



# BRAIN DRAIN AND IMPACT ON DEVELOPMENT



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# Presentation Outline

Background and Overview

Issues and Impacts

Policy Responses



# Brain drain

- **Outflow of persons**
  - **Volume**
  - **Relative to the wider economic and social environment**
  - **Compensatory movements**
- **Cost benefit analysis**
  - **Est 5% global liberalization of labour migration could contribute \$300b p.a to world welfare (greater than ODA or FDI)**
  - **Even a more conservative increase by developed countries of 3% of their total workforce would increase world welfare by more than \$150b p.a.**



# Migration data

- Neither globally nor regionally established data collection mechanisms
- No consensus on definitions
- Incompatibility of data from different sources at national, regional and international levels
- Stock data – no flow data: only limited reflection of true level of migration
- Data on specific migrant groups from receiving countries– often not compatible
- Trafficking and irregular migration – very limited knowledge.



# Background

- World total migrants in 1980: 100 million
  - 47.7 million were in developed countries, compared with 52.1 million in developing countries. 2002 – 40.8 million migrants live in North American countries (13% of the pop)
- 2006: out of a global total of some 190 million migrants
  - 61 million had moved South - South, 53 million North -North, 14 million North -South and 62 million South – North
- 49.5% of global migrants are women



# Key trends in movement

- growing feminisation of migration flows
- the increasing selectivity of migration towards the highly skilled
- THUS, consequences for the sending countries.



# International migration in the Caribbean – characteristics

- Various migration flows: Intra-regional, inter-regional and international migration;
- Source, transit and destination countries;
- Formal & informal migration;
- Temporary, circular & permanent mobility;
- Brain-drain, undocumented migrants, return migration, labor-migration, tourism, etc... .



# Caribbean Characteristics

- Middle income countries, high to medium HDI
- BUT,
  - persistent poverty and inequalities;
  - highly indebted economies,
  - dismantling of trade regimes decline in overseas development aid (ODA);
  - high unemployment rates
  - increasing cost of living
- Economically motivated migration may help to alleviate tensions between population trends and job creation.





# Negative Effects

capital outlay that went from primary to tertiary

future taxes which their income would have generated

skills which would contribute to national development



12 Commonwealth Caribbean states experience high levels of skilled migration which alongside remittances as a % of GDP are among the highest in the world



# Avoiding the pitfalls

- **Threshold emigration rate: 15 – 20% in low-income countries**
- **Average optimal emigration rate: 5-10%**
- **NOTE**
  - **23% of developing countries exhibit a brain drain smaller than 5% per cent**
  - **41% exhibit a brain drain smaller than 10%**



So, what is the CARICOM  
Response?



- **Well above the brain drain threshold**
- **70% of the work-force with tertiary education migrated to industrialized countries**
- **Countries with high emigration rates: Guy, Gren, Ja, SVG, Haiti, T&T, SK**



# Sectors – hardest hit

- **HEALTHCARE:**
  - 2001-2004: more than a quarter of the 13,046 nursing positions
  - 1,199 new nurses graduated (2000-2004) /900 nurses left the region in the same period
- **EDUCATION:**
  - Jamaica with a population of under 3 million lost to the UK between 2001– 3 nearly 1000 teachers, more than Canada with a population of 30 million
  - Guyana trains 300 teachers each year and loses that number to migration overseas



# Nurse Vacancy rates (2005)

Country	%
Antigua and Barbuda	17.5
Barbados	20.6
Dominica	6
Grenada	4
Jamaica	58.3
St. Kitts and Nevis	26
St. Lucia	4
St Vincent and the Grenadines	15.7
Trinidad and Tobago	53.2



# Implications of Nurse Migration

Remittances	?
Return	+/-
Knowledge and Skills transfers	+/-
Changes/efficiencies	+
Staff shortages	-
Losses of specializations	-
Low morale	-
Undervalued professions	+





# Pull factors

- **Social and demographic factors**
  - Deficit of human resources
  - Compensatory mechanisms – migration
- **40% of teachers in industrialized countries will retire over the next decade**
- **developed countries have 142 potential entrants into the labour force (persons aged 20-24) for every 100 persons (aged 60-64) BUT in just 10 years, this ratio will drop to 87 young persons per 100 aged 60-64**
- **developing countries today have 342 young persons for every 100 persons aged 60-64 and this excess, while declining, will continue to be high in the coming decades**



# Push factors

- Professional and personal development
- Remuneration (salary adjusted for PPP)

