

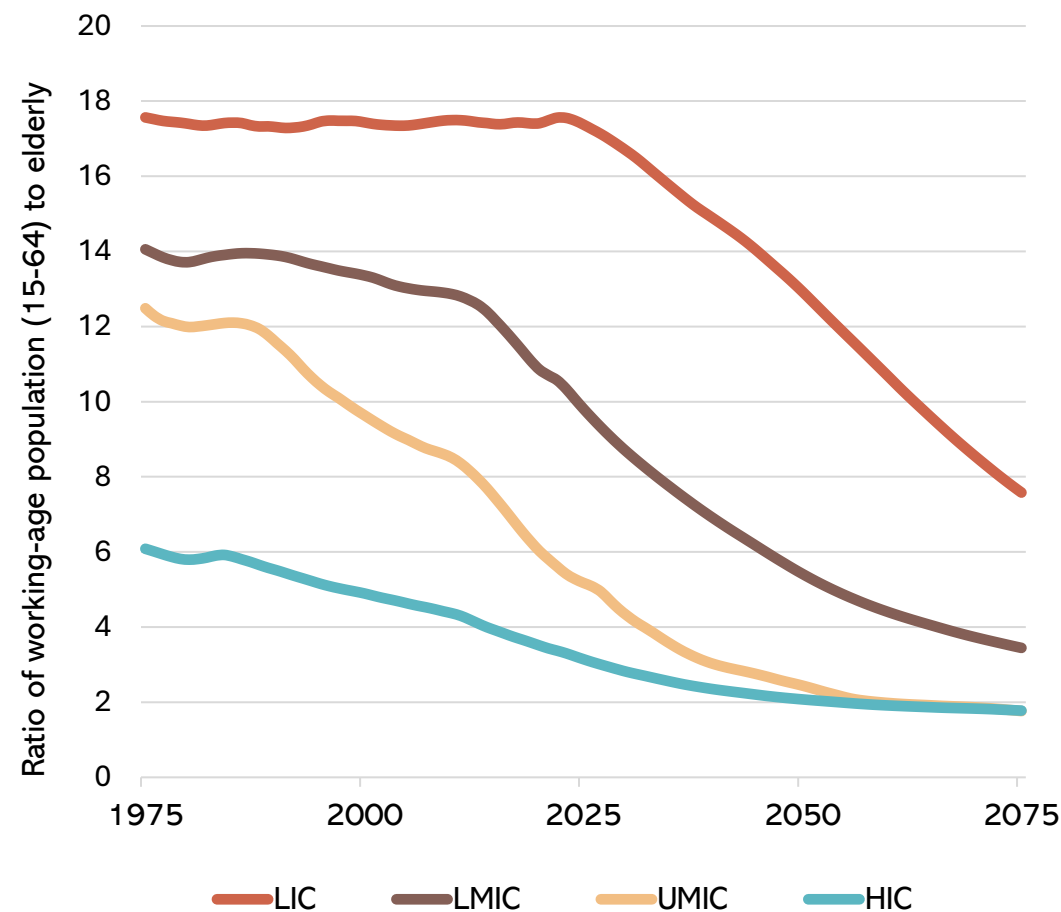
The Promise of Global Skill Partnerships and the Need for Investment in Skills and International Labor Mobility Systems

