

Maximizing the Shared Benefits of Legal Migration Pathways: Lessons from Germany's Skills Partnerships

Michael Clemens, Helen Dempster, and Katelyn Gough

Abstract

The world is experiencing significant demographic shifts. By 2100, Europe's working-age population will have declined, and sub-Saharan Africa's working-age population will have greatly increased. Many of these new labor market entrants will seek opportunities in Europe, plugging skill gaps and contributing to economies in their countries of destination. Germany is one country piloting and implementing projects that can help alleviate such demographic pressures and maximize the potential mutual benefits of legal labor migration. We discuss these projects, and highlight differences in their potential impact on development in the country of origin. We recommend that European governments build on, adapt, and pilot-test one of Germany's approaches, also known as the Global Skill Partnership model: training potential migrants in their countries of origin before migration, along with non-migrants. Ideally, governments should pursue such pilot-tests with those countries that exhibit rising future migration pressure to Europe, particularly in sub-Saharan Africa.

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**Maximizing the Shared Benefits of Legal Migration Pathways:
Lessons from Germany’s Skills Partnerships**

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This report draws from interviews conducted with more than 30 subjects, including those involved in GIZ projects, Federal Ministry of Economic Cooperation and Development (BMZ) offices, private industry/business concerning Germany and Kosovo, government representatives in Kosovo, and training institutions concerning Germany and Kosovo. The research is grounded in project-specific desk research and broader institutional experience. This research emerged in close partnership with Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), and commissioned by BMZ.

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Overview

The demographic change felt in Europe and other developed regions of the world is well known. By 2100, Europe's working-age population will have declined to 327 million (from 456 million in 2015).¹ This is due to a combination of below-replacement fertility and increased longevity. The impact of this is already being felt, with the private sector in many countries demanding an increase in the number of workers available and the types of skills that they possess. If Europe is to continue to grow, and sustain its current social programs, it will need a substantial increase in the number and type of potential workers.²

At the same time, sub-Saharan Africa (in particular) is seeing a boom in the size of its working-age population. This results from a significant development achievement—between 1990 and 2000, the under-five mortality rate reduced from 180.4 (per 1,000 live births) to 153.6.³ Many of these new labor market entrants will enter increasingly developed local economies, others will migrate regionally in search of opportunities. And others will seek work elsewhere, in places such as Europe, to pursue fulfilling livelihoods and send remittances back home.

Germany is facing the same demographic decline as the rest of Europe; by 2060, aging of the German population will reduce the workforce by 30 percent and double the population over age 79 (in a low-immigration scenario).⁴ Unlike many countries in Europe, however, Germany, and particularly the German development agency GIZ (*Gesellschaft für Internationale Zusammenarbeit* or Corporation for International Cooperation), is already piloting and implementing projects which can help alleviate these demographic pressures and maximize the potential mutual benefits of legal labor migration.

GIZ's projects allow migrant access to the Germany labor market through three approaches: *Skilled Migration* (whereby existing skills are recognized, and additional training provided in Germany); *Destination Training* (whereby migrants access training and apprenticeship programs in Germany); and *Origin Training* (whereby migrants access training in their country of origin, prior to migration, and their skills are then recognized in Germany). Each of these approaches have important but varying degrees of development impact for the partner country of origin, grouped here in two categories: "Preventing Harm" and "Building Institutions". Migrants trained under these approaches will likely qualify under Germany's new *Skilled Labour Immigration Act* (due to enter into force in early 2020).⁵

¹ United Nations Department of Economic and Social Affairs (UNDESA) Population Division World Population Prospects 2017. <https://www.un.org/development/desa/publications/world-population-prospects-the-2017-revision.html>

² Pritchett, L. (December 18, 2015) 'Europe's Refugee Crisis Hides a Bigger Problem'. Center for Global Development blog. <https://www.cgdev.org/blog/europe-refugee-crisis-hides-bigger-problem>

³ UNICEF (2018) 'Under-five mortality rate data'. <https://data.unicef.org/topic/child-survival/under-five-mortality/>

⁴ Federal Statistical Office (2015), *Germany's Population by 2060: Results of the 13th coordinated population projection*, Page 20.

⁵ Zech, T. (January 4, 2019). 'Skilled personnel welcome'. Deutschland.de blog. <https://www.deutschland.de/en/topic/business/the-skilled-labour-immigration-act-working-in-germany>

This paper details the intricacies of the three approaches, and the benefits and drawbacks of each. After reviewing the three GIZ approaches, we find that the lessons of Germany’s experience can inform other European governments seeking innovative ways to regulate labor migration to maximize tangible, shared benefits. Our principal recommendations are that:

- The *Origin Training* approach offers the greatest opportunities for both development impact and European benefit. New pilot projects should explore ways to shift more and more of participants’ technical training into the migrant country of origin.
- Europe should explore partnerships with a new class of migrant countries of origin: those that exhibit rising future migration pressure to Europe.

In addition, to minimize common risks in projects of this kind, we recommend that future partnerships:

- Include a “home” track for non-migrant trainees, tailored to local needs.
- Address human capital challenges among trainers early on.
- Ensure that migrants’ visas are portable between employers, with clear dispute mechanisms.
- Prioritize strong, formalized, cooperation between ministries in the country of destination.

Introduction to Germany’s Skill Partnerships

Innovations combining development interventions, skills training programs, and legal labor migration pathways are few in number (see Box 1). Yet, given the demographic projections detailed above, these types of innovations are necessary to cooperatively regulate migration to the benefit of all involved. Instead of deterring skilled migration, GIZ has instead tested a number of different approaches, all of which are highly innovative, have overcome enormous logistical challenges, and have different impacts on development in the partner country of origin. We have named the three approaches *Skilled Migration*, *Destination Training*, and *Origin Training*:

- In the *Skilled Migration* approach, GIZ works with governments in countries of origin to responsibly recruit and prepare nurses, support the up-skilling and recognition of their existing skills, and place them with German employers that have acute labor needs.
- In the *Destination Training* approach, GIZ also helps the recruited workers acquire new technical skills after they arrive in Germany.
- In the *Origin Training* approach, GIZ does everything in the first two approaches, but the training of recruited workers takes place before they migrate, within the country of origin. Non-migrants are also trained.

