Global Skill Partnerships — An Explainer

The Global Compact on Migration’s (GCM) latest draft calls on countries to “enhance availability and flexibility” of regular migration pathways in Objective 5 and “build global skills partnerships” in Objective 18.

How can Global Skill Partnership (GSP) model, developed by economist Michael Clemens, serve countries’ sovereign goals in the GCM negotiations?

What is a Global Skill Partnership?

A Global Skill Partnership is a bilateral agreement through which a country of destination gets directly involved in creating human capital among potential migrants in the country of origin prior to migration. The destination country has the opportunity to identify precisely what skills it needs most for its labor market(s), and can shape the skills of future migrant arrivals to match those needs. The origin country receives technology transfer, qualified skilled labor (as not all trainees migrate), and alleviated pressure on labor market absorption.

Why explore the GSP model?

The Global Skill Partnerships model makes sure migration happens in a way that benefits both the destination and origin countries. Destination countries receive migrants with the skills to contribute maximally and integrate quickly, without a net drain of fiscal or human resources. The origin country gets technology and training capital, in addition to human capital (as only some of the potential migrants trained in-country migrate). The best trainees have the opportunity to migrate regularly, and trainees who don’t migrate have more and better skills to work locally, elevating their earning potential and bolstering local talent pools.

This needs to happen now.

There is going to be a lot more migration in the future. Demographic realities mean there will be 800 million new and additional people entering the labor force in sub-Saharan Africa by 2050. The local markets will simply be unable to absorb all these new workers. Migration will happen—and the Global Compact is an opportunity to shape how that migration happens.

The elephant in the room is the fact that migration pressures are going to vastly rise. We need new lawful channels for migration. Not only will such new migration pathways alleviate pressures in the origin country and fill critical labor shortages at the destination, but new lawful channels, when combined with enhanced and coordinated immigration enforcement, can displace irregular migration, (weakening any incentives of irregular migration while facilitating opportunities for regular migration).

The GCM should include the GSP innovation.

To succeed, the Global Compact on Migration needs to realistically tackle current and—perhaps most importantly—future migration flows. To manage the immense migration pressures, innovation will be non-negotiable. If the Global Compact is to truly be game-changing, it must commit to innovating.

The Global Skill Partnership is a distinct innovation for a new lawful channel that renders triple-win impacts for the destination and origin countries, and the migrants themselves. It is highly flexible, and can and must be adapted to the specific country contexts in both origin and destination. Some features of the Global Skill Partnership have been tested in various settings, but new pilot programs are needed to test and adapt the model for broader use. The Global Compact is an opportunity to countries to commit to test out the Global Skill Partnership innovation, implementing principles around labor mobility and regular migration named in the compact and, most importantly, unlocking the significant potential contributions of migrants to host and home communities.

More information on Global Skill Partnerships is available at www.cgdev.org/GSP.
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Global Skill Partnerships: A Proposal for Technical Training in Settings of Forced Displacement

October 11, 2017

Michael Clemens and Katelyn Gough

The world urgently needs innovation to shape how international migration happens. Today people who are forcibly displaced are seen and treated largely as a burden, not as a resource that can bring shared benefits. A new type of private-public partnership can offer new opportunity for some of those who are forcibly displaced. It can be called a Global Skill Partnership, and this note illustrates how it might work for Syrians displaced into Turkey.

Turkey hosts around 3 million of the 5 million Syrians who have been internationally displaced since 2011. The large majority of those in Turkey live in urban and peri-urban areas, not camps. But their access to labor markets is limited, rendering many skilled and semi-skilled workers without an avenue by which to meaningfully contribute to the local economy or build their own self-reliance. This is a missed opportunity.

Of Syrians arriving in Greece in January 2016—including some whose country of first asylum was Turkey—79 percent polled by UNHCR reported having obtained a secondary or tertiary degree. Hundreds of Syrians have trained as nurses in Turkey, where they are allowed to provide health services to other displaced Syrians.\(^1\)\(^2\)

Many of these same people could be a valuable resource for the future of Europe. Within a decade, Europe will require hundreds of thousands more nurses than it is likely to train.\(^3\) Nurses will and must move in large numbers to Western Europe from other countries, including those in surrounding regions. With the right policies in place, officials could ensure benefits to both regions, as nurses trained in Turkey could help fill a growing labor gap in Western Europe, while securing safety and opportunity for themselves and their families.

A new type of private-public training partnership is key to meeting all of these goals. This note discusses an example for nurse training, but the model could be used for other types of mid-level technical training as well. In this setting, a Global Skill Partnership is a bilateral agreement designed to facilitate the training in nursing, at institutions in Turkey, of displaced Syrians living in Turkey. Some graduates of such training migrate to work in Germany—either temporarily or permanently—while...
others remain to work in Turkey, and eventually in Syria should they choose to voluntarily return in the future. Those who migrate to Germany would typically earn several times more than those who do not, because their economic productivity is vastly greater at the destination than at the origin.

Not only are destination-country wages higher, but origin-country training costs are lower. Just a small part of this dual arbitrage opportunity can finance training for migrants and non-migrants. The gain can be captured either by destination-country governments, by the employers, by the migrants (as a kind of student loan), or some combination of these.

Here is one example of how a Global Skill Partnership might work:

Zahra and Manal are two young Syrians who train as Registered Nurses in Diyarbakır, Turkey. Zahra plans to work in Germany, Manal plans to work at first in Diyarbakır, and possibly later in Syria. Training each of them costs $7,000, and neither can afford it. A private hospital group in Germany finances all of Zahra’s training and almost half of Manal’s, for a total of $10,000. In return, Zahra commits to work within its hospital network for at least four years. With just 10 percent of Zahra’s earnings over that period, she pays back the entire $10,000.

Observe the consequences: Germany gains a nurse (Zahra), with precisely the in-demand skills needed to integrate quickly, with net earnings several times higher than what she could earn in Turkey. The German employer ends up with no net expenditure on training and gains a profitable employee. Turkey gains a nurse (Manal) with a sizeable free scholarship. Two low-income Syrian refugees get professional careers that are otherwise inaccessible. Turkey expands the capacity and quality of its nurse training facilities, creating benefits that spill over into the rest of the health sector. A future, more stable Syria has a stronger human resource based of potential returnees to draw upon. And there is no net cost to the German or Turkish governments. Other benefits to Turkey could arise if Zahra chooses to remit some of her earnings to family remaining in Turkey, or return one day to work in Turkey.

These all-around benefits are possible for two simple economic reasons: 1) the labor of a nurse is worth enormously more money in Germany than in Turkey, and 2) it is much less expensive to train a nurse in Diyarbakır than in Germany. A Global Skill Partnership turns those two facts into an engine of human capital creation in both countries. And the framework could be flexibly adapted to different settings: First, Global Skill Partnerships could include nursing assistants and personal care workers, in addition to or instead of full professional nurses. Second, they could begin with health professionals, but the same framework could later be applied to various types of training to fill semi-skilled and skilled labor shortages in Germany. Third, the arrangement for graduates to live and work in Germany could be temporary or permanent, according to the needs of the destination country or even decided on an individual basis. The arrangement could also be linked to resettlement, providing Zahra permanent resettlement in Germany on the basis of asylum.
Global Skill Partnerships could also employ financing mechanisms different from the above example. Initial finance could come either from the German government, from private-sector employers, or both. Employers who cover refugees’ training costs should be compensated either by a subsequent work commitment or by repayment following migration. Regardless, training under the partnership requires little or no up-front cost to students and is thus accessible to refugees of any income level. Training for refugees costs Turkish taxpayers nothing, reducing fears of “brain drain” or fiscal drain. Graduates who do not migrate pay much lower tuition, heavily subsidized by a small portion of migrant graduates’ earnings.

Global Skill Partnerships can quickly become privately profitable and financially self-sustaining, with no ongoing cost to taxpayers either in Germany or Turkey. But they require initial investment, cooperation, and support from policymakers on both sides. This mutual support must arise from the prospect of mutual benefits. The gains for Turkey (and savings for Germany) largely emerge from conducting at least some of the nurse training in Turkey. The initial involvement of policymakers on either side, which may require multiple ministries to work together, can include the following:

- The destination country must work directly with employers to understand their unmet needs and design training around those highly specific needs; craft visa policy that allows graduates to reliably enter the country; and cooperate to seek repayment from any graduates who might not fulfill post-graduation work commitments.

- The destination country, origin country, and the relevant international bodies governing refugee response must coordinate and collaborate to determine the appropriate policies and asylum applications for refugees in the program. The GSP presents another resettlement avenue, and the relevant international bodies—and the destination and origin country governments—will need to ensure all legal requirements are met.

- Both governments must collaborate to ensure that graduates’ qualifications and skills are recognized at the destination, with positive effects on the quality of nurse training in Turkey as facilities conform to German training standards.

- The destination country must regulate graduates’ work commitments so that nurses are not bound to a single post for years, lest they be exploited. If employers finance training, there must be a mechanism for workers to “buy out” any work commitment to one employer so they can work for another.

- Both destination-country and origin-country governments will need to work closely with their health sectors: In the destination country, it will be critical to communicate to other nurses that Global Skill Partnerships are one of many tools to address long-term shortages that will end up improving the negotiating power of existing nurses, not harming them.
• In the origin country, it will be important to communicate to training authorities that Global Skill Partnerships assist in the net creation of nurses, rather than taking them away.