Abu Dhabi Dialogues
Pablo Acosta
World Bank



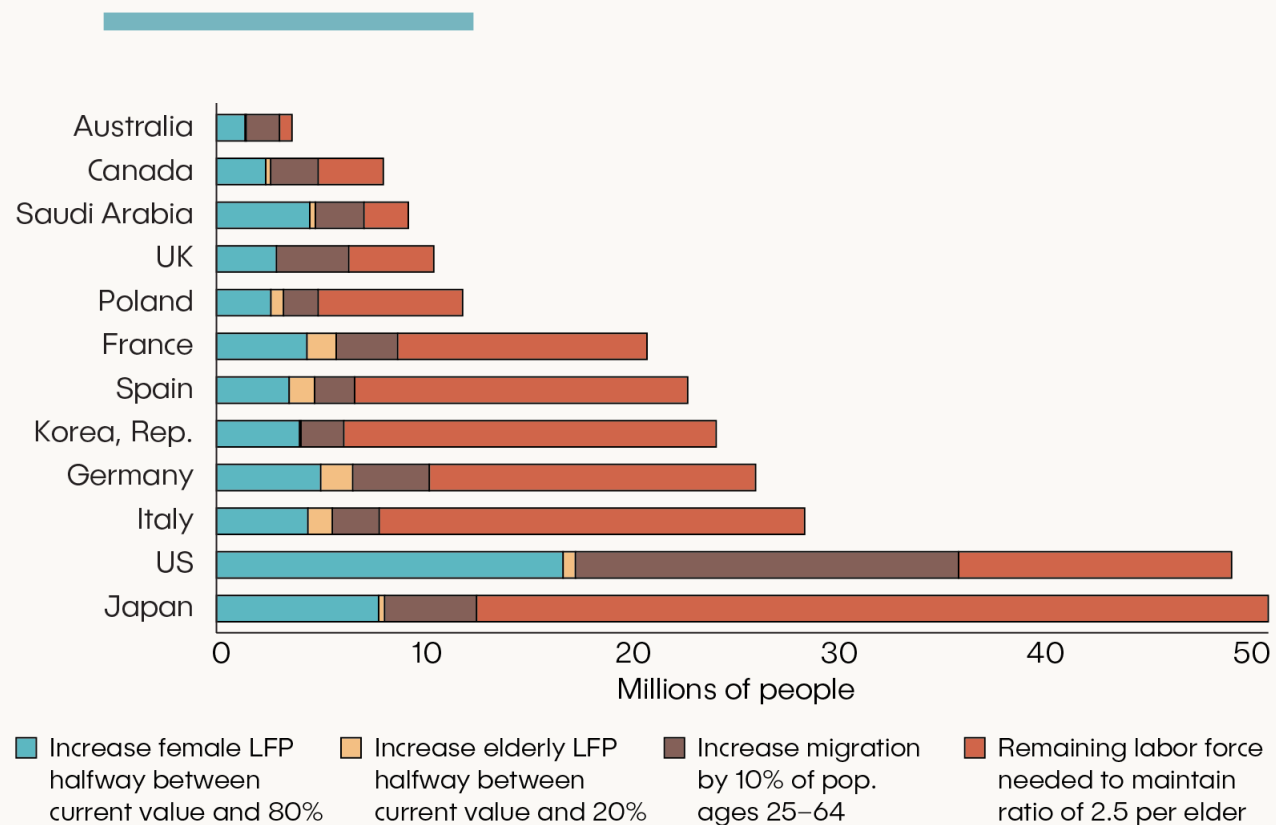
The world is at a
*demographic
inflection point*

Countries of all income groups are aging
but HICs and UMICs are aging significantly faster



Source: Authors' calculations based on the UN Population Division median variant projections (2022). Retrieved March 28, 2024.

Labor force (millions) needed to maintain 2.5 workers per elder (65+) by 2050



Source: Authors' calculations based on the UN Population Division median variant projections and labor force participation rates from ILO.

