



Empowering the workforce of tomorrow:

The role of business in
tackling the skills mismatch
among youth

Foreword | 3

① About this report | 4

② Introduction: The skills mismatch – a global challenge | 6

③ Understanding the skills mismatch | 9

④ The skills young people need to transition from education to employment | 14

⑤ The role of business in addressing the skills mismatch among youth | 17

⑥ Key asks for other stakeholder groups | 20

⑦ Conclusion | 23

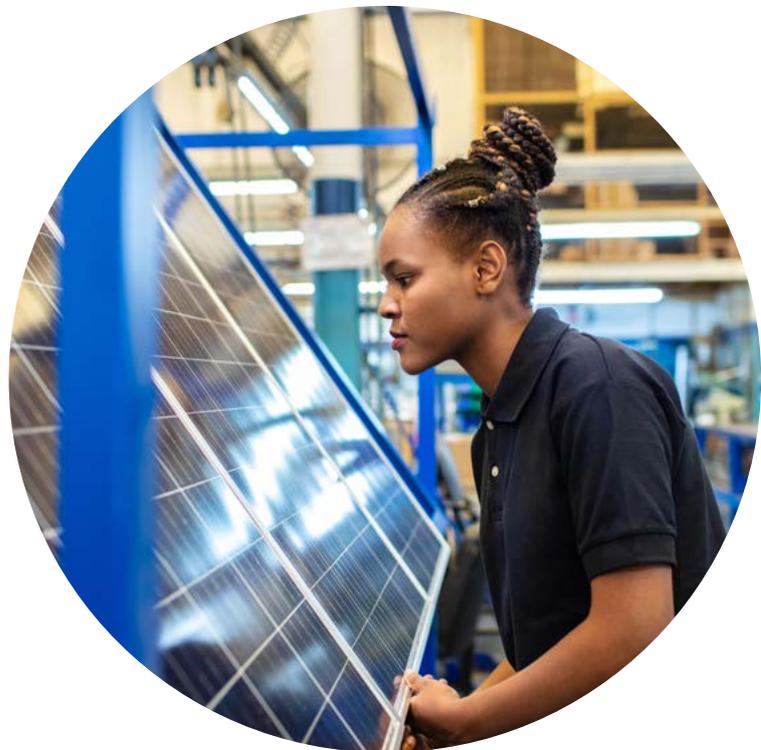
Foreword

The future of work is changing fast. Technology, socio-economic trends, and developments and crises like COVID-19 are changing the world of work and the demand for skills at a pace and depth that poses serious challenges to people, business, and society. Young people and future generations, especially when they are from disadvantaged groups, are disproportionately affected by these disruptions.

A key challenge to shaping a sustainable future of work is addressing the skills mismatch among youth. Despite young people around the world being more educated than ever before, hundreds of millions of individuals are coming of age and finding themselves unemployed and unemployable, lacking the right skills to take up the jobs available today and, even more, the skills that will be needed in the future. Neglecting the skills mismatch among youth can result in young people feeling disenfranchised and disillusioned about their prospects in the labor market, fueling social unrest, stunting economic growth and ultimately creating a more volatile operating environment for business.

In contrast, by equipping youth with relevant skills, businesses can empower young people, support their access to employment opportunities and enable them to thrive personally, professionally and as active members of society. Investing in the skills of young people has an essential role to play in helping to realize the ambitions of the Sustainable Development Goals (SDGs) and the World Business Council for Sustainable Development's (WBCSD) Vision2050, which aims to create a world where over 9 billion people live well and within planetary boundaries by mid-century.

Based on combined insights from the United Nations Children's Fund (UNICEF) and WBCSD's Future of Work project, this report highlights the importance of addressing the skills mismatch among youth, with a view to helping businesses better understand the challenge, its root causes and the impacts it has on youth, business and society more broadly. The report also brings to life the role business can play in addressing the skills mismatch among youth and seeks to inspire business leaders to strengthen their companies by empowering youth through business action, partnerships and advocacy on skills development.



1 About this report



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1 About this report

This report is the result of a collaboration between UNICEF and WBCSD's Future of Work project.

UNICEF works across more than 190 countries and territories to save children's lives, defend their rights, and help them fulfil their potential, from early childhood through adolescence.

WBCSD's Future of Work project brings together businesses to shape a sustainable world of work. It envisions a people-centered world of work where people prosper personally, professionally, and as active members of their community. It promotes an inclusive workforce, where people feel safe, motivated, empowered, and prepared for whatever challenge they are facing or will face next.

WBCSD and UNICEF collaborated on developing this report with a view to:

- Clearly articulating how the skills mismatch affects young people's lives and how it impacts businesses' ability to operate, innovate and grow,
- Exploring and defining the key opportunities for business to address the skills mismatch among youth,
- Advocating for change by combining the voice of UNICEF and WBCSD.

