Why Europe Should Build Legal Migration Pathways with Nigeria

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"This is the future. This is the kind of cooperation that we should upscale; giving opportunities for young people to develop the skills that they can use both on the Moroccan labor market and in the European labor market."

– European Union Commissioner for Home Affairs Ylva Johannson speaking about the PALIM project, December 2, 2020.

The youth population within Nigeria is rapidly increasing, but despite their high levels of education and skills, many are struggling to find meaningful work opportunities at home. At the same time, Europe's working-age population is declining, resulting in employers in these countries facing large and persistent skill shortages within a range of mid-skill professions. Despite the large benefits that facilitating migration between Nigeria and Europe could bring, and despite the overtures of both European governments and the European Union, few mutually beneficial migration partnerships exist.

Over the last year, the Center for Global Development (CGD) has been working with the World Bank to understand how our Global Skill Partnership migration model could be implemented between Nigeria and Europe. The full results of this work have now been published in a new report, *Expanding Legal Migration Pathways from Nigeria to Europe: From Brain Drain to Brain Gain*. The report explores both why Nigeria and Europe should implement migration partnerships and develops a framework as to how they can do so. This framework is then applied to three sectors and partner countries: a health care partnership between Nigeria and the United Kingdom (UK), a construction partnership between Nigeria and Germany, and an ICT partnership with various European states.

This brief will focus on the first part of this equation, the why: understanding the opportunity that lies before us to better link the labor markets of Nigeria and Europe and the innovation that could do just that.