In HICs, *millions of workers* are needed to maintain an adequate numbers of workers in the economy and sustain pension systems

A combination of policies are needed, including:

- Increasing female labor force participation
- Increasing retirement ages
- Increasing migration

Shortages are especially prevalent in *mid-skill occupations* across many sectors



Manufacturing



Mechanics & Technicians



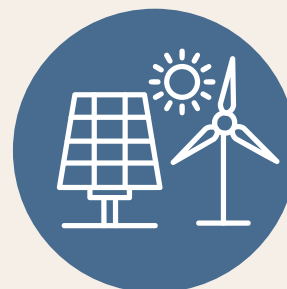
Construction



Healthcare & Elderly Care



Hospitality & Services



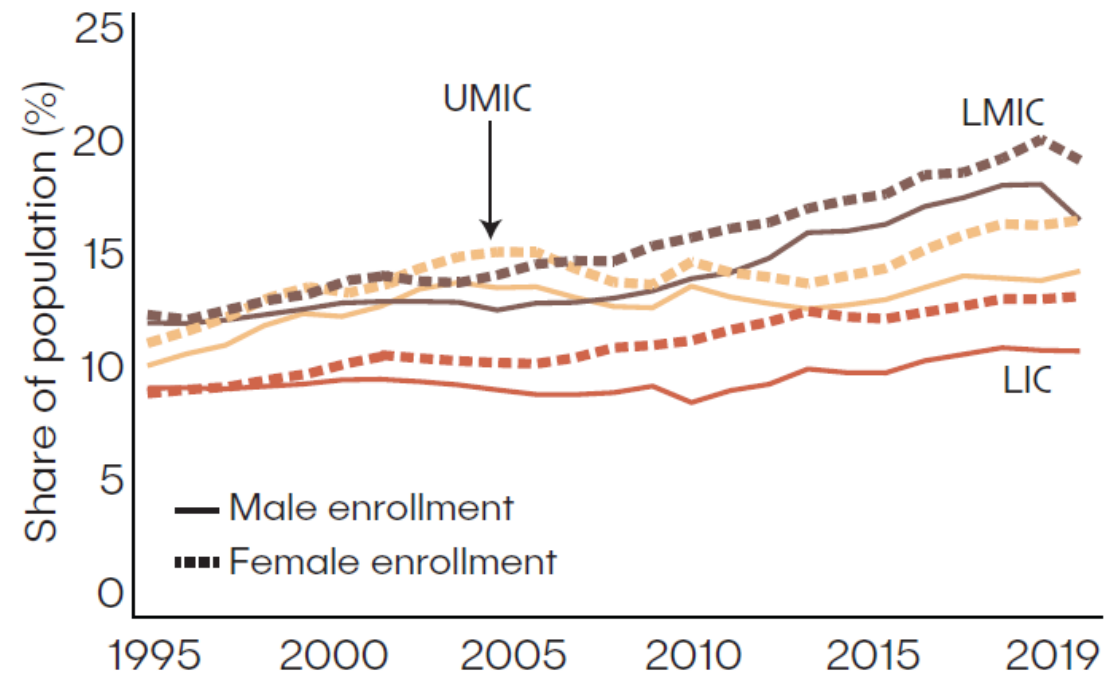
Renewable Energy



ICT

Youth unemployment is among the greatest development challenges, reflecting both a *lack of quality jobs* and a *lack of in-demand skills*

