

**SNAPSHOT****Skills for Jobs in the 21st Century**

2015

**Overview**

There is an indisputable link between learning outcomes and economic growth. From preschool to university to technical and vocational programs, education matters for human development and future employment. Swift changes in technology, for example, have shifted the focus of a well-educated worker in the 21st century from the qualifications needed for doing a 'lifetime' job to the skills needed to do specific tasks in jobs that are constantly changing.

This is especially relevant for young people entering the workforce. Approximately 75 million young people in the developing world are unemployed, and youth unemployment rates are 2 to 4 times as high as those of adults in most countries. To be productive and employable members of society, their education must equip them with relevant market skills that blend knowledge and technical knowhow with soft and hard skills. Employers want workers who have technical expertise, communication skills, can work collaboratively in teams and know how to analyze problems by thinking critically.

**Key Issues**

**Access.** Government policies must promote equity in access to education and learning. Of the many policies under the control of governments, the allocation of public spending is probably one of the

most important predictors of equity in access to education and learning. It is crucial that countries ensure that children and youth, regardless of their socioeconomic background or gender, benefit from equitable access to a quality education. Returns to schooling are positive and significant in all countries. Tertiary education, in particular, pays off for women. Governments must also ensure access to technical and vocational education and training (TVET).

**Quality.** The quality of education service provision should be conducive to quality learning and teaching, and help reduce repetition and dropout rates. The programs, curricula, teacher training and teaching practices, and teaching aids must help build a knowledge economy. Despite the increase in schooling, firms around the world complain about lack of skilled workers. In Latin America, about 35 percent of firms identify inadequate workforce skills as a major constraint. In the Middle East and North Africa, about 28 percent of all production workers are 'unskilled'. Further, education that encompasses information technology and computer skills are a must in today's world. Frequent use of computers on the job is associated with around 108 percentage point increase in hourly earnings, on average.

**Relevance to the job market.**

Educating for job market relevance is crucial in today's world. Education institutions must link their higher

education programs to the job market. More than 50 percent of employers surveyed globally claim that they cannot find the right skills, while 80 percent of job seekers fail to find a job. The gap between supply and demand must be closed by making the critical link with the private sector and factoring in investment trends, new technologies, and structural shifts in economies as they develop. With the rapid expansion of basic education in most developing countries, the emerging challenge is to provide education services and skills that enable individuals to be competitive not only within the local labor markets, but at the global level as well.

**Knowledge**

Given the complexity of this issue, there is no single indicator that can capture the transition of youth into labor markets.

The World Bank Group's (WBG) Systems Approach for Better Education Results (SABER)-Workforce Development initiative focuses on the effectiveness of the education and training system in generating skills demanded by employers and the workplace. A diagnostic tool, developed on the basis of knowledge of global good practices in enhancing linkages between skills supply and demand, it helps inform policy dialogue on strategies for workforce development in low- and middle-income countries.

Further, the WBG's Skills Towards Employment and Productivity (STEP) program is the first ever initiative to measure skills in low and middle-income countries. It provides policy-relevant data to enable a better understanding of skill requirements in the labor market, backward linkages between skills acquisition and educational achievement, personality, and social background, and forward linkages between skills acquisition and living standards, reductions in inequality and poverty, social inclusion, and economic growth.

## Results

**Argentina:** Through the Lifelong Learning and Training Project, Argentina delivers employment and training services to more than two million unemployed workers and youth, of which about half are

women. In addition, the country has consolidated and increased the coverage of a lifelong learning and competency-based training system for disadvantaged adults. Argentina also invests in the less skilled through additional education and training for school leavers who have not completed secondary education.

**Bangladesh:** The Skills and Training Enhancement Project is helping to ensure better employment opportunities for the Bangladeshi labor force, in both local and overseas job markets, including those from disadvantaged socioeconomic backgrounds. The project has strengthened public and private training institutions to improve skills training and employability of trainees. Since 2010, about 69,000 diploma students from 93 polytechnic institutions

have received stipends and 29,700 trainees received training from these training providers, 25 percent of them being women.

### Africa Centers of Excellence:

It is not sufficient for economies to generate jobs; countries must also ensure that higher education is aligned with the current and foreseeable needs of society, so that there is a steady supply of skills. In Africa, the WBG is supporting the Africa Centers of Excellence program (ACE) with a focus on science, technology, engineering and mathematics (STEM)-related disciplines. The program is helping to build regional expertise and education in areas of growth in the economy, such as extractive industries, energy, water, and infrastructure, as well as in the fields of health and telecommunications.