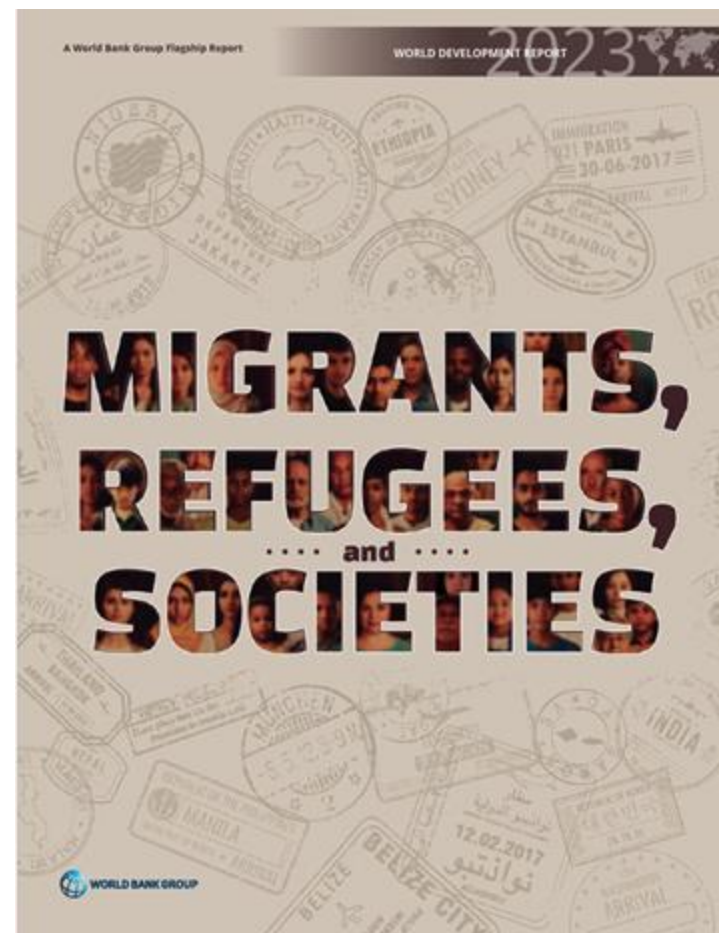


# Skills, Labor Markets, and Migration

*Çağlar Özden*  
*World Bank*  
*July 25, 2025*

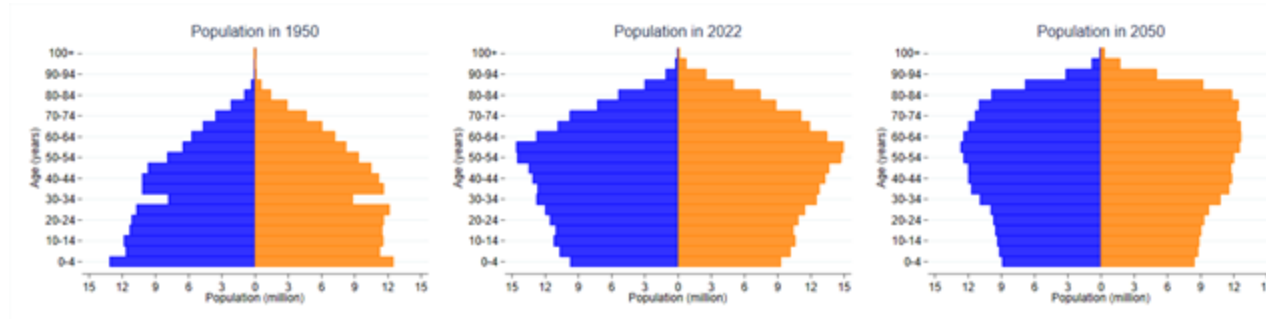


# WORLD DEVELOPMENT REPORTS – 1984 to 2023

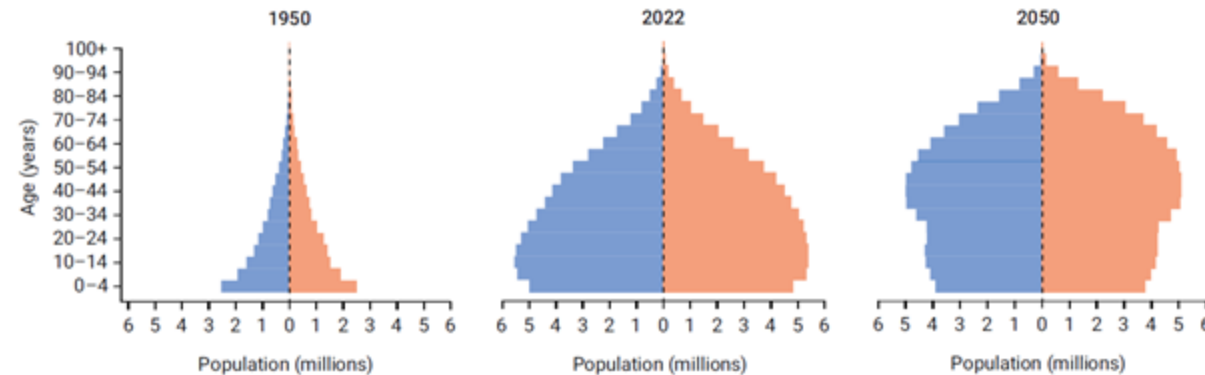


# DEMOGRAPHICS TRENDS – MIDDLE INCOME COUNTRIES ARE THE KEY

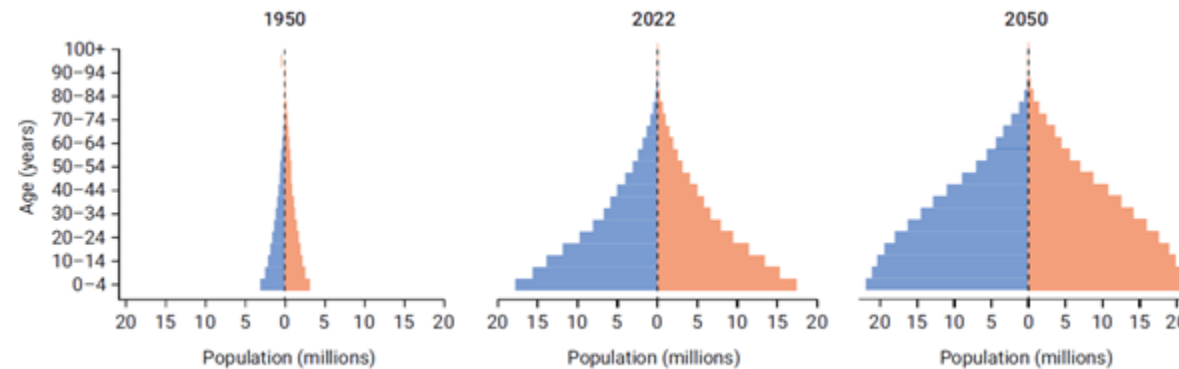
**Western Europe's** population is aging and declining



