

# The Experience Dividend: Promoting Mid-Career Resilience in SEA's AI Economy

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## Executive Summary

This policy brief outlines recommendations for promoting the adaptability of mid-career workers in white collar roles in Southeast Asia’s rapidly evolving AI economy. These are based on insights from Tech for Good Institute’s discussions with public and private stakeholders under the *New Models of Work* series, consisting of six in-country roundtables in the Philippines, Indonesia, Malaysia, Vietnam, Singapore, and Thailand, and four regional roundtables held virtually.

As the region’s workforce ages, the integration of Generative AI (GenAI) and subsequently agentic AI in work poses risks towards career stability and economic security. While many mid-career workers express a high intent to upskill, significant structural barriers, such as a lack of downstream job placement supports, high opportunity costs, and slow moving national competency frameworks, hinder successful career transitions.

To address these systemic gaps, the brief proposes a reform ecosystem built on three pillars: **People**, **Pathways**, and **Processes**. The **People** pillar advocates for “career health” management, expanding beyond simple upskilling to include labor market literacy and interview readiness. **Pathways** focus on just transition policies, such as income-contingent training allowances and unemployment insurance, to mitigate the financial risks of retraining. Finally, **Processes** emphasise the need for proactive, AI-enabled skills mapping and future thinking to ensure competency standards evolve alongside technological change. By shifting the burden of adaptation from the individual to the ecosystem, Southeast Asia can leverage the experience dividend of their mature workforce to drive long-term resilience.

## 1. Southeast Asia's Mid-Career Workforce is Increasingly Vulnerable in an AI Transformed Labour Market

The rapid proliferation of Artificial Intelligence (AI) across Southeast Asia is recalibrating the region's labor dynamics. Recent LinkedIn Economic Graph data (2025) reveals that 57% of Southeast Asia's workforce (approximately 164 million workers)<sup>1</sup> are in roles that will be significantly augmented or disrupted by AI.

Within this digital evolution, mid-career workers (aged 35–54) have emerged as a vulnerable demographic. They currently constitute nearly half of the regional workforce<sup>2</sup> and provide the essential institutional knowledge and leadership stability required for economic continuity. More recently, industries have begun adopting agentic AI, which are artificial intelligence systems capable of autonomous decision making and action. Unlike traditional AI, which responds to commands and analyses data, agentic AI can set its own goals and manage multiple tasks with minimal human intervention<sup>3</sup>. This transformation has a profound impact on mid-career workers. While their decades of experience remain invaluable, the sudden automation of functions that traditionally defined mid-career roles has created a widening gap between legacy expertise and the technical agility demanded by an AI-first economy.

## 2. Structural Gaps Prevent Mid-Career Workers From Making Successful Transitions

Mid career professionals face increasing pressures to adapt through skills development and greater proficiency in AI related competencies. While a lack of motivation or skill-seeking is often blamed for career stagnation, research reveals a more complex reality. A web of structural inhibitors prevents successful transitions for mid-career workers. Data suggests that individual drive is remarkably high, with approximately 84% of Southeast Asian professionals<sup>4</sup> viewing upskilling and reskilling as critical to future-proofing their careers against AI-driven volatility. Despite this high intent, a significant readiness gap persists<sup>5</sup>. The transition from desire to action is frequently stalled by systemic barriers that make individual effort insufficient:

### Workforce capacity building that neglects career navigation and placement

The effectiveness of workforce policies in Southeast Asia is limited by the lack of long-term career navigation and labour market attachment services<sup>6</sup>. Training programmes often measure success by enrolment or certification completion, but provide limited structured support for developing downstream competencies and needs for securing job opportunities including interview readiness, professional networking, and employer intermediation. After being entrenched in their position for extended periods, many mid-career workers may lack job-market literacy or expanded networks in emerging sectors. This creates a “last mile” gap between acquiring new competencies and actually securing employment. Without integrated career health management systems, workers risk underemployment, prolonged job search periods, or skills underutilisation despite successful retraining.