Box 1. Introducing the Global Skill Partnership Concept

A Global Skill Partnership is a bilateral agreement between equal partners. The country of destination agrees to provide technology and finance to train potential migrants with targeted skills in the country of origin, *prior to migration*, and gets migrants with precisely the skills they need to integrate and contribute best upon arrival. The country of origin agrees to provide that training and gets support for the training of non-migrants too—*increasing* rather than draining human capital.

Six traits distinguish Global Skill Partnerships from existing related policies. They:

1. **Manage future migration pressure**, addressing many legitimate concerns about migration, in countries of destination (such as integration and fiscal impact) and in countries of origin (such as skills drain).
2. **Directly involve employers** in the country of destination to identify and train for specific skills they need that can be learned relatively quickly.
3. **Form a public-private partnership for semi-skilled work**, jobs that take between several months and three years to learn, not a university degree.
4. **Create skills *before* migration**, with cost savings to the country of destination and spillover benefits from training centers in the country of origin.
5. **Promote development**. They bundle training for migrants with training for non-migrants in the country of origin, according to the differing needs of each. Such training occurs in two tracks: a “home” track for non-migrants, and an “away” track for migrants. Trainees can pick which track to go down—those who choose to migrate could also receive additional training in soft skills, for example in different languages or other facets of integration.
6. **Are highly flexible**. Any agreement can, and must, be adapted to the specific country needs in both destination and origin.

Several countries are currently trialing Global Skill Partnerships. In early 2019, Belgium and Morocco launched a pilot project which will train ICT workers in Morocco, and support some of the trainees to migrate to fill labor market demands in Belgium.⁶ For several years, the Australia-Pacific Training Coalition (APTC) has trained workers from small Pacific Island states in skills such as hospitality that are in high demand among Australian employers; the objective being to support some skilled migration to meet Australian labor demands, and spur development in the Pacific Islands.⁷ There are private sector innovations around skills partnerships as well, such as the training programs developed by Porsche (to train and employ mechanics in South Africa and the Philippines).

As discussed in this note, German approaches to labor migration and skills partnerships are currently being developed and implemented. This naturally leads to adjustments to resource and practical constraints, expectation management, and a trial and error approach. The Global Skill Partnership concept has not yet been subject to these natural adjustments that happen during implementation. However, we believe this model can lead to mutually beneficial migration partnerships that maximize the development benefits for the country of origin.

More information in Clemens, M. (2015) “[Global Skill Partnerships: A proposal for technical training in a mobile world](#)”, *IZA Journal of Labor Policy*, 4:2.

These approaches affect development in the country of origin to a greater or lesser degree. We have classified the three approaches as falling within two development categories: “Preventing Harm” and “Building Institutions” (see Table 1 for a summary). The first has development benefits (e.g. through remittances and innovation transfer) but does not actively and directly seek to spur development in the country of origin in the short term (e.g. by establishing new institutions). The second does just that, building lasting structures and institutions that not only prevent harm, but also lead to maximum benefit for the country of origin.

The *Skilled Migration* and *Destination Training* approaches fall in the “Preventing Harm” category. These approaches select workers in direct cooperation with country of origin governments. This helps ensure that recruitment of trained graduates, rather than being seen as a drain on those governments’ investments in education, helps to address challenges they face such as high unemployment among skilled youth. Further, both approaches (to varying degrees) actively assist migrants in acquiring new qualifications in Germany. Such additional qualifications can lead to knowledge transfer back to their country of origin, through voluntary return or through interactions via international networks.

In Germany, the *Skilled Migration* approach has been followed with the Philippines, Serbia, Bosnia and Herzegovina, and Tunisia. Each of these is a privately funded partnership that fills labor shortages in Germany and responds to high unemployment rates in the partner country of origin by facilitating certification in Germany. The *Destination Training* approach has been followed with Vietnam, Kosovo, Morocco, and Georgia, which are mostly publicly funded partnerships between Germany and the partner country (with other actors, including employers or the World Bank) that respond to high unemployment in the partner country and worker shortages in Germany, by prioritizing vocational training in Germany.

⁶ For more information, please see Enabel’s PALIM project website: <https://www.enabel.be/content/europees-proefproject-palim-linkt-it-ontwikkeling-marokko-aan-knelpuntberoepen-vlaanderen-0>

⁷ Clemens, Michael A., Colum Graham, and Stephen Howes (2015) “Skill Development and Regional Mobility: Lessons from the Australia-Pacific Technical College”, *Journal of Development Studies*, 11: 1502–1517.

Table 1: Overview of the 3 GIZ Skill Partnership Approaches

| Goals | Timeline | Skills of recruits ⁸ | Training in origin-country | Training in Germany | Resources | Followed with |
|--|--|--|---|---|---------------------------------------|--|
| Development Category: “Preventing Harm” | | | | | | |
| <p>1. <i>Skilled Migration:</i></p> <p>Fill shortages in Germany, alleviate surplus of trained workers in the country of origin</p> | 2010–present (pilots began after 2012) | Mid-skill & experienced | Language and pre-integration measures | ~1 year practical and technical/theoretical training parallel to work (to achieve German skills recognition), dependent on individuals’ competence assessment | Primarily employers | The Philippines, Serbia, Bosnia and Herzegovina, and Tunisia |
| <p>2. <i>Destination Training:</i></p> <p>Fill shortages in Germany, alleviate surplus of semi-skilled/semi-trained workers in the country of origin</p> | 2012–present (pilots began after 2013) | Mid-skill & less experienced | Language and cultural orientation | ~3 years technical and vocational training | GIZ and employers | Vietnam, Kosovo, Morocco, and Georgia |
| Development Category: “Building Institutions” | | | | | | |
| <p>3. <i>Origin Training:</i></p> <p>Fill shortages in Germany and the country of origin, by investing in country of origin training capacity</p> | 2017–present (pilot under development) | Lower- to mid-skill & less experienced | Technical job skills; language and cultural orientation | Skills top-off upon arrival (anticipated) | GIZ, employers, and country of origin | Kosovo |

⁸ Mid-skill refers to those with at least a high school degree, and several years of college or vocational education, and/or professional experience; low-skill refers to those with typically a high school degree and limited or no college or vocational training, and limited professional experience.