**In Mexico,** the demographic transition is well under way and is expected to accelerate

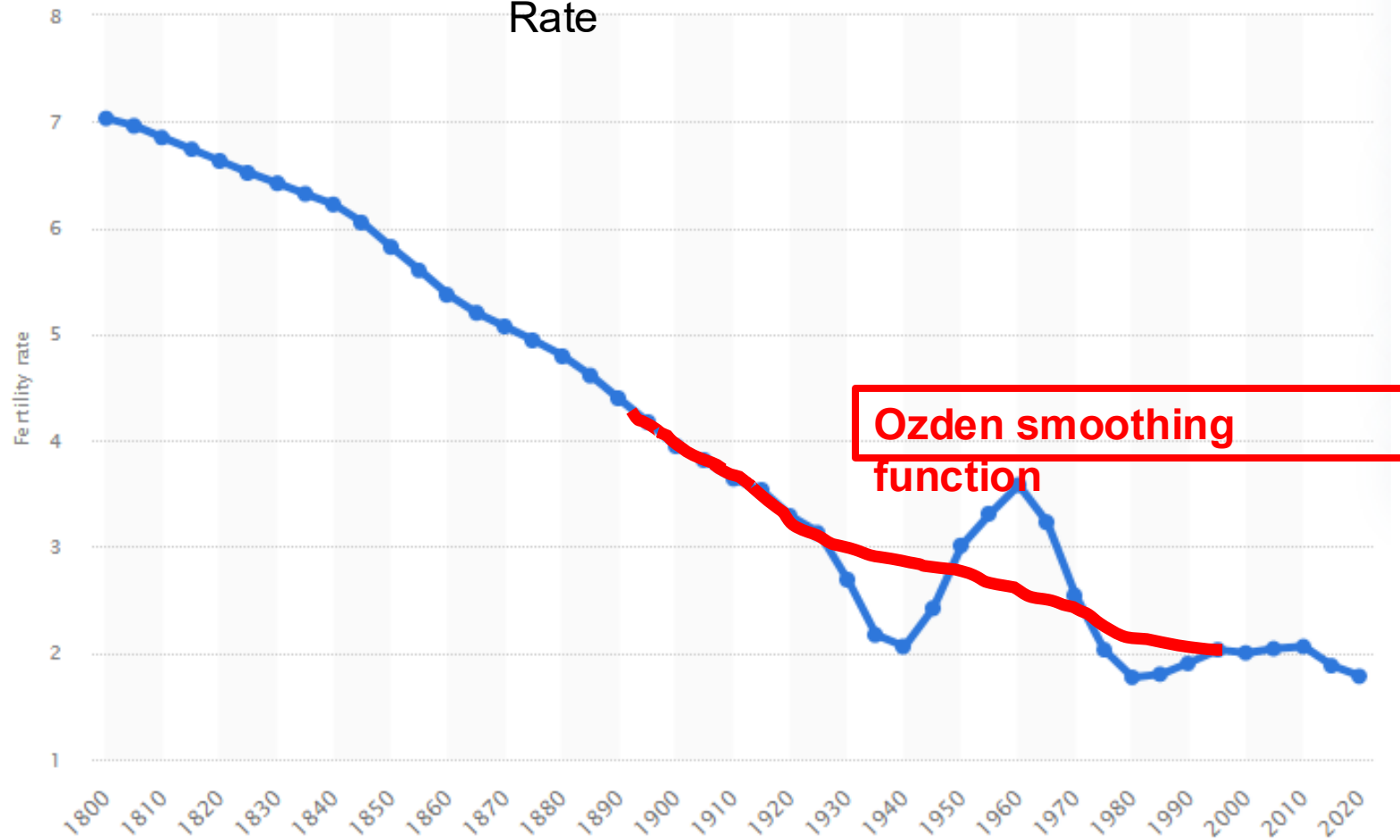


**Nigeria** will remain young well through the middle of the century



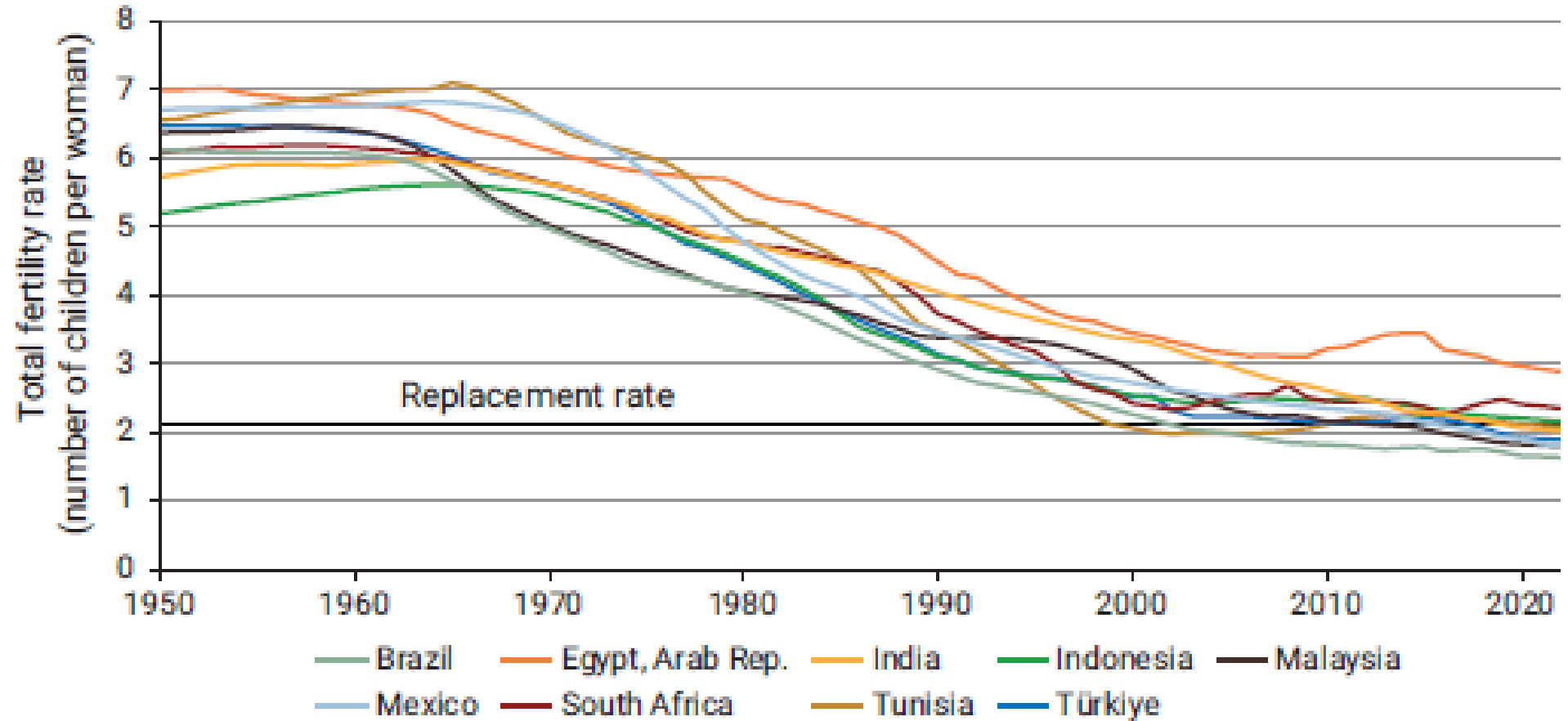
# DEMOGRAPHY IS DESTINY

United States Total Fertility Rate



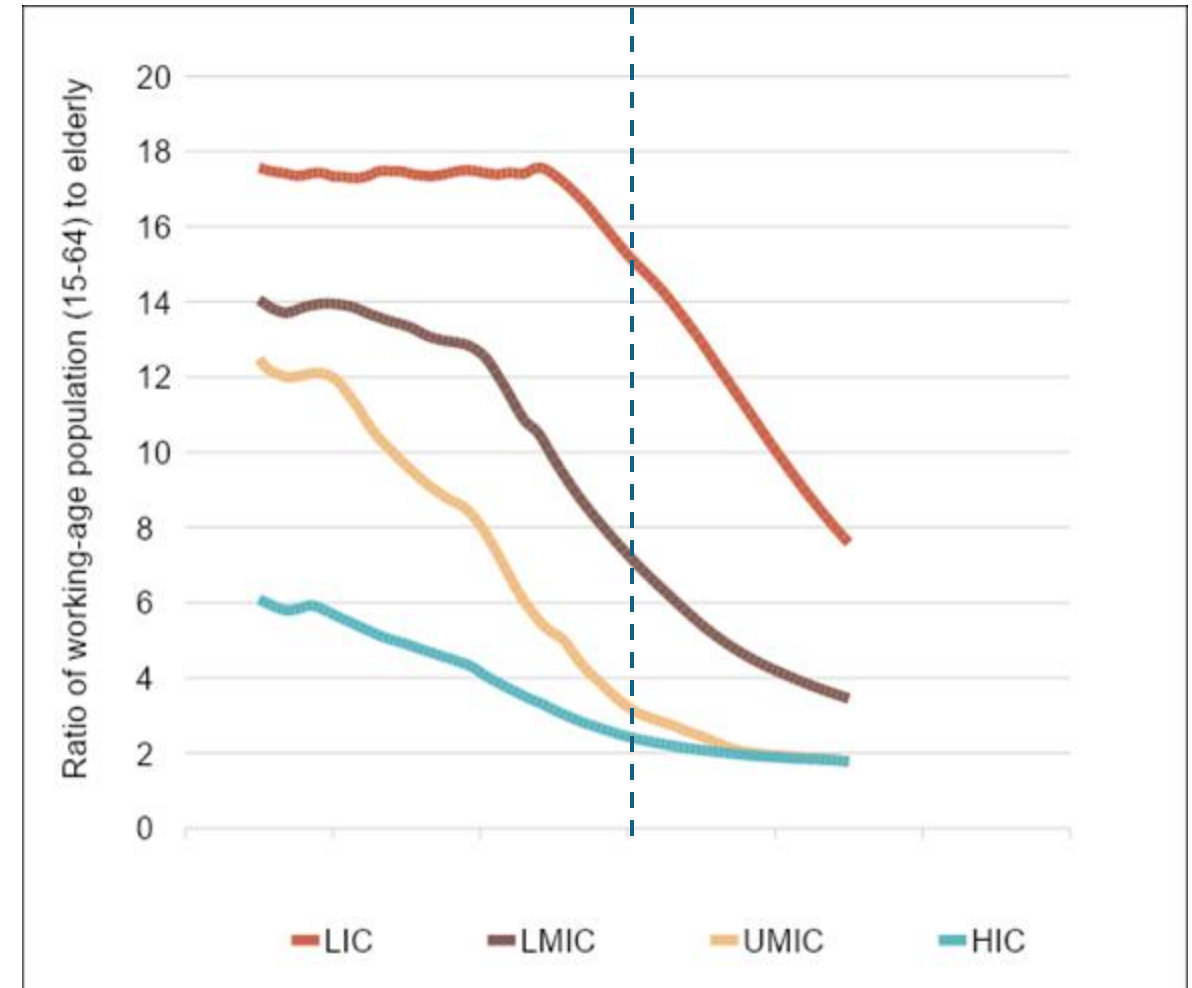
