



حوار أبوظبي بين الدول الآسيوية المرسلية و المستقبلية للعمالة
Abu Dhabi Dialogue among the Asian Labor-Sending and Receiving Countries

Integrating development objectives into Skills Mobility Partnerships

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Executive Summary - OECD

The future of work is in flux, mired in a mix of technological innovation, demographic change and green and digital socioeconomic transitions. It is

in flux because such transitions imply a change in the demand and supply for specific skills, which are in a state of constant evolution to address new economic and social realities. Such transitions also mean that the shelf-life of certain skills is reduced, and certain occupations become obsolete quicker, while the demand for others can emerge quickly (OECD, 2022^[1]). The world's increasing economic and political integration has added another vector to the mix, such that employers in certain occupations and sectors facing labour shortages, are increasingly looking outward to fill them (Hooper, 2023^[2]).

The cost of not addressing skills mobility will ultimately lead to lost opportunity and a step back in an otherwise positive development arc. One reason is the acceleration of different kinds of transitions, across all parts of the world.

A demographic transition is perhaps most striking by contrasting trends in Africa, where the size of the active population is growing, with that of Europe, where the size of the active population is shrinking (Figure 1.1). But the world is also gripped by technological and green transitions, both of which are accelerating while also deeply affecting socioeconomic systems. Production systems have been turned on their heads through the proliferation of renewable energy, for instance.

Countries have invested in education and upskilling to address labour market challenges. Per capita government expenditure on education has increased worldwide in the last decade, particularly in low-income countries (LIC) and upper middle-income countries (UMIC) (UNESCO/World Bank, 2023). However, TVET enrolment remains very low in most world regions, particularly in Africa, the Middle East, South Asia, and Latin America (World Bank, 2018). Furthermore, TVET systems in many low- and middle-income countries are ill-equipped to address labour market needs due to insufficient funding, teachers who lack the necessary pedagogical skills and inadequate support to students in the school-to-work transition (Levin et al., 2023). In OECD countries, job vacancies remain high following the COVID-19 pandemic, despite low levels of unemployment (OECD, 2022). More and better education is insufficient to address these labour market gaps. More workers with the right skills are needed.

The potential of digital industries is being hampered by the lack of skills in demand by the private sector in GCC countries. Three quarters of the surveyed workforce stressed that digital skills are a top priority for their careers in the next five years, more than the global figure of 57% (PwC, 2023^[26]). [JG1] Computer science and information technology degrees are among the top five sought after academic qualifications across the Middle East, with business management, engineering, and ICT in the GCC countries (Bayt.com and YouGov, 2023^[33]). However, only 40% of students follow high-demand disciplines in Saudi Arabia (Misk Academy, 2020^[27]). The top skills of the Gulf workforce are often less relevant and specific



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to the hard technical needs of the private sector, especially for emerging technologies like big data and cloud computing. Employers look for concrete technical skills like statistical analyses and data mining, algorithm design, programming languages, cybersecurity, and other industry-specific software (Bohsali et al., 2017[45]). Much is due to the limited academic and professional environment for digital skills and lack of interest, while the low quality of education is an issue in some countries like Saudi Arabia (Bohsali et al., 2017[33]; Rivera, Azam and Ajwad, 2022[34]).

At least in the UAE, 77% of IT decision-makers view this shortage as a threat to their business (Equinix, 2022[34]). This shortage may be holding back the digital sector in the GCC that already experiences fewer jobs than comparable countries, mostly filled with expatriates (Bohsali et al., 2017[33]). Skills are urgently needed considering that data analytics, cloud computing, and AI technology are priorities for Omani engineering companies in the upcoming years (IET, 2023[31]). About a quarter of senior decision-makers believe that labour and skill shortages will continue to exist in the UAE (IET, 2022[15]).

Skills shortages are not limited to high-income countries. The tech skills gap already affects four in five African organisations in the previous years (Sound, 2023[18]). Many African markets compete for talent in the internet economy and beyond. About 65 percent of recruited employees in African companies were required to have at least a basic level of digital skills (IFC, 2019[14]). Across skill-level, demand exceeded supply, as four in five African organisations reported to be affected negatively by a lack of tech skills in 2022 (Sound, 2023[18]).

But local training and education is not enough – international mobility has become essential in addressing skills needs. One reason is that not all skills are available within a country or even a region. And carrying-out reform in education and training systems is a medium-term solution, as skills produced through such means would not be available for years. In many cases, skills needs are time sensitive. Secondly, mobility and exchange across countries and regions leads to accumulated learnings itself, as cultures and socioeconomic systems have their own specific way of working and engaging in socioeconomic systems. Third, the cost of labour, and the aspirations and preferences of workers may shift within a country. Importing labour may be necessary to fill certain shortages in certain sectors.