Youth unemployment has steadily increased in LICs and MICs

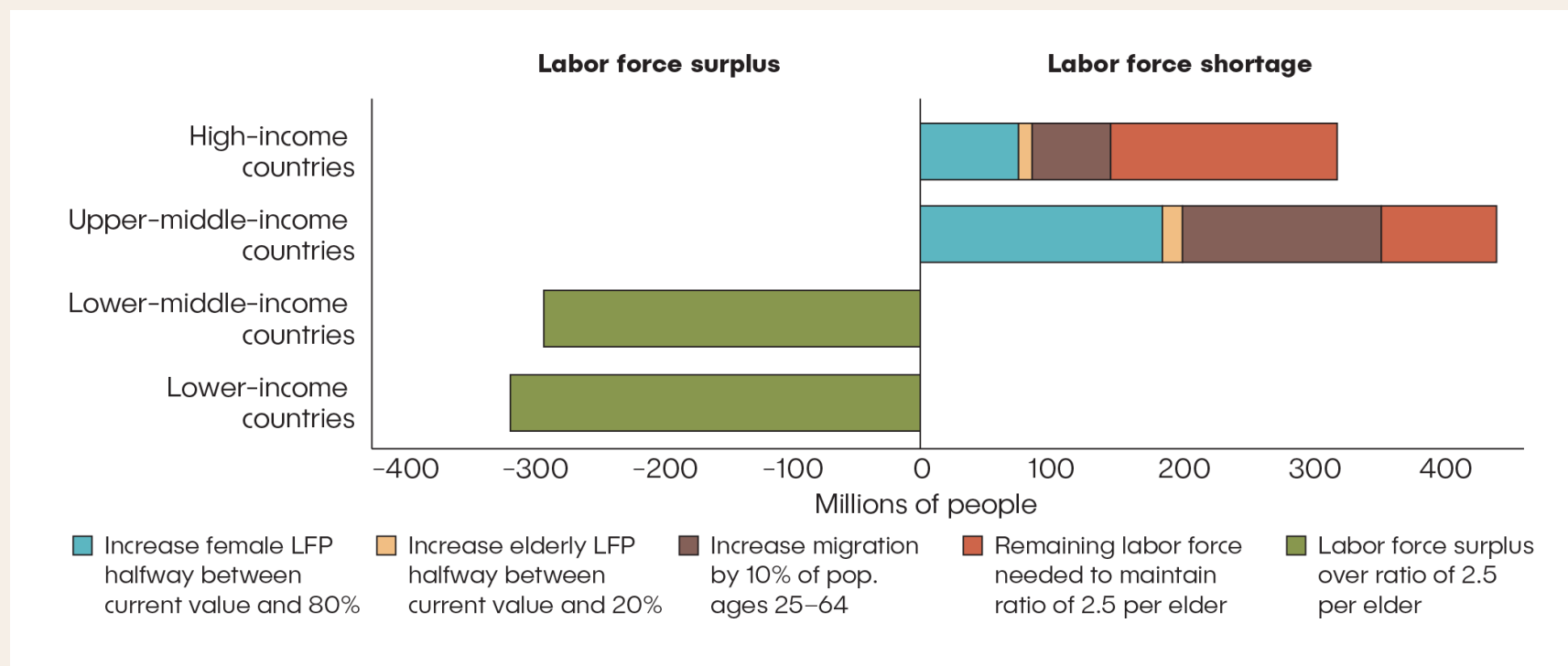


Source: Authors' calculations based on World Development Indicators DataBank (ILO modeled estimates)

Note: LIC = low-income country; LMIC = lower-middle-income country; UMIC = upper-middle-income country.

