

Migration restrictions and the 'brain drain': The wrong response to an ill-defined problem



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'Is restricting migration an effective response to personnel shortages in the developing world? And is the fear of a brain drain really justified?'

Many developing countries are alarmed at the 'brain drain' linked to migration and the loss of skilled personnel. This is particularly the case for those countries losing human resources from basic services that are already over-stretched. The 'brain drain' argument has induced several receiving countries to re-think the recruitment of skilled personnel from countries that lack such human resources. For instance, countries as different as the UK and South Africa are de facto prohibiting the recruitment of health professionals from most developing countries. But is restricting migration an effective response to personnel shortages in the developing world? And is the fear of a brain drain really justified? This ODI Opinion examines these questions. Such an examination covers only one, albeit important, aspect of the effects of migration on sending countries, leaving out other more positive ones, such as those related to remittances, investment and trade linkages and labour markets in sending countries.

Migration restrictions: The wrong response

In a world of increased mobility, migration restrictions may not reduce the number of skilled migrants from developing countries for a number of reasons. First, by making entry into the formal labour market more difficult, restrictions may simply increase the share of informal migrants in the economy. This is often linked to the phenomenon of 'brain waste', with skilled migrants working as unskilled labourers in the host economy. For example, it has been estimated that among wage earners with at least a vocational education, one fourth of male non-Western immigrants into Denmark are overeducated (Nielsen, 2007).

Second, restrictions are not equally applied by all destination countries, so stronger restrictions in one country may divert migrants to less restrictive countries. The temporary suspension of the free movement of workers from the

eight countries that joined the EU countries in 2004 to most of the existing EU member states has not prevented a rise in intra-EU migration. Migration from the new members has been diverted towards the UK and Ireland, which did not apply the suspension, and away from traditional destinations, such as Germany (Baas and Brücker, 2007). Moreover, restrictions may even increase the cost of migration, imposing an artificial self-selection of migrants on the basis of income. Evidence on the migration of Ghanaian health professionals into the UK indicates that restrictions on recruitment of health professionals by the NHS mean greater costs for migration, and a shift to commercial intermediaries.

More importantly, migration restrictions appear to be inappropriate and inadequate if migration is not, in fact, the root cause of skills shortages in source countries. Recent evidence on the migration of African health professionals, for example, indicates that the continent's generally low staffing levels in the health sector are not related to the international movements of health professionals (Clemens, 2007). We need to take a closer look at the brain drain hypothesis.

Reconsidering the brain drain debate

The basic argument of supporters of the brain drain hypothesis goes as follows: if the 41% of the total tertiary-educated workforce who had migrated from Caribbean countries by 2000 (Docquier and Marfouk 2006) had remained at home, the economies of those countries would have benefited as these skills could have been used productively in the economy. However, this hypothesis clashes with two opposing arguments.

First, there are doubts that these skilled migrants would have been able to use their skills productively in the source country. After all, the lack of adequate opportunities is often the key factor in a migrant's decision to leave. Second, and more importantly, what really hap-

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pens to the availability of skills in the source country in the absence of migration? Growing evidence suggests that migration can act as a stimulus to the skills base.

By raising the expected returns on education, the opportunity to migrate can drive the acquisition of skills, particularly in certain professions (so-called ‘brain gain’). Evidence on skilled migration from Cape Verde suggests that migration has encouraged the accumulation of human capital. Almost 40% of Cape Verdean university graduates would not have enrolled in university had they not had the opportunity to migrate (Batista et al., 2007). Our own new research indicates that the rapid growth in migration opportunities for Indian nurses has made the nursing profession more attractive. This has generated a disproportionate increase in the ‘production’ of nurses and, therefore, in domestic availability (Calì, 2008).

So what?

It is obvious that the Mozambican health system would benefit if the 1,334 Mozambican physicians who were working abroad in 2000 (75% of the total physicians produced by the country) (Clemens and Patterson (2006) were working in the country’s under-staffed hospitals. However, it is also clear that restricting migration is far from being the best option to try to achieve a suitable level of adequate skills. So what policies can be promoted to that

end? As economic development is the most effective condition to retain and attract skilled labour, sending countries’ policies to promote development are the best tools to achieve the objective. Along with providing support for those policies, receiving countries may also help to develop a number of migration-specific policies.

First, they could provide funds to expand the tertiary training capacity of source countries in those areas where out-migration is strongest. This would help address two problems: first, the lack of skilled labour in most developing countries; second, the perverse situation whereby the public education systems of developing countries ‘subsidise’ the economies of receiving countries.

Second, receiving countries could provide technical assistance to improve the regulatory and oversight capacity of the training systems in sending countries. This is important as a rapid expansion of the skills base in weak institutional settings, such as those of many sending countries, may undermine the quality of training in those countries. Improvements in the oversight system may also facilitate the recognition of qualifications in receiving countries, which currently acts as a barrier to the movement of labour.

Third, destination countries could work with source countries to devise mechanisms (ideally based on positive incentives) to promote return migration.

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