The *Origin Training* approach, on the other hand, falls in the “Building Institutions” category. In this approach, GIZ creates new training institutions (or collaborates with existing ones) in the country of origin to build skills among potential migrants *and among non-migrants*. This provides the same opportunities for migrants as the other two approaches, but also creates human capital almost immediately in the country of origin, because some trainees do not migrate and instead reintegrate into local markets. It also directly builds the capacity of the country of origin to create skills at higher standards. The *Origin Training* approach (also called *dual-track* training for potential migrants and non-migrants), is currently under development in Kosovo. The Kosovo country of origin training partnership will help establish the training institution (or utilize existing institutions) in Pristina, and the dual-track approach will provide vocational training for participants across two cohorts: one to migrate for jobs in Germany, and one to (re)integrate into local labor markets.

“Preventing Harm” Approaches

Both the *Skilled Migration* and *Destination Training* approaches fall under the category “Preventing Harm”; that is, they welcome development benefits but do not actively and directly seek to spur development in the country of origin in the short term.

Common Design Features

GIZ’s *Skilled Migration* and *Destination Training* approaches are highly innovative, particularly in the partnerships they establish and nurture with partner governments, state-level German officials, employers, and other private sector counterparts. The basis for each of GIZ’s labor migration partnerships is laid out in a bilateral agreement signed between the German Federal Employment Agency and each of the Ministries of Labor in the partner countries of origin. The working conditions and terms, including the minimum salary before and after recognition is obtained, and the requirement that employers secure participant housing, are set out in this bilateral agreement. GIZ has project coordinators in Germany, who coordinate with GIZ colleagues on the ground in partner countries. The GIZ coordinators also lead on operational cooperation with the employer partners in Germany.

The selection criteria differ between approaches (see below) as does the period of preparatory training, but the overall structure of preparation and immediate arrival assistance is similar across projects. Prospective participants apply at the partner country Ministry of Labor or the local employment administration. The employment administration verifies documents and training, and then sends applications to GIZ. GIZ reviews the applications and invites prospective participants to interview with German colleagues (who are sometimes flown to the partner country for the interviews). The participants selected to advance after the application period next enter the preparation phase in the partner country. Language preparation is the primary element, carried out in local centers at tested to international standards.⁹ This is supplemented by cultural orientation and professional

⁹ Most of the nurses have taken the B1 exam by the Goethe Institut; one group in the Philippines took the Telc (The European Language Certificates) exam. The coursework has been carried out in different centers: the

preparation for the German context. Also at this time, employers in Germany identify and interview prospective candidates and extend formal offers, which prospective candidates decide whether they will accept. The employer pays GIZ a service fee (for example, in the *Skilled Migration* approach it is €5,500 per employee/participant) which includes coverage of participants' pre-departure preparation. Employers also pay for participant travel costs.

GIZ typically helps participants in the visa application process prior to migration, guiding their applications but not completing them on their behalf. Once in Germany, participants are responsible for renewing their visas periodically, according to German law. Ahead of participants' arrival to Germany, GIZ works with employers to advise on integration, working context, cultural sensitivities, and other factors. GIZ may also conduct a workshop with the existing workers at an employment site. Upon participants' arrival in Germany, GIZ offers to accompany participants to the relevant local offices, such as the foreign office, the bank to open an account, and so on. Employers must arrange appropriate housing options for participants, and typically, participants are responsible for paying their own housing (it is capped, relative to salary).¹⁰ The Foreign Offices request participants make at least €800 per month to ensure cost of living coverage.

The requirements for the formal skills recognition process and certification are set at the state-level in Germany. Employers organize both practical training and training for the written recognition exams, and employers bear the costs. (The lengths of these trainings differ across the two approaches, detailed below.) The format of training can differ depending on the worksite. For example, for health sector projects, a hospital may have more on-the-job technical training for participants, whereas a nursing home might require a two-month technical course before recognition exams. Language proficiency is required in tandem.

Different Design Features

Skilled Migration

Skilled Migration projects strive to create a win for German employers, the partner country, and migrants themselves. Triple Win estimates to have assisted German employers to hire estimated 600-700 nurses annually through the project, largely due to high demand.¹¹ The approach is a formalized partnership between GIZ, the migrant-countries of origin' employment agencies, and ZAV of the German Federal Employment Agency (BA). ZAV leads on acquisition of employer partners and participant selection.

To date, the *Skilled Migration* approach has focused on nurses with advanced skills. Some programs (Tunisia) require a bachelor's degree in nursing, while others (Serbia, Bosnia)

Goethe Institut in Bosnia, the DAF Center in Serbia, and a mix of Berlitz and the Goethe Institut in the Philippines.

¹⁰ For the Vietnam *Destination Training* project, rent is capped at €300, for example.

¹¹ German employers, per GIZ interviews, have typically 50 percent of their employees from abroad. Many of these foreign employees come not through GIZ, but from private recruiters.

require four years of technical nursing experience. This accelerates the period during which participants will need to train once in Germany, allowing them to start working and contributing to the German labor market more quickly. Additionally, the language training for *Skilled Migration* projects is intensive prior to departure, because participants need to communicate in social and technical contexts (particularly in the health sector). In Eastern Europe, language training is typically four to eight months. In non-European countries, language training is typically 12-13 months.