• Finally, startup capital from governments may be necessary to get Global Skill Partnerships off the ground.

Designed correctly, a Global Skill Partnership can provide both sides of Europe with nurses they need and good jobs for Syrian refugees and Turkish youth—without harming the public coffers or health systems of Turkey, nor exacerbating host community tensions. This solution also represents a considerably better method of strengthening Turkish health systems than blocking refugees’ right to work or preventing Turkish nurse migration, because Germany needs nurses and Syrian refugees and Turkish youths need skilled jobs. It is a better way to finance the training of migrant nurses than ex post aid payments, which may not go to finance nurse education and are vulnerable to political vagaries.

More details on the Global Skill Partnership idea, with examples of related arrangements around the world, are available here: https://doi.org/10.1186/s40173-014-0028-z


[2] A reported 380 Syrian doctors, and more than 360 nurses and midwives have been trained in Turkey since 2016 to work in clinics across the country servicing Syrian refugees and expatriates.

[3] Consultants for the European Commission project that, in 17 years, the EU will need 590,000 more nurses than it will produce: Matrix Insight (2012), EU level Collaboration on Forecasting Health Workforce Needs, Workforce Planning and Health Workforce Trends: A Feasibility Study, Brussels: European Commission, p. 13.

[4] The average salary in Turkey is about US$750/month, Germany roughly US$3,500 per month. A typical all-inclusive full-cost registered nurse training program in Turkey runs US$7,000 or less.

[5] The European Union committed to admitting up to 72,000 Syrians from Turkey in 2016. Following the 30 March 2016 High Level Meeting on global responsibility sharing around the Syrian crisis, overall (worldwide) resettlement places for Syrian refugees totaled 201,049.
Global Skill Partnerships: A Proposal for Technical Training in a Mobile World (brief)

October 11, 2017

Michael Clemens

Within a decade, Europe will require hundreds of thousands more nurses than it is likely to train.\[^{1}\] To meet the growing need, nurses will move in large numbers to Western Europe from other countries, including those in Eastern Europe. But Eastern Europe currently lacks nurses already relative to Western Europe,\[^{2}\] while Eastern European youths crave opportunities in skilled employment. How can nurses trained in Eastern Europe move to Western Europe in a way that benefits both regions?

I propose a new type of nurse training designed to address all of these problems. A “Global Skill Partnership” is a bilateral agreement designed to facilitate nurse training in Eastern Europe. Some of its graduates would migrate to work in Germany—either temporarily or permanently—while others would remain to work at home. Those who migrate typically earn ten times more than those who do not,\[^{3}\] because their economic productivity is vastly greater at the destination than at the origin.

But not only are destination-country wages higher, origin-country training costs are lower. Just a small part of this dual arbitrage opportunity can finance training for migrants and non-migrants. The gain can be captured either by destination-country governments, by the employers, by the migrants (as a kind of student loan), or some combination of these.

Here is one example of how a Global Skill Partnership might work:

Maria and Ion are two young, low-income Moldovans who train as Registered Nurses in Chișinău. Maria plans to work in Germany, Ion in Chișinău. Training each of them costs €10000, and neither can afford it. A private hospital group in Germany finances all of Maria’s training and half of Ion’s, for a total of €15000. In return, Maria commits to work within its hospital network for at least four years. With just 10 percent of Maria’s earnings over that period, she pays back the entire €15000.

Observe the consequences: Germany gains a nurse (Maria), with the in-demand skills to integrate quickly, whose net earnings are still about ten times what she could earn in Moldova. The German employer ends up with no net expenditure on training and gains a profitable employee. Moldova gains a nurse (Ion) with a sizeable free
scholarship. Two low-income Moldovans get professional careers that are otherwise inaccessible. Moldova expands the capacity and quality of its nurse training facilities, creating benefits that spill over into the rest of the health sector. And there is no cost at all to the German or Moldovan governments. Other benefits to Moldova could arise if Maria chooses to remit some of her earnings home, or return one day to work in Moldova.

These all-around benefits are possible for two simple reasons: 1) the labor of a nurse is worth enormously more money in Germany than in Moldova, and 2) it is much less expensive to train a nurse in Chișinău than in Germany. A Global Skill Partnership turns those two facts into an engine of human capital creation on both sides of Europe. And the framework could be flexibly adapted to different settings: First, Global Skill Partnerships could include nursing assistants and personal care workers, in addition to—or instead of—full professional nurses. Second, they could begin with health professionals, but the same framework could be applied to various types of training to fill semi-skilled and skilled labor shortages in Germany. Third, the arrangement for graduates to live and work in Germany could be temporary or permanent, according to the needs of the destination country or even decided on an individual basis.

Global Skill Partnerships could have financing mechanisms different from the above example. Initial finance could come either from the German government, from private-sector employers, or both. Employers who cover migrants’ training costs should be compensated either by a subsequent work commitment or by repayment following migration. Regardless, under the partnership arrangement, training requires little or no up-front cost to students and is thus accessible to Moldovans of any income level. Training for migrants costs Moldovan taxpayers nothing, reducing fears of “brain drain” or fiscal drain. Graduates who do not migrate pay much lower tuition, heavily subsidized by a small portion of migrant graduates’ earnings.

Global Skill Partnerships can quickly become privately profitable and self-sustaining, with no ongoing cost to taxpayers either in Germany or Moldova. But they require initial cooperation and support from policymakers on both sides. This mutual support must arise from the prospect of mutual benefits. The gains for Moldova (and savings for Germany) largely emerge from conducting some of the nurse training in Moldova. The initial involvement of policymakers on either side, which may require multiple ministries to work together, can include the following:

- The destination country must work directly with employers to understand their unmet needs and design training around those needs; craft visa policy that allows graduates to reliably enter the country; and cooperate to seek repayment from any graduates who might not fulfill post-graduation work commitments.

- Both governments must collaborate to ensure that graduates’ qualifications and skills are recognized at the destination, with positive effects on the quality of nurse training in Eastern Europe as facilities conform to German training standards.
• The destination country must regulate graduates’ work commitments so that nurses are not bound to a single post for years, lest they be exploited. If employers finance training, there should be a mechanism for workers to “buy out” any work commitment to one employer so they can work for another.

• Both destination-country and origin-country governments will need to work closely with their health sectors: In the destination country, it will be critical to communicate to other nurses that Global Skill Partnerships are one of many tools to address long-term shortages that will end up improving the negotiating power of existing nurses, not harming them.

• In the origin country, it will be important to communicate to training authorities that Global Skill Partnerships assist in the net creation of nurses, rather than taking them away.

• Finally, startup capital from governments may be necessary to get Global Skill Partnerships off the ground.

Designed correctly, a Global Skill Partnership can provide both sides of Europe with nurses they need and good jobs for Moldovan youth—without harming the public coffers or health systems of Moldova. This arrangement provides a better avenue to strengthen Moldovan health systems than blocking nurse migration, because Germany needs nurses and Moldovan youths need skilled jobs. It is a better way to finance the training of migrant nurses than ex post aid payments, which may not go to finance nurse education and are vulnerable to political vagaries.

More details on the Global Skill Partnership idea, with examples of related arrangements around the world, are available here: https://doi.org/10.1186/s40173-014-0028-z

[1] Consultants for the European Commission project that, in 17 years, the EU will need 590,000 more nurses than it will produce: Matrix Insight (2012), *EU level Collaboration on Forecasting Health Workforce Needs, Workforce Planning and Health Workforce Trends: A Feasibility Study*, Brussels: European Commission, p. 13.

[2] Approximate number of practicing professional nurses and midwives per 1000 residents: Germany 12; France 9; Moldova 7; Bulgaria 5 (*WHO Global Atlas of the Health Workforce*).

[3] The average salary in Moldova is about €205-230 per month, in Germany roughly €2800–3000 per month. The full, start-to-finish cost of a Registered Nurse
Can Regular Migration Channels Reduce Irregular Migration?
Lessons for Europe from the United States

Michael Clemens and Kate Gough

KEY TAKEAWAYS

- Lawful migration channels are often suggested as a tool to reduce unlawful migration, but often without much evidence that they work.

- There is evidence that lawful channels for migration between Mexico and the United States have suppressed unlawful migration, but only when combined with robust enforcement efforts.

- Massive demographic pressures for migration between Africa and Europe will continue to resemble past pressures between Mexico and United States. The evidence from the US suggests that lawful channels could be a critical tool for Europe, alongside enforcement to suppress unlawful migration.

Richer countries are under pressure to respond to and regulate high levels of irregular migration reaching their borders. A prominent recommendation is for richer countries to expand opportunities for lawful or regular migration.\(^1\) Suppose they do. Will more regular migration simply raise migration overall, or will it substitute for and reduce irregular migration? The question underlies discussions around the Global Compact for Migration, a future international agreement on migration governance now being negotiated by United Nations Member States.