### ➤ Insufficient transition support and social security

Mid-career workers face disproportionate financial and social constraints<sup>7</sup> when adapting to technological disruption. They bear significantly greater financial burdens due to family obligations, competition from younger workers with native skillsets, and limited organisational support. Existing policies help to subsidise course fees, but insufficiently address other opportunity costs of wage loss or income volatility. The absence of integrated social protection linked to retraining pathways hence creates a structural barrier, where workers may delay or avoid necessary adaptation to steer clear of financial precarity. This undermines both individual resilience and broader economic restructuring efforts.

### ➤ Reactive and slow-moving competency frameworks in a rapid AI economy

National skills frameworks and accreditation systems face the ongoing challenges of aligning institutional revision cycles with the accelerating pace of AI industry shifts.<sup>8</sup> While these frameworks provide a fixed point of reference for quantifying skills, their structured nature can at times lead to reactive updates, where competency standards are adjusted only after labour market gaps become pronounced. This inertia can limit the ability of workforce systems to anticipate emerging roles and redesign learning pathways accordingly. More proactive, and future-oriented processes, can better help mid-career workers in adapting to structural shifts.

## 3. Ecosystem Reforms Can Promote Long-Term Resiliency

To address the multifaceted challenges facing Southeast Asia's mature workforce, policymakers must frame the burden of adaptation as a structural rather than an individual undertaking. A worker's inability to transition points to the vulnerabilities of the surrounding ecosystem to provide the necessary security, clarity, and institutional flexibility. We structure our recommendations around three pillars of ecosystem transformation which are **People**, **Pathways** and **Processes**. In this model, **People** (mid-career workers building their competencies) are supported by **Pathways** (social support and secure infrastructure that guides mid-career workers through their transition). Long term resilience is finally enabled by agile **Processes** (the multidisciplinary methods used to define and validate skills for the future of work).



### 3a. People

#### Expanding from Upskilling to “Career Health” Management

Beyond upskilling, workforce development must focus on long term “career health”, by empowering mid-career workers with the agency to manage their professional longevity in a highly volatile market. Technical competencies must be complemented with navigational intelligence so workers can identify which AI-augmented industries best fit their domains of expertise.

#### ➤ Develop programmes focused on labour market literacy

Promote career development programmes that move beyond teaching technical skills to cultivating critical competencies for navigating job markets. For instance, [Singapore’s Mid-Career Pathways Program](#)<sup>9</sup> trains Singaporeans aged 40+ to interpret labor market information, understand their relative standing against the competition, and identify adjacent industries where their current skills are transferable.

#### ➤ Strengthen the last mile of career health from skills acquisition to job placement

Most initiatives emphasize upstream training and upskilling, while less resources are allocated towards downstream support in terms of interview preparation, networking facilitation, and employer intermediation. While having necessary competencies is a crucial first step, it is often one’s performance in the later stages of job acquisition that determine whether a worker secures the job. Excelling in the last mile, where interpersonal skills matter, makes the difference for transitioning workers seeking a job offer in highly competitive markets. For example, [Generation Singapore](#)<sup>10</sup>, a non-profit workforce development organization, provides learners with the aforementioned last mile services through its network of employer partners, to facilitate immediate engagement with professional communities and the workforce.

#### ➤ Institutionalise integrated career health services for mid-career workers

Rather than treating skilling and career longevity support as standalone initiatives, policymakers should design systems that include these services in an integrated platform. Malaysia’s [MYMidCareer40 \(MYFutureJobs\)](#)<sup>11</sup> programme illustrates this integrated approach by offering personalised career counselling, AI-powered job matching, coaching, networking opportunities, and subsidised skills-upgrading courses to support labour market re-entry and career mobility for workers over 40 years of age.



### 3b. Pathways

#### Promoting Policies for Just and Sustainable Transitions

Policies must also address the economic vulnerabilities mid-career workers face when adapting or transitioning roles. The opportunity cost of training is often too high due to financial and familial obligations. For mid-career workers that are displaced, social support proves even more crucial during the transition period before finding alternative employment. A “just transition” requires the creation of systemic platforms that act as a safety net, ensuring that the friction of shifting roles does not result in economic precarity.

