Policy Brief

Accelerating Workforce Reskilling in Advanced Economies

Recommendation

Establish a national Reskilling Compact — a co-financed, employer-led program that retrains 1.2 million mid-career workers over five years for roles disrupted by automation and AI. Anchor it in regional consortia with shared outcomes-based funding and a single skills passport recognised across the labour market.

Options Considered

Option	Strengths	Trade-offs
A. Status quo (employer-led only)	Low public spend; market-driven	Coverage gaps; SMEs underserved
B. Universal individual learning accounts	Equity; portability	High cost; weak quality controls
C. Reskilling Compact (recommended)	Targeted; co-funded; measurable	Requires coordination across 3 ministries

Evidence Base

OECD analysis indicates 14% of jobs in member economies are at high risk of automation and a further 32% face substantial task-level change. Employer surveys show 71% of firms report skill shortages, yet only 1 in 4 mid-career workers participated in formal training in the past year. Pilot consortia in three regions achieved a 68% placement rate within six months of program completion at a unit cost 22% below comparable public schemes.

Implementation Sequence

Year 1 — establish governance, accredit 40 anchor providers, launch three lead consortia. Year 2 — extend to 12 regions; introduce outcomes-based funding tranche. Year 3–5 — scale to national coverage; integrate skills passport with public employment services.

Risk Register

Risk	Likelihood	Mitigation
Low SME participation	Medium	Voucher top-up; sector brokers
Provider quality variance	Medium	Outcomes-tied payments; audit
Inter-ministerial friction	High	Single accountable secretariat