



*Migration and Economic Policy:
Issues, Challenges and
State of the Current Research*

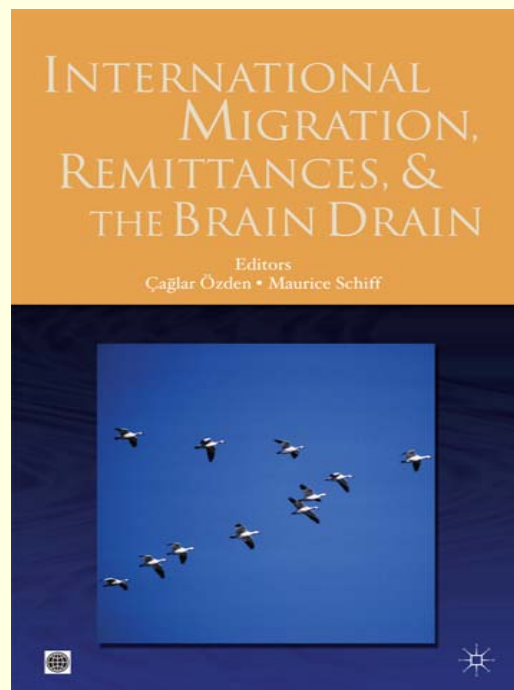
Çağlar Özden
Development Research Group
WORLD BANK

MIGRATION RESEARCH PROGRAM

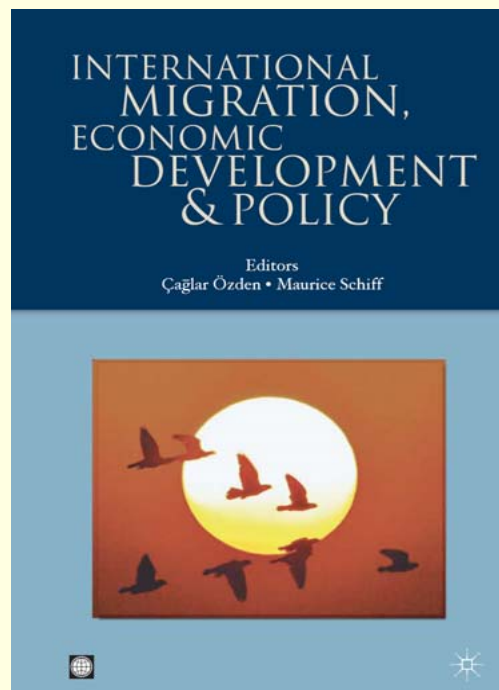


World Bank Research Program on International Migration

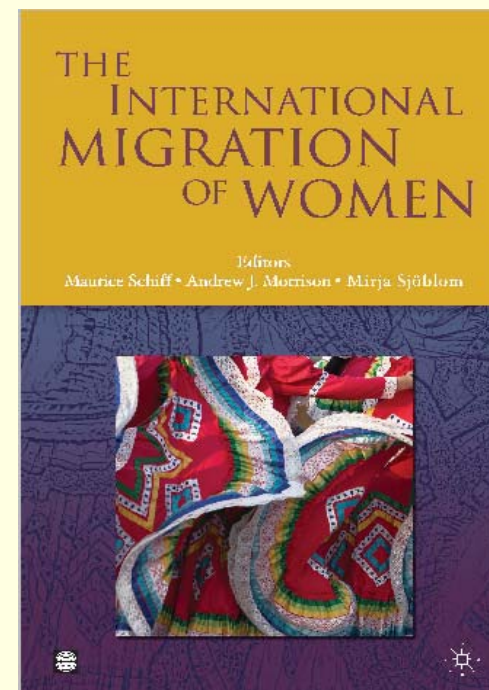
MIGRATION RESEARCH PROGRAM



Fall 2005



Spring 2007



Winter 2007

MIGRATION RESEARCH PROGRAM OUTPUTS



Academic Papers

- Over 60 working papers of which many have been published in leading academic journals. All working papers are available at:
- <http://www.econ.worldbank.org/programs/migration>

Survey Instruments - designed for specific purposes

- Pacific Islands - New Zealand Corridor survey for the special lottery program of New Zealand
- Ghana Migration survey as a special module to Ghana 2006/7 LSMS
- Brazil - Japan Corridor Survey that tests different survey methodologies to analyze the migration patterns of ethnic Japanese from Brazil
- Kerala/India-Persian Gulf survey in collaboration for Center for Development Studies as repeat survey of 1997 and 2003 survey

MIGRATION RESEARCH PROGRAM OUTPUTS



Data Sets

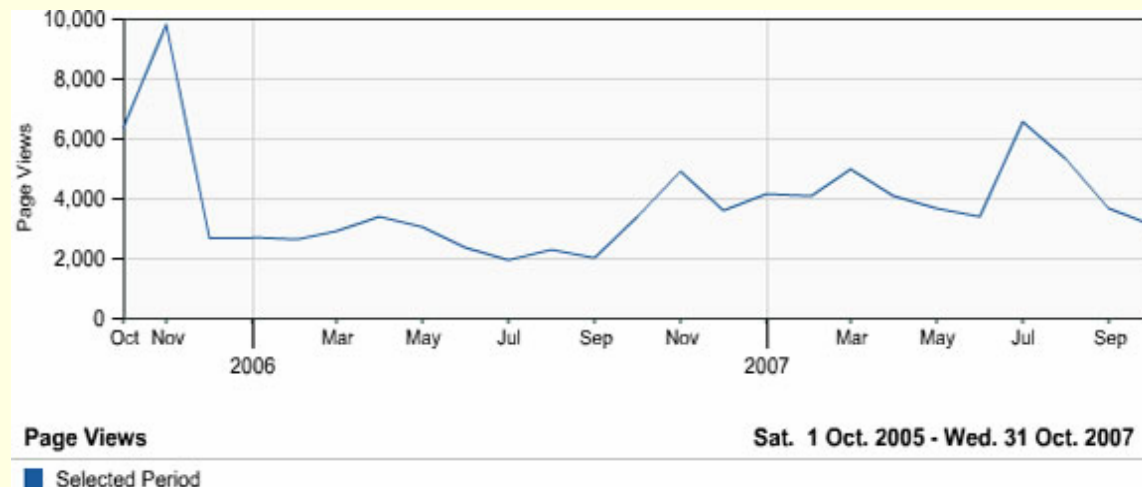
- **Brain Drain Dataset - Bilateral migration data for 1990-2000 for three educational levels from all countries to each OECD country**
- **Global database on bilateral migration stocks 2000/01 between 190+ countries**
- **Medical Brain Drain - Annual bilateral migration data of physicians from 190+ countries to each OECD country over the last 15 years**
- **All data generated by surveys listed above**

MIGRATION RESEARCH PROGRAM OUTPUTS



■ Outreach

- The datasets generated have become the main data sources used in the academic literature and the policy analysis on migration.
- Published and working papers have been cited over 400 times in other academic publications during the last two years according to the <http://scholar.google.com/>
- Over 92,000 unique visitors, 600,000 page views and 48,000 file downloads



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What did we learn??

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Principle 1:

Migrants are **not randomly selected** from the underlying population, neither in the source nor in the destination!!!