Part 1 frames the report by assessing the skills mismatch as a global challenge affecting both youth and business, as well as society and economies more broadly. **Part 2** helps the reader understand the skills mismatch by providing key definitions and describing key causes and impacts of this mismatch in relation to youth and business. **Part 3** explores some of the skillsets that are most useful in helping young people to transition from education to meaningful employment. **Part 4** identifies actions and approaches businesses can take to improve the opportunities of youth. Finally, presented as a set of recommendations from UNICEF and WBCSD, **part 5** looks at the role of other stakeholders, including youth and organizations that represent their interests, governments, and the education system and skills development providers more generally.



② Introduction: The skills mismatch – a global challenge



2 Introduction: The skills mismatch – a global challenge

Young people around the world are more educated than ever before, however, too many individuals are finding that they do not have the right skills to take up the jobs available today and even less the skills that will be needed in the future. Meanwhile, many companies are struggling to hire the talent they require to operate, innovate, and grow their business. This mismatch between the skills people acquire on their learning journeys and the skills required to find and succeed in work is widening and affects people all across the globe.

The most visible manifestations of the skills mismatch among youth are unemployment and job insecurity. Prior to COVID-19, about 500 million youth were unemployed, underemployed or working insecure jobs, often in the informal sector.¹ At the time of writing, as the global economy reels from the pandemic, more than one in six young people is out of work.

More than 57 out of 108 countries have a skills mismatch rate of over 50% in their workforce, meaning that over half of current employees in the country have jobs that do not match their educational level, with the majority (72%) being under-educated, highlighting the global scale of this challenge.²

Today, nine in ten children living in low-income countries cannot read with comprehension by their tenth birthday.³ At the current rate, estimates indicate that by 2030, there will be 1.5 billion school-age children in low- and middle-income countries. If current trends continue, well over half of them — 880 million children — will not be on track to acquire the most basic skills they need to succeed in the workforce.⁴ This lack of basic and secondary skills acquisition at an early age is a key contributor to the skills mismatch, translating into an escalating issue for employees, employers, and society at large.

The characteristics and severity of the skills mismatch varies across regions and countries. The percentage of youth that are not in education, employment or training (NEET) stands at 22.5% of the global youth population. This affects in particular youth living in **Africa, Asia and Arab States**, while young women across the world are disproportionately affected (Figure 1).⁵ In comparison, the NEET rate **in the EU and high-income countries** stands at about 10%.⁶



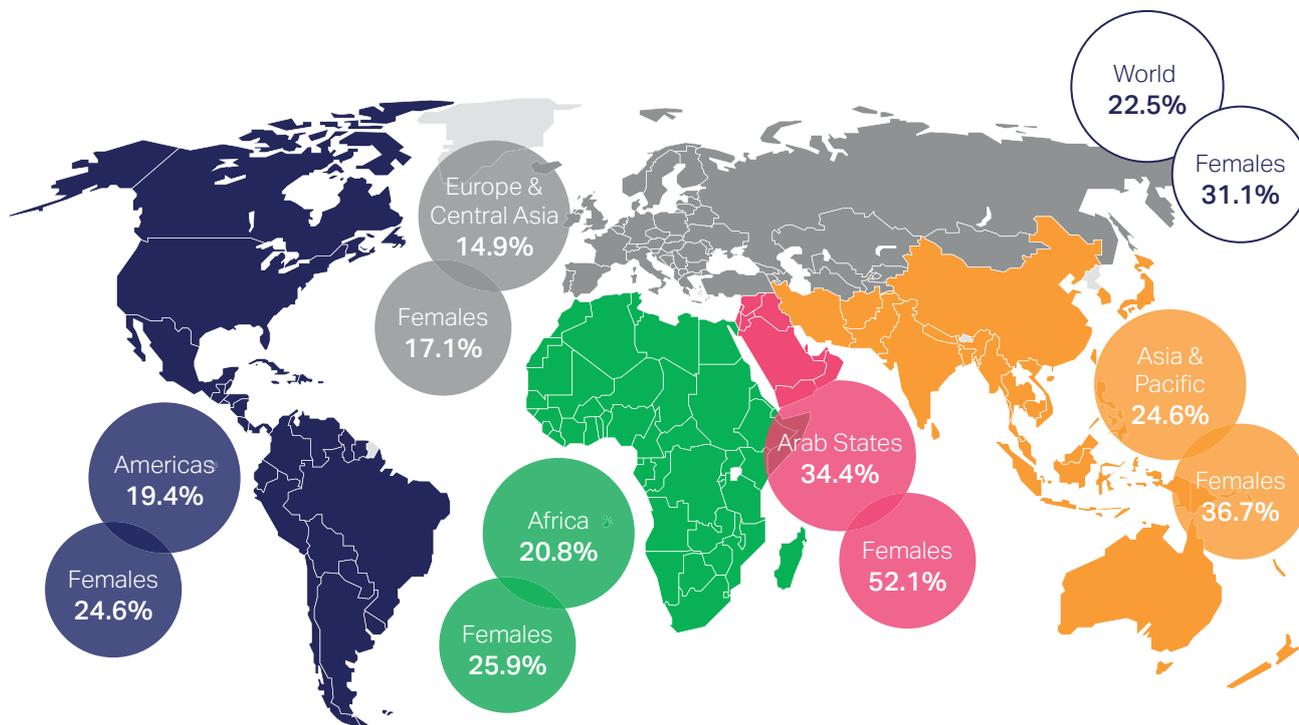
Some useful definitions

Throughout this report WBCSD and UNICEF employ the following terms based on standard United Nations definitions:

- **Youth:** Persons between the ages of 15 and 24 years.
- **Adolescents:** Persons between the ages of 10 to 19 years.
- **Young people:** Persons between the ages of 10 to 24 years.