Interdicting and returning irregular migrants is the current, worldwide focus of efforts to regulate irregular migration. It can stop some, specific irregular migrants in the short run. But it comes at a substantial cost: migrants continue to pursue irregular (and often more dangerous) journeys, funneling more money to smugglers to make that journey happen. Simultaneously, the countries deterring migrants lose out on the labor many would have provided and that many countries need.\(^2\)

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These costs are avoided by expanding opportunities for regular migration. But regular channels alone need not deter irregular migration. If new regular channels do not sharply alter the incentives of migrants and employers to avoid irregularity, new regular channels might simply add to migration overall. Greater regular migration could even, in principle, raise irregular migration by expanding the international networks of potential irregular migrants: some irregular migrants are assisted by family members who migrated previously and regularly.

This brief sketches an important historical episode in which, in order for lawful migration channels to effectively alter the incentives and ultimately suppress irregular flows, those lawful channels were coupled with enhanced immigration enforcement. Likewise, enforcement efforts in this case have only been broadly successful when coupled with expanded channels for regular migration. The net effect of new lawful channels would be, of course, different in different times and places.

**EVIDENCE FROM THE UNITED STATES-MEXICO BORDER**

Over the last generation in the late twentieth century, the US-Mexico border has witnessed the largest bilateral migration flow on earth. It has also witnessed a vast policy experiment stretching over the last 76 years. Large channels for regular migration have been opened, closed, and opened again, with shifting degrees of accompanying border enforcement. The experiment offers an important opportunity to learn about how regular migration channels can shape irregular migration in one setting, and how those effects can depend on accompanying enforcement measures.

That experience can be roughly divided into four phases shown in figure 1. The figure compares the number of temporary work visas given to Mexican nationals each year (in green) to the number of unauthorized Mexican migrants apprehended by US immigration enforcement agents (in red). Each of the four phases saw a different mix of lawful migration channels and enforcement.

- **First phase, 1942–1953: Rising visas alongside low enforcement.** The US and Mexican governments in 1942 began a series of bilateral agreements to facilitate low-skill, seasonal labor mobility across the border. These agreements are collectively known as the “*Bracero*” (manual labor) Program. As the program grew, it was accompanied by increased apprehensions of irregular migrants. This was not primarily because immigration enforcement effort was rising, but because several features of the program raised employers’ incentives to hire on the black market. For example, an employer who liked a specific worker...
one season and wished to rehire him the next could not do so, as workers were only assigned from a common labor pool. Instead, many such employers simply rehired the desired person on the black market. The result was rising irregular migration alongside rising regular migration.

- Second phase, 1954–1964: Ample visas alongside tight enforcement. In mid-1954 the US government struck an informal bargain with a number of major farm interests employing Mexican workers. The government would drastically step up immigration enforcement both at the border and at work sites. Roughly one million Mexican nationals were deported via a wave of raids and roadblocks officially named “Operation Wetback.” In return, the government greatly expanded the number of Mexicans employers could hire through the Bracero Program. Two of the most important channels were a new “specials” program allowing employers to hire named individual workers they trusted, and the new “mica” (or I-100) program allowing them to renew/extend a worker’s contract without the worker having to first return to Mexico. When these channels were opened in an environment of strict enforcement, employers shifted massively to hire workers through regular means and migrants had high incentive to move via regular channels. The result was an immediate and near-total collapse in irregular migration.

- Third phase, 1965–2000: Few visas alongside low enforcement. At the start of 1965 the US government unilaterally ended the Bracero Program.3 With immaterial exceptions, ending the program ended the availability of nearly all low-skill US work visas to Mexicans for the next two decades. Combined with demographic change on both sides of the border—the number of young workers was rapidly rising in Mexico and falling in the United States—this created enormous pressure for irregular migration. Enforcement effort rose only modestly. From the early 1970s to the mid-1990s, the number of unauthorized migrants apprehended rose by more than a factor of 10, while the number of linewatch hours on the border only roughly doubled.4 The result was one of the largest waves of irregular labor migration the world has seen.

- Fourth phase, 2001–present: Rising visas alongside rising enforcement. In the late 1990s the US government massively stepped up border enforcement, with efforts including a tripling of linewatch hours. Since 2001 an unauthorized migrant’s probability of apprehension during entry has almost doubled.5 It also took steps to facilitate US employers’ access to the H-2A (seasonal farm work) and H-2B (seasonal non-farm work) visas created for low-skill work in 1986, including a new fast-track processing option in 2001. Expansion in the use of the H-2 visas to hire Mexicans has directly coincided with a collapse in irregular migration pressure. The result has been the lowest incidence of irregular migration at the border in a half-century.

To be clear, a variety of forces combined to produce the large swings in irregular migration at the US-Mexico border.6 But under a reasonable reading of the historical evidence, the regular migration channels at this glob-

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6 These include demographic change on both sides of the border, economic shocks on both sides, and structural change in the economies of both sides. See for example Gordon H. Hanson and Antonio Spilimbergo (1999). “Illegal immigration, border enforcement, and relative wages: Evidence from apprehensions at the US-Mexico border.” American Economic Review 89 (5): 1337–1357.
ally important border tended to substantially suppress irregular migration—when combined with robust enforcement.

EUROPE IS PARTLY RELIVING THE US EXPERIENCE OF THE 1980s

The demographic and economic realities unfolding today in Africa and Europe are partially recapitulating the United States-Mexico experience.

Demography was a deep driver of the two waves of Mexican migration seen in figure 1. In the 1950s, the number of young US workers fell for the first time in history—an aftershock of earlier, Depression-era low fertility—while the number of young workers in Mexico rose as Mexico began its demographic transition. In the 1980s and 1990s the demographic wave crested in Mexico at just the moment that the number of young US workers fell for the second time in history, as Baby Boomers aged into their 30s.

These two episodes meant that the demand for youthful labor was highest in the north just when its supply was highest in the south. Both can be seen in the green line of figure 2, which shows the difference in the
growth rate of the youth population (age 15–29) in the US and Mexico. A value above zero means that Mexico’s working-age youth population grows faster than the US’s in that year. Today, migration pressure is much lower with the youth population growing only half a percentage point faster in Mexico than the United States—and is projected to fall further.

But a striking difference between the 1950s and the 1980s-1990s stands out in figure 1. In broad terms, the US and Mexico cooperated to create substantial lawful channels to alleviate that pressure during the first episode, in the 1950s. They did not do so in the 1980s and 1990s. When the lawful channels of the 1950s were opened and combined with robust enforcement, they almost completely displaced irregular migration. When those channels existed but were not combined with robust enforcement,
or when those channels were eliminated, irregular migration quickly and massively rose.

This historical experience can inform policy dilemmas in Europe now. Figure 2 juxtaposes the Mexico-US experience on the same statistics for sub-Saharan Africa and high-income European countries. Relative population growth between Africa and Europe today looks similar to Mexico and the United States in the 1980s, at the time of peak pressure for irregular migration. But unlike the Mexico-US experience, this pressure will last much longer: at least another generation or two, as sub-Saharan Africa's demographic transition is far from complete. Sub-Saharan Africa will see a projected 800 million new, additional workers in the labor market over the next 30 years. This increase is 24 times the current sum total of workers in the entire United Kingdom.7

Migration pressure will thus continue to be extremely high between Africa and Europe. This is not a sign of development failure in Africa, but rather of development success—given that the fundamental cause of this demographic wave is recently soaring rates of survival for infants and children across the region. This should be celebrated. But it will create profound policy dilemmas for European governments seeking to minimize irregular migration between the two regions.

**Expanded lawful channels can be a critical ingredient of an overall strategy to suppress and displace irregular migration.**

WHAT EUROPE CAN LEARN FROM THE US EXPERIENCE

The lesson that European policymakers should draw from this comparison is certainly not that the US's past (and present) is Europe's destiny. Instead, in considering their own unique challenges, European countries should simply consider the tools US policymakers deployed that alleviated or exacerbated irregular migration in the past.

For decades, US policymakers chose not to employ regular channels for employment-based migration as a tool to reduce irregular migration, alongside enforcement efforts. The effects of this decision reverberate today in the continuing human tragedies associated with irregular migration and in the vitriolic and corrosive politics surrounding the several million irregular migrants now living in the United States.

In retrospect, US policymakers' choice was not a choice between regular migration and no migration. That choice was made impossible by overwhelming demographic, economic, geographic, and historic realities. Their choice was in large measure about the terms on which migration would occur.

There is little hard evidence as to whether regular migration channels can essentially substitute for irregular migration. Much more research remains to be done on this question, and the answers will differ greatly in different settings. A reasonable conclusion from the US-Mexico experience is that under large demographic and economic pressure, substantial lawful channels for economic migration have been necessary to curb irregular migration. They have not been sufficient, and have only been broadly effective when combined with robust border enforcement. Likewise, under enormous demographic and economic pressure, immigration enforcement measures have had limited effect unless combined with substantial and flexible lawful pathways.

This evidence suggests that expanded lawful channels can be a critical ingredient of an overall strategy to suppress and displace irregular migration. Given the political unpopularity of some existing lawful migration channels, a policy priority for this century is to invest in creating new kinds of lawful channels—with more tangible benefits to the voting public.8

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Global Skill Partnerships: A Proposal for Technical Training in a Mobile World

Michael A. Clemens

Abstract

Certain skills are in high demand in advanced economies, particularly in basic health care. Skilled migrants from developing countries are likely to fill part of that demand. This has aroused fears that skilled migration will harm development, by draining both human and financial resources from the countries migrants leave. This note reviews and critiques existing policy proposals to address the development effects of skilled migration. It then proposes a new kind of policy tool to regulate skilled migration in a way that benefits origin countries, destination countries, and migrants: Global Skill Partnerships. These are bilateral public-private agreements to link skill creation and skill mobility in a mutually beneficial and equitable way. Countries of migrant origin and destination agree ex ante who will bear the costs of training skilled migrants, and allow a small portion of the large economic gains from skill mobility to foster skill creation in origin countries. The note describes how such an agreement might work in one profession (nursing) and one region (North Africa). Numerous related initiatives around the world offer lessons for proper design.

