

BRIEFS

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

October 11, 2017

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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 Chişinău. Maria plans to work in Germany, Ion in Chişinău. 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 Chişinău 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