THE OPPORTUNITY: GROWING SUPPLY OF YOUNG PEOPLE IN NIGERIA, AND GROWING EMPLOYER DEMAND IN EUROPE

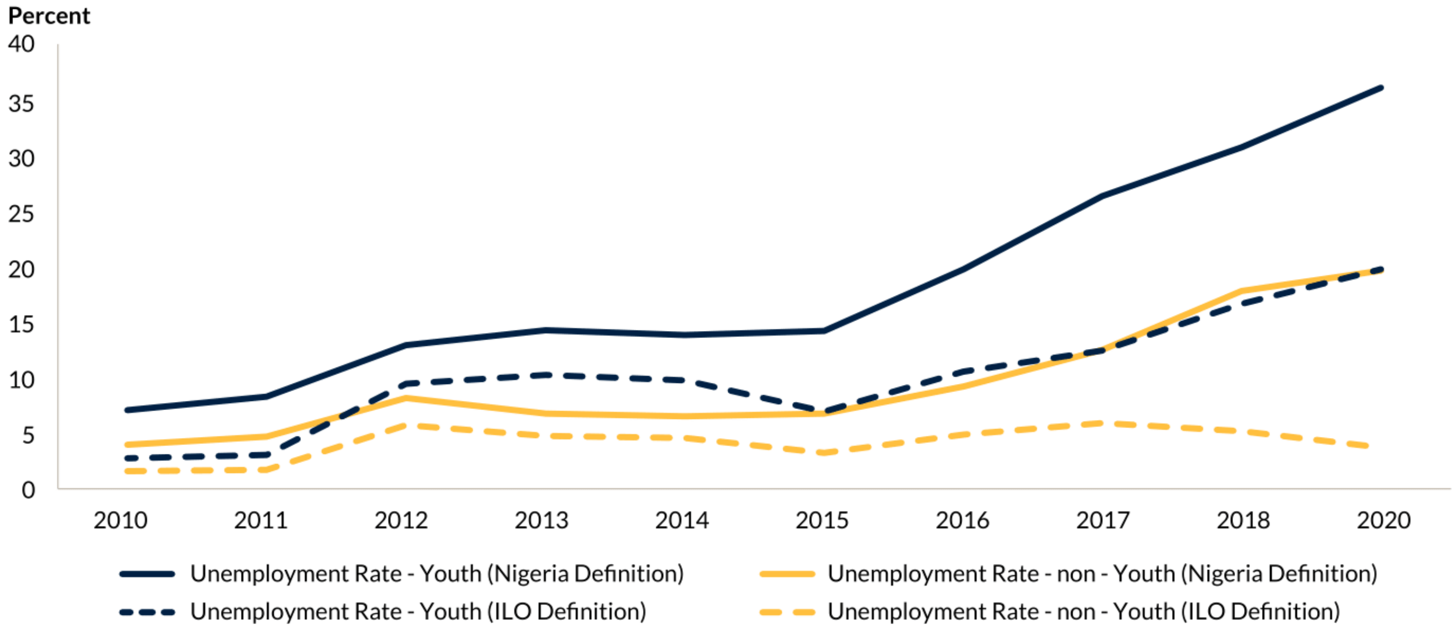
Nigeria

Nigeria is Africa's largest economy and has, until recently, benefitted from long-run economic growth largely fueled by stable oil prices and a prudent fiscal policy. It is also on track to become the third most populous country in the world, adding another 100 million new people under the age of 35 by 2040. Yet in recent years, successive economic shocks including the COVID-19 pandemic have reduced the number of opportunities available for this growing youth population. Between 2010 and 2018, 25 million Nigerians entered the labor force; during the same period, the unemployment rate rose by 13 percent (Figure 1). This unemployment rate is affecting all Nigerians but, increasingly, it is those Nigerians who have secondary and post-secondary education who are struggling most to find meaningful work. It is estimated that Nigeria needs to create an additional 30 million jobs by 2030 to employ its growing working-age population. It is on track to create 10 percent of that number.

There is also plausible evidence that Nigerian youth are not entering the domestic labor market with industry-relevant skills. Various studies have shown that 5–10 percent of businesses in Nigeria find it difficult to

This brief is based on the CGD-World Bank report, *Expanding Legal Migration Pathways from Nigeria to Europe: From Brain Drain to Brain Gain*. A full list of references is available in the report. available at www.cgdev.org/publication/expanding-legal-migration-pathways-nigeria-europe-brain-drain-brain-gain.

Figure 1. Unemployment rates among Nigeria's youth have been rising steeply



Source: World Bank Calculations based on data from the National Bureau of Statistics (NBS)

Note: Unemployment (ILO Definition): The unemployed comprise all persons of working age who were: (a) without work during the reference period, i.e., were not in paid employment or self-employment; (b) currently available for work, i.e. were available for paid employment or self-employment during the reference period; and (c) seeking work, i.e. had taken specific steps in a specified recent period to seek paid employment or self-employment. Unemployment (National Definition): In addition to the unemployed as defined by ILO, NBS considers any individual as 'unemployed' who could not find work for at least 20 hours during the reference period.

fill vacancies due to job applicants' lack of skills, qualifications, or experience. The skills development system in Nigeria faces severe constraints on staffing, facilities, and equipment, resulting in exceedingly low equitable access and quality; low external efficiency due to the absence of linkages between curriculum design and labor market information (LMI), especially from industry and enterprises; gender inequity; shortage of well-qualified technical and vocational education teachers and inadequate professional development; and weak institutional capacity at the federal and state levels.

Concerned about their prospects at home, Nigeria's youth are increasingly looking to other economies for work. A Gallup poll conducted before the 2019 presidential elections showed that roughly half of all Nigerians said it was a "bad time" to find a job in the economy. The proportion of youth planning to leave Nigeria permanently increased from 36 percent in 2014 to 52 percent in 2018, one of the highest levels in Sub-Saharan Africa. The desire to migrate is highest among unemployed yet educated urban youth.

This desire is translating into increased emigration rates from Nigeria. In absolute numbers, the number of international migrants from Nigeria has increased from around 450,000 in 1990 to 1.4 million in 2019. Yet the share of international migrants originating from Nigeria as a proportion of the total population in 2019 (0.7 percent) is much lower than in Sub-Saharan Africa (2.5 percent) and the world (3.5 percent). Historically, most Nigerians migrated within Sub-Saharan Africa, but the share of migrants moving to Europe (31 percent) and North America (22 percent) has increased considerably since 1990. This Nigerian diaspora remitted home US$25 billion in 2019, or 5 percent of Nigeria's GDP and fourfold what Nigeria received through foreign direct investment and official development assistance combined.

