

# A Global Skill Partnership in Construction between Nigeria and Germany

*Samik Adhikari*

*Michael Clemens*

*Helen Dempster*

*Nkechi Linda Ekeator*



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## INTRODUCTION

The World Bank is partnering with the government of Nigeria to better understand how labor migration and skills partnerships can provide more and better jobs to Nigerian youth. One objective of this collaboration is to assess the feasibility of new bilateral labor agreements in chosen sectors, mirroring the Center for Global Development’s (CGD) Global Skill Partnership model.

A joint CGD-World Bank report—“Expanding Legal Migration Pathways from Nigeria to Europe: From Brain Drain to Brain Gain”<sup>1</sup>—and a related brief <sup>2</sup> present the results of this work. The report outlines both the opportunity inherent within the growing (yet unemployed) youth population in Nigeria and the declining working-age population in Europe that is leading to widespread skill shortages. It then describes the Global Skill Partnership model and applies it to case studies in three sectors: nursing; information, communication, and technology (ICT); and this one, on construction.

The demand for construction projects, particularly within middle-income countries, is rapidly increasing. By 2030, the global construction market is forecast to be worth \$17.5 trillion, up by \$8 trillion from today. This growth is creating huge skill shortages, both within Nigeria and Germany, which is slowing the productivity and competitiveness of construction firms. The following brief outlines a Global Skill Partnership between Nigeria and Germany within construction, including an overview of the training and migration landscape in both countries, the specific design of such a partnership, and risks and mitigation measures. It focuses on building skills to satisfy labor market demands in both countries, notably general skills for the housing sector in Nigeria, and, in addition, supervisory and specialized skills for the German market.

## DEVELOPING A CONSTRUCTION MIGRATION PARTNERSHIP

In 2015, Global Construction Perspectives and Oxford Economics found that by 2030, the global construction market is forecast to be worth \$17.5 trillion, up by \$8 trillion from today. Seventy percent of this growth is expected to occur in just eight countries: China, the United States, India, Indonesia, the United Kingdom, Mexico, Canada, and Nigeria.<sup>3</sup> This is the first time that Nigeria has appeared within their rankings and showcases the power of Lagos which is on track to become Africa’s biggest city. Despite COVID-19, spending on construction activity has increased in recent years, and the sector is on track to grow by 35 percent by 2030.<sup>4</sup>

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<sup>1</sup> Samik Adhikari, Michael Clemens, Helen Dempster, and Nkechi Linda Ekeator. 2021. “Expanding Legal Migration Pathways from Nigeria to Europe: From Brain Drain to Brain Gain.” Washington, DC: Center for Global Development (CGD) and World Bank. <https://www.cgdev.org/publication/expanding-legal-migration-pathways-nigeria-europe-brain-drain-brain-gain>

<sup>2</sup> Samik Adhikari, Michael Clemens, Helen Dempster, and Nkechi Linda Ekeator. 2021. “Why Europe Should Build Legal Migration Pathways with Nigeria.” Washington, DC: Center for Global Development (CGD) and World Bank. <https://www.cgdev.org/publication/why-europe-should-build-legal-migration-pathways-nigeria>

<sup>3</sup> Global Construction Perspectives and Oxford Economics. 2015. “Global construction 2030: A global forecast for the construction industry to 2030.” London: Global Construction Perspectives and Oxford Economics. <https://www.ciob.org/industry/policy-research/resources/global-construction-CIOB-executive-summary>

<sup>4</sup> Morgan Condon. 2020. “Global construction sector to grow 35% to 2030 on urbanisation, softer pandemic impact.” *Independent Commodity Intelligence Services*. September 11, 2020. <https://www.icis.com/explore/resources/news/2020/09/11/10551509/global-construction-sector-to-grow-35-to-2030-on-urbanisation-softer-pandemic-impact>

The construction market is difficult to define. In 2003, the Pearce Report provided two definitions, one narrowly focusing on on-site construction activity, and one broader, “also encompassing the quarrying of construction materials, the manufacture of building materials, the sale of the final products and associated professional services such as facilities management.”<sup>5</sup> In this report, we are going to primarily concern ourselves with the narrow definition, and the skills required by construction professionals on building sites.

Within this narrow definition, three main forms of construction arise: civil construction (e.g. roads, highways, bridges), industrial construction (e.g. oil and gas platforms, mining infrastructure), and residential and commercial construction (e.g. single-family dwellings and office buildings). All three of these forms are labor intensive and it has been noted that they tend to generate more jobs (direct, indirect, and induced) than other sectors.<sup>6</sup> However they are also often closely linked to the economic performance of a country overall which can lead to volatile swings in skill shortages and demand as economies shift.<sup>7</sup>

Worldwide, the construction industry employs approximately 7 percent of the workforce. It is a major source of employment in countries of origin, with around 70 million people working in construction in traditional aid recipient countries.<sup>8</sup> Even in the EU-28 countries it is estimated that 9.5 percent of the workforce operate within construction activities. Most are employed within a large number of quite small enterprises and a relatively few large ones.<sup>9</sup> Many roles within the construction sector are low-paid, low-status, temporary, informal, and suffer from poor working conditions (Figure 1).<sup>10</sup> This is due to certain characteristics of the construction industry as a whole, including its competitiveness, reliance on sub-contractors, small margins, and under-regulation by national governments.<sup>11</sup> These characteristics may lead to a lack of interest among local workers in countries of destination in investing in construction training, while increasing reliance on migrant workers.

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<sup>5</sup> Andrew Foulkes and Les Ruddock. “Defining the scope of the construction sector.” <https://www.irbnet.de/daten/iconda/CIB16522.pdf>

<sup>6</sup> Andrés Mella and Matthew Savage. 2018. “Construction Sector Employment in Low Income Countries.” London: Infrastructure & Cities for Economic Development. [http://icedfacility.org/wp-content/uploads/2018/08/Report\\_Construction-Sector-Employment-in-LICs\\_Final.pdf](http://icedfacility.org/wp-content/uploads/2018/08/Report_Construction-Sector-Employment-in-LICs_Final.pdf)

<sup>7</sup> Michelle Buckley, Adam Zendel, Jeff Biggar, Lia Fredericksen, and Jill Wells. 2016. “Migrant work and employment in the construction sector.” Geneva: International Labour Organization (ILO). <http://engineersagainstopoverty.org/wp-content/uploads/2019/06/ILO-Migrant-Work-and-Employment-in-the-Construction-Sector.pdf>

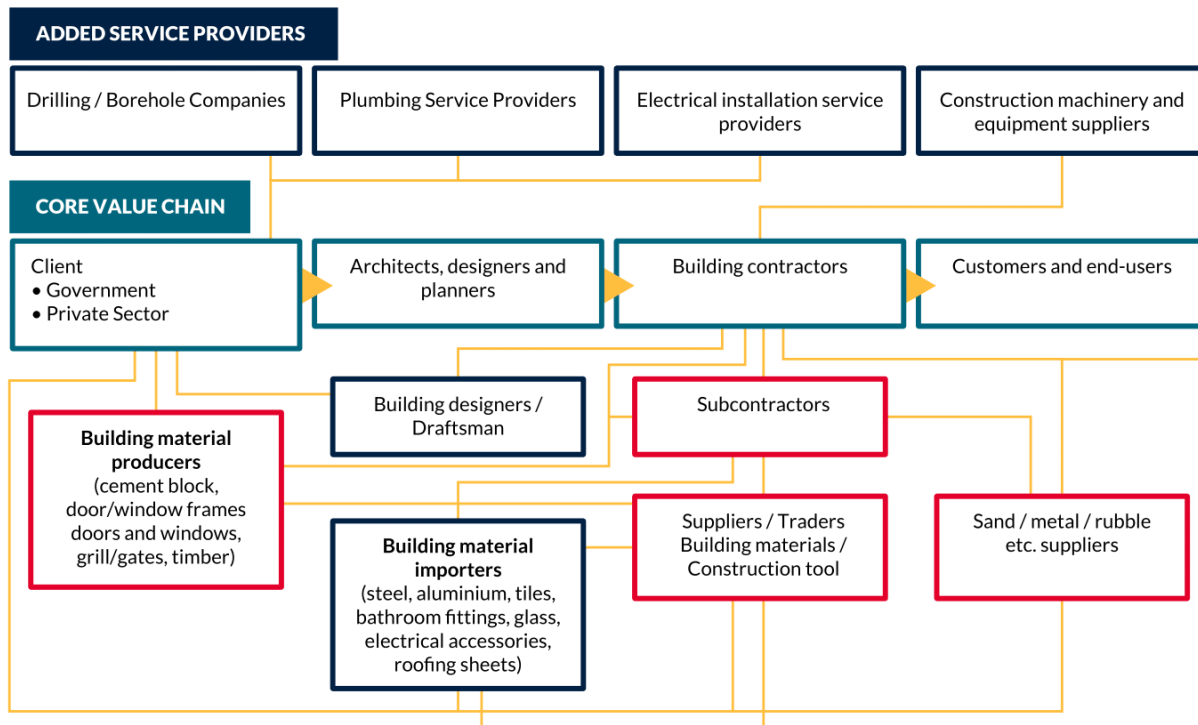
<sup>8</sup> Andrés Mella and Matthew Savage. 2018. “Construction Sector Employment in Low Income Countries.” London: Infrastructure & Cities for Economic Development. [http://icedfacility.org/wp-content/uploads/2018/08/Report\\_Construction-Sector-Employment-in-LICs\\_Final.pdf](http://icedfacility.org/wp-content/uploads/2018/08/Report_Construction-Sector-Employment-in-LICs_Final.pdf)

