Executive Summary

The policy brief reflects on the criteria a Prague Process country of origin (CoO) can use to orient out-migration in a manner that maximises outcomes for its migrants, its society and its strategic governance goals.

These criteria consider the labour shortages in countries of destination (CoDs) and their immigration regimes and, consequently, economic and social payoffs for migrant workers. Furthermore, authorities in CoOs are interested in minimising risks linked to the recruitment process and favour corridors that help them reduce labour surpluses in their internal labour market, and in tandem limit the incidence of brain drain and maximise that of brain gain. The choice of migration corridors to incentivise regular migration, often through bilateral agreements, is also influenced by capability considerations. Which countries can value the skills and competences of their nationals best? Finally, evidence shows that corridors are also built between countries with linguistic, geographic and cultural proximity.

How these parameters characterize corridors is illustrated through case studies to distil lessons on how to choose better partners for cooperation agreements, and select tools to set up joint governance of migration across the two ends of a corridor. A labour demand approach first identifies potential CoDs with attractive vacancies and visa regimes that allow in-migration of migrant workers from a certain skills tier. In a final step, the paper addresses “filters” applied by employers and policy makers in CoDs, before concluding with a discussion on suitable recruitment channels.
Analytical framework:
Anticipating migration outcomes for CoOs and CoDs

The authors propose three distinct criteria to assess labour migration prospects for potential CoDs from the perspective of CoOs: feasibility, quality and desirability.

1. **Feasibility, i.e. is it feasible for potential migrant workers to out-migrate to the CoD?**
   Under this criterion, CoDs are reviewed based on skills shortages (what types of workers are required?) and labour shortages (how many workers are required?) that cannot be met by domestic labour supply. In other words, it quantifies pull factors arising from employers’ need for migrants in the CoDs.

2. **Quality, i.e. what are the pay-offs for potential migrant workers who out-migrate to the CoD?**
   This criterion reflects the expectable returns of out-migration in terms of working and living conditions in the CoD; wages and remittance-sending prospects; as well as integration prospects, which include options for labour market mobility, family reunion, and long-term residence, as well as protection from discrimination and the presence of existing diaspora communities in the CoD. Finally, this criterion also takes stock of the possible risks faced by migrants in each CoD, including deception, contract substitution, debt bondage and labour exploitation.

3. **Desirability, i.e. is it desirable for the country of origin to promote out-migration to the CoD?**
   This criterion turns the attention to the CoDs seen from the point of view of the priorities and national interests of the government of the sending country (CoO). This includes i) macro-objectives of the government to identify sectors and occupational families of strategic interest; ii) opportunities for matching CoO labour surpluses with labour demand in the CoD; iii) brain drain considerations to discard certain occupational families and incentivize recruitment in others; and ultimately iv) national development priorities to incentivize circular migration schemes that support educational and industrial policies.

From labour to skills shortages

Incidence of labour shortages that cannot be met with the supply of workers available in the domestic labour market of a CoD is the first parameter used by CoOs to screen suitable migration partners. However, on the European continent as well as on the Western shore of Asia, CoO authorities only recently started to reflect on the different opportunity costs of promoting migration towards some countries vis a vis others. The reasons are mainly related to path dependency, and hence to the historical mobility of people.

At the dawn of the reconstruction period after the Second World War, labour shortages in the West were primarily met by flows of forced migration. Since the 1950s, the reservoir of persons displaced by armed conflict was complemented by labour agreements, mainly from South to North, but again the impetus for these agreements originated from labour shortages in the CoDs. Since the 1980s, free market forces favoured by increased mobility of individual migrants gradually replaced agreements between governments as a major driving force of migration. This process culminated in the large flows from the East to the West brought about by the fall of the Iron Curtain. Yet the governments of CoOs had little to no influence on the destination countries favoured by their out-migrants.

1. International organizations were engaged in managing the relocation of people for humanitarian purposes (first, the United Nations Relief and Rehabilitation Administration, UNRRA; as of 1946 also the International Refugees Organization). However, Gartrell (2019) argues that labour shortages played a key role in making this process happen at such large scale, and that placement in specific occupations was animated by the likelihood of migrants to meet attitudinal or language requirements in Western shortage sectors.
Driven by technological advances in production processes, employers in CoDs progressively required more specific sets of skills, not only for the placements occurring in local markets, but also with regard to shortages to be met by foreigners. Findings of Industry 4.0 research show that nationals in CoDs are often oriented to vacancies in the occupational tier of professionals, leaving many high- and semi-skilled occupations in net shortages, and creating a case for meeting skills needs with labour from abroad.

