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To keep up with everything skilling and employment

Upskilling for Shared Prosperity

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Introduction

The pandemic has exposed structural weaknesses in institutions and economies and has widened inequalities. At the heart of the report is a realization that our economies are no longer delivering what people need and require systemic reform. Because, even before COVID-19, the rise of automation and new technologies was transforming the world of work, resulting in an urgent need for large-scale upskilling and reskilling. The report is a call to action – a call for leaders from across sectors and geographies to work together to turn this crisis into an opportunity.

Key Highlights

- Wide-scale investment in upskilling has the potential to boost GDP by $6.5 trillion by 2030. According to the Organisation for Economic Co-operation and Development (OECD), there are two ways to achieve it.
    - Accelerated scenario in which skills gaps are closed by 2028.
    - Core scenario in which skills gaps are closed by 2030.
- Regions with the biggest economic gains are those in which the skills gaps are larger and the potential is greatest to
- improve productivity through skills augmentation aligned with new technology. Simply put, less developed economies as well as countries with larger skill gaps could see greater gains as a percentage of GDP. The biggest gains would be, in China, the United States, India, Spain and South Africa.
- Upskilling could also help countries with high levels of inequality see the quality of the jobs created
- increase, as the scope to shift from low-cost labour to technology-augmented jobs is greater. For example, 38% of the additional GDP that could be gained through upskilling will be created in the business services and manufacturing sectors under the accelerated scenario.
- Upskilling could lead to the net creation of 5.3 million new jobs by 2030. Not surprisingly, countries with the largest workforces would see the largest gains such as the United States, India and China.
- By 2024, around 40% of workers will require reskilling of up to six months.
- 94% of business leaders report that they expect employees to pick up new skills on the job.
- Before the COVID-19 pandemic, it was estimated that businesses would invest over $4 trillion in technology
- in 2021, following a trend of annual spending of more than $3 trillion over the prior three years. Despite this, overall workforce productivity growth remains low.
- Automation is likely to have a transformative effect on the manufacturing industry, with PwC's
- research estimating that up to 45% of jobs could be automated by the end of the 2030s.
- Due to upskilling, India could add more jobs than China, 2.3 million compared to 1.7 million by 2030.
- Countries with high existing levels of education and training, small workforces will realize smaller gains because their current skills gap is not large (e.g., Germany and Japan). Countries with skilled workforces but comparatively smaller job markets will also see fewer benefits (e.g., the United Arab Emirates, where the private sector is underdeveloped).

Developed economies in Europe will see lower gains in absolute numbers. By contrast, many middle-income countries face significant shortages of higher-skilled workers to fill emerging occupations requiring advanced skills.

Read more: WEF Upskilling for Shared Prosperity 2021

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