### The Promise of Global Skills Partnership

"Investing in human capital to enable country level talent to be more competitive in the global job market"

A discussion of the study "Win-Win Migration Outcomes: Global Skills Partnership for Prosperous Labor Mobility" by Dr. Pablo Ariel Acosta

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2024 NAST Outstanding Young Scientist in the field of Economics

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Asian Institute of Management

18 June 2024

FOR THE RECORDING OF THE EVENT:

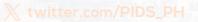


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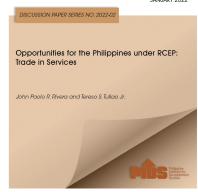
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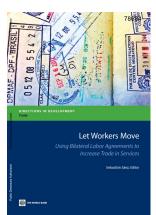
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## 3 key insights from the presentation



Migration happens due to either push or pull factors – and that are significant costs, social, economic, human costs. But there are also significant benefits.



Labor mobility will become a necessity in the decades to come for countries at all levels of income; hence, we need to pay attention to the demographic transition the world is experiencing.



By focusing on skills development at origin, we can transform the risk of brain drain into brain gain and potential migrants can be more competitive in the global job market

# My 3 key inputs to consider towards a win-win migration outcome

A systemic view to labor migration from the lens of the less developed economies

Financing the cost of education

Financing the social cost of labor migration

# Migration happens due to both push and pull factors

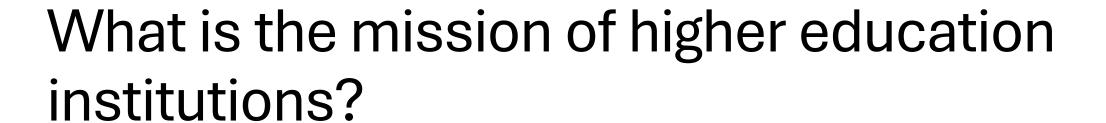
- Push and pull factors
  - Motivations to migrate moderated or mediated by:
    - wage differentials
    - quality of working conditions
  - Experience of the Philippines during the pandemic

With global economic imbalances, diverging demographic trends, and climate change, labor mobility will become a necessity in the decades to come for countries at all levels of income.

- Value of labor migration
  - Uneven economic growth among economies in the world
  - Opportunities to earn higher for the same kind of work notwithstanding opportunity cost of migration,
  - Opportunities from labor shortages and labor surpluses between receiving and sending economies

# Three core elements of successful international labor mobility policies

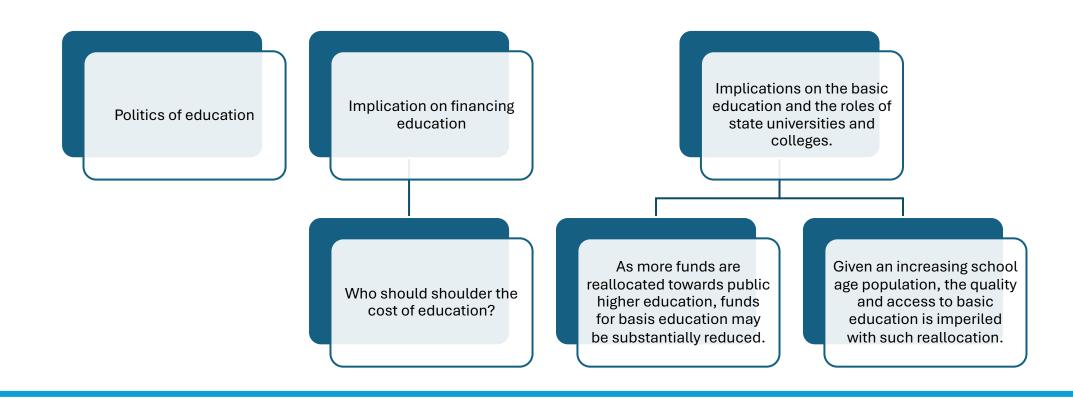
- Investing in human capital
- Well-managed, systematic international social protection and labor market intermediation system
- Constructive global dialogue and partnerships



External employment

Domestic employment

# Zoom in on: "investing in human capital"



# Zoom in on: "investing in human capital"

- Long-term bearing on the state of higher education in the Philippines.
  - Implications of weak basic education
  - Ability of educational institutions to maintain the competitive edge of Filipino workers

## Instruction vs. Research

• Disorientation of the HEIs towards instruction for employment rather than research and graduate education and socially relevant programs.

## Human capital perspective

- Wage differentials between sending and receiving economies increase the rate of return to higher education.
  - Inconsistent demand for education
  - Education geared towards the overseas labor market.
    - Example: Nursing education
  - Enhanced yet counterproductive demand for education

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## Threat to Sectors Experiencing Heavy Migration of Manpower

- Distortions in the domestic labor market
- Reallocation effect
- Even nursing instructors and qualified teachers are attracted to migrate.

Why the US has so many Filipino nurses The US colonized a country and built a labor supply.







## Social costs of migration

- Public funds used to educate the brightest students and their exodus may entail a drain on the country's human resources.
- Brain drain vs. brain gain
- Cost of training

## (1) What can be done? Inputs for consideration towards a win-win migration outcome

- Improve the management of temporary migration.
  - The GSP can also be seen as a mechanism to address the potential impact of labor migration on education and other sectors in the longrun.
  - In support of the GSP, indeed, more investments in education and other human capital enhancing expenditures to increase the competitiveness of workers in the global labor market.

# (2) What can be done? Inputs for consideration towards a win-win migration outcome

- Address the negative consequences of labor migration on human resource development.
  - Reassessment of the exit tax proposed by Bhagwati (1976) towards greater equity aligned with modern times
  - Revenues generated can be redirected to fund the negative externalities and negative impacts of labor migration on the sending economy.
  - It can be directed towards the improvement of education and the industries that were displaced due to labor migration

# (3) What can be done? Inputs for consideration towards a win-win migration outcome

 Redirection of remittance income towards income and employment generation so it will temper excessive external migration and arrest the negative consequence attached to it.

## THANK YOU

SALAMAT

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Malay / Indonesian



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Thai

ຂອບໃຈ

Lao

고맙습니다

Korean

ありがとう

Japanese

谢谢

Chinese