<sup>9</sup> Eurostat. 2015. “Construction statistics—NACE Rev.2.” Data from October 2015. <https://ec.europa.eu/eurostat/statistics-explained/pdfs/cache/10089.pdf>

<sup>10</sup> Jill Wells. 2004. “Informality in the construction sector in developing countries.” *Construction Management and Economics* 25(1) 87–93. <https://doi.org/10.1080/01446190600601339>

<sup>11</sup> Roel Nieuwenkamp. 2016. “The Global Construction Sector Needs a Big Push on Corporate Responsibility.” *Organisation for Economic Cooperation and Development (OECD)*. August 22, 2016. <http://oecdinsights.org/2016/08/22/global-construction-sector-corporate-responsibility/>

Figure 1. Roles within the construction supply chain



Source: International Labour Organization (ILO) 2004. "Good working conditions, good business? : An analysis of Zambia's building construction market system." Geneva: International Labour Organization (ILO). [https://www.ilo.org/wcmsp5/groups/public/---ed\\_emp/---emp\\_ent/---ifp\\_seed/documents/briefingnote/wcms\\_364076.pdf#](https://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_ent/---ifp_seed/documents/briefingnote/wcms_364076.pdf#)

Note: Red boxes indicate poor working conditions in value chain actors.

## Construction Worker Migration

Migrants, both temporary and permanent, have long been the cornerstone of construction markets. As outlined above, a variety of reasons including the labor- and skill-intensive nature of the industry and its necessary flexibility, means that relying on imported labor is key to its success. The ILO has identified three reasons why construction employers may look abroad for workers: (i) the lack of a skilled workforce at home (due to a lower absolute number of people and the skills they possess); (ii) the rapid growth in the number of projects outstripping the ability of the education system to keep pace; and (iii) the increase in the size and complexity of projects, which requires a specific skill set to execute.<sup>12</sup>

These three reasons neatly highlight the reasons for the significant skill shortages seen in the construction sectors in both countries of migrant origin and destination. Countries of origin, such as Nigeria, are experiencing rapid growth in the number of building projects within their countries. As will be explored below, this is requiring an increase in the absolute number of skilled workers available for employers within the local economy. In addition, multinational companies are increasingly recognizing the investment potential of markets such as Nigeria and are therefore

<sup>12</sup> Michelle Buckley, Adam Zendel, Jeff Biggar, Lia Fredericksen, and Jill Wells. 2016. "Migrant work and employment in the construction sector." Geneva: International Labour Organization (ILO). <http://engineersagainstopoverty.org/wp-content/uploads/2019/06/ILO-Migrant-Work-and-Employment-in-the-Construction-Sector.pdf>



requiring skilled professionals to facilitate their expansion. Both of these markets therefore require a significant expansion of, and investment in, the formal training architecture.

Countries of destination, on the other hand, fall within reason one: an absolute lack of workers available to work within the sector. Partly, this can be attributed to the aging demographics highlighted earlier, but it can also partly be attributed to the image of the sector within high-income countries as low-paid and low-skill, which reduces demand for training. This has led to significant skill shortages within the construction sector. Forty percent of European construction employers have reported experiencing bottlenecks in recruiting workers, with the greatest demand within the “skilled” bracket of role.<sup>13</sup> As a result, some European countries have attempted to attract labor from abroad.

## BOX 1. CONSTRUCTION WORKER MIGRATION TO THE UK

The construction sector in the UK employs 2.4 million people, approximately 10 percent of whom are migrants (8 percent from the European Union and 2 percent from non-EU countries). Most migrant workers were attracted to the UK due to the availability of work, a lack of opportunities in their country of origin, and more career development opportunities. The majority of non-UK workers in the construction industry occupy roles such as laborers, general workers, or operatives, or in the main trades such as bricklaying, plastering, painting, decorating, and plumbing.<sup>14</sup>

Between 2013 and 2017, the housing supply in the UK grew by 74 percent and is expected to grow even further. It is estimated that a further 168,500 jobs will be created by 2023. Yet with the UK’s exit from the EU, many construction employers are becoming concerned about the availability of labor.<sup>15</sup> A survey of firms done in 2018 found that almost half felt it would become harder to recruit skilled staff. There have been calls to do more to dispel myths about and improve wages within the construction sector to ensure it is more attractive to UK citizens.<sup>16</sup> In the short-term, the sector will continue to rely on migrants and, perhaps, increasingly informality.<sup>17</sup>

*Source:* Merve Sancak. 2020. “Restrictions to immigration and work in the UK construction industry.” SPERI. February 19, 2020. <http://speri.dept.shef.ac.uk/2020/02/19/restrictions-to-immigration-and-work-in-the-uk-construction-industry/>.

<sup>13</sup> Cedefop. 2015. “Skill shortages and gaps in European enterprises: striking a balance between vocational education and training and the labour market.” Cedefop reference series; No 102. Luxembourg: Publications Office. <http://dx.doi.org/10.2801/042499>

<sup>14</sup> Mark Winterbotham, Genna Kik, Marc Cranney, Ed Castell, Joseph Charsley, Anne Green, David Owen, and Jonathan Pipe. 2020. “Migration in the UK Construction and Built Environment Sector.” London: Construction Industry Training Board (CICTB). <https://www.citb.co.uk/about-citb/construction-industry-research-reports/search-our-construction-industry-research-reports/migration-in-the-uk-construction-and-built-environment-sector/>

<sup>15</sup> Merve Sancak. 2020. “Restrictions to immigration and work in the UK construction industry.” SPERI. February 19, 2020. <http://speri.dept.shef.ac.uk/2020/02/19/restrictions-to-immigration-and-work-in-the-uk-construction-industry/>

<sup>16</sup> Brian Green. 2015. “Analysis on Migration in the Construction Sector.” *Chartered Institute of Building (CIOB)*. Last updated March 3, 2015. <https://www.ciob.org/industry/research/Analysis-Migration-Construction-Sector>

<sup>17</sup> Merve Sancak. 2020. “Restrictions to immigration and work in the UK construction industry.” SPERI. February 19, 2020. <http://speri.dept.shef.ac.uk/2020/02/19/restrictions-to-immigration-and-work-in-the-uk-construction-industry/>

## Promoting a Genuine Development Benefit

Despite the strong need for construction workers in both countries of origin and destination, there has been little discussion of the role that migration (and skill partnerships) could play in facilitating economic development. The importance of this debate has been renewed by the expansion of low-carbon technologies and the push towards “Green New Deal” style infrastructure. Such investments will require new, skilled, workers in all countries and migration provides a unique opportunity to build these skills.<sup>18</sup> In spite of COVID-19, demand within the sector remains strong and is likely to rise. This is, therefore, an excellent time to explore skill partnerships within the sector to meet skills needs on both sides.

## CONSTRUCTION IN NIGERIA

Nigeria needs to invest \$3 trillion in the next 30 years—or around \$100 billion every year between now and 2045—to close existing deficits in infrastructure.<sup>19</sup> The country’s basic physical infrastructure deficit severely hampers prospects for economic growth and development. For example, only 16 percent of Nigeria’s roads are paved, compared on average to half the roads in the world’s lower middle-income countries.<sup>20</sup> Similarly, with a population growth rate of 2.6 percent a year, demand for affordable housing in Nigeria is increasing, resulting in a housing gap of an estimated 17 million units. An annual production of 850,000 housing units will be needed to close this gap over the next 20 years.<sup>21</sup>

For Nigeria to bring up the level of investments in infrastructure to the target of 70 percent of the GDP by 2043, the construction sector will have to play a key role.<sup>22</sup> Despite Nigeria’s worst economic recession in four decades in 2020, the construction sector contributed to 8.4 percent of Nigeria’s nominal GDP in the fourth quarter, and 2 percentage points higher than it did a year ago.<sup>23</sup>

Nigeria’s Economic Recovery and Growth Plan (ERGP), 2017–2020, earmarks the construction sector as one of the sectors with the potential to generate employment for the growing number of youths in the country. The construction sector was also listed as one of the six priority sectors to ensure sustainable economic growth and development in Nigeria, with a specific policy objective to “invest in technical and vocational training for craftsmen (electricians, masons, carpenters, etc.) needed by the

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<sup>18</sup> Ipek Genscu, Avery Parsons Grayson, and Nathaniel Mason with Marta Foresti. 2020. “Migration and skills for the low-carbon transition.” Overseas Development Institute (ODI) Working paper 584. London: Overseas Development Institute (ODI). <https://www.odi.org/publications/17199-migration-and-skills-low-carbon-transition>

