

Human Capital Development in KSA

Vision 2030's Human Capability Development Program & labor market successes in KSA

April 2023

Human capital development is key to Saudi Arabia's Vision 2030's thriving economy objective



Vision 2030 builds on three core objectives



The **Human Capability Development Program** (HCDP) was launched to support a thriving economy and has 3 pillars

1

A vibrant society

2

A thriving economy

3

An ambitious nation



Quality education



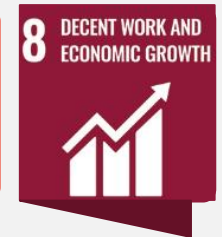
Labor market preparation



Lifelong learning

Vision 2030 is planned around 13 **Vision Realization Programs**, one of which is the **Human Capability Development Program**

Human capital development is also supporting several SDGs



Agenda

1

Saudi Arabia's human capital development

2

Labor market achievements

3

Takeaways and the road ahead

Agenda

1

Saudi Arabia's human capital development

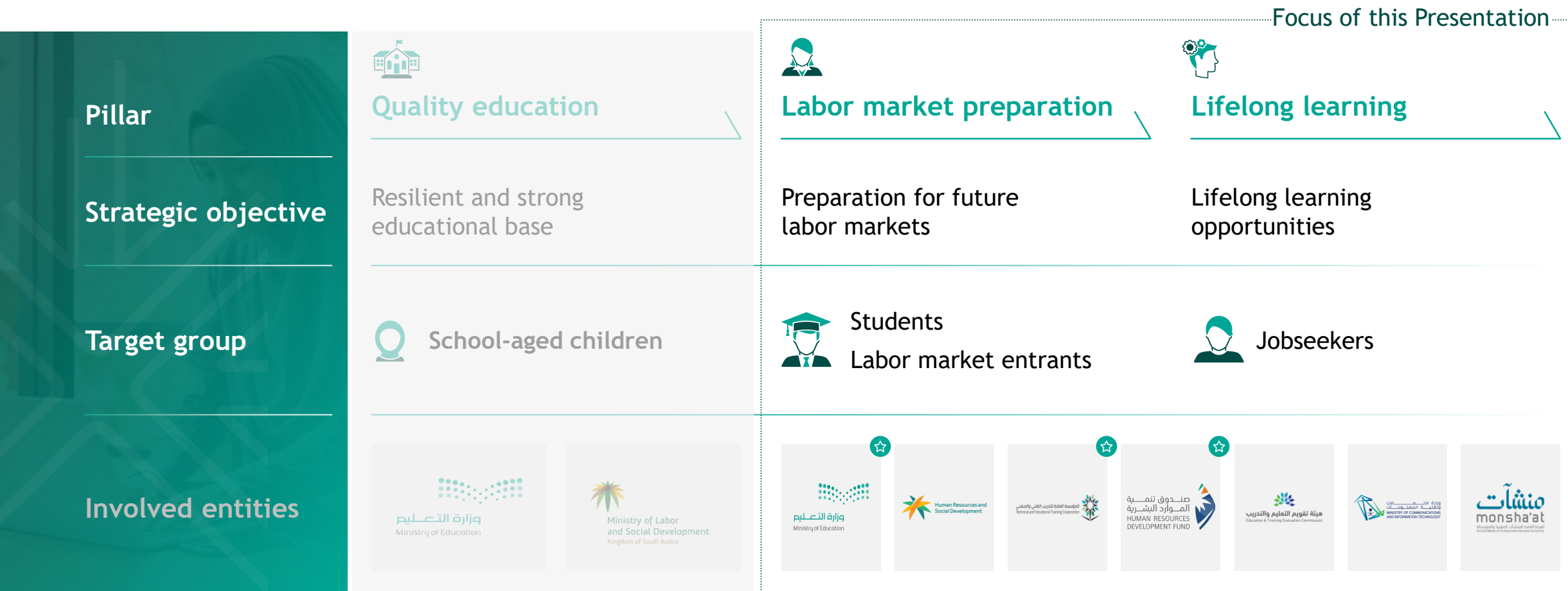
2

Labor market achievements

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Takeaways and the road ahead