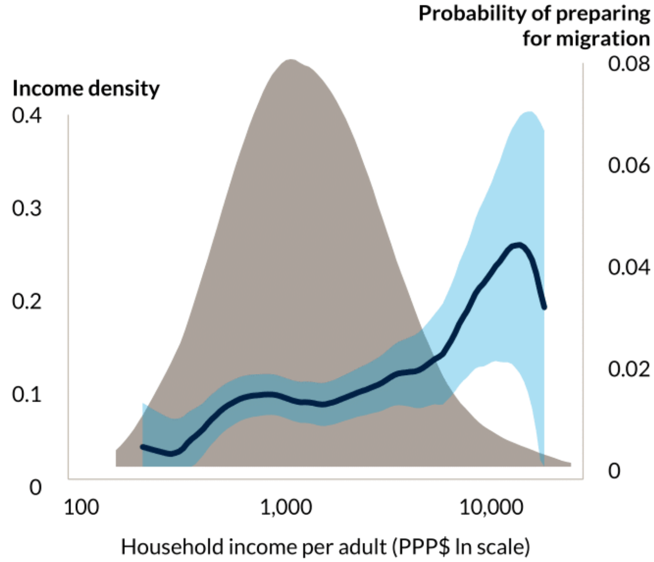
With limited options for legal migration outside of Africa, young Nigerians are increasingly choosing irregular alternatives to find better work opportunities overseas. Nigerians represented the largest group of migrants from Sub-Saharan Africa who arrived in Europe during the "migration crisis" of 2016 and 2017. While the number of Nigerian asylum-seekers in Europe has declined in recent years, this cannot translate as decreased demand for migration. The number of Nigerians in both Libya and Niger, transit countries for the journey to Europe, has increased, as have returns from both countries.

These substantial outflows, both legal and irregular, have led to narratives of "brain drain"— that is, the net export of human capital from Nigeria, leaving domestic sectors vulnerable and leading richer countries to benefit from Nigeria's investments in its own people. Unfortunately, there is no concrete data available to assess the extent, and impact, of brain drain from Nigeria, but it is evident that many skilled professionals (particularly within the health care sector) are seeking greener pastures abroad. Yet recent research has found that such skilled migration has many positive externalities including remittances, investment, and trade linkages with countries of destination, as well as better educational attainment of those in home communities.

Migration from Nigeria will continue and is likely to increase. Clemens (2020) has demonstrated the existence of a "migration hump", whereby low-income countries exhibit increasingly high emigration pressure up to a turning point (approximately $10,000 GDP per capita). Given Nigeria's current economic growth, it is likely that emigration pressure will continue from the country for decades to come (Figure 2). Nigeria could therefore stand to benefit from forming new migration partnerships that can provide safe, regular, and orderly routes for its youth to move, while ensuring such partnerships contribute to building opportunities and furthering economic growth at home.

Largely, Nigeria has the right policy instruments and institutions in place to take advantage of an increase in economic migration, remittances, and other opportunities linked to its diaspora. In recent years, it has formulated a National Employment Policy (2017), a National Migration Policy (2015), and a National Labor Migration Policy (2014). While these policies highlight the importance of labor migration for employment generation and economic development within Nigeria, they also highlight the lack of formal structures and support for labor migrants. They call for the establishment of an effective, responsive, and dynamic labor migration governance system that includes both bilateral labor agreements (BLA) and memoranda of understanding (MoU) to facilitate labor migration.