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Example 1:

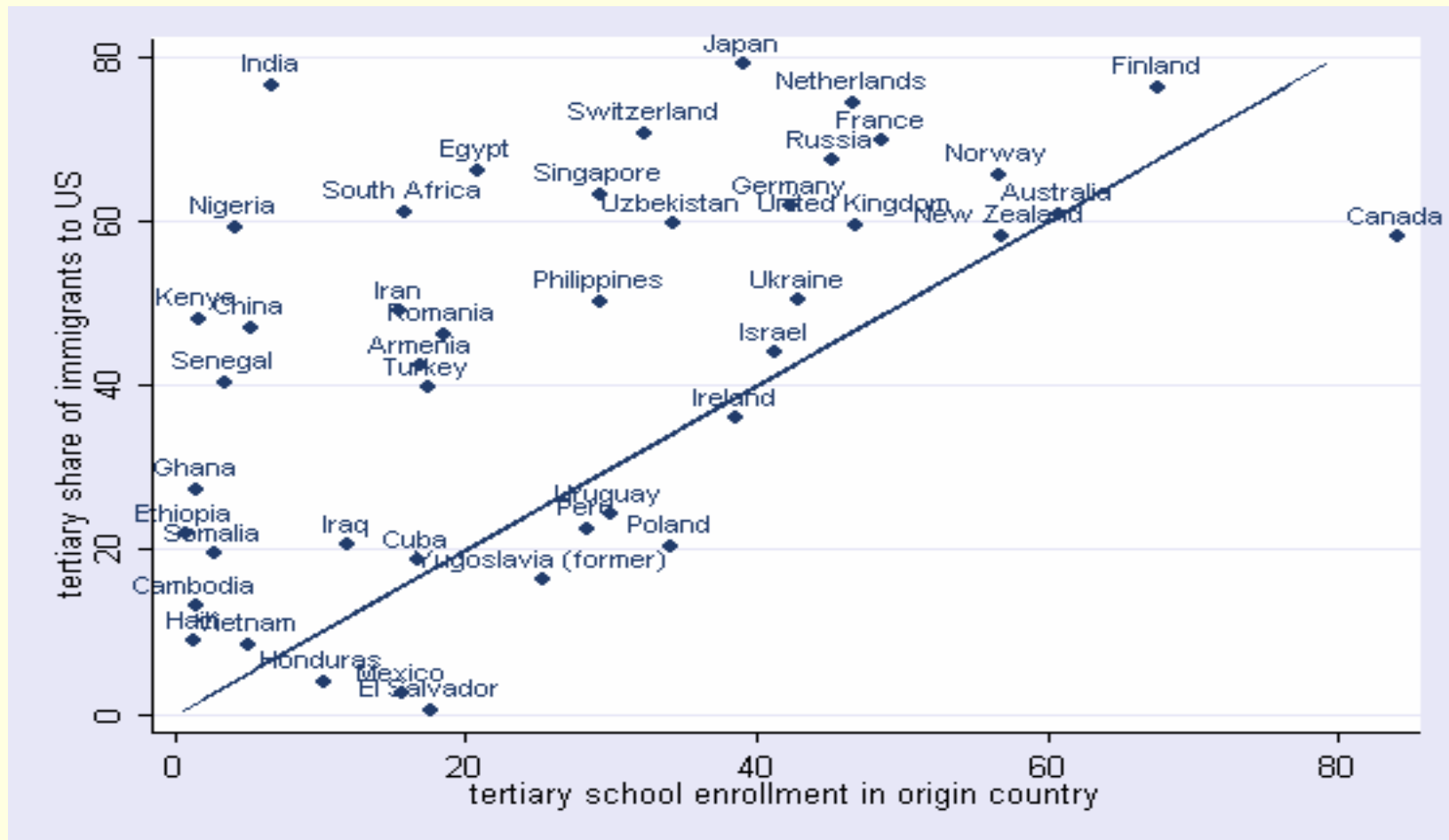
The two occupations with the largest foreign-born presence in the US are engineering professors and agricultural workers...

Ozden et.al. (2008)

Brain Waste Among Migrants to the US



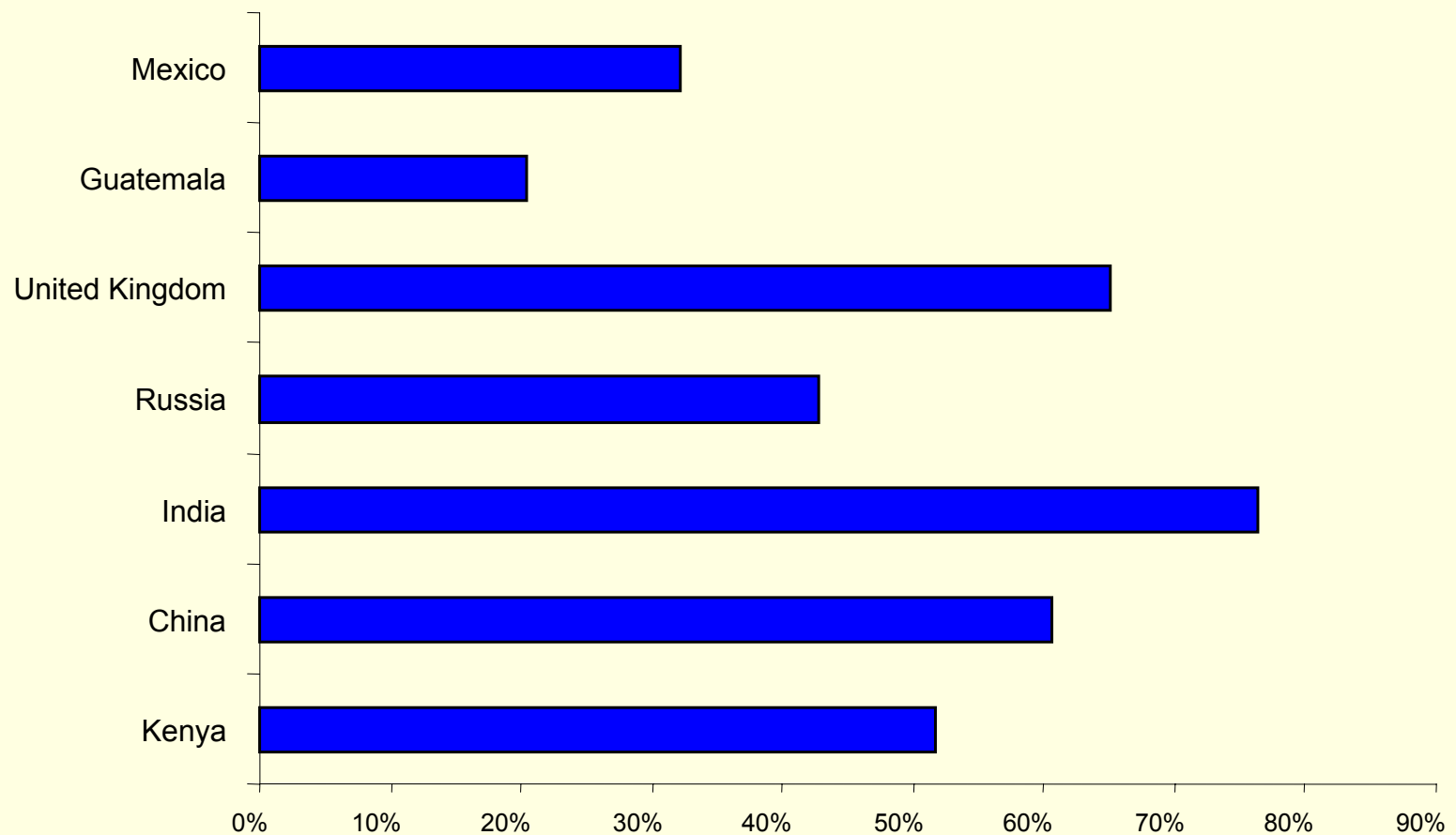
Tertiary education at home and among immigrants to the US



Brain Waste Among Migrants to the US



Percent of College Educated Migrants in Skilled Jobs in 2000 Ozden et.al. (2008) JDE



MIGRATION RESEARCH



Principle 2:

Employment, income, education, investment and other economic decisions and outcomes of migrants should be analyzed **simultaneously** with the migration decision...

