FUTURE TALENT COUNCIL

Future Talent Insight Brief

Redesigning Early-Career Pathways for an AI-Enabled Labour Market: Lessons from Chile and India

Abbie Finn ‘26, Kingston University London, UK
Brandon Kopp ‘28, Northwestern University, USA
Harrison Hottes ‘26, University of Newcastle, Australia
Iryn Tony ‘26, American University of Sharjah. UAE

Introduction & Global Context

Entry-level work is undergoing rapid global transformation. In the past 18 months, entry-level jobs have declined by 35%, driven by automation and AI replacing repetitive junior tasks (Diaz, 2026). For the roles that remain, skills-based hiring has become the dominant standard (Diaz, 2026). Despite this decline, entry-level recruitment remains essential for organisations seeking sustainable talent pipelines (Pang, 2025). These shifts are felt acutely by younger workers: although many are optimistic about AI, they face growing pressure to upskill, with 25% expecting their skills to be obsolete within three years (Humphries et al., 2026).

Chile and India offer valuable comparative insight for understanding how early-career pathways are being redesigned in response to these pressures. Both have large youth populations entering disrupted labour markets shaped by AI (International Labour Organisation, 2026). However, their responses diverge: Chile has prioritised sectoral coordination and upskilling to address productivity gaps (Inter-American Development Bank, 2026), while India has emphasised digital upskilling and talent retention to manage regional skill imbalances and "brain drain" (NASSCOM, 2023). Existing literature often treats AI and skills separately, leaving gaps in understanding how early-career pathways are evolving. Therefore, this brief asks: *'How are Chile and India redesigning early-career pathways through sectoral coordination, digital upskilling, and AI-enabled talent development to prepare graduates for an AI-driven, skills-based labour market — and what lessons can global employers draw from their approaches?'.*

Understanding these cases requires situating them within broader global trends. Administrative, analytical, and repetitive tasks are being reshaped faster than job titles are changing (Rashidi, 2025; Hari N et al., 2026). Employers now expect graduates to handle more complex work (Cheang & Yamashita, 2023), accelerating the erosion of traditional early-career pathways (Burnham, 2026), and the move from degree-based to skills-based hiring. Digital, analytical, and AI-literacy skills have become the baseline expectation (Bone et al., 2025), with AI-related roles increasing by 21% and degree requirements falling by 15%. The wage premium for AI skills (23%) now exceeds that for degrees (Bone et al., 2025), making demonstrable skills a stronger employability signal (Isherwood, 2025). Employers increasingly want "job ready" graduates, widening the gap between university curricula and labour-market needs (Herbert et al., 2020). Entry-level work is no longer truly "entry level", as AI tools now perform many routine functions, with up to 44% of such tasks potentially automated globally (World Economic Forum, 2025). Organisations now prioritise judgment, communication, and problem-solving, resulting in 55% of employers struggling to find graduates with the correct skills (CIPD, 2022). High youth unemployment, skills mismatches and job insecurity persists (Meng Ng et al., 2025; Edmondson & Chamorro-Premuzic, 2025), placing emerging economies under pressure to modernise skill systems and integrate AI-enabled training (Mahesar, 2024; Wu & Pan, 2021).

Case Study 1: Chile – Building the Infrastructure for a Skills-Based Economy

Chile's labour market is facing a long-standing mismatch between credentials and capability. Nearly half of graduates work in jobs that don't require their degree (Fundación SOL, 2024), youth unemployment exceeds 22% (World Bank, 2024), and Chile ranks last among 31 countries in adult skills (OECD, 2023). Meanwhile, employers, particularly in tech and mining, continue to report major skill shortages, highlighting a system producing the wrong kind of readiness for the economy it's trying to build.

The Structural Response: Sectoral Skill Councils

To address this, Chile created ChileValora (Ley 20.267, 2008), a government body that brings employers, workers, and state agencies together to define industry-relevant skills and link them to training and certification. A 2024 reform consolidated the system into 20 broader sector councils and expanded their mandate to include future skills forecasting (Ley 21.666, 2024). Sectors such as mining now co-develop occupational profiles, fund training programs, and project workforce needs, improving clarity around emerging skill demands.

