

**Written evidence submitted by the Center for Global Development (CGD)
to the UK Foreign Affairs Select Committee Inquiry
— Implementing the Integrated Review in Nigeria — (IRN0003)**

Executive Summary

1. The primary aim of “Global Britain” is to deepen economic connections with dynamic parts of the world, including Nigeria, to benefit both the UK and these fast growing economies. New initiatives under this framework should aim to bring together strands of trade, aid, diplomacy, and defence under coherent policies which facilitate this aim.
2. One way to achieve this policy coherence is to explore developing new and better migration relationships alongside other forms of trade, aid, and development investment. Such relationships can benefit both the UK and Nigeria while reducing the downsides that stem from the current arrangement (increasing irregular migration).
3. The tech sector provides the best illustration of how this policy coherence could work in practice. The UK and Nigeria have fast-growing digital economies, yet an increasing number of employers in both countries are struggling to find the talent they need to make their businesses productive. This lack of skilled professionals is leading to reductions in investment and economic growth.
4. The UK could address these shortages through innovative migration collaboration, using CGD’s [Global Skill Partnership model](#). ODA could be used to improve the ICT training infrastructure within Nigeria, creating skilled talent that would be plugged into employers in both the Nigerian and UK labor markets.

About Us

5. [CGD](#) is an independent, nonpartisan “think-and-do tank” that works to reduce global poverty and inequality through research and active engagement with the policy community. Headquartered in Washington, D.C. and London, CGD engages in work that melds rigorous research with strategic outreach and communications aimed at informing, promoting, and provoking meaningful policy change.
6. CGD’s [Migration, Displacement, and Humanitarian Policy program \(MDHP\)](#) is focused on ensuring that everyone on the move realizes their full potential. We work to maximize the benefits of migration to destination and origin countries, expand the opportunities available to forcibly displaced people, and reform the humanitarian system to better serve the needs of those affected by conflict and crisis.
7. Over the last year, CGD and the World Bank have been working to develop a forthcoming feasibility assessment that aims to expand the availability of legal migration pathways from Nigeria to Europe, including to the UK. This evidence will touch on these findings, showing how investing in such migration pathways can stimulate private sector development within Nigeria

while also benefitting British businesses. To obtain a copy of the feasibility assessment, please contact Helen Dempster (hdempster@cgdev.org).

What are the emerging opportunities for aid and investment in the science and technology sectors in Nigeria? How should, and is, the FCDO encourage investment in these sectors, including in Small and Medium-sized Enterprises?

8. Worldwide, the digital economy is one of the fastest growing sectors. It has [grown two and a half times faster than global GDP over the last 15 years](#) and this growth has been magnified due to COVID-19. So too has the demand for ICT talent. For example, from 2005 to 2015, [employment for ICT professionals in Europe grew by a third](#), and a further 10 percent growth is expected by 2025. But supply is not keeping pace with demand and most ICT employers are suffering from massive skilled worker shortages. These shortages are reducing productivity, constraining investment, and undermining economic growth.
9. These trends are present in both the UK and Nigeria. In 2016, the UK ICT sector [contributed USD\\$160 billion to the UK economy](#), increasing by over 20 percent from 2011. We spend more per head on ICT than any other country bar the US. There were 950,000 people employed in ICT and telecommunications in the UK in 2016, [3 percent of the working population](#).
10. Yet in 2018, the [Open University Business Barometer](#) estimated that there are 600,000 vacancies within the sector, and that this is costing the country “£6.3 billion per year in recruitment fees, inflated salaries, temporary staff, and training for workers hired at a lower level than intended.” 91 percent of the 950 businesses surveyed struggled to find workers with the right skills. The number of students taking ICT and computing secondary qualifications has fallen, and as a result, it was estimated there would be [one million tech vacancies in a few years’ time](#).
11. Nigeria is facing the same outlook. The ICT sector is one of the fastest growing sectors in Nigeria and contributed [15 percent of Nigeria’s GDP in 2020](#). It is Africa’s biggest digital market, with [90 tech hubs](#), and is a major source of growth. It is estimated that the digital economy could add [US\\$88 billion and 3 million jobs to the Nigerian economy by 2027](#).
12. Yet this growth has not translated into jobs. Despite the presence of some of the biggest global tech companies such as IBM, Microsoft, Google, and CISCO, the sector employed [only one percent \(497,000 persons\) of the country’s population as of 2017](#). Youth find it hard to access the sector due to technical and soft skills gaps. In terms of digital skills development, [Nigeria ranks 122nd out of 140 countries](#). The training and education sector remains largely informal and unregulated, and provision has [not been able to keep up with the changing demands of employers](#). Like Europe, Nigeria is facing massive skilled worker shortages.
13. The UK could address these shortages through innovative migration collaboration, using CGD’s [Global Skill Partnership model](#). The country of destination agrees to provide technology and finance to train potential migrants with targeted skills in the country of origin, prior to migration, and gets migrants with precisely the skills they need to integrate and contribute best upon arrival.

