



FROM LABOUR MOBILITY PATHWAYS TO CO-INVESTMENT MODELS

A practical framework for engaging employers, funders and investors in ethical labour mobility that strengthens workers, systems and economies in countries of origin and destination

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HELVETAS POSITION

Labour mobility should be understood as a transnational migration skills and employment system, not as a recruitment transaction. Its outcomes depend on how labour demand, skills preparation, recruitment, mobility, employment, protection, return and progression are connected; and on how costs, benefits and risks are distributed across that system. Private sector engagement is therefore essential, but it must be governed by credible demand, fair recruitment, worker protection, transparency and shared responsibility.

Global labour markets are being reshaped by demographic change, persistent skills shortages and uneven employment opportunities. These pressures are opening new migration corridors and increasing interest in skills-based mobility pathways. Yet labour demand alone does not create migration pathways that are safe, productive, and beneficial for all stakeholders. Workers need information, relevant and recognised skills, transparent recruitment, documentation, preparation, decent employment, integration support, access to justice and or return. Employers need trusted partners, predictable processes and support for onboarding and retention. Institutions need reliable data, shared standards, oversight mechanisms and coordination across borders.

This paper sets out Helvetas' strategic position on how these functions can be connected and financed. It argues that development outcomes are more likely when labour mobility pathways are intentionally designed as ethical, rights-based and system-oriented arrangements. In such arrangements, public, private and philanthropic actors contribute according to the benefits they gain, the functions they are best placed to support and the risks they are able to bear.

1. LABOUR MOBILITY REQUIRES

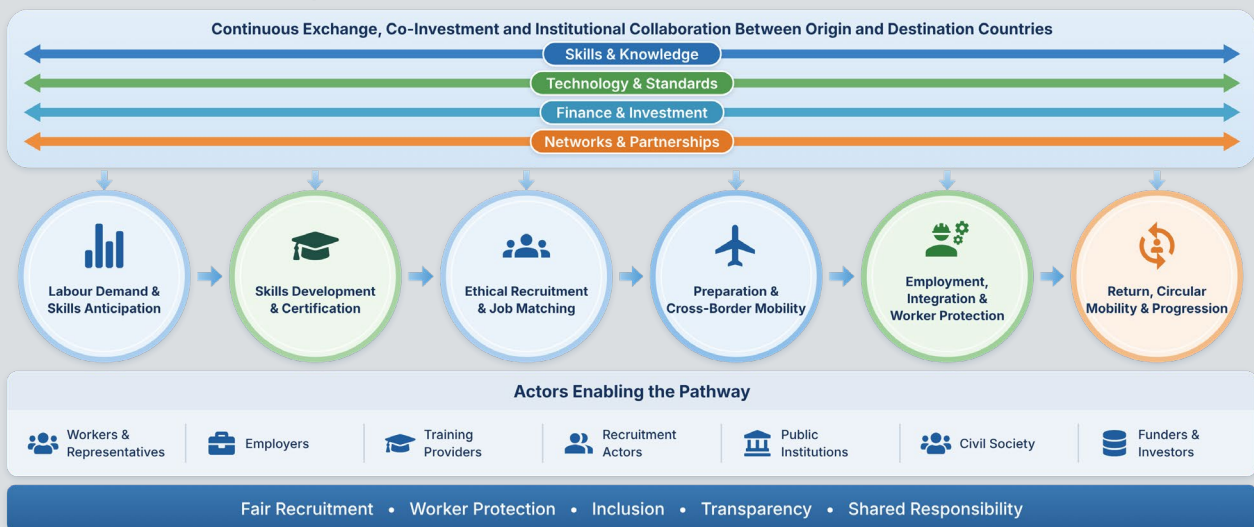
MORE THAN MOBILITY

A viable labour mobility pathway, linking a worker in one country to a job opportunity comprises at least six connected stages: i) labour demand and skills anticipation; ii) skills development and certification; iii) ethical recruitment and job matching; iv) preparation and cross-border mobility; v) employment, integration and worker protection; and vi) return or career progression. Weaknesses at any stage can undermine the effectiveness of the pathway as a whole. Training without verified demand may not lead to jobs; recruitment without effective oversight can expose workers to debt and abuse; placement without integration and support can increase attrition; and return without recognition or economic opportunities may leave acquired skills and networks underutilized.