1 Introduction

The richest countries show increasing demand for certain skilled services, and skilled workers from around the world are migrating to provide those services. But for some skills, particularly in health care, shortages are global—and skilled migration has the potential to exacerbate shortages in skilled migrants’ countries of origin. Policy responses that involve blocking skilled migration may be difficult to implement effectively or ethically, and do little to resolve skill imbalances at the destination.

This note proposes a new kind of policy response to global skill shortages. A Global Skill Partnership is a bilateral public-private partnership to link skill creation and skill mobility in a mutually beneficial and equitable way. Countries of migrant origin and destination agree \textit{ex ante} who will bear the costs of training skilled migrants, and allow a small portion of the large economic gains from skill mobility to foster skill creation in origin countries. Well-designed partnerships would eliminate and even reverse fiscal drain from origin countries due to new migration, while preserving workers’ mobility and providing needed skills at the destination. This note focuses on one profession and one region: It offers examples of why and how a partnership for the training and mobility of nurses might work between North Africa and Europe. But such partnerships could in principle work in various professions and regions.

These partnerships take a dual economic opportunity and turn it into an engine of human capital creation for both origin countries and destination countries. The first opportunity to create value is the very large gap in the price of nursing services between migrant-origin countries and destination countries. Nursing services are worth 5–8 times as much, for example, in Western Europe as in parts of North Africa. The second opportunity is that the cost of nurse \textit{training} at the migrant origin is a small fraction of the cost at the destination. It likewise costs at least 5–8 times as much to train a nurse in Western Europe as it costs in North Africa. Skilled migration can thus create enormous economic value. Global Skill Partnerships share that value in a way that origins, destinations, and migrants can agree to.
This proposal begins by describing global skill imbalances in nursing and discussing four traditional classes of policy response, each of which has important disadvantages. It then sketches why and how a Global Skill Partnership could do better than traditional approaches in some settings, and offers examples in the North African setting. It then lists several design features key to the success of such partnerships, and reviews global experience with related initiatives in the past.

2 Global skill mismatch and skilled migration: Nurses

Workers across the world are not acquiring some of the most important skills that their countries demand. This occurs in many sectors, but it is clearest for certain skills in health care. There is a global shortage of nurses, a shortage that takes one of two forms.

2.1 Two types of nursing shortage

The first form of nursing shortage is that many developing countries lack the nurses to provide basic coverage to their populations. While Western European countries typically have around 10 nurses per 1,000 population, their neighbors across the Mediterranean have far fewer. There are 3.3 nurses per 1,000 population in Tunisia, 2.0 in Algeria, and 0.9 in Morocco (WHO 2014). Just in these three North African countries, it would take tens of thousands of additional nurses to universally reach basic staffing levels recommended by the World Health Organization, and hundreds of thousands to meet Western European staffing levels. Similarly, Verboom et al. (2006) estimate that by 2025, India will confront a shortage of 740,000 nurses, while the shortage in sub-Saharan Africa will be well over 1 million.

The second form of shortage is that many developed countries will demand far more nurses than they are likely to train. Estimated Registered Nurse shortages within the next several years include over a million in the United States (BLS 2012), 600,000 in Western Europe (European Commission 2012), 100,000 in Canada (Little 2007), and about 100,000 in Australia (HWA 2012). All of these forecasts are sensitive to assump-
tions, but it is clear that training of nurses will not rise fully to the level of demand in many advanced economies.

Governments can respond to skill imbalances like these in many ways. Each of these responses faces limits. In health, governments can reduce credit constraints with funding for public training and incentives for private training of new health workers (WHO 2006). But rich countries face funding limits as populations age—raising health service demand while shrinking the tax base. Poor countries face even tighter constraints. Governments can also foster international trade in health services. They can make it easier for people to purchase health services in countries where costs are lower, known as “medical tourism” (Mattoo and Subramanian 2013), such as by reducing policy constraints on the portability of health insurance (Mattoo and Rathindran 2006).

2.2 Nurse migration—and its risks

An alternative response—fostering migration by skilled workers—is very likely to play a role in reducing some of these imbalances. Employment-based migration is controversial everywhere; but in health, it is already happening. Large fractions of the health workforce in some countries got their training in other countries. In the United States, 7% of registered nurses (Auerbach et al. 2012) and 25% of physicians (AMA 2010) were trained abroad. Governments from Germany to Japan have tested programs to attract health workers from abroad.

Health worker migration has raised important concerns about its potential effects on the countries of origin. A central concern is that the movement of health workers from less-developed countries will deplete the human resource base of already-weak health systems (WHO 2006). These concerns are so acute that the term “brain drain” is often used as a synonym for skilled migration, with health worker migration seen as its worst face (e.g. Grignon et al. 2012). Destination countries that allow migration have been accused of causing deaths in migrant origin countries by failing to limit these “fatal flows” (Joint Learning Initiative 2004, p. 102).
A separate concern is that health worker migration can deplete public coffers in the countries that migrants leave. Even when those countries are able to train replacements for those who migrate, this training often occurs at public expense. One country's taxpayers can, in effect, end up subsidizing other countries' health systems (WHO 2011). When the destination country is much wealthier than the origin country, this raises concerns about justice. It is estimated that tens of thousands of dollars in public subsidies are lost each time a Registered Nurse emigrates from Kenya (Kirigia et al. 2006) or Malawi (Muula et al. 2006). Mills et al. (2011) estimate a cumulative total training cost of US$2.2 billion for African-trained physicians residing in Australia, Canada, the United Kingdom, and the United States.

This has led to something of an impasse: In nursing, rich countries face pressure to raise skilled migration in response to local shortages and demographic forces. But they simultaneously face pressure to limit skilled migration in response to concerns about development impacts overseas. The next section describes four existing classes of proposals to address this impasse—and their drawbacks. Thereafter the paper proposes a new approach.

3 Four existing approaches to limit the development impact of nurse migration

Broadly speaking, policymakers have four existing options to limit the development impacts of skilled migration. This section reviews those options for the case of nurse migration—and their drawbacks. Thereafter, the paper will propose a new, fifth option.

3.1 Limit migration?

The first class of policies seeks to limit the ability of skilled workers to choose migration. This can involve preventing destination-country recognition of migrants skills (e.g. Gish and Godfrey 1979), self-sufficiency policies at destination countries to prevent migrants from working there (e.g. WHO 2011, Article 5.4), and treating interna-
tional recruiters of skilled workers as unethical or even criminal (e.g. Mills et al. 2008).

All such proposals to obstruct migration are complicated by practical concerns. These policies have unknown effectiveness in limiting skilled migration. And even if they can succeed in limiting skilled migration, there is evidence that this would do little to address skill shortages at the origin. Suppose, for example, that OECD destination countries were to slash by half the immigration of doctors and nurses from Africa, as well as somehow force the return of half the African doctors and nurses who have immigrated in the past. Even this extreme and draconian act would only eliminate 6% of Africa's shortage of doctors and nurses, as estimated by the World Health Organization. The same figure for Southeast Asia is 5% (OECD 2007, p. 178). Inside and outside the health sector, the roots of skill shortages lie in complex problems of economic and institutional development largely beyond the reach of migration policy. Partly for this reason, the countries in Africa with the lowest rates of physician and nurse emigration are those with the worst overall health conditions (Clemens 2007).

Proposals to obstruct skilled migration are also ethically complex: They may violate skilled migrants' rights under international law. Article 13.2 of the United Nations Universal Declaration of Human Rights endows all people with the unqualified right to leave any country. While it is often argued that bans on “active recruitment” do not limit migrants' right to emigrate for work abroad, this is not clear in legal or ethical terms. For example, most developed countries’ courts would likely find that if governments were to ban firms from actively recruiting women, this would conflict with women's unconditional right to work outside the home. For the same reason, banning active recruitment of a Malawian nurse by a London hospital, when that nurse's profession is the only lawful basis for migration, would impinge upon the nurse's unconditional right to leave Malawi. This issue is far from settled under international law, but it is also far from clear that recruitment limits can be straightforwardly declared “ethical”.

3.2 Compensation payments after migration?

Another way for governments to offset fiscal losses associated with skilled emigration is to demand cash compensation for costs incurred through subsidies to migrants’ training (e.g. Agwu and Llewelyn 2009; Mills et al. 2011; Chen et al. 2013). These might come from destination-country governments or from migrants themselves.

Such policies also face important difficulties. The financial loss is difficult to calculate given that many skilled workers provide years of home-country service prior to migration, and send home important sums of money (Clemens 2011). It is unclear that the cost of basic education should be included, as Mills et al. (2011) suggest it should be, since most origin countries consider basic education a right that is not contingent on subsequent movement. Destination countries’ priorities for human capital subsidies in origin countries might differ from origin countries own priorities, making compensation payments politically vulnerable (Clemens 2009). And aid flows are substantially fungible (e.g. Pack and Pack 2009), so even aid earmarked for human capital creation may not cause more human capital to be created.