Figure 2. The share of Nigerians actively preparing to emigrate is lowest at low incomes, and highest at high incomes



Source: Michael Clemens and Mariapia Mendola. 2020. "Migration from Developing Countries: Selection, Income Elasticity, and Simpson's Paradox." CGD Working Paper 539. Washington, DC: Center for Global Development. https://www.cgdev.org/publication/migration-developing-countries-selection-income-elasticity-and-simpsons-paradox

Note: The bell-shaped curve in gray, and the left-hand vertical axis, show the density of household income per capita for the whole Nigerian population. The line in blue (surrounded by an interval of statistical confidence), and the right-hand vertical axis, show the probability that people at each income level report that they are actively preparing to permanently emigrate from Nigeria.

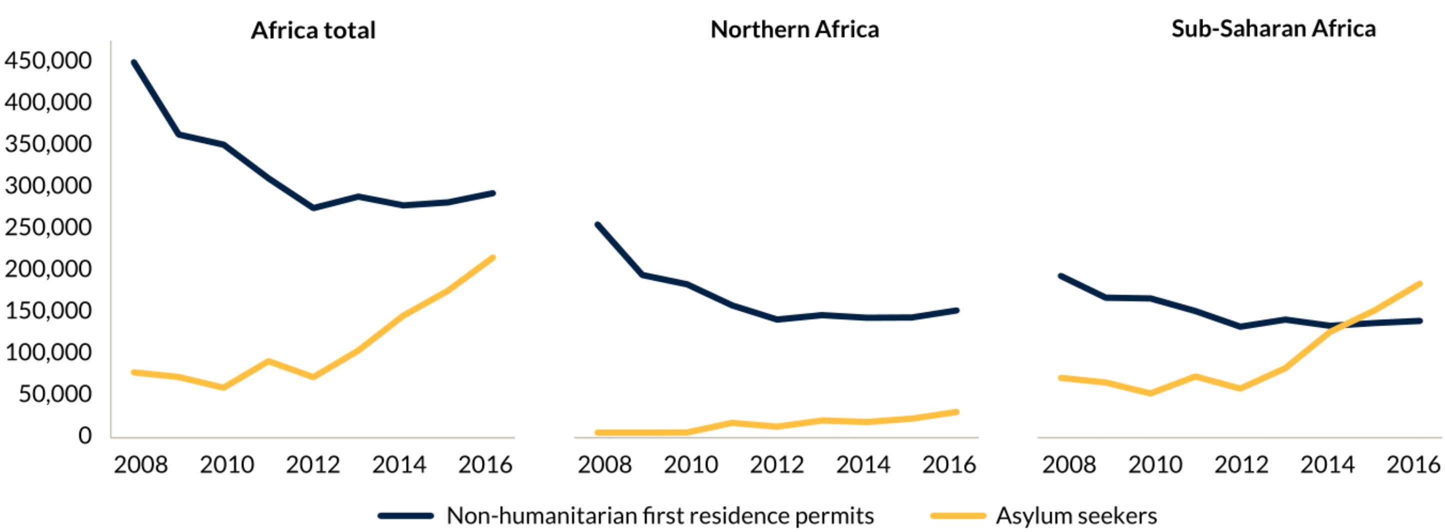
Europe

Europe is experiencing significant demographic shifts. By 2050, its working-age population (those aged between 28 and 64) is projected to decline by over 15 percent from 2020 levels due to a combination of low birth rates and increased longevity. Without migration, a selection of OECD countries are predicted to lose more than 92 million workers over that same time period while gaining more than 100 million people over 65 years of age. This will have substantial implications for European pension schemes, while also leading to substantial skill shortages within a number of growing and dynamic industries.

In 2021, the European Commission found that out of the top 28 shortage occupations, all but three fell into six buckets: health care, construction, engineering, mechanics, ICT, and hospitality. Fifty-five percent of these occupations require medium-level qualifications, 28 percent require low qualifications, and 25 percent require high qualifications. Within many of these occupations there exists both a lack of relevant applicants and a lack of people willing to take on roles at current wages and working conditions. These skill shortages are having an impact on the ability of employers to invest, expand, and remain productive. The European Investment Bank has found that 72 percent of firms consider skill shortages to be an obstacle to investment. Responding to such skill shortages will require creative solutions to raise wages and working conditions, but it will also likely require some amount of international recruitment.