The country of origin agrees to provide that training and gets support for the training of non-migrants too – increasing rather than draining human capital. All is regulated through a bilateral labor agreement.

14. For example, the FCDO could invest ODA in Nigeria, training Nigerian youth in ICT skills needed among both Nigerian and UK ICT employers. Half of the trainees (those on the “away” track) would move to the UK; ICT professionals are on the new Points-Based Immigration System shortage list, so could move under the [Skilled Worker route](#) as long as they had a job offer and a good command of English. The other half would be connected with employers in Nigeria. Such investments would allow both the UK and Nigeria to meet its skilled worker shortages, while also formalizing and improving the ICT training system within Nigeria to meet future digital demand.
15. There is precedent for such a collaboration. Over the last two years, the [Belgian Development Agency Enabel has been training 120 young, unemployed, Moroccans in specific ICT skills needed in both labor markets](#). 40 chose to join the “away track” and are now taking up new roles within employers in Belgium; the other 80 have found roles within Morocco. They are now expanding the programme to 400 trainees across Morocco and Tunisia, as part of the German Development Agency GIZ-implemented project, [“Towards a Holistic Approach to Labour Migration Governance and Labour Mobility in North Africa \(THAMM\).”](#)

What opportunities and challenges do the UK’s historic links with Nigeria pose when considering the future partnership between the two countries?

16. Nigeria is a natural partner for the UK in these efforts. Nigeria has a growing youth population, with higher and higher levels of education and skills, and a good command of the English language. The Global Skill Partnership model will allow the UK to pick those qualified migrants who can contribute to economic development within the UK and Nigeria. They share a migration history, with at least [190,000 Nigerians already living in the UK](#). Hence there are both cultural ties and diaspora networks that could aid integration of newly arrived ICT professionals. Both countries share similar education frameworks, which will ease the process of aligning ICT training curricula. And finally, there is already substantial digital collaboration between the UK and Nigeria. The Department for Digital, Culture, Media, and Sports (DCMS)’s [UK-Nigeria Tech Hub](#) is already investing in building digital skills within Nigeria, and could easily be expanded to allow some of these talents to migrate to the UK.
17. Of course, there are also challenges, primarily the existing migration relationship (or perception thereof) between Nigeria and the UK. Every year around [130,000 Nigerians visit the UK from Nigeria](#) for both business and leisure. While obtaining estimates of how many overstay their visas is difficult, [some research has put this figure at roughly 5 percent](#). This concern, that Nigerian migrants will overstay visas, may constrain political willingness to expand legal migration routes to skilled Nigerian talent. Yet three things are worth mentioning. Firstly, the numbers are very small, so the risk is very low. Secondly, by designing a migration partnership whereby skilled Nigerians are plugged directly into UK employers, the risk of overstay is very low. And thirdly,

under the Skilled Worker route, skilled Nigerians would have access to a permanent work visa, so there should be no concerns regarding return or deportation.