<sup>19</sup> International Finance Corporation (IFC). 2020. “Creating Markets in Nigeria. Crowding in the Private Sector: Nigeria’s Path to Faster Job Creation and Structural Transformation.” Washington, DC: World Bank. <https://www.ifc.org/wps/wcm/connect/673c0e3f-3e77-4ddc-923b-903c5db6af15/CPSD-Nigeria.pdf?MOD=AJPERES&CVID=nkzEggy>

<sup>20</sup> Julia Bello-Schünemann and Alex Porter. 2017. “Building the future: Infrastructure in Nigeria until 2040.” Institute for Security Studies (ISS) West Africa Report 21, November 2017. Pretoria: Institute for Security Studies (ISS). <https://issafrica.s3.amazonaws.com/site/uploads/war-21.pdf>

<sup>21</sup> International Finance Corporation (IFC). 2020. “Creating Markets in Nigeria. Crowding in the Private Sector: Nigeria’s Path to Faster Job Creation and Structural Transformation.” Washington, DC: World Bank. <https://www.ifc.org/wps/wcm/connect/673c0e3f-3e77-4ddc-923b-903c5db6af15/CPSD-Nigeria.pdf?MOD=AJPERES&CVID=nkzEggy>

<sup>22</sup> Oxford Business Group. 2019. “Nigerian government to align national development and infrastructure.” Chapter in “The Report: Nigeria 2019.” Oxford: Oxford Business Group. <https://oxfordbusinessgroup.com/overview/strengthening-links-government-plans-aim-align-national-economic-development-and-infrastructure>

<sup>23</sup> Nigerian National Bureau of Statistics. <https://www.nigerianstat.gov.ng/>

local industry”.<sup>24</sup> Within the construction sector, the EGRP also strives to construct 2,700 affordable housing units in the short term to create 105,000 direct jobs a year.

## The Workforce

According to the 2018–19 NLSS, around 3 percent of the active working-age population between the ages of 15 and 64 in Nigeria were employed in the construction sector. Thirty-nine percent of those working in the construction sector were employed in urban areas whereas 61 percent were employed in rural areas. Less than 16 percent of Nigerians working in the construction sector have completed tertiary education, 57 percent have completed secondary education, and 19 percent have completed primary education. Eighty-four percent of those working in the construction sector were between the ages of 25 and 64 and an overwhelming 96 percent were men.

In a 2016 Skills Gap Assessment of 1,707 business establishments within six priority sectors conducted by the government, housing was enlisted as one of the priority sectors. The housing sector had the highest number of open vacancies among the six sectors analyzed with 32 percent open vacancies at the time of the survey. The housing sector was also the sector identified with the most hard-to-fill vacancies identified by the business establishments with 20 percent of the vacancies identified as hard-to-fill.<sup>25</sup> Citing Nigeria’s Industrial Revolution Plan (2014), the report mentions “Nigeria has a shortfall of requisite skills in local artisans involved within the Nigerian building industry. Large housing projects today depend on migrant construction workers from other West African countries to fill the skills gap.”

## Construction Management and Training

The lead regulator for Nigeria’s construction industry is the Federal Ministry of Works and Housing (FMWH). FMWH oversees civil engineering projects and housing, with the Federal Housing Authority (FHA) co-managing the housing sector. The FMWH also oversees the Federal Road Maintenance Agency (FERMA) and the sector councils including the Council for the Regulation of Engineering in Nigeria (COREN), the Surveyors Registration Council of Nigeria (SRCN), and the Council of Registered Builders of Nigeria (CORBON).

CORBON leads the industry’s skills training ecosystem and has the mandate of Sector Skills Council under the National Skills Qualification Framework (NSQF). The National Occupational Standards (NOS) has been established and validated for seven construction trades: Carpentry and Joinery, Electrical Installation, Masonry Work, Painting and Decoration, Plumbing in Construction, Tiling, and Decorative Stonework. The NOS is approved by the National Board for Technical Education (NBTE) as a prerequisite for curriculum development and content delivery, assessment, certification and licensing, as well as for remunerations of construction artisans.<sup>26</sup>

There are two major unions in the industry. The Construction and Civil Engineering Senior Staff Association (CCESSA) which is affiliated to the Trade Union Congress (TUC) works to protect the labor

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<sup>24</sup> Nigerian Ministry of Budget and National Planning. 2017. “Economic Recovery & Growth Plan, 2017–2020.” Abuja: Nigerian Ministry of Budget and National Planning. [https://nigeriaembassygermany.org/mosaic/\\_M\\_userfiles/Economic-Recovery-Growth-Plan-2017-2020.pdf](https://nigeriaembassygermany.org/mosaic/_M_userfiles/Economic-Recovery-Growth-Plan-2017-2020.pdf)

<sup>25</sup> United Nations Industrial Development Organization (UNIDO). 2017. “Skills Gap Assessment in Six Priority Sectors of Nigeria Economy.” October 2016. Vienna: UNIDO. <https://open.unido.org/api/documents/6055563/download/Skills%20Gap%20Assessment%20in%20Nigeria%20-%20Final%20Report.pdf>

<sup>26</sup> Council of Registered Builders of Nigeria (CORBON). <http://corbon.gov.ng/>



interests of senior staff in the industry.<sup>27</sup> The National Union of Civil Engineering, Construction, Furniture and Wood Workers (NUSECFWW) represents the interest of workers in the sector generally and is affiliated to the Nigerian Labor Congress (NLC).<sup>28</sup>

The construction industry suffers from an inexhaustive shortage of equipment operators, glaziers, insulating specialist, asphalt/tar sprayers, fabricators, scaffolding specialists, suspended ceiling specialists, plumbers, electricians, roofers, tilers, safety officers, masons, bricklayers, carpenters, and painters.<sup>29</sup> This shortage stems from the limited availability of an adequately trained, skilled, and productive workforce. This is caused by lack of training and retraining, aging workforce, and an industry that no longer appeals to young and potentially qualified manpower. There is also poor funding and ineffective TVET training, and a poor image of construction labor as work done by less intelligent people. In addition, the development and introduction of new technologies and materials requiring higher skills means that many construction workers need upskilling.<sup>30</sup>

Training is provided under formal and informal settings. Universities, polytechnics, and other academic institutions provide formal training. Aimed at addressing the manpower needs in the industry, in 2014 the federal government established the National Institute of Construction Technology and Management (NICTM) in Uromi in Edo State to offer Certificate courses in areas such as Carpentry and Joinery, Concreting and Masonry, Electrical Installation Works, Plumbing and Pipe Fitting, POP Works in Building, Welding and Fabrication, among others; and Diploma courses in Architectural Technology, Building Technology, Electrical & Electronics Engineering Technology, Quantity Surveying, among others.<sup>31</sup> In 2019, the N-Power Build program commenced skills training, targeting 75,000 unemployed youth (18–35 years). The 3-month training focuses on Furniture Making and Design, Electrical Maintenance and Repairs, Building and Construction services, Plumbing, and Welding.<sup>32</sup> The implementation team collaborates with CORBON and has impacted 30,000 participants.<sup>33</sup>

Informal training is provided by training platforms such as Builders Hub Vocational Academy (BHVA), which provides in-person technical training on Plumbing, Electrical Works, Painting, Carpentry, Interior Design, and Masonry.<sup>34</sup> Many artisans also learn from “masters” who agree to teach them on the job while the trainees work without pay. Such trainees eventually often become formally employed within the industry.

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<sup>27</sup> Construction & Civil Engineering Senior Staff Association (CCESSA). <http://www.ccessa.org.ng/ccessa>

<sup>28</sup> National Union of Civil Engineering, Construction, Furniture & Wood Workers (NUSECFWW). <https://www.facebook.com/National-union-of-civil-engineering-construction-furniture-woodworkers-160751081092357/>

<sup>29</sup> Mohammed Isah Leje, Bandi Shamsulhadi, and Abdullah Fadhli. 2019. “Supply Of Skilled Workers Towards Performance Of Construction Organisations In Nigeria.” *International Journal of Scientific & Technology Research* 8(12): 609–616. <http://www.ijstr.org/final-print/dec2019/Supply-Of-Skilled-Workers-Towards-Performance-Of-Construction-Organisations-In-Nigeria.pdf>; Fortune Aigbe, Ochei Ailemen Ikpefan, and C. C. Egolum. 2019. “Technical and Skilled Manpower as Prerequisite for Enhanced Productivity in the Construction Industry.” *International Journal of Civil Engineering and Technology* 10(3): 726–742. March 2019. [http://www.iaeme.com/MasterAdmin/UploadFolder/IJCET\\_10\\_03\\_070-2/IJCET\\_10\\_03\\_070-2.pdf](http://www.iaeme.com/MasterAdmin/UploadFolder/IJCET_10_03_070-2/IJCET_10_03_070-2.pdf); and E.M. Awe, P. Stephenson, and A. Griffith. 2010. “Impact of Vocational Training on Skilled Labour shortage within the Nigerian Construction Sector.” [https://www.irbnet.de/daten/iconda/CIB\\_DC24215.pdf](https://www.irbnet.de/daten/iconda/CIB_DC24215.pdf)

