The Economic Development Benefits of Human Mobility to Source Countries

Yaw Nyarko[1]

New York University in Abu Dhabi

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Abstract

The mobility and circulation of people have important impacts on both the people moving as well as those who do not move but are in many ways influenced by those who eventually move. This paper will take up many of issues around the definition, identification and measurement of the economic benefits and losses of human mobility. There are the direct monetary benefits to the migrant worker. For the home or source country, there are benefits through remittances, as well as losses related to the absence of those workers, many who are relatively very skilled workers. There are the incentive effects on human capital of the source country when many invest in skills to enable mobility but with only a fraction of those actually leaving the country. There are the social security benefits of having remittances of foreign based workers helping relatives back home. Then there are the increased skills of those who leave the source country and return later better trained with important work experience. It will be argued that when properly accounted for and measured, the net benefits of this mobility for the source countries could be extremely large. Within the context of an economic model which accounts for all these benefits and losses, we provide numbers to support this argument. This is based on prior research from the UAE and the Gulf – India migration corridors, as well as sub-Saharan African to US/Europe corridors. Our research indicates that mobility is an important policy tool for improving the economies and the lives of many people in source countries. Effective policies and planning by governments and international institutions to enable the efficient mobility of labor can result in higher investments in skills acquisition and significant improvements in economic development.

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Introduction

Human beings have been mobile, moving and settling from one location to another since the very beginning of recorded human history. Probably the first significant successful movement of humans was that from Africa, through the Great Rift Valley, some 100,000 years or so ago. This was the movement that sent modern man, from its birthplace in Africa, to most of the rest of the world. Throughout history, movements of people have been caused by both pull and push factors. Pull factors are those which enticed humans seeking better living conditions elsewhere or perhaps just curiosity or chance and happenstance. Push factors are the local home conditions – competition for food, conflict conditions, disease, etc.

From the late 1800's through the early 1900's pearl diving and dates were the mainstays of the economies of many of what are today's Gulf countries – UAE, Bahrain, Oman and the other Gulf Cooperation Council (GCC) nations. Even at that time there were large numbers of workers in these countries coming from other nations, many of them of African descent. Currently, of course, countries like the United Arab Emirates, Qatar and Saudi Arabia have large migrant populations, this time from Asian nations like India, Pakistan and Bangladesh.

Today, with national boundaries firm and often controlled, a great deal of migration is due to economic factors broadly defined - people in source countries migrating to destination countries due to economic and financial incentives. Currently, too much of the debate on mobility of humans focuses on what are perceived as the negative aspects of mobility – rights of those workers in the destination countries, and the perceived harmful effects in the source countries of the lost labor or skills – often referred to as the Brain Drain. Missing in these debates is the appropriate consideration of the very purpose of mobility – the goal to better the conditions of the person moving, and of the family through remittances sent back to their home or source countries. Many of those who leave their home countries gain valuable work experience and often schooling which are important benefits which add to the economic vitality of their home countries when they return. The pipeline of mobility – people leaving and returning – in turn has other effects on the economy through incentive effects locally when people invest in their own local home education to get the opportunity to travel abroad. Even when they do not in the end "win the lottery" and get the visa or job abroad, they already have the higher human capital which is available of use in the local economy.

This paper will provide a review of some of the literature on the many advantages to human mobility, outlined above, emphasizing the importance of mobility to the source countries. Data will be provided, drawing from current work on Africa and some preliminary insights from the UAE, suggesting the magnitude of some of these benefits.

This paper will not delve much into a number of questions, which are of course important. First, we do not delve into issues around the costs and benefits of migration for the source countries. Of course, having the additional manpower is important for countries which receive migrant workers, like those in the Gulf with relatively small indigenous workers and large oil revenues in need of investments. There are a large number of issues these bring up. This is of great concern to the ministries of labor which are charged with policing the relationships between migrant workers and their employers. The press and the Non-governmental organizations are constantly making pronouncements and accusations. Companies and organizations in turn post declarations to uphold various Principles on worker rights and work standards – my own university, New York University in Abu Dhabi among them. This paper will not touch on any of these issues, albeit important ones.

