

Triple Win Migration through Global Skill Partnerships

United Nations Thematic Session for
the Global Compact for Migration (GCM)

“Contributions of migrants to all dimensions of sustainable development:
enabling framework for contributions”

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1. Introductory remarks and guiding principle: Triple Win

Your excellencies, distinguished delegates, dear colleagues,
First of all, I would like to thank you for the invitation and the opportunity to speak here at this occasion which is both a pleasure and a true privilege. Speaking here at the headquarters of the United Nations is a thrilling moment for me for many reasons. One of these reasons is: the overarching normative principle that guides my foundation’s work on migration and development originates exactly from this place. It was the [former Secretary-General of the United Nations Kofi Annan who coined the term of triple win as the normative principle for future migration policies](#) when he stated back in 2006: *“More and more people understand that governments can cooperate to create triple wins - for migrants, for their countries of origin and for the societies that receive them.”*

We at the Bertelsmann foundation are perfectly convinced that we need to uphold this perspective, maybe more than ever. Fairness in migration cannot be achieved by countries working on their own. Fair migration is reliant on consistent cross-border cooperation. For migration policies to be fair and sustainable, immigration countries need to broaden their perspectives to include the interests of the emigration country as well as of the migrants themselves. To achieve this goal, we need to think beyond demarcated policy areas and identify coherent policy responses. We also need to think beyond governments and foster cooperation between different kinds of stakeholders. This includes also actors from both civil society as well as the private sector.

Relying on the foundation's own work and expertise, my key message to you today is that we need to invest in migrants' skills and talents, ideally already in their countries of origin. By doing so, we have much to gain collectively. Migrants benefit from higher earnings, countries of residence from rising fiscal contributions and entrepreneurial activity. But also countries of origin benefit substantially from increased remittances, be they financial or social, or through strengthened vocational training systems. But let me first turn to some selected studies focusing on the topic of this thematic session: the contributions migrants already make today. I will subsequently get back to my key message in the light of those findings and will suggest a concrete approach to how these contributions could be increased even further, and this for all parties involved.

2. Fiscal contributions of migrants

Let me start with a study which examined the contribution of migrants to public finances in Germany and which has received enormous media coverage over there. In many major immigrant receiving countries, the public discourse often portrays migrants as passive recipients of social benefits. In 2014, we wanted to know what is behind this often repeated stereotype. Alone in 2012, we found that the fiscal contribution of foreigners amounted up to 22 billion euros that year. Divided by 6.6 million foreigners, that makes 3.300 euros per capita in just one year. And our comprehensive models went beyond just looking at social transfers and also included education costs and the like. In short: foreigners in Germany are net contributors to the system.

At this point, I should mention that this study published in 2014 does of course not take into account the impact on public finances of the recent immigration of refugees in 2015, but rather reflects the fiscal contributions of labor migrants and first generation guest workers, who have been immigrating to Germany since the early 1960s. This also means that contributions to state finances from people like me, foreign born but with a German citizenship, have not even been included into those calculations.

Admittedly, it is difficult to measure the net fiscal impact of immigration. Even highly sophisticated models cannot capture the entire complexity of national economies and public expenditures. All studies, including ours, are based on assumptions and face data constraints.

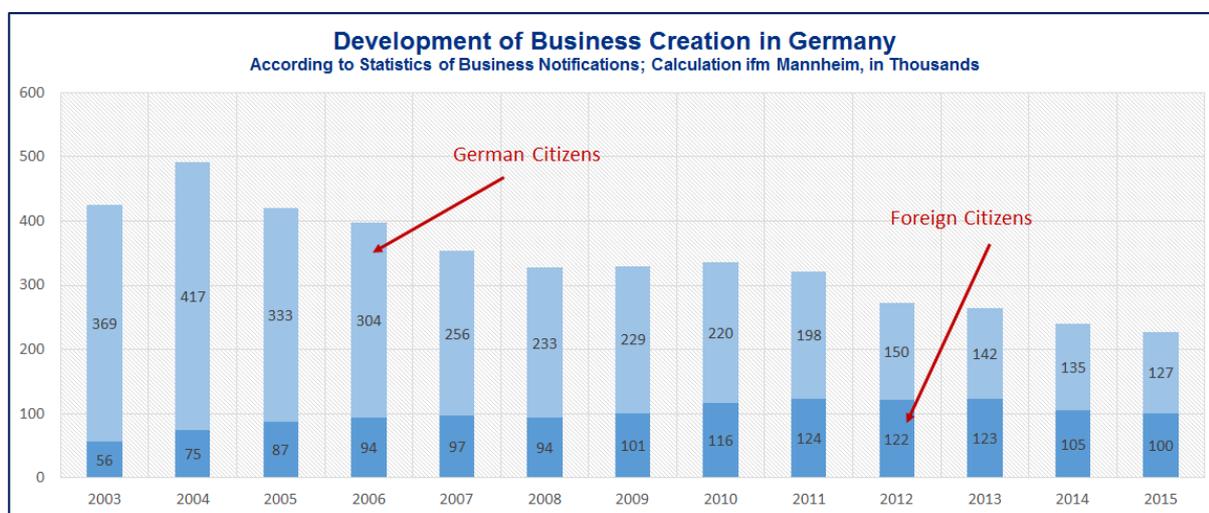
However, since then, [there have been many other studies using different models and examining other major immigrant receiving countries](#). And they have confirmed our finding that migrants are often net contributors.