# DEMOGRAPHY IS DESTINY

*Total Fertility Rate*



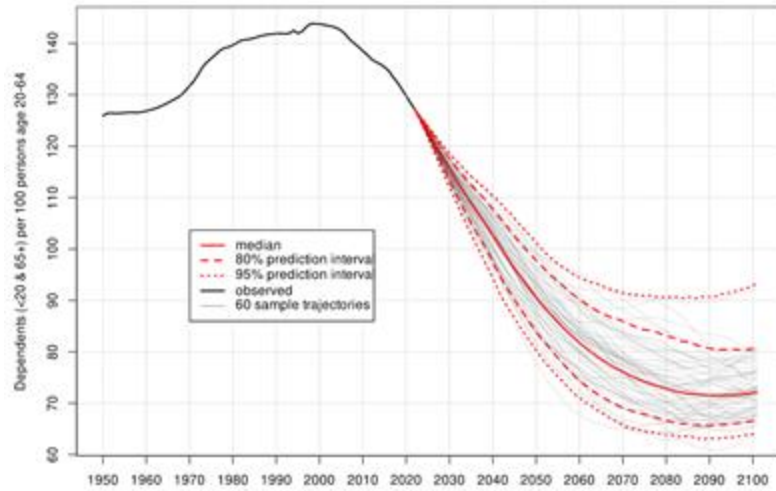
# DEMOGRAPHIC INFLECTION POINT

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

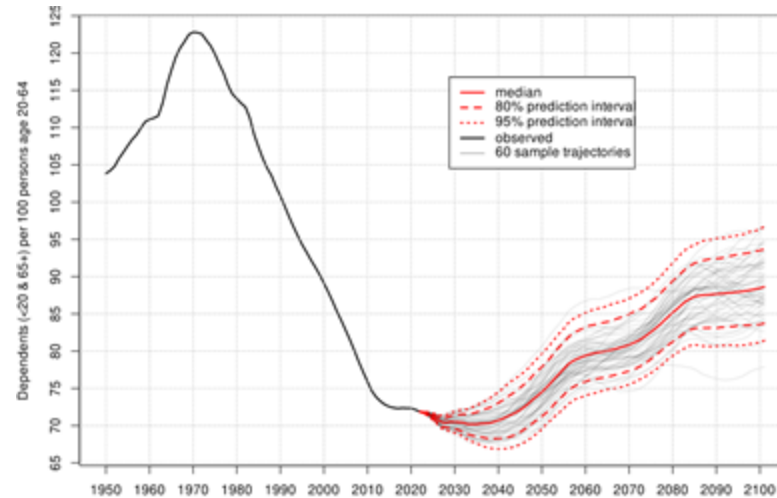


**Source:** Authors' calculations based on the UN Population Division median variant projections (2022). Retrieved March 28, 2024.

