

B7 Flash

Bridging gaps and building futures: women, youth and talent for inclusive growth

Executive summary

G7 countries are at a pivotal moment in redesigning educational systems to better equip the workforce with skills aligned to new labor market needs. While graduation rates have improved, only a small percentage of students pursue tertiary science, technology, engineering and mathematics (STEM) education, and significant gender gaps persist. Increasing women participation in STEM and improving the transition from education to employment are crucial steps in tackling these disparities. Addressing the NEET (Not in Education, Employment, or Training) challenge through the expansion of educational choices and the promotion of vocational training is crucial.

Digital transformation is reshaping industries, driving demand for reskilling and upskilling. The rise of collaborative robots (cobots) and advanced automation highlights the need for a human-centered approach to technology adoption.

Women, who are disproportionately represented in jobs involving repetitive task, face higher risks of job displacement, while underrepresentation in AI and tech roles remains a significant barrier. Bridging this gap is vital, as diverse companies consistently outperform their peers in productivity and financial returns.

Entrepreneurship presents significant opportunities for economic growth, yet a shortfall of over 34 million “missing entrepreneurs” exists across the OECD. Women and the youth remain underrepresented in entrepreneurial activities. To address this, G7 countries should adopt evidence-based policies to foster supportive ecosystems, reduce barriers to entry, and strengthen financial and strategic skills among entrepreneurs. Supporting underrepresented groups, particularly women and youth, is key to building sustainable businesses and driving inclusive growth.

“Unlocking the full potential of entrepreneurship and creating a more resilient and equitable economy requires stronger actions to prioritize women’s empowerment and gender equality by the G7 Governments. Achieving this is essential, and businesses must play their part by integrating these principles into their corporate objectives and adopt tools to set clear, measurable goals for every stage of women’s careers, not only increasing female representation but also to favoring equal career opportunities, fair compensation, and a work-life balance. G7 countries have a unique opportunity to drive transformative transitions by fostering inclusive environments and eliminating barriers to resources. By supporting women’s entrepreneurship, especially in Least Developed Countries, G7 countries can empower future generations of women and girls, enabling them to lead sustainable development and shape the economic and social progress of their communities.

Lara Ponti | Vice President for Environmental Transition and ESG Objectives, Confindustria

“The ongoing transitions, digital and green, present significant challenges for G7 countries, while simultaneously offering extraordinary opportunities to improve access to education and employment, particularly for underrepresented groups. Despite the progress made over the past decade, less than half of the population in G7 countries achieve tertiary-level qualifications, and only a small percentage specialized in STEM disciplines - where women represent just 30% of the total, highlighting a significant gender gap. The shortage of these skills, essential to navigating current technological, social and demographic transformations, is accelerating the automation processes, thus increasing the risk of job displacement. To fully seize the opportunities presented by these transitions, the G7 must implement inclusive, future-focused reforms in education, in parallel with bold labor market policies to promote entrepreneurship, especially among women and young people, harness emerging technologies with a human-centered approach, and reduce the gap between businesses and workers. The G7’s commitment to promoting the development of a workforce prepared to face the challenges of the future will also contribute to building a more inclusive society, where young talents can fully express their potential, thus contributing in accelerating the process towards an ethical and sustainable economic growth.

Fabio Pompei | CEO Deloitte

“A holistic approach to ecological transformation has always been a prerogative for the growth of our Group, for the benefit of our customers and the communities in which we operate. Reconciling environmental, economic and social development is the compass that guides our projects and services, but it is also the value that underpins our internal culture, as a professional community, oriented towards care and attention to people, to the growth of human capital, to meritocracy, inclusion and conscious leadership. For us, these are indispensable requirements for working and prosperity, which is particularly important in a sector, that of the so-called ‘green professions’, which is growing at a fast pace and which today requires new resources, skills, talents. We are proud to bring our contribution to such a significant and urgent moment of confrontation, on topics that are priorities for our vision and strategies.