3.3 Domestic efficiency measures?

Another way for policymakers to counteract the effects of skilled migration at the origin is to make the most of the human resources they are left with. For example, the effect of a health worker’s departure on local health conditions can be mitigated by increasing the effectiveness of remaining health workers.

This is what rural areas of most developed countries do in order to build and empower effective human capital stocks despite domestic migration, without limits on rural-urban recruitment or ex-post compensation payments to rural areas. For example, many US states with shortages of highly trained health workers have adopted laws empowering qualified by lower-level health workers to do more for patients. Many rural US states with shortages of physicians allow nurse practitioners to make diagnoses or prescribe medicine without physician supervision (such as North Dakota, Wyoming,
Idaho, Iowa, and West Virginia), while all the states with the largest cities do not allow this (New York, California, Texas, Illinois). This allows rural states to get the most out of health professionals who are less likely to leave.

In low-income countries, there are likewise many ways to improve the effectiveness of skilled workers who choose not to migrate. In the health sector this can imply meaningful incentives to provide primary care in slums and rural areas; focusing training efforts on prevention and basic primary care rather than higher-level tertiary care; giving providers the medicines and tools they need to practice effectively; and dismantling domestic barriers to independent practice by well-trained nurses. Clemens (2009) explores several of these measures. Steps of this kind can reduce the effects of skilled workers’ departure but not, of course, eliminate them.

### 3.4 Oblige return migration?

An alternative approach is to allow skilled workers to migrate for limited periods, then require them to return home. This does allow some movement by skilled workers, and can address temporary skill shortages in destination countries. Many countries have training programs of one sort or another that oblige skilled migrants to return to their home countries. Brazil and Turkey, among others, have mechanisms to pay for their nationals’ graduate education overseas in exchange for a commitment of service in the home country. Each requires a few years of service at the origin. The Fulbright Foreign Student Program sponsors graduate study for students from developing countries (and elsewhere) in the United States and obliges graduates to return thereafter to their countries of origin for two years.

A major limitation of obliging return migration is that skill shortages in many destination countries are long-term. The demographic transition will not reverse course in Germany and Japan; nurses will be needed there and elsewhere for the foreseeable future. Permanent migration best serves permanent need. Another important limitation

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1Brazil does this through its National Council for Scientific and Technological Development (CNPq), and Turkey through its Scientific and Technological Research Council (TÜBİTAK).
is the aforementioned unconditional right of skilled workers to emigrate permanently from any country. It is certainly sensible for countries that subsidize human capital formation to benefit from that human capital, but obliging people to live in one country or another is only one option to achieve that goal. Another option is shifting the burden of training subsidies from origin countries to destination countries—the subject of this note.

Destination-country governments have also tried creating incentives for return migration without obligation. Take-up tends to be low. Destination-country governments including Spain, Japan, and the Czech Republic have offered to pay immigrants cash to return home; very small percentages accept the offer McCabe et al. (2009). Their presence in a rich country is an asset that most value more highly than the few thousand dollars typically paid by such programs. Return migration of skilled workers has happened at substantial scale primarily when the country of origin creates the incentives for return—as occurred in Taiwan (Chang 1992; Saxenian 2002). Most developing countries simply do not have the resources to launch such a program.

4 A new approach: linking skill creation to skill mobility

Policymakers have a fifth, barely-explored option to address the development effects of skilled migration while preserving its global benefits. Countries of origin and destination can enter a new kind of bilateral agreement, a Global Skill Partnership. Two governments in a Global Skill Partnership agree *ex ante* on how to share the costs and benefits of creating skills for both countries’ needs, while preserving workers’ freedom of movement. These partnerships could occur in any technical field that is in global demand, but this section focuses on their application to nursing.

4.1 Key elements of a Global Skill Partnership

The heart of a Global Skill Partnership is a pre-migration agreement between two countries. The governments and any private-sector partners agree on who at the destination
will help finance migrants’ training, what portion of training will occur at the origin and to what standard, who will offer employment at the destination under what conditions, and how the benefits of skilled migration will support training for non-migrants. The agreement shapes the financing for training skilled migrants in such a way that it creates, rather than depletes, human capital in the origin country. At the same time it meets the needs of the destination country while opening opportunities for migrants.

One form of Global Skill Partnership could be a two-track technical school for nurses. Such a school would be a technical training institute in a developing country, where each student at entry must choose one of two tracks or courses of study. An ‘away’ track would train students to work abroad, in a developed country—permanently or temporarily. A ‘home’ track would train students to work in related jobs inside the country of training. Training for ‘away’ students could be financed either by destination-country employers or governments, or by graduates’ future earnings through a form of migration-contingent student loan. This financing would contain a partial subsidy to the training of ‘home’ track students—a social training credit—fostering and financing a supply response to nurse mobility.

Such a partnership could take many forms, according to the division of rights and responsibilities between the partners. Training could occur entirely in the origin country, or could begin at the origin and conclude at the destination. Financing could occur through the destination-country government, destination-country firms, through the students themselves, or some mix of these. Support for origin-country training could be large or limited.

4.2 Two engines of human capital creation

A Global Skill Partnership creates a financial mechanism to realize and share the benefits of two large arbitrage opportunities—turning them into engines of skill creation at the origin and the destination. These opportunities are illustrated here for nurses who move from North Africa to Europe, but similar opportunities exist all over the world.
The first opportunity is that the market value of nursing services is several times higher in Europe than in much of North Africa. Monthly wages of professional nurses commonly fall in the range US$400–500 in Morocco (Lebsir 2009) and Tunisia (Lautier 2005, p. 47). Foreign-trained nurses can start at US$2,500–3,000 per month and soon progress to $4,000 in Germany and France. This means that the mobility of nursing services from North Africa to Europe creates enormous economic value, like all movements of goods and services across an arbitrage opportunity. In the absence of some form of Global Skill Partnership, this value accrues to migrants and destination countries.

The second opportunity is that the cost of nurse training in North Africa is a small fraction of the cost in Europe. A full three-year course of training in professional nursing can be had in the largest urban centers of Morocco and Tunisia for less than US$14,000 total. In smaller cities the cost can be considerably less. The full cost of training a professional nurse in Germany or the United Kingdom falls in the range is US$80,000–US$100,000 total, or more, without living expenses. This likewise means that the mobility of nurse training from Europe to North Africa can create enormous economic value. And again, in the absence of a bilateral agreement, this value accrues to migrants’ destination countries.

2 Converted using exchange rates current at the time of each source’s publication.
3 German Medicine Net SARL advertised on April 5, 2014 “nursing jobs in hospitals in all parts of Germany” for foreign-trained nurses, paying “ca. 1800–3000 Euros before taxes and social security/month depending on qualification and region, up to 3500 Euros/month with additional qualifications.” In 2012–13 the German Federal Employment Agency offered starting salaries in the same range to Filipino nurses through the Philippine Overseas Employment Administration (FM-POEA-04-EF-07-A). In France, the Syndicat National des Professionnels Infirmiers reports a similar range for starting and early-career wages in France.
4 The private École Supérieure Privé de Nutrition et du Paramédical in Casablanca currently charges MAD37,000 per year, plus a one-time MAD3,500 registration fee, for its three-year sciences infirmières course—for a total three-year cost under US$14,000. The private Institut Supérieur Privé des Sciences Infirmières de Sousse (ISEPSI) in Sousse, Tunisia currently charges TND2,500 or less for each year of its three-year professional nursing course, including registration fee, amounting to a total start-to-finish cost under US$5,000.
5 The University of Witten/Herdecke, a private university in Germany accredited as an Universität equivalent in quality to state-run universities, charges €12,600 per semester for its three-year Bachelors in Nursing Practice, for a total cost of €75,600. The King’s College London Florence Nightingale School of Nursing and Midwifery currently charges £15,450 per year in tuition only to non-European foreign students for its three-year Bachelors in nursing, or (inclusive of fees) about US$80,000 total. These figures do not include any living expenses.
These numbers imply that training at the origin followed by service at the destination creates tremendous economic value. Three years of training a single nurse in North Africa followed by five years of service in Western Europe can create on the order of US$70,000–80,000 or more through the training cost differential and an additional US$120,000–150,000 or more through the wage differential. This means that the total added value of the arrangement would exceed US$200,000 even if the final year of training occurred in the destination country.

A Global Skill Partnership ensures that this added value is shared in a way that all parties can agree to. Without any agreement, value accrues exclusively to migrants and destination countries, and is widely seen as inequitable. In a partnership, origins and destinations agree ex ante that a small portion of the added value be directed toward nurse training at the origin—both for the migrants and to some degree for non-migrants. This lets the dual arbitrage opportunity play its role as an engine of human capital creation for the destination country while playing the same role at the origin.

4.3 Examples in a North African context

Here are schematic examples of how a two-track technical school might work in Tunisia, to prepare nurses wishing to work in Germany:

Maryam and Youssef are two young, low-income Tunisians interested in training to work as nurses. Maryam wants to work in Germany, Youssef in Tunisia. The federal government of Germany finances an intensive German language course for Maryam, after which the state government of Bavaria pays for one year of Maryam’s technical coursework in nursing (partly in German) as well as one year of Youssef’s coursework (in French or Arabic). All of this training occurs in Tunis. After this, Maryam moves to Bavaria to begin a two-year apprenticeship with a hospital, while Youssef completes his training in Tunis and works there. The Bavarian government saves money from the much lower cost of conducting Maryam’s coursework in Tunis relative to a standard apprenticeship. A small portion of that savings goes to subsidize Youssef’s training.