#### ➤ Provide income-contingent training allowances to reduce opportunity costs

Governments should pair mid-career reskilling programmes with wage replacement or training stipends to offset income loss during study or industry attachments. [Singapore’s SkillsFuture Career Transition Programme \(SCTP\)](#)<sup>12</sup>, which subsidises up to 95% of course fees and provides monthly training allowances for eligible mid-career workers, demonstrates how income support can enable workers with financial obligations to pursue full-time retraining without severe economic strain. Embedding structured training allowances within reskilling schemes reduces the trade-off between immediate income needs and long-term employability.

#### ➤ Strengthen unemployment insurance linked to active re-employment support

Social protection systems should integrate unemployment benefits with mandatory career coaching, job matching, and retraining pathways to accelerate re-entry into the labour market. [Malaysia’s Employment Insurance System \(EIS\)](#)<sup>13</sup> provides temporary financial assistance alongside re-employment services and training incentives, illustrating how income protection can be tied directly to structured transition support. Such integrated systems help prevent prolonged economic precarity while maintaining labour market attachment.

#### ➤ Establish industry co-funded transition and redeployment funds

Governments should incentivise sectoral training funds that pool employer contributions to retrain and redeploy workers at risk of AI displacement. Embedding these funds within formal transition frameworks and potentially matching them with public subsidies, can spread the cost of adaptation across firms while cushioning mid-career workers from abrupt job loss. For instance, [Indonesia’s Job Loss Insurance Program](#)<sup>14</sup> is financed through a pooled fund, utilising reallocated employer premiums matched by an initial government capital injection, which effectively spreads the cost of workforce adaptation across the industrial sector.



### 3c. Process

#### Leveraging Multidisciplinary Approaches and Futures Thinking

Policymakers must reform institutional processes that govern how skills standards are translated into learning pathways. The design of competency and training frameworks must shift from reactive updates to proactive anticipation of industry transformation. Rapid AI adoption shortens the shelf life of technical skills, requiring systems that embed futures thinking methodologies, behavioural science insights, and dynamic labour market intelligence into educational design. Proactive processes ensure training systems evolve in tandem with technological change, rather than lag behind it.

#### ➤ Leverage real time labour data to develop adaptive competency frameworks

To enable continuous revisions of skill standards, governments should integrate insights from real-time labour data, including job reports, market hiring trends, and skills changes in industry job postings, into national competency frameworks. [Thailand's emerging AI Learn-to-Career Ecosystem](#)<sup>15</sup> integrates AI-enabled competency measurements and labour market data, thus linking education pathways directly to real-time employment demand.

#### ➤ Embed futures thinking and scenario planning into national skills frameworks

While scenario planning is often a standard component of policy design, workforce agencies must go further to institutionalise rigorous futures thinking methodologies across the ecosystem. Futures thinking is an established practice of systematically exploring possible, plausible, and preferable futures to stress-test current policies and inform long-term decision-making. In practice, institutionalising these methods means embedding them into existing planning cycles, and building staff capacity to use them consistently. [Singapore's SkillsFuture initiative](#)<sup>16</sup> uses labour market intelligence and foresight outputs to provide subsidised access to upskilling pathways, and its annual Skills Demand for the Future Economy report maps emerging technologies, career pathways, and AI-related tools to specific job roles.

Southeast Asia must equip its mid-career workers with the knowledge, competencies, and tools to adapt to the rapid changes in work. Inclusive AI adaptation cannot rest on individual capacity building alone, but on broader workforce resilience. Systemic changes can be pursued through coordinated reforms that integrate people-centered career health systems, protective social pathways for just transitions, and agile institutional processes capable of anticipating future skills demand. In pursuing these changes, Southeast Asia can promote technological advancement while positioning its mid-career workforce as a strategic asset for sustainable and inclusive growth.

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