Emanuela Trentin | CEO Siram Veolia Italy

Education: Redesigning educational systems to enhance access and inclusivity

Educational systems are currently at a crossroad, needing significant reforms to equip the youth with skills which are aligned with job market demands and help ensure smoother transitions from education to employment. Over the past decade, G7 educational systems have made notable progress, especially in raising graduation rates. However, only 42.3% of men and 47.5% of women obtain tertiary qualifications.¹

To enable inclusive, high-quality, and forward-looking education, G7 countries should focus on the development of new skills, particularly in digital and green fields. Pandemic has accelerated technological adoption, and a true digital transformation requires more than just technology integration, demanding a fundamental shift in teaching methods and learning approaches to effectively incorporate digital tools, enhancing engagement, accessibility² and educational effectiveness.

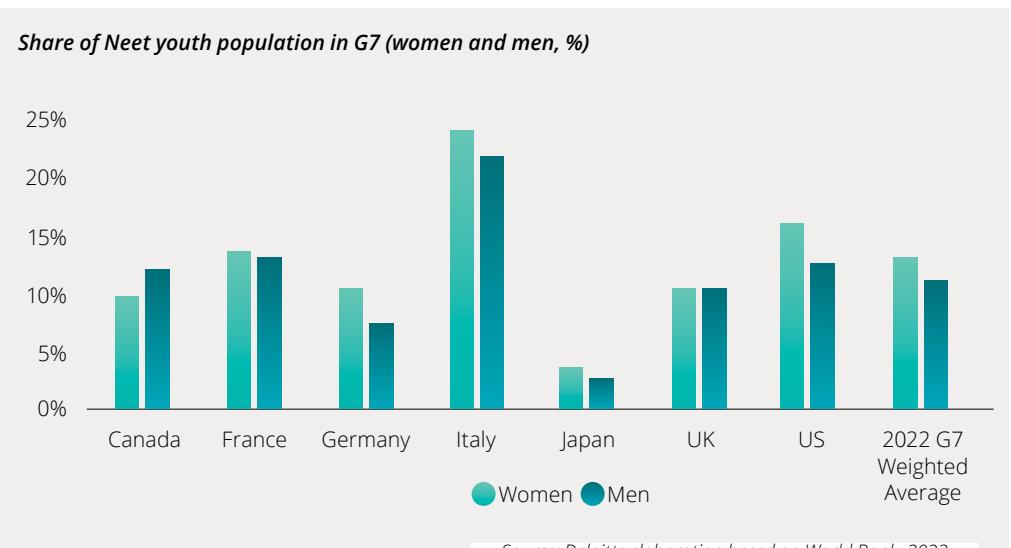
AI may help to improve the learning experience through personalized programs and more effective teaching methods. For instance, Generative AI can help educators tailor lessons to each student's needs and adjust in real-time based on their progress. This personalization enables human teachers to focus on higher-level tasks like curriculum planning, evaluation, and interaction with students³.

Developing STEM skills is important for navigating the ongoing transitions, especially in areas related to innovation and technology, energy, climate, and the environment.⁴ However, in G7 countries only a minority of students pursue tertiary STEM education.

Around 70% of STEM graduates are men, with significantly lower women representation, largely due to gender and cultural barriers, stereotypes, and biases⁵. To address these gaps, it is paramount that the G7 promote the pursuit of STEM pathways and help enhance STEM-related educational programs, especially for young women. At the same time, STEM educational pathways should be integrated with humanities and social sciences to create a greater hybridization of skills and improve youth's preparedness for the continuous changes in the labor market.

Equally important is enhancing attention on the transition of young people from education to the workforce. This path is typically influenced by factors such as education quality, labor market conditions, and economic and cultural backgrounds⁶.

Challenges in the school-to-work transition are often associated with Not in Education, Employment, or Training (NEET) status, mainly due to persisting barriers to entering the labor market. In G7 countries, NEET rates remain a



concern despite overall improvements since the pandemic, with men averaging 11.1% and women 13.2%⁷.

Addressing the NEET challenge in G7 countries requires structural education reforms, including expanding learning options and aligning with labor market needs through advanced technical and vocational education and training (TVET)⁸. From pre-university to organizational levels, investing in career guidance and fostering collaborative learning environments with mentorship and accessible resources is crucial for driving structural transformation.



Digital transformation, automation, and the associated gender implications

Labor force participation rate in G7 countries is on the rise, exceeding pre-pandemic levels⁹, but there are still significant obstacles, to access the labor market, especially for women and youth¹⁰. The lack of skilled labor force hinders the ability to capitalize on the opportunities offered by the ongoing multiple transitions. This shortage is also propelling the demand for automation as a mean to boost productivity and mitigate the skills gap.