At least in Europe and with the exception of professional workers, these skills needs have been mainly met through training processes that took place on the job or through the vocational education and training (VET) system in the CoD. However, in other regions, especially in Asia, large numbers of high- and semi-skilled workers are internationally recruited with vocational skills acquired and tested already in the CoO.

The distance between the employer in the CoD and the CoOs where workers were trained requires authorities to set up skills recognition schemes that would be difficult to implement, or beyond the financial capacity of an individual or a group of employers. Efforts aimed at harmonizing skills needs of occupational families within the EU went in this direction. The skills requirements largely characterising the vacancies are more specific than the granularity of families described in the European Standard Classification of Occupations (ESCO).

Dozens of millions of migrants were integrated into the EU over the past two decades mainly through training conducted in the CoDs, whereas regular skilled migration pathways have always played a marginal role (i.e. migrant workers fully trained in their country of origin) with the exception of foreign workers who benefited from national programmes such as shortage lists. For instance, Germany deploys efforts in the so-called Triple Win system, aimed to recruit nurses from Bosnia and Herzegovina, the Philippines and Tunisia. In this way, the German healthcare system recruited 4,000 nurses over the past eight years.

If the past decade has witnessed regular pathways mainly in the care economy sector and for programmes limited in numbers and scope, the German Skilled Workers Immigration Law opens regular labour migration pathways across the manufacturing and IT sectors.

Moving from migration corridors based on generic labour needs to corridors in which workers are recruited already equipped with vocational skills requires labour migration agreements that operationalise skills recognition solutions and enable governments or private recruiters to test workers prior to the departure and facilitate their placement in the enterprises at the other end of the corridor.

An effective model of cooperation is represented by the Moldova-Israel corridor, in which authorities of the two countries agreed to a ceiling of approximately 1,000 construction workers per year. In Moldova, the National Employment Agency provided this stock of workers from its

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2. Drawing on the International Standard Classification of Occupations (ISCO), these skills levels are defined as follows: Low-skilled occupations correspond to International Standard Classification of Occupations-08 (ISCO-08) major group 9 (Elementary Occupations). Semi-skilled occupations correspond to ISCO-08 major groups 4 (Clinical Support Workers), 5 (Services and Sales Workers), 6 (Skilled Agricultural, Forestry and Fishery Workers), 7 (Craft and Related Trades Workers) and 8 (Plant and Machine Operators, and Assemblers). High-skilled occupations relate to ISCO groups 1) Managers and 3) Technicians and associate professionals. Professionals are covered under ISCO group 2) professionals, including occupations such as Health Professionals, Teaching Professionals and Legal Professionals.


4. The experience of the regional model of competency standards developed by the ILO has consolidated lessons learnt and experiences on how to recruit not only professionals but also high- and semi-skilled workers across countries.


7. See: https://www.giz.de/en/worldwide/41533.html

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list of jobseekers, while Israeli counterparts established a testing system in Chisinau. Additional workers required on top of the 1,000 stock were recruited through a network of accredited Moldovan private recruitment agencies, which leveraged on the same system of recognition used by the public employment agencies.8

The idea behind this section is to qualify labour needs - defined as a measure to express the quantity of labour demanded - in such a way that they are categorized by occupational families, linked to specific competences that an applicant needs to have in order to directly perform at the workplace in the country of destination.

**Visa regimes and agreements enabling international recruitment**

A feasible regular migration pathway requires a labour migration visa regime that administers entries for labour purposes. In the EU, the Schengen agreement established a practice that greatly increased the feasibility of labour migration. Candidates have usually been entering a Member State without a specific employment visa, and following the signature of an employment contract, a work permit was issued. Over the past thirty years, this practice has made it less pressing for authorities in the Prague Process states to negotiate bilateral agreements, at least with EU countries of destination. For non-EU citizens, candidates also had the possibility of undergoing a job interview on a tourist visa. In general, employment visas have been less common governance instruments than work permits, for both EU and non-EU nationals.

This scheme certainly favoured free movement of labour within and to the EU and allowed the mushrooming of private entities facilitating international recruitment. However, for CoOs this model is not necessarily the one that always maximises outcomes. First, it hinders the coordinated placement of larger flows of workers, creating sectoral bottlenecks when enterprises face sudden seasonal or temporary shortages. Large-scale recruitment operations usually exceed the capacity of individual employers or recruiters. An interesting case study to address sudden labour shortages comes from Russia. Since recently, multinational enterprises in Russia have had the possibility to directly recruit foreign workers from selected post-Soviet states with an algorithm-based system that offers a fast lane to cope with labour shortages.