Figure 1: Rates of youth not in education, employment or training (NEET) by region and among young women.

Source: [Global Employment Trends for Youth 2020 \(ILO\)](#)



These numbers stand in stark contrast with the incidence of employers reporting difficulties in filling vacancies. **In Asia and the Pacific**, this incidence climbed from 28% in 2006 to 48% in 2015⁷. India is consistently ranked among the top three countries in the region in terms of firms' difficulty in filling vacancies, despite one in three graduates up to the age of 29 being unemployed and the NEET rate amounting to 29.5%.⁸

In Latin America over four in 10 firms say they have difficulty finding workers with the right skills, according to ManpowerGroup surveys. Companies in Argentina are worst hit, with 59% struggling to hire staff with the right skills; in Colombia that figure is 50%, and Peru 49%. For more than a decade now, Latin America has ranked as the region with the widest skills gap in the world.

By continuing to neglect the skills mismatch we risk young people becoming increasingly disenfranchised and disillusioned about their prospects in the labor market, which in turn has the potential to significantly erode the social cohesion and stability upon which long-term business success depends. On the other hand, by equipping young people with relevant skills, businesses can support their access to employment opportunities and enable them to thrive personally, professionally and as active members of society.

3 Understanding the skills mismatch



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3 Understanding the skills mismatch

3.1. DEFINITIONS

General definition

The ILO describes the discrepancy between the skills that are sought or required by employers and the skills that are possessed by individuals – an organization’s current or prospective workforce – as the global skills mismatch. This mismatch between skills and jobs can either mean that education and training are not producing the skills demanded in the labor market, or that businesses and employers are not offering jobs that match the skills of individuals.⁹

The human and economic toll of the skills mismatch can be staggering, as skills are fundamental to people’s lives, to the success of businesses, to a flourishing economy and to creating a sustainable future. If we don’t address this challenge, we will continue to see labor markets full of people with outdated, over-, or under-supplied competencies who either do not find employment at all or struggle to find professional fulfillment. At the same time, employers will struggle to find the talent they require to help them excel and will be forced to hire people whose skills and experience fall short of what the business needs.

Different types of skills mismatch

At a macro level, the skills mismatch reflects the gap between supply and demand for skills. At a micro level, this mismatch can be further categorized as follows:¹⁰

- **Skills gaps:** When workers lack the skills they need to do their jobs effectively, i.e. the skills that workers have are fundamentally different from those that are required to perform the job adequately.
- **Skills shortages:** When employers cannot find enough professionals with the right qualifications and skills. In other words, when the demand for a particular type of skill exceeds the supply of people with that skill.
- **Skills obsolescence:** When graduates or workers lose their skills over time due to lack of use or when skills become irrelevant due to changes in the world of work, such as digitalization and technological advancement.

3.2 WHAT CAUSES THE SKILLS MISMATCH?

The causes of the skills mismatch reflect the complexity of labor markets around the world and the numerous factors at play. Some of the key underlying causes of skills mismatches include:¹¹

- 1) **Poor skill foundations:** The skills developed in early childhood – from birth to primary school entry – form the basis of future learning and labor market success. Early childhood development (ECD) enhances a child’s ability to learn, to work with others, to be patient, and lays an important foundation for the successful acquisition of foundational skills, specifically literacy and numeracy, in primary education. A failure to develop these skills can lead to long-term and often irreversible effects on education, health, and productive earnings, imposing significant costs for both individuals and society. Evidence shows that investing in ECD can ensure a societal return of up to USD 16 for every dollar invested.¹²

While access to primary education has increased significantly over recent decades, providing quality education to all continues to be a significant challenge, inhibiting children’s chances to acquire relevant skills. A smooth transition from learning to earning can only be facilitated if a solid foundation is laid successfully in early childhood through basic education and if education systems address the needs of labor markets.

2) Access to skills development and job opportunities remains unequal:

Gender, disability, location and access to the internet are some of the most important factors that impact young people's prospects of accessing quality secondary education, training and job opportunities:

- **Gender:** The main challenges women face include gender biases in occupational choices; barriers to education and training, especially in rural and informal economies; socio-cultural and economic constraints; and low representation of women in science, technology, engineering and mathematics (STEM) subjects.¹³
- **Disability:** People with disabilities face challenges accessing and completing education, and are significantly more likely to be mismatched in the labor market, to suffer from a pay penalties and to have lower job satisfaction. These effects are stronger for the work-limited disabled.¹⁴
- **Location:** The worldwide skills mismatch is exacerbated by barriers to talent mobility and impaired movement of skilled labor within and between markets. A vast majority of positions are (still) to be found close to job seeker's homes, narrowing the choice of positions as well as potential candidates.
- **Connectivity:** Access to labor market opportunities is also limited by the fact that about 40% of job seekers find work through online platforms, and 14% through social networks.