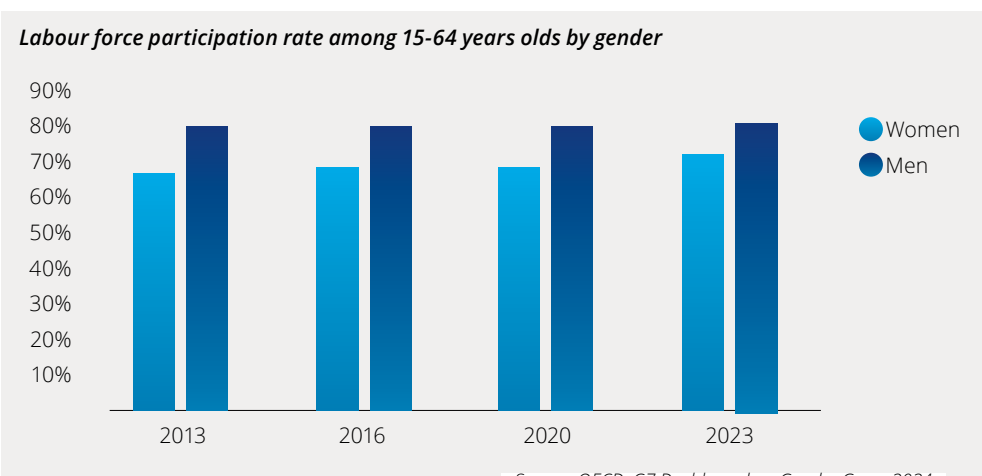
In this context, the deployment of new professional service robots¹¹ increased by 48% in 2022¹², and the use of traditional industrial robots grew by 13% between 2017 and 2022¹³. Advancements in the AI field led to a sharp surge of cobots use, now accounting for roughly 10% of all deployed industrial robots¹⁴. Designed to work alongside humans, cobots are versatile task performers capable of adapting to changes and performing different assignments, including cleaning public places, delivery, firefighting, rehabilitation, and performing surgeries.

The ongoing transitions are therefore ushering societies into an era of deep interconnection between machines and people, unlocking new opportunities. To unleash the latent

potential of such an interconnection, adopting a human-centered perspective is important, aimed at amplifying human capabilities through technology. To this end, advancements in the fields of automation, AI, and other enabling technologies, imply the need for workforce reskilling and upskilling. Also, concrete actions to contrast undesired gender implications are required.

In fact, the overrepresentation of women in roles involving repetitive tasks places them at a heightened risk of job displacement due to automation¹⁵. On the other side, severe gender disparity exists in the high-tech industry, particularly in the field of AI¹⁶: globally, only 20% of technical employees in machine learning companies, 12% of AI researchers and 6% of professional software developers are women¹⁷.

Increasing women's participation in the labor force and bridging the gender divide is paramount for businesses. Despite women holding only a quarter of top positions¹⁸, recent studies show how companies with the most diverse workforces outperform their industry competitors with least-diverse workforces: notably, in terms of Return of Asset (RoA), by 29% over 2013-2022 period¹⁹.



Sources: ⁹ World Bank, 2024 [Link](#) | ¹⁰ OECD, 2024 [Link](#) | ¹¹ A professional service robot or a service robot for professional use is a service robot used for a commercial task, usually operated by a properly trained operator. In this context, an operator is a person designated to start, monitor and stop the intended operation of a robot or a robot system. Source: International Federation of Robotics [Link](#) | ^{12,13,14} International Federation of Robotics, 2023 [Link](#) | ¹⁵ UN WOMEN, 2023 [Link](#) | ¹⁶ UNIDO, 2023 [Link](#) | ¹⁷ UNESCO, 2023 [Link](#) | ¹⁸ World Economic Forum, 2024 [Link](#) | ¹⁹ BlackRock, 2023 [Link](#)

Employment and entrepreneurship: prospects and talent growth in the future of works

Companies acknowledge the reality of increasing automation and digital integration in the workforce, along with the urgent need for educational system reform. According to the World Economic Forum, six in ten workers will require upskilling, reskilling and continuous learning²⁰ by 2027, and 23% of jobs globally will undergo significant change due to industry transformation²¹ over the next five years.