HICs and UMICs will together face a shortage of *750 million workers* by 2050

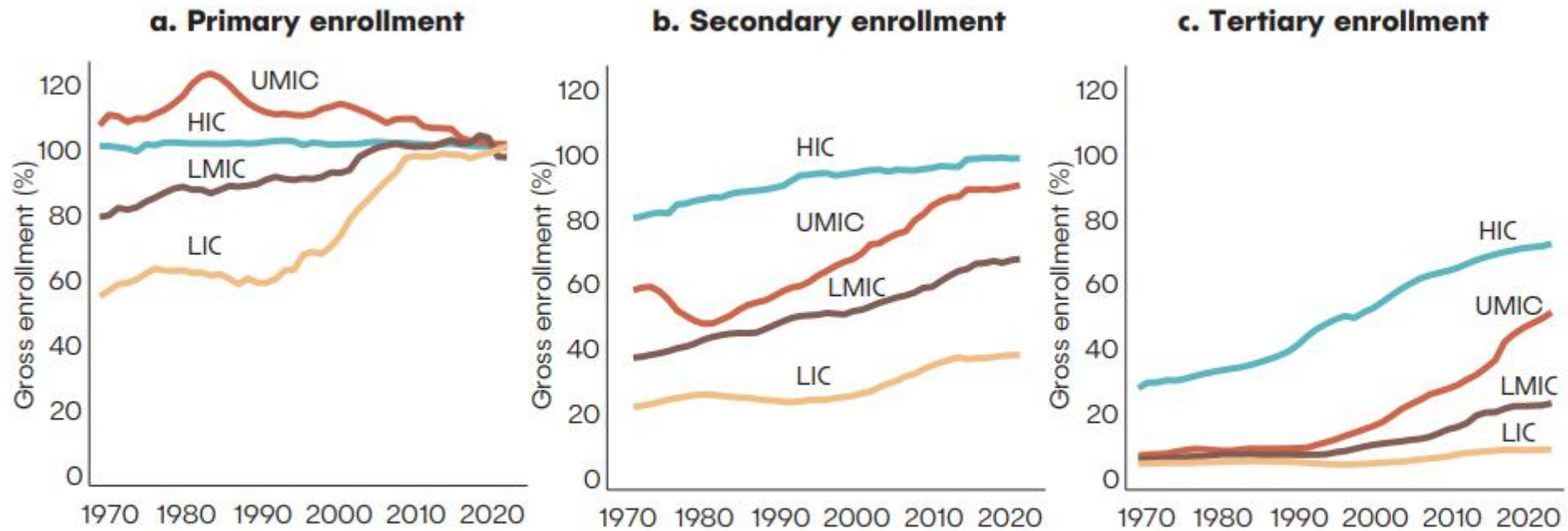
Meanwhile, LICs and LMICs can *lose up to 600 million workers* before facing shortages



80% of the shortage in UMICs is driven by China

Source: Authors' calculations based on the UN Population Division median variant projections and labor force participation rates from ILO.

Note: HIC = high-income country; LIC = low-income country; LMIC = lower-middle-income country; UMIC = upper-middle-income country.