There are those who worry that the in-coming migrants alter the local fabric of relationships and affect the culture of the destination counties. There are countries which pride themselves with opening up their country for jobs for others, while others accuse the newcomers of all types of misdeeds and crimes. Again, we do not discuss any of the issues around these and other culture questions.

This of course begs the question, for the receiving country, of what is the optimal number of migrants that should be allowed in. There are forceful arguments often made that economic growth should perhaps be slowed down if the implication is a further increase in the relative numbers and percentages of migrant workers. We do not wade into these debates. Instead, our analyses will focus on sending countries and the generally positive benefits to them.

1. Benefits to the Individual – Wages

In all of the debates on mobility today, the one thing that is often forgotten or under-emphasized is the person who is at the very center of the mobility - the migrant himself or herself. People move to better their lives. Many leave home locations where there are either no jobs, very low paying jobs or unfulfilling jobs. Others move for career advancement. In the calculus of the pluses and minuses of mobility, the better lives of the migrant must feature first and foremost.

After the discovery of oil in the Gulf region, there has been substantial temporary migration, primarily from Asia with India, Pakistan, Bangladesh, and the Philippines among the countries contributing the largest numbers. Indeed so great has been the migration that in some countries they collectively form more than half of the residents. The principal attraction has been the higher income levels obtained in the Gulf relative to their home countries. (See Nyarko (2010b) for more on the UAE).

These incomes are of great importance of course to those who migrate. A large proportion are unskilled workers. Al Awad (2010) and Tong (2010) provide a description of the wage and labor structure in the UAE through a survey of a sample of 22,416 employed people from 9,654 households. Their estimates put the average wage of workers from India, Pakistan, Bangladesh, and the Philippines, a sample of 10954 people, at 25,200 AED (around US $7000 at today's exchange rate). Our own surveys of data from a large UAE money exchange firm puts the average wage at roughly the same level in US $ terms.

How do these numbers compare to incomes in their home countries? From World Bank data, the estimates for GDP per capita in PPP terms, which of course measures average incomes, are US$ 3,650, US$ 2,745, US$ 1,777, and US$ 4,119 for India, Pakistan, Bangladesh, and the Philippines respectively[2]. Since unskilled workers coming from their home countries are presumably on the bottom of the income distribution, with many unemployed or underemployed, the GDP per capital figures probably overstate the incomes of the migrating temporary workers. Even with these figures though, we see incomes in the destination which are multiples of average incomes back home in the source countries.

In some work on Ghana, Nyarko (2011) compared local wages of the most highly educated group (the tertiary educated). To say that wages in destination countries is higher than in the home or source country seems a trivial statement. It is interesting to see the magnitude of the different though. The average individual income of all Ghanaians in the US among full time year-round workers is, according to the US 2000 Census US $32,262 for men and $26,235 for women. Mean wages in the home country for highly educated (recent university graduates) reported were around wages were in the relevant years less than $600 per year. Even these amounts need to be discounted because of the recent unemployment of university graduates often mentioned in the local media. So the comparison would be US $600 locally with around $30,000 after movement to the US, a whopping 50 times higher per year. One could argue that we need to scale up the local wages by the Purchasing Power Parity (PPP) factor. For Ghana, the PPP factor implicit in international statistics like those in the World Bank WDI statistics hover around 1.3 and 2.5 over the years of interest. The ratio of wages abroad to local then drops to about between 38 and 20; however even a 20 times increase in wages is still phenomenal!

Although the benefits to individuals who move are obviously high, it is interesting that in many of the policy debates these people are ignored. If a local policy intervention increased wages 10% or 20% we would, in the development community, be calling this a miraculous success. Yet the numbers with resulting from mobility represent increases of several multiples, and seem to receive very little praise or recognition in the development or NGO world. Instead the focus seems to be on those who are left behind who somehow would have been better off if the migrant had not migrated. Why are these migrating individuals ignored? Somehow, when a

[2] From http://data.worldbank.org/indicator/NY.GDP.PCAP.PP.CD accessed on 4/27/13.

Bangladeshi or Ghanaian moves outside of his or her national borders she does not seem to count in the calculus of mobility, at least in the public debates. When they leave the country are they no longer important in evaluating welfare of people from Bangladesh or Ghana? If several million Asians in the Gulf have higher incomes because of mobility, why do we ignore this in the calculus? Many of these people tear themselves away from children, spouses, hometowns to make a better living. Who are we to judge them and exclude them in the welfare computations associated with mobility?

