

INTERNATIONAL
MIGRATION,
REMITTANCES,
AND THE BRAIN
DRAIN

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Çağlar Özden and Maurice Schiff
Editors

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FOREWORD

It is difficult to imagine global economic integration without migration as an integral part of it. Unlike what was observed in the 19th century, the big surge in international flows of goods and capital has not been matched by an equivalent flow of migrants in the post-World War II era. Will the tide turn around in the 21st century? There are some reasons to think so. Diverging demographic trends between the developing and developed countries and the rapid decline in transportation and telecommunications costs are making it increasingly difficult for governments' current policies to restrain international migration. As a result, international migration and its related issues are likely to occupy an increasingly prominent place on the global agenda for the foreseeable future.

Yet our knowledge of the economic effects of migration, especially its impact on economic development, is rather limited. Although considerable effort has been made by economists and sociologists in developed countries to analyze the effects of migration in destination countries, comparatively little research has been conducted on the effects of migration on countries of origin and on development in general. In order to expand our knowledge on migration and to identify policies and reforms that will lead to superior development outcomes and to “win-win-win” results for both sets of countries and for the migrants, the Development Economics Research Group of the World Bank initiated the **International Migration and Development Research Program**. This volume presents the results of a first set of studies carried out within this program.

Economic research indicates that there are significant potential gains from the liberalization of immigration policies, and that these would accrue to all three sets of actors. On the other hand, international migration will likely entail various costs for these actors. For origin countries, these costs include the loss of skilled

migrants' positive impact on society and the resources used to educate them. Migrants are likely to suffer from the separation from family, friends, and culture, and from the lack of effective legal protection. Costs for destination countries include the perceived threat to cultural identity and the effect of migrants' competition for the same jobs as natives.

Given the complexity of the issues, great care must be taken before making judgments and policy decisions in this area, and it is essential that any actions be preceded by extensive data collection and rigorous analysis. This book provides both data and analysis, and it tackles two sets of issues. Part I analyzes the determinants and impacts of migration and remittances on different measures of development and welfare, such as poverty, education, health, housing, entrepreneurship, school attendance, and child labor. Part II focuses on questions regarding the so-called "brain drain." It provides the largest dataset to date on the brain drain and examines the issues of brain gain, brain waste, and migrants' contribution to technological progress in destination countries.

Migration is a complex and dynamic process that changes the migrants' home and destination countries and, of course, the migrants themselves. It is a global phenomenon, and dialogue between destination and source countries, migrant communities, and international organizations is critical for finding successful solutions to the myriad of problems we face in this area. There are many questions waiting to be answered about the migration and remittance issues; I hope this volume will stimulate additional research, whether by utilizing the new datasets or building on the research presented here.

A handwritten signature in black ink, consisting of the letters 'F. B.' followed by a stylized flourish, all underlined with a single horizontal stroke.

François Bourguignon
Senior Vice President & Chief Economist, The World Bank

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