



Planning for the Careers of the Future: Leveraging Skills and Migration Policies

Roundtable Discussion Paper

1. Key Theme

The Fourth Industrial Revolution is changing the dynamics of labour markets around the world. These changing dynamics have led to fears that technological advancements, including in artificial intelligence and increased automation, will reduce the demand for labour, while demographic and cultural changes – including increased women’s participation in the workforce – will increase the labour supply. The result, some fear, will be a dramatic rise in unemployment, a loss of social cohesion, a rise in inequality, and lower standards of living. Alternative models, on the other hand, point to a more syncretic evolution, as labour is freed up to focus on non-mechanical tasks, and technology creates new types of jobs.

Nonetheless, historical parallels with previous industrial revolutions suggest that unmanaged changes in labour market dynamics can lead to significant social disruption; a challenge that governments can ill-afford to ignore.

Skilling and migration policies are two of the key policy levers that are available to governments when addressing the challenges presented by the future of work. They are important because they help shape and affect different ends of the supply-demand spectrum, and work over different timescales. Skilling policy broadly responds to long-term assumptions about demand, while migration policy can act to open or constrain labour supply, often within a relatively short timeframe. Moreover, each can impact the other: migration policy can be used to help increase skills availability within the workforce, while skilling policy is crucial for equipping nationals to compete in an increasingly mobile world.

The capacity of governments to manage these policy levers successfully can determine crucial outcomes. In mixed economies, national prosperity depends largely on the ability of governments to raise levels of productivity. The educational attainment of the workforce, and the use of skills in production, are important factors in this process. For

example, one UK study found that a 10 percent increase in the training of employees led to an overall increase in productivity of 2 percent.

Much of the training that will take place to meet the changing nature of work will inevitably be undertaken by businesses. According to research by Deloitte, organisations that define themselves as great places to learn achieve 23 percent greater financial returns, out-innovate their peers, and endure business cycles far better than their contemporaries.

However, governments have a key role to play in setting educational curricula and qualifications criteria that are valued by employers, with the consensus generally being that a focus on developing cognitive and analytical skills is vital for future proofing. Incentivising business to provide training and certification – through, for example, reducing visa fees for workers being trained and certified while in work – can foster an emphasis on continuous learning, ensuring that labour markets retain a workforce capable of keeping pace with rapidly changing technologies. Governments can also invest in growth areas. For example, 2071 may seem a long way off, but the UAE's Vision 2071 has already begun to pay dividends by generating activities focused on space exploration, artificial intelligence, and facilitating the building of innovative communities that generate high value jobs.

For Gulf countries in particular, the drive to move away from oil dependency as the primary source of national income will likely mean a change in migration policies, towards attracting workers capable of filling roles in hi-tech and service industries. Core to this change will be removing barriers to labour market flexibility, and adjustments to admissions policies, to incentivise the employment of skilled and certified workers. This will have potential impacts for current countries of labour origin, which often depend on large remittance flows in order to maintain foreign currency earnings. Solutions for these countries likely include enhancing skills programmes, in line with commonly recognised international standards, and forging certification recognition agreements with countries of destination.

2. GUIDING QUESTIONS

- What assessments have been undertaken to date on the impact of skills and migration policies on future of work outcomes?
- What risks do governments face leveraging skills and migration policies to tackle future of work challenges?
- How can governments assess the interlocking impacts of skilling and migration policies?