

An EU-Africa partnership scheme for human capital formation and skill mobility



**Mikkel Barslund, Mattia Di Salvo
Nadzeya Laurentsyeva
Luca Lixi, Lars Ludolph**



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Proper management of migration across the Mediterranean Sea requires close cooperation between the EU and African countries. Cooperation is difficult because core interests diverge. EU countries are focused on curbing irregular migration; African countries are primarily interested in economic development, with migration as one of the opportunities. At the moment, the EU lacks a credible long-term programme to engage African countries on migration issues.

We propose an ambitious EU-Africa partnership scheme for human capital formation and skill mobility that can be embedded into the current framework for EU-Africa dialogue. The scheme comprises three elements: First, extensive vocational training programmes would be set up in African countries, funded by the EU or individual member states, to train participants according to labour market needs in both the EU and African countries. Second, EU member states would issue a substantial number of work permits, offering programme graduates a good chance of employment in the EU while allowing member states to manage the inflow of workers according to their needs. Third, the private sector would be actively involved in planning and implementing vocational training programmes to ensure that graduates are employable in the EU and to facilitate job search and hiring across the Mediterranean.

The scheme fits in the current legal framework for labour migration into the EU, and should be seen as one element in building a comprehensive forward-looking partnership with Africa for the benefit of all stakeholders involved in both origin and destination countries.

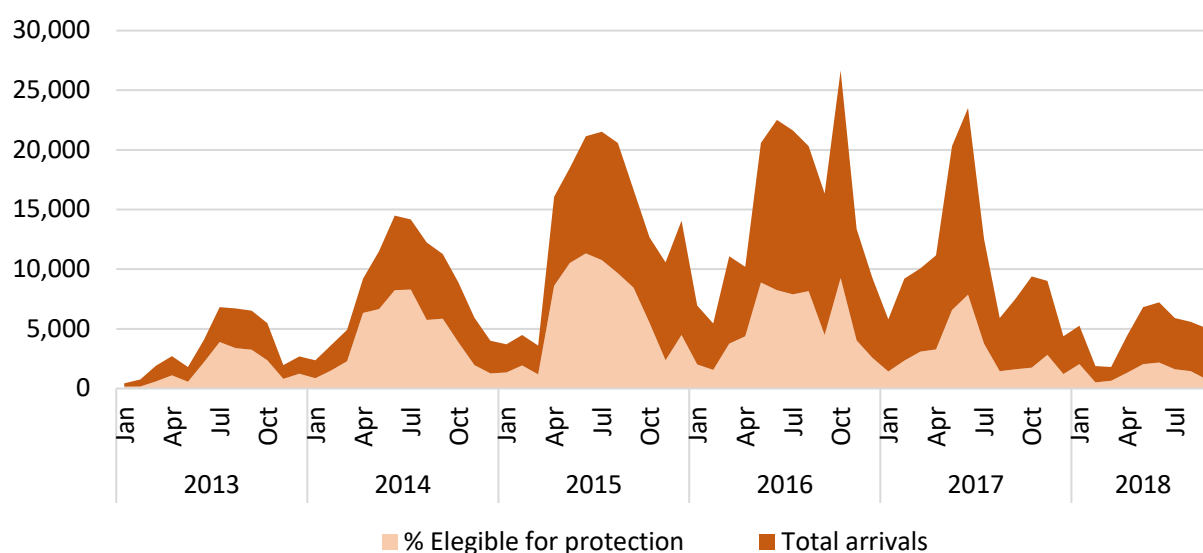
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1 The sad state of migration between the EU and Africa

The situation along the Central Mediterranean migration route remains shocking. Over the past five years, more than 500,000 people have embarked on the irregular and perilous journey from African shores to Italy, to say nothing of those that have suffered or perished on the road to the coast. Though the number of people arriving has decreased, there are concerns about the viability of current policies to deter people from crossing.¹

The majority of those arriving in the EU then apply for asylum but face an uncertain future, with most not eligible for international protection. Moreover, in recent years, the number of nationals with low recognition rates crossing the Mediterranean has increased (Figure 1). Protracted asylum procedures in many member states and inefficient return policies mean that many irregular migrants stay in the EU for a lengthy period even if their asylum applications are rejected, albeit with restricted access to the labour market and uncertain prospects of ever obtaining a regular status.²

Figure 1. Monthly evolution of irregular border crossings to the EU by nationals of African countries by likelihood of receiving protected status, 2013-2018



Note: The number of irregular crossings by individuals who are non-eligible for protection is calculated by applying the EU-average rates of first instance recognition for the period 2016-17 to illegal crossing by nationals from all African countries. Figures cover all migrations routes as categorised by FRONTEX.