Meanwhile, 3 billion people, almost half the global population, lack access to the internet.¹⁵ Furthermore, in low- and middle- income countries and especially for non-white-collar jobs, personal networks remain the most important route to finding a job. Young people without these connections are often left behind.

3) Inadequate and inefficient investment in skills development from the public and private sectors:

Public sector investment in quality education remains limited in most countries around the world. Similarly, the private sector tends to invest less than necessary in the education and skills development of future talent and in the training of current workers.

4) Weak market relevance of education and skills development systems:

A growing concern is the weak relevance of training and learning programs to the labor market, resulting from a range of factors including:

- Lack of dialogue and alignment between governments, education systems, business, and other stakeholders on determining the demand and supply of skills and coordinating quality control.
- Poorly functioning labor market information systems that further exacerbate inaccurate forecasting of skills needs and shortages.

- At a community level, a lack of market analysis of the local economy prior to training, which contributes to oversupply of skills in certain jobs, market saturation and low returns on training investments and income.

- Outdated and inadequate teaching methods, materials, and facilities, leading to low completion rates and graduates leaving learning institutions with irrelevant skills.

5) Lack of awareness of labor market demands as well as misaligned study choices:

In numerous countries, the aspirations of students are largely misaligned with the needs of the economy. Students lack information about the requirements and prospects of specific careers, and ultimately end up choosing courses without knowing whether there will be a demand for their qualifications upon graduation.

6) Demographic shifts:

Employers and workers alike are confronted with a profound demographic dilemma. On the one hand a rapidly ageing labor force is drying up the pool from which to recruit, especially in developed countries. On the other hand, in many developing and emerging markets growing cohorts of youth are entering the labor market, often with a lack of relevant skills, with not enough jobs to accommodate them.

3.3 IMPACTS AND CHALLENGES OF THE SKILLS MISMATCH

Realizing the full potential of human capital and fixing the skills mismatch has been a growing problem for years, with the COVID-19 pandemic only reinforcing it. Challenges emerging as a result of this mismatch confront individual workers, businesses, the labor market at large, and the economies of entire countries at the macro level.

The challenges facing youth

First and foremost, the skills mismatch is a challenge for employees and job-seekers, preventing billions of individuals from fulfilling their potential, in particular if they are from disadvantaged groups. Without the right skills, people find it hard to get decent employment, perform their work well and build opportunities for personal and professional growth, inhibiting them from providing for their families, investing in their dreams, and contributing to their communities. In many cases, this leaves them with job dissatisfaction and discontent which can lead to burnout and severe mental health issues.

What is more, while producing educated young people is a significant achievement for the education community, the skills mismatch observed in many countries shows that more education does not necessarily mean better jobs and better livelihoods. Young people who are over-skilled or over-educated for their current positions are often underpaid and left feeling frustrated by their limited career opportunities and wasted or deteriorating talents.

In February 2020, UNICEF surveyed over 40,000 young people from 150 countries on the skills mismatch¹⁶. The online poll revealed that many young people feel their current education is not preparing them with the skills they need to get jobs. One third (31%) of the young people surveyed said that the skills and training programs offered to them did not match their career aspirations. More than a third of respondents (39%) go on to say that the jobs they seek are not available in their communities.

According to the poll, the key skills young people want to acquire in order to help them gain employment in the next decade include leadership (22%), followed by analytical thinking and innovation (19%), and information and data processing (16%).

