Abu Dhabi Dialogue

Matching labour mobility with labour market needs in ADD corridors

Of the estimated 169 million international migrant workers in the world in 2019, the Arab States hosted 14.3 per cent of them (24 million, including 4.2 million women).[1] This makes the Arab States one of the main destination regions globally for migrant workers and the proportion of migrant to local workers is amongst the highest in the world. Many of these migrant workers are low-skilled workers, in sectors such as construction and hospitality, or domestic workers. The sectoral approaches to labour mobility have created segmentation in labour markets and the "migrant dominated" sectors with low wages have also witnessed occupational segregation along gender lines, e.g. care work is dominated by women and construction work by men.

Lack of market-responsive skills, absence of mechanisms for collecting and sharing labour market information with countries of origin, missing system of skills recognition, and lack of opportunities for upskilling and reskilling, taken together, contribute to skills mismatch and decent work deficits of migrant workers in the Arab States.

Paradox of the need for skilled migrant workers and skills mismatch

Migration is critical to both countries of origin and destination, but the migration process implies complex challenges. The mismatch between labour mobility and labour market demand is one of the key challenges, particularly in view of the changing employment landscape and requirement of future skills in destination countries, driven by economic and structural transformation efforts and the goals of nationalization and increased productivity. Increased investment in and use of technology will also alter the methods and sectors of work, giving rise to digitally enabled jobs. In view of these changing patterns and sectors of work, the number and profile of migrant workers needed in the labour markets of the Gulf Cooperation Council (GCC) is expected to change, in line with the changing needs of employers and the new skills requirements in a more complex world of work.

While some occupations will continue to rely heavily on migrant workers in view of nationals' reluctance to carry them out, structural changes, including the growth of new sectors and the waning of others, will require new sets of skills that will need to either be brought in from abroad, or met by a more skilled national workforce. Several other economic and demographic factors are playing in favour not only of a sustained stock of migrants, but also of an increase of the skills that these countries have to bring from abroad. Lack of medium

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[1] *ILO Global Estimates of International Migrant Workers: Results and Methodology*, Geneva, 2021.

and high-skills in the national workforce is exacerbated by long-term development strategies to move the economy from resource intensive to knowledge-based activities. If the skills mismatch continues, it will further contribute to labour market inefficiency impacting productivity.

Information asymmetry on skills needs and gaps in countries of destination

One of the key aspects of matching labour mobility with labour market needs is improving the availability of labour market information regarding the skills and qualifications of the foreign workers, including identifying matching tools and mechanisms for identifying anticipated skills growth areas. Unlike other countries of destination (CoD) facing structural labour shortages, such as the United Kingdom, Germany and Australia, labour market institutions of GCC countries lack mechanisms to publish and share regular data on skills shortages. In the absence of information on priority occupations and skills gaps in CODs, the Technical and Vocational Education Training (TVET) authorities in countries of origin (COO) can only rely on anecdotal sources shared by private employment/recruitment agencies to suit their curricula according to the skills and qualifications needed in the Arab States. Lack of information on priority occupations and skills in demand in COD also makes career guidance systems in COO ineffective.

This situation of information gaps on labour market demands inhibits evidence-based decision-making and effective matching between supply and demand for migrant workers, as well as the anticipation of skills needed in the future. Effective skills partnerships are also limited, thus hindering efforts to continuously update and upgrade skills of workers in COO to match the emerging demands for skills in the COD. On the other hand, data is also scarcer on the characteristics and skills profiles of migrant workers in the Arab States for informed policy and systems to upskill and reskill them in response to rapidly changing labour market skills needs.

Skills recognition

Globally, 81 per cent of Governments in 2019 reported having policies to facilitate the recognition of skills and qualifications acquired abroad, meaning that they had formalized criteria (accreditation) for recognizing foreign qualifications such as degrees, skills and competencies acquired abroad.[2] The concept of Recognition of Prior Learning (RPL) has been piloted in some of the Arab States, which used recognition tools for the integration of refugees in their labour markets. By identifying, documenting, assessing and certifying formal, non-formal and informal learning outcomes against standards used in formal education and training, RPL provides an opportunity for persons to acquire qualifications, which enable them to access better-paid vacancies, matching their skills. Making use of RPL for labour migration will also benefit from the lessons learnt in the Asia-Pacific region.