<sup>30</sup> Ade Abdulquadri Bilau, Musibau Akintunde Ajagbe, and Habila H. Kigbu. 2015. “Review of Shortage of Skilled Craftsmen in Small and Medium Construction Firms in Nigeria.” *Journal of Environment and Earth Science* 5(15): 98–110. <https://core.ac.uk/reader/32226550>

<sup>31</sup> National Institute of Construction Technology and Management (NICTM). <http://www.nict.edu.ng/>

<sup>32</sup> N-Power Build. <https://www.npower.gov.ng/n-build.html>

<sup>33</sup> Council of Registered Builders of Nigeria (CORBON). “N-Power Build Programme.” <http://corbon.gov.ng/npower-build>

<sup>34</sup> Builders Hub Vocational Academy (BHVA). <https://bhubcollege.com/>

The private sector represented by the Federation of Construction Industry (FOCI) recently established a Skills Academy, commencing with the enrolment of masonry trainees in Abuja in Q1 2021, and plans to expand to Lagos and Port Harcourt in July 2021.<sup>35</sup> FOCI is the umbrella association of over 125 local construction firms with a combined asset of more than \$10 billion as of 2013.<sup>36</sup> In addition, Lafarge Africa PLC in partnership with Industrial Training Fund (ITF) and the Nigeria Employers Consultative Association (NECA) recently commenced a three-year technical skills development training program.<sup>37</sup> The program is targeted at youth, especially those of the company's host communities, between the ages of 18 and 24 years, who must have obtained at least 3 credit passes in Physics, Mathematics and any other subject in the West African Senior School Certificate Examination (WASSCE) or the National Examination Council (NECO) examinations and at least a pass in English language. The program aims to train youth to become self-employed or employable in vocational areas including Mechanical Maintenance, Electrical Maintenance, Instrumentation and Automation, Automobile Maintenance, and Welding and Fabrication; as well as to promote a public-private sector model in vocational and technical skills training.<sup>38</sup>

## BOX 2. THE NIGERIAN COLLEGE OF PRACTICAL SKILLS AND START-UP CENTRE

In 2018, the High-Level EU-Africa Forum prompted the establishment of the new Nigerian College of Practical Skills and Start-Up Centre, an initiative aiming to deliver training and education while providing start-up capital and practical assistance to young entrepreneurs. The aim is to develop and implement a self-sustaining dual educational concept based on European standards and certifications, and create 1,600 new jobs and 500-800 new businesses in Nigeria while training 1,000 Nigerian youth (including 300 women) per year. The initiative is led by the International Center for Migration Policy Development (ICMPD) and supported by an array of private sector partners and government donors. Since it was founded, the initiative has benefitted 200 students in an array of skills including construction and ICT. A new physical compound is due to open in 2021, and companies from Austria and Germany are expected to make use of the facility to train new workers.

*Source:* International Center for Migration Policy Development (ICMPD). 2018. "Initiative Launch. "The College of Practical Skills and Start-up Centre." Press Release. December 18, 2018. <https://www.icmpd.org/news-centre/news-detail/press-release-initiative-launch-the-college-of-practical-skills-and-start-up-centre/>

<sup>35</sup> Nigerian Engineer. 2020. "FOCI Unveils Academy to Tackle Unemployment." Posted December 9, 2020. <http://www.nigerianengineer.com/2020/12/foci-unveils-academy-to-tackle-unemployment>

<sup>36</sup> Oxford Business Group. 2019. "Increased demand and investment have driven rapid expansion in Nigeria's construction sector." Chapter in "The Report: Nigeria 2019." Oxford: Oxford Business Group. <https://oxfordbusinessgroup.com/overview/increased-demand-and-investment-have-driven-rapid-expansion-nigerias-construction-sector>

<sup>37</sup> Lafarge Africa PLC. 2021. Advert for A 3-Year Technical Skills Development Training Programme." [https://www.lafarge.com.ng/sites/nigeria/files/atoms/files/advert-for-apprenticeship-program-january-2021\\_1.pdf](https://www.lafarge.com.ng/sites/nigeria/files/atoms/files/advert-for-apprenticeship-program-january-2021_1.pdf)

<sup>38</sup> The training takes place at Lafarge Africa Training Centres located in Ashaka (Delta State), Ewekoro (Ogun State) and Mfamosing (Cross River State).

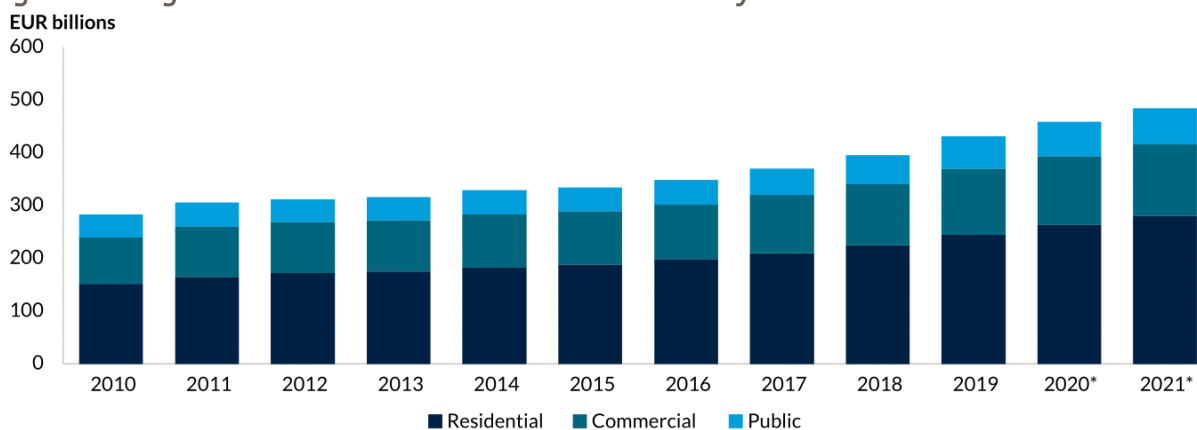
## Migration

Unfortunately, there is no good data regarding the presence of Nigerian construction professionals abroad. Certainly, key countries of destination for Nigerian migrants see large numbers of foreign personnel working within their construction sectors. For example, in the US, immigrant workers comprise nearly 25 percent of the overall construction workforce and account for an average of 30 percent in the construction trades.<sup>39</sup> There are over 10 million construction workers from South Asia in the Gulf countries, which have a large share of nonnationals.<sup>40</sup> The relevant skills gap highlighted in the construction sector as well as the growing demand for construction workers in destination countries, makes the sector suitable for implementing labor mobility schemes that cater to the shortages in Nigeria and abroad.

## CONSTRUCTION IN GERMANY

Germany is Europe’s leading construction market and home to the continent’s largest building stock. Population growth, demographic changes, and a favorable economic environment are all driving high demand for residential and commercial buildings, with a recent boom in green infrastructure and investment.<sup>41</sup> Prior to COVID-19 it was estimated that the residential construction industry was to reach €499.4 billion by 2024, a compound annual growth rate (CAGR) of 7.6 percent, and commercial infrastructure to record 7.3 percent growth.<sup>42</sup> COVID-19 has hit the industry, with successive market contractions throughout 2020.<sup>43</sup> Yet housing activity continued to grow regardless (Figure 2), and some foresee a robust recovery.<sup>44</sup>

**Figure 2. The growth of the construction sector in Germany**



Source: GTAI. “Building Industry Landscape.” <https://www.gtai.de/gtai-en/invest/industries/building-industry#77214>

Note: Construction volume in Germany. Total by type, in EUR billion (in prices at the time). 2020 and 2021 are projected.

<sup>39</sup> Kim Slowey. 2018. “Percentage of immigrant construction workers on the rise.” *Construction Dive*. January 26, 2018. <https://www.constructiondive.com/news/percentage-of-immigrant-construction-workers-on-the-rise/515657/>

<sup>40</sup> In the United Arab Emirates (UAE), 88 percent of residents are non-citizens, and foreign nationals represent 75 percent and 74 percent of Qatar’s and Kuwait’s resident populations, respectively.