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Example 2:

Salaries and investment levels of return-migrants are higher in Egypt relative to non-migrants...

Wahba (2007)

Education and health outcomes of children in migrant households are higher relative non-migrant households in Pakistan, Guatemala and El Salvador. This is partly a remittance effect, partly selection effect.

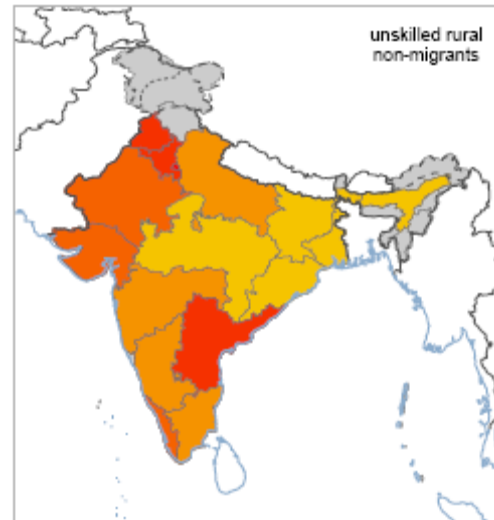
Ghazala (2007), Acosta et.al. (2008)

INTERNAL MIGRATION INDIA

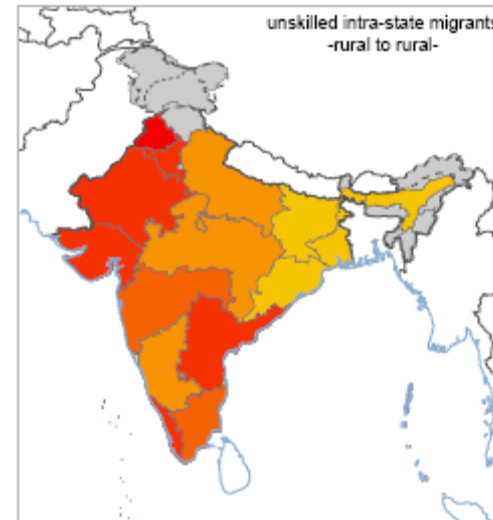
Income Levels of **Low-Skilled Rural** Migrants



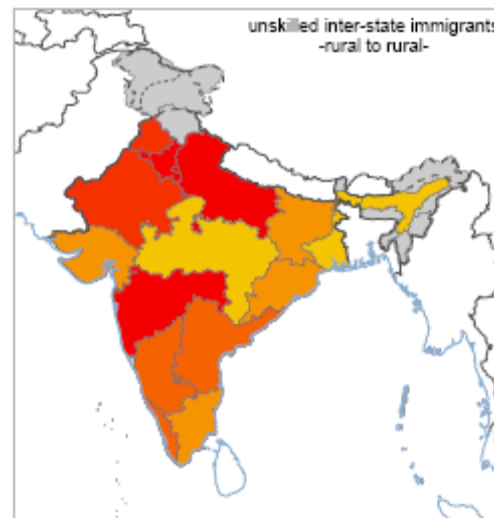
Non-migrants



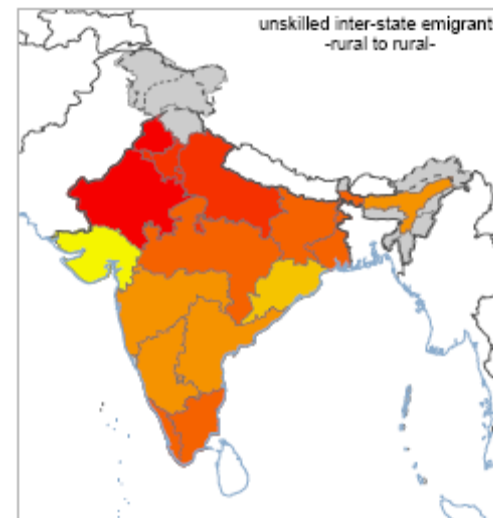
Intra-state migrants



Inter-state immigrants



Inter-state emigrants

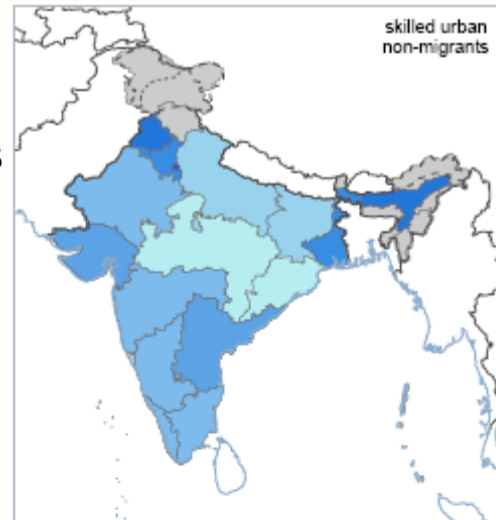


INTERNAL MIGRATION INDIA

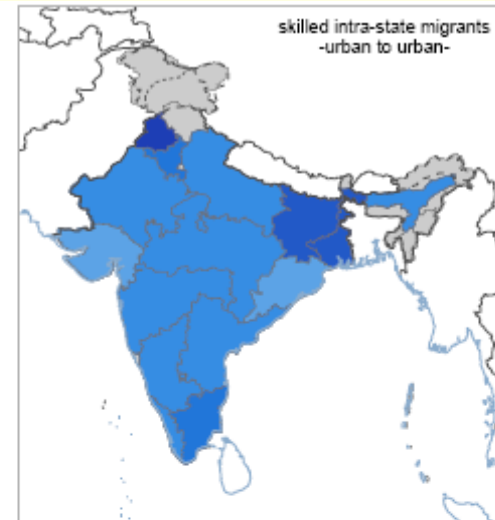
Income Levels of **High-Skilled Urban** Migrants