Source: Authors' elaboration based on Frontex and Eurostat data.

A second factor shaping irregular crossings is the lack of legal migration options available to nationals of African countries. The existing schemes mainly target highly skilled individuals (with the EU Blue card directive or equivalent member state schemes) or seasonal workers. In the past 10 years, between 2008 and 2017, the number of residence permits issued by EU28 to nationals of African countries has decreased by 70% from 125,000 to 40,000.³ Nationals of Western African countries, the

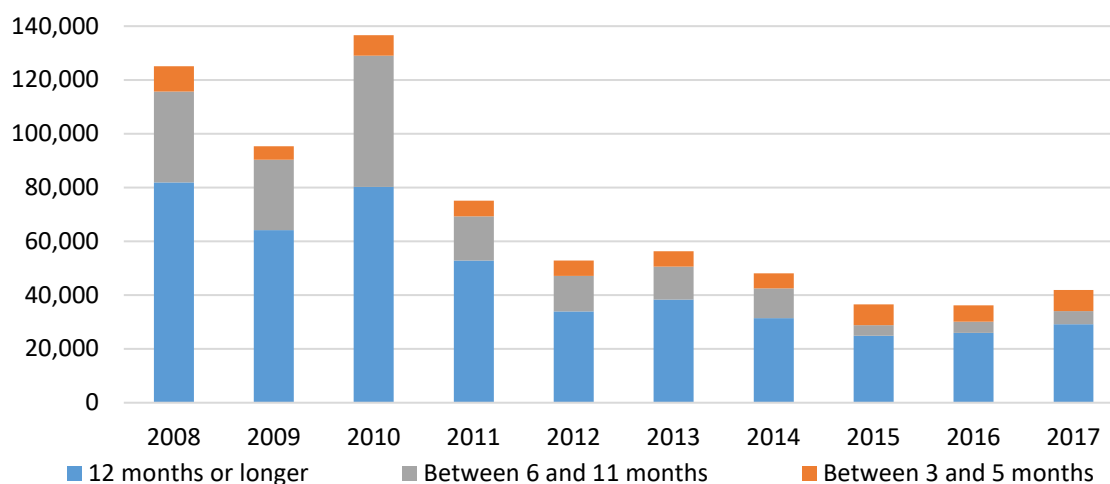
¹ See Barslund *et al.* (2019).

² See also ESI (2018).

³ Italy, the main destination country, reduced the number of permits issued to nationals of Africa from 62,000 to merely 2,000 in 2016. Another big decline was observed in Spain. Such decreases could be explained by unfavourable economic conditions in 2011-14 and opening of the Italian and Spanish labour markets to migrants from the new member states (Romania and Bulgaria), who compete with migrants from Africa, in particular, for seasonal jobs.

main source of irregular crossings, saw the number of permits halved compared to 2008 (Figure 2).⁴ The share of African nationals in the total number of residence permits issued for work reasons has also diminished over time.

Figure 2 First-time residence permits for work reasons issued to nationals of African countries by the EU28.
Breakdown by length of validity



Source: Authors' own elaboration based on Eurostat [migr_resocc].

Note: A seasonal worker's permit has a duration of between 5 to 9 months. Roughly 80% of workers with a permit of a duration less than 11 months are seasonal workers.

Finally, there is the issue of enforcement of return decisions. Enforcing 'ordered to leave' decisions is difficult, especially so when it comes to African nationalities. There is a significant difference in return rates when considering only African citizens or the rest of third country nationals present in the EU and that have been ordered to leave. In 2017 and 2018, for instance, return rates for African citizens was on average 20.1% compared to 54% for other third country nationals.⁵

In order to address the issue of improving return policy, the European Commission seeks to reach agreements to improve enforcement of returns with the main countries of origin for irregular migration. This is pursued within the Partnership Framework with third countries, as well as in other formats of cooperation at different levels between EU member states and countries of origin, such as, for instance, under police cooperation agreements, administrative arrangements and memoranda of understanding (i.e. so-called non-standard agreements).⁶ However, addressing only the question of returns is unlikely to be popular with African governments who tend to perceive migration as a European problem, and are aware of the importance of their diaspora for remittances and trade links as well as the difficulties faced by migrants returned forcibly.

Yet, on the European side, the credibility of a working asylum system also depends on the capacity to carry out returns of rejected applicants to their countries of origin effectively. Moreover, prolonged

⁴ For instance, Nigeria, the leading country of origin for irregular crossings from Africa to the EU in both 2016 (37,811 arrivals) and 2017 (18,309 arrivals) saw permits decrease by 58% and received, overall, 38,341 first-time permits in the entire period from 2008 to 2016.

