

# THE HUMAN ECONOMY: A NEW HIERARCHY OF POWER

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Humanity, and the global economy, were put to the ultimate test with the spread of the COVID-19 pandemic. Over the past two years, we have lived through an event that has challenged everything we once knew and brought about changes we never thought would one day be the norm. However, those changes presented us with opportunities to rethink and unlearn how we did nearly everything—most importantly, how we shape our ecosystems to protect humanity and how we sustain livelihoods in the context of a crisis.

In facing the global emergency, the priority of every country was to preserve the health and safety of its citizens. Governments put humans above all else—including economic gains. Although this shift in priorities was basic and intuitive, it was also revolutionary. It did what no other social or industrial revolution has done: it moved humans to the top of the hierarchy.

## **WHAT IS THE HUMAN ECONOMY?**

Now more than ever, attention must be called to the concept of the human economy, which may well be the answer to a world of constant disruptions. But what does “human economy” mean? What is its premise and what will it take to build it?

A human economy looks at economic growth through the lens of all humanity. It aspires to create an ecosystem in which wealth is generated as a result of fulfilling human needs and potential.

The human economy recognizes human capital as the true engine of economic growth. It also acknowledges that investing in resilient humans has real value for societies, as it empowers people to do the right thing, encourages them to live a balanced life, and creates empathetic communities. The true currency in the human economy is each human being, not each bill or coin.

## WHY THE HUMAN ECONOMY COULD BE THE ANSWER TO A WORLD OF CONSTANT DISRUPTIONS

The case for the human economy is simple: resilient humans build resilient economies. There is significant evidence to prove that, when the focus is shifted to developing human capital, economies flourish.<sup>1</sup> I use the term “human capital” because a healthy human economy will depend not only on the type of work people do or how they do it, but also on their health, education, and overall wellbeing. These factors are crucial for citizens to be productive members of society.

The value of a human economy cannot be overstated. The COVID-19 pandemic not only changed how we live and work, it also made people reevaluate their priorities. For many, work took a nosedive on their list of priorities.

This was in part a result of a wave of job cuts, which meant that employees who kept working had to work harder than ever to keep their jobs. They were also expected to do extra work, which resulted in accelerated rates of fatigue and burnout. The line between the personal and the profes-

sional became blurred, and the proximity between the physical, the digital, and human spaces decreased tremendously. This has ultimately led to what is now referred to as the Great Resignation.<sup>2</sup>

In fact, more than 40 percent of the global workforce considered leaving their jobs in 2021.<sup>3</sup> It is interesting to note that people did not leave just for higher pay or a new challenge but to pursue greater job flexibility and a meaningful life outside of the workplace. A 2021 study indicated that more than half the employees surveyed would leave their jobs if they were not offered flexibility in terms of where and when they could work after the pandemic.<sup>4</sup>

How governments and private-sector leaders react to these trends from here forward will determine how we shape our future around work, education, health, and public service, which are all interconnected elements in the ecosystem of a human economy. In this ecosystem, we must work to develop an economy around human needs and social good.

In my capacity as Minister of State for Government Development and the Future and as chairwoman of the Federal Authority for Government Human Resources

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### ABOUT THE AUTHOR

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in the United Arab Emirates (UAE), I would like to share some insights around the capacities needed to build a human economy and highlight a case study from the UAE.

## **CAPACITIES FOR THE HUMAN ECONOMY**

The digital age we live in will require both current and future generations to develop a multitude of new skills and technical capacities. However, we cannot ignore the fact that we also need humans who possess strengths that are not replaceable by technology or artificial intelligence.

When we build a machine, hardware and software go hand in hand. If we invest more in the hardware on account of the software, we risk a malfunction. The machine will not do what we intend it to do and it will therefore become a liability, not an asset.

In the human economy, the hardware is human capital and the software is humans' soft skills and emotional intelligence. These capacities are social imperatives that will fuel the economic engines of the future. According to a global study, "two-thirds of all jobs by 2030 will be soft skill-intensive occupations."<sup>5</sup>

Soft skills such as critical thinking, problem-solving, creativity, empathy, resilience, self-awareness, and communication take precedence in the human economy because they help leaders do the right thing, as opposed to doing things right. If we develop leaders who are empowered to do the right thing, we will develop an economy that is built around social good—one that puts humans first and is more adaptable and resilient.

## **FOUR STRATEGIES FOR THE HUMAN ECONOMY**

Given the number and complexity of variables at play in the human economy, it may

be challenging to fulfill human needs and the potential for economic growth in the digital era. Nevertheless, a collaborative approach whereby the public and private sectors join forces can help bring about change.

Below are four key strategies to consider.

### **1. Level the playing field for human work.**

The march of the robots and automation is escalating rapidly, and with it comes a fascination with their efficiency, speed, and ability to work around the clock. This is something humans cannot do, as they need sleep, take sick days, make mistakes, and move to other jobs.

