forum (2023): Future of Jobs Report 2023, URL: https://www.weforum.org/re ports/the-future-ofjobs-report-2023/, p. 31

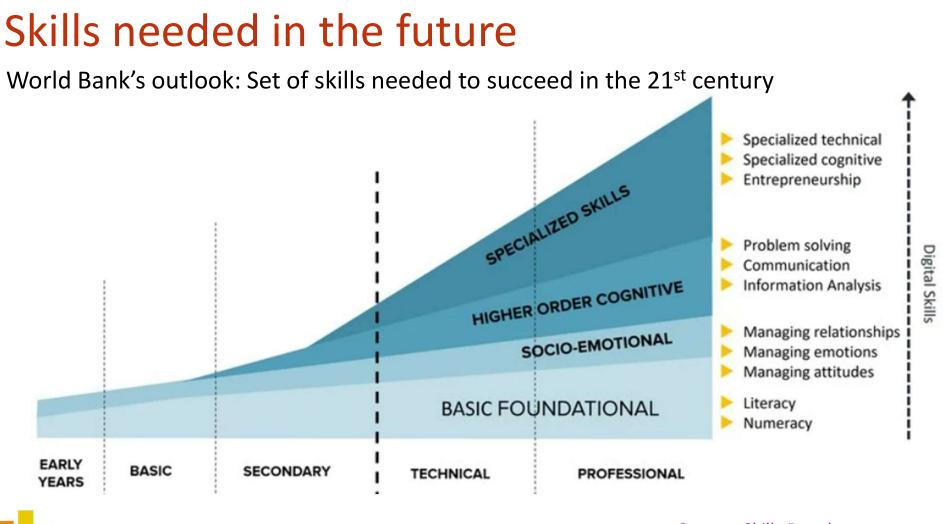


### **Global Trends and impact on job creation**

Trend outlook							
Global trends and	their impact on job creation	1					
Trends most most likely to effect (share of organization	drive industry transformation and their expected is surveyed)	d impact job creation, ordered	d by net				
Job creator 📗 Job displ	acer 🔷 Net effect 🔺 Global net effect						
nvestments to facili	tate the green transition of your bu	usiness					
-100%		+100%	55%				
Broader application	of Environmental, Social and Gov	emance (ESG) stand	ards				
100%		+100%	51%				
Climate-change ind	uced investments into adapting or	perations					
-100%		+100%	43%				
ncreased adoption	of new and frontier technologies						
	\$	+100%	35%				
Consumers becom	ng more vocal on environmental is	ssues					
	▲ ◇	+10096	31%				
Broadening digital a	CCESS						
	♦	+10096	30%				
Rising cost of living	for consumers						
100%	<u> </u>	+100%	-17%				

Region Profile 1 Sub-Saharan Africa Trend outlook Global trends and their impact on job creation Trends most most likely to drive industry transformation and their expected impact job creation, ordered by net effect (share of organizations surveyed) Job creator Job displacer 🔷 Net effect 🔺 Global net effect Broader application of Environmental, Social and Governance (ESG) standards +100% 70% Investments to facilitate the green transition of your business -100% +100% 59% Demographic dividend in developing and emerging economies -100% +100% 48% Broadening digital access -100% ◆ 41% 1 Consumers becoming more vocal on social issues -10096  $\diamond$ \*100% 23% Increased adoption of new and frontier technologies -100% +100% 19% Rising cost of living for consumers -100% +100% -22% Slower global economic growth -100% -50%

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



DC dVET

### Skills Outlook (SubSaharan Africa)

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

#### 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%

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



# 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)

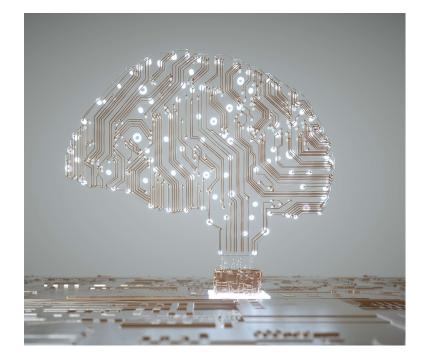




# Closing the skills gap

- 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 skillsbased 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!

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