A Triple Win (the *Skilled Migration* projects) survey evaluation among participants who arrived between 2013 and 2017 reported a vast majority of participants have a favorable impression of their experience. The survey recorded a 92 percent “consistently or mostly positive rating” of the project among participants surveyed. 77 percent of participants indicated “support”—including integration support—provided throughout was the greatest strength of the GIZ projects. And, among participants surveyed, more than 81 percent reported still being with their first employer, marking a relatively high retention rate and likely indicating participant and employer satisfaction.¹²

Destination Training

In Vietnam in 2013, GIZ began testing a new approach: enabling access to the German labor market post training in Germany. It was led by GIZ in collaboration with the German Ministry of Economics and Energy (BMWi). The *Destination Training* projects include a longer period of vocational training upon arrival in Germany before certification. This period is typically three years, though employers can elect to shorten it. (For example, the first cohort from Vietnam (below) working in eldercare went through a pilot two-year training period.) The vocational training program helps to address oversaturated labor markets and gaps in partner country training capacity because of the longer and more thorough training component for participants (comparative to the *Skilled Migration* approach). There is also anticipated future human capital increase once some participants return home.¹³

The Vietnam *Destination Training* project for nursing and elder care positions in Germany requires a minimum of three years in nursing college. Similar to the *Skilled Migration* process, participants receive 12-13 months of language training in Vietnam and must achieve language certification prior to migration. In the Vietnam project, the pre-departure labor costs of language training and participants’ attendance are covered by BMWi. Different from other GIZ approaches, the *Destination Training* project in Vietnam rents a large dormitory

¹² Of those surveyed, 18.5 percent of respondents were no longer employed by their first employer. Reasons provided varied, including having left for a better offer of employment, personal reasons, working conditions, or other “structural” reasons (e.g., preferring to work at a hospital rather than a small nursing home). Julia von Freeden, “Evaluation of cooperation project Triple Win by Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH and Zentrale Auslands-und Fachvermittlung (ZAV) of the Bundesagentur für Arbeit,” *Internal* report to GIZ, 2018.

¹³ While GIZ projects are not circular migration programs by mandate, and participants could stay in Germany indefinitely if they obtain the proper employment and visas, many participants indicate through action or survey a desire to work for a period of time before returning to the origin country. In the case of Triple Win participants, the period of desired stay ranged from five to 20 years. This is likely similar in labor migration program cases.

near Hanoi, where participants live for the duration of language training. While there are no significant costs borne by participants, Vietnamese participants pay about €70 per month in “rent” to live at the dormitory near Hanoi. This innovation was implemented by the GIZ team in response to realizing Vietnamese participants take “free” programs less seriously. This is one small example of GIZ teams identifying local norms and cultural nuances and making minor adjustments in the project to adapt to the partner country context. For training and work in Germany, participants are placed in nursing homes, clinics, and university hospitals to train and work onsite prior to successfully passing recognition exams. GIZ staffer consulted estimated a 95 percent success rate on the first try for the recognition exam, with several needing a few extra months.

In a *Destination Training* project with Morocco, participants complete a three-year vocational education training (VET) program with hospitality employers in Germany. GIZ worked with the Ministry of Labor and Labor Market Integration and the Employment Agency (ANAPEC), as well as the World Bank and three employer associations in different German states, (namely the German Hotel and Restaurant Association (*Deutscher Hotel- und Gaststättenverband*; DEHOGA) in Thuringia, Bavaria and in Frankfurt). Prior to migration, participants selected complete language and some professional preparation in Morocco for about six months (a shorter duration than other projects).¹⁴ Once in Germany, participants learn and work on the job site.

Distinct from other projects in the *Skilled Migration* and *Destination Training* approaches, the Morocco project hotel employers often elected to provide free or greatly subsidized accommodation for participants. Additionally, providing two to three meals daily to participants was a condition of the project for the employer. The hospitality project does not include a formal salary, but rather an allowance (given the apprenticeship model with some part-time work). Depending on the state where a participant is working, allowances range from €680-740 each month, with additional payments for part-time work in the hotels.

Retention of participants in the Vietnam labor migration program project is informally estimated to be high—70 to 80 percent of participants remain with the first employer. In the Morocco case, still in the first cycle, 110 Moroccans were initially selected, and 108 successfully completed pre-departure training in Morocco (language and professional skills).¹⁵ As of about nine months into the VET training, ten participants had dropped out of the program.

“Building Institutions” Approaches

Currently, GIZ is trialing a new approach—*Origin Training*—in Kosovo. This dual-track approach is different from other GIZ approaches in two ways. Firstly, it shifts a substantial

¹⁴ Language training costs were estimated at the start of the project to be more than €260,000, conservatively. This is equivalent to more than €2360 per student for the 110-person cohort.

¹⁵ The first cohort of Moroccans successfully completed their pre-departure preparation between January and July 2017 and arrived in Germany in September 2017. They will complete the onsite VET programs around September 2020.

portion of migrants' training out of Germany and into the migrant country of origin. In the short-term, this offers enhanced, tangible benefits for the country of origin because it requires technical cooperation to raise the quality and technicality of training facilities, benefiting potential migrants and locals alike. In the long-term, it offers economic benefits to German employers, since training in countries of origin is often much less expensive than in Germany. Secondly, it bundles training of potential migrants with training of *non*-migrants. This increases the human capital of the country of origin and introduces new skills and technology into the domestic labor market.

The Kosovo pilot project is 60 percent funded by the German Ministry for Economic Cooperation and Development (BMZ), and partly funded by the Ministry of Economy in Bavaria. There is significant investment by private sector employers. The approach is being developed in the construction sector, building on an existing project which brought Kosovar participants to Germany to be trained. This existing project has helped to build trust among the Kosovo government, private sector, and participants, and has helped establish GIZ's credibility locally as an important partner for skills development and labor mobility opportunities in the region. It has also meant crucial design aspects for the new *Origin Training* project have already been agreed. For example, one German employer and investor has already discussed the labor mobility opportunities and qualification recognition processes with the Bavarian state-level authorities.¹⁶ This success has played a foundational role in securing private investment to support the new *Origin Training* project. These existing links, as well as demand from both sides, have been crucial in convincing GIZ to go beyond the *Destination Training* approach, and to seek training in Kosovo.

In this new dual-track project, the majority of the technical training will take place in Kosovo, potentially including some three-month apprenticeship visits in Germany for "away" track participants to gain practical experience. GIZ project staff will develop the technical training. It will be similar to the training a participant would receive in Germany, and will build from Germany's existing Technical and Vocational Education and Training (TVET) network in Kosovo (see Box 2) and GIZ's ongoing *Destination Training* project. Participants in the "away" track will train at GIZ Pristina institute and then migrate to Germany to work in the construction sector. The "home" track will train at the same Pristina institute and reintegrate into local Kosovo markets, where there is significant demand for construction workers.