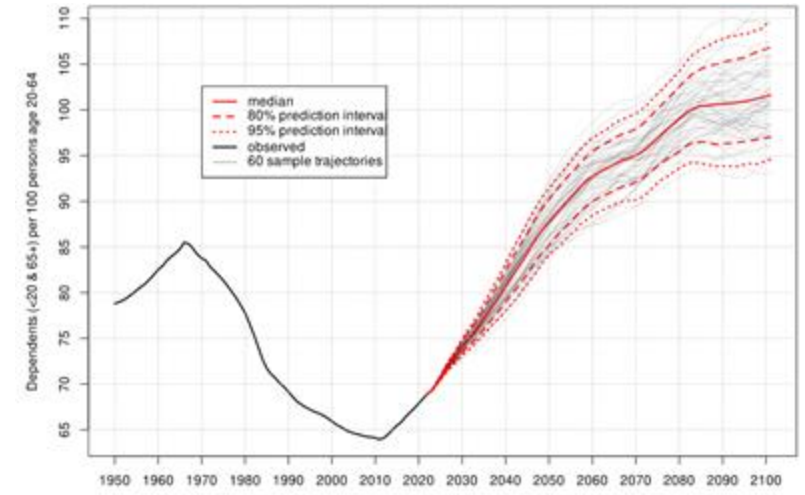
# DEMOGRAPHY



LOW-INCOME  
HIGH-INCOME



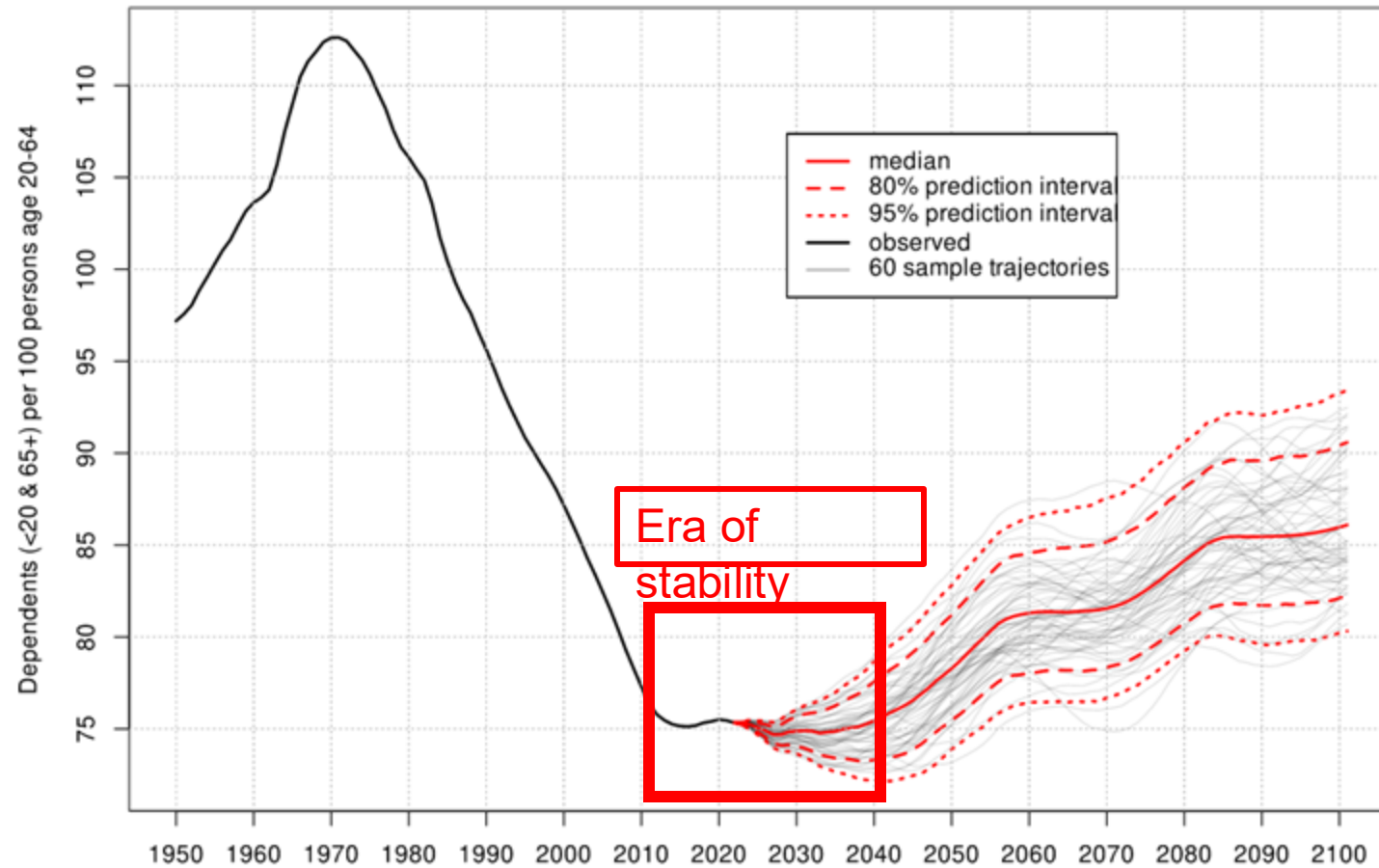
MIDDLE-INCOME



DEPENDENCY  
RATIOS

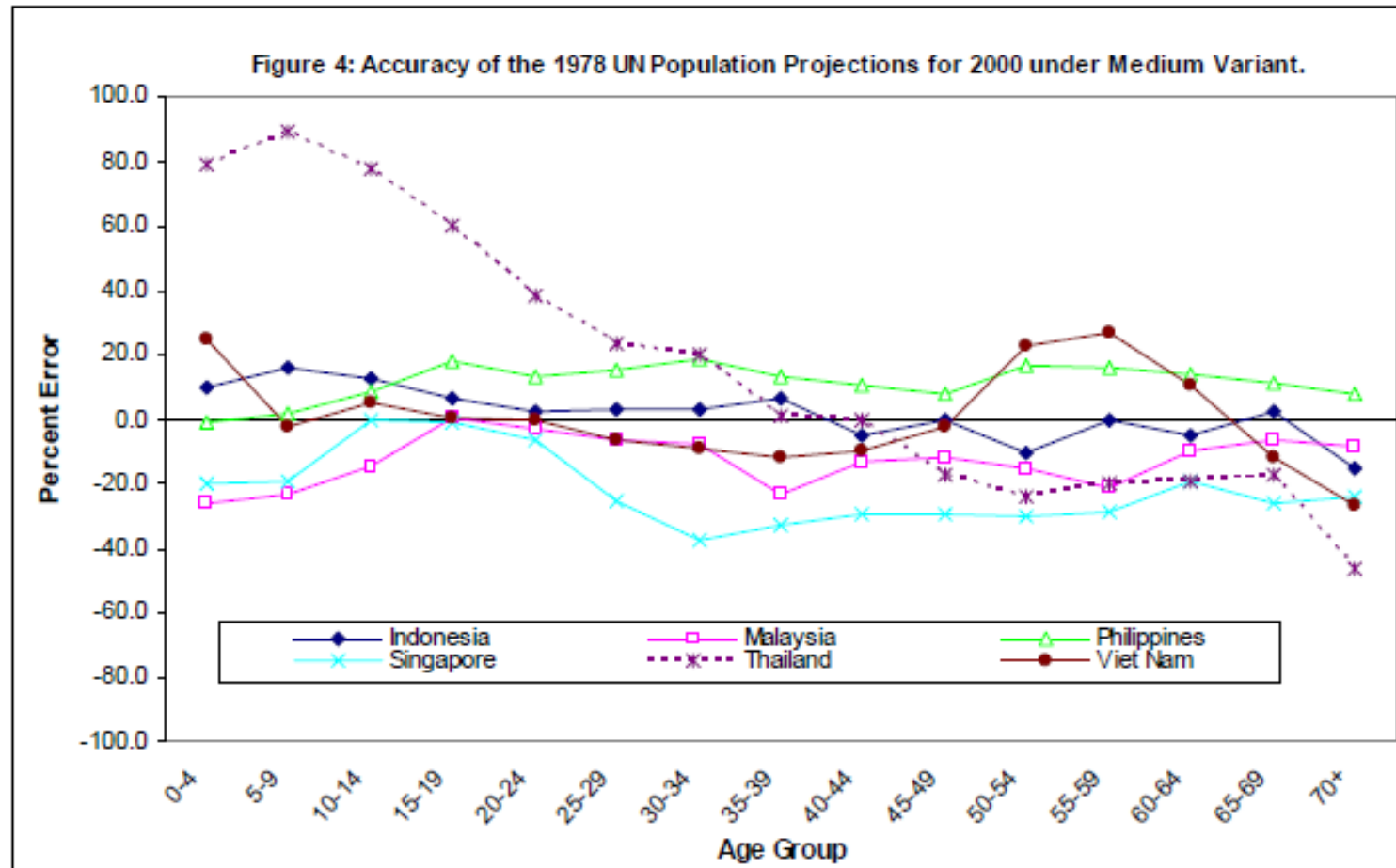


# DEMOGRAPHY



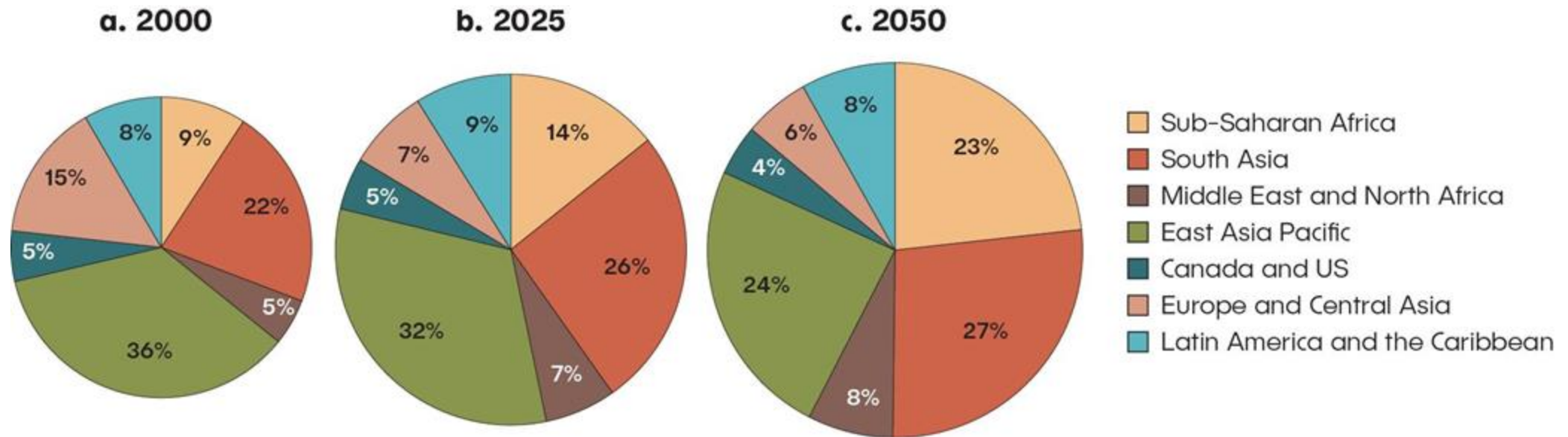