There is another element that is consistent across these studies. Migrants' fiscal contributions rise with their skill level. In fact, the skill level of migrants is likely to be one of the main determinants of

their fiscal impact in the short run. This should not be a surprise as better education often results in better paying jobs. And yet, this simple insight has received too little attention in the policy world. The lesson at this point in time is therefore simple: Investing in migrants' skills and talents pays off in the long run, also for public finances. Before I elaborate more on this, let us for the time being turn to another, more recent study dealing with entrepreneurial activity of migrants in Germany, which again caught a lot of attention in the public discourse.

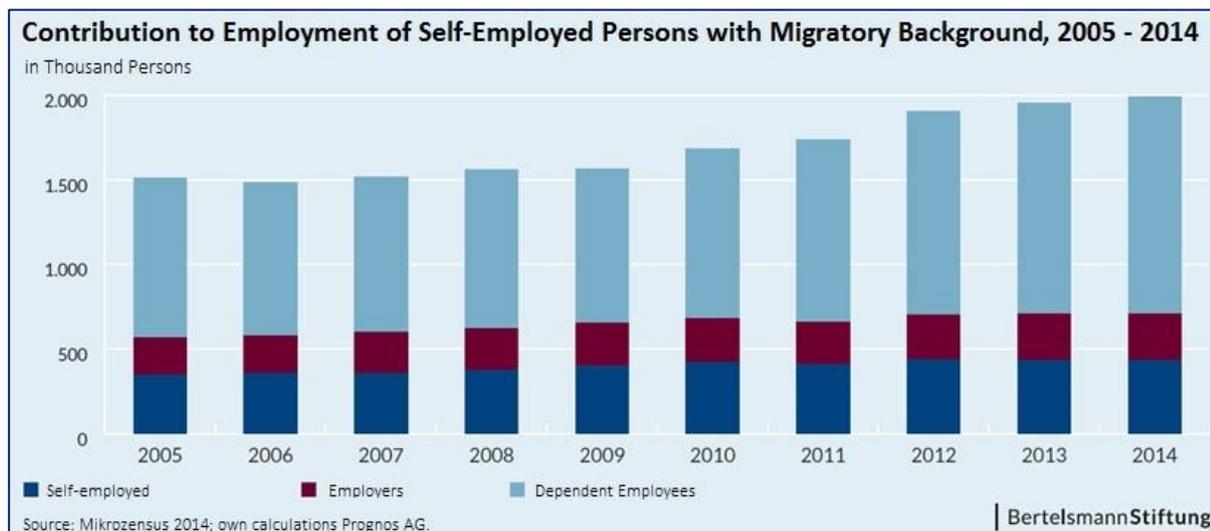
3. Entrepreneurship of migrants in Germany

The [key findings of the next study](#), are straightforward and quite striking as depicted in this figure here.



This figure shows that, whereas the number of businesses founded by German citizens has constantly declined (since 2004), the share of businesses created by foreign citizens has risen sharply from 13% in 2003 up to 44% in 2015. Whether as founders, business owners, or self-employed as freelance professionals: immigrants make a significant contribution to Germany's economy. Without them, the number of newly founded businesses in Germany would be drastically smaller.

In addition, the entrepreneurial activity of migrants accounted for the employment of more than 2 million people in 2014. Consequently, entrepreneurs and self-employed persons with a migratory background are increasingly important drivers of employment in Germany. And their contribution to job creation is on the rise. Business activities of migrants also offer opportunities for employment of the growing population with a migratory background and therefore play an essential role in integrating migrants into both, the economy and the society.



In order to further raise the potential of migrants' businesses, several factors and specific strategies are important. Again, one of the most significant factors that contributes to this entrepreneurial activity is the educational and skills level. The study therefore makes a strong case for strategies which ideally encompass offers for adequate and needs-based advice and support for migrants.

4. Enabling framework for contribution: Skills development!

The two studies which I briefly introduced to you point out the tremendous influence of the educational level and skills on the contributions of migrants to both, the public and the private sector. The policy choice - recognizing and investing in people's skills-- has ripple effects that create benefits for everyone. Migrants increase their earnings and they gain access to higher paying jobs. Countries of residence benefit from migrants' rising fiscal impact. And countries of origin benefit from remittances, not only financial ones.