2. Benefits to the Extended Family - Remittances.

There is now a large literature on worldwide remittance flows. A lot of very good data has been compiled and is regularly released by the World Bank (KNOMAD). Current estimates of recorded remittance flows is of the order of some $400bn and more A significant fraction of the remittance flows are from workers in the Gulf Cooperation Council (GCC) countries. The United Arab Emirates alone is estimated to account for some 10% of the total. UAE Exchange, the largest remittance firm in the UAE is responsible for some 40% of the UAEs total, and handles remittances estimated at some US $17bn per year.

This note will not go into the myriad measurement issues (see Chami et. al. (2008)) and of course World Bank (and its KNOMAD[3] in particular). Suffice it to say the numbers are large and they exceed Overseas Development Assistance numbers (ODA) for many countries. For India, World Bank figures put the value of remittances going to India at around US $40bn in 2011 with newspaper reports of a projection of US $70bn for 2013. A large portion of this is from the Gulf countries.

Nyarko (2011) reported the following table on the value of remittances as a percentage of GDP, again from World Bank figures:

Country	Year	Remittances/GDP
Nigeria	2007	10.9%
Sierra Leone	2007	9.7%
Togo	2007	9.6%
Guinea-Bissau	2004	9.4%
Senegal	2007	9.4%

Table 1: Estimates of remittances/GDP ratios, top 5 African countries.

[3] See http://blogs.worldbank.org/category/tags/knomad.

What is surprising that with such a large percentage of income coming from remittances there is not much more work in recipient countries is not being done to encourage and study these flows.

Multiplier Effects of Remittances

As an aside, and to highlight the importance of remittances for economic policy, we point out some potentially interesting implications of the nature of remittances. In many countries, the ability to leave the country is directly related to education levels. People with higher education levels are better able to leave the country. Those who leave are those who send remittances. These remittances reach the poorest members of the country. In particular, the educational policy has two benefits, the first obviously raising income levels of those educated. A second benefit is that those who have higher education levels are more likely to obtain a job abroad, helping themselves and, through remittances, very poor family members, often in rural areas. Now suppose a government is interested in reaching these poorest members of the society. One could think of two different policy instruments. Policy A is a cash transfer program. All those whose incomes in a given year fall below a threshold poverty level receive cash. Policy B is an education policy where resources are put into education, primarily boosting up primary education and some secondary. Policy A results in immediate benefits to those receiving the cash grant. Policy B is a slower policy which first educates people then has them spend on poorer relatives when they get jobs, either locally or abroad. Which of the two would be the most cost effective if the goal is reaching those below the poverty level?

Nyarko and Gyimah-Brempong (2011a) and (2011b) show that for Ghana using the Ghana Living Standards Survey (GLSS) data sets, it appears as if the education-then-remittance channel is more effective than the direct cash transfer policy for reasonable time discount factors. It is unclear precisely the conclusions for a larger set of countries, time periods and data sets. It does suggest that the role of remittances may complicate the understanding of the impact of social programs for the poor.

Remittances of Buildings and Other Investments

Although we have thought of the remittances as helping family members back home, a lot of the remittances of course also are used as savings of the remitter in the form of buildings back in their home country. Anecdotal evidence suggest that many of the incompletely finished or half built houses seen in many West African cities, as well as the new middle class housing estates, belong to the many migrants abroad.

3. Positive Internal Rates of Return on the Cost-Benefit Analysis of Mobility – the Brain Drain may be good for countries

There is another issue that gets a lot of attention, particularly in the media world and increasingly in the academic literature whenever issues of mobility are brought up. That is the question of the brain drain. The basic argument goes something like the following. The home government pays for the education of many of its citizens. When they leave the country the "investments" of the government are lost. Those who have migrated have reneged on an implicit promise to help their home country after getting their education abroad. When they stay abroad, they have "cheated" their home nations.

There are several things wrong with this argument, which we will point out shortly. But first, it is important to note that the very basic premise of the argument, itself may be incorrect. In particular, when the argument of the brain drain is modeled formally it is there are indications that there is actually a net benefit of those who leave as many of them bring back remittances and others eventually return with higher levels of skills or human capital.