Layering in AI

Chile has also begun embedding AI-enabled training at scale. Since 2019, a national bootcamp has trained more than 30,000 workers in digital skills (Ministerio de Hacienda / Talento Digital / SENCE, 2025). A 2025 national platform co-run by Chile's AI research centre and main business federation is targeting 68,000 workers with free AI literacy certification (CENIA, 2025). Chile now leads Latin America in AI readiness, supported by industry adoption of simulators, autonomous systems, and remote operations (CENIA & CEPAL, 2025).

The Tension

None of this is without risk. Productivity has been essentially flat for 16 years (OECD, 2025), and a government proposal to eliminate the main tax incentive that funds roughly a million training slots annually has alarmed industry groups (DIPRES, 2025). There are plans to scale: Hazlo con IA has already moved into a second phase targeting 32,000 public sector workers after its first phase reached 25,000 SME employees, Talento Digital continues expanding its annual scholarship cohorts, and ChileValora's 2024 reform was explicitly designed to give sector councils a forward-looking mandate — forecasting future skills rather than just certifying existing ones (Ley 21.666, 2024; CENIA, 2025). As CENIA director Álvaro Soto put it, AI offers Chile "the chance to increase capabilities, not replace workers" (Soto, 2024). Whether that vision scales depends on whether the political and fiscal environment holds long enough for the model to prove itself.

Case Study 2: India – Scaling Digital Upskilling in an AI-Driven Labour Market

India is facing growing pressure to prepare its massive youth population for an AI-driven labour market. While India produces millions of graduates annually, employability remains uneven, particularly in digital and AI-related roles (Wheebox, 2025). At the same time, AI adoption is reducing traditional entry-level hiring in sectors such as consulting, IT services, and finance, where repetitive junior tasks are increasingly automated (NASSCOM, 2025). Regional skill imbalances and "brain drain" further intensify these challenges (OECD, 2024).

The Structural Response: Digital Upskilling at Scale

India's response has focused on building large-scale digital upskilling systems through initiatives such as Skill India, Digital India, and FutureSkills Prime (NASSCOM & MeitY, 2024). These programs aim to equip graduates with industry-relevant skills in AI, cloud computing, cybersecurity, and data analytics through modular and online learning models.
Public-private partnerships play a central role, with major firms expanding internal AI academies and certification programs to make graduates more "job-ready" (NASSCOM, 2025). AI-enabled learning systems, including adaptive assessments and coding simulators, help scale training nationally. India is projected to require over one million AI-skilled workers by 2027, increasing urgency for rapid workforce development (NASSCOM, 2025).

The Tension

Despite rapid progress, major challenges remain. Only 42.6% of graduates are considered employable in key sectors (Wheebox, 2025), while employers continue reporting major digital skill shortages (ManpowerGroup, 2025). Universities struggle to update curricula quickly enough, forcing employers to take more responsibility. While India has scaled digital learning infrastructure, the long-term challenge is ensuring that upskilling leads to equitable, high-quality employment across regions, rather than benefiting only major urban centres.

Key Data Signals

- India produces over 1.5 million engineering graduates annually, yet employability in digital sectors remains below 50% (Wheebox, 2025).
- AI-related job postings increased by over 60% from 2022 to 2025 (NASSCOM, 2025).
- India will require one million additional AI professionals by 2027 (NASSCOM, 2025).
- Nearly 65% of employers report difficulty finding graduates with industry-ready digital skills (ManpowerGroup, 2025).
- Remote work growth has expanded access to global opportunities beyond major urban centres (World Bank, 2024).