A systems perspective asks four questions: what services are required for a pathway to function effectively? Who creates and benefits from those services? What costs and risks arise? Where do financing or coordination gaps prevent the system from functioning? It also draws attention to the enabling environment around the pathway including labour market information, qualification recognition, standards, regulation, worker representation, grievance mechanisms, data and cross-border institutional cooperation. Together, these elements determine whether mobility is predictable, ethical and capable of generating lasting value and development outcomes.

Crucially, the system is not a one-way pipeline ending in return. Skills, standards, knowledge, finance, data and professional networks can circulate throughout the pathway from the outset. Employers can inform occupational profiles and training standards; training providers can adapt curricula and certification; recruitment actors can improve matching and compliance; and public institutions and social partners can establish the rules and safeguards that make cooperation credible.

THE LABOUR MOBILITY VALUE CHAIN: FROM DEMAND TO DEVELOPMENT GAINS



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2. WHO BENEFITS AND UNDER WHAT CONDITIONS?

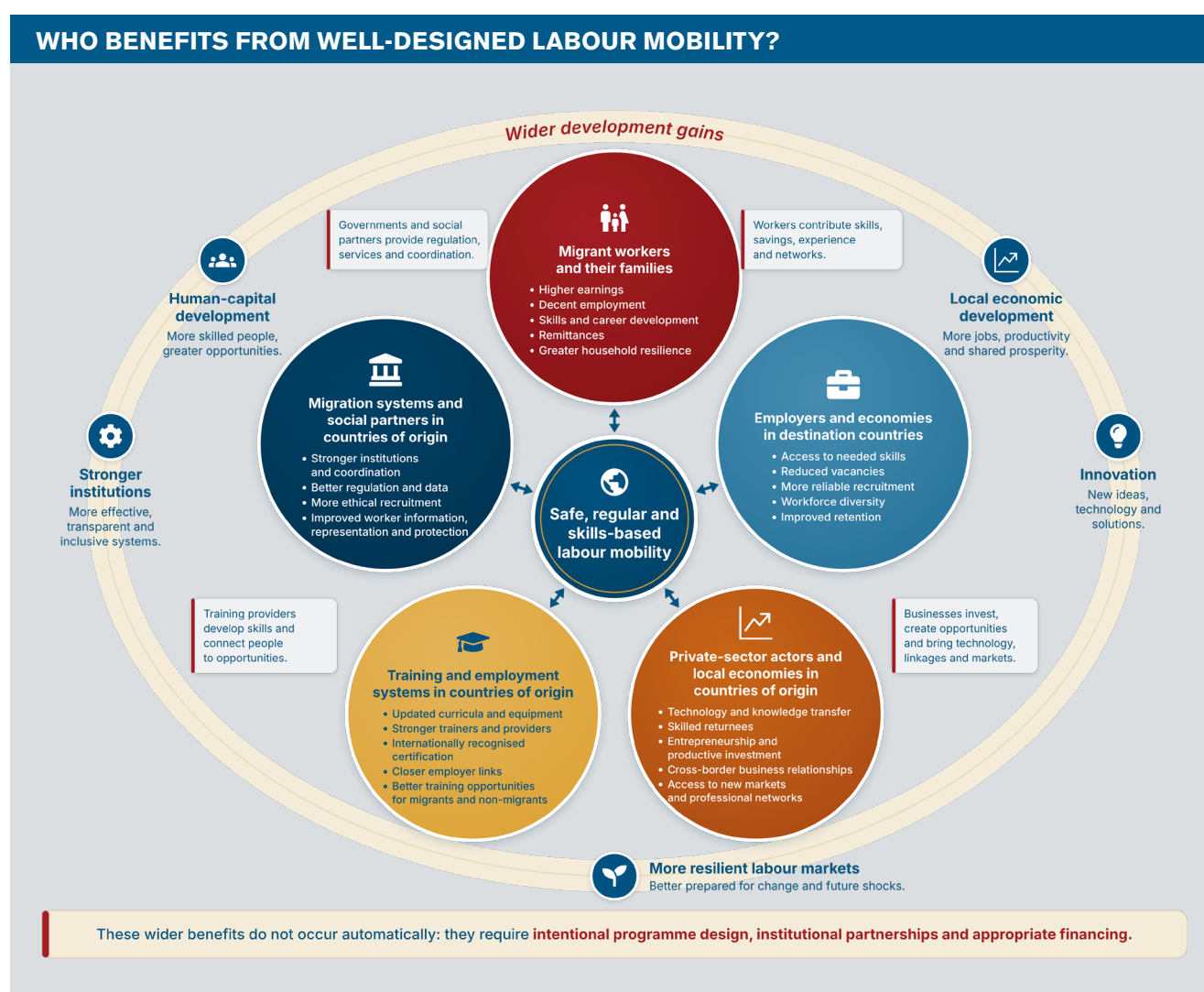
The strongest and most immediate case for well-designed labour mobility concerns migrant workers and their families. Access to better-paid and more secure employment can increase incomes, expand skills and career opportunities, support remittances and strengthen household resilience. These gains are nevertheless contingent on recruitment costs, employment conditions, legal status, social protection and the worker's effective capacity to exercise rights. High earnings on paper can be eroded by debt, opaque fees, wage deductions, unsafe working conditions or restrictions on changing employers.