Transnational skill development measures are thus the triple win principle in action. And the investment in migrants' skills and talents is not limited to formal education. Skills development is much more than that -- initiatives can reach from pre-departure programs that inform migrants about their rights and prepare them before they migrate to extensive vocational training and education programs, ideally already taking place in their country of origin.

But, many people might say: Things are not that simple. And they are right. There are still systemic barriers that hinder migrants from realizing their full potential. And we need to address those. These barriers include the lack of recognition of skills gained abroad, be that discrimination on the labor market, be that unacceptable working conditions. And more. This already shows: There is much work to be done.

But there are also good news: Already now, so many people out there are on it. They are working on removing those barriers. They are working on creative skill initiatives. And it is time for a dialogue on good practices. On this note, I want to share with you one example - of many.

We at the Bertelsmann Foundation have been working on the model of Global Skill Partnerships. A concept developed by Michael Clemens from the Center for Global Development in Washington, D.C. The idea is this: parties from two or more countries partner up and identify areas where they are both experiencing skill shortages. That may range from IT engineers to care workers or car mechatronics. Subsequently, an alliance of stakeholders -- including employers, labor unions, migrants organizations and more - join together to design a dual-track training program in countries of origin that prepares participants for the labor markets of all participating countries.

Global Skill Partnerships bear the potential to tackle skills shortages in both destination countries and countries of origin while also opening up legal pathways for migration. Global Skill Partnerships thereby raise the global talent pool through bilateral public-private partnership projects linking skill creation and skill mobility in a mutually beneficial and equitable way. Moreover, by this means, vocational training systems in countries of origin could be strengthened.

Sounds too good to be true? No, our research shows: Global Skill Partnerships are indeed feasible. There are already successful examples out there to draw on and learn from. Various attempts to build up skill mobility can already be found in Australia, Germany, the Philippines and other countries. But they also show that certain conditions must be met:

First, the early involvement of future employers and labor associations in destination countries is of utmost importance. This offers stakeholders the opportunity to build trust through their contribution in shaping these partnerships according to their specific needs.

Furthermore, as regards critical factors of success, effective ventures consider every stage of the migration cycle – from pre-departure preparation, the journey and the arrival, the integration in the host society, but also return, if necessary. This requires three types of cooperation:

1. It requires partnerships between migrant origin and migrant destination countries. Unilateral policies are not sufficient.
2. It requires partnerships between ministries in the destination country in the framework of a whole-of-government approach. For example, If a skills partnership is for nurses, the immigration ministry needs to ensure that the workers can enter, the health ministry needs to ensure that their

qualifications are transferred, the labor ministry needs to reach the conclusion that locals' jobs are not being taken, etc. Without these links the program can fail utterly.

3. It requires partnerships between the public and private sector. If demand from employers is not driving the partnership, there will be no constituency to make the agreement able to survive in difficult times.

Legal and political frameworks both also need to protect the workers themselves. Migrant workers are often vulnerable to abusive working conditions because in many countries their visas and permits are contingent to the job they currently hold. In those cases, losing one's job also means losing the ability to stay in the country legally. To ensure that migrant workers are not trapped in such dependencies, the work permits need to allow migrants to change their employer. However, as important as these legal changes in immigration law are, they are not enough. To decrease de facto dependency of migrants, we need to make sure that the training is industry-specific, not company-specific.

5. Conclusion and recommendations

- To sum up, migrants' contributions to the public sector as well as to the private sector through economic activity and employment in Germany are tangible and verifiable. It turned out that these contributions could even be higher if specific measures are taken. As regards entrepreneurial activity for instance, needs-based advisory schemes increase the sustainability and the contributions made by migrant entrepreneurs to the economy and societal integration.
- Above all, a powerful lever to scale up migrants contributions to both countries of destination and countries of origin seems to be joint ventures in the area of skills development.
- Training programs like Global Skills Partnerships can be one tool in a larger toolbox to enhance brain gain and prevent brain drain in countries of origin. At the same time, Global Skill Partnerships can open up new legal pathways for migration considering labor markets needs in both countries of destination and countries of origin.

Global Skill Partnerships allow therefore to reach a triple win, so that migrants, countries of origin and destination benefit from the process. In full accordance with the Sutherland Report, we are convinced that developing - and not only moving - “young people’s skills at all levels, ensuring that they are in line with employer demands and are recognized across borders” should be considered for a Global Compact on Migration. Transnational cooperation in vocational training is in our view key for safe, orderly and regular migration and contributes in multiple ways to sustainable development in the sense of the SDGs.

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