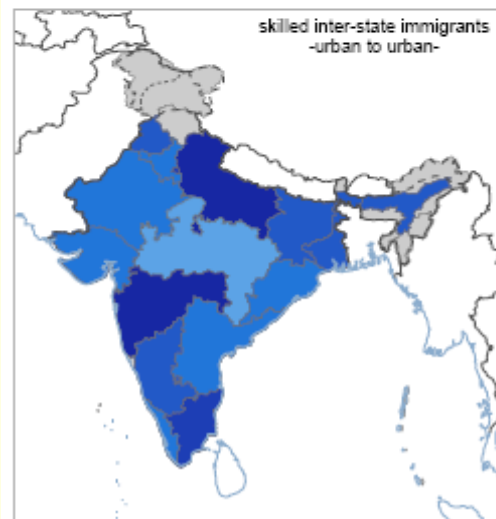
Non-migrants



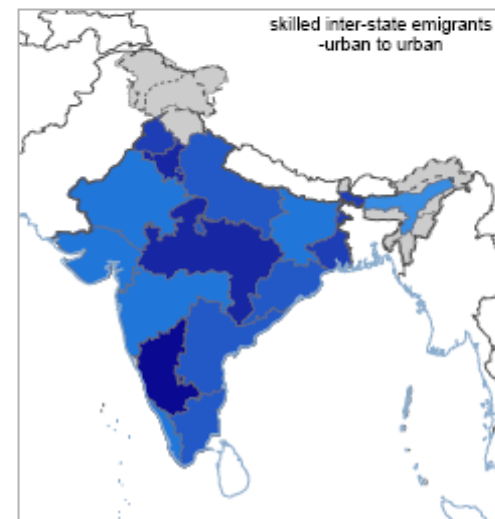
Intra-state migrants



Inter-state immigrants



Inter-state emigrants



MIGRATION RESEARCH



Principle 3:

The key to maximize development impact of migration is to improve the overall investment and business climate...

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Example 3:

There are equal number of successful Pakistani engineers in Silicon Valley. They do return or invest at home when compared to Indian engineers...

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Key Empirical Issue

We need to find instruments that influence the migration decision, but not other economic outcomes, such as income, investment, labor market participation, education of children.