Despite this large and growing need, there are relatively few migration pathways that allow those with a medium level of skills to move to Europe, particularly from growing regions like Sub-Saharan Africa. There has long been a history of migration between the two regions, with around 400,000 Africans moving to Europe every year between 2010 and 2015. As described above, until 2012, the vast majority were moving regularly with visas and residence permits, though the balance has shifted in recent years. It is unclear how long irregular arrivals will stay at their current levels, though COVID-19 has undoubtedly reduced economic opportunities within countries of origin. Yet one crucial part of the puzzle is the availability of legal pathways (Figure 3). Over time, European countries have reduced the number of visas available to people from African countries and increased their visa rejection rates, despite the vast benefits that such migrants could bring to the aging continent.

Figure 3. As legal migration from Africa decreases, irregular migration increases



Source: Eurostat, as represented in European Commission Joint Research Centre (JRC). 2018. "Many more to come? Migration from and within Africa." Luxembourg: Publications Office of the European Union. https://ec.europa.eu/jrc/sites/jrcsh/files/africa_policy_report_2018_final.pdf

Note: The figure only includes first residence permits with a duration equal or longer than 12 months issued by the EU28. It does not include residence permits for humanitarian reasons as most of the people receiving this status are included in the number of asylum-seekers.

The lack of legal pathways between the continents is not for lack of policy instruments to facilitate them. In May 2012, the European Union (EU) developed the Global Approach to Migration and Mobility (GAMM), which aimed to integrate all aspects of migration and mobility with so-called third countries into overarching "mobility partnerships".[1] Working through existing dialogues such as the Rabat Process, the Prague Process, and the ACP-EU Migration Dialogue, new partnerships were signed to promote returns and readmission and enhance circular migration. Since that time, the EU has developed two new overarching migration frameworks—the 2015 European Agenda on Migration and the 2019 New Pact on Migration and Asylum—and many of its member states signed the New York Declaration on Refugees and Migrants and the Global Compact on Safe, Regular, and Orderly Migration.

Yet none of these agreements were able to help European Member States come to an agreement over how to manage migration, and very few meaningfully prioritized expanding legal migration routes. For example, only 1.5 percent of the EU Trust Fund for Africa (EUTF) went toward expanding migration opportunities. Thankfully, things may be slowly shifting. While the New Pact on Migration and Asylum focuses predominantly on burden sharing for asylum-seekers, it does propose two new legal migration instruments: the EU Talent Pool and Talent Partnerships. The latter aims to invest in training, development, and systems strengthening in countries of origin, while expanding skilled migration. It builds on this "mobility partnerships" history and while the precise modes of implementation are still unclear, it is likely they will build on the success to date with the EU-funded ICMPD-implemented Mobility Partnerships Facility (MPF).

Opening up new legal migration pathways, whether through this new Talent Partnerships approach or through other innovations, could meet the substantial skills needs across the European continent while contributing to economic development abroad. They could also have other positive benefits. First, they could play a role in reducing irregular migration. There is little evidence as to whether expanded legal pathways can substitute for irregular migration, though the few pieces we do have show that legal pathways combined with robust border enforcement can have an impact. Second, they could improve foreign policy relationships with third countries. To date, European states have sought to obtain return and readmission agreements with African countries, without providing anything meaningful in return. Such legal pathways could help build true and equitable partnerships. And finally, they could enhance immigrant integration. Skilled migration, even from poor countries, is popular with the majority of Europeans. Bringing in small numbers of people who have skills needed within local economies could help build support for immigration over time. All of this will need to be done by "coalitions of the willing", groups of like-minded Member States who want to collaborate to build mutually beneficial migration agreements.