While visa regimes can constitute barriers to labour migration, migration payoffs often correlate with the level of sophistication of CoDs’ employment visa systems. Pioneers in this regard have been historical countries of destination such as Canada, Australia and the UK. Recently, also Central European countries such as Germany and Austria are diversifying their entry channels to allow employers to recognize skills - and recruit - directly in the countries of origin. The immigration act for skilled personnel in Germany (*Fachkräfteeinwanderungsgesetz*) entered into force in March 2020 and created accelerated admission procedures for non-EU skilled workers. A precondition for access to the labour market is either a German qualification or a successful fast-track examination of equivalence of foreign qualifications. A skilled worker, referred to as *Fachkraft*, in this sense is a worker who has successfully completed industrial, commercial or technical vocational training. A unique feature of the new law is that even unemployed non-EU citizens with recognised qualifications are allowed to enter the country. Therefore, not only workers with a signed employment contract are allowed to enter Germany for employment purposes, but also those who wish to look for a job are granted a residence permit for up to six months if they have a recognized qualification.

In addition, the new German government coalition plans to change the hitherto temporary application of the Western Balkan Regulation into a permanent mobility framework that would allow nationals from Albania, Bosnia and Herzegovina, Kosovo, the Republic of North Macedonia, 

8. The bilateral labour agreement is available online: https://mfa.gov.il/Style%20Library/ArmanotPdf/4-26581-7979.pdf
With labour shortages moving from farms and construction sites to factories and the service sector, practitioners observe the growing importance of language proficiency of the workplace in order to access not only semi-skilled but also high-skilled jobs.

Employment visa systems are also complemented and intertwined with specific bilateral programmes that favour in-migrants from a certain country. Bilateral labour agreements have characterized the establishment of migration corridors since the 1960s, with the notable example of the corridor Pakistan - Kuwait and others such as the Gastarbeiter agreements between Germany and Italy.

Many sources describe in detail the scope and coverage of the hundreds of bilateral labour agreements developed in the past decades. We refer readers to the seminal work of Wickramasekara (2015), which describes a new global trend, also witnessed in the Prague Process countries - the agreements for education-for-employment visas.

With labour shortages moving from farms and construction sites to factories and the service sector, practitioners observe the growing importance of language proficiency of the workplace in order to access not only semi-skilled but also high-skilled jobs. Initially, this limits international recruitment, as it is more likely that skilled workers are recruited among migrants who move up the occupational mobility ladder. Rather than recruiting skilled workers from outside, employers in the Czech Republic reported that it is easier to internally promote workers who had the chance to learn the language while working in the Czech labour market.12

The implication is that, especially for languages that are not easy to learn, proficiency is acquired easier if the migrant can spend some years in the country of destination before applying for a job that requires a TVET certificate. For this reason, some CoDs, for instance in the EU region, offer a favourable scheme to enter as a student and convert the student visa into an employment one. This has also been the case in the United Kingdom, where any university student can stay in the country for up to two years after graduation to look for work related to their degree or course.

Germany has also started to pave the trail of education-for-employment visas. The Sri Lanka German Training Institute (SLGTI) offers vocational training for young Sri Lankan adults. Training curricula are co-designed by German and Sri Lankan employers and benchmarked against the German National Vocational Qualification framework. Graduates have excellent prospects to be matched with skilled vacancies in Germany, but can also choose to find relevant employment in Sri Lanka. Two notable features of the SLGTI are that potential employers are involved in the definition of curricula as well as the assessment of the quality of training services. Second, a dedicated Language Lab was established to teach trainees occupation-specific language courses.14

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13. The institute is co-funded by the German Federal Ministry for Economic Cooperation and Development.
Beyond feasibility of migration: quality of migration outcomes

The first two sections looked in detail at aspects of a migration corridor that enable migration to a certain CoD, both in terms of legal premises for the entry of migrants for labour purposes, and in terms of vacancies available. Once migration is deemed feasible, countries of origin should incentivize corridors where migration is likely to be safer, and more profitable with respect to the quality of employment. The latter includes considerations of wages, working and living conditions.

Remittance-sending prospects are also important, and this parameter does not always mirror nominal or real wages received by the migrant. Working in a CoD with higher average salaries often correlates with high living costs that reduce the amount a migrant can remit back home. Similarly, many vacancies are advertised with a gross wage that often hides income tax, social security contributions, and other compulsory deductions related to accommodation, food and subsistence, as well as compulsory insurance schemes. Some of these deductions are intrinsically linked to a protected job, but in general it is important to take these factors into account when deciding whether or not a migration corridor should be incentivized.