Conducting training in Kosovo rather than Germany will dramatically reduce costs for employers who need to train participants in technical and vocational skills in construction. For example, there is a private training institution focused on electrical and heating installation and metal work preparing to launch full-time student courses (for multi-year programs) at a tuition rate of €1,400 per student, and short-term vocational courses (for

¹⁶ Per one interview with a former GIZ project lead.

three-months) at a tuition rate of €600 per student.¹⁷ Similar training in Germany for similar durations would cost several times that.

Box 2. Private Sector Dual-Track Models Already Occurring in Kosovo

Dual-track training models would necessarily vary greatly in different countries and sectors. The proposed model for the Kosovo project can be an informative example, but by no means a template for other settings.

The Heimerer Institute, based in Pristina, was established in 2010 by two partners—one German and one Kosovar. The institute is independent but accredited through the Kosovo government. It is a fully operational dual-track model with a relatively high degree of success, training students in Kosovo for labor opportunities in Germany as well as in local Kosovo markets. The institute specializes in health skills, offering programs in areas such as nursing and speech therapy, and a Master's in health management.

In December 2018, the institute had 1,700 students, 960 of whom were in the nursing program, and 60 percent of those set to graduate and access labor migration opportunities in the German markets. Those in the Germany track must complete an additional program for qualification recognition and language training. This brings the total annual cost of being in the Germany track to US\$3,850—with US\$1,850 in tuition costs and US\$2,000 in language training costs. Apparently, it is most common for anticipated employers to pay the language fee. The institute itself is financed by tuition fees. The cost of training participants and operating the institution is thus significantly lower as compared to training and operating in Germany.

The institute has also had broader capacity building benefits. It has brought in new healthcare skills and pedagogy to the Kosovo healthcare training market, which have now entered local provider networks. It has helped the Ministry of Health add new sectors to its training and recognition priorities. As a migration management tool, the institute has created a legal pathway alternative to irregular migration flows, common from Kosovo to Germany. As one director at the institute remarked, the 2015-16 rates for smugglers to move a migrant from Kosovo to Germany were US\$5,000-6,000; that same amount could be invested in training and education at the institute, enabling someone to move through regular channels, leading to better jobs, protections, and general immigration stability.

By conducting the bulk of participant training in the country of origin, and providing skills to migrants and non-migrants, this approach significantly increases the development benefit to Kosovo. Students choose whether they want to pursue the “home” or “away” track. When the first “home” track cohort graduates, they will move into in-demand sectors, plugging skills gaps and increasing human capital. Those in the “away” track will contribute back through remittances (a significant source of income for Kosovo), and through transferring innovations and ideas learned in Germany. In the other GIZ approaches, where participants migrate and train in Germany, such transfers may also occur, but the increase in

¹⁷ Estimates provided by director of institution during in-person interview. The institution will break even at 70 percent capacity.

human capital in the country of origin is far less immediate or certain—it occurs only if migrants elect to return home.

The *Origin Training* approach is new, and there remain three barriers to its implementation: establishing a training institution in the country of origin; creating a public-private partnership; and cultivating stakeholder buy-in.

1. Establishing a Training Institution in the Country of Origin

There are certainly challenges to establishing the training institution in the country of origin, but they are not insurmountable. The solutions require innovation, including in attracting, training, and retaining qualified instructors in Pristina rather than Germany, and in securing the engagement (financial and otherwise) of employers to support migrants and non-migrants. That innovation pays off in the significantly lower costs of training participants. Take the anecdotal example of one Dutch company, which moved its factory from Holland to Pristina and now operates at 30 percent of the cost, for €3–4 million less in annual labor costs, and has tripled in size within three years of moving.¹⁸ The innovation also maximizes the benefit to the partner country, increasing its skilled human capital stocks by providing training for those in a “home” track that remain in Kosovo.

There are other opportunities for the *Origin Training* approach to maximize development impact. Kosovo reported an inactivity rate of 80 percent for working age females in 2017.¹⁹ The informal barriers discussed in consultations include cultural restrictions and expectations of traditional roles. The structure of a migration and skill partnership project could be designed with specialized tracks for the “home” cohort to provide women with expertise to facilitate their entry into local labor markets. Including management skills, communications, and leadership in the curricula opens up the possibility for women to hold management roles in a technical company—one approach seen in Kosovo private training institutions.

2. Creating a Public-Private Partnership

The local private sector in partner countries can be a resource—in existing training capacities, as employers, and with insight into local labor market needs and demographics. The Kosovo pilot was made possible partly due to the availability of a willing private investor with German ties and a willing private partner with Kosovo ties both interested in this type of project. GIZ then worked with counterparts in the Kosovo government to begin developing the project.

Engaging the private sector early on can help ensure the needs of employers in both the destination and countries of origin are recognized and built into the curriculum. In the Kosovo case, private construction companies identified needs and proposed solutions. A

¹⁸ Per one interview with private sector stakeholder based in Pristina, Kosovo.

¹⁹ “Labor Force Survey (LFS) in Kosovo, 2017,” Kosovo Agency of Statistics, March 2018, <http://ask.rks-gov.net/en/kosovo-agency-of-statistics/add-news/labor-force-survey-lfs-in-kosovo-2017>.

public-private partnership model lightens the financial burden on the country of destination. Involving employers, or associations representing them, can also increase their sense of ownership and foster a willingness to invest in non-migrant training as well.

The Kosovo government currently faces challenges in building the capacity for an effective educational system responsive to labor market needs.²⁰ Numerous private training institutions in Kosovo portray their role as a stopgap measure, filling vocational and skills training gaps left as the government faces other priorities as a developing nation. Determining what vocational skills are in demand, however, is still being refined. Better analysis could help minimize trial-and-error time, and ensure any skill partnerships had the maximum development benefit.