The HCDP aims to create globally competitive citizens who are prepared for opportunities of the future global labor market



 Deep-dives included



The Human Resource Development Fund is central to the success of the HCPD by training and supporting students, labor market entrants and job seekers

The HRDF is a government initiative that aims to develop the skills and capabilities of the country's workforce



Career Counseling

Career guidance to individuals before and after employment



★ Enablement program

Childcare subsidy for working Saudi mothers, transportation subsidy for women and PwDs



Income support

Wage subsidy to employers for hiring Saudis, and incentives for freelancers based on productivity



Matching Program

Matching services through physical and digital channels

Unemployment incentive ★

Job search incentives for 18 months



Training support

Funding skilling, reskilling and upskilling training for jobseekers and employees



On-Job-Training

Funding the cost of on-job-training to enhance productivity



E-training ★

Affordable access to E-training via courses subsidy or subscriptions



Students



Labor market entrants



Job seekers



Discussed in more detail

Three key sub-programs by HRDF show how it supports human capital development in the Kingdom as part of the HCDP



Hafiz



Doroob



Wusool

Objective

Ensure equal access for Saudis to opportunities in the labor market

Improve and upskill skills that are relevant for today and the future labor market

Ensure equal labor market access for women with lower incomes

Target group

Job seekers between the ages of 20 and 35

All Saudi citizens

Saudi women working in the private sector on a salary below SAR8,000 per month

Benefits

- SAR 2,000 per month for 12 months
- Access to training and employment support

- Access to over 16,000 free e-courses in 14 relevant job areas

- 80% discount on transportation costs to work
- Capped at SAR1,100

Results

271,711 labor market entrants supported with subsidies and training in 2021

546,567 completed e-courses on the Doroob platform in 2021

48,353 women supported with transportation subsidies in 2021

Education...a basic right

Key facts and figures



Share of student-aged population enrolled in tertiary education¹

19.4%

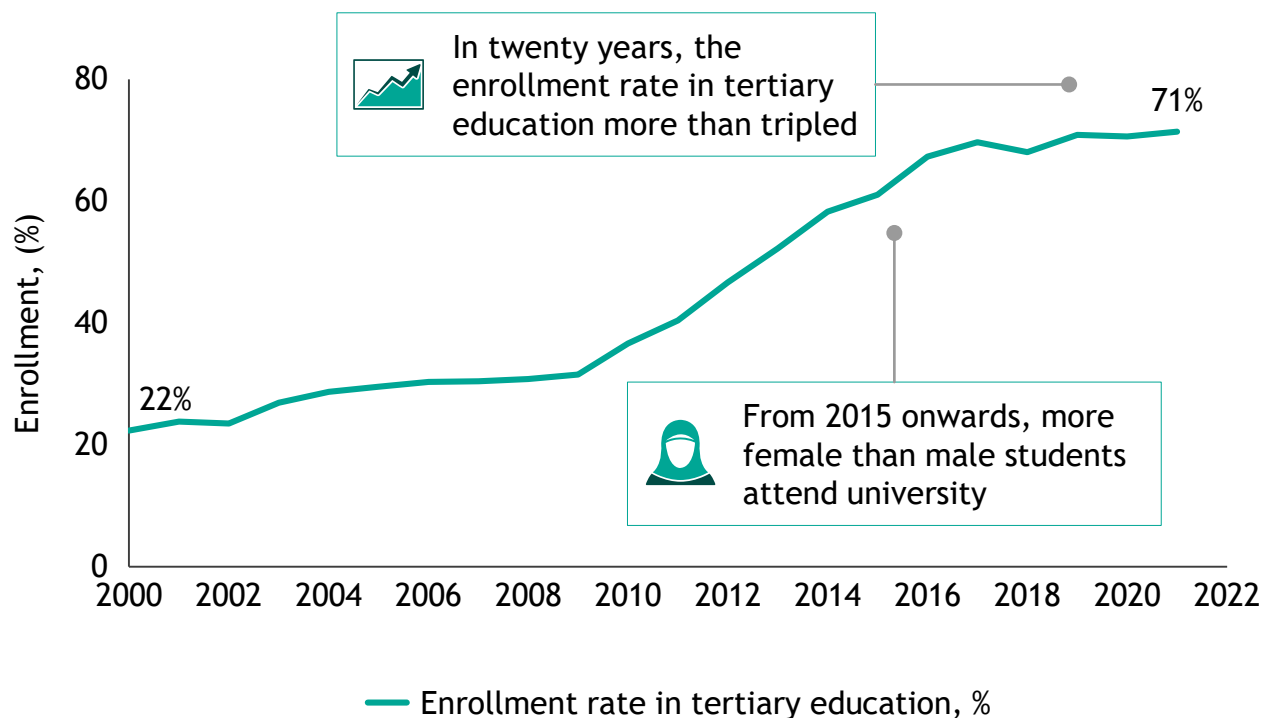
Share of education in the government budget (vs. 10.6% across OECD)