Comparative Analysis

Key Similarities

Both countries face the 'Credential vs Capability Paradox', where graduates hold formal degrees but lack industry-relevant skills. This is reflected in nearly half of Chilean graduates not requiring a degree (Fundación SOL, 2024) and only 42.6% of Indian graduates being considered employable (Wheebox, 2025). This paradox has given rise to negative spillover effects, such as youth unemployment, placing Chile amongst the highest in the OECD for youth unemployment (World Bank, 2024) and India's youth unemployment tracks at roughly triple that of adults (Das, 2025).

Furthermore, these capability mismatches are particularly acute within the tech industry, with both Indian and Chilean employers struggling to find graduates with relevant skills (ManpowerGroup, 2025; Wheebox, 2025; CMM & Eleva, 2025). This emphasises the need to promote AI literacy in both economies to help address the overall paradox (Soto, 2024; NASSCOM, 2025).

Key Differences in Pressure Points

Chile and India differ in how AI affects entry-level work. Chile's economic structure demands stronger AI-related capabilities, meaning AI complements rather than replaces junior roles (Soto, 2024; CMM & Eleva, 2025). On the contrary, India faces more aggressive automation of junior-level tasks, making traditional entry-level pathways more vulnerable to redundancy (NASSCOM, 2025).

What Works Well for Their Divergent Strategies

Chile's Sectorial Skill Council (SSC) and AI Literacy

Chile's employer-led SSC model aligns industry needs with national policy by allowing employers to co-design occupational profiles, reducing information gaps and creating a highly targeted skills system (Bravo, 2022). This model succeeds in Chile's liberal skill-formation context, enabling sector focused approaches and stronger private-sector engagement (Bravo, 2022). Furthermore, its forecasting has supported the scaling of digital upskilling and AI literacy programmes in line with real-time labour-market needs (CENIA, 2025).

India's Large-Scale Digital Upskilling

India's government initiatives, alongside corporate programs, have driven the rapid scaling of national digital upskilling efforts, addressing gaps that traditional academic design cycles

struggle to keep pace with (NASSCOM & MeitY, 2024; NASSCOM, 2025). Public-private partnerships reduce information asymmetries and provide graduates with industry-aligned skills and credentials, particularly in digital fields (NASSCOM, 2025).

These platforms provide rural areas access to such skills, though local infrastructure limitations may hinder this (Selvamani & Mangaleswaran, 2025). Upskilling rural students may also contribute to local "brain drain", as graduates move to metropolitan cities when regional economies lack the absorptive capacity to leverage digital growth (Selvamani & Mangaleswaran, 2025).

What Global Employers Can Learn

The comparative analysis highlights how global stakeholders can navigate rapidly changing skill demands by understanding the structural bottlenecks within different labour markets. Chile emphasises the importance of forecasting future capability needs, using SSC's to coordinate with industry and reduce gaps between labour supply and demand. Shifting to India, supplementing traditional university pathways with modular digital platforms and corporate accelerators enables faster, more flexible upskilling, allowing education systems to respond to emerging skills needs. Altogether, both countries' strategies can effectively address AI literacy with ease, given their programs structure.

Ultimately, both cases show that multinational firms can no longer act as passive consumers of talent. Employers must take a proactive role by partnering with education systems, articulating current and future capability needs, and tailoring interventions to the local institutional and geographic realities of each local market to ensure long-term alignment.

Implications & Conclusion

The cases of Chile and India emphasise that the future of early-career work will be shaped not just by AI, but by how effectively employers, education systems and workforce institutions align. Both demonstrate that traditional degree-based pathways can no longer keep pace with rapid technological change, and that employers now play a central role in shaping graduate readiness. Chile highlights the value of coordinated, sector-led forecasting, while India illustrates how modular digital platforms can scale AI-literacy at speed. Together they show that skills must be treated as a dynamic system which is continuously updated, industry aligned and responsive to labour market signals.

For global employers, the implication is clear: organisations can no longer remain passive consumers of talent. They must partner proactively with training and degree providers, signal skills-needs clearly and co-create AI-ready pathways that reflect institutional and geographic realities. The countries and companies that succeed will be those that build adaptive, skills-based ecosystems capable of preparing graduates for an AI-enabled labour market.

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