The Conclusions of the ILO Tripartite Technical Meeting on Labour Migration, held in November, 2013, call for sound labour market needs assessment and skills recognition,

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[2] Ibid. Among all regions, Oceania had the highest proportion of Governments reporting policies to facilitate the recognition of skills and qualifications acquired abroad (89 per cent), followed by Europe and Northern America (84 per cent).

including among other actions to "… explore mechanisms for mutual recognition of skills, and certification of credentials built on ILO experience and with the active involvement of the social partners; in this regard, seek to encourage and support existing institutions and initiatives that have the potential to facilitate labour market integration and improve skills matching".

The Abu Dhabi Dialogue has explored the viability of skills certification and mutual recognition systems. The recently initiated Skills Verification Program (SVP) in the Kingdom of Saudi Arabia aims to validate migrant workers' qualifications and skills for priority occupational profiles. The SVP applies to around 1,000 specific professions of skilled workers in 23 occupations as defined by the Saudi Standard Classification of Occupations. It is part of the Professional Accreditation system, aiming at regulating and improving the labour market by standardizing professional qualifications.

The ILO, IOM, UNESCO, IOE and ITUC-led Global Skills Partnership on Migration (GSPM)[3] that mobilizes expertise for the development and recognition of the skills of migrant workers may also help employers gain access to a larger pool of workers.

Upskilling migrant workers for improved skills match

The current situation plays favourably to the upskilling and reskilling of migrant workers in existing corridors, as structural transformations, especially in the GCC, are shifting the labour demand towards activities that are unlikely to be met by their national workforce, at least for the upcoming decade.

To address skills shortages, many employers are focusing on internal measures that include upskilling. A PwC Middle East Workforce Hopes and Fears Survey 2022[4] reveals that 75 per cent of the employees surveyed in Kuwait, 60 per cent in Qatar, 58 per cent in Saudi Arabia and 46 per cent in the United Arab Emirates (UAE) believed their country had a shortage of people with specialised skills. However, respondents in the region were more confident than the global survey average (47 per cent vs 40 per cent globally) that their employers were prioritising upskilling.

The policy levers available to COD to achieve upskilling include incentives to employers, promoting apprenticeship, introducing RPL, differentiated work permit fees, sector-level quotas, and improved confidence in occupational standards. To minimise the costs to the migrant worker and to increase remittances through upskilling, the policy provisions in the COO include lower barriers to enter skills training and minimising taxation on training and certification businesses. The ADD could be the appropriate forum to take the discussion forward on how to adapt promising practices of upskilling to the South and Southeast Asia - GCC, and Africa- GCC corridors through cooperation approaches involving government, social partners and other relevant stakeholders.

It is high time to strengthen skills development, training organizations and training delivery systems by promoting a life-long learning approach, as highlighted by the ILO

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[3] https://www.ilo.org/wcmsp5/groups/public/---ed_emp/---ifp_skills/documents/publication/wcms_821274.pdf

[4] https://www.pwc.com/m1/en/issues/upskilling/hopes-and-fears-2022.html

Recommendation on Human Resources Development, 2004 (No. 195). This framework should be translated at system level by designing and implementing policies aimed at identifying occupational requirements, which can be translated into occupational and educational standards. The success of these policies depends on the endorsement of the ILO's tripartite constituents and other relevant stakeholders; therefore, provision of reskilling and upskilling of migrant workers is crucial in both COO and COD to match labour mobility to labour market demand. A robust skills recognition system could also be an important mechanism to promote life-long learning and skills matching, in addition to market information-based career counselling.

Migrant Resource Centres

The growing network of Migrant Resource Centres (MRCs) in various COO could be another mechanism to match labour mobility with labour market needs. MRCs have been established in several COO, including Pakistan and Bangladesh, to support potential migrants with information on overseas vacancies, regular migration channels and education visa options, as well as counselling on demand-oriented skills development and vocational training programmes.

Guiding questions for discussion

1. Based on the best practices outlined, what measures could be taken or piloted to promote policies and mechanisms for skills needs and skills gaps information sharing with COO?

2. Learning from initiatives such as the Sri Lanka-German Training Institute (SLGTI) that prepares Sri Lankan migrant workers in German NVQF, are transnational education initiatives a suitable model to promote pre-departure training of prospective migrant workers?

3. Is a regional network of specialised TVET institutes a feasible approach to promote skilled migration pathways?

4. How can regional dialogues and skills partnerships be promoted to expand skills recognition best practices in the ADD labour mobility corridor?