While it is important to invest in digital transformation and to pursue efficiency measures through technological advancements, we also need to acknowledge the value of human work. Jobs lost to automation mean losing consumer income that creates demand and supply. This imbalance results in a crisis that threatens the survival of economic systems.

The World Economic Forum estimates that 12 million jobs will be added globally by 2025 because of artificial intelligence.<sup>6</sup> This will require us to carefully address how we replace jobs lost to automation, including by investing in soft-skills jobs.

### **2. Accept lifelong learning as the responsibility of all.**

Fifty percent of all the world's employees will need to be reskilled by 2050.<sup>7</sup> While this includes those currently in the workforce, education for the future of work and lifelong learning will need to be a priority for, and the responsibility of, everyone. From a public policy perspective, education systems that no longer serve the future we are working toward need an overhaul. Developing future skills such as emotional intelligence and soft skills should start in

the early stages of learning, be enhanced throughout students' learning journey, and continue to be polished once former students enter the workforce.

Public and private education institutions play a major role in transforming how the future generation will learn and acquire knowledge, as well as what they learn. Close partnerships between education institutions and public- and private-sector leaders are also needed to ensure that education programs are shaped and reshaped according to current and future market needs.

Learning is a lifelong journey. It does not end when students exit the school or university classroom. In many ways, it begins when we first get the chance to experience what we learn firsthand. The keyword here is "experience." That is why I believe that embedding experiential learning in our systems across all levels of both academia and business will be a driving force in the future of education and work.

### **3. Embrace performance over productivity.**

Measuring productivity alone is a flawed approach, because it often means that employees need to work longer to produce more. It is part of overall performance and does not determine success from a social perspective. For humans to add value to the economy, their contributions must be measured not by productivity alone but also by performance. Limiting measures of human value to workforce productivity will always result in a scale tipped in favor of automation. In contrast, performance measures in the human economy, such as teamwork, creativity, problem-solving, and leadership, differentiate employees and help to create a competitive advantage for businesses and organizations.

Leaders who do choose to measure value based on productivity should keep one thing in mind: working longer does

not mean that employees will be more productive. In fact, some studies have proven that countries with higher productivity levels usually have shorter workweeks.<sup>8</sup> Shorter workweeks can lead to employees' better decision-making, enhanced clarity, and improved overall wellbeing.

The argument for measuring performance over productivity is even more critical on a macroeconomic and policy-making level because it assesses the success of a government beyond the GDP or job statistics. In a human economy, governments prioritize measures such as citizens' physical and mental health and wellbeing, social and economic equity, and sustainability as the true markers of success.

### **4. Humanize organizations.**

A human economy requires human organizations. We need to normalize human behavior, including its strengths and weaknesses, such as honesty, emotions, and tendency to make mistakes. Following this approach will create a positive culture and human connections that make employees feel they are part of something bigger. At the heart of this culture will be a collective movement to do social good and fulfill human needs, and it will create loyal employees and customers.

Another key aspect of creating human organizations is defining organizational purpose. Humans are in constant search of purpose, and 70 percent of employees indicate that their purpose is defined by their work.<sup>9</sup> This puts great responsibility on government and private-sector leaders to help their employees find and live their purpose. While leaders of organizations cannot control their employees' individual purposes, they can control their organization's purpose—why it exists and its long-term impact. The more an organization's purpose is grounded in improving the quality of life for all, the better the chances are that employees will find purpose in the

work they do and connect it to their purpose outside of work.

As we move into a future that includes flexible work models, there will be gaps in personal and human connections that impede our ability to foster human organizations with a high purpose and positive culture. Even in workplaces that are not located within four walls, an organization's vision, values, and behaviors will determine how it creates an inclusive and more equitable workplace.

## **UAE CASE STUDY**

In the UAE, our leadership and our people believe that nothing is impossible. We have adopted this mindset in everything we do. Through it we have become a country of firsts: the world's first virtual Ministry of Possibilities and Ministry of Artificial Intelligence, the world's first government accelerators, the first Arab country to land on Mars, and the list goes on.

Many of these successes were achieved before the COVID-19 pandemic and are now vital pillars in our ability to progress by leaps and bounds. In 2021, despite the global pandemic, the UAE beat international growth predictions and grew the GDP by 3.8 percent, the highest rate in the region.

In 2022, the UAE took further steps to address global challenges locally. It became the first country in the world to introduce a 4.5-day workweek without reducing pay and rolled out twelve new types of work permits and six job models.<sup>10</sup> This was done to strengthen the competitiveness of the UAE labor market, offer flexibility and ease of work, protect the rights of both parties in the employment relationship, and attract global talent and skills while enhancing the overall quality of life. All such decisions are cornerstones in developing a human economy.

These changes have a myriad of implications—not only for the job market and

economic output but for society over the long term. They will help the UAE create a community of citizens who do not plan life around work but the other way around, a community of employees who are free to make choices and are well-balanced and able to be rejuvenated regularly.