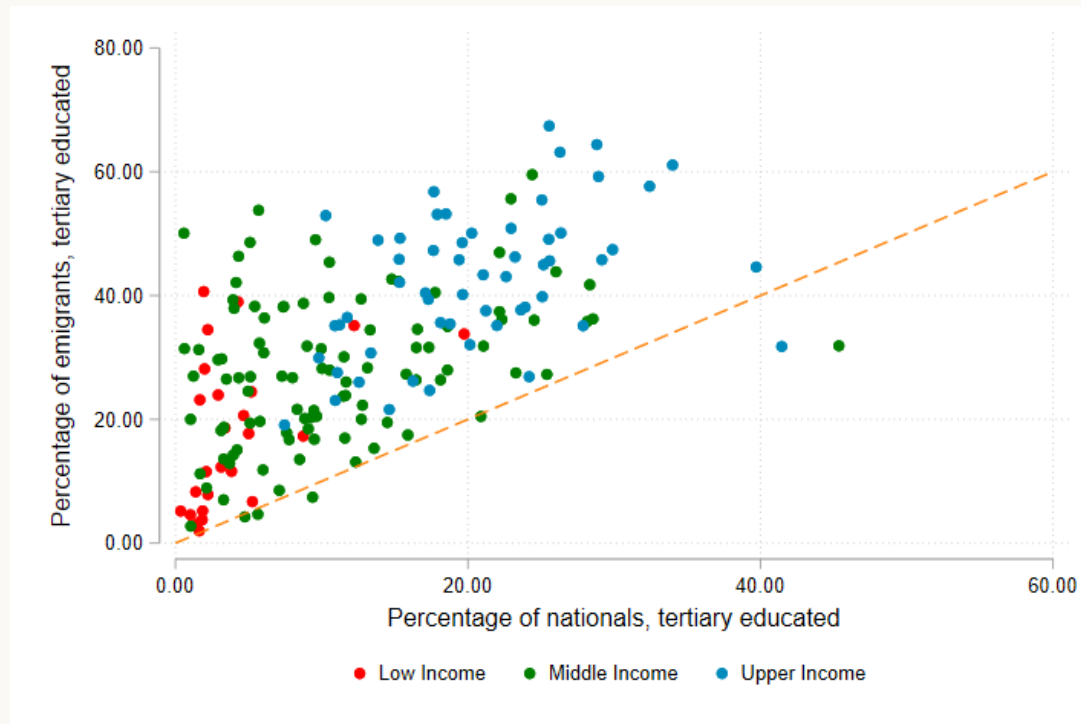


Source: Author calculations based on World Development Indicators. Country-level education enrollment rates weighted by population.

There is no shortage of workers in L/MICs, but they lack the needed skills

While primary school enrollment rates are *converging*, secondary and tertiary enrollment is *diverging*