In an alternative structure, the schools could be self-financing:

Maryam and Youssef train as nurses entirely in Tunis. Maryam plans to work...
in Germany, Youssef in Tunis. Training each of them costs US$10,000, and neither can afford it. A private hospital group in Germany finances all of Maryam’s training and half of Youssef’s, for a total of US$15,000. In return, Maryam commits herself to work within its hospital network for at least four years. With just 12% of Maryam’s earnings over that period, she pays back the entire US$15,000. Alternatively, Maryam could ‘buy out’ her commitment to the original hospital group by switching employers and paying cash to offset her training costs.

And in another structure, training could be split between the two countries:

Maryam plans to work in Germany, Youssef in Tunis. Both train as nurses for one year in Tunis, while Maryam takes intensive German language classes that Youssef does not. The two then separate: Maryam completes two additional years of training in Germany, Youssef completes his training in Tunis. The German employer and public save US$25,000 or more from covering the cost of Maryam’s first year in Tunis rather than in Germany, as they would normally have to, even including the cost of Maryam’s German-language training. They thus agree to share the savings with Tunisia—providing a US$5,000 subsidy to cover half the cost of Youssef’s full course of study in Tunis. From the standpoint of the German employer, Maryam is a normal trainee but for the attraction of her reduced training cost, and there is little doubt of her skill level since her training has mostly occurred at and has been completed at German institutions.6

These examples are merely illustrative and many details could change. But observe the consequences of any of the above arrangements (Table 1): Germany gains a nurse (Maryam) whose net earnings are still eight times what she could earn in Tunisia; the German employer saves money, ending up with less net expenditure on training than in an normal apprenticeship and gains a profitable employee; Tunisia gains a nurse (Youssef) with a sizeable free scholarship; two low-income Tunisians get professional careers that are otherwise inaccessible; Tunisia expands the capacity and quality of its nurse training facilities; and there is no cost at all to the German or Tunisian governments. Other benefits to Tunisia could arise if Maryam chooses to remit some of her earnings home, or return one day to work in Tunisia.

6Germany is currently piloting a partnership for geriatric nurses from Vietnam that resembles this arrangement in most aspects except the absence of a ‘home’ track or Social Training Credit. This is discussed below.
Table 1: How a Global Skill Partnership beats the status quo in skilled migration

<table>
<thead>
<tr>
<th>Actor</th>
<th>Benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Destination country</strong></td>
<td>• Workers for shortage occupations</td>
</tr>
<tr>
<td></td>
<td>• Lower public training expenses</td>
</tr>
<tr>
<td><strong>Destination employer</strong></td>
<td>• Custom-trained workers</td>
</tr>
<tr>
<td></td>
<td>• Reduced training expenses</td>
</tr>
<tr>
<td></td>
<td>• Recruitment facilitated at origin</td>
</tr>
<tr>
<td><strong>Migrants</strong></td>
<td>• Professional employment</td>
</tr>
<tr>
<td></td>
<td>• International-quality training</td>
</tr>
<tr>
<td></td>
<td>• Access for students from low-income backgrounds</td>
</tr>
<tr>
<td></td>
<td>• Large rise in earnings</td>
</tr>
<tr>
<td><strong>Origin country</strong></td>
<td>• Subsidized training for 'home' track professionals</td>
</tr>
<tr>
<td></td>
<td>• Greater supply of professionals at origin</td>
</tr>
<tr>
<td></td>
<td>• No fiscal drain from graduates’ migration</td>
</tr>
<tr>
<td></td>
<td>• Stronger in-country training institutions</td>
</tr>
<tr>
<td></td>
<td>• Remittances from ‘away’ track graduates</td>
</tr>
</tbody>
</table>

These all-around benefits are possible simply because the labor of a nurse is worth enormously more money in Germany than in Tunisia, and the cost of training a nurse is enormously lower in Tunisia than in Germany. A two-track school turns these price differences into an engine of human capital creation on both sides of the Mediterranean. And the framework could be flexibly adapted to different settings: First, two-track schools could include nursing assistants and personal care workers, in addition to or instead of full professional nurses. Second, they could begin with health professionals, but the same framework could later be applied to various types of training to fill semi-skilled and skilled labor shortages in Europe. Third, the arrangement for graduates to live and work in Europe could be temporary or permanent, according to the needs of the destination country or even decided on an individual basis.
Two-track schools could have financing mechanisms different from the above example. Initial finance could come either from destination-country governments, from private-sector employers, or both. Graduates could be required to pay back some or all of the training finance after graduation—but that could occur either through a fixed commitment of work, or through later cash payments, or some mix of these.

Regardless, two-track training requires little or no up-front cost to students and is thus accessible to North Africans of any income level. Training for migrants costs North African taxpayers nothing and subsidizes the creation of professionals in North Africa, reducing fears of ‘brain drain’. Graduates who do not migrate pay much lower tuition, heavily subsidized by a small portion of migrant graduates’ earnings. The essence of the financing mechanism resembles a new type of student loan—tailored to the international context, and contingent upon the ability to pay that arises through migration.

Why would students choose the domestic track? Large numbers of skilled workers (and health workers in particular) from developing countries simply do not wish to emigrate—for a range of personal and professional reasons. Earnings are far from the only factor in health workers’ migration decisions (e.g. George et al. 2013). In the Philippines, where overseas opportunities for nurses are widely available, so many nurses choose to stay and work in their home country that the Philippines has high nurse staffing ratios—more, per capita, than Great Britain and Austria (Clemens 2009). Even from very low-income countries, many health professionals do not wish to migrate. Awases et al. (2004) survey 2,382 nurses, doctors, and pharmacists in Cameroon, Ghana, Senegal, South Africa, Uganda, and Zimbabwe. They find that 51% of respondents have no intention of emigrating. Avato (2009, Figure 2) reports survey results on 3,834 workers in Tunisia, Egypt, Moldova, and Albania, from numerous professions. Among tertiary-educated workers, about one third of Tunisians and Egyptians have no intention of emigrating, as well as about two fifths of Albanians and two thirds of Moldovans. Large numbers of skilled workers in general, and health workers in particular, are interested in training to work in their countries of origin. Furthermore, developing countries participating in arrangements of this kind could cap enrollment in the ‘away’ track at any level desired.
4.4 Key elements of design

A two-track technical school like the one described above could emerge as a public venture and remain as such. Alternatively, it could eventually become privately profitable and self-sustaining, with no ongoing cost to taxpayers either in Europe or in North Africa. But in either scenario it would require careful attention and cooperation by policymakers of both origin and destination countries. Critical design features include the following.

- **Bilateral agreement.** The movement of skilled workers, particularly health workers, has often occurred in an atmosphere of distrust and contestation among policymakers. Policymakers at the origin are unlikely to cooperate unless they believe that it is truly designed to foster human capital formation for domestic service. Policymakers at the destination are unlikely to cooperate if they perceive their origin-country counterparts as a potential obstacle. A successful two-track school pilot may need to occur in the context of a bilateral intergovernmental agreement. Sáez (2013) reviews the latest research on bilateral labor agreements designed with development objectives.

- **Financing mechanism.** In a Global Skill Partnership, training finance is 1) supported by the governments, firms, or workers in the country of migrant destination and 2) provided up-front, to allow access to students of limited means. This means that the parties to transactions in training finance are separated by both distance and time. Such a financing scheme obviously requires secure records, contracts spelling out the obligations of each party, reliable payment systems, and a mutually-agreed division of the financial burden of training subsidies, among other elements.

- **Social training credit.** Parties would need to agree up front to what degree the value generated by migrants would subsidize the training of non-migrants.

- **Contingency plan.** There will certainly be students in the ‘away’ track who cannot or will not migrate, just as there may be students in the ‘home’ track that attempt to migrate. A successful two-track school will require a plan for how to ad-
dress these scenarios. Training credits to non-migrant ‘away’ track students might be fully or partially forgiven, with allowances made for these eventualities in the financial plan. Migration among ‘home’ track students may be limited if their training does not include extensive foreign-language preparation and placement assistance.

- **Employer leadership.** The destination country must work directly with employers to understand their unmet needs and design training around those needs; craft visa policy that allows graduates to reliably enter the country; and cooperate to seek repayment from any graduates who might not fulfill post-graduation work commitments. A two-track technical school is inherently a public-private partnership.

- **Skill recognition.** It is essential that students in the ‘away’ track receive recognition of their qualifications, skills, and any work experience both in the destination country and the origin country. Some past initiatives in this genre (see below) have foundered either because they did not include adequate mechanisms for recognizing migrant graduates’ skills at the destination, or because they provided for skill recognition exclusively at the destination and did not serve the needs of those who for any reason did not or could not migrate.

- **Language training.** Many types of skilled work, certainly including all nursing and personal care work, require excellent skills in the language of the destination country. This must be a major focus of training in the ‘away’ track, including provision of technical training in the destination-country language.