3. Cultivating Stakeholder Buy-In

The Kosovo pilot project has received repeated green lights to move forward partly due to robust stakeholder buy-in. The dual-track training institute was established in Kosovo due to two proactive private sector partners from Germany and Kosovo (see Box 2). The Kosovo government is overall a willing partner, led by the Ministry of Labor and Social Welfare.²¹ Despite some officials wary of losing human capital through the “away” track approach, key stakeholders recognize the benefits of migration (including remittances) enough to agree to continue developing the project. Having buy-in from partners also enables practical challenges to be more quickly or effectively addressed. For example, there is a steering committee on the issue of educational standards that the Kosovo project has worked with to address questions of qualification recognition from Kosovo to German markets. It is unlikely recognition will be one-to-one. However, there are likely opportunities for a close-to recognition, dramatically reducing the adaptation training period for participants following their arrival (compared with the other GIZ approaches).

The Kosovo *Origin Training* approach can serve as a blueprint for future dual-track projects between countries of origin and destination, demonstrating how to navigate challenges and opportunities associated with shifting a greater portion of training and operations to a partner country of origin. Of course, this project has just begun and significant barriers must be overcome for it to achieve the impact it desires in terms of skills creation and development. However, as discussed above, many of the elements of the pilot *have* been successfully trialed in other projects, and all parties involved are optimistic about their potential future impact. It will be necessary to closely monitor and evaluate the impact of this project, to determine its replicability in other contexts. That being said, the challenges

²⁰ Several interviewees spoke to a lack of accountability and consequence governing teachers at public training institutions. Instructors seem to have a form a tenure where releasing them from duty is difficult or near-impossible. Several interviewees also spoke to a misallocation of resources and misguided prioritization in favor of social sciences educations—with the graduates of which the Kosovo labor market is now over saturated—over vocational and technical training.

²¹ The project started when there was a strong champion within the Kosovo government, a now-departed official.²¹ The official’s successor is supportive, and the original champion appears to have made enough progress to gain support from other ministries within the Kosovo government—including the Ministry of Education and the Employment Agency, and logistics buy-in from the Ministry of Foreign Affairs for processing visas.

faced in Kosovo appear to be similar to those faced by other countries of origin, in terms of an abundant labor force, skills gaps, and under-development. Understanding these differences in these aspects across countries of origin, and the challenges faced by all skill partnerships, will enable future projects to maximize the benefits of migration to all involved.

Common Traits and Challenges

Despite the different design features present in the three GIZ skill partnership approaches, they all share common traits and challenges. Understanding these, and how GIZ has responded to them, is crucial for other European governments seeking to implement similar projects. Regarding the former—*common traits*—all three approaches are:

- **Responsive to labor market needs in Germany.** At the end of 2017, Germany had a reported 1.2 million job vacancies.²² The labor shortages are expected to continue increasing across sectors. In nursing, for example, German authorities estimate a shortage of 300,000 nursing professionals by 2030, with 200,000 in eldercare alone.²³ The GIZ projects help meet these shortages with the necessary specificity. For example, in the Vietnam project, an estimated 80 percent of participants are currently working in clinics, and 20 percent work in nursing homes. Such pressures have been recognized in the passing of the new *Skilled Labour Immigration Act* which provides businesses more freedom to recruit non-EU workers to roles where there are skills shortages. In particular, it allows immigrants who have undertaken vocational training recognized in Germany, to move.
- **Aware of labor market pressures in the partner country of origin.** Each of the partner countries of origin is at a stage of development where skilled workers are scarcer, relative to the population, than in more developed countries. GIZ and other German ministry partners, such as Germany's International Placement Service (ZAV), have built these projects in close coordination with partner governments to ensure participant recruitment does not deplete productive skilled workers in the country of origin.
- **Utilizing innovative partnerships (particularly with the private sector).** GIZ has forged positive working relations, not only with the ministries of labor in partner countries of origin, but also with employers, German consulates, and German state governments. Each have proven crucial to sustaining the projects, building job opportunities, securing visas, and facilitating the necessary skills certification. Partnerships with German states are particularly important, as skills recognition operates at the *Bundesländer* level. Having foreign qualifications recognized, even at the most preliminary levels to qualify for training visas in the

²² “Germany looks to foreign workers to tackle labour shortage”, *Financial Times*, August 28, 2018. <https://www.ft.com/content/c1626f0c-a6f2-11e8-8ecf-a7ae1beff35b>

²³ TW Evaluation, numbers from German Nursing Council and Federal Ministry of Health.

country of destination, is difficult. GIZ has managed across its different approaches to pave the way to facilitate recognition for participants, at varying time periods after their initial arrival. Partnerships with employers themselves have been particularly innovative. GIZ works directly with the employers to identify what skills are in demand, to gain an understanding workplace conditions and the culture participants should expect (to inform participant preparation), and to prepare employers and sometimes fellow employees for supporting the integration of participants from a new country.

Regarding the latter—*common challenges*—all three approaches are struggling with:

- **Providing quality language training.** Language training, and the level of German proficiency among participants, is a challenge particularly in non-European partner countries. GIZ works with local German language institutes in the partner country to train participants during the pre-departure phase. Changes to the German language requirements for foreign workers in some partner countries has increased the minimum capability. This requires intensified language training without extending the pre-departure training period. Ensuring quality language training can also be difficult and will likely continue to be in new partner countries. Working with local universities to build from their language programs (and student pools) can supplement the standard language training partners countries of destination may work with.
- **Promoting integration.** Integration remains a challenge, one of both perception and reality. Some employers have been hesitant to hire participants from non-European countries because of concerns about poor integration prospects. Integration has been a practical challenge with some participants struggling to complete the language training, needing more time on the skills recognition training, or adjusting to the workplace culture in Germany. The GIZ projects have remained flexible and adaptive in how they approach and foster integration services. Given the dispersion of participants once they arrive to Germany, the Vietnam project team, for example, is working with local contacts in different cities and towns to build networks for integration support over the first year of participants' lives. These local contacts are also envisioned to serve as integration support contacts for employers over the first year. Another project in Kosovo works with local diaspora members in the German cities and towns participants move to, to provide a conduit for integration and for discussing future prospects either in Germany or at home in Kosovo.
- **Managing competition for workers.** There is some competition with private recruiting firms seeking workers from abroad to work for companies, including for nursing in Germany. The Vietnam skills partnership program, for example, has experienced this competition both in attracting qualified workers, and in getting the GIZ participant visas processed in a timely manner amid a large number of migrant worker visas. The Vietnam program team forged productive relations with the

German consulate in Hanoi, and this informal partnership led to the GIZ team being able to schedule blocs of time for GIZ participant visa processing, allowing greater organization and timely processing of most or all participants in a cohort.