Destination-country employers and economies can benefit from access to needed skills, more reliable recruitment and lower vacancy and turnover costs. Their role, however, extends beyond receiving labour. Employers help determine whether pathways are demand-led, whether qualifications are relevant, whether recruitment costs

are fairly allocated and whether workers receive decent conditions, effective onboarding and opportunities for progression. Employer participation is valuable when it improves the quality and predictability of pathways, not merely when it increases recruitment volumes.

Destination-country governments and economies may also benefit through higher employment, tax and social security contributions, improved service continuity and a better response to structural labour shortages. At the same time, public institutions may incur costs related to administration, qualification recognition, oversight, worker protection and integration. Whether mobility creates net public value therefore depends not only on the number of workers admitted, but also on employment outcomes, the quality and duration of employment, and the effectiveness of the surrounding regulatory and institutional framework.

Countries of origin may gain through stronger migration governance, more capable institutions and better coordination among public agencies, employers' and workers' organisations and civil society. Training and employment





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Plumber skills training for migrants at Balaju School of Engineering and Technology, Nepal

systems may benefit when international demand leads to updated curricula, improved equipment, stronger trainers, more trusted certification and closer links with employers. These are among the most plausible system-level gains, particularly where improvements also benefit workers who do not migrate.

Training providers and responsible recruitment agencies may also gain access to new knowledge, technologies, standards, partnerships and markets. However, their incentives do not automatically align with development outcomes or worker protection. Financing and performance arrangements should therefore reward training quality, successful placement, retention, compliance and worker outcomes, rather than enrolment or recruitment volumes alone. Benefits for local firms in countries of origin require a more measured assessment. Skilled returnees, diaspora networks and cross-border contacts may support entrepreneurship, business links or productive investment, but such effects are not automatic and may remain limited without suitable firms, access to finance, viable market opportunities and reintegration support. Direct technology transfer to origin-country employers is therefore better treated as a possible longer-term outcome than as a core assumption. More immediate and realistic gains may arise among training providers and responsible recruitment agencies that adopt improved technologies, quality systems, occupational standards and business practices through sustained partnerships.

Labour mobility can strengthen human capital, institutions and labour markets, but it can also reproduce inequalities, drain scarce skills or shift costs and risks onto

workers and their families. Credible strategies therefore specify which gains are sought, for whom, through which mechanisms and under what safeguards.