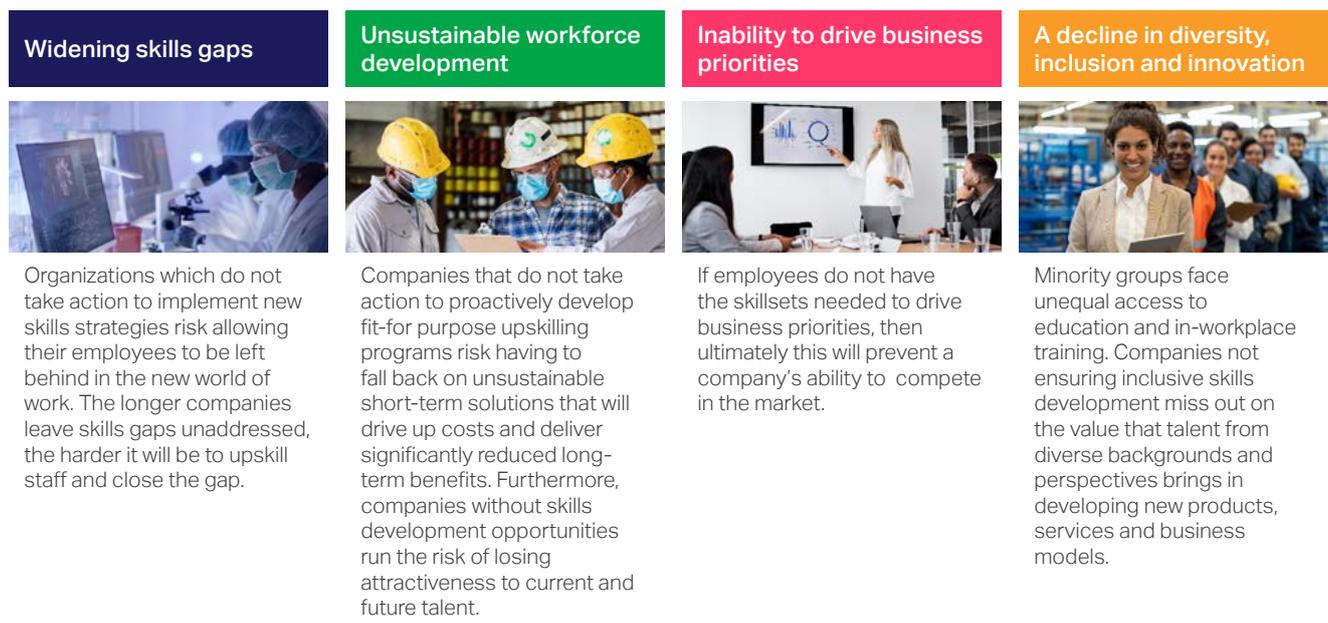
The challenges facing business

The skills mismatch also represents a significant challenge for business. Irrespective of the sector they operate in or the specific tasks that need to be carried out, without the right set of skills, businesses cannot function and are unable to grow. Figure 2 highlights a number of risks associated with failure to address skills mismatches effectively as identified by WBCSD's Future of Work working group. Ultimately, the inability to find skilled workers to perform required jobs has important repercussions on corporate dynamism, innovation, productivity, global competitiveness, growth, and sometimes survival. The skills mismatch forces companies to fall back on short-term solutions that drive up costs and deliver significantly lower long-term benefits. In the long-term it is simply not cost-effective for businesses to consider trying to hire their way out of a potential skills mismatches – the only feasible solution is for business to play a role in building and nurturing future workforces.

The skills mismatch forces companies to fall back on short-term solutions that drive up costs and deliver significantly lower long-term benefits.



Figure 2: Risks for business of failing to address the skills mismatch



New technologies, socio-economic developments, shifting expectations of workers and critical events like COVID-19, place the world of work in a state of constant flux, and make the act of effective upskilling even more complex. Business leaders are becoming more and more concerned about finding, keeping, and developing the talent needed to ensure business continuity, resilience and growth.

PwC's recent Annual Global CEO Survey,¹⁷ involving around 1,500 chief executives from 90 territories, provides valuable insight into the thinking of business leaders when it comes to the issue of the global skills gap and investing in upskilling. Among the CEOs surveyed, 74% are concerned about the availability of key skills.¹⁸ Asked about the impact of the availability of key skills on their organizations' growth prospects, CEOs responded as follows:¹⁹

- 55% said that a shortage of skills impairs the capacity of their companies to operate effectively.
- 52% highlighted that their people-related (such as employee training etc.) costs are rising more than expected.
- And 47% are worried that skills availability is significantly impacting quality standards and/or the experience of their customers.

In PwC's 2018 survey, the majority of CEOs agreed that significant retraining and upskilling was the most important way to close the skills gap in their organization. Yet the same survey conducted one year later revealed that globally, fewer than one in five leaders (18%) believe their organization has made 'significant progress' in establishing an upskilling program to date.

Macro-economic implications

At the macro level, structural skills deficits can lead to a country's loss of competitiveness and exacerbate unemployment. The Boston Consulting Group estimates that the skills mismatch represents an annual 6% "tax"²⁰ which is only worsening as a result of the COVID-19 pandemic. Indeed, it is estimated that only 3 million formal jobs are created annually across Africa despite the 10-12 million African youth that enter the workforce each year.²¹ India meanwhile has the world's largest youth population with 333 million people aged between 10-24 years of which 30% are not in education, employment or training.²²

4 The skills young people need to transition from education to employment



4 The skills young people need to transition from education to employment

4.1 A FRAMEWORK FOR UNDERSTANDING SKILLS

Before we move on to consider in more detail the role that business can play in helping to address the skills mismatch, it is useful to explore in a bit more detail the types of skills that will be most impactful in helping young people when it comes to transitioning from education into employment.