<sup>41</sup> GTAI. “Building Industry Landscape.” <https://www.gtai.de/gtai-en/invest/industries/building-industry#77214>

<sup>42</sup> Research and Markets. 2020. “German Construction Industry Worth ~\$500 Billion by 2024 (COVID-19 Revised)—Market Insights, Trends and Opportunity Assessment.” Posted September 2, 2020. <https://www.globenewswire.com/news-release/2020/09/02/2087588/0/en/German-Construction-Industry-Worth-500-Billion-by-2024-COVID-19-Revised-Market-Insights-Trends-and-Opportunity-Assessment.html>

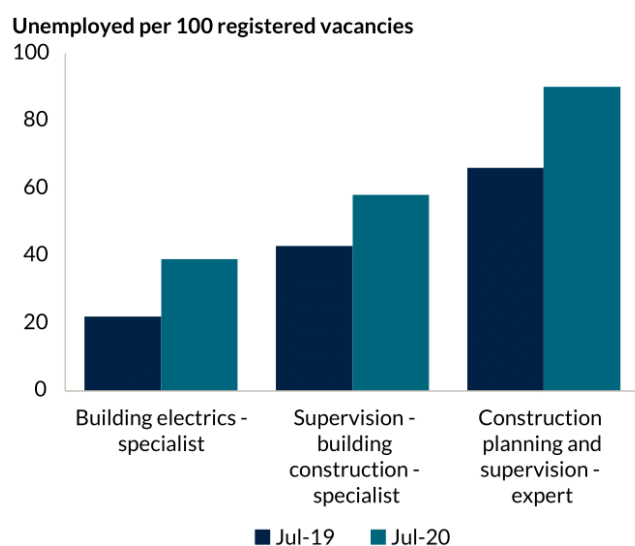
<sup>43</sup> Global Construction Review (GCR). 2020. “German construction sector suffers the effects of long Covid.” November 9, 2020. <https://www.globalconstructionreview.com/news/german-construction-sector-suffers-effects-long-co/>

<sup>44</sup> Global Data. 2020. “Construction is fastest growing sector in Germany.” June 2, 2020. <https://www.globaldata.com/construction-is-fastest-growing-sector-in-germany/>

## The Workforce

In 2016, the European Construction Sector Observatory noted that the number of people employed in the German construction sector has grown rapidly with the total figure now around 2.4 million people.<sup>45</sup> The majority of people work in Western Germany despite attempts to foster economic development in the Eastern regions.<sup>46</sup> At this same time, between 2011 and 2015, the number of job vacancies increased by 18.8 percent and the number of people undertaking training in the sector decreased by one percent.<sup>47</sup> This, coupled with the aging nature of staff in the sector, is leaving unfilled vacancies. Bruncker Juricic et al (2021) estimated that there were 147,208 job vacancies in the sector in Q4 of 2019, and this has only dropped slightly to 116,882 during the pandemic (Q2 2020), the highest rate in the EU.<sup>48</sup> A survey by Bauberufe in July 2020 found that there were only 39 suitably qualified people for every 100 registered jobs.<sup>49</sup> These vacancies exist within companies of all sizes, and within a wide variety of roles, but are most pronounced among those who have completed vocational training. This lack of skilled labor not only threatens the productivity of the construction sector but also its green transition.<sup>50</sup>

**Figure 3. Bottleneck vacancies (unemployed per 100 registered vacancies)**



Source: KOFA. 2020. "KOFA-Kompakt: Bauberufe im Juli 2020—Corona-Spezial." Berlin: KOFA. <https://www.kofa.de/service/publikationen/detailseite/news/kofa-kompakt-bauberufe-im-juli-2020-corona-spezial>

Note: KOFA calculations based on data from the Federal Employment Agency, 2020.

<sup>45</sup> European Commission. 2018. "European Construction Sector Observatory: Country profile Germany." Ref. Ares(2018)3474102–29/06/2018. <https://ec.europa.eu/docsroom/documents/23744/attachments/1/translations/en/renditions/pdf>

<sup>46</sup> Statistisches Bundesamt. 2020. "In construction industry, number of persons in employment residing in Germany down 300,000 on 1991." Press release #061. September 25, 2020. [https://www.destatis.de/EN/Press/2020/09/PE20\\_N061\\_44.html](https://www.destatis.de/EN/Press/2020/09/PE20_N061_44.html)

<sup>47</sup> European Commission. 2018. "European Construction Sector Observatory: Country profile Germany." Ref. Ares(2018)3474102–29/06/2018. <https://ec.europa.eu/docsroom/documents/23744/attachments/1/translations/en/renditions/pdf>

<sup>48</sup> Belinda Brucker Juricic, Mario Galic, and Sasa Marenjak. 2021. "Review of the Construction Labour Demand and Shortages in the EU." Buildings 11(17). <https://www.mdpi.com/2075-5309/11/1/17>

<sup>49</sup> KOFA. 2020. "KOFA-Kompakt: Bauberufe im Juli 2020—Corona-Spezial." Berlin: KOFA. <https://www.kofa.de/service/publikationen/detailseite/news/kofa-kompakt-bauberufe-im-juli-2020-corona-spezial>

<sup>50</sup> Claire Stam. 2019. "Skilled workers shortage could stall Germany's progress on climate targets." *Euractiv*. December 10, 2019. <https://www.euractiv.com/section/energy/news/skilled-workers-shortage-could-stall-germanys-progress-on-climate-targets/>

Tackling these shortages takes three broad approaches: (1) Make the construction industry more attractive to young people—for example, the regional construction federations of BadenWürttemberg and Nordrhein-Westfalen have launched a common campaign to improve the negative image of the industry; (2) focus on training activities within the industry under the banner of the registered association "Deutschland baut! e.V",<sup>51</sup> and (3) loosen immigration restrictions to attract EU and third country construction workers.

## Construction Management and Training

The German education system is structured differently from Anglo-Saxon or Scandinavian models. A strict distinction exists between vocational education and university courses. Students need to choose their route at age 10 and it can be difficult to switch between the two routes. Vocational education policy is coordinated at the federal level with a framework curricula which is set for 328 occupations.<sup>52</sup> These curricula are developed in collaboration with employers, employees, educators, and union representatives. It ensures that everyone going through a construction training program is learning the same skills at roughly the same time.

The majority of vocational education takes place in a "dual system" consisting of "work-based learning in the form of apprenticeships within a company supported by school-based learning in vocational schools run by the federal states."<sup>53</sup> This system offers training in three basic areas of construction: civil engineering (underground), civil engineering (above ground), and interiors and finishings.<sup>54</sup> Most qualifications within this field take three years, with the learning becoming more and more work-based. Companies enter into apprenticeship contracts with their employees and pay them an allowance while supporting in-company training.<sup>55</sup> Exams are held in the middle and at the end of the apprenticeship, to ensure on-the-job learning. About two-thirds of apprentices are hired by the company in which they worked during their training.<sup>56</sup>

Once someone finishes their qualification, they are given a license to operate by their local Chamber of Crafts. In Germany, these Chambers of Crafts, along with the Chambers of Industry and Commerce (IHKs), act as industry lobby groups while also organizing vocational training and providing legal support to companies in the sector.<sup>57</sup> Each area of Germany has its own Chamber of Crafts and they each make decisions on licensing fairly independently. Trade unions in Germany are organized under the umbrella of the German Trade Union Confederation (DGB). Of the eight affiliates, IG Bau-

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<sup>51</sup> European Commission. "European Construction Sector Observatory." [https://ec.europa.eu/growth/sectors/construction/observatory\\_en](https://ec.europa.eu/growth/sectors/construction/observatory_en)

<sup>52</sup> Bundesinstitut für Berufsbildung. 2015. "Bekanntmachung des Verzeichnisses der anerkannten Ausbildungsberufe und des Verzeichnisses der zuständigen Stellen." Published June 19, 2015. [https://www.bibb.de/dokumente/pdf/Verzeichnis\\_anker\\_AB\\_2015.pdf](https://www.bibb.de/dokumente/pdf/Verzeichnis_anker_AB_2015.pdf)

<sup>53</sup> Qualifications Wales. 2018. "An international comparison study: A supplementary report to accompany the Sector Review of Qualifications and the Qualifications System in Construction and the Built Environment." Newport: Qualifications Wales. <https://www.qualificationswales.org/media/3149/construction-international-comparison.pdf>

<sup>54</sup> SusBuild. "Dual vocational training in Germany." <https://www.susbuild.eu/good-practice/dual-vocational-training-in-germany-en/>

<sup>55</sup> Apprenticeship Toolbox. "Funding Arrangements in Germany." <https://www.apprenticeship-toolbox.eu/financing/funding-arrangements/47-funding-arrangements-in-germany>

<sup>56</sup> SusBuild. "Dual vocational training in Germany." <https://www.susbuild.eu/good-practice/dual-vocational-training-in-germany-en/>

<sup>57</sup> GTAI. "Chambers of Industry and Commerce (IHKs) and Chambers of Crafts." <https://www.gtai.de/gtai-en/invest/investment-guide/establishing-a-company/chambers-of-industry-and-commerce-ihks-and-chambers-of-crafts-73408>



Agrar-Umwelt (IG BAU)<sup>58</sup> looks after workers within the construction, engineering, agriculture, and environment sectors.