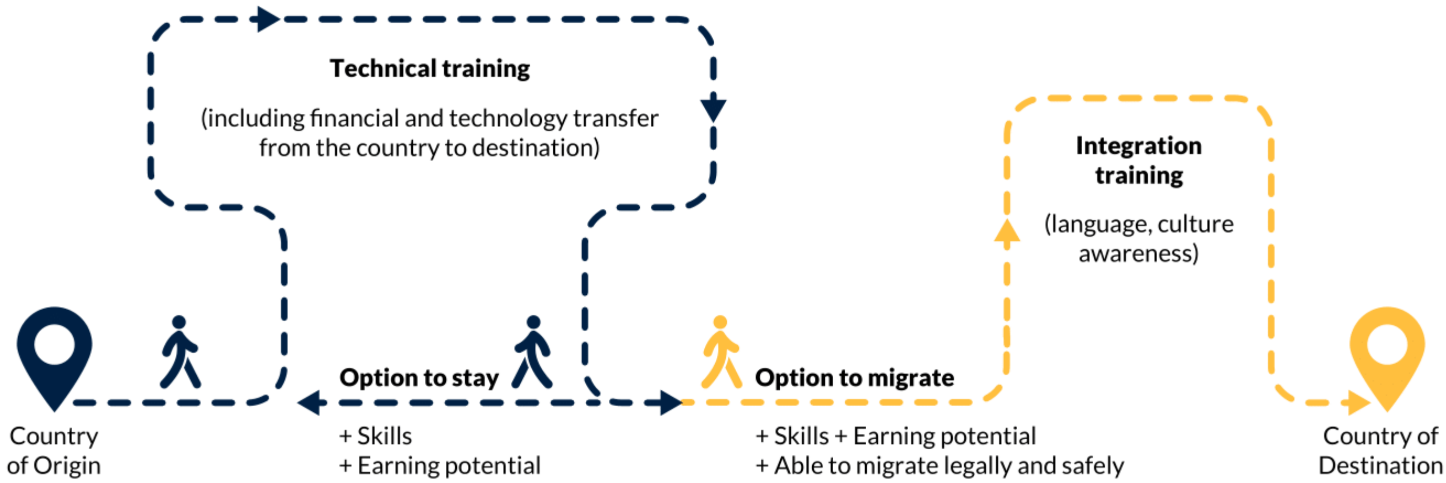
THE INNOVATION: A MUTUALLY BENEFICIAL MIGRATION AGREEMENT, OR THE GLOBAL SKILL PARTNERSHIP MODEL

In the accompanying report to this brief, we outline one such mutually beneficial migration partnership—the Global Skill Partnership model. The Global Skill Partnership was first proposed by CGD's Michael Clemens in 2012 as a way to regulate skilled migration to benefit countries of origin, destination, and the migrants themselves. It was expanded upon in a brief published in late 2017, and subsequently included as the only concrete initiative within the 2018 Global Compact for Safe, Regular, and Orderly Migration.

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 broader systems support, and receives migrants with the skills to contribute to the maximum extent and integrate quickly (see Figure 4).

1. Note, "third countries" in this context refers to any countries outside of the European Union, European Free Trade Association (EFTA), and the European Economic Area (EEA).

Figure 4. The Global Skill Partnership model



This dual-track approach is the primary distinction between the Global Skill Partnership model and other migration agreements. It aims to build the global stock of skilled workers, ensuring some remain within the country of origin, thereby combatting brain drain. It also ensures there is a steady stream of investment going into improving both training and systems overall, thereby compensating countries of origin for producing qualified workers for markets abroad.

Interest in the model has increased in recent years (especially since the introduction of Talent Partnerships) and there are currently three pilots of the model underway: between Belgium and Morocco in ICT, between Germany and Kosovo in construction, and between Australia and the Pacific Islands in a range of vocational skills. Building the case for additional pilots is difficult. Even when employers do have the resources and interest in hiring talent from abroad, they tend to seek already qualified talent, rather than partnering with governments to build the global stock of talent. The remit for developing partnerships also sits awkwardly between government departments, making it difficult to know who to collaborate with. And even if such interest and coordination structures exist, the cost, risk, and time involved may be too large a barrier.

