A shortage in skills and/or workers experienced across the globe has increasingly prompted governments to rethink immigration systems to address labour market shortages.

By engaging public and private stakeholders into discussion, this session explored reforms in Germany’s immigration system to attract skilled workers and talent, 2) Egypt’s cooperation with destination countries and national employment priorities; 3) the potential of new technology and enhanced labour market information in informing employment, education, and immigration policies.

1) In recognition of the current and future needs of the German labour market, the German government has progressively opened its labour market and relaxed immigration pathways for third country nationals for the purpose of work and training. In particular, the Skilled Immigration Act, adopted in 2019, innovated existing residence and occupation legislation, and importantly, targets foreign workers at the vocational mid-skill level.

2) To leverage the benefits of migration for the local labour market and development, the Egyptian Government collaborates with destination countries as well as its diaspora and expatriate community on skilled labour mobility, local job growth and skills transfer. Within this context, Egypt takes an expansive approach to migration that integrates and takes aspects of development, industrialization, and climate change into consideration.

3) Data-driven and skills-focused immigration systems cannot only help meet skills and labour shortages but also frame migration as a contributive force for society and economy. To effectively steer labour immigration amid a changing world of work, and match foreign workers to open positions, will require a thorough and detailed understanding of businesses’ skills and labour needs. New technology and

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data sources such as stemming from web-scraped online job vacancy data can provide such a detailed picture of the labour market, needed to shape effective and holistic education, labour market and immigration policies.

Summary (500 words max)

Introduction

A changing world of work has posed new challenges for countries across regions. Updating immigration systems to meet changing demand for skills and work will be one part of the solution. In light of joint research conducted between IOM and CGD, the event discussed existing immigration legislation, skills and labour market data as well as cross-country cooperation to ensure that immigration is of benefit to all.

Still to date, too many immigration systems remain disconnected from larger education, training and labour market policies, with skilled migration often out of step with skills and labour market needs, and migrants’ skills, experiences and talents often left unrecognized and underutilized.

Dedicated to GCM Objective 1, 5 and 18, the one-hour virtual event gathered perspectives on skills from private and public sector representatives and took stock of existing and innovative approaches to respond to changing labour market needs.

In 2019, there were an estimated 169 million migrant workers contributing to economies, labour markets, societies, and communities around the world. To unlock the full potential of labour immigration for all stakeholders involved will further require:

1) Strengthening the evidence base for data-informed and skills-based immigration policies, including through leveraging new, innovative and alternative data sources;
2) More coordination and exchange with the private sector to understand the labor market needs of today and tomorrow, in line with the GCM’s whole-of-society approach;
3) Broad stakeholder cooperation within and between countries to ensure effective policies and that labour immigration is of benefit to countries of origin and destination and to migrants themselves.

Ahead of the Panel Discussion, the Center for Global Development set the scene by presenting on the forthcoming research and report jointly carried out by CGD and IOM. Illustrated with the case of the UK, the presentation revolved around skill shortages in high-income countries and policy responses in meeting growing demand for skills and/or workers. The goal of the joint report is to assess how high-income countries are leveraging immigration systems to address changing and growing labor market demand and skill shortages.

Panel discussion

Joined by representatives of the Federal Employment Agency in Germany, the Ministry of Emigration and Egyptian Expatriate Affairs and Emsi Burning Glass, the Panel Discussion revolved around new approaches towards immigration and labour mobility and the role of labour market data in informing policy and discourse around migration.
Over the past 15 years Germany has progressively streamlined and innovated its immigration system for foreign workers from abroad. The main instrument to attract third country nationals constitutes the Residence Law, in addition to the underlying Occupation Regulation.

Both underwent significant modification with the adoption of the Skilled Immigration Act in 2019. Most notably, the Skilled Immigration Act largely disposed of priority checks previously conducted by the Federal Employment Agency to ensure the unavailability of domestic jobseekers for the respective vacancy. Moreover, the Skilled Immigration Act is targeted towards foreign workers with vocational training, opening opportunities for labour immigration at the apprenticeship skill level. The Act is the product of a coordinated and concerted effort between public authorities, private sector associations, trade unions and domestic NGOs.