# DEMOGRAPHY IS DESTINY

**Side message: We should be careful with UN population Projections!**



# LABOR MARKET NEEDS

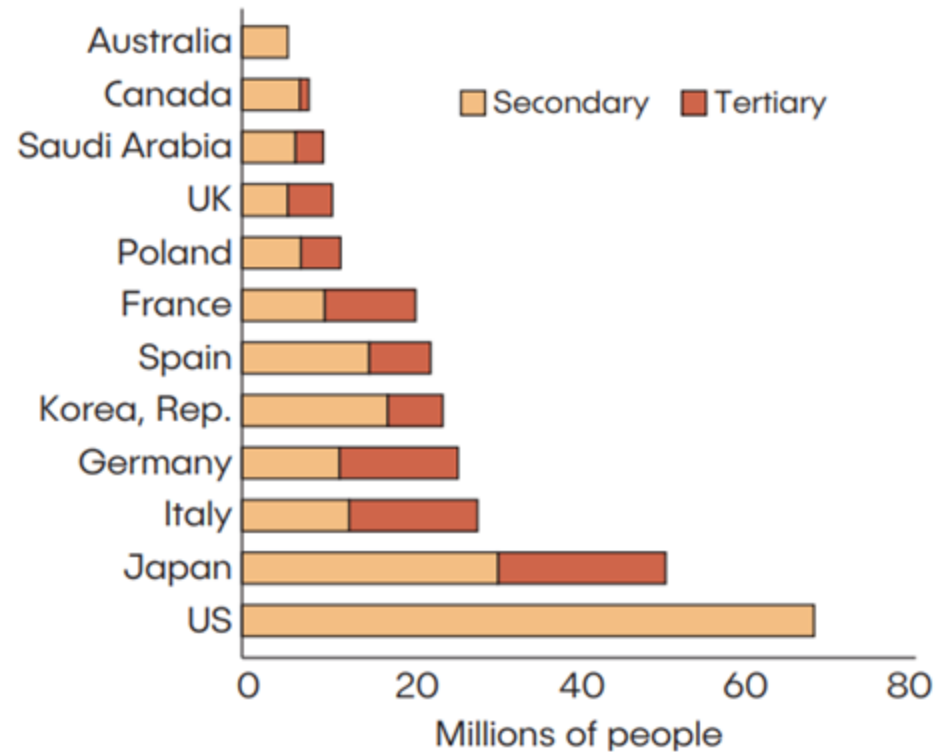
The largest growth in the working-age populations (15-65) will occur in **Sub-Saharan Africa** and **South Asia**



