

Transnational Brain Gain: From Short-term Projects to Long-term Structures¹

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Abstract

In Germany, the demand for labor immigration will increase significantly for at least two decades. To meet this demand, an immigration influx like in the peak years of 2015/16 (from Syria) or 2022 (from Ukraine) has to become the new normal. Neither the German society nor the political system are prepared for those numbers, especially not for extra-European immigration – a mismatch that leads to an increasing risk of severe economic underperformance. To reduce the gap between business needs and societal acceptance, the author recommends a combination of widespread small and/or experimental projects with thorough and transparent evaluation, whenever possible under lab conditions. This approach could steepen the learning curve of all stakeholders and prepare the economy and society for the up-scaling of specific migration schemes that have proven to be successful. The Kingdom of Jordan would be an appropriate location for a labor lab platform because the country possesses a good fit of labor market conditions and institutional conditions – and also has an ideal combination of proximity and distance.

Key Words:

labor migration; skill partnership; sustainability; structures; Jordan

1 Germany's Need for Labor Immigration

According to a study by the Nuremberg-based Institut für Arbeitsmarkt- und Berufsforschung [Institute for Employment Research] (IAB), about 7.2 million additional workers are needed in Germany by 2035 (mostly for demographic reasons) (Fuchs et al., 2021). The same study estimates that about half of that demand may be satisfied by increasing national labor supply. The additional supply has to come from immigration. So Germany needs three to four million labor immigrants between 2020 and 2035 – and that's not the gross number, but the net one.

For annual gross immigration numbers, this means:

- a net immigration into the labor market of 250,000 persons per year;
- a net immigration into Germany of 400,000 to 500,000 persons per year, as not all of the labor immigrants come alone;

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- as about one million people leave Germany each year (average of last decade) (Destatis, 2021), the gross immigration has to reach 1.5 million people per year.

And not once, but on average. This simply means that the situations of 2015/16 (immigration from Syria) or 2022 (from Ukraine) look less like exceptions, and more like the new normal. And this is not due to the fact that there are emergencies anywhere in the world – but because otherwise there would be emergencies in Germany.

To put the challenge in one phrase: Germany has to become the “Einwanderungsland” that it often claims to be, but right now not really is.

2 European Markets Close to Exhaustion

For decades, the European Union has been Germany’s biggest and most convenient market for labor supply. The main advantages of labor immigration from EU countries to Germany are the freedom of movement within the EU, the (almost complete) abolishment of visa requirements and labor movement regulations, the rather easy EU-wide acceptance of national education certificates and a rather close cultural proximity.

But these low-hanging fruits have already been picked. So a huge portion of the Europeans that are able and willing to migrate to Germany are already there, or have already left again. Not everyone can or wants to stand a German winter. Additionally, virtually all EU countries are in a similar demographic situation as Germany, with an ageing population and shrinking domestic workforce. According to Kubis and Schneider (2020), the net labor migration from EU countries to Germany will shrink from 100,000 to 50,000 persons per year between 2020 and 2040.

When the growing demand for labor migration meets the shrinking supply from EU labor markets, this means that German businesses – and German society – have to prepare for and get used to large-scale extra-European labor immigration. German people have to get used to neighbors, colleagues and bosses with different religions, different languages, different looks, different mindsets and a different history.

3 Demanding Extra-European Labor

Economic opportunities from large scale international labor migration come with large national challenges. And vice versa. If the German society does not see – or does not want – the potential advantages of that kind of immigration, Germany’s businesses will face large economic challenges. What is already known as a skilled labor shortage (Fachkräftemangel) will just increase in scale and scope. Even with current reforms like the Skilled Labor Immigration Law (Fachkräfteeinwanderungsgesetz) in 2023 (Bundesgesetzblatt, 2023), Germany is still far away from the scale and speed of labor migration it would need.

While some people from outside Europe are desperately trying to get to Europe and Germany, a lot of highly qualified and mobile expats that Germany would need to increase and improve its workforce are rather wary when it comes to Germany. Each year the global expat organization InterNations publishes a ranking of the best and worst countries for expats to live. Germany is ranked very poorly each year. In 2022, with 52 countries ranked, Germany reached rank 52 (InterNations, n.d.). In 2023, it ended up slightly better as 49th out of the 53 countries ranked (InterNations, n.d.).

So right now, Germany seems to be a global leader in immigration-unreadiness. As migration consultant Chris Pyak put the sentiment of his clients and himself: Germany's immigration laws are designed to appease German racists – and not to attract the world's best talents for this country (Pyak, 2022).

That kind of political manoeuvring will harm German business interests, as companies on average will need more (and earlier) extra-European immigration than German society is willing to accept. Breaking that gridlock will require a substantial and sustainable mind-shift on all sides. The best way to get there is not by law or force, but by experience and best practice.

4 Perennial Projectitis

When businesses need skilled immigrants, but society and government do not feel the urgency in increasing the labor supply via immigration, there won't be a direct path to large-scale solutions.

The usual reaction on a blocked path is looking for a detour. And the usual detour in this case are small-scale projects. They can help some people, can convince some more people and could contribute to the design of large-scale solutions to come (hopefully) one day.