⁵ In the period 2017-2018, 73,700 African citizens have been returned out of the 367,075 orders to leave issued by the EU as a whole. In the same period, 338,850 other third country nationals have been returned out of the 627,195 orders to leave issued by the EU as a whole.

⁶ See Inventory of the Bilateral Agreements Linked to Readmission, available at: <http://www.jeanpierrecassarino.com/datasets/ra/>

and limited returns operations and thus secondary movements within the EU have, especially recently, brought Schengen – a key pillar of the EU – into question. Therefore, there are significant reasons for the EU, together with member states, to become involved in overall migration management vis-à-vis African countries.

All in all, the lack of effective cooperation with African countries on return and readmission of their nationals on the one hand, and, on the other hand, the limited and decreasing options to enter the EU labour markets for African citizens illustrate the lack of joint migration management between the two sides of the Mediterranean.

A skill partnership scheme, based on member state voluntary commitments to a number of work permits for nationals of African countries could serve to step up cooperation. A blueprint for such a voluntary model in the area of migration, and within member state competence, already exists in the form of the Union Resettlement Framework. Under this framework, member states pledge resettlement places on a voluntary basis, which are then made available to the European Commission for strategic use in the overall interest of the Union.

2 An EU-Africa partnership scheme for vocational and skill mobility

The basis for the proposed human capital and skill mobility scheme consists of three steps: First, EU funded vocational training programmes in African countries that take into account labour market needs in both the EU and Africa. Second, issuance of work permits by EU member states with the flexibility to implement the proposed scheme according to national needs. Third, an active involvement of the EU private sector to facilitate hiring and job search procedures across the Mediterranean.

Similar smaller scale programmes already exist on a bilateral basis between member states and selected third countries.⁷ The core idea behind these skill partnerships is the sharing of costs and benefits between source and recipient countries.⁸ The destination country provides technology and financing for vocational training of would-be migrants in the country of origin and grants a legal migration pathway for trained individuals to work in the destination country. An important component of the scheme is training more people than would eventually migrate. This ensures that skills are upgraded in the country where training takes place.

Individuals in the countries of origin benefit from training programmes that widen their employment prospects either in the domestic labour market or abroad.⁹ Ideally, migration should only be one of several prospects for employment after completing the training. In general, the country of origin benefits from investments in its human capital and training facilities, and receives a safeguard against the drain of human resources due to migration.

Clearly, defining training programmes that fit both countries of origin and different labour markets in the EU is no trivial task. It requires a flexible approach, where the core training is conducted in the

⁷ See for instance GIZ projects between Germany and, for instance, Morocco in the hotel and hospitality industry (<https://www.giz.de/en/mediacenter/68745.html>), or Serbia, Bosnia and Herzegovina, Philippines and Tunisia in the health sector for nurses (<https://www.giz.de/en/worldwide/41533.html>); or forthcoming ENABEL project between Belgium and Morocco in the ICT sector (<https://www.enabel.be/content/europees-proefproject-palim-linkt-it-ontwikkeling-marokko-aan-knelpuntberoepen-vlaanderen-0>)

⁸ See Clemens (2015), and Clemens and Gough (2017, 2018)..

⁹ There is evidence that people are more willing to invest in human capital once they can be rewarded for their skills through migration (Stark and Wang, 2002).

country of origin, taking into account labour market needs at both destination and origin as well as the skill level possessed by individuals in the countries of origin (see Box 1 for a concrete example of a potential skill partnership).¹⁰

At the EU level, a stylised set-up for a functioning scheme could be:

- First, EU member states identify occupations with a shortage of labour and pledge a number of work permits;
- Second, the European Commission (the EU-level actor) identifies potential synergies among interested countries and coordinates the programme with relevant stakeholders in EU and Africa responsible for the implementation;
- Third, vocational training programmes will, where possible, be offered by taking into account both the demand in the EU and that in African countries. The cost of training should be borne by the EU, thus implicitly subsidising participating member states and fulfilling the development objective of the scheme by increasing human capital.

The EU Commission could further facilitate the recruitment process, for instance, by financing job fairs or other means of recruitment.¹¹

Box 1. Example: potential skill partnership between the EU and African countries

From 2015-17, EU member states consistently reported a shortage of sheet and structural metal workers. According to the EU LFS (2014), 61% of workers in this occupation have completed an upper secondary or a vocational education, while 35% of workers have only a lower secondary qualification. While there is limited scope for cross-border matching within the EU, these shortages could potentially be filled by training and attracting workers from other countries (i.e. from Africa). For instance, firms in the metal industry in Tunisia and Egypt similarly report being constrained by the lack of qualified workers (The World Bank Enterprise surveys, 2013)¹² and, hence, these countries could be interested in establishing a partnership programme with EU member states for human capital formation in this area.