Quality of employment is a notion that also encompasses working conditions and rights at work. The former can be benchmarked by looking at indicators such as hours of work, compliance with occupational health and safety standards, payments and conditions for overtime work as well as paid annual and sick leave. The latter instead can be measured by the possibility of unionization and access to justice criteria. A migrant worker not only has to be protected by law, but also requires pragmatic access to effective grievance redress mechanisms that provide remedies and compensations.

It is important to note that working conditions do not only differ between countries of destination but can also differ greatly by sector and occupation within a CoD. Many migrant workers take up jobs in atypical occupations and may dwell in premises located near the workplace. The latter especially applies to temporary migration schemes involving those at the bottom of the occupational ladder. For this reason, living conditions should be appraised together with working conditions, particularly in sectors such as agriculture, construction, domestic work and more recently also manufacturing.

The quality of the migration experience depends not only on the workplace, but also on living conditions. Integration prospects, which include options for labour market mobility, family reunification, and long-term residence, as well as protection from discrimination and the presence of existing diaspora communities in the CoD need to be considered as yardsticks to evaluate the opportunity of favouring a certain potential destination country. Finally, this criterion also takes stock of the possible risks faced by migrants in each CoD, including deception, contract substitution, debt bondage and labour exploitation. For a more in-depth review of integration prospects in different destination countries, we refer the reader to the Migrant Integration Policy Index (MIPEX) funded by the European Union.\(^{15}\)

Aligning migration incentives with national development objectives

The decision to migrate to a particular country is generally taken at the level of individuals and households. Nonetheless, governments can shape incentives to promote out-migration in corridors that favour recruitment in certain skills profiles over others, or favour circular versus permanent out-migration.

For several decades, Eastern European nationals have tried to settle in countries such as the UK, where many migrants seek to obtain permanent residence. Indeed, circularity is more likely with countries of destination characterized by less restrictive labour migration visa regimes.\(^ {16}\)

\(^{15}\) For more information on the index, please refer to www.mipex.eu/what-is-mipex

A feature of a migration corridor can be advantageous for one CoO but disadvantageous for others. Governments of countries such as India and Egypt, which are characterized by a disproportionate youth bulge, tend to focus less on brain drain concerns. The key priority for these countries is to place as many out-migrants abroad as possible to release domestic labour market pressures. Other CoOs, such as Morocco, are very sensitive to avoiding the risk of linking too closely their TVET curricula with the needs of foreign employers. Education authorities of CoOs, especially those with high-quality public education systems, should strategically consider mechanisms to offset the long-term costs of graduate migration incurred by taxpayers. How to account for the social and financial impact of Indian engineers who have been trained by the Indian federal budget, if these engineers immediately out-migrate to advanced economies following graduation? The debate has serious distributional implications if one considers that all budget allocated to tertiary education competes with targets and funds aimed to increase the quality of primary and secondary education for the more economically disadvantaged.

On the one hand, it is not uncommon to witness countries of origin that favour the out-migration of the low skilled versus that of semi- and high-skilled workers in critical sectors, primarily the health sector. These incentives can take different forms: strengthening ties with CoDs or industrial partners in need of low skilled workers, as in the case of Nepal; deploying bans for nurses, as implemented by the Philippines at the height of the Covid-19 pandemic. Historically, occupational bans were first established in 2006 for domestic workers migrating out of the Philippines. Other governments, such as Hungary, require medical school graduates who received a scholarship, to work in the country for twice as long as the duration of the medical degree, otherwise they need to pay back the scholarship amount received.

On the other hand, promoting migration for care economy jobs can be a way to capitalize on these skills if circular schemes are embedded in the design of the corridor. The CoDs offer training in health professions and in the short to medium term benefits from the services of migrants; after a span of five to ten years, the health care professional can return home equipped with skills that may be critical for the health sector of the CoO. Such dynamics are present in the out-migration of young Irish nurses migrating to the UK to gain work experience and return to Ireland once they are in a later stage in their career. Similar patterns are observable between Scandinavian countries, where Finnish nurses migrated to Sweden and Norway but returned to Finland following a long period abroad. It is important to acknowledge that such dynamics of circularity are far more difficult to establish in corridors with greater wage differentials between the CoO and the CoD.