And indeed, there are a multitude of projects for training, for preparing or for directly bringing workers to Germany. To name just a few:

- “Hand in Hand” for the hospitality sector (IHK [Chamber of Industry and Commerce] Reutlingen)
- “Triple Win” for the healthcare sector with eight countries (GIZ [German Association for International Cooperation])
- Vocational training in Indonesia for the hospitality sector (IHK Trier)
- Vocational training in Morocco and Uzbekistan for the metal industry (DIHK [the German umbrella association for the IHKs], IHK Trier)
- “Pro Recognition” in eight countries (with eight AHKs [Chambers of Commerce Abroad])
- Recruitment of gardeners and electronics workers in Colombia (AHK, Bundesagentur für Arbeit [Federal Employment Agency])
- “Deutschlandjahr” of German Jordanian University
- Different combinations of vocational trainings and German language courses (GIZ, Goethe-Institut); global recruitment Initiatives of Crafts Associations (ZDH); multiple recruitment projects of corporations, industry associations, trade unions, NGOs, some other government institutions, private placement agencies, Bundesländer, counties, towns and definitely some more institutions

So, in short: a jungle of projects. That is what I would call Perennial Projectitis: with 1000s of projects; 100s of stakeholders; 100s of methods, approaches and tools; dozens of countries; dozens of industries; close to zero shared experiences and close to zero accompanying scientific research.

And that seems to be the most un-German way ever to solve a problem: We stay stuck in closed project loops, starting over and over again with next to no gained experience. We still have no clue how to make solutions scalable. We lose reputation globally. We waste

lots of resources and time. We damage goodwill in Germany and everywhere in the world and too often hurt people.

5 Labor Lab for Experience Aggregation

The faster a process has to be scaled, the steeper the learning curve has to be. Collecting, aggregating and evaluating the thousands of recruitment and training projects would be a helpful first step. Unfortunately, none of the German institutions involved have taken substantial steps into that kind of analysis. The particular interests of the stakeholders involved apparently and unfortunately do not favor a development towards efficiency and productivity of international recruitment programs and procedures.

Working at least with some labor market projects under lab conditions could drastically increase the measurability of tools and methods – and would also increase the scalability. A wide range of experiences with these kinds of lab-like experiments already exists not only in natural sciences, but also in social sciences. Behavioral economics has also achieved remarkable results with pure lab condition experiments on human behavior. Though there are definitely many ways to start and proceed with those experiments, it is rather common to do experiments with two groups that differ in just one parameter, to compare the different outcomes, and thus the effects of just that one specific parameter. One such example could be the compulsory “Deutschlandjahr [Germany Year]” of students of the German Jordanian University (GJU): You could allow half of GJU students to choose a 12 month internship for their Deutschlandjahr, while the rest would continue with today’s double-way of six months university, six months internship.

A lab-like approach to labor immigration thus could build a bridge between short-term middle-through and long-term institutional structures. The semi-chaotic multitude of mostly unstructured projects, which yields suboptimal results and wastes scarce resources, could become “germanized” this way with huge increases for efficiency and productivity.

6 Jordan as a Lab for Labor Immigration to Germany

Scientific labs are mostly limited in scale and scope. To establish a “labor lab” for international labor migration, might be a first step, but not the final one. Here, I make the case for using a whole country as a lab for labor immigration to Germany: Jordan.

Jordan is a country with ideal labor market conditions. It has a

- high share of young people,
- high level of formal education among young people,
- high level of youth unemployment (between 40 and 50%),
- high level of migration acceptance in society. Migration of well-trained specialists (up to now, mainly to Gulf States) is viewed very positively – not as a brain-drain, but as a brain-gain, as their remittances increase the family income and strengthen the national economy.

And Jordan is a country with ideal institutional conditions for experiments with Germany:

- There are very close ties between both governments, with high levels of cooperation at all institutional levels.

- There are large numbers of training, education and recruitment projects already underway (e.g. funded by GIZ or located at GJU).
- There is a high acceptance of project work in Jordan, mostly because of the great importance of international donor organizations. It would not be seen as weird or unfavorable to start an experiment limited in time and scale, as this is the usual way to do business in a donor-dominated economy.

And, last but not least, Jordan offers an ideal combination of proximity and distance. The country belongs to the Middle East, but also to the Mediterranean region. It is populated by 95% Muslims, while Christians are known and accepted (e.g. from religious tourism). It is populated by 95% Arabs, but today Arabs are not as alien and foreign to German society as they were a decade ago.

Jordan's capital Amman is an Arab capital, but (compared to mega-cities Cairo or Riyadh) a rather cozy one, and has some residential and cultural districts highly valued by the expat community. It is also one of the capitals outside of Europe that is geographically closest to Europe: It takes just 4 hours to fly from Germany to Amman.

If Germany would really desire to increase labor immigration from outside Europe, not just one, but four labor labs of that kind may be needed, as experiences from Jordan may not be transferable to Subsaharan African, East Asian or South American individuals and societies. Without digging deeper into these respective locations, here is my best guess for the most appropriate countries: Ghana (for Africa), El Salvador (for Latin America), Philippines (for Asia), and Jordan (for MENA).

So why not start in Amman?

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