3. WHO PAYS, WHO INVESTS AND WHO BEARS RISK?

A labour mobility pathway requires both recurrent payments for services and longer-term investment in the organisations and systems that make those services possible. These are related but distinct functions. A payer covers a specific transaction or service. An investor provides capital upfront in anticipation of financial return, social value, strategic benefit or a combination of these. A risk-bearing actor absorbs the possibility that training, recruitment or placement does not produce the expected result.

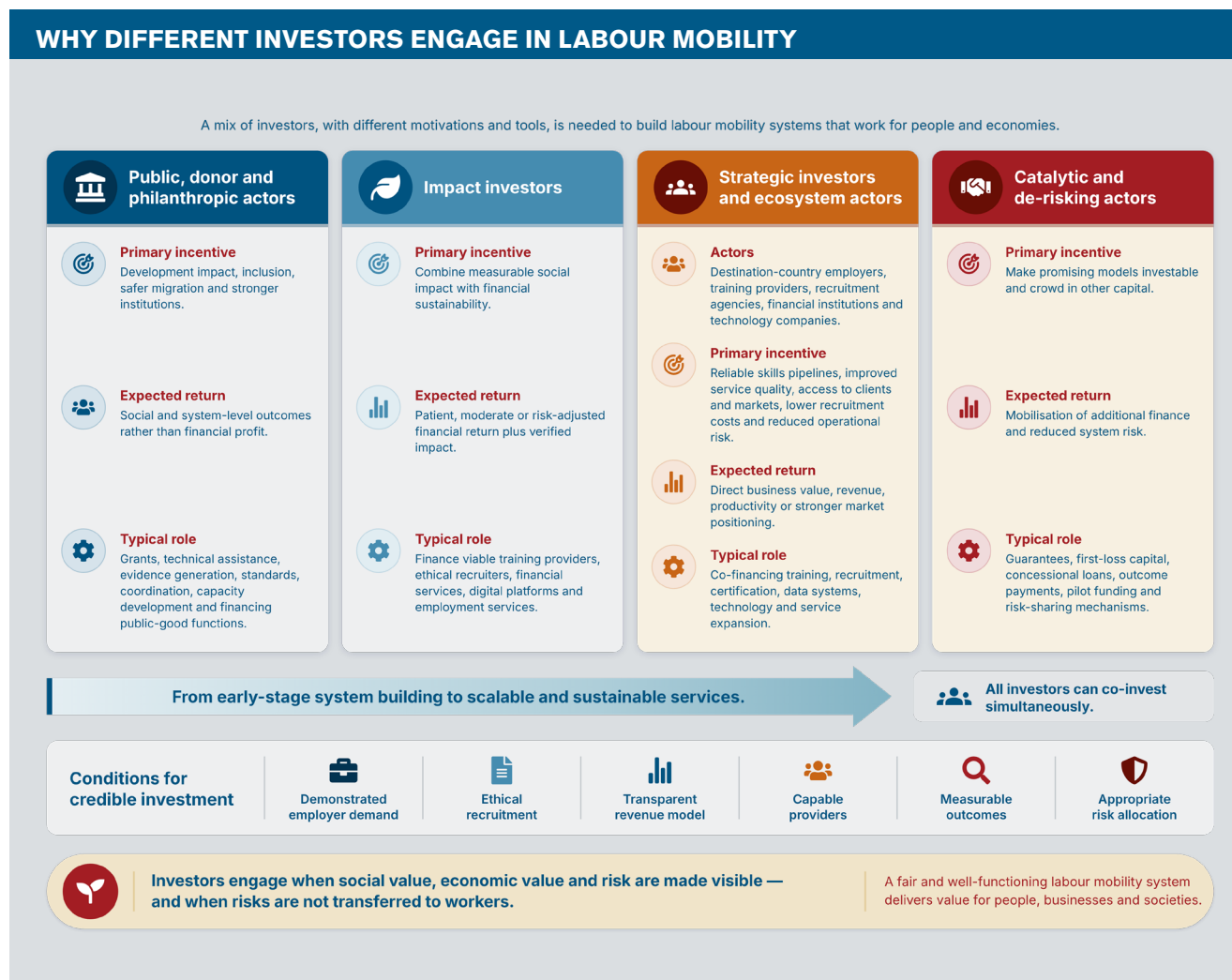
A central principle is that financing responsibilities should reflect three considerations: who benefits, who can influence outcomes, and who is best placed to absorb risk. Not every actor should finance every function, nor should all costs be allocated through market transactions alone. The allocation of costs must follow the Employer Pays Principle and internationally recognised fair-recruitment standards. Workers must not bear recruitment fees or related costs, whether directly or indirectly, and employer responsibility extends across the recruitment chain. Workers may finance only genuinely voluntary, transferable education or training that is not tied to a specific employer, recruiter or job offer and is not a precondition