To meet this challenge, Skills Mobility Schemes (SMSs) have been developed between countries. That is, labour migration programmes which involve a skills development aspect that helps address labour market demand in the country of destination. The inclusion of a skills development component differentiates skills mobility schemes from traditional foreign worker programmes, in which mobility pathways were created without much focus on specific skills. The mobility aspect of SMSs can include a variety of objectives. The most common is reducing labour shortages in the country of destination. Tied with this, SMSs can also aim to reduce labour shortages in the country of origin, regularise circular migration pathways and improve cooperation between countries along popular migration corridors.



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Skills Mobility Schemes (SMSs) have 3 essential components:

1. That there be work-specific skills development offered to participants by the scheme.
2. That there be one or multiple skills or sectors targeted in the scheme.
3. That there be partnerships and cooperation in the creation of the scheme, including government involvement.

Questions about skills mobility schemes, particularly as countries aim to develop new ones, expand them and scale them up. This paper reviews 56 skills mobility schemes from around the world, deconstructs their different components and the partnerships they require, and ultimately asks whether they are fulfilling greater objectives related to development.

The SMSs reviewed have two overarching objectives in common:

1. Addressing labour market shortages in the country of destination
2. Creating pathways for safe and regular labour migration.

SMSs typically target specific sectors, such as healthcare, information & communications technology (ICT), business and entrepreneurship, hospitality and construction sectors. Skills mobility schemes require the collaboration of various actors to be successful. Most skills mobility schemes have successfully addressed labour market shortages. Skills mobility schemes (SMSs) are complex programmes made up of a wide array of institutions and stakeholders. Skills mobility schemes operate within pre-existing pathways for regular migration. Bilateral Labour Agreements (BLAs) can be a very useful tool to establish skills mobility schemes. Many skills mobility schemes follow a circular migration approach. Skills mobility schemes prioritize labour and skills assessments in countries of destination over those in countries of origin. Scheme authorities must cooperate to ensure skills recognition processes are developed in both countries of origin and destination. Moreover, credential recognition systems must be adapted to partner country contexts. Sector-specific skills mobility schemes can create international partnerships across sectoral lines.

Skills mobility schemes require suitable data collection and evaluation. Data collection and analysis are central to building a business case for skills mobility schemes. Some skills mobility schemes have adopted a “triple win” or “quadruple win”, which aims to benefit countries of origin and destination, the private sector as well as participants. A dual track system may play a vital role in a “quadruple win” scheme. Pre-departure and post-arrival orientations are very common, utilised in over three quarters of the mobility schemes. Despite the circular nature of many SMSs, return and reintegration efforts are only a component of 56% of the schemes in our database. Schemes have a role to play in helping participants achieve their long-term goals.



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Political and institutional buy-in is essential to successfully meet the objectives of SMSs. There must be a clearly defined agreement between the country of origin and country of destination governments or other relevant authorities, outlining the skills mobility scheme. Skills mobility schemes as tools to address labour market gaps hinge on the ability of education and employment institutions to collaborate on the skills matching process.

The public sector must prioritise its partnership with private sector employers as they know what workers they need. Data cooperation between countries and between public and private sectors may require capacity building and fostering of trust between all stakeholders involved. Skills mobility schemes ensure mutual benefits and incentives for all stakeholders. There is a fundamental need for capacity to implement and run, as well as ensuring a territorial and local dimension to such partnerships.

There are many gaps in the implementation of the principles of Skills Mobility Partnerships (SMPs) and Global Skill Partnerships (GSPs). Development in the country of origin remains insufficiently addressed in skills mobility programmes. Political and institutional buy-in as well as partnership among all relevant stakeholders are key for a scheme's success.

Building public-private partnerships remains challenging for many skills mobility schemes. Being flexible and building trust between stakeholders are key to creating successful SMSs. Consistent monitoring and evaluation (M&E) are essential. Using these frameworks of monitoring and evaluation, a measure of success must be determined for skills mobility schemes. Building upon frameworks for evaluation and measures of success, SMSs must build a business case for themselves.

Credential recognition and migration systems must be adapted to skills mobility schemes. Skills mobility schemes have a role to play in adapting migration systems to future skills needs. Capacity building of institutions, migration governance and data management has a positive impact on the scheme's outcomes as well as on development in the country of origin. Finally, SMSs have adopted a "quadruple win" approach to address fears of "brain drain" in countries of origin.

There is insufficient knowledge on bilateral labour agreements (BLAs) worldwide. Moreover, migration systems need to transition into being more suitable for countries' demographic needs. Scalability and sustainability remain out of reach for most skills mobility schemes. Equal partnership between countries of origin and destination remains a challenge. Collection, analysis and sharing of the appropriate data. There is insufficient inclusion of country-of-origin development objectives and strategies.

Policy recommendations to Abu Dhabi Dialogue Members include:

1. Skills mobility partnerships must be connected to broader development goals, not only in host countries, but also countries of origin;
2. To do so, capacity development in the country of origin must become a greater feature of skills mobility partnerships;
3. In practice, this means connecting skills mobility partnerships with national, sectoral and local development plans as well as donor and partner country strategies in the country of origin.