Global Development Awards Competition 2017

"Skills Development and Employment Generation" [1]

Competition sub-themes

Skills development and job creation are becoming high priority development policy concerns in every country around the globe. The challenges in this space are many and complex to increase investment in education and training, as they range from technological to financial to sociological to political and international. In many ways, both developed and developing countries are facing a new reality – the prospects of jobless growth – in which current knowledge and understanding as well as tried and tested ways of boosting employment within the existing framework of skills are unlikely to work. In effect, we need new ways of thinking about the challenges skills and employment pose and new ways to solve the skills mismatch, and boost those skills that are needed in the 21st century.

This is one of the highest priority challenges in development at present, and countries are actively trying to tackle it by themselves or in partnership with development institutions. For example, Rwanda is currently running a five-year program on skills development. Mongolia, with financing from the Asian Development Bank (ADB), is currently running a skills development program in the domains of agriculture, construction and road and transportation. Across the world, the World Bank and ADB, in partnership with national governments, run a slew of projects on the theme of skilsl development across countries such as Argentina, Moldova, Tanzania, Nigeria, Tunisia, Gabon, Bangladesh, China, Pakistan, Uganda, Sri Lanka, to name only a few. In India, the Pradhan Mantri Kaushal Vikas Yojana (PMKVY) is the flagship scheme of the Ministry of Skill Development & Entrepreneurship (MSDE).

However, the majority of these efforts are top-down in nature [2], and the solutions are often proposed out of context without connecting the ground reality to the policy priorities. A certain understanding of the problem is therefore generally taken as given, and then externally dictated solutions are advocated. Consequently, there is very little understanding of national and subnational requirements of how to match the demand and supply of needed skills – or even to identify the skills that are needed – or what works in terms of skills building initiatives. Can we think of an alternative model, one in which understanding and learning experiences can be crowdsourced from the bottom up? This document proposes to use the Global Development Awards Competition as an instrument for identifying, supporting and promoting innovative thinking and innovative action in developing countries. This constitutes a logical evolutionary step forward for the Global Development Awards Competition, by linking research to operations through the lens of innovation.

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[1] For discussion only. All questions and comments to be sent to Clément GÉVAUDAN, Senior Program Associate, GDN at cgevaudan@gdn.int.

[2] See for example ADB's program in Mongolia, or India's Pradhan Mantri Kaushal Vikas Yojana program.

Skill development and employment generation as a theme is too expansive to easily yield insight and solutions that can be replicated and scaled up regardless of context. In order to strike a balance between specificity and generality, the theme will be split into three domains – Agriculture, Manufacturing and Digital Technology. The objective would be to identify the most innovative and promising ideas and experiments in skill development within the context of these economic spheres of activities.

Sub-theme 1 – Skilling for Agriculture

Structural changes in economies at the global, regional and national levels imply that the share of agriculture in a countries' GDPs will continue to reduce. However, in terms of employment provision, agriculture still dominates in most developing countries. Over the last two centuries, the value-added of agriculture, both at the sectoral and producer level has gone down due to the structural transformation of economies. Is it possible, for instance, to reverse the decline at least at the producer level? Can structural socio-economic changes as well as within agriculture – newer diets, larger and more inclusive value chains, cutting-edge cropping technologies – generate more and higher paying employment opportunities? This basic question raises many variations. Will the agriculture of the future, for instance, require transdisciplinary skills in remote sensing, data science or pricing? Intriguingly, some possibilities completely turn around the scope of learning from poor to rich countries. For instance, in the context of climate change, can rich countries learn from "lost" skills such as water harvesting or hyperlocal intercropping?

Sub-theme 2 – Skilling for Manufacturing

Manufacturing has historically drawn the most attention in the academic development literature as being the most common destination of human resources transitioning out of agriculture. Large portions if not the largest proportions of national commitments in skills building are in manufacturing. Micro, small and medium enterprises (MSMEs) are hugely important for livelihood and income generation in most developing countries. There is scope for enormous cross-learning between countries in this sector. For example, while Germany's *Mittelstand* presents an outstanding developmental model for countries aspiring transition to high-value/small-scale manufacturing, India's *Jugaad* presents an alternative showcase of frugal innovation. However, there is little knowledge about the returns on investment on current skilling programs and even less understanding of future skilling needs. What are some ways of beneficiary targeting and incentivization for increased retention? Can we think innovatively about long-term program financing and, in particular, learner-pays models? What are the scale and scope of rejuvenation and monetization of artisanal skills? These and similar questions, especially as relating to MSMEs, will be the defining challenges in this domain.

Sub-theme 3 – Skilling for Digital Technology

Innovative research and programs in skilling in services, in particular for digital technologies, will be third domain within the thematic framework of this year's competition. Economies are increasingly moving towards services, and digital technologies are hugely attractive in terms of disproportionate value added. The objective is twofold: to identify the most innovative thinking on digital skills coming out of developing countries (using digital technology as a mean to skill), as well as the most promising experiments in skilling in the digital space (seeing digital technology skilling as an end in itself). The research or project experiments submitted under this

theme may be cross-cutting as well. A hypothetical example would be a skilling project on using digital tools in farming or some other sector. This is an extremely rich area for researching innovation as well as doing innovation. The classic characteristics of digital technologies are that they exhibit both increasing returns to scale and high externalities. As an example, while social media platforms offer costless and scalable ways to connect small businesses with customers, they have also generated entire "app-economies" in every country on earth. What kind of research is needed to understand the underlying skills ecosystem, and what kind of programs can build such skills with the highest returns on investment? These and associated questions will form the core of this sub-theme.