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FOOTBALL MARKET

Migration Soccer Players vs Doctors

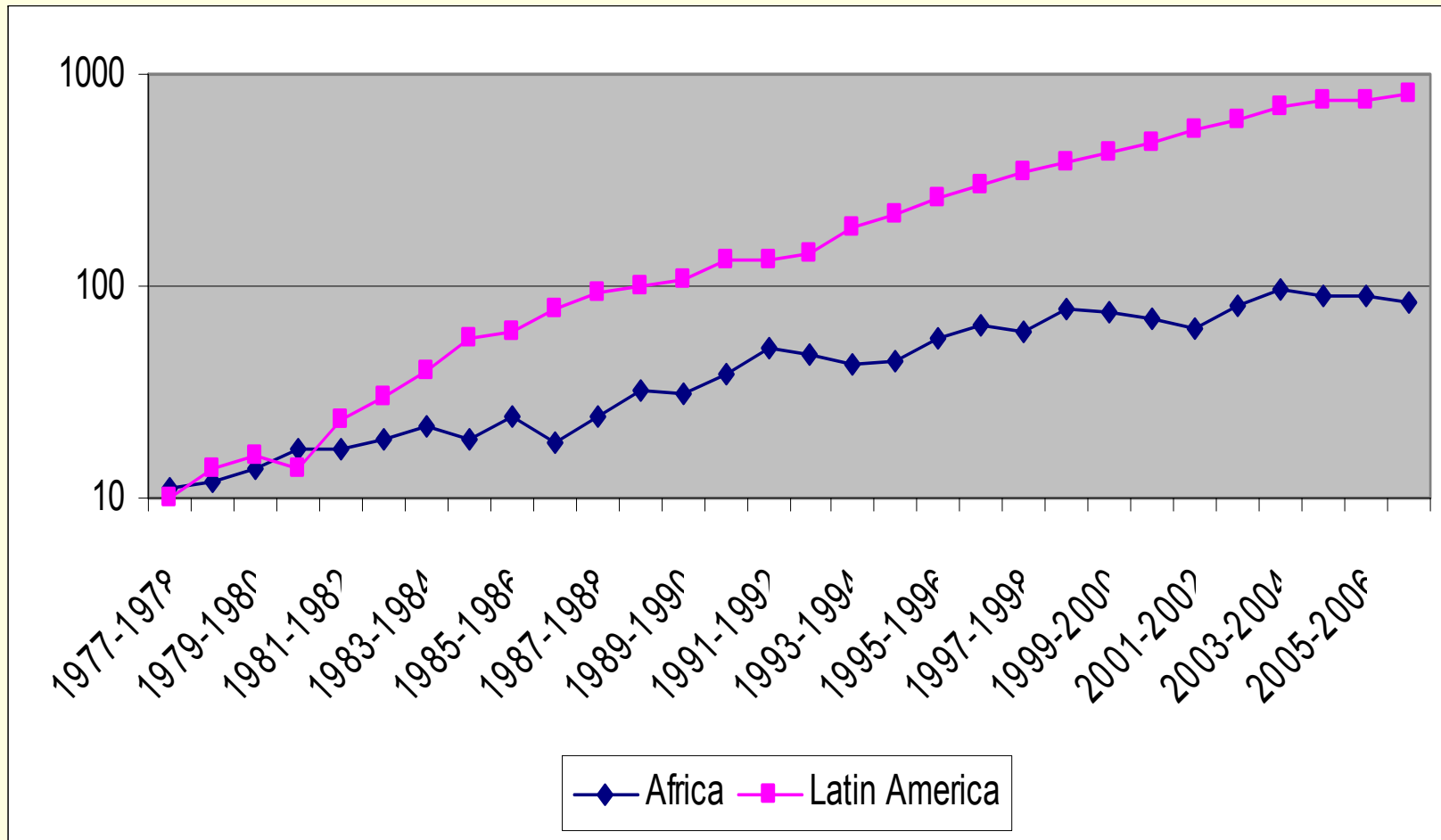


**Senegal vs.
France**

**2002
World Cup**

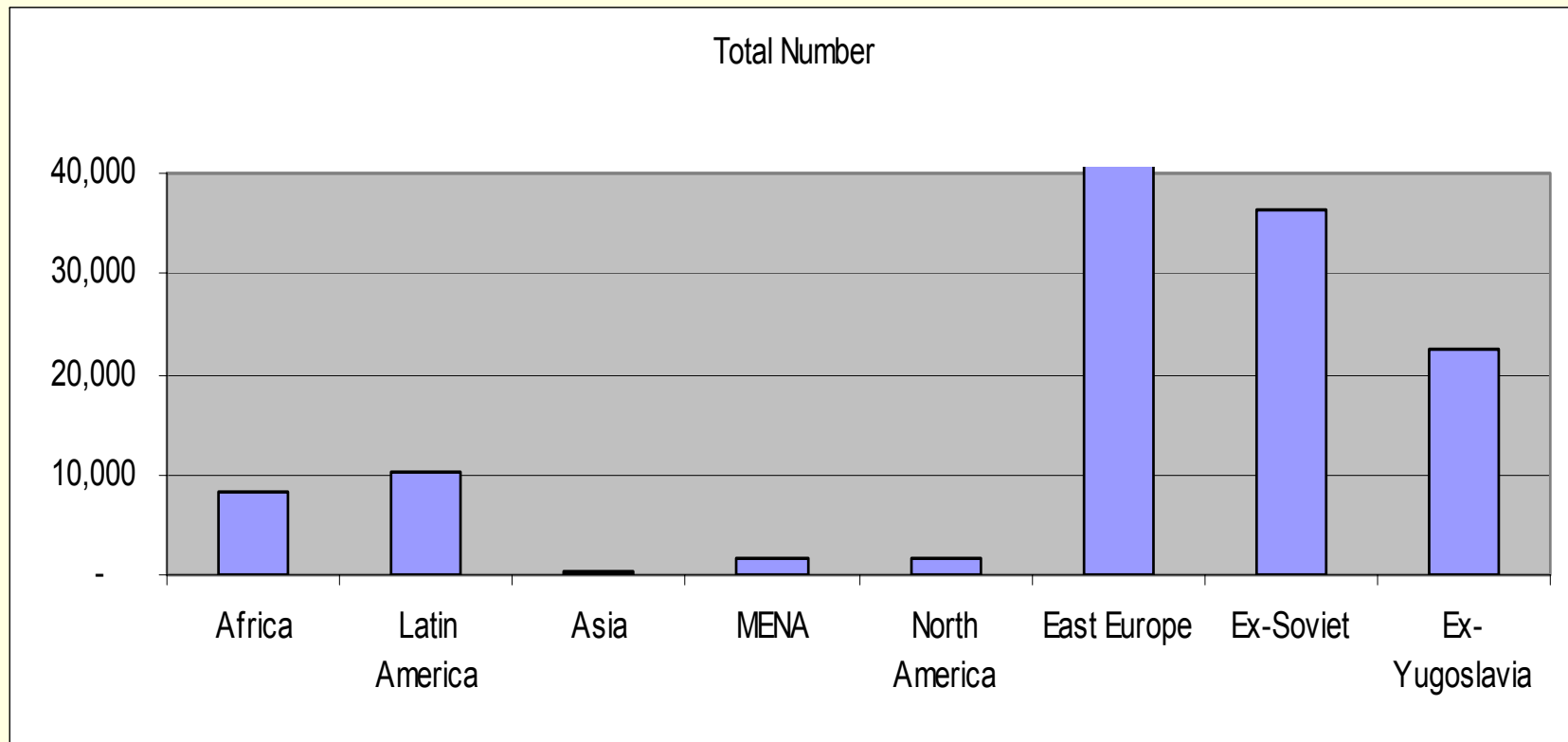
MIGRATION RESEARCH