Yet given the substantial demand in both countries of destination and origin as outlined above, it is imperative that governments and employers find a way to develop such partnerships. To do so, the first steps are to choose both a sector within which to focus and a partner country with which to collaborate. The accompanying report to this brief lays out a series of questions which countries should ask themselves when interrogating both of these steps, ranked from most to least essential. These questions are outlined in table 1.

Even if the answers to these questions are thoroughly interrogated, there remain a number of risks inherent within the design and implementation of a Global Skill Partnership. A substantial list of these risks along with their mitigation measures are outlined in the accompanying report, but include such things as the lobbying of trade unions, a lack of language training, skill mismatch, imbalanced incentives, a lack of stakeholder coordination, security concerns, and a lack of employer interest. Interested governments must be aware of these risks and develop plans to mitigate them throughout the design and implementation of the partnership.

One of these risks is a lack of funding, or at least a lack of sustainable funding, to scale a successful pilot partnership. There are five main groups of costs involved within

Table 1. The Framework for Developing a Global Skill Partnership

Choosing a Sector	Choosing a Partner Country
• Where is there a skill shortage? • Where is there employer demand? • Where is there political will and public interest in expanding migration? • Where are there specialized training requirements? • Where is there potential for remittances and skill transfer?	• Which countries have similar labor shortages? • Where are there existing foreign policy ties? • Which countries have strong labor laws? • Where is there existing migratory pressure? • Where are there existing cultural linkages?

a Global Skill Partnership: training costs, staffing costs, migration costs, living costs, and returns and reintegration costs. There are many different ways in which these costs could (and have, in other partnerships) be covered, including government-led development assistance, support from international organizations and multilateral development banks, private capital, and from the migrants themselves through loans or scholarship arrangements. It may be necessary for a partnership to develop a pilot project with development assistance, proving its impact and relevance to employers, before transitioning financial responsibility to those employers within a scaled partnership. Such design elements should be tailored to the specific nature of the partnership, and the parties involved.

Finally, it is imperative that the project is accompanied by a robust evaluation to test the inherent assumptions and provide evidence as to why the design should or should not shift as the project moves to scale. Crucially, data collection should occur in four distinct phases: before the training starts, at the end of the training but before migration, at the end of the project, and sometime after the end of the project (for example, one year later). Measuring the impact of such a partnership must go beyond numbers; a project that has a wide range of successful impacts but moves a small number of people should not be designated a failure. The evaluation should seek to understand as many of the following impacts as possible: increased earnings, expanded businesses, increased remittances, increased skill transfers, shifted gender norms, increased Technical and Vocational Education and Training (TVET) participation, improved systems, and an increased focus on migration innovation.

WHY NOW?

The world is currently at a crossroads. Low- and middle-income countries like Nigeria are seeing rapid growth in their working-age populations. Yet often these increasingly educated and skilled young people cannot find meaningful work within their countries of origin, either because their skills are not well aligned to the needs of employers or because there is an absolute lack of roles available. This is creating emigration pressure, with many seeking opportunities elsewhere, leading to fears of brain drain within countries of origin.

At the same time, high-income countries like those in Europe are seeing rapid decreases in their working-age populations. Employers within these countries are facing significant skill shortages, particularly within mid-skill sectors like health care, construction, and ICT, which is reducing productivity and investment. Governments within these countries of destination are also worried about increasing irregular migration, developing a series of patchwork responses which channel large amounts of investment for little return.

Despite the immense economic benefits that could ensue from facilitating mid-skill migration between low- and high-income countries, such pathways are effectively nonexistent. The accompanying report to this brief outlines one way in which these pathways could be facilitated—the Global Skill Partnership model—building the global stock of skills within a chosen sector and facilitating the mobility of selected trainees. If we are to move away from the current lose-lose narrative, where skills shortages persist in Europe and Nigerian youth fail to identify opportunities, this model should be piloted, evaluated, and scaled.

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