for recruitment. Financing arrangements must not repackage recruitment costs as loans, salary deductions or deferred obligations. Other actors may pay for services from which they receive a direct and legitimate benefit. Employers have a clear rationale for financing functions that generate direct business value (e.g. recruitment, matching, onboarding or tailored training) when these functions reduce vacancies, improve retention or ensure access to required skills. Training providers and recruitment agencies may invest in systems that improve service quality, efficiency, certification or market access. Public institutions may finance regulatory, labour market information, oversight and qualification recognition functions. The key principle is not that one actor pays everything, but that costs are allocated in line with the benefits generated and the responsibilities assumed. Many enabling functions create collective value that cannot be financed sustainably by a single commercial actor. Labour market intelligence, qualification frameworks, regulatory oversight, worker information, grievance systems, monitoring and institutional coordination all benefit the system as a whole. Public and philanthropic finance support is particularly important for these functions, as well as for inclusion measures, early-stage testing, capacity

development and evidence generation. Their role is not to subsidise all transactions indefinitely, but to support essential functions that markets are unlikely to finance adequately and to create conditions under which responsible private participation becomes possible.

Investment opportunities exist across the ecosystem. Impact-oriented investors may finance viable training providers, ethical recruitment agencies, financial services, employment services or digital platforms where revenues are credible, and social outcomes can be measured. Strategic investors, including employers, training providers, recruitment agencies, financial institutions and technology companies, may invest because they expect direct business benefits such as more reliable skills pipelines, better service quality, lower recruitment and compliance risks, or access to new markets. Catalytic actors can provide guarantees, concessional capital, outcome payments or first-loss protection to make promising models investable and crowd in additional capital.

Ultimately, risk allocation is the decisive test of a co-investment model. Labour mobility pathways face multiple risks, including training dropout, examination failure, visa



delays, changing employer demand, placement breakdown and early attrition. These risks should be borne by actors with the capacity to manage or absorb them. Employers are generally better placed to manage demand risk; training providers, training quality risk; recruitment actors, matching and compliance risk; and public institutions, regulatory and coordination risk. Catalytic funders can help absorb innovation and market-development risks. Workers, who often have the least bargaining power and financial resilience, should not bear risks that they cannot meaningfully control. Effective de-risking should therefore improve predictability and trust across the ecosystem while preserving commercial discipline and strong safeguards.

4. DESIGNING CO-INVESTMENT MODELS

IN PRACTICE

The starting point is a clear statement of the change sought: better employment and protection for workers, more reliable recruitment for employers, stronger service providers, or more capable skills and migration systems. The pathway should then be mapped end to end, including supporting functions that are frequently overlooked. At each point, the analysis should identify the service, the beneficiary, the payer, the provider, the investor or enabler, and the actor best placed to manage risk. This creates a realistic basis for deciding where user fees, employer payments, public funding, grants, investment capital or risk-sharing instruments are appropriate.