44

Colleges and universities built in the last 20 years

1.6M

Students enrolled in tertiary education in 2021



1. Defined as share of females enrolled in tertiary education corresponding to the age group of tertiary education
Source: OECD data, World bank, Saudi Gazette, UNESCO Institute of Statistics, MEP analysis



The HCDP's focus on vocational education ensures that all Saudis are equipped with future-ready skills



The TVTC¹ is the most important provider of vocational training in Saudi Arabia



Partnerships with the private sector

- To design relevant curricula
- To create training opportunities



Open for all age groups

- To retrain workers with a disability
- To provide life-long learning



Focused on employability

- Traineeships are a central component
- To provide job placement services

Key facts and figures

- **320,000** students are enrolled by TVTC
- **26%** of secondary school graduates are enrolled by TVTC
- **KSA ranks #1** in the share of students enrolled in vocational education²

1. Technical and Vocational Training Corporation 2. Based on the Global Knowledge Index 2022, issued by the Mohammed bin Rashid Al Maktoum Knowledge Foundation
Source: Technical and Vocational Training Corporation, MEP analysis

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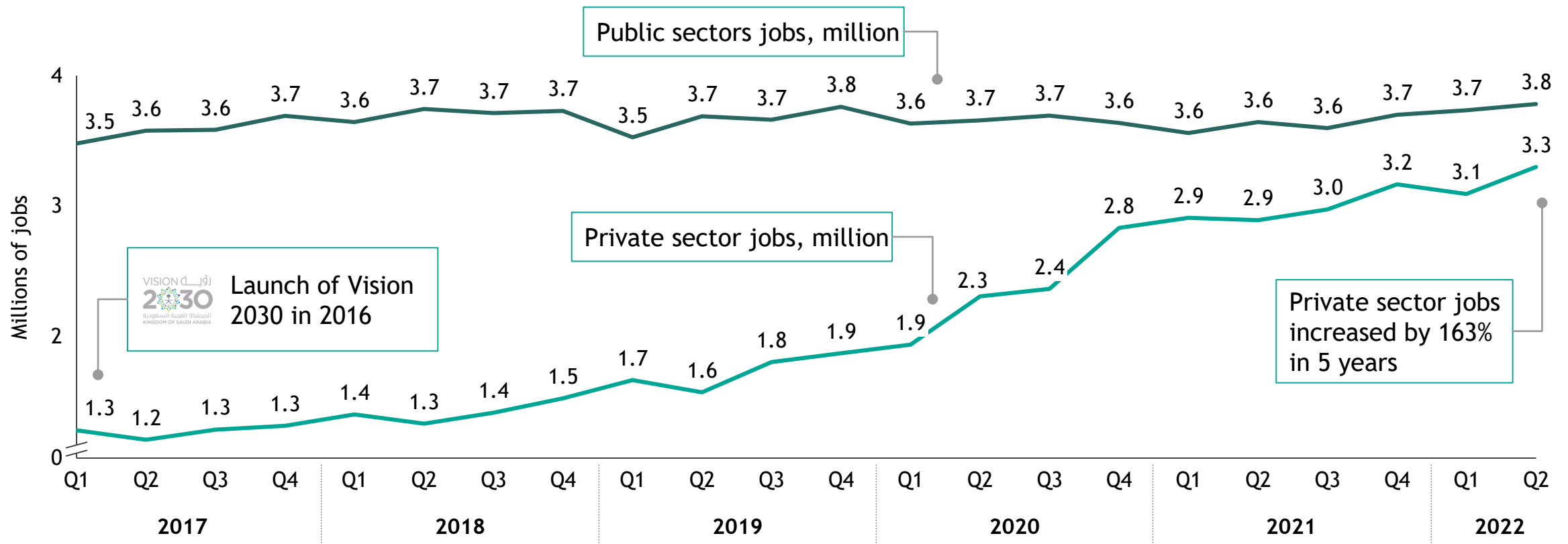
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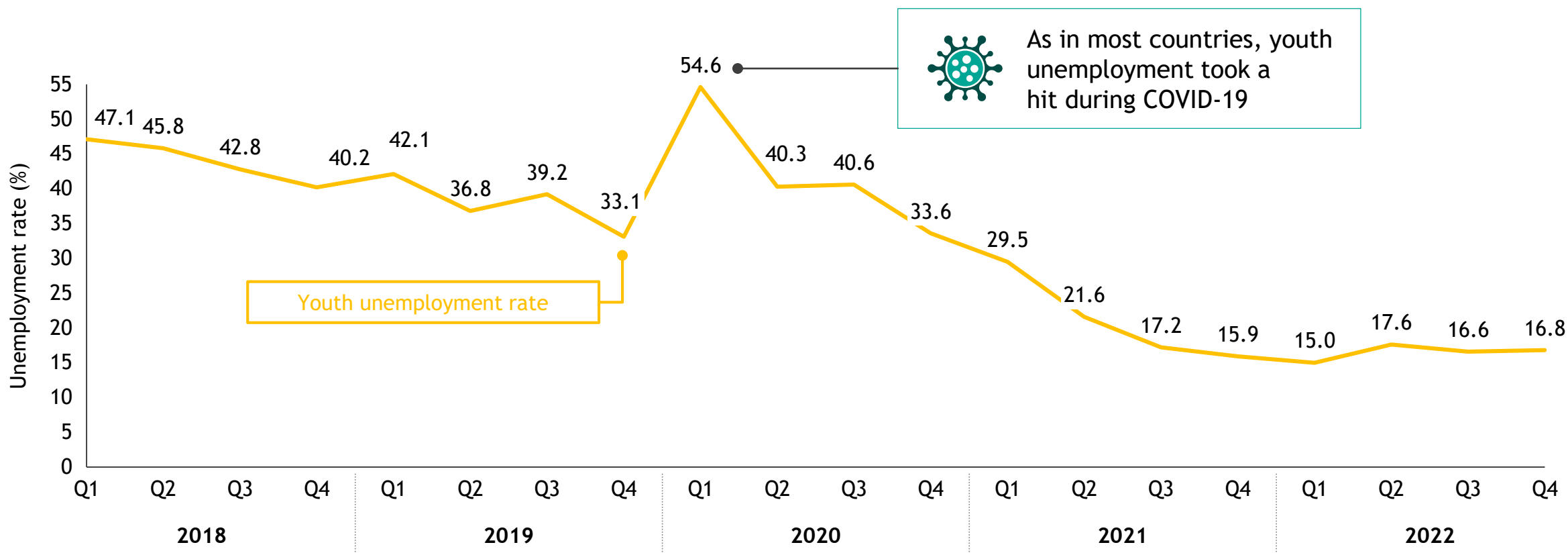
Saudi Arabia has seen a strong increase of private sector jobs in the last five years...