Other achieved milestones within Germany's immigration system include the Western Balkans Regulation that allows workers from six Western Balkan states of all professions and skill levels to enter the German labour market under relaxed conditions.

For the role of the Federal Employment Agency as coordinator of BLAs and the recruitment of foreign workers, limitations have persisted due to missing data on changing skills requirements and skill sets, especially for newly developing jobs. Obtaining granular and timely data that reflect ever-faster evolving labour market dynamics is becoming increasingly challenging, calling for new approaches to capture and monitor employment and market dynamics.

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Egypt is a young country with a large youth share that places pressure on the labour market. Migration is a coping mechanism, important for young persons seeking out work opportunities.

The Ministry of Emigration and Egyptian Expatriate Affairs has participated in the THAMM program, co-funded by the European Union and GIZ, promoting labour migration to Europe, and which expanded beyond Germany with new corridors established with EU countries. Beyond this, the Ministry is promoting regular migration opportunities for skilled workers wanting to move to Germany and assists aspiring migrants gaining knowledge about needed skills and developing language and technical competences. With regards to cooperation with Germany, both governments established the German-Egyptian Center for Jobs, Migration and Reintegration that serves returnees and skilled workers in integrating in the local labour market or migrating through regular labour migration channels abroad.

To promote job growth and opportunities as well as skills development, Egypt moreover engages its diaspora and expatriate community living abroad – an important aspect of the migration development nexus. Through remittances but also knowledge transfer expatriates participate in Egypt's development and support Egyptian youth secure employment in projects such as ‘Decent Life’.

Relatedly and as Egypt hosts COP27, labour migration cannot be viewed as a standalone issue and should be thought in conjunction with broader challenges such as the impact of climate change on the lives and economy of Egypt, especially in sectors such as agriculture. Likewise, migration should be linked to broader policies relating to industrial development, as it will relieve pressure on the labour market and mitigate irregular migration. Finally, looking at immigration systems necessitates an expanded approach to migration that encompasses aspects of development, migration, and enhancing people's welfare and well-being.
**Emsi Burning Glass** highlighted that the current talent shortages experienced in various countries might present a golden moment for immigration and migration policy. There is a chance to reframe the perception and narrative of migration, moving from exclusion to solution and from migration considered a problem to a solution. The extent to which immigration can act as a solution depends on its alignment with companies’ and countries’ talent needs. To understand these needs requires data to characterize and forecast demand, such as in the form of a labour market observatory that monitors real-time data. For skills to become a vector for workforce equity and socio-economic mobility, Emsi Burning Glass has established the independent non-profit ‘The Burning Glass Institute that promotes data-informed research at the intersection of work and learning.

Aside from this, to develop a data-driven understanding on skills and labour markets will require a more nuanced understanding of the nature of demand at sub-occupational level, an enhanced understanding of the dynamism of the market, the ability to identify shortages and to develop a common language where talent is and where it will be needed. Demand gaps rarely occur at broad levels and rather manifest in specific skills and credentials. Depending on variables such as sector or geography, the nature of demand can have subtle differences. For instance, the skills required for the same job in different sectors might differ as do skills needed for the same job in different locations. Solely focusing on occupational demand and supply, might risk obscuring the more nuanced misalignments and mismatches in the labour market at skill and experience level. This in turn, might affect strategies on where domestic talent ought to be developed or where migration might be helpful in strengthening labour markets.

Whilst much of the talent shortages in developing countries are owed to demographic decline, there is significant skills mismatch as skills requirements for jobs shift and/or are replaced. Another difficulty presents finding a common language between employers and workers that allows businesses to signal their skills needs and jobseekers their capabilities. Oftentimes, employers and workers use and communicate their needs and offerings in different terminology. This is more so compounded for migrants coming from different contexts, without the necessary credentialing. For migrants and jobseekers to signal their talents and capabilities will require translating their skills across employers based on a common skills language and understanding.

**Closing**

For migration to be beneficial and serving to migrants and communities will require forward-looking institutions and innovative solutions. The interventions presented provide examples and pointers at how migration can be leveraged in an effective and mutually beneficial way.

Building on innovative, multi-stakeholder and integrated approaches that enhance labour market transparency, the understanding of skills in need, opportunities for skills training and the recruitment of much-needed workers will be key in strengthening immigration systems for the labour market needs of tomorrow.