	<b>Nurses</b> (US\$ per month)	<b>Teachers</b> (US\$ p.a.)
Canada	2812	26,000 (Toronto)
UK	2576	42,000 (centr Lond)
US	3056	39,000 (NY)
CARICOM	913 (in T&T)	9000 (Kingston, Ja)



## Migration Rate of Persons with Secondary and Tertiary Education to OECD States

COUNTRY	1990		2000	
	Secondary	Tertiary	Secondary	Tertiary
Antigua and Barbuda	31.7	65.33	35.9	70.9
Barbados	24.8	63.5	24.3	61.4
Belize	48.6	62.6	49.2	51.0
Grenada	61.1	68.8	69.5	66.7
Guyana	30.6	89.2	34.1	85.9
Haiti	23.7	78.3	27.5	81.6
Jamaica	28.9	84.1	30.0	82.5
St. Kitts and Nevis	21.4	89.9	37.1	71.8
St Vincent and the Grenadines	56.7	89.8	53.4	50.8
Suriname	54.0	92.0	43.9	89.9
Trinidad and Tobago	19.3	72.2	20.6	78.4



# Government Expenditure on Education, Average, 1999-2002

(per student, as a per cent of GDP per capita)

Country	Primary	Secondary	Tertiary	GDP/capita
Barbados	17	26	62	18,200
Belize	17	19		8,400
Dominica	21	35		3,800
Guyana	1	2		4,700
Jamaica	16	24	76	4,600
St. Kitts and Nevis	9	9		8,200
St Lucia	13	2		4,800
St Vincent and the Grenadines	28	28		3,600
Trinidad and Tobago	14	15	69	19,700



# Remittances

- **Growth of migrant remittances (North to South)**
  - 1995: US\$48 billion
  - 2006:US\$199 billion
  - LAC:
    - 2007: US\$66.5 billion
    - 2008: US\$67.5 billion (est)
  - + remittances through informal channels – 50% increase



# Remittance flows to developing countries

\$bn	Base case			Low case	
	2008e	2009f	2010f	2009f	2010f
<b>Dev countries</b>	<b>283</b>	<b>280</b>	<b>297</b>	<b>267</b>	<b>270</b>
E. Asia & Pacific	62	63	66	60	61
Europe & C. Asia	54	53	57	51	53
LAC	61	61	64	58	58
Middle East & n. Af	35	32	34	30	29
S. Asia	51	51	55	48	49
Sub-Saharan Af	20	20	21	19	19



# Implications of Global Financial Crisis

- 20M Job losses Worldwide, 100M working poor Living under \$2 per/day [ILO 2008]
- Tightening of planned migration intake
- Intensified labour market tensions
- Remittances impacted
- Return Migration/Brain Drain Reversal?



# Brain waste

- Non-recognition of qualifications, parity, transferability
  - **Devaluation of skills and competences**
  - **Compensation**
- **E.g.**
  - **Teachers not holding European qualifications do have “qualified teacher status” – paid less**
  - **Nurses are obliged to pursue 3-6 month prog before they carry out their professional duties**
- **IMPACT:**
  - **Source**
  - **Destination**





# Gender

- Av emigration rate of tertiary educated women: 17.6%; 13.1% for men
- 5 countries with the highest emigration rates for females are all from the Caribbean
- Jamaica: 122,800 (females) 67,912 (males) highly skilled immigrants in OECD countries (2000)
- Opportunities for young professional women
  - Rising female educational attainment in source country
  - Occupational concentration



# Gender Inequity

Emigration of tertiary-educated women may have a distinctive impact on origin countries

- For highly skilled women, the negative impact of absence on remaining family members - not compensated for by remittances
- Effects come through “gender differences in emigration” rather than “total emigration rates”
- Emphasis on role in social & economic development, human capital accumulation



# Regional Initiatives in progress

- RNB-CARICOM-PAHO/CPC-Commonwealth Secretariat: ‘managed migration for nurses’;
- CARICOM/CSME: free movement of the skilled; skills database; accreditation; contingent rights



# Policy responses: leveraging human resource skills

- **Manage flows through incentives, linkages and increased investment to mitigate harmful depletion of key sectors**
  - **Encourage return to source country**
  - **Retain nationals thro Education policy**
  - **Establish bi/multilateral arrangements**
  - **Manage recruitment of migrants**
  - **Support expatriates in Diaspora by expanding benefits**



- **Control:** promote economic stability thereby encouraging retention and return
- **Creation:** expansion of opportunities (educ) to promote and leverage skill output
- **Connection:** link to Diaspora, transnationalisation of social capital
- **Compensation:** direct compensation to governments for human capital loss



Thank you!