Football Players



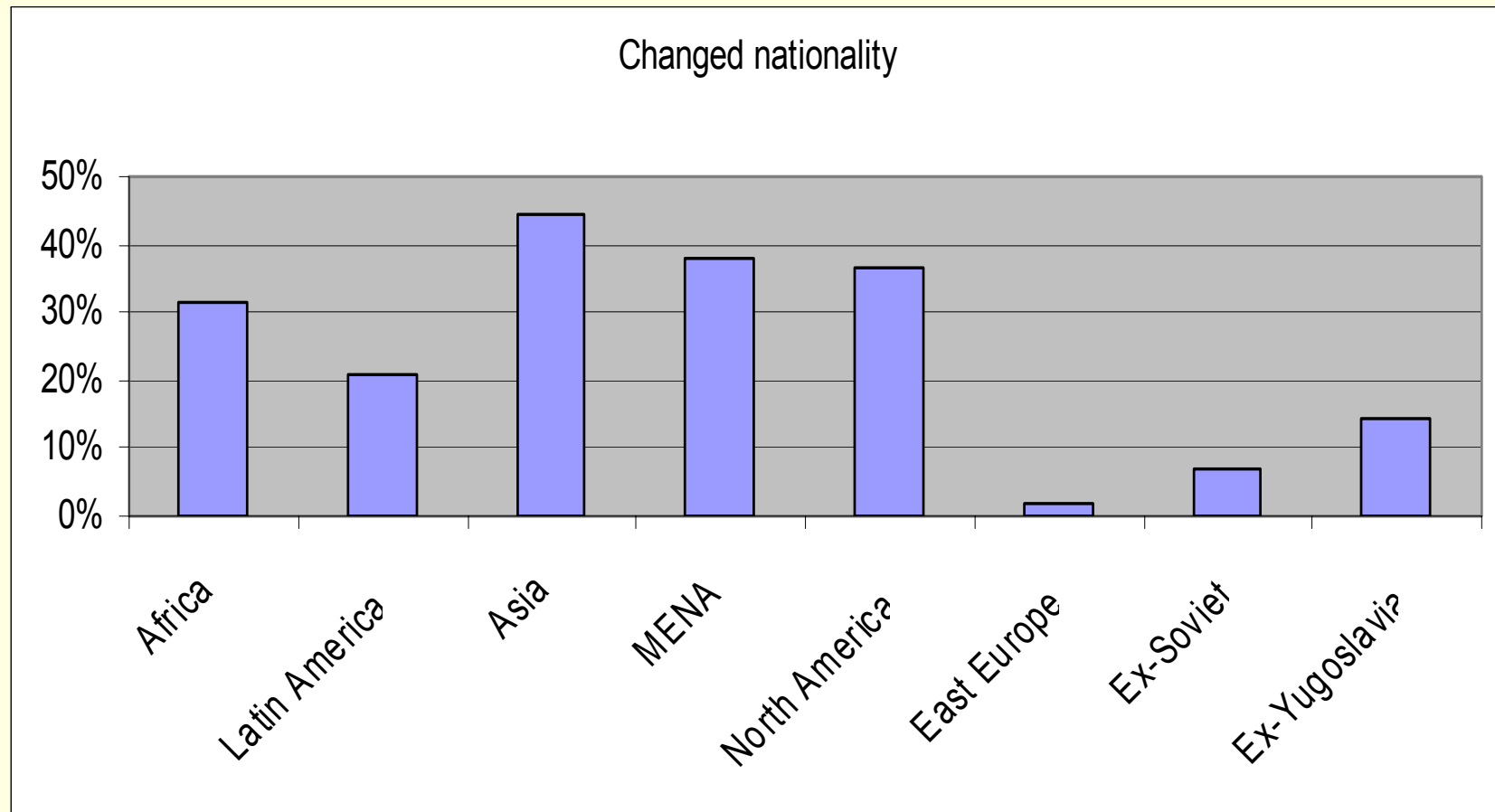
MIGRATION RESEARCH

Football Players



MIGRATION RESEARCH

Football Players



MIGRATION RESEARCH PROGRAM

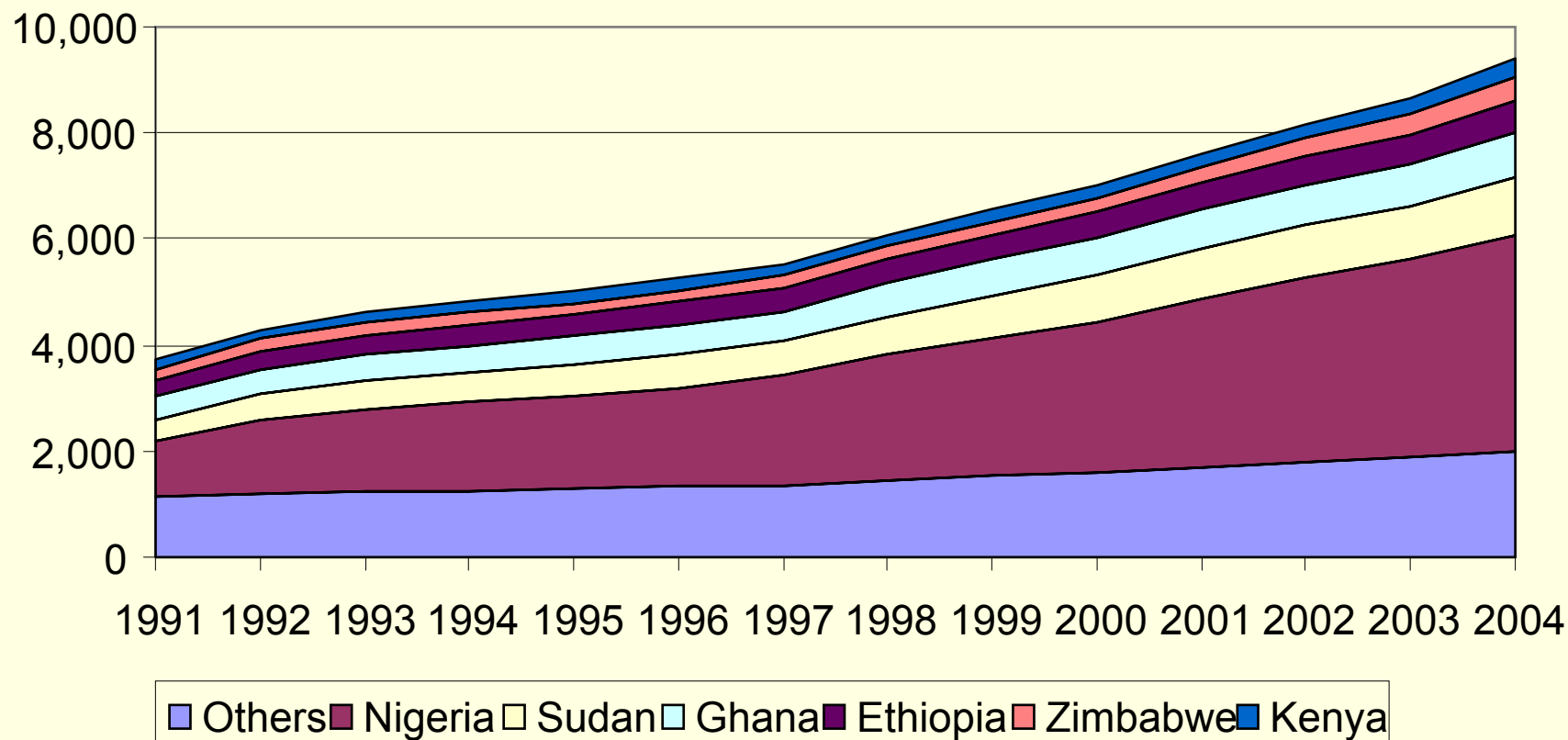


DOCTORS' MIGRATION