Early engagement matters because willingness to contribute cannot be assumed. Employers must see credible demand-side value; providers need a viable route to improved quality and revenue; governments and social partners need confidence that public objectives and worker rights will be protected; and investors need transparent models, capable organisations and measurable outcomes. In many cases, the immediate challenge is not a lack of capital but a lack of investable opportunities. Technical assistance, organisational strengthening, stronger data and performance measurement may therefore be prerequisites for investment rather than complementary activities. The most credible route is incremental: public and philanthropic actors first provide the initial support needed to reduce uncertainty, establish safeguards and demonstrate proof of concept; selected providers and functions are then strengthened to improve quality, capacity and investment readiness; and co-investment models are subsequently tested on a limited scale, with financial responsibilities progressively shared among employers, service providers, investors and public or philanthropic partners as evidence and confidence grow. Broader facilities or financing architectures should be pursued only once the model has demonstrated cred-

ible results.

Financing arrangements should be tested against non-negotiable safeguards and should reward quality, retention and worker outcomes rather than recruitment volumes. Recruitment fees and job-access costs must not be transferred to workers. Contracts, fees and responsibilities must be transparent. Inclusion measures should address barriers faced by women and other underserved groups. Workers need access to information, representation, grievance and remedy. Monitoring should examine not only placements and repayment, but employment quality, cost distribution, retention, protection and longer-term outcomes. Co-investment should remain adaptable as demand, regulation and corridor conditions change.

5. HELVETAS' STRATEGIC ROLE AND

COMPARATIVE ADVANTAGE

Helvetas is well positioned to connect fields that are too often addressed separately: skills development, employment, migration systems, private sector engagement and finance. Its comparative advantage lies in helping partners design the architecture around a pathway: linking labour demand to skills development, convening actors across origin and destination countries, strengthening providers and institutions, embedding fair recruitment and worker protection, and clarifying where different forms of finance can add value.

This positioning has several implications. Future engagement should begin with system and corridor analysis rather than a predetermined financing instrument. Helvetas should prioritise pathways where employer demand is credible, worker protections can be enforced and there is a realistic prospect of strengthening local capabilities. Partnerships should be built at both ends of a corridor and should include workers and their representatives alongside employers, providers, recruitment actors, public institutions, civil society, funders and investors. Evidence should distinguish direct outcomes from plausible but uncertain spillovers, particularly in relation to return, technology transfer and local enterprise development. Helvetas can also help make responsible actors more investment-ready without diluting development objectives. This may include strengthening governance, business models, standards, data, performance measurement and partnerships among training providers, ethical recruitment agencies and employment services. It can support public and philanthropic actors to finance shared system functions and absorb appropriate early-stage risks, while helping employers, service providers and investors identify where direct economic value justifies co-financing.

Ultimately, Helvetas' role is not to replace markets, governments or private investors, nor to subsidise labour mobility indefinitely. Its role is to help build the conditions under which labour mobility pathways become fairer, more effective and more financially sustainable, while ensuring that workers' rights and development outcomes remain at the centre of system design.



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Conclusion

Labour mobility can generate substantial development value, but only when it is treated as a system rather than a recruitment pathway. Private sector engagement is essential because employers and service providers anchor demand, quality and sustainability. Yet private participation is not inherently beneficial, and financing is not neutral: the way costs and risks are allocated determines whose interests the system serves. Co-investment offers a practical framework for aligning public value, business incentives and ethical safeguards. Helvetas' distinctive contribution is to connect skills, mobility, employment, private actors and migration institutions across borders. By strengthening systems, building partnerships and designing responsible financing arrangements, Helvetas can support pathways that are demand-led, rights-based, financially credible and capable of creating lasting value for workers, employers and societies alike.

Learn more about migration

<https://www.helvetas.org/en/switzerland/what-we-do/our-topics/voice-inclusion-cohesion/migration>

And labour mobility

https://www.helvetas.org/Publications-PDFs/Switzerland/VIC/Helvetas_Labor_Mobility.pdf

And impact finance:

<https://www.helvetas.org/en/switzerland/what-we-do/our-topics/skills-jobs-income/private-sector-development/impact-finance>