- **Spurring development in the partner country of origin.** Among the operational GIZ projects, one of the clearest evidence gaps is what the development benefit (beyond remittances) is to the partner country of origin. While in theory, projects like Triple Win and skill partnerships will deliver development benefit through increased human capital once participants return home, it is still too early in the project timeline to see substantial participant return rates. GIZ does not enforce circularity within its programs, and participants could choose to stay permanently. The exception is the *Origin Training* pilot project in Kosovo, which creates almost immediate human capital increases in the country of origin.

Lessons Learned and Policy Recommendations for European Governments

Migration and skill partnerships can be a mechanism for directly promoting development in the partner country of origin, a mechanism for migrants to realize their aspirations, a mechanism to address labor shortages in Europe, and a mechanism to address current and future migration pressures. They can be all of these things at the same time. The degree to which they benefit everyone involved depends on features of their design.

The three German skill partnership approaches profiled in this paper exemplify this point. All share common features, traits, and challenges, yet primarily differ to the extent to which they promote development in the country of origin. For European governments interested in piloting new kinds of legal labor migration pathways to the benefit of all involved, it is imperative to understand the lessons learnt from these approaches, and therefore what recommendations should be taken up in future pilots.

Such pilots fit within the European Commission’s plans to “replace irregular migratory flows with safe, orderly and well managed legal migration pathways; and to incentivize cooperation on issues such as prevention of irregular migration, readmission and return of irregular migrants.”²⁴ They are supporting the implementation of pilot projects through a number of funding streams, including the Directorate-Generals for Migration and Home Affairs (DG HOME)’s Mobility Partnerships Facility (MPF).²⁵ Many Member States have already

²⁴ European Commission. (2018) ‘Communication from the Commission to the European Parliament, the European Council and the Council: Managing migration in all its aspects: progress under the European Agenda on Migration’. https://ec.europa.eu/home-affairs/sites/homeaffairs/files/what-we-do/policies/european-agenda-migration/20181204_com-2018-798-communication_en.pdf

²⁵ The MPF is coordinated by the International Center for Migration Policy Development (ICMPD) under the leadership of the Directorate-Generals for Migration and Home Affairs (DG HOME), Neighbourhood and Enlargement Negotiations (DG NEAR) and International Cooperation and Development (DG DEVCO) and the European External Action Service (EEAS). It was originally provided €5.5 million for 35 months (from January 2016). New funding was then granted in order to rapidly support the pilot projects—the MPF now has another €12.5 million for 36 months (from January 2018). A new phase will start in autumn 2019. Funding comes

received funding from the MPF, and a new funding round is soon to open. This is therefore an opportune time to learn from Germany's approaches, and tailor new pilots to promote both skills creation and development in the country of origin.

Lessons Learned

- **Develop constructive working relationships with/in ministries.**

In the partner country of origin, multiple ministries are relevant and should be involved such as ministries of labor, immigration, education, development, health (or another professional sector), and/or foreign affairs. However, there needs to be at least one “champion” ministry willing and able to take the approach forward. Coordination among ministries in the country of destination is equally essential. While there may be a sponsoring and implementing ministry, buy-in and support from other ministries and the executive office can ensure project success. For example, ministries of foreign affairs or state may advise for or against partner countries of origin; ministries of interior and immigration may lead on issues of visas and security (e.g., ensuring strong record of migrants to combat visa overstays; ministries of trade and/or education could help identify skills needs, and state- and/or federal-level leads could support curricula development. Consulates in the partner country of origin are important partners in facilitating visas for participants.
- **Engage the private sector as early as possible.**

As the employer, the private sector indicates the precise skills and technical qualifications migrants need to have to fill specific job needs. Establishing the requirements and expectations, including cost expectations, of the private sector from the start can ensure success. As in the memorandum of understanding between Germany and partner country of origin ministries of labor, this should include establishing minimum salaries, provisions for housing and food, and dispute mechanisms for participants. The private sector should also engage in curricula development (in the German case, working with the state-level authorities).
- **Partner with existing institutions in the country of origin.**

As seen in the *Origin Training* approach with Kosovo, there may be private sector institutions already innovating and operating in the partner country of origin, meeting labor force needs with/out a migration component. Partnering with these institutions, instead of starting from scratch, can save money. This can also help ensure local context relevance and provide important insight on the existing skills capabilities of the population in the country of origin. Countries of destination could also explore professional exchanges with skilled workers to facilitate capacity building in the country of origin institutions, including in training qualified instructors. Further, corporate employers may also have an existing presence in

from the Asylum, Migration and Integration Fund (AMIF), the Internal Security Fund for Police Cooperation (ISF-Police) and the Internal Security Fund for Borders and Visa (ISF-Borders and Visa).

partner countries.²⁶ Teaming up with these large companies early on can unlock employment opportunities for “home” and “away” track participants. The companies may also already have some form of training institutions established for their local workforce.

- **Provide professional preparation training prior to departure.**
This goes beyond cultural awareness courses, and should include skills such as leadership, conflict resolution, and other workplace skills (such as team management). This is part of expectations management; adjusting the approach of participants who will migrate to best match the workplace customs and protocol in the country of destination. Bringing in employers early can help inform the pre-departure professional training by identifying what the workplace structure and expectations are.
- **Deliver advanced language training, both technical and conversational.**
Technical fluency in the language of the country of origin is essential, but conversational language abilities are just as important. Migrant workers need to be able to speak with clients and colleagues. Conversational language abilities will assist not only to professional success but also to integration upon arrival (even if the migration is not permanent).
- **Strengthen integration services.**
Direct connection to an employer, professional colleagues, income, and tax contributions from the day of arrival are the best terms on which migration can happen. GIZ already has examples of first-week support, with GIZ colleagues helping participants in setting up a bank account and registering with the foreign office. Integration can be further strengthened by continuing to engage local integration support networks and diaspora where participants will settle. Part of the integration approach will also include breaking down mental barriers employers may have toward employing people of a different part of the world.