- **Integrity of the ‘home’ track.** Migrating as a nurse is quite difficult; migrants face important barriers of skill recognition, language, and work visas, among others. For these reasons, students in the ‘home’ track of a two-track school would be unlikely to migrate if the program were carefully designed. The case studies below illustrate that graduates of any such program are unlikely to successfully migrate if their skills are not custom-designed for accreditation at the destination, if they receive no specialized language training, and if their work visas are not facilitated in the context of a bilateral agreement. A two-track system could ensure that no such facilitation occurs in the ‘home’ track, and that entrants agree to these con-
ditions up front.

- **Interministerial working groups.** A two-track school arrangement for health workers would likely require cooperation or at least assent from numerous ministries in order to function properly. These would include ministries of health, development cooperation, labor, immigration, and foreign affairs, and possibly also ministries of education and planning.

- **Portability between employers.** Employers that participate in financing training in the ‘away’ track deserve a return on that investment. But there are dangers in tying employees exclusively to a single employer for many years, since an important protection for workers’ rights is their ability to leave a job. A successful arrangement should allow for graduates to have the option to ‘buy out’ their commitment to an employer by working for a second employer and paying making pre-set cash payments to the first.

- **Quality control.** There must be clear mechanisms for monitoring and assessing the quality of training. A great deal of infrastructure already exists. All major migrant-destination countries already have systems for testing foreign-trained health professionals’ skills, such as the National Council Licensure Examination (NCLEX) in the United States and the Overseas Nurses Program in the United Kingdom. US studies of foreign-trained nurses (Cortés and Pan 2012) and doctors (Norcini et al. 2010) find them to be of comparable quality to their US-trained counterparts.

- **Training customization.** There must be channels for destination-country employers to work directly with origin-country training centers to customize training according to employers’ needs. This will help ensure graduates’ successful placement, as well as exerting upward pressure on training quality at the training institute more generally, including in the ‘home’ track.

- **Destination-country labor involvement.** It is critical to design programs of this kind in cooperation with labor unions or employees’ associations at the destination. It is normal for destination-country employees to perceive added competition from trainees of a program like this. In the nursing and personal care sector, for example, workers’ associations at the destination are likely to express a legit-
imate interest in the effects of foreign trainees on their own working conditions and negotiating power. When two-track training focuses on truly shortage occupations, conflict is less likely.

- **Startup capital.** While a well-designed two-track school could be financially self-sustaining, startup capital may be required for launch.

The next section briefly reviews examples of related initiatives around the world. These highlight the importance of several of the above design features.

## 5 Promise and pitfalls in related initiatives worldwide

Nothing exactly like a Global Skill Partnership now exists. But numerous initiatives around the world, both private and public, have shown that certain features of such a partnership can work. This section describes a number of existing initiatives, public and private, that foster skill mobility or skill creation. Many of these have faced challenges that can inform attempts to build future programs to link skill mobility with skill creation.

### 5.1 Many initiatives now link skill mobility and skill creation

It is not a new idea to link skill creation and skill mobility in some form. Governments have done this for decades, in a different way. Brazil and Turkey, as mentioned above, finance graduate education abroad with a link to service at home. Global Skill Partnerships are simply the mirror image of those programs. In the Brazilian and Turkish arrangements, an entity at the origin finances training at the destination in exchange for service at the origin. In a Global Skill Partnership, it is the reverse: An entity at the destination helps finance training at the origin in return for service at the destination. These experiences show that many of the key design issues identified above can be satisfactorily resolved. For example, there is a contingency plan for people who participate in the program but change their migration plans: Brazilian scholarship recipients have a mechanism to ‘buy out’ their home service commitment with cash payments.
More recently the world has seen the development of various initiatives that link training at the origin with service at the destination. Nurses Now International (NNI) is a Mexican firm that conducts and finances the training of nurses in Mexico for temporary service in the United States (Squires and Beltrán-Sánchez 2013). NNI selects Mexicans with basic nursing training and provides six months of intensive training in advanced nursing methods and English language in the city of Monterrey and elsewhere. NNI finances the entire cost of training plus a stipend during training. Graduates are then placed at one of many partner hospitals in the US for two months of additional training followed by three or four years of nursing work, utilizing the ‘TN-2’ (‘Treaty NAFTA’) visa. This migration typically raises their earning potential by roughly 1,000%—from about US$400/month in Mexico to US$4,500/month in the US—and 5–10% of those earnings are used to pay back the cost of their training (Hora Cero 2009). At the time of writing, the program has scores of successful placements. Notably, NNI also trains nurses to serve in Mexico caring for medical tourists from the United States. Created in 2007 with support from the US firm Blue Equity LLC, NNI has received certification from the Alliance for Ethical International Recruitment Practices.

Other, related initiatives receive some type of public facilitation, even if they are partially or even fully financed by employers. In Germany at the time of this writing, a suite of agreements is being piloted by the German Society for International Cooperation (GIZ) together with employers in eldercare and nursing. In one of these, employers are working with GIZ and the German Ministry for Economic Affairs to provide German-language training and nursing skills training for 100 Vietnamese young people in Vietnam, followed by an abbreviated two-year apprenticeship in geriatric nursing in Germany. By allowing Vietnam-acquired nurse training to substitute for the first year of the German apprenticeship, this program represents an innovative internationalization of the apprenticeship model. Like most German apprenticeships, it is jointly financed by employers and the government.

In Finland, the surgical wards of Helsinki University Central Hospital have recruited nurses from the Philippines in a way that divides their training between the two countries (Wildau 2011). Entrants to the program already have nursing degrees from the
Philippines, and must complete one year of additional training at the Laurea University of Applied Sciences while undergoing intensive Finnish language training. Because the Laurea program normally lasts three and a half years for Finnish entrants, training from the Philippines substitutes for two and a half years of Finland-based training. The end result is that, in effect, these nurses’ training is taking place partly in the Philippines and partly in Finland. The private Finnish firm Attendo has likewise recruited Filipinos already qualified as nurses to undergo language training and additional vocational training in Helsinki, financed in part by the Trade Union for the Public and Welfare Sectors, JHL (Jokinen 2013). Here, again, the recruits’ preparation as nurses is in effect split between the Philippines and Finland.

In another German pilot called the “Triple-Win Project”, GIZ helps employers recruit qualified health workers from Serbia, Bosnia, the Philippines, and Tunisia. In this project, GIZ helps arrange professional training, language training, and integration assistance in the country of origin—before migration—which is fully financed by the workers’ future employers in Germany. Beyond these, Germany is also the setting for multiple initiatives of this kind in the private health sector. The Arbeitgeberverband-Pflege—a private nursing home network—is supporting the training of eldercare workers in China for both German language and technical training.

Numerous other institutions around the world successfully finance technical training in developing countries for overseas service. The German shipping firm Döhle runs a training center in Manila to train seafarers for service outside the Philippines. The Kiribati Marine Training Center also trains seafarers with support from various shipping firms as well as the governments of Australia and New Zealand. The Qatari firm Silatech conducts and finances technical training of Yemeni workers in Yemen for temporary work in Qatar. All of these partnerships have required the formation of working international systems to finance training—across time and across legal jurisdictions.

Many initiatives at the interface of skill mobility and skill creation have faced challenges of various kinds. The following subsections review some of these experiences to gather lessons for the successful design of Global Skill Partnerships.
5.2 Challenges of demand or recognition for skills formed abroad

A Global Skill Partnership cannot function as intended unless it creates skills that employers proactively demand—in both countries—and provides mechanisms for the mutual recognition of those skills. Employers must be directly involved from the beginning, for few other actors are likely to push sufficiently hard against political and administrative barriers against labor mobility. This is shown by two related initiatives that have resulted in very little labor mobility, one from the Pacific and one from North America.

The first case is the Australia Pacific Technical College (APTC). The APTC is a network of five technical training campuses in the developing Pacific Island states of Vanuatu, Samoa, Fiji, Papua New Guinea, and the Solomon Islands. It was created in 2007 to offer Australia-recognized training qualifications for electricians, chefs, hospitality workers, and other skilled tradespersons. It was designed and heavily subsidized by AusAID to serve two goals: to build up human capital on the islands, and to provide skilled workers for shortage occupations in Australia. In this role it internationalizes skill creation. The second of these goals has been largely discarded as the APTC evolved. Just 1.2% of the APTC’s roughly 5,000 graduates have moved to Australia or New Zealand since the College was created.

Clemens et al. (2014) explore the reasons for this shift away from international mobility for skilled graduates. Some of these are the following: 1) Beyond their Australia-recognized diploma, graduates also need Australian recognition of work experience to qualify for most temporary and settler visas. The process for this recognition is difficult and expensive and the APTC has no involvement. 2) The APTC was largely the personal initiative of one Prime Minister, and it received substantially less support when he left office shortly after it was created. It was not created at the insistent demand of other Australian interest groups, especially employers. 3) The curriculum was not built around occupations with critical shortages: Resistance from Australian nurses’ unions led planners to excise nursing and personal care training from the APTC curriculum at the outset, despite large Australian shortages in these areas. 4) At the behest of migrant-
origin countries, APTC training has focused on providing upskilling for older, established, employed workers who are less likely to be interested in moving overseas. 5) Training costs are high, since most teachers have thus far been Australian expatriates.