Of course, specific industries will require specific skillsets but there are a set of broader skills that stand to significantly enhance the prospects of young people of making a smooth and swift transition into employment. UNICEF identifies the following skills categories as being integral to supporting young people to succeed at school, in work and in life:

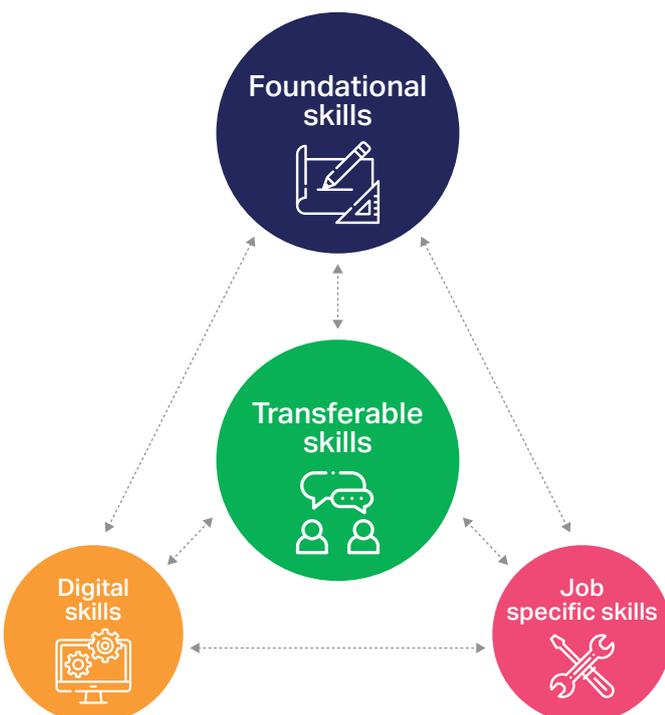
- 1. Foundational skills:** Foundational skills, namely literacy and numeracy, are essential for further learning, productive employment and civic engagement. Although these skills are essential, it is estimated that globally 250 million children have not acquired basic literacy and numeracy skills.²³
- 2. Digital skills:** Digital literacy enables children and young people to: use and understand technology; search for, and manage information; create, and share content; collaborate; communicate; build knowledge; and solve problems safely, critically and ethically. The demand for digital skills is on the rise due to the increase in digitalization of the economy. In most countries, developed and emerging, digital skills
- 3. Transferable skills:** Also called “life skills”, “soft skills” or “socio-emotional skills”, these skills empower children and young people to: navigate and meet the evolving demands of the labor market; be independent, creative and critical thinkers; remain agile, flexible and adaptive; master complex problems; and connect with others in highly collaborative settings.²⁴ Transferable skills include problem solving, negotiation, managing emotions, empathy and communication, among others. Placed in the center of Figure 3, they can be seen as ‘magic glue’, connecting, reinforcing, and helping develop other skills types.

represent at least nine of the 20 fastest growing skills.

Demand for transferable skills is higher than ever. Globally, more than half (56%) of employers say communication skills, written and verbal, are their most valued human strengths followed by collaboration and problem-solving. Critical thinking and problem-solving top the list of skills that employers believe will grow in prominence in the next five years as will skills in self-management such as active learning, resilience, stress tolerance and flexibility.

- 4. Job-specific skills:** Also known as “technical” and “vocational” skills, these are associated with occupations and support the transition of young people into the workforce. Job-specific skills are often acquired through training before entering employment, training during employment and informal learning by doing.²⁵

Figure 3: Skills needed for success in school, work and life



Spotlight on Green Skills

Transitioning to a green economy is estimated to potentially generate 15 to 60 million additional jobs globally over the next two decades. In order to ensure a successful transition, new skills - commonly called green skills – will be essential. However, the on-ramp for a career in the green economy is often unclear, as green technologies are emerging and the related skills are continuously evolving. Failing to equip young people with green skills has the potential to result in significant obstacles to a successful transition.

Educational institutions need to prepare for the green transition by mainstreaming environmental sustainability in their skills development measures, while businesses need to clearly communicate their new skills demand and invest in developing green skills. In many cases, modest modifications are enough to upgrade existing training programs and curricula to make skills applicable to green jobs. Lastly, young people should invest in acquiring green skills. With a growing demand, the benefits of having these skills are likely to pay off for decades to come.



5 The role of business in addressing the skills mismatch among youth



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5 The role of business in addressing the skills mismatch among youth

5.1. THE BUSINESS CASE FOR INVESTING IN YOUTH

There is tremendous potential for the private sector to contribute to improving education and its relevance for the labor market around the world. Education is not only smart for society, but smart for business. It equips individuals with knowledge and skills that are key to sustainable development and economic growth. Business has a critical stake in ensuring all children, youth and adults have the opportunity to reach their full potential. By supporting efforts to educate and upskill young people business can lay the foundations for:

- **A thriving economy and prosperous operating environment:** Companies are only as resilient as the ecosystems, communities, economies, and societies they operate in. Investments in education have the potential to drive a broad range of societal benefits including around areas such as health and wellbeing, social inclusion and financial security. This translates directly into an array of business benefits such as economic growth, thriving global markets, more resilient supply chains, and enhanced levels of social cohesion and political stability.
- **Enhanced business performance:** Research shows that for every USD 1 invested in a child's education, there is a USD 53 return to a company at the start of employment. Education develops the human capital required to create a skilled workforce, improve productivity, fuel business innovation and drive business growth.

- **Significant cost savings:** It is in the interest of firms to invest in education, training and learning opportunities to upskill and reskill their current and future workforce as the cost of training is usually considerably lower than the cost of bringing in new skills through the recruitment of new employees.

