



Innovation & Entrepreneurship

Skills for Competitiveness: Boosting Firm Growth and Youth Employability

To boost trade and competitiveness, the World Bank Group helps clients improve the ability of firms to access needed skills through training institutes and on the job programs with the objective of strengthening firm productivity and boosting employment, especially among youth.

Context

Between now and 2030, more than a billion young people will enter the labor market; every month, more than a million will seek jobs in Africa, and another million in India. There are growing numbers of youth with high levels of education working in informal jobs or unemployed, limiting their economic potential and threatening social cohesion. The private sector, comprising both employers and training providers, has a role alongside government in addressing this challenge. Recent impact evaluations from Asia and Africa have shown that various forms of skill-building—on-the-job training, courses via training systems, entrepreneurship development—benefit firm productivity and youth employability.

Functioning and competitive training markets such as in Malaysia and Brazil help firms meet their training needs. Increasingly, firms are cooperating through clusters and value chains to deliver on-the-job skills training. Examples include supplier skill development programs in the Indian automotive sector and firm-led cooperatives in Zambia's dairy sector.

What we offer

In the area of trade and competitiveness, we focus on how firms can access skills that increase their knowledge, productivity, and competitiveness through demand-side interventions and improved matching with the supply-side. This includes:

- Identifying key factors driving skill gaps at the sector and value-chain level that constrain firm competitiveness in growing industries. We focus

on fast-growing sectors integrated in international trade. For small and medium enterprises (SMEs), we support the acquisition of skillsets to help them work more effectively with large firms and be more competitive.

- Identifying areas for the private sector to improve programs addressing 'supply side' skills issues like improving formal technical, vocational, and educational training systems, or strengthening teacher training.
- Developing capacities for design, delivery, monitoring, and evaluation of programs to promote demand-driven skills delivery.

These services can be part of a competitiveness and growth strategy at the national, regional, or municipal level, or within strategies to promote specific industries, such as tourism or agribusiness. They can also be framed in the context of wider education sector reforms. Bank Group skills support in the area of trade and competitiveness consists of the following:

Assessing opportunities and constraints for firms seeking competitive skills, including:

- Understanding the dimensions of skills as a constraint to firm growth relative to other inputs, including investment climate issues.
- Identifying sectors with growth potential that are constrained by a lack of available skills.
- Within a sector, analyzing how firms are sourcing skills along the value chain.

- Mapping stakeholders from across various groups including employers, training providers (public and private), government, and civil society.
- Identifying existing constraints affecting the ability of post-secondary training that providers offer youth with skills relevant to the needs of the job market.

Developing sector-based solutions for delivery of skills to enhance firm productivity by:

- Supporting sector-specific SME development (e.g. in automotive, electronics, agribusiness etc.) by identifying skill needs, providing shared physical spaces for training, and other support.
- Supporting skills for developing local supply chains in emerging markets.
- Supporting development of national and local level sector skills councils.
- Building capacity of local associations to help deliver skills.
- Strengthening gender parity through skills-building in manufacturing and services.

Providing an enabling environment to match skills delivered by post-secondary training systems with firm needs by:

- Linking employers with public and private education and training providers.
- Strengthening the effectiveness of quality assurance and competency frameworks.
- Removing regulatory bottlenecks which constrain private sector investment in education and training.
- Creating labor market information systems to enhance access to information.
- Supporting private investment in post-secondary training to enhance options for quality and relevant education and training.

These approaches have been piloted since 2012 through the E4E Initiative for Arab Youth, which aims to provide youth with skills relevant to the marketplace. The Bank Group's work in this area draws on wide-ranging expertise, including in the Trade and Competitiveness Global Practice and Education Global Practice.

Our work in action

In **Jordan**, the World Bank Group, in partnership with Int@j, the ICT business association, is working on reducing the skill gap in the ICT sector by strengthening quality assurance frameworks based on jobs profiles identified by ICT firms, working with education providers to adapt the framework into their curricula, and establishing an ICT Sector Skills Organization.

In **India**, the World Bank Group, through the Technology Centre Systems Project, is supporting public-private partnerships to invest in hard and soft infrastructure for skills enhancement. Modernization of physical facilities, such as shared tool rooms, provides the infrastructure for skills-building collaboration with technology partners helps to diffuse technologies; and presence of cluster network managers strengthens linkages among SMEs.

In **Morocco**, a World Bank Group project will add labor information to the existing Logistics and Tourism Labor Market Information Observatory, as well as develop a qualifications framework for the tourism sector.

Relevant publications

[World Development Report 2013: Jobs](#)

[Competitive Industries Notes: Skills and Firm Productivity](#)

[Managerial Skills Improvement in Small and Medium Enterprises: An Impact Evaluation](#)

[Assessing Private Sector Contributions to Job Creation and Poverty Reduction](#)

[Education for Employment: Realizing Arab Youth Potential](#)

For further information

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