The second case that illustrates these challenges is a nurse training program negotiated between Canada and Jamaica. In late 2009, the Canadian and Jamaican governments created a program to train Licensed Practical Nurses in Jamaica for service in Alberta, Canada. The course of study was 18 months. Training was conducted at the Pre-University School in Kingston, Montego Bay, and Portmore, and was accredited by NorQuest College in Alberta. It was created by an agreement between the Canadian High Commission and the Jamaican Ministry of Labor, brokered by the private firm Marmicmon Integrated Marketing and Communications. Students covered the cost of training and recruitment with the expectation of high earnings in Canada.

The Canada-Jamaica program was discontinued in late 2011. There is no publicly-available independent evaluation of the causes of this closure. Reid (2012) reports that of the 156 students who had completed training by May 2011, only 30 had departed for Canada. NorQuest canceled its contract with the Pre-University School in 2011. Even students who did not migrate were required to pay up front J$270,000 tuition, C$1,500 to Marmicmon and C$300 to NorQuest. A central problem was that many of the students were unable to complete practical portions of their training in Jamaica—required for licensing in Canada—because the Pre-University School had accepted students unable to enter practical training for technical reasons (Reid 2011). There also appear to have been unexpected delays in placing even fully qualified graduates with employers in Canada, disagreements over cost sharing between Canadian and Jamaican partner institutions, and a lack of employer participation in training finance to diminish students’ risk exposure.

In both of these programs, the APTC and the Canada-Jamaica agreement, there was insufficient coordination between employers at the destination and training institutions at the origin to ensure substantial labor mobility for trainees. These initiatives may have had many benefits apart from labor mobility—for example the APTC essentially
evolved into a training program for island nations and has created about 5,000 skilled graduates there. It thus has become a program for internationalizing skill formation, but not skill mobility.

5.3 Challenges of a robust financing mechanism

Global Skill Partnerships require a mechanism for training costs to be shared fairly between employers, destination countries, origin countries, and skilled migrants. There is danger when multiple parties are engaged in long-term financial transactions across different legal systems. The canceled Canada-Jamaica partnership described above illustrates one form of that danger.

Issues in the financing mechanism appear to have arisen in another innovative initiative of this type. Hamburg, Germany private hospital group Asklepios recently worked with the Ministry of Foreign Affairs to create a nurse migration partnership with Tunisia called the TaPIG Project. Groups of Tunisian students arrived in Hamburg in late 2012 and early 2013 for six months of German language and culture training (paid by the Foreign Affairs Ministry) to be followed by three years of apprenticeship training in nursing, paid by Asklepios. The financing mechanism involved an additional component of a student loan to cover other expenses of the students, such as room and board during the language and culture training. Complications with those loans appear to have led to suspension of new entries in the TaPIG Project at the time of this writing (though Asklepios intends to continue the training of previous entrants). The TaPIG experience suggests that the precise financing mechanism may be critical to progress in arrangements of this genre.

5.4 Challenges of labor opposition at the destination

The arrival of foreign workers in destination countries, even in critical shortage areas, is likely to create concerns among labor organizations such as unions and employee associations. Global Skill Partnerships must be designed with buy-in from these groups, requiring mutual concessions, or they will face problems down the road. One example
is the aforementioned opposition of nurse associations to the inclusion of nursing in the APTC curriculum. A further example comes from Japan.

In 2008, Japan began a program of attracting candidates for nursing positions in Japan from Indonesia and the Philippines under Economic Partnership Agreements or EPA (Ohno 2012; Ogawa 2012). These programs attract entrants who already have training and experience as nurses or care workers, and the program does not include a component to finance that origin-country training. But the Japanese government does pay for recruitment, travel, and living expenses of participants, while employers pay for six months of Japanese language training. Once arrived in Japan, program entrants become nursing and certified care-worker “candidates”, working legally without a license until they pass a stringent licensure examination of technical skills and Japanese language ability.

This program has faced difficulties because almost all entrants have failed the licensure exam. A total of 1,360 candidates entered Japan during 2008–2011. Of the first migrants who took the exam in 2010, just 1.2% passed. In 2011, 4.0% passed. This licensure exam was instated at the request of the Japan Nursing Association out of concern for “the potential effects on the domestic labor market” (Ogawa 2012) and it has been alleged that the Association designed the exam to keep the passing rate low as a protectionist measure (Ohno 2012, p. 550). Inoue (2013) concludes,

“The low ratio of success is the result of conflicting policy interests in a single political arrangement. At the administrative level, the MOFA [Ministry of Foreign Affairs] and the MHLW [Ministry of Health, Labor, and Welfare] take ... different positions to the EPA. The MOFA thinks that the EPA contributes to the international exchange of persons and inviting highly skilled persons. However, the MHLW emphasized that the EPA was not regarded as the solution for local staff shortage. Such MHLW’s position was parallel to that of the Japanese Nursing Association (JNA), one of the occupational interest group in the health-care sector. The JNA places a special emphasis on protecting the national labour market ...”

This experience highlights the importance of close coordination with destination-country labor organizations to prevent political conflict from damaging the program.
In the context of acute nursing shortages, for example, there will be ways to fill nursing positions with newly-trained migrants in ways that do not undermine working conditions for native nurses. But programs of this kind are likely to be perceived as a threat and substantial involvement of labor organizations will be required to build trust. Ogawa (2012) predicts that “if Japan continues to enforce the condition for the foreign workers to pass the national exam . . . the care facilities may eventually stop accepting them because of the large financial and human cost incurred.”

5.5 Challenges when trainees do not finish or receive no placement

Any program to link training and mobility requires a contingency plan for graduates who, for one reason or another, do not migrate. Students might enter the ‘away’ track of a two-track school but later wish to switch to the ‘home’ track. Graduates from the ‘away’ track might conceivably be unable to secure work at the destination, or might get fired. Any Global Skill Partnership requires a plan for such cases, especially for where financial responsibility for such graduates’ training will fall.

The Canada-Jamaica partnership discussed earlier aptly illustrates the need for contingency planning. Another example, from the Pacific region, is the Kiribati Australia Nursing Initiative (KANI). In 2006, Australia created KANI to train i-Kiribati students as nurses in Australia and for service in Australia. To date, scores of students have been trained to date at Griffith University in Australia. The program is not broadly perceived as promising and appears unlikely to continue. Many graduates have had difficulty in passing licensure examinations and securing professional employment in Australia, despite nursing shortages there. Officials familiar with KANI suggest in personal communications that the project could have benefited from more stringent up-front selection of students. But there is no publicly-available independent evaluation that would clarify its lessons for other programs.

Employers and financiers involved in any such partnerships would need assessments of the risks involved and provisions for unintended outcomes. Two of the German initiatives described above—the TaPIG Project and the Arbeitgeberverband-Pflege
partnership—built into their initial designs a provision for trainees who are either unable to migrate, unable to remain, or unable to complete satisfactory work.

5.6 Lessons

Any Global Skill Partnership must have a plan for addressing the above challenges. The experience of the APTC points to the importance of mechanisms for skill/experience recognition under bilateral agreements. Both Australia’s APTC and KANI and Japan’s nursing program underline the need to involve destination-country employers and the relevant labor groups in design of Global Skill Partnerships. Both the APTC and the Japanese EPA highlight the importance of interministerial coordination in receiving countries: In Australia there was little coordination between the implementer AusAID and the Department of Immigration to facilitate migration; in Japan there was insufficient agreement between the Foreign Affairs Ministry and the Health Ministry regarding measures to protect Japanese nurses from foreign competition. The closure of the Canadian Licensed Practical Nursing Program suggests the importance of ensuring that training programs comply with all domestic regulations for training and practice (not just overseas requirements), and the importance of financing mechanisms and contingency planning to protect graduates from undue financial risk.

These previous partnerships also illustrate what is possible. Brazil and Turkey’s experience with overseas scholarships highlights the feasibility of providing contingency plans to enact when individual graduates’ migration decisions change. The German public and private initiatives also have already proven some necessary components of a successful Global Skill Partnership, though their experience has underlined the importance of working out key features of the financing mechanism. Setting aside the other challenges they face, the GIZ and Asklepios projects were able to form partnerships with policymakers in Vietnam, the Philippines, and Tunisia—showing that willing and capable origin-country counterparts are available. The German and Japanese programs have shown that destination-country employers can be willing partners as well. The Mexican firm NNI has shown that working systems of international, migration-linked nursing education finance are possible.
6 Conclusion

More and more skilled workers will move from poor to rich countries in the years to come. There is little question that large-scale movement will happen; the question is on what terms it will happen. Skilled people will move, particularly nurses, but there need not be a choice between allowing that movement and stopping fiscal drain at the origin. This note proposes a new form of public-private training partnership to help skilled migration happen on terms more beneficial for origin countries, destination countries, and migrants: Global Skill Partnerships.

The two-track technical school is one form of Global Skill Partnership that maximizes the benefits to everyone involved. Designed correctly, a two-track school can provide destination countries with the skilled workers they will need and good jobs for youths from developing countries, while at the same time helping strengthen human capital stocks and public coffers in migrants’ countries of origin. Innovative partnerships like these are better ways to address concerns about skilled migration than alternative policies such as enforcing limits on migration or post-migration compensation payments. Those policies have attempted to reconstruct a world without migration. Global Skill Partnerships, in contrast, are a tool to help policymakers plan for a mobile world.
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