Migrants tend to be *more educated* than their compatriots back home

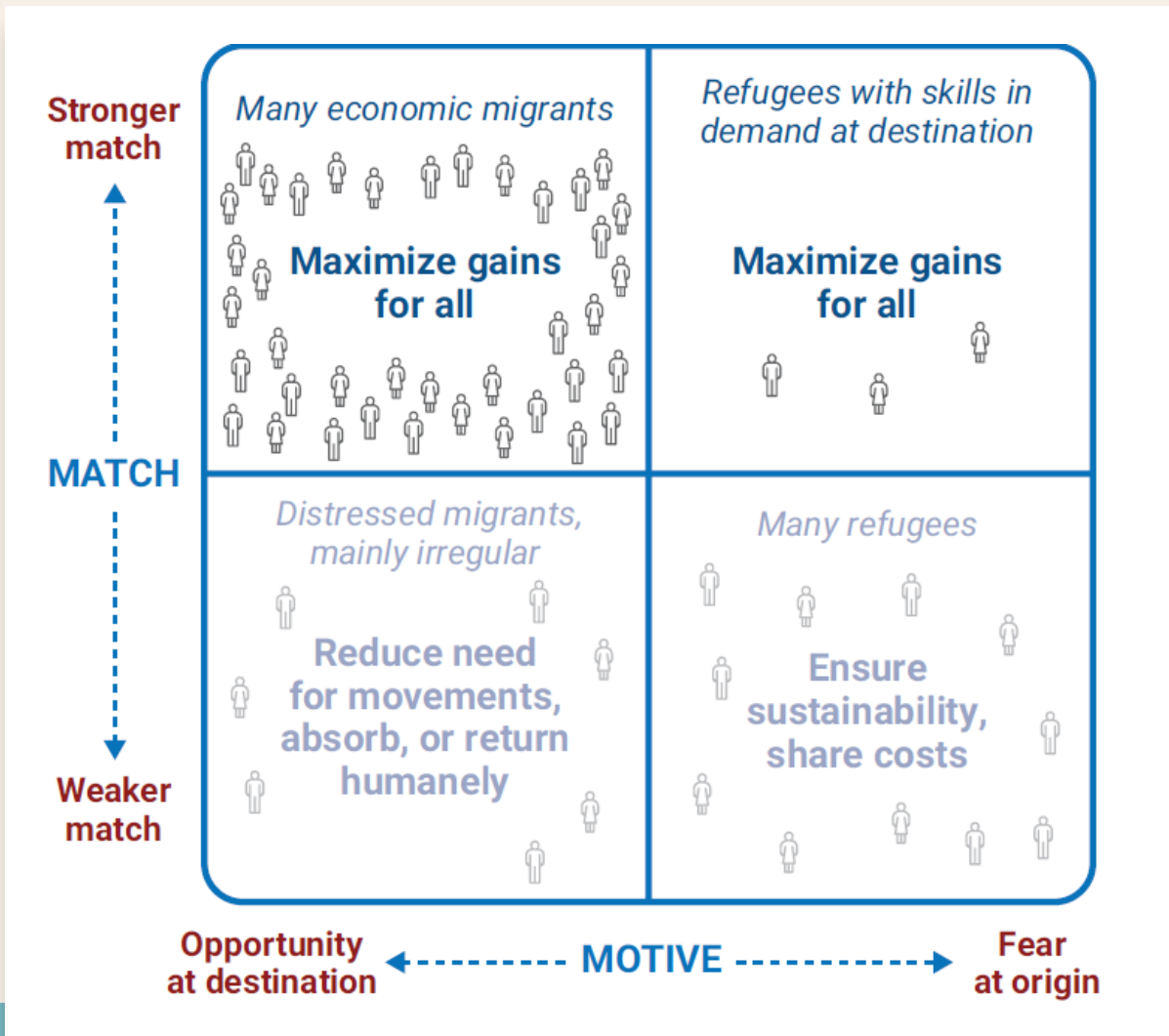


Source: Authors calculations based on data from the 2023 World Development Report.

When “brain drain” is managed, high-skill migration presents great benefits to origin countries:

- High incomes and remittances
- Increased incentives to invest in education
- Knowledge transfers
- Business and trade networks
- Foreign investment

The 2023 Word Development Report “Match and Motive Framework”:



Win-win migration requires matching migrant **skills** with **demand**

A strong match requires **skills certification, legal pathways, and labor market intermediation**

These are facilitated by coordination through **bilateral labor agreements**

Several modalities for international labor mobility according with the skill level required

Low-skill workers

Example: Agriculture
Circular Migration



Mid-skill workers

Example: Construction
Global Skills Partnerships



High-skill workers

Examples: IT Professionals
Work Visas



Global Skills Partnerships (GSPs): Bilateral training and migration agreements that are *mutually beneficial*

Structure

Training in origin with **domestic** (“home”) and **international** (“away”) tracks



3 essential components of a GSP



Skill development is shaped by **demand in both origin and destination** countries



Financing is a **shared responsibility** of all stakeholders (firms, workers, governments) in both countries