Policy Recommendations

As detailed above, the coming decades will see the working-age population in Europe decline, leading to more private sector demand for skilled workers. At the same time, the working-age population in sub-Saharan Africa will rapidly increase. Many will enter increasingly developed local economies, others will migrate regionally and internationally in search of opportunities. If traditional countries of destination, such as those in Europe, want

²⁶ One interviewee noted one prominent multi-national corporation’s significant presence in Egypt, including with local factories, and the desire and need to train local workers in technical skills. The corporation had initially brought a large group of Egyptian workers to Germany to train for a period of time, but costs proved unsustainable. An Egypt-based training institution could provide technical skills at a sustainable cost.

to ensure this migration happens in a way that benefits all, it will be essential to pilot and scale new kinds of legal labor migration pathways.²⁷

Three such pathways have been explored in this paper. They differ, primarily, in the extent to which they actively pursue development impact in the partner country of origin. If European governments want to unlock the maximum benefits migration has to offer, they should employ the *Origin Training* approach: exploring a dual-track system for both potential migrants and non-migrants, with partner countries of origin facing emigration pressures. Many of the conclusions in this paper could be transferred to countries of origin in sub-Saharan Africa, others may not. Therefore, any implementation should be done in pilot form, operating at a lower-profile and more able to be fine-tuned in response to trial and error. As pilot projects continue to refine what these migration and skill partnerships look like, they can be scaled up and/or applied in new country contexts. These pilots could be funded by the European Commission's MPF above, or through governmental budgets.

In establishing new kinds of legal labor migration pathways, European governments should:

- **Partner with countries exhibiting rising future migration pressure to Europe.** Without bold steps to manage migration pressures, they are likely to result in instability in countries of origin. Yet, to date, the selection of partner countries of origin for Germany's skill partnerships has not systematically responded to such migration pressures. Some partners have exhibited such pressures (the Balkan region and Tunisia) while others have not (Vietnam and the Philippines). Future skill partnerships should seek to channel migration pressures into legal pathways that assist migrants to quickly integrate and maximally contribute once they arrive to Europe. Systematically using these skill partnerships as one of many tools to manage future migration pressures will also maximize their development impact.
- **Shift technical training into the country of origin.** Employing the *Origin Training* approach with "home" and "away" cohorts will maximize the development impact to the partner country of origin. This approach strengthens country of origin training capacity and institutions, creates a sustainable human capital increase in a relatively short timeframe (by training participants who will reintegrate into local markets), and fosters a technology and innovation transfer by bringing training to the country of origin communities. Such an approach is ultimately more sustainable and cost-effective in the long-run. Operating costs are significantly lower in developing countries of origin than they are in Europe, as are housing and other costs related to the care of trainees. There are different financing options for funding the training of the "home" track, including by having employers finance beyond their own individual employees, or using back-payments from those who migrate to subsidize the costs of training for "home" track participants. To

²⁷ Michael Clemens and Kate Gough, "Can Regular Migration Channels Reduce Irregular Migration?" Center for Global Development, 2018, <https://www.cgdev.org/publication/can-regular-migration-channels-reduce-irregular-migration-lessons-europe-united-states>.

make sure the benefits outweigh the costs, all parties involved must ensure the skills trained for are targeted and transferrable, and migration occurs in a predictable and smooth way.

- **Tailor the “home” track to partner country of origin needs.**

The dual-track approach can help address specific challenges around labor market participation rates or high unemployment. For example, Germany has and will continue to have a shortage of elder care nurses. Ethiopia, if selected as a partner country, may need general practice hospital nurses. The training institutions and dual-track systems can be designed to meet these complementary but different needs. The “away” track class in the institution may include general nursing training and then focus on elder care specifically, while the “home” track class focuses on general nursing throughout.

- **Address human capital challenges among trainers early on.**

As seen in the Kosovo case, finding qualified technical trainers in the partner country may be challenging. However, it is not impossible. To up-skill local instructors, European countries could utilize professional exchanges to send European technical trainers to the partner country for a short period of time to train local instructors. Later on, European countries could establish professional exchanges with previous or current participants on short-term rotational bases once the projects are up and running.²⁸

- **Ensure visa portability and clear dispute mechanisms.**

Currently, participants in the GIZ approaches can change employers as needed or desired. However, doing so requires the new employer to provide a contract to renew the visa. Participants may need or want to change employers for many reasons. Clear dispute mechanisms can preserve both the participant’s status in the project and the country of destination’s project team’s working relationship with the employer (GIZ currently has some form of dispute mechanisms and conflict resolution processes). Clearly establishing those processes and sharing documents with employers and participants from the start can manage expectations and make clear the rights of all parties involved. This could also alleviate any hesitations among employers.

- **Prioritize strong cooperation between ministries.**

One set of partnerships we expected to find in abundance, but did not, was partnerships between German agencies and ministries at the federal level. This is

²⁸ One private sector institution, partly funded by the European Commission and with partnerships with Germany, has been successfully training nurses and healthcare workers in vocational and technical studies, with two tracks—one to migrate to Germany, and one to remain in Kosovo. The institution has established a learning exchange program, where graduates now working abroad, as well as their German colleagues, can temporarily relocate to Kosovo (typically for a month or several) to support the institution—training students, supporting management and administrative functions, and more.

one area where strategic partnerships could help to maximize mutual benefits to the countries of destination, the partner countries of origin, and participants, while also building coalitions of support within the government in the country of destination. Such coalitions could help strengthen the sustainability of migration and skill partnership projects over the long-term, particularly as European countries explore new partner countries of origin and political sensitives around migration continue.