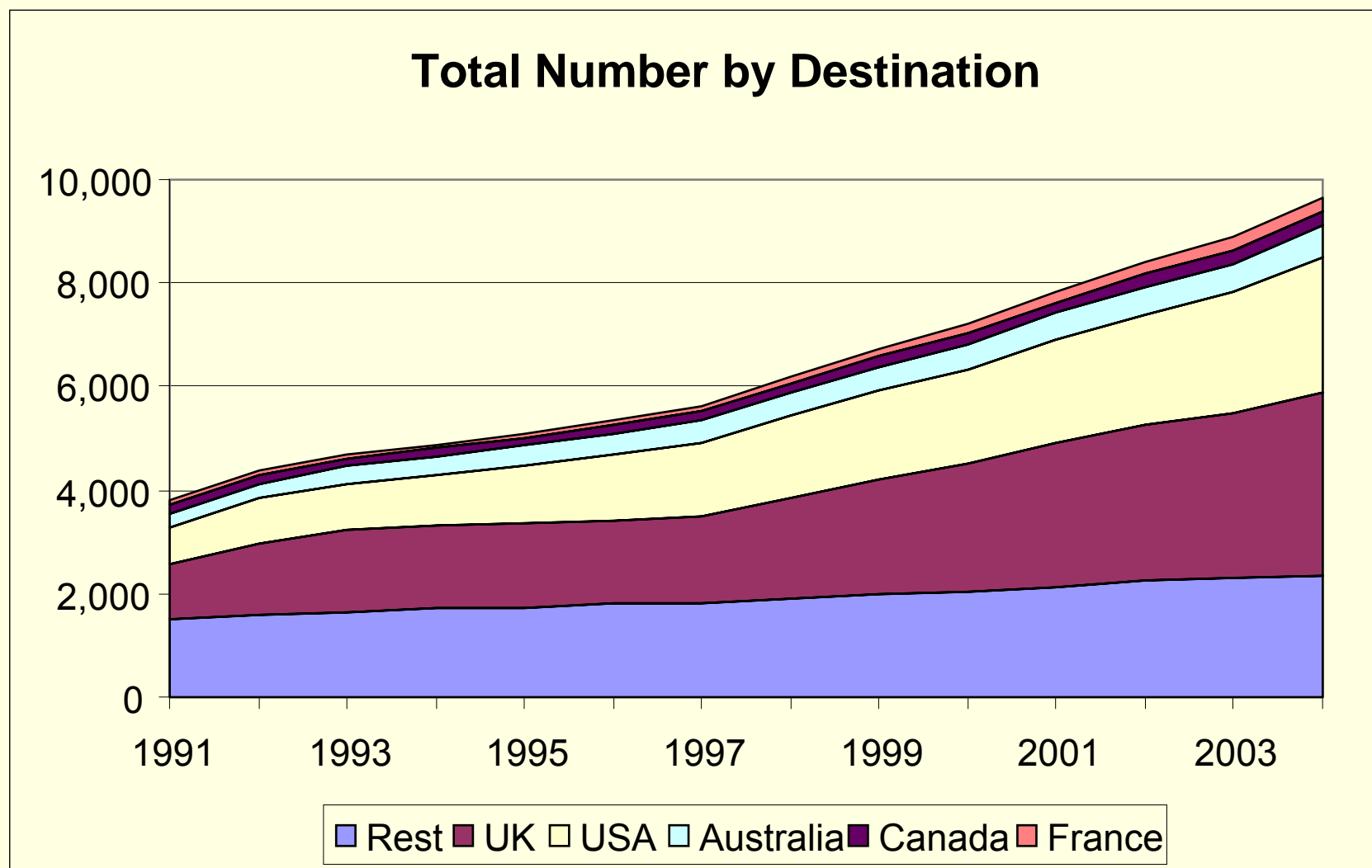
Migration Soccer Players vs Doctors



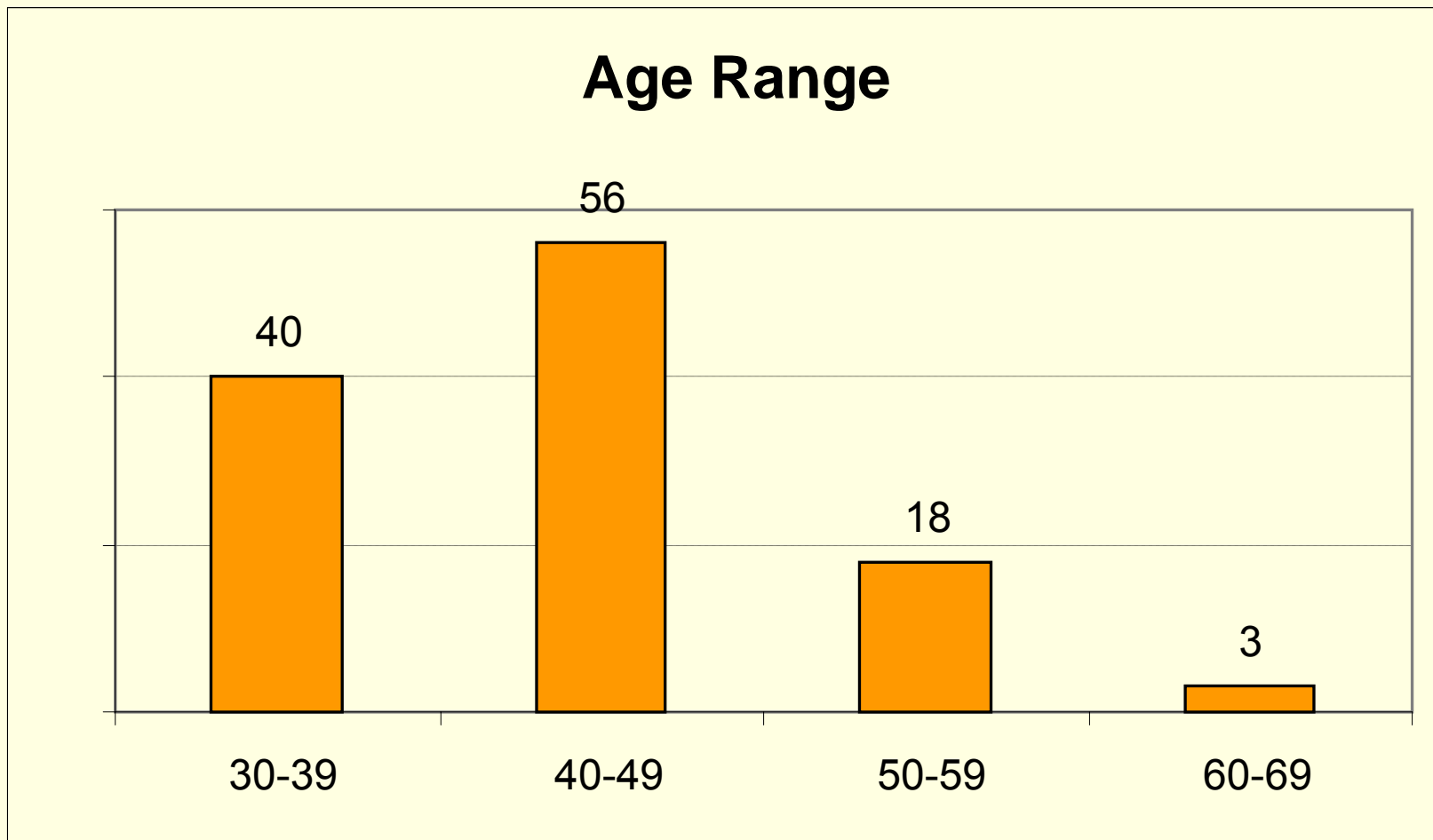
Total Number By Origin



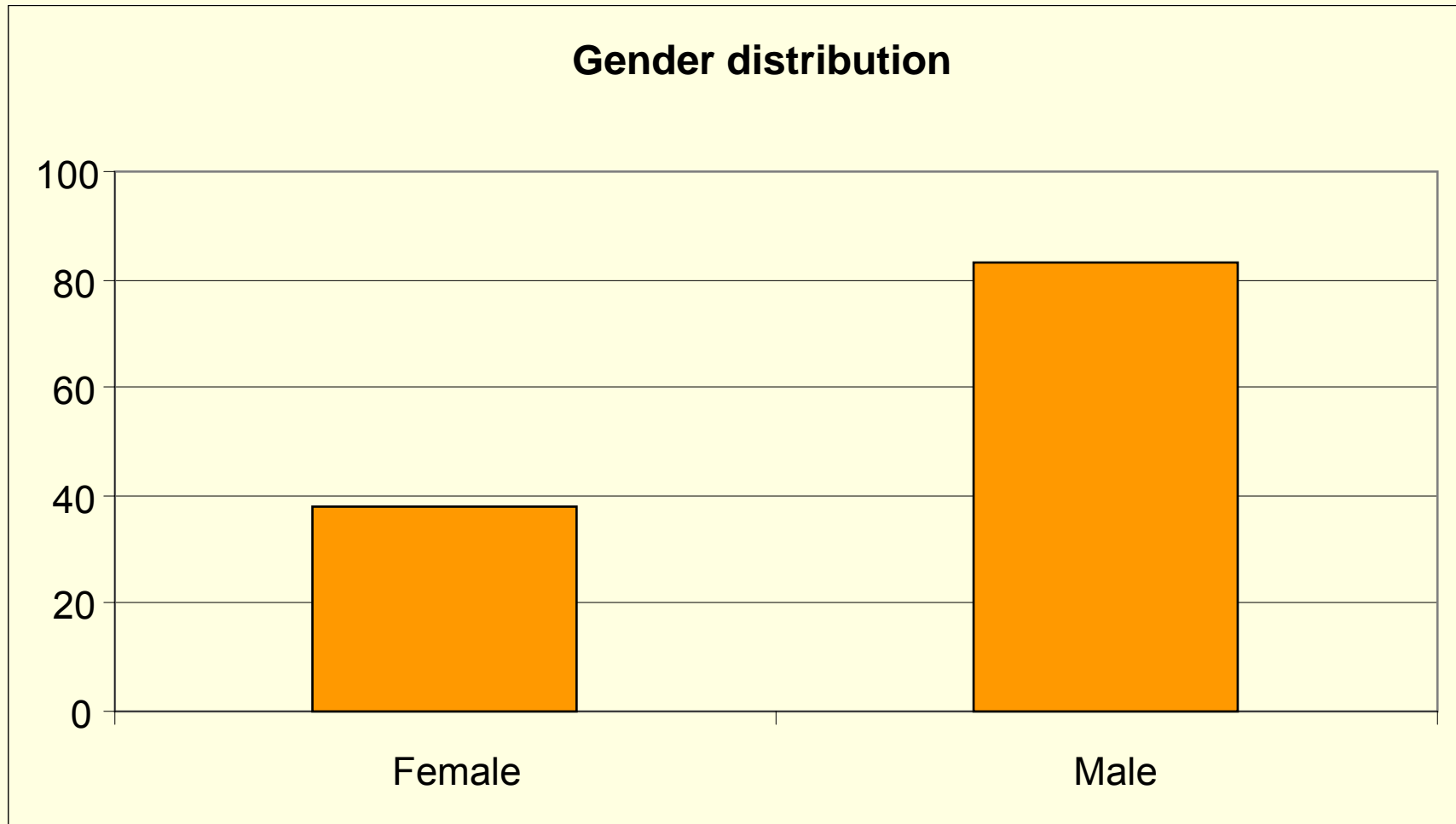
Migration Soccer Players vs Doctors



It is not a recent issue!