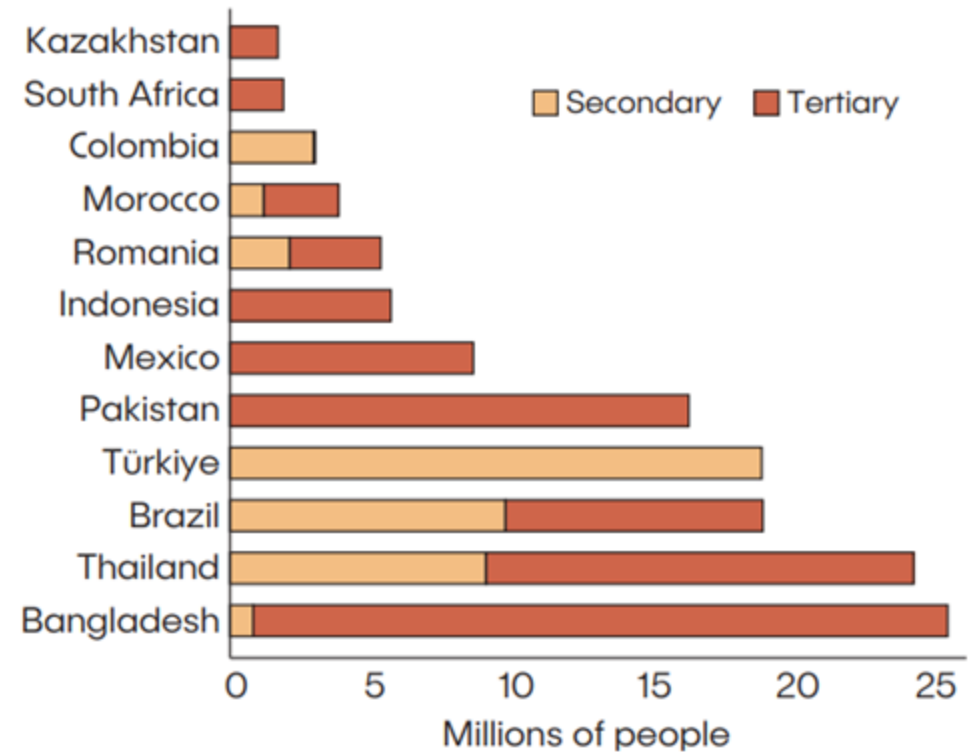
# LABOR MARKET NEEDS

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

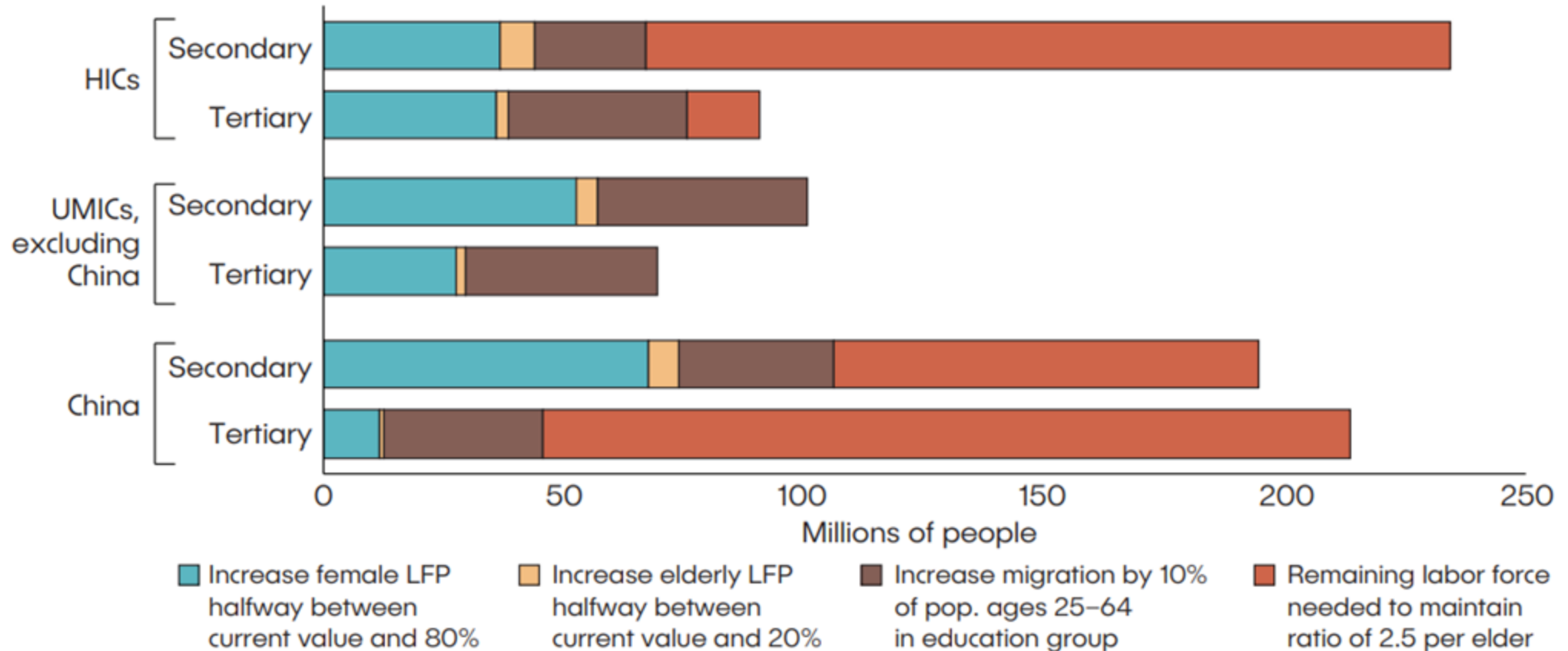
a. High-income countries



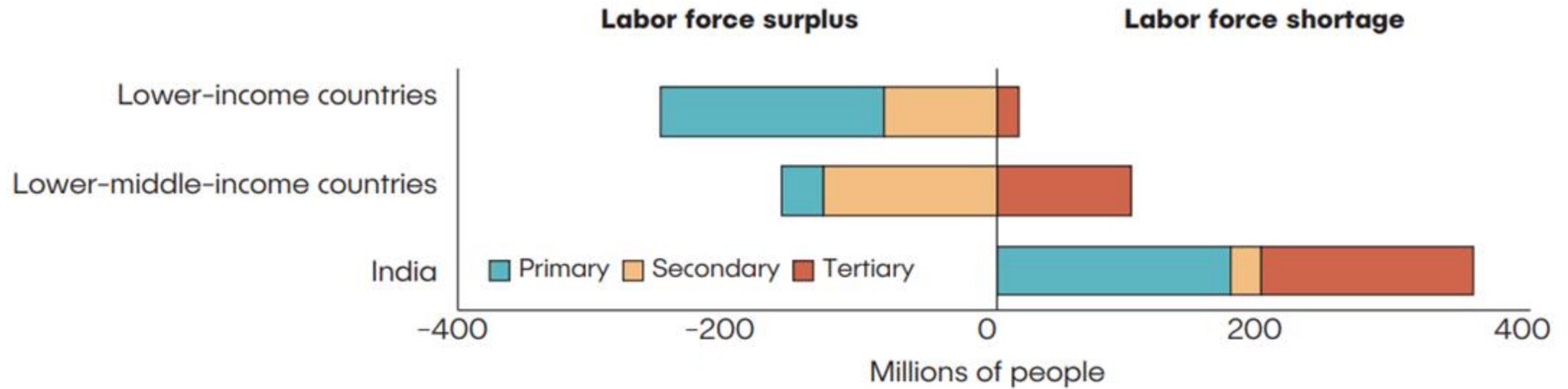
b. Traditional migrant-sending countries