There are good economic and political rationales for making initially issued work permits temporary rather than permanent.¹³ From a development perspective, temporary migration can limit permanent brain drain and improve productivity through human capital formation in the country of origin. Temporary migrants are also more likely to remit and invest in their country of origin as well as to save for their own future consumption or investment.¹⁴ Furthermore, EU member states have voiced their preference for a temporary scheme increasing its political feasibility at the EU level. These arguments have to be weighed against the substantial investment in vocational training, a costly recruitment process and the need to incentivise both potential migrants and employers to partake in the scheme.

¹⁰ The agreement between Spain and Ecuador and Colombia has, for instance, a similar approach (Newland et. al 2008, p. 11).

¹¹ This is already done on a small-scale bilateral basis by some member states (e.g. the German GIZ). Drawing on collective experience is essential.

¹² <http://www.enterprisesurveys.org/data/>, see country profile by sector.

¹³ See e.g. Rodrik (2017). The concept of a temporary migrant applied in the following refers to a third-country national who resides in a territory of one member state for a limited period of time with a work permit and who returns to the origin country upon termination of the latter.

¹⁴ For evidence on brain drain see Panizzon (2010) and Sáez (2013); on remittances and investment see Dustmann and Mestres (2010), Wolff (2015), and Chabé-Ferret et al (2016); on saving for future consumption and investment see Bauer and Sinning (2011) and De Arcangelis and Joxhe (2015); on social integration see Chabé-Ferret *et al.* (2016).

The EU legislative framework on the rights and status of third-country nationals will equally apply to the beneficiaries of the scheme proposed here, and will explicitly put a limit to any “temporary nature” of the scheme and the discretion EU member states have over it. In particular, the initial duration of immigrants’ residence and work permits will be attached to the work contract with the possibility of renewal and eventual change to a long-term status (after five years of continuous residence).

When (or if) the migrant returns to their home country, it could cooperate with the destination country as well as the European Commission to facilitate reintegration. Methods aimed at increasing incentives to return and improving the likelihood of successful reintegration should be integrated into the scheme. For instance, monetary incentives (e.g. paying out social security contributions or taxes related to pensions, health and long-term care accumulated in the EU) could equip returnees with capital for investment in the countries of origin upon return. Such an approach would strengthen the development impact of the scheme.

Yet, in line with our principle of leaving the precise implementation to member states, we take no strong position on this issue. Nevertheless, the scheme is not intended to cater for employers offering short-term employment stays (i.e. as a seasonal worker).

3 The case for EU level coordination

In order to be successful, the envisioned scheme must have a strong partnership dimension, inducing long-term commitments by European and African countries. The European Commission has a natural role in coordinating efforts on the EU side, with the goal of enhancing cooperation in overall migration management within the European Agenda on Migration. In its mid-term review,¹⁵ the European Commission has already recognised the need for establishing training and labour partnership with African countries to enhance overall cooperation. A number of pilot projects have been launched.

Member states hold the right to determine volumes of admission of economic migrants under 79(5) TFEU, and are best placed to assess their own labour market needs. Recruitment, placement, and exact entry conditions remain the competency of participating member states. Yet, EU-level coordination of admission offers made by member states would help to identify internal aggregate demand for foreign labour in the EU more precisely. Such assessments would then allow for a more strategic implementation in Africa.

Labour migration to EU member states does not directly affect other EU countries; there are few direct spillovers to other member states from one member state increasing labour migration from third countries. Viewed in isolation, and absent any evidence of economies of scale in implementation of the scheme, this would imply that member states themselves are better placed to implement and fund such a programme. However, overall management of Africa-EU migration, in particular when it comes to irregular migration, has benefits for the EU as a whole.¹⁶ While only a few member states are initial recipients of large numbers of irregular migrants from Africa, and *de jure* allocation of responsibility is clear; there are *de facto* repercussions to other countries due to the Schengen system of open borders, and the fact that many irregular migrants from Africa have northern Europe as their final destination. Therefore, Schengen cooperation is itself threatened by irregular migration as has become increasingly evident in recent years.

¹⁵ See COM(2017) 558 final.

¹⁶ MEDAM (2017).