The case of Nepal is particularly interesting. Its government with the ILO assistance has commissioned studies specifically aimed to maximise migration of low- and semi-skilled workers. The overriding goal is to find a job for unemployed and underemployed Nepalese, especially in rural areas, that are still trapped in the informal economy and are difficult to place in a formal job at home.

The point of view of countries of destination and how to find synergies across both ends of the corridor

International labour migration always requires counterparts on the recipient side of the corridor, and CoD governments continue to be the key actors shaping the characteristics, magnitude and geographic scope of in-migration. This final section looks at the point of view of countries of destination, examining the parameters that constitute amenities for governments and industrial partners in the labour market where migrants will be placed.

- **Path dependency and risk avoidance**: A CoD that has made a positive experience with the recruitment and integration of migrant workers from certain CoOs is likely to promote additional recruitment efforts across these already established corridors. The institutional memory of the recruitment ecosystem (ministry of interior, ministry of labour, private recruitment agencies, employers’ associations, employers and trade unions) favours existing pathways. This is further reinforced by CoD governments often being risk-averse to open new regular channels with ‘untested’ CoOs.

- **Geographic proximity**: Geographic proximity lowers direct migration costs and tends to reduce the vulnerability of migrant workers. In addition, regular and informal recruitment costs between proximate countries tend to be lower, reducing incentives for migrants to overstay a visa or engage in secondary movements to recuperate payments made upfront. The ‘shorter’ a given corridor, the more likely the emergence of diversified admission pathways, including short-term, seasonal, circular (multi-entry) and - in the case of neighbouring countries - cross-border visa schemes.

- **Temporality of labour needs**: Seasonal migration generally favours geographically proximate CoOs in which short periods of salaried employment are sufficient to offset the direct migration costs (especially travel). On the other hand, shortages in high-skilled occupations incentivise governments to cast a much wider net with a view to attracting talents from across the globe.

- **Alignment of skills development pathways**: The degree to which formal - and to a lesser extent informal and non-formal - skills development pathways in the CoO match the needs of final employers in the CoD is a key determinant for the feasibility of a new corridor. ‘Alignment’ in this context can be promoted by activities ranging from a formal alignment of national qualifications frameworks and establishment of mutual recognition arrangements to leveraging on historically conditioned similarities in education systems (e.g. the vocational training systems of Morocco and France) up to sector-specific bilateral transnational education initiatives (Sri Lanka German Training Institute) and adjustments of a CoO’s training curriculum to needs of a set of CoDs. Recognition of Prior Learning (RPL) systems, particularly if co-owned by institutions in CoOs and CoDs, can further strengthen skills recognition for short-term, long-term and circular migration.

- **Linguistic similarity**: CoDs tend to prioritise corridors with CoOs exhibiting language similarities, principally for two reasons: i) onboarding and on-the-job training is greatly facilitated for final employers and ii) migrants are less vulnerable and more likely to seamlessly integrate in the CoD’s society, which often represents a key priority of governments. Corridors buttressed by linguistic similarities are observable across the globe, with examples including Ukraine-Poland, Moldova-Romania and Cape Verde-Portugal.

- **Cultural proximity** can favour the openness of a host population to accommodate migrant workers from a certain CoO whose society shares religious, cultural and customary similarities.
• **Vulnerability factors:** Aspects of vulnerability are cross-cutting, often shaped by geographic, cultural and linguistic factors. When exploring new corridors with CoOs, CoD governments tend to closely scrutinise the vulnerability of the initial newcomers in terms of adherence to their visa and work permit obligations, propensity for seamless integration as well as resilience to forms of labour exploitation and trafficking.

**Conclusion**

This Policy brief aimed to illustrate the leading policy imperatives and economic priorities arising at both ends of contemporary migration corridors of the Prague Process, with the aim of distilling strategic considerations that make an “optimal match” between CoOs and CoDs. From a CoO’s viewpoint, the brief provided insights on how to detect out-migration opportunities for prospective migrant workers from a holistic point of view, taking into account not only labour shortages, but also in-migration regimes and expectable economic and social payoffs for migrant workers.

To complement the perspective of CoOs, the authors explored strategic considerations guiding CoD governments when scoping new corridors or expanding existing ones. Key factors touched upon the alignment of vocational training and formal education pathways, linguistic congruence, geographic and cultural proximity, as well as other political economy factors.

Our hope is that this brief helps to fuel dialogue among the Prague Process members during an eventual global post-Covid economic recovery, which sees new skills needs emerging and provides opportunities for innovative solutions on skills-sensitive migration governance that can benefit CoOs and CoDs alike.