In fact, the first three months of the shorter workweek in the UAE delivered promising results: 70 percent of employees felt they were working more efficiently, as they were able to prioritize their workload throughout the week. This included cutting out the least productive activities, managing their time better, delegating tasks more effectively, and holding fewer, shorter, and more focused meetings. Government employee absenteeism dropped by more than 50 percent, and the positive impact trickled down onto social connectedness and family cohesion, as 71 percent of employees reported spending more time with their families.

While shortening the workweek at first glance may seem counter to economic growth, the opposite is true. Shorter workweeks can create more jobs and, as a result, reduce unemployment and governments' social costs. Shorter workweeks can also entice people who left their jobs due to stress to go back to work. More importantly, a shorter workweek opens the door to people doing more with their personal time, such as continuing their education, traveling, and taking more time to be revitalized—all of which are activities that help drive economic growth.

However, having shorter workweeks alone is not enough to transform lives and create happier, healthier employees. Employers also have a responsibility to take measures that will help employees live a more balanced life.

The UAE has invested in several strategic initiatives to support lifelong learning. One of these is Jahiz, an upskilling initiative to ensure that future government employees will have the required

talents. Designed in a partnership between the UAE Government Development and the Future Office and the Federal Authority for Government Human Resources, Jahiz is a new model for government work that focuses on enhancing the future readiness of the UAE government by equipping national cadres with the necessary skills. It embodies our leadership's ability to understand the emerging trends that will impact the future and its wise vision to help all government employees keep pace with the rapidly changing world of work. Jahiz also reflects the great value of partnerships and collaboration between the government and private-sector companies. It was developed with 15 leading national and international entities to deliver 20 major future skills within one year, through an interactive digital platform. The 20 future skills targeted by Jahiz cover four main groups of skills: digital, 10x, data and AI, and new economy.

The government and citizens of the UAE could not be prouder of all we have achieved in the past 50 years, and we are confident of our ability to continue building on that success in the next 50 years. None of what we have achieved would have been possible without our visionary leaders, who believe in creating our own future and in putting people first. This is the secret ingredient that sets nations up for success—prioritizing their people.

## CONCLUSION

A human economy acknowledges that humans are at the core of every economic model and, as such, should be made a priority. This does not mean, however, that the human economy is the only avenue in any given ecosystem. The key is to find a balance between freedom in the use of capital and the protection of social rights and human needs.

At the end of the day, governments should ask if they are doing enough to en-

able their people to be the best they can be for the future they are creating, and to ensure that, if another crisis hits, they have enough resilient human capital to navigate change and protect their economy.

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- <sup>1</sup> See [https://www.worldbank.org/en/publication/human-capital/brief/human-capital-project-case-studies-series?cid=GGH\\_e\\_hcpexternal\\_en\\_ext](https://www.worldbank.org/en/publication/human-capital/brief/human-capital-project-case-studies-series?cid=GGH_e_hcpexternal_en_ext).
  - <sup>2</sup> See <https://hbr.org/2022/04/the-great-resignation-is-a-misnomer>.
  - <sup>3</sup> See <https://www.microsoft.com/en-us/worklab/work-trend-index/hybrid-work>.
  - <sup>4</sup> See [https://www.ey.com/en\\_ae/news/2021/05/more-than-half-of-employees-globally-would-quit-their-jobs-if-not-provided-post-pandemic-flexibility-ey-survey-finds](https://www.ey.com/en_ae/news/2021/05/more-than-half-of-employees-globally-would-quit-their-jobs-if-not-provided-post-pandemic-flexibility-ey-survey-finds).
  - <sup>5</sup> See <https://www.forbes.com/sites/forbes-humanresourcescouncil/2021/01/20/soft-skills-are-essential-to-the-future-of-work/?sh=676084451341>.
  - <sup>6</sup> See <https://www.weforum.org/agenda/2020/10/dont-fear-ai-it-will-lead-to-long-term-job-growth/>.
  - <sup>7</sup> See <https://www.forbes.com/sites/paulmcdonald/2021/06/09/as-businesses-prepare-for-the-future-of-work-the-need-to-upskill-and-reskill-workers-becomes-more-essential/?sh=714b4e437a78>.
  - <sup>8</sup> See [https://autonomy.work/wp-content/uploads/2021/06/ICELAND\\_4DW.pdf](https://autonomy.work/wp-content/uploads/2021/06/ICELAND_4DW.pdf).
  - <sup>9</sup> See <https://www.mckinsey.com/business-functions/people-and-organizational-performance/our-insights/help-your-employees-find-purpose-or-watch-them-leave>.
  - <sup>10</sup> See <https://www.wam.ae/en/details/1395303000412>; <https://www.mohre.gov.ae/en/media-centre/news/1/2/2022/the-new-labour-law-will-come-into-force-as-of-tomorrow.aspx>.