Hence, there is EU value added in coordinating and aggregating member state efforts when it comes to managing work related migration on the one hand and improving the return of irregular migrants on the other. This is similar to the value added derived from the EU Resettlement Framework. Here, as with our proposal, member state participation is voluntary, but the European Commission can use committed resettlement places in a strategic way that benefit the EU as a whole. An example of such a strategic use is the EU-Turkey refugee deal, whereby the European Commission commits to resettling a Syrian refugee from Turkey in the EU for every Syrian returned to Turkey from the Greek islands.¹⁷

4 Scope and costs of the scheme

The proposed scheme for human capital formation and skill mobility does not require new legislation related to member state treatment of third-country nationals. New legal provisions would only be needed to fund the initiative. The approach taken for the [Resettlement Framework Regulation](#) may serve as a template.¹⁸ In particular, the features of voluntary participation by member states, central financing from the EU budget and a steering committee led by the European Commission could be replicated. Making participation strictly voluntary not only increases the likelihood of the scheme being adopted, it also caters to the existing asymmetries of EU labour markets. Central financing from the EU budget ensures burden sharing towards improving overall migration management between the EU and Africa.

The upcoming negotiation on the 2021-2027 Multiannual Financial Framework (MFF) provides an opportunity to budget for a human capital and skills mobility scheme. One potential way to link funding to existing initiatives would be through the Neighbourhood, Development and International Cooperation Instrument (NDICI).¹⁹ The objectives of the proposal fit well with the stated priorities of the NDICI fund, with migration and mobility being a priority of the fund, specifically “addressing root causes of migration, while creating conditions for legal migration and well-managed mobility”.²⁰ Part of the activities taking place in EU member states may be covered by an enhanced Asylum and Migration Fund.²¹

By its nature, the scope of the proposed scheme is limited by demand from EU member states and employers. However, in order to achieve a sustained and meaningful impact, a substantial number of work permits would have to be offered. An ambitious yearly target for the skills mobility scheme would be to train 100,000 people and aim for 50,000 being offered employment in the EU.

The cost of training migrants will vary by country of origin, destination country and profession. In addition to the cost of training itself, programmes would have to cover some sunk cost related to the establishment or modernisation of training facilities and tools in origin countries if needed. However,

¹⁷ <http://www.europarl.europa.eu/legislative-train/theme-towards-a-new-policy-on-migration/file-eu-turkey-statement-action-plan>

¹⁸ See COM(2016) 468 final

¹⁹ European Commission (2018, b) https://ec.europa.eu/commission/sites/beta-political/files/budget-may2018-neighbourhood-development-cooperation_en.pdf

²⁰ European Commission (2018, b) https://ec.europa.eu/commission/sites/beta-political/files/budget-may2018-neighbourhood-development-cooperation_en.pdf

²¹ European Commission (2018, c) https://ec.europa.eu/commission/sites/beta-political/files/budget-may2018-fair-migration-policy_en_0.pdf

even the most ambitious training programme modelled after the German apprenticeship system would benefit substantially from the wage arbitrage inherent to the scheme.²²

These ambitions for the skill mobility scheme are necessarily costly. Modelling the cost of all necessary items to make the scheme fully operational is beyond the scope of this policy brief, but a rough estimate in the order of €1 billion a year is a useful starting point. This would allow average training costs in the order of €10,000 per person for 100,000 people per year.

5 Towards a genuine long-term development partnership between the EU and Africa

Current migration management along the Mediterranean serves neither European nor African countries well. The European Commission has moved towards establishing a partnership framework with several African countries in order to improve the management of migration from the region. At its core, these efforts are a move in the right direction as they acknowledge the interests of African counterparties. However, the policy tools the Commission has at its disposal to effectively engage in these partnerships are currently insufficient. In order to improve migration management across the Mediterranean, an instrument to enhance legal migration alternatives is needed.

A scheme for human capital formation and skills mobility of the form suggested above provides such an alternative. As part of a wider drive for a genuine EU-Africa partnership, it presents a promising and lasting development tool based on long-term cooperation and benefit-sharing between the EU and African countries. The proposed scheme complements existing pathways for labour migration, provides for member state autonomy in its implementation and requires no new legislation except for provision of the EU funding.

²² In a recently implemented program between Germany and Kosovo, for instance, the cost for training a nurse in Kosovo (covering both qualification recognition and language training) amount to US\$3,850. Another project covering training in the construction sector (tailored to electrical and heating installation and metal work), instead, foresees an annual cost of EUR €1,400 for technical training and EUR €600 for a three-months vocational course. Similar training in Germany for similar durations would cost several times that. (Clemens, M. et al., 2019). See also Clemens and Gough (2017, 2018).

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