First, to explain why there is concern about the brain drain, the following table shows that the brain drain proportions are high. The table below indicates that in the year 2000 close to half of all Ghanaians with tertiary education were outside of the borders of the country. These are the numbers which incite the passion of many commentators on the brain drain question.

COUNTRIES	EMIGRANTS	RESIDENTS	% Emigration
Cape Verde	8,128	4,000	67%
Gambia	3,648	2,000	65%
Seychelles	2,426	2,000	55%
Sierra Leone	18,010	16,000	53%
Ghana	71,309	81,000	47%
Kenya	77,516	124,000	38%
Uganda	34,970	63,000	36%

Table 2: The Brain Drain Numbers – Year 2000 from Docquier, F. and A. Marfouk (2005).

Nyarko (2011) constructed a simple model where at attempt was made to identify the costs and benefits to the government or home country of mobility. The focus of that study was on the tertiary educated, which is the area where the brain drain has received the most attention. The costs of education per year are available for many countries – with annual per person tertiary education costs ranging from 2 times GDP per capita to 0.5 times GDP per capita for many African nations. One then includes value the losses from having the educated person migrate out of the country rather than be in the home country contributing to the economy. Following standard practice in labor economics, these were estimated using wage rates of people of different education levels. From various data sets one is able to determine the fraction of people who migrate after getting educated. Many of those who migrate of course send home remittances, which are a part of the equation. Finally many return with higher skill levels. All of these different components are put in a model. It turns out that the "government" or "nation", with costs and benefits as described above, benefits from the mobility of its citizens. Following standard labor economics tradition the net present values of these are determined. So the precise conclusion obtained is that there is a net positive net present value to mobility to the government, at least as can be determined from the datasets used in Nyarko (2011). Alternately stated, there is a high internal rate of return to the strategy of having citizens be mobile. At even high costs of borrowing, it would be in the government's interest to borrow and fund this scheme of having its citizens be educated with a fraction being mobile. Gibson, J. and D. McKenzie (2010) in very nice studies also show extremely high rates of return for some African nations among others, using very detailed data from several countries.

4. Mobility and the Incentive to Acquire Human Capital

A somewhat more subtle issue around the question of mobility has to do with incentives. The bottom line is that the prospect of skilled people leaving the home country could result in the home country having a larger number of skilled people remaining in the home country.

How does this work? Well, in many situations having skills is a pre-requisite to successful emigration. Jobs may be available for nurses, or skilled carpenters, elevator mechanics. Others may be able to migrate only through going to school at home. Many people may increase their human capital to increase their odds of being able to emigrate. However only a fraction of those will be successful in their efforts to emigrate. The remainder are now skilled but remaining within the country. The increased stock of human capital is now a boon for the country, providing skills which may have been in shorter supply without the prospect of people leaving emigrating.

Theoretical models showing this possible phenomenon appear in, for example, Stark and Zakharenko (2011) and papers cited there, and an empirical investigation was performed by Chand, S. and M. Clemens (2008). This is particularly interesting in the debates on the brain drain. It suggests that those with the largest number of skilled migrants abroad may also be the one creating the largest in the home or source country.

Work by Easterly and Nyarko (2009) tested whether countries with higher levels of the brain drain are also those with the smallest number of skilled people – i.e., if the brain drain arguments that mobility is harming the creation of the local stock of human capital. That paper did not find a negative relationship. In particular there was no evidence that those with high levels of emigration were those with the lowest stock of human capital. This gives some credence to the assertion by the earlier mentioned theoretical papers that there may be an incentive effect going on - the brain drain itself is an incentive to acquire human capital which may more than compensate for those who leave.

To repeat, the drive to migrate sparks investments in human capital, so much so that the stock of human capital remaining in the economy after the migration of some, is higher than if there was, for example, a restriction on people leaving.

Soccer and the "Foot Drain."

Soccer is both an enterprise which commands the passion of many in world, particularly in the Gulf nations. This includes as an investment activity (Manchester City Football club was recently purchased by Sheikh Mansour of the UAE), and as a source of advertising and publicity (Etihad and Emirates Airlines with Manchester City and A.C. Milan respectively). Soccer also serves as an important illustration of the role of migration in enhancing human capital or skills development.