## Migration

Germany has been recruiting foreign workers for its construction industry since the mid-1950s.<sup>59</sup> In 2019, 15.4 percent of construction employees were foreigners, higher than the occupation average of 9.3 percent.<sup>60</sup> The majority are qualified in civil engineering and come from Eastern Europe and other European countries. Yet, in keeping with broader trends, Germany is being forced to look elsewhere. The German Research Institute of the Federal Employment Agency (IAB) and Coburg University have estimated that there will need to be 146,000 more third country migrants coming to Germany every year to meet demand, and the Association of German Chambers of Commerce and Industry (DIHK) thinks this figure is conservative.<sup>61</sup>

Despite this need, it was difficult for third country workers with mid-skill qualifications to access the German market. As a result, in March 2020, Germany enacted a new Skilled Immigration Act.<sup>62</sup> The new law allows anyone with a vocational qualification, in any subject, to move to Germany and obtain a work visa as long as they satisfy two conditions: (1) The qualification must be recognized in Germany, and (2) they must have a job offer. While a good knowledge of the German language (e.g. up to level B1) is not formally required to obtain a visa, in practice, employers still expect this to be proven before a job offer is granted. A recognition notice must be issued by the German Chamber of Crafts, recognizing the foreign qualification's equivalence. In addition, the law allows people from third countries to come to Germany for training provided they have been offered a training place in a German company, can speak German up to level B1, and can financially support themselves for the duration of their stay.<sup>63</sup> On the latter, a person would need around €950 per month, which can be out of range for some trainees within the construction sector.

There are many pros and cons inherent in the new law. It has removed the need to conduct labor market tests for hiring foreign workers (though it still exists for trainees), as it is assumed any company hiring through the new law has enough demand to warrant international recruitment. There is no cap on the number of workers who can come in through the law, nor is there bias in terms of specific countries of origin. And most important, there are no restrictions on the type of vocational skills required, though they have deemed some professions as lacking in workers (including construction).<sup>64</sup> However, there remains issues with its implementation in practice. The current dual system of training is rigid, which makes recognition of foreign professional qualifications difficult. Qualifications obtained in countries of origin need to be from recognized and pre-approved schools. Different rules apply for employment and traineeships, making it difficult for employers to navigate.

<sup>58</sup> Industriegewerkschaft Bauen-Agrar-Umwelt. <https://igbau.de/>

<sup>59</sup> Andreas Goldberg, Dora Mourinho, and Ursula Kulke. 1995. "Labour market discrimination against foreign workers in Germany." *International Migration Papers* 7. Geneva: International Labour Organization (ILO). [https://www.ilo.org/wcmsp5/groups/public/---ed\\_protect/---protrav/---migrant/documents/publication/wcms\\_201039.pdf](https://www.ilo.org/wcmsp5/groups/public/---ed_protect/---protrav/---migrant/documents/publication/wcms_201039.pdf)

<sup>60</sup> KOFA. 2020. "KOFA-Kompakt: Bauberufe im Juli 2020—Corona-Spezial." Berlin: KOFA. <https://www.kofa.de/service/publikationen/detailseite/news/kofa-kompakt-bauberufe-im-juli-2020-corona-spezial>

<sup>61</sup> Florence Schulz. 2019. "Germany needs a quarter of a million migrant workers a year." *Euractiv*. February 22, 2019. <https://www.euractiv.com/section/economy-jobs/news/germany-needs-a-quarter-of-a-million-migrant-workers-a-year/>

<sup>62</sup> Make It In Germany. 2020. "Information on the Skilled Immigration Act." <https://www.make-it-in-germany.com/en/visa/skilled-immigration-act>

<sup>63</sup> Michaele Nintcheu and Alexandra Köbler. 2021. "How can I recruit a qualified professional from abroad? What employers need to know." Berlin: Federal Ministry for Economic Affairs and Energy. [https://www.make-it-in-germany.com/fileadmin/MiiG\\_Unternehmen/PDFs/Unternehmen/Unterstuetzung\\_finden/BMWi\\_Leitfaden-fuer\\_Arbeitgeber\\_EN\\_02.2021.pdf](https://www.make-it-in-germany.com/fileadmin/MiiG_Unternehmen/PDFs/Unternehmen/Unterstuetzung_finden/BMWi_Leitfaden-fuer_Arbeitgeber_EN_02.2021.pdf)

<sup>64</sup> Tanja Zech. 2020. "Skilled personnel welcome." *Deutschland.de*. January 27, 2020. <https://www.deutschland.de/en/topic/business/the-skilled-labour-immigration-act-working-in-germany>

It is not clear how easy it will be to facilitate visas, and the system has not yet been tested (having been enacted just before the COVID-19 pandemic).<sup>65</sup> And finally it requires German language skills at a high level, which may be difficult to accomplish for people from countries like Nigeria.

Even in the absence of this law, various agencies within the German government, particularly the German Development Agency GIZ, have long been working to expand legal migration opportunities for people from third countries. To date they have more than 15 pilots, which is more than any country in Europe.<sup>66</sup> Yet many of these pilots remain at small scale, and there is little coordination between different government departments. There is broad ambition to scale and link up these efforts, while also investing in training and development in countries of origin. The construction Global Skill Partnership proposed below is one way in which to do this.

### BOX 3. CREATING PERSPECTIVES FOR YOUTH IN KOSOVO

Since 2017, Germany has been conducting youth training and employment schemes in Kosovo, a country with a youth unemployment rate of over 50 percent. The project ‘Creating perspective for youth in Kosovo’, aimed to bridge the gap between job seeker skills and labor market demands. It also aimed to improve the quality of vocational training in Kosovo, while strengthening the systems and capacity of the Ministry of Education, Science and Technology (MEST) and Ministry of Labour and Social Welfare (MLSW) and their agencies.

One aspect of this project was implementing a Global Skill Partnership in the construction sector. It was conducted in cooperation with the German Information Centre for Migration, Training and Career (DIMAK), the Ministry of Labour and Social Welfare, the Munich Chamber of Crafts, and the private sector. It aimed to split the three-year construction qualification, by providing a two-year “expert certificate” to trainees in Kosovo within a private training school in Pristina. Half would stay in Kosovo and the other half would move to Germany to undertake the third year as part of a local apprenticeship. The plan was to ensure trainees in the first two years would have the opportunity to spend summers in Germany working with employers, thereby building trust within companies who would, hopefully, employ them at the end of the training program.

In the end, the project was never implemented for four reasons. First, it was hard to translate the German curriculum to the Kosovar context. Construction trainees in Kosovo require general subjects and once the specialist German ones were added, the curriculum was too large. Second, German partners weren’t cognizant or sympathetic to these requirements. Third, construction has a poor reputation in Kosovo, which made it hard to find people willing to invest the effort and cost needed. Fourth, qualification recognition was to take too long. The organizing committee tried to negotiate an automatic approval for degrees from the Kosovar school, but this was deemed too difficult. And finally, any migrants into Germany needed to prove they could financially support themselves, and the wage offered was lower than this threshold. At the time, German companies did not want to pay more to get over this threshold.

<sup>65</sup> Tobias Buck. 2019. “Germany steps up hunt for migrant workers amid fears for economy.” *Financial Times* [paywall]. December 16, 2019. <https://www.ft.com/content/e59457d4-2002-11ea-b8a1-584213ee7b2b>

<sup>66</sup> See <https://www.cgdev.org/gsp>

Since that time, the organizing committee has been working hard on the next phase of the project. The Skilled Worker Immigration Law has facilitated more intensive discussion surrounding qualification recognition, leading to the development of a curriculum which includes two years of the general subjects required by Kosovar authorities (which will be delivered in Kosovo) and one year of specialist subjects required by the German chambers (which will be delivered in Germany). It was developed in conjunction with the leading German chamber responsible for Kosovo, and will be piloted by a public construction training school in Kosovo. Before COVID-19, the plan was to train 15 students in September for migration. There are two remaining issues. The first is the wage paid by German employers and whether it would be sufficient to meet the existing income threshold. The second is finding willing trainees and ensuring those on the “home” track stay in Kosovo. Given that Kosovo is part of Europe, there are other avenues through which they could move. As a result, the project is also working to develop the construction sector in Kosovo through improving training, wages, and working conditions.

*Source:* Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH. “Creating perspectives for youth in Kosovo.” <https://www.giz.de/en/worldwide/66634.html>, and interviews with relevant stakeholders.

## IMPLEMENTING A GLOBAL SKILL PARTNERSHIP

As described above, Germany is experiencing large and persistent skill shortages, particularly within the construction sector. The percentage of foreign-born workers within the German construction industry continues to rise and is far larger than in other comparable sectors. As a result of this demand, the new Skilled Worker Immigration Law seeks to facilitate easier access into the German labor market for both vocationally trained foreign-born workers, as well as new trainees. While there are implementation issues with this law, the broad strokes provide an opportunity to invest in the training of foreign workers within needed construction skills, facilitating the movement of some to plug skills shortages within the German labor market.

Nigeria is a country on the rise, with the infrastructure deficit requiring substantial investments in the built environment. Yet the sector is beset with poorly trained and informal operators, insufficient training infrastructure, and a low image of the construction sector overall. Such problems hamper the effectiveness and growth of both Nigerian construction companies but also multinational companies that would like to take advantage of this booming market. A construction partnership between Nigeria and a country of destination like Germany could help increase the stock of well-trained workers within Nigeria, improve the training infrastructure, and provide a useful source of labor for the German market.