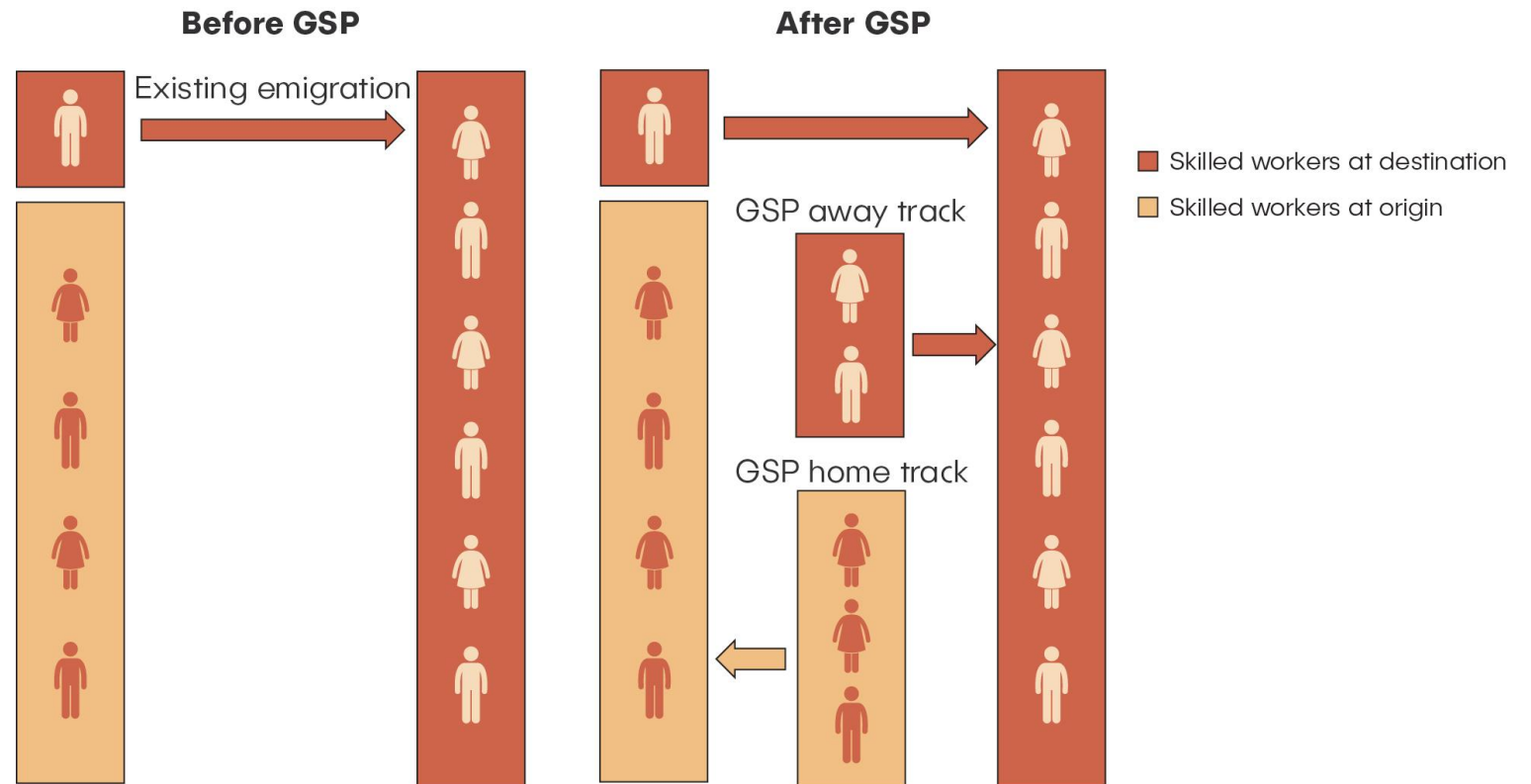


Labor mobility is facilitated through **agile and legal pathways**

GSPs increase the total pool of skilled workers for both origin and destination countries

A portion emigrate to the **destination** country

The remaining stay at home and enter the **domestic labor** market



GSP in Nursing between Germany and the Philippines

German universities partner with universities in the Philippines to strengthen nurse training curriculum

giz



Federal Ministry
of Health

| BertelsmannStiftung

2 years of common
nursing training

2 years of “home” track, with access to specialized
modules and lab equipment when relevant

Enter domestic labor
market

2 years of “away” track specialized for Germany, with new
modules such as elderly care + language training

Migration to Germany
with fast-track skills
recognition

Results: Program in development with first cohorts starting to graduate,
program extending to Kerala (India) and Uzbekistan

Building blocks of *scalable* Global Skill Partnerships



Multi-stakeholder Coordination

GSPs must coordinate with government agencies (migration, labor, and skills), training providers, and private sector to ensure skills are aligned with demand



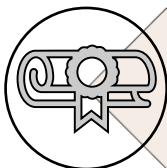
Legal and regulatory frameworks

Migration requires legal entry pathways and employment visa categories, with essential political buy-in from governments and stakeholders



Financial Sustainability

In the long-term, financing from destination government and firms helps to ensure financial sustainability, and development organizations can be catalysts



Skills Recognition

Skills certification must be recognized by both origin and destination countries, and the process can differ for the home and away track

Proposed Report

GSP MOTIVATION

- Demographic changes
- Migration trends
- Mutual benefits from skilling population
- Brain-drain mitigation

STOCKTACKING OF EXISITING PROGRAMS

- Examples of GSPs and other Bilateral Training and Migration Agreements

DESIGN FEATURES

- Sector/occupation selection
- Implementation aspects
- Focus on sustainability, scalability, and impact

Thank you