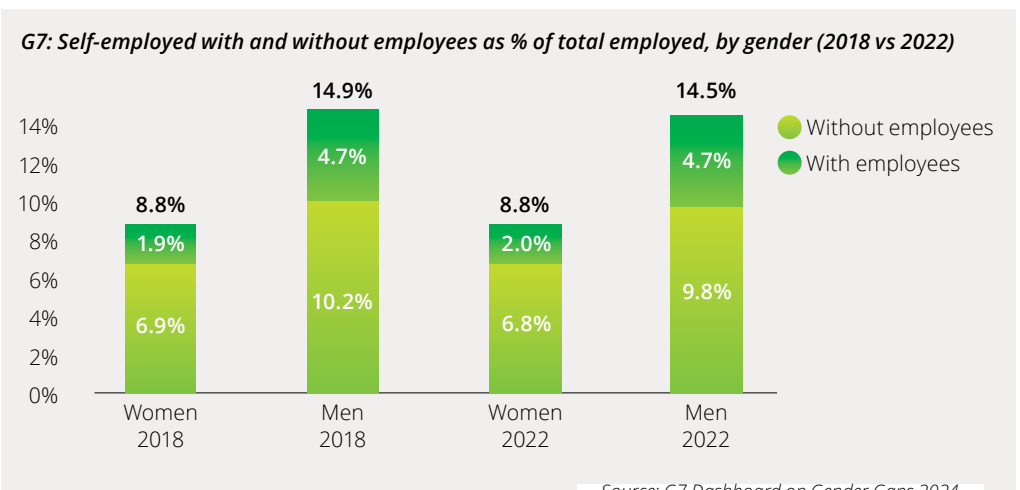
Companies are shifting from the traditional job-based model to a skills-based one. These organizations are demonstrated to be more likely to allocate talent effectively (107%), retain high performers (98%), have a positive workplace experience (79%), anticipate and respond to change (57%) and foster an inclusive environment (47%)²².

At the same time, G7 countries should adopt policies that significantly invest in entrepreneurship. Currently, there are over 34 million “missing entrepreneurs”²³ across the OECD area. In G7 countries, only 8.8% of women are self-employed and just 2% have employees. In contrast, 14.5% of men are self-employed and 4.7% employee others²⁴. Moreover, only 9% of young people (15 to 30) are engaged in startup activities, and just 5% manage new businesses. If young people were as entrepreneurially active as those in the age group 30-49 years, there would be an additional 3.6 million entrepreneurs in OECD countries²⁵.

Given this background, G7 countries should adopt evidence-based policies and create supportive ecosystems to contribute to SMEs and entrepreneurship growth. Key components include implementing emerging technologies; providing timely payments through trade finance products; strengthening financial skills and strategic vision among SMEs²⁶; reducing barriers to starting, exiting, transferring, and succeeding in business; and supporting entrepreneurs in their recovery from setbacks.

It is also important to support underrepresented groups in entrepreneurship by addressing structural barriers ensuring they have equal access to comprehensive support programs. Robust policy frameworks help set priorities, secure resources, and support women’s entrepreneurship. Additionally, among young people, it is fundamental to combine financial assistance with training, possibly leading to sustainable businesses and improved employment outcomes.

G7 countries have a unique opportunity to lead multiple ongoing transitions, leveraging economic and social development both within and beyond their borders. Prioritizing initiatives that help empower youth and support women’s entrepreneurship in less developed countries, particularly in Africa, can contribute to building a sustainable and inclusive future.



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Network Partner: BUSINESS | OECD, IOE

Sources: ²⁰World Economic Forum, 2023 [Link](#) | ²¹World Economic Forum, 2024 [Link](#) | ²²Deloitte, 2022 [Link](#) | ²³The term ‘missing entrepreneur’ refers to the disparity between those who have the potential and desire to start a new business venture and the actual establishment of such an enterprise. This gap is particularly pronounced in relation to women and young individuals. Source: OECD 2023 [Link](#) | ²⁴OECD, 2024 [Link](#) | ²⁵OECD, 2023 [Link](#) | ²⁶OECD, 2024 [Link](#)