One way to do this is through the Global Skill Partnership model. A Global Skill Partnership is a bilateral labor migration agreement between a country of origin and a country of destination. The country of origin agrees to train people in skills specifically and immediately needed in both the country of origin and destination. Some of those trainees choose to stay and increase human capital in the country of origin (the “home” track); others migrate to the country of destination (the “away” track). The country of destination provides technology and finance for the training and receives migrants with the skills to contribute to the maximum extent and integrate quickly.

The following sections outline how such a Global Skill Partnership in construction could be developed between Germany and Nigeria, including aspects of its design, risks and mitigation measures, and potential funding sources. The points listed below are not exhaustive. Undoubtedly, further points will be raised through the required extensive consultations between parties on both sides, and opportunities for testing new approaches should be pursued.

## Design

Below we have outlined the various stages required when designing a Global Skill Partnership, namely:

1. Signing government-to-government agreement;
2. Consulting relevant stakeholders;
3. Signing on interested employers;
4. Developing curricula and training materials;
5. Designing contributions to broader systems;
6. Facilitating mobility; and
7. Evaluating the scheme (and potentially scaling).

### Signing government-to-government agreement

The first stage required within the formulation of a construction Global Skill Partnership is the signing of a Memorandum of Understanding (MoU) or a Bilateral Labor Agreement (BLA). These agreements should be negotiated directly by the GIZ and BMZ in Germany and the Federal Ministry of Labour and Employment in Nigeria and take into account the needs of the labor force on both sides. Such discussions are ongoing (see Box 4) and there are many similar agreements on which to build.

## BOX 4. PROGRAMME ON PARTNERSHIP APPROACHES FOR DEVELOPMENT ORIENTED VOCATIONAL TRAINING AND LABOUR MIGRATION (PAM)

In early 2021, the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH submitted a proposal to the Federal Ministry for Economic Cooperation and Development (BMZ) to establish a new skill partnership in the field of construction with Nigeria. Different approaches regarding training and mobility are also being piloted in other sectors in up to five other countries including Ecuador and Vietnam. The project has been running since July 2019 and is planning to run until June 2023. These new partnerships are aiming to ensure more highly qualified people are available for the labor markets in the countries of origin as well as Germany; in some of the partnerships, this will be achieved by implementing a dual-track approach. The project will be building off earlier work conducted within the 'Creating perspectives for youth in Kosovo' project (see Box 3) and GIZ's other efforts to improve vocational training in countries of origin.

In Nigeria, the aim would be to collaborate with a new construction academy, the Federation of Construction Industry (FOCI) Skills Academy.<sup>67</sup> FOCI, which was founded by eight companies in 1954 as the Federation of Building and Civil Engineering Contractors in Nigeria, has grown to have a membership of over a hundred engineering construction companies.<sup>68</sup> The building of this new artisanal skills development academy broke ground in Abuja in December 2020, with the aim of eventually skilling Nigerians in masonry, plumbing, and carpentry. Julius Berger Nigeria, one of the largest construction companies in the country and a subsidiary of Julius Berger International GmbH (headquartered in Germany), is supporting the facility financially, as is GIZ and other donors. Training is due to begin in Spring 2021.

*Source:* Interviews with relevant stakeholders.

### Consulting relevant stakeholders

The second phase will be to ensure that all relevant stakeholders have been consulted and had the opportunity to engage with the design of the Global Skill Partnership—the relevant stakeholders are listed in Table 1. While not all of these stakeholders need to be formally engaged in the implementation of the project, it is crucial that all are regularly consulted throughout the length of the project and given the opportunity to provide feedback on required course corrections. This will ensure that all stakeholders provide a positive rhetoric about the impact of the project which will be necessary given inevitable criticism from both within and outside government.

**Table 1. Required stakeholders for a Germany-Nigeria construction Global Skill Partnership**

	Nigeria	Role	Germany	Role
Government	Federal Ministry of Foreign Affairs, Federal Ministry of Works and Housing (FMWH)	Sign MOU and oversee project management	Federal Ministry for Economic Cooperation and Development (BMZ)	Sign MOU, manage project
	Federal Ministry of Labor and Employment (FMLE)	Sign MOU and manage project	Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH	Provide ODA, ensure development impact of project
	Nigerians in Diaspora Commission (NiDCOM)	Ensure protection of rights of Nigerian migrants in Germany and harness the project for national development	German Federal Office for Migration and Refugees (BAMF)	Ensure integration of Nigerians into the German labor market, monitor the implementation of the project

<sup>67</sup> Julius Berger. 2020. “50th Anniversary Commemoration: Julius Berger Builds Artisanal Skill Academy in Abuja, Partners FOCI and GIZ.” Press Release. December 5, 2020. <https://www.julius-berger.com/press/50th-anniversary-commemoration-julius-berger-builds-artisanal-skill-academy-in-abuja-partners-foci-and-giz>

<sup>68</sup> Stockswatch. 2019. “Construction Industry will grow to the Next Level—Engr. Nasiru Dantata.” *Stockswatch*. July 9, 2020. <http://stocksnng.com/construction-industry-will-grow-next-level-engr-nasiru-dantata/>



	Nigeria	Role	Germany	Role
<b>Nongovernmental bodies</b>	Nigerian Labor Congress	Ensure that both local and international labor standards are maintained for the protection of trainees and employees under the project	Goethe Institute	Design language curriculum, deliver language training, certify trainees for visa application
<b>International bodies</b>	International Organization for Migration (IOM), Nigeria	Support Migrants Resource Centers (MRC) with pre-departure counselling and training	International Organization for Migration (IOM), Global	Support implementation of pre- and post-departure training, share best practice, (possibly) provide funding
	International Labour Organization (ILO), Nigeria	Support Nigerian Labour Congress to ensure that labor standards are maintained in accordance with ILO Conventions relating to the protection of migrants' rights	International Labour Organization (ILO), Global	Provide oversight of labor standards, protect migrant rights
<b>Professional bodies</b>	Council of Registered Builders of Nigeria (CORBON)	Provide certification and accreditation of "home" track trainees as the Sector Skills Council of the construction industry	Association of German Chambers of Commerce and Industry (DIHK)	Provide accreditation to Nigerian-trained construction professionals
<b>Employers</b>	Federation of Construction Industry (FOCI)—as the umbrella body for the biggest construction companies operating in Nigeria and beyond	Recruit "home" track trainees post training and facilitate recruitment of 'away' track trainees where possible	Employers willing to engage with the project	Recruit construction professionals in "away" track, facilitate apprenticeship, support trainees in receiving accreditation through the Chamber of Crafts
<b>Trade unions</b>	National Union of Civil Engineering, Construction, Furniture and Wood Workers (NUSECFWW)	Collaborate with relevant bodies to ensure protection of the labor rights of construction workers selected for the project	IG Bauen-Agrar-Umwelt (IG BAU)	Provide oversight of labor standards, protect migrant rights, ensure program is not used as a substitute for improvements in wages and working conditions
<b>Diaspora organizations</b>			AFFORD, Nigerian in Diaspora Organisation (NIDO) Germany	Support integration of Nigerians in "away" track, facilitate remittance and skill transfer

### Signing on interested employers

The third phase is to select those employers to partner with in both Nigeria and Germany. On the former, it makes sense to partner with Julius Berger Nigeria as it is a lead contributor to the new Federation of Construction Industry (FOCI) Skills Academy and clearly has a need for skilled professionals for its operations in Nigeria. An inexhaustive list of other companies to consider approaching include Setraco, Reynolds Construction Company (RCC), Arab Contractors, Cappa & D'Alberto, C & C, Gilmor, PW, Brunelli, Adold Engineering, Ringardas, and the China Civil Engineering and Construction Company (CCECC).

On the latter, it makes sense to pick German companies which are suffering from significant skill shortages but which are also situated in cities with large African diaspora such as Berlin. The parent company, Julius Berger International, is an obvious place to start. Other construction companies that may have links with Germany are Dantata & Sawoe, Brastem-Sterr Nig. Ltd., Construction Kaiser, Rock Results Group, Makasa Sun Nig. Ltd., Metalum Ltd, Periform, and Scaffolding Nig. Ltd. All are members of the Nigeria-German Chamber of Commerce.

### Developing curricula and training materials

The fourth phase is to consult with employers willing to engage with the project as well as the German Chamber of Crafts and the Nigerian Federal Ministry of Labor and Employment to design the curriculum for the training of Nigerian construction professionals. Ensuring that the training course delivered in both the “home” and “away” track conforms to the needs of the labor markets on both sides will be the most difficult part of the design. It will be necessary to conduct in-depth reviews of labor needs (both now and in the future) in both countries by conducting desk research, and exchanging with senior federations, chambers of commerce, employment, and investment agencies. Such skills need should be developed in line with national employment strategies and contribute to the economic development goals of both countries. These analyses will also be useful far beyond the construction sector, helping identify skill needs across a range of sectors to support a range of potential partnerships.