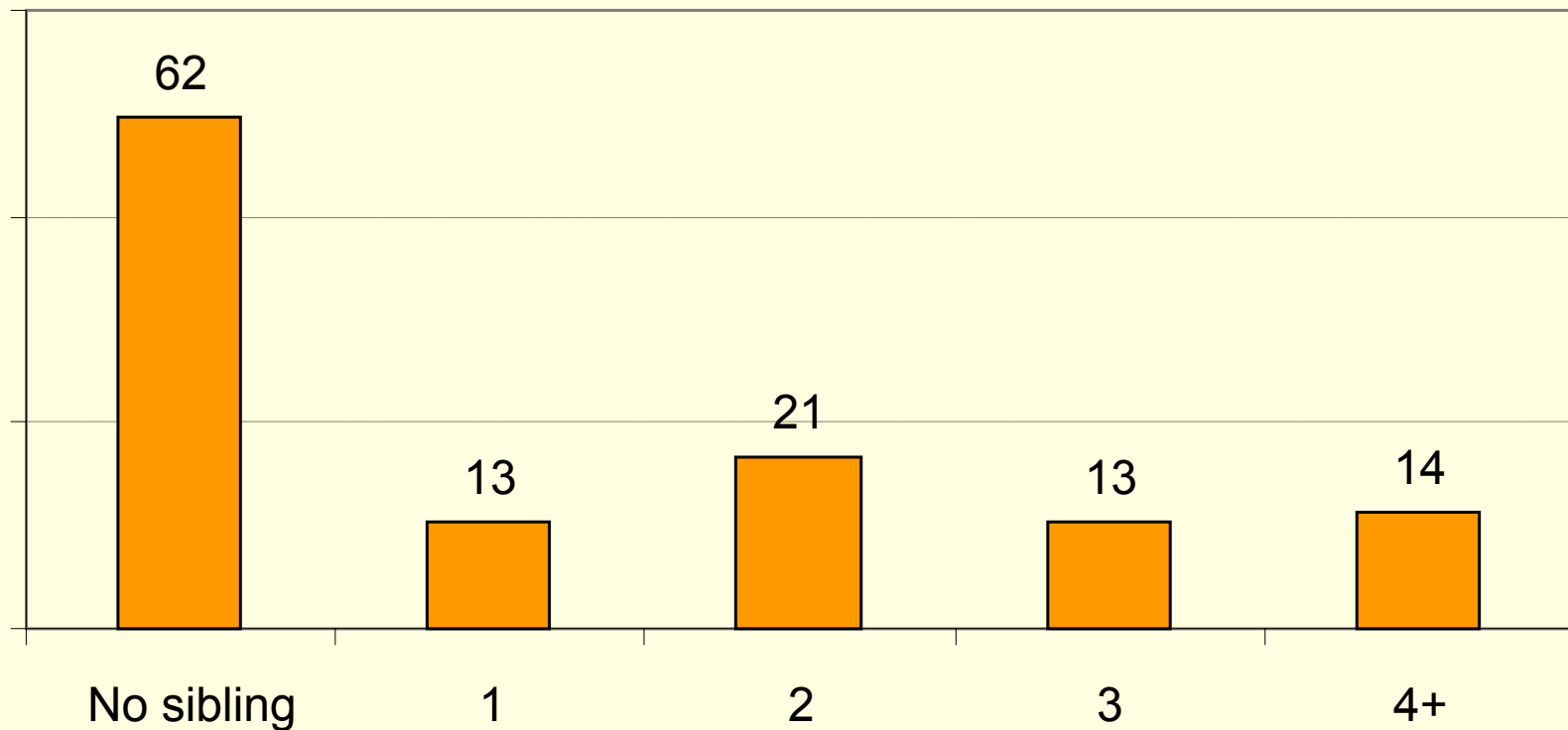
Gender Dimension



Role of Networks??



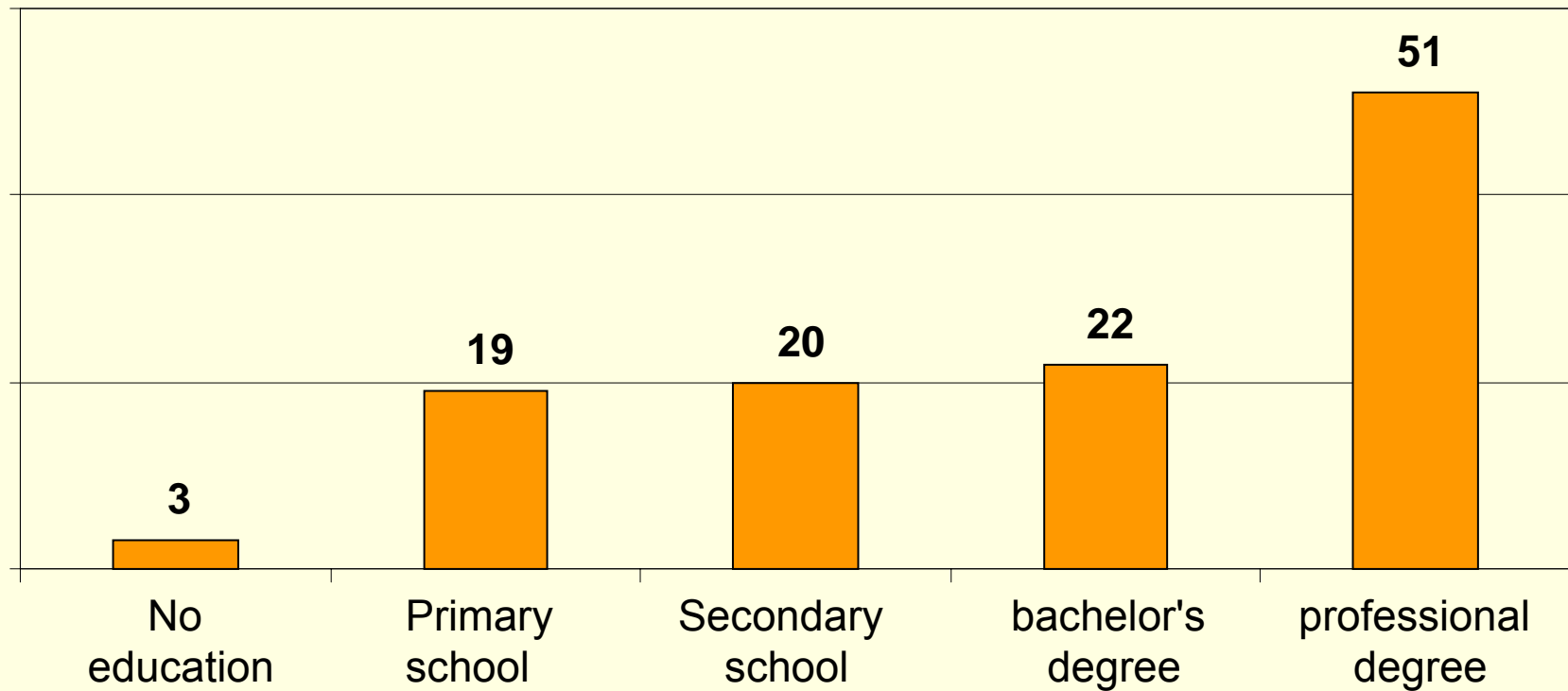
Siblings abroad



Social Status