In many African countries, particularly in West Africa, there is something which should be referred to as the "foot drain": the migration of top football players to European or Gulf country teams. In these teams they generate a large income, unbelievable to many in their home or native countries. Despite the large number of top players who have left say Ghana for Europe, Ghana probably has a bigger stock of good soccer players in the country in comparison to what would happen if for example football players were banned from leaving Ghana. The large number of football academies and the investment in football training by many in Ghana may have a lot to do with the belief of many aspiring players that they may one day become a Michael Essien of Real Madrid/Chelsea or an Asamoah Gyan of Al Ain football club in the

UAE. Only a few of these aspiring soccer players make it abroad. The remainder stay in their home country, dazzling and entertaining local populations. This level of training of soccer players within the home or native countries may not be in existence if the possibility of emigrating did not exist. The possibility of emigration has increased the number of very top quality soccer players in Ghana. The foot drain actually may be responsible for the increase in soccer players within the source country.

As an aside, the results above resolve an apparent paradox in the returns to education literature. In many of the studies, a very low return to tertiary education has been observed in many developing countries. This seemed in contradiction to the clamoring for more tertiary institutions to be built by locals. The results in the literature resulted in many international aid agencies advocating a reduction in spending on higher education and increasing the spending on primary and secondary education.

The low measured returns to education of course can be explained once we take the possibility of migration into account. The literature was getting rates of returns which seemed low because the returns of those who successfully migrated were not taken into account in the calculus of total returns. In measuring returns to education, it needs to be noted that the final wages after education is random and depends upon whether there has been success at migration or not. When one takes into account the probability that a given individual migrates and "wins" a higher foreign wage, then the returns to education become very high.

As a human capital multiplier effect, one should also think about the schools that have been formed specifically for training people who are planning on migrating abroad. There are elevator training schools in some countries whose participants are training for jobs abroad to serve as elevator schools. This training is originally in places where there are few elevators, but which, with the training of such workers it becomes a more viable proposition to have elevators in the country in question. The possibility of emigration therefore creates the possibility of training for people who do not go abroad for work.

5. Production of Human Capital - Educational Institutions for Migrants and non-migrants

In the earlier sections we argued that there are two characteristics of a lot of mobility. First, it often requires or is associated with investments in human capital – potential migrants need to get training before they are desired by the outside employers. Second, not all of those who eventually engage in such investments eventually leave – either they wanted to leave but did not win the "lottery" – e.g., the visa or the job – or else they change their minds later. Further, the internal rates of return for these migrants is large. Combining these facts together has an important but often overlooked and under-appreciated implication. It is possible to use the emigration abroad as a tool for building schools in the home country which aid not only those who are leaving, but also those who have no intention of leaving. The Philippines may be able to build a large number of nursing schools funded by the demand of those who seek to leave the Philippines as nurses, but which ultimately help those who want nursing training to stay in the Philippines. Ghanaians may be able to build universities and medical schools knowing full well that a big part of the demand for these institutions may come from those who have some intention of migrating. However they end up helping those who are unwilling or unable to travel abroad. Businesses may develop catering to migrants to give instruction in fields like elevator maintenance, Air-conditioning repair, and fire safety engineering. These may be subjects where initially there is no demand (e.g., in a city with few tall building so few elevators). The presence of skills in these areas then spurs other entrepreneurial activities (e.g., installation of elevators in building given the supply of trained technicians locally.)

Table 2 showed some shocking figures for Ghana. Many look at the table and focus on the high rates of the Brain Drain – around 47% of all tertiary educated Ghanaians were outside of Ghana in the year 2000. The more shocking figure really is the small number of tertiary educated - a total of 152,309 tertiary educated for a country whose population today is 25 million and probably at least 15million in the year 2000. The focus should not be on those who have left the country, but instead on the extra doctors and nurses and tertiary educated who could have been trained if there were many more tertiary institutions in the country.

6. Increased Skills of Returnees.

Many of those who leave their home countries eventually return, coming back home better trained with important work experience. As the destination countries have their rises and falls in income, they serve as first a magnet for migrants, then the migrants return to their home countries. Some migrants leave with every intention of returning after a few years abroad. Surveys of African getting Ph.D's in Pires (1999) show a desire to return in about 5 years by a majority of those interviewed. When these migrants return they return with improved skills and new ideas.