Private sector jobs for Saudi citizens blossomed since the launch of Vision 2030



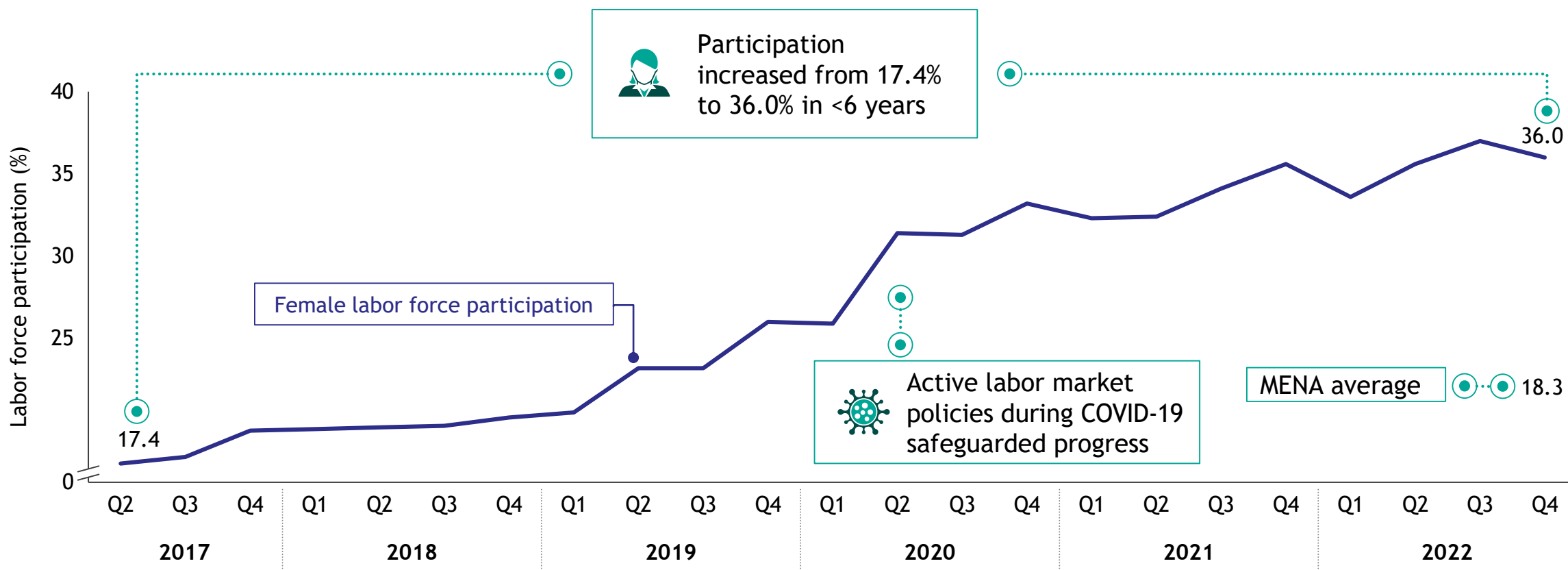
... which resulted in a fall of youth unemployment by 30 percentage points

Evolution of the youth unemployment rate in KSA (ages 15-24)



Female labor force participation has doubled in less than six years and is now far above the MENA average

Female labor force participation in Saudi Arabia



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Takeaways



Improving equal access to labor market opportunities requires targeted active labor market policies



Policy should focus on future skills of students of both higher and vocational education



Partner with the private sector to improve labor market entry and create needed jobs

Saudi Arabia will focus on human capital-related challenges as well as emerging labor market trends in the coming years

Non-exhaustive

Human capital-related challenges

Low productivity levels of Saudis vs expats

Mismatch between education outcomes and market needs

Limited training opportunities for some labor market segments

Emerging labor market challenges

Accelerated digital transformation during and after COVID-19

Increased prominence of AI in job requirements and business processes



Expand apprentice opportunities



Increase number of university staff with practical experience



Expand online training opportunities



Adapt training modalities to students' circumstances



Partner with the private sector to design educ. and training curriculum



Partner with the private sector to design educ. and training curriculum



Build on success of digitization of systems during COVID-19

مفيد - Internal

استخدام داخلي / Internal Use

Thank You