By what mechanisms could the UK government support trade and private sector development in Nigeria and stimulate investment?

18. As described above, by improving the digital training infrastructure and supplying Nigerian businesses with qualified talent, this will make employers more productive and more likely to be able to invest and expand. Evidence from similar investments by the Australian Development Agency in the Pacific show that the vast majority of employers (91 percent) feel the [presence of skilled migrant labor made their businesses more productive](#). Given Nigerian employers have already expressed the lack of skilled talent as a major constraint to investment, supporting this pipeline should address this concern.
19. Such migration partnerships can also spur trade and investment in other areas as well. Between January 2019 and September 2020, Lithuania entered into a partnership with Nigeria to [promote the migration of ICT professionals](#). Nigerian trainees would take part in a six-to-12 month career advancement program with a Lithuanian company, before returning home to contribute their skills to growing Nigerian tech employers. What the organizers did not expect was that this migration partnership would lead to direct [collaboration between Lithuanian and Nigerian tech businesses](#), promoting further trade and investment beyond the migration of the trainees.
20. Finally, it is important to also look at the investment potential of the trainees themselves. A vast literature has shown migration contributes to economic development through remittances and skill transfers. By improving the skills of young Nigerians, and supporting them to work in the tech sectors of both Nigeria and the UK, the project would equip a cohort of people with increased earning potential. This money could then be spent on improving education, promoting climate resilience, and stimulating other businesses through direct commerce. Studies have demonstrated that the presence of migration pathways can [improve community economic development](#) and [incentivize further take-up of specific skills](#), thereby having a catalyzing effect.

How should the FCDO take account of and mitigate potential inhibiting factors to investment (such as corruption, security, human rights abuses)?

21. As described above, this migration collaboration should take place within the confines of a bilateral labor agreement. The FCDO, in collaboration with the Home Office, DCMS, and BEIS, will need to collaborate with the Nigerian Federal Ministry of Labor and Employment (FMLE) to develop and sign this agreement. In so doing, the UK should actively work to improve the capacity of the Nigerian government to manage migration in this way, thereby reducing the risk of corruption and the risk of project failure.
22. To minimize this risk, it is imperative to engage two main types of actors within the partnership. The first is independent monitors, such as the International Labor Organization (ILO) and trade unions, to ensure migrant rights are being upheld and to reduce employer abuse. The second is the

private sector. The project will only work if the training and curricula are closely tailored to the needs of employers both in Nigeria and the UK. This active involvement will both reduce risk while also building long-term trust in the viability of the collaboration.

Which states may be strategic partners and competitors in the UK's policy toward Nigeria and how should the FCDO respond? In particular, how should the UK engage with the United States, China, the Commonwealth and the African Union?

23. As described above, and in more detail within our feasibility assessment, there are a number of high-income countries that are in a similar position to the UK. By 2030, CEDEFOP estimates that Germany will need 138,000 additional ICT professionals and Belgium will need 584,000. Other non-European countries, like the United States, Canada, Japan, Australia, and New Zealand also require additional tech talent.
24. These countries could become competitors, fighting to ensure that qualified Nigerian tech talent comes to their shores rather than the UK's. Or they could become strategic partners. Belgium is already collaborating with Germany, deploying tech training platforms across North Africa and bringing skilled talent to both countries. The UK could employ a similar approach, partnering with like-minded states to leverage economies of scale in training investment and (over time) standardizing training curricula.
25. The submission above has focused on the opportunities to develop innovative migration partnerships to meet skill shortages in both the Nigerian and UK ICT sectors. Our feasibility assessment also applies this framework to the healthcare and construction sectors, two other areas where there should be much greater trade, investment, and migration collaboration between Nigeria and the UK. To obtain a copy of the feasibility assessment, please contact Helen Dempster (hdempster@cgdev.org).

May 2021