A classic example of this is Tetteh Quarshie of Ghana. He left the shores of his country around 1870 to Fernando Po in today's Equatorial Guinea. There he discovered the cocoa plant, and returned to his home country some 7 years or so later, with skills and ideas which sparked an economic revolution in his country based on cocoa. In many cities around the world, it is the returned migrants who are putting up buildings and new industries. Anecdotal evidence suggests that Ethiopia, one of the fastest growing economies in the past few years, has witnessed building booms and increased entrepreneurial activity based in part on returnees. The new Ethiopian Commodities Exchange, which many say has transformed the Ethiopian coffee sector, was created using the skills of its returned diaspora. Apparently the model of the Ethiopian Commodities Exchange was based on an earlier model used in the formation of Ethiopian Airlines, which is today one of the most successful and extensive African airlines. Café Kaldi, with a logo very similar to Starbucks, was the brainchild of a returnee from the US.

7. Addressing the Migration Skeptics

As mentioned in the introduction, there are a number of issues around the question of migration and mobility which will not be tackled in this paper – the destination country issues in particular. There are a number which come up often, which should be addressed and are clearly within the purview of this paper. We turn to these below.

i. Robbing the Source Country of their Workers

In the earlier sections we have mentioned many different ways in which migration benefits the migrant, the family left home as well as the home country from which they migrated. This paper has not taken up the question of measuring the impact of the loss of the workers in the home country. There is very firm work in the literature on this – David McKenzie (2013) in this volume partially addresses this.

On the other hand, it should be realized that many of those who migrate do so from societies where they run a high risk of being unemployed. It is hard to imagine how being unemployed in the home country can be a good thing for either the unemployed or the home country, to such an extent that it would dominate all the positive aspects of migration outlined earlier. There are of course those with jobs at home, albeit at much lower wages, who still decide to migrate. They do this for pecuniary (and perhaps other) reasons. However, the same logic applies – they left because it is better for them to have left. If they are relatively low paid, then, and again, it is hard to think through how this could be quantitatively bad for their home country. Even with skilled migrants, as shown by Nyarko (2011) it is hard to make the case that when they decide to migrate, their impact on the home country is on balance bad.

ii. "Wasted" or "depreciated" Human Capital – or, the Nuclear Physicist driving a taxi. There is an issue of "wasted" human capital that is often brought up when discussing migration. The argument is that migration is wrong and bad because it often results in people skilled in their home countries in a particular profession but not able to practice that profession because they have migrated to a foreign land where those skills cannot be put to use. Examples are often given of the doctor or nuclear physicist trained in their home country that leaves for economic reasons to go abroad but is unable to practice in their professions but instead do something else – often being a taxi driver, according to the narrative.

Of course if the person in question could, instead of driving a taxi, be a doctor or a physicist in their destination country or in their home country with the income levels of the destination country, they may indeed be better off. Unfortunately this is often not the choice that individuals face. The choice is either (a) staying in their home country with the training that they have but perhaps being unemployed or with very low salary levels, and, on the other hand, (b) migrating abroad and taking up a different, usually lower skilled, occupation. If the individual with their free will choose to go abroad, it will usually be because the option abroad is better than the option at home. To say that migration is bad because someone is forced to take a lower skilled job abroad is to confuse the options which are available to the migrant. People do not have the option "(c) migrate and be in the high skilled occupation of doctor or nuclear scientist." To compare option (a) to this option (c) is a false choice. It is not one which can be used to argue the merits of migration. People strive to better their condition. This often results in very hard and painful tradeoffs of good and bad things. If someone chooses to migrate, they have decided the good things outweigh the bad. To then only focus on the bad and claim migration is bad, is to mix up the logic of the situation.

Furthermore, this so called phenomenon of "wasted human capital" is something which happens many times as people make career choices, even those which involve no migration at all. Someone who is a very good classical musician or an artist may decide to go into another profession, say finance, because it pays much better. This too is lost "human capital." To say that finance is bad because it destroys human capital in music or art is obviously a fallacious statement. Similarly, if our nuclear scientist has decided to forgo the science to drive a taxi while abroad, this is a positive impact of migration, which has enabled this person to have a larger set of options and opportunities, one of which this person has chosen.

iii. Over-supply of the educated?