5.2. BUSINESS ACTIONS TO ADDRESS THE SKILLS MISMATCH

Work is the engine at the center of our economies and skills are its most important ingredient. Business can play an effective part in resolving the mismatch between the supply and demand of skills among young people through efforts to: (a) develop a sustainable skills strategy, (b) partner with relevant stakeholders and (c) leverage their advocacy and convening power.

Developing a sustainable skills strategy

Keeping skills up-to-date is crucial to creating a world in which people, businesses and societies thrive. Businesses need to take action to ensure a future where business and society don't just react and adapt to disruption, but remain ahead of the curve.

This requires companies to understand what set of skills they have access to today, what skills they will need in the future, and how they can build tomorrow's workforce and future-proof their business in a sustainable and innovative manner.

In its [Skills strategies for a sustainable world of work: A guide for Chief Human Resources Officers](#), WBCSD identifies five key steps businesses can take to develop a sustainable skills strategy.

WBCSD in partnership with the Global Apprenticeship Network (GAN Global) recently published '[Skills strategies for a sustainable world of work - A guide for Chief Human Resources Officers](#).' This guide highlights the importance of comprehensive strategies to skills development with the objective of future-proofing businesses and contributing to inclusive and sustainable societies. It explores the breadth of strategies and pipelines available to business and provides business decision makers – particularly CHROs – with guidance and inspiration on how to choose and implement appropriate and effective skills development strategies by showcasing successful and promising solutions from 16 leading organizations.



Step 1) Assessing the skills

need of the business: Rapid technological advances can make it difficult for employers to keep abreast of the evolving sets of skills that are needed to ensure their long-term success. Nevertheless, it is important that companies take proactive steps to identify the skills needed by the business to achieve its priorities – now and in the future.

Step 2) Laying a cultural foundation that encourages and rewards continuous learning:

Employers should evaluate and adjust policies, processes, and incentives to reinforce and encourage a corporate culture that supports upskilling efforts. This can be achieved by providing opportunities and incentives for the development of relevant skills and personal self-realization in the workplace and giving people the time and space to learn.

Step 3) Defining and sending demand signals:

Between the moment of knowing which skills the business needs and recruiting talent, companies face challenges when it comes to communicating their skills demand to relevant stakeholders. Businesses need to clearly define who to target with their demand signals and then find ways to effectively communicate their company's current and future skills needs. Key audiences within the organization include a company's own workforce such as at-risk or under-qualified workers. Outside the organization the demand signal can be targeted at business leaders/owners, governments and education ministries, career advisors, or at individuals who are still at school/ university or looking for work. Businesses sending effective skills demand signals is key for talent to make informed decisions about their education, training, and career paths.

Step 4) Developing and implementing skills development programs with a focus on youth:

Businesses can play a leading role in helping to develop relevant skills and knowledge by investing in and rolling out learning programs for potential and current employees. These programs can incorporate a range of techniques and tools including emerging digital technology solutions and blended learning models. To support the swift and successful transition of youth from learning to employment, skills development can include regular and institutionalized internships, mentorship, and apprenticeship programs for youth.

Step 5) Measuring the success of upskilling programs:

Regular efforts to assess the success of upskilling programs are imperative to understand whether or not efforts are delivering on upskilling individuals and contributing to business priorities.

Partnering with relevant stakeholders

The skills mismatch is not a challenge any one actor can solve alone.

Closer coordination between the private sector, governments and the education system is fundamental to creating better alignment between demand and supply of skills and ensuring education and training meet the standards required.

By working more closely with the education system and sharing business perspectives and insights on the skills mismatch with them, companies enable schools, technical and vocational education and training (TVET) centers, and higher education institutions to design market-relevant curricula and provide youth with better career guidance and counseling.

Leveraging businesses' advocacy and convening power

Finally, business leaders can leverage their voice to advocate for and promote skills development among young people by:

- Supporting family friendly policies to ensure that the next generations have the best possible start to their lives, thereby laying a strong foundation for skills development.
- Advocating for investments in a re-imagined, high quality early childhood, basic, technical and higher education system that addresses the skills mismatch by developing foundational, transferable, digital, and job-specific skills.
- Urging stakeholders to seize the once-in-a-lifetime opportunity to reform and reimagine education through digital technology.



⑥ Key asks for other stakeholder groups



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6 Key asks for other stakeholder groups

As we plan long-term recovery from the unprecedented disruption caused by the COVID-19 pandemic there is a once-in-a-generation opportunity to re-imagine education to equip every young person with foundational, as well as transferable, job-specific, and digital skills to successfully transition from education to employment and from learning to earning. UNICEF and WBCSD have highlighted the following asks to other stakeholder groups to support these efforts.

6.1. ASKS TO YOUTH

Youth must take ownership and responsibility for their own professional development, leveraging existing support systems to identify career paths and unlock their full potential.

It is also important that youth representatives and youth organizations advocate jointly with youth for the public and private sector to take action across the following areas:

- Closer linkages between education, youth, and employment.
- Timely and better-quality information, advice, and guidance on opportunities to secure a positive school to work transition as well as on labor rights and representation.
- Multiple, flexible, and alternative education and training pathways that build on the individual strengths of every young person.