In conducting research and analysis for this report, we suggest that the “home” track focus on building general construction skills that can be used within the growing housing sector, and the “away track” focus on building both these general skills and more specialized, supervision, skills. To ensure those undertaking the training have the requisite skills for the program, it is suggested that those with upper secondary school education are targeted.

Given the needs of the German Chamber of Crafts, the structure of the training in Nigeria will be incredibly important. Ideally, the training center would deliver the first two years of the German construction curriculum in Nigeria, with those in the “away” track moving to Germany to undertake the final year of their apprenticeship. Those on the “away” track may seek to undertake on-the-job placements, either in Nigerian companies or during their training breaks in Germany, to get practical experience. It may also be possible to shorten the final year of their apprenticeship over time, perhaps down to six months.

Yet getting to this position will require an increase in the quality of training in Nigeria as well as an increase in trust among employers as to the quality of graduates. Therefore, the project could start by delivering a one-year pre-preparation course in Nigeria. This training would have no formal recognition in Germany but would prepare this cohort for further training in either country. Then, those on the “away” track would move to Germany to undertake the final two years of their training. It

would need to be agreed that the one-year training satisfied demand within Nigerian companies and/or that those in the “home” track would have access to further courses that would equip them with these skills.

Crucially, this training will also require a language component. The minimum for entry under the new Skilled Immigration Act is German up to B1. This is a high standard, especially for trainees who have no experience with German, and will require intensive training. It is suggested that those in the “away” track also conduct German language training throughout the length of their one-year training course. Once they complete this course, they could be enrolled in a full-time booster program to ensure they achieve B1 level. This training could be delivered by the Goethe Institute, either in person or online. In addition, some form of language training could be offered to those on the “home” track also, perhaps up to A1 level, and an intensive program of “training the trainers” could take place to ensure there are trained Nigerian German language teachers to ensure the sustainability of the project.

Finally, careful attention must be paid to integration. Those on the “away” track must be provided with pre- and post-departure training which includes information about entry into German economy and society. This could be delivered by the IOM or other nongovernmental organizations that, perhaps, facilitate the cultural integration of refugees and asylum-seekers now. Both tracks will need to include some form of soft-skills training too, in transfer thinking, problem-solving, and independent learning.

## BOX 5. SKILLS DEVELOPMENT FOR YOUTH EMPLOYMENT (SKYE)

From 2018 to 2022, the German Federal Ministry for Economic Cooperation and Development (BMZ) is working on a project with the Federal Ministry of Budget and National Planning (FMBNP) to improve the quality of the vocational training system in Nigeria, among other goals. The focus is on the labor-intensive construction and agriculture sectors and the occupational field of industrial mechanics, and the overall aim is to better align skills training in these sectors with the needs of MSMEs. Since its inception, over 3,380 beneficiaries have been trained, and 557 have found employment.

*Source:* Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH. “Skills Development for Youth Employment—SKYE.” <https://www.giz.de/en/worldwide/72119.html>, and interviews with relevant stakeholders.

### Designing contributions to broader systems

The training and mobility aspects of the project should be accompanied by ODA investments in improving the construction system of Nigeria as a whole. Here, the biggest investment that such a project could make would be substantial investment in the training and education facilities of Nigeria. As described above, Nigeria has a booming construction sector yet lacks the skilled labor it needs to take advantage of this growth. Aid being channeled into Nigeria through this project could be used to extend the activities conducted as part of the Skills Development for Youth Employment (SKYE) project or the Nigerian College of Practical Skills and Start-Up Centre. Such investments would help formalize training and curricula in a range of subjects and, crucially, support the staffing of smaller enterprises who may not have the resources to engage in a broader Global Skill Partnership.

### **Facilitating mobility**

The sixth phase is to design the mobility component of the “away” track. Trainees should be brought in under the new Skilled Immigration Act and granted a four-year visa which can be extended if both the employer and employee are satisfied. As a result of this visa category, no support for return and reintegration should be needed, though some financing should be set aside should participants choose to return for any reason. They should be able to bring their dependents who should also have access to work visas. IOM could support with pre- and post-departure training, while the German Chamber of Crafts should help facilitate registration and post-arrival training. Those in the “away” track should also be connected to diaspora groups such as AFFORD when they arrive, to help facilitate their integration. Labor standards must be upheld throughout; in particular governments should adhere to International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families (1990), Article 43 which outlines minimum standards.

### **Evaluating the scheme (and potentially scaling)**

The full report which accompanies this case study shows the potential benefits from Global Skill Partnerships are vast and must be evaluated. This evaluation should be conducted at the beginning, middle, and end of the project, as well as some time after to ascertain the long-term impacts of the program. It is not enough to facilitate the mobility of such workers and then assume, due to the design of the training, that integration will be automatic. Negative experiences are likely to create a negative feedback loop, deterring future participants in the scheme from choosing the “away” track. Hence close attention should be paid to the integration prospects of such trainees.

Such activities could be conducted in-house (say, GIZ) or contracted externally. Crucially, such evaluations should use control groups for both employees and employers to understand the impact of the program in all countries and for all sets of people. Reiterating the above, understanding the impact of the project to employers is vital to being able to prove its importance to other employers and other governments.

Based on the evidence gathered, the main actors will need to decide whether and how to scale the pilot scheme. The Global Skill Partnership model is best implemented at a small scale in the early phases, perhaps bringing over 100 construction professionals in the first cohort. In this way, the assumptions inherent in the design can be tested and adapted. In the long-run, given strong demand, there is potential to scale the project to thousands of construction professionals per year, perhaps also expanding opportunities across regions and to countries such as Ghana and Senegal. Over time, the unit cost of the project should decrease. Close attention should be paid to the project, and multiple evaluations conducted, to ensure the project is still having the desired impact. If the needs of employers change or diminish, the project must be ready to adapt to this new reality.

### **Risks and Mitigation Measures**

The full report which accompanies this case study outlines a number of risks and potential mitigation measures that are inherent in all Global Skill Partnerships. In addition to this list, there are three specific risks which are likely to occur in the development of such a partnership in construction between Germany and Nigeria.

**The construction remains a sector with a poor reputation, such that people in Nigeria are reluctant to invest in substantial training programs.** As described above, Nigeria has a booming construction sector that struggles to recruit workers domestically. This could be due to the perception of construction as a career that is low-skill and low-status. As described in Box 3, similar issues arose within the GIZ project in Kosovo, whereby it was difficult to find youth who were interested in investing the effort and cost required. Any Global Skill Partnership in the construction sector therefore must both understand the issues that make the sector unattractive at a domestic level (such as low pay, poor working conditions, or a lack of financial support for training) and ensure these are tackled in tandem.

**Language skills requirement might not be an easy hurdle to cross.** The construction industry in Nigeria has a reputation for attracting youth who do not have higher secondary level of education, on average. The German language skills requirement might therefore be a discouraging factor for some aspirants. A longer duration of training could be integrated to support language requirements.

**Some risks may arise because of cultural differences.** Inability to understand and manage such differences might have both short-term and long-term psychological effect that could impact performance at work, relationships and general personal success as a migrant. This issue can be addressed through in-depth culture training during pre-departure orientation or preferably through integrated social skills training that could be taken along with the hard skills training planned to prepare prospective migrant workers in-country.

## Funding

Given the stated interest of GIZ in implementing a Global Skill Partnership in construction with Nigeria, it appears that German ODA can be used to support a scheme. GIZ has a long history of using ODA to expand legal migration opportunities to Germany and improve training and education in countries of origin, hence it should not be a large departure from past investments.

Such funding could be supplemented by the World Bank and the MPF. An application to the latter could be made by GIZ on behalf of partners in Germany and Nigeria. A new round of funding (MPF IV) will be launched in 2021 and is available to support pilot projects on legal migration.<sup>69</sup> Providing the application had adequately considered the labor market needs of both parties and had been designed in collaboration with a wide range of stakeholders, it is likely to be well received by the ICMPD team.

As described in the companion report, it may be difficult to obtain private sector buy-in during the pilot phase of the program which is why this case study recommends using development assistance and international organization financing in the initial stages. However, in the long run, a construction partnership should look to transfer financial responsibility for the training of those on the “away” track to the private sector within Germany. To be able to transition into a more sustainable financing model, the pathway will need to demonstrate the impact of the program to German employers by attempting to ascertain the changes in productivity and investment due to plugged skill shortages.

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<sup>69</sup> International Center for Migration Policy Development (ICMPD). “MPF III: Call for Proposals.” <https://mobilitypartnershipfacility.eu/calls-for-proposals/mpf-iii-call-for-proposals>





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**SAMIK ADHIKARI** is an economist at the World Bank.

**MICHAEL CLEMENS** is director of Migration, Displacement, and Humanitarian Policy and a senior fellow at the Center for Global Development.

**HELEN DEMPSTER** is assistant director and senior associate for policy outreach for Migration, Displacement, and Humanitarian Policy at the Center for Global Development.

**NKECHI LINDA EKEATOR** is a consultant for the World Bank.

Arne Hoel/World Bank