One often hears anecdotally that there are countries which have had large numbers of people educated, with the intent of migrating, but then when the doors of migration abroad close, these people have "wasted" their education. One often hears this argument in connection with North African countries like Egypt, Tunisia and sometime Jordan, where large numbers of people have been educated and where it is claimed they have limited migration options now for a variety of reasons. This argument is often made in connection to countries where the government spends money on education, and hence it is subject to the accusation that the spending has been wasted.

There are several problems with these arguments. First, it is doubtful that any government has set up its educational system on the premise of exporting their people. When people leave, it is usually because of unanticipated declines in the functioning of the local economy (even if the actions of the governments themselves caused the decline and even if this should have been foreseeable). Second, presumably having educated people is a good thing for any society independently – whether they migrate or not. Migration is only one avenue for jobs. The same thing argument of course holds for all education made in the hopes of getting a job. Education in a particular field may be useful and may have been a wise decision despite the fact that some of those who got the skill may find out later on that the job market is tight and jobs are not as plentiful as before. The jobs usually are even less plentiful without the education.

8. Conclusion

We have described a number of ways in which human mobility is important for the source or home countries. We list these below so we can discuss collectively.

i. Benefits to the Individual – Wages
ii. Benefits to the Extended Family - Remittances.
iii. Positive Internal Rates of Return to Migration
iv. Incentives to Acquire Human Capital
v. Educational Institutions for Migrants and non-migrants
vi. Increased skills of the returnees.

In this paper, we have listed two classes of benefits to mobility. On the one hand, there are the financial benefits - the wages and remittances of those who migrate. We indicate that there is a positive rate of return to mobility in the sense that the increased wages and remittances outweigh the local costs of education. As a second set of benefits, we have discussed the human capital benefits of mobility. This takes the form of increased investments in human capital by those who leave, increased human capital of those who intended initially to leave but did not, and the increased human capital of those who migrated and then returned to their home countries. This higher level of human capital is available in the home country economy for increased growth opportunities. Since many economists have mentioned human capital as an engine of economic growth, the fact that mobility has a positive influence on human capital is important.

The magnitudes of the different benefits can be measured. The financial benefits are the most straightforward to measure, and as indicated earlier there have been many computations of the benefits – by the World Bank and many academic authors. The magnitudes of the benefits on the human capital side are much harder to measure and much more work is required in this direction.

Of course there are many non-economic pluses and minuses of mobility which this paper does not consider. Some have studied whether mobility increases or decreases the civic mindedness of citizens. Recent work by Oloufade, D. K. and R. Pongou (2013) on dual citizenship seems to suggest that these effects are relatively low.

Yet others discuss whether having a larger middle class at home could help in governance – the argument being that the brain drain may result in few people back at home to insist on good governance. As mentioned earlier, it is not established that mobility itself causes a reduction in the number of skilled in the country, due to what was called the human capital incentive effect. Then there are arguments as to whether those who leave and return either improve or lower the cultural or social values when they return to their home countries. This paper has shied away from making pronouncements on these more social and non-economic issues. There has been no discernible agreed conclusion in the literature on these issues.

The mobility discussed in this paper emphasizes mobility across nations, usually between a very rich country and a relatively poorer one. Of course, most of the issues described here also hold for migration within a nation and between neighboring nations with only small differences in income levels. Work at the Center for Development Studies in the Indian state of Kerela, for example, indicates that whereas there used to be a lot of migration from Kerela to the United Arab Emirates, increasingly there is migration from Kerela to other Indian states. Further, for example, although a lot of the discussion here has been about African migration to the West, the migration within Africa and within African nations are every bit as important, many would argue even more important, than the Africa and the West or Africa and the Gulf mobility (See Adepoju (2002) and (2006) and references in those works which stress this.) For the within India and within Africa migration, most of the issues mentioned in this paper also apply.

Hopefully we have convinced the reader that there are a number of valid reasons why migration is good for migrants and their origin countries. We have noted in this paper that the benefits are both financial and in the ability of migration to spur human capital development. We have described some of the issues that critics bring up when they complain about migration. So, what is the role of policy makers in this migration debate? Policy makers are the best champions of the positive effects of migration for the origin nations, many of them poor nations with residents who can benefit from the possibility of migration.

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