- Free and easily accessible skills development platforms, which can be made available online, particularly for disadvantaged youth.
- Paid internships and apprenticeship schemes, contributing to a better transition from education to employment.
- Opportunities to engage with and inject a youth perspective into dialogues with the governing bodies of schools and training centers, unions, business associations and chambers of commerce.
- Tailored programs and offers for disadvantaged groups to ensure that opportunities are available for everyone.
- Advance efforts to ensure that everyone, especially the most marginalized, are able to participate in education systems and prepare themselves to join the world of work.
- Offer flexible and alternative learning pathways for children and young people that are not in school or are unable to complete their education. It is critical that these pathways lead to certifiable quality learning comparable to mainstream secondary-level options, and are integrated with the mainstream (formal) education system so that adolescents have the possibility to go back to regular schools when their circumstances change.

6.2. ASKS TO THE EDUCATION ECOSYSTEM

To address the skills mismatch, education systems need to take into account emerging skills and knowledge requirements as well as the fast pace of change.²⁶ Education systems around the world need to realize the opportunity to reimagine and reform their structure to adapt to the needs of the 21st century and support the acquisition of foundational, transferable, relevant job-specific and digital skills for all. In particular education systems can explore opportunities to:

- Strengthen technical and vocational education and training at secondary level, through building partnerships with employers and workers in the private sector.
- Incorporate blended learning models that leverage digital technology and focus.
- Institutionalize career guidance and mentorship in schools, while providing linkages to physical and virtual training centers that focus on CV development, interviewing, networking and workplace habits.
- Act as mediators between employers, governments, and individuals, to equip potential employees with a comprehensive set of tools for lifelong learning.²⁷

6.3. ASKS TO GOVERNMENTS

Guaranteeing every person has equal, open, and personalized access to education, development and employment opportunities is one of the key duties of governments. Governments need to be aware of the high cost of the skills mismatch and should support and incentivize better communication and exchange between businesses, education systems and academia. Actions that governments should consider include:

- Creating multi-stakeholder platforms to enhance collaboration between the public and private sector at different levels of the skills development system.
- Investing in and developing programs focusing on transferable skills as well as technical and vocational skills training.
- Improving pre-service and continuous professional development of educational staff - including access to industry-specific training.
- Forging partnerships that strengthen the role of public employment services through improved job matching platforms connecting job seekers and work opportunities.
- Increasing the capacity of public employment counselors.



7 Conclusion



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7 Conclusion

This report clearly illustrates that in our ever-changing world of work, neglecting the issue of the skills mismatch among youth will have severe consequences for society, the economy at large, and for young people and businesses in particular. Youth need the right sets of skills to thrive in their personal and professional lives, just as much as businesses need a well-prepared talent pipeline and workforce to function, grow and flourish, today and in the future.

While close partnerships, coordination and advocacy efforts between stakeholders, including the private sector, governments, the education system and youth themselves, are vital to better align the skills demand and supply, this report underlines the critical role businesses can take in leading the development of future workforces which are empowered to develop the skills they need for work, life, and future fulfillment and employability.

The opportunities for businesses to act and contribute to improving training and education, and their relevance for the labor market, are tremendous. Business has the power to help unlock the potential and prospects of millions of young people around the world, contributing to a more inclusive and prosperous society while also safeguarding the long-term success of their operations.

Moving forward, WBCSD and UNICEF look forward to continuing to work closely with the global business community and a range of other stakeholders to tackle the skills mismatch while empowering young people to realize their full potential as the leaders of tomorrow.



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ABOUT UNICEF

UNICEF works in some of the world's toughest places, to reach the world's most disadvantaged children. Across more than 190 countries and territories, we work for every child, everywhere, to build a better world for everyone. We work to save children's lives, to defend their rights, and to help them fulfil their potential, from early childhood through adolescence. And we never give up.

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ABOUT WBCSD

WBCSD is a global, CEO-led organization of over 200 leading businesses working together to accelerate the transition to a sustainable world. We help make our member companies more successful and sustainable by focusing on the maximum positive impact for shareholders, the environment, and societies. Our member companies come from all business sectors and all major economies, representing a combined revenue of more than USD \$8.5 trillion and 19 million employees. Our global network of almost 70 national business councils gives our members unparalleled reach across the globe. Together, we are the leading voice of business for sustainability: united by our vision of a world in which more than 9 billion people are all living well, within planetary boundaries, by 2050.

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WBCSD'S FUTURE OF WORK PROJECT

WBCSD's Future of Work project brings together businesses to shape a sustainable world of work. The project provides a space for members to share experiences and learn from one another, pinpoint practical steps to address key issues, distill best practices and develop collaborative solutions. Areas covered by the Future of Work project comprise skills development, responsible deployment of technology, diversity and inclusion and worker's health and wellbeing.

To get in touch with our Future of Work team, contact [James Gomme](#) Director, People & Society, WBCSD or visit futureofwork.wbcds.org

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