# LABOR DEMAND AND EDUCATION LEVELS

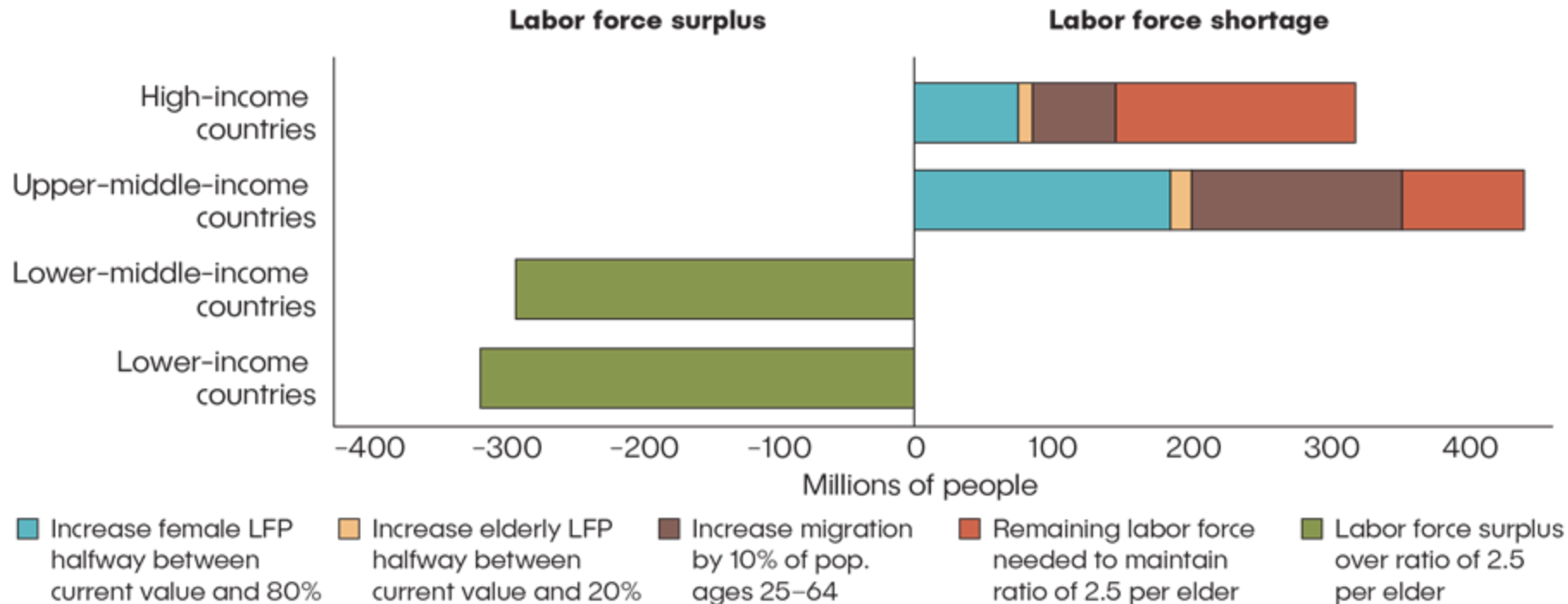


# LABOR DEMAND AND EDUCATION LEVELS



# LABOR MARKET NEEDS

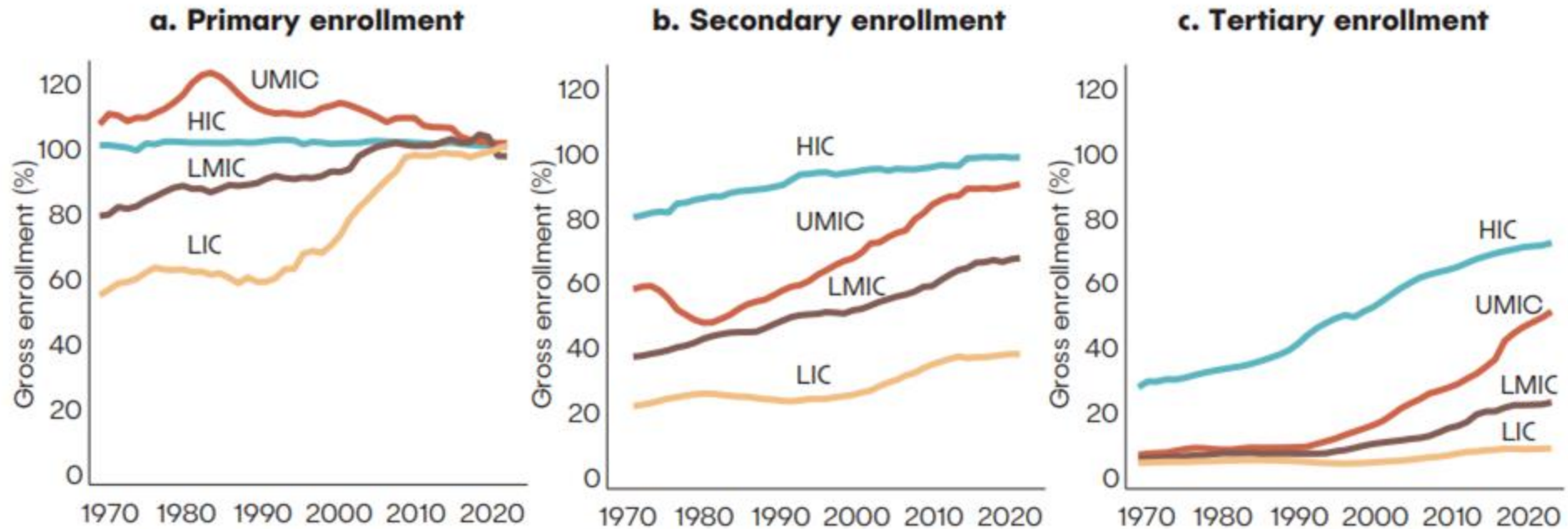
HICs and UMICs will together face a shortage of *750 million workers* by 2050. Meanwhile, LICs and LMICs has *600 million workers* before shortages become severe.



**80% of the shortage in UMICs is driven by China**

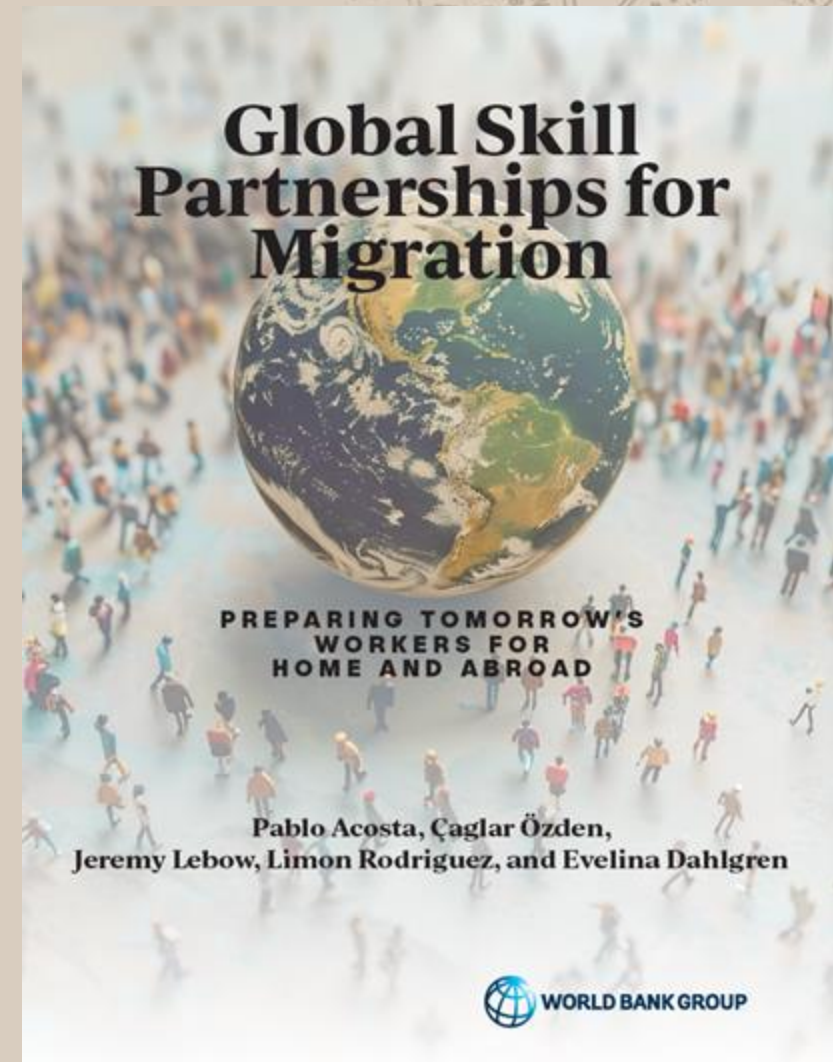
# EDUCATION TRENDS!

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



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

# A Potential Solution: Global Skill Partnerships

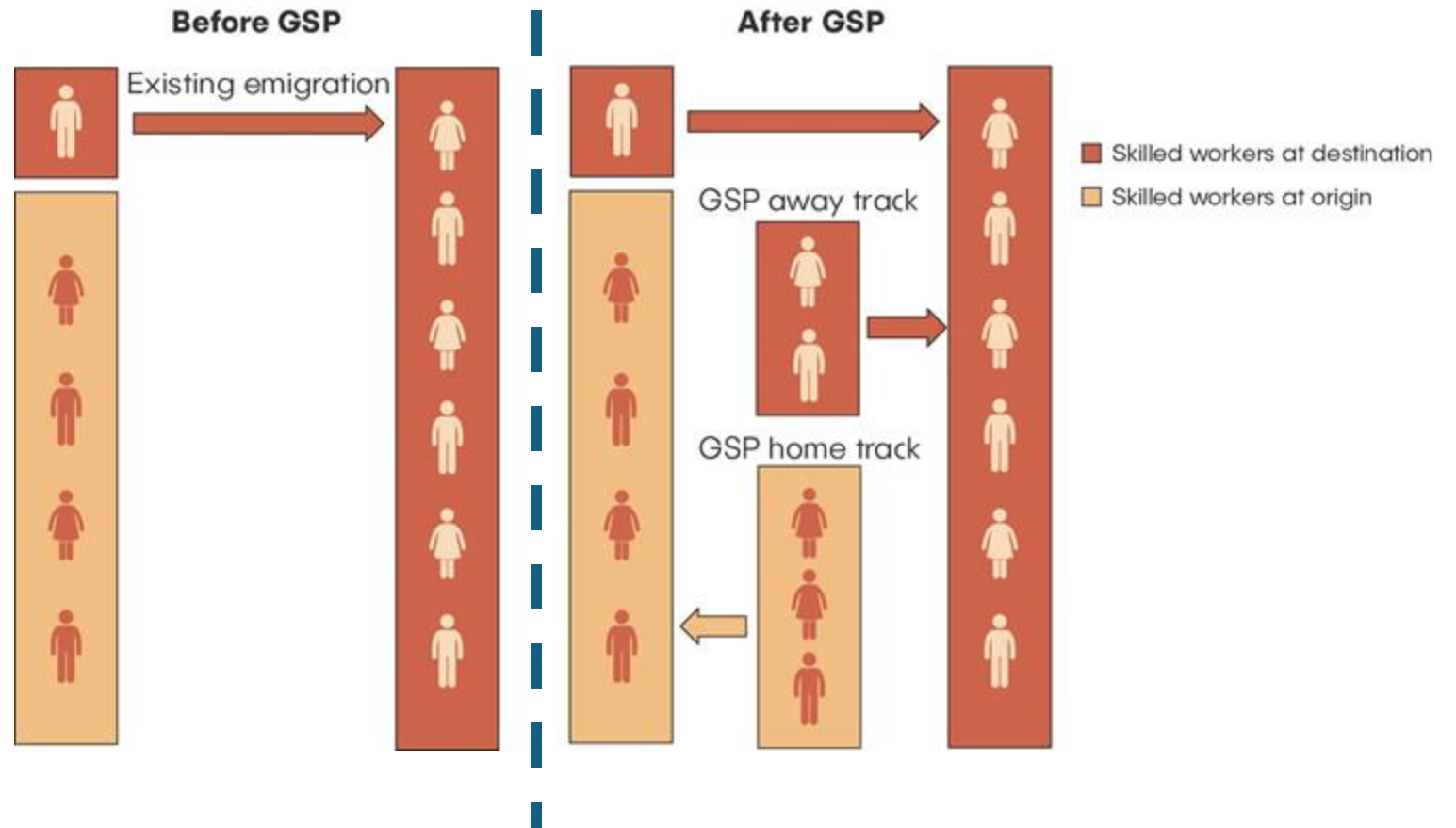


# A POTENTIAL SOLUTION

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

A portion emigrate to the destination country

The remaining stay at home and enter the domestic labor market



# A POTENTIAL SOLUTION

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

### Structure

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

### 3 essential components of a GSP



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



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



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

# Australia Pacific Training Coalition (APTC)

<b>Duration</b>	2007 - present
<b>Countries</b>	Australia and the Pacific
<b>Funder</b>	Mainly Australia's Department of Foreign Affairs and Trade (DFAT)
<b>Sectors</b>	Auto repair, manufacturing, construction and utilities, tourism and hospitality, and health and community services
<b>Result</b>	Over 20,000 full qualification graduates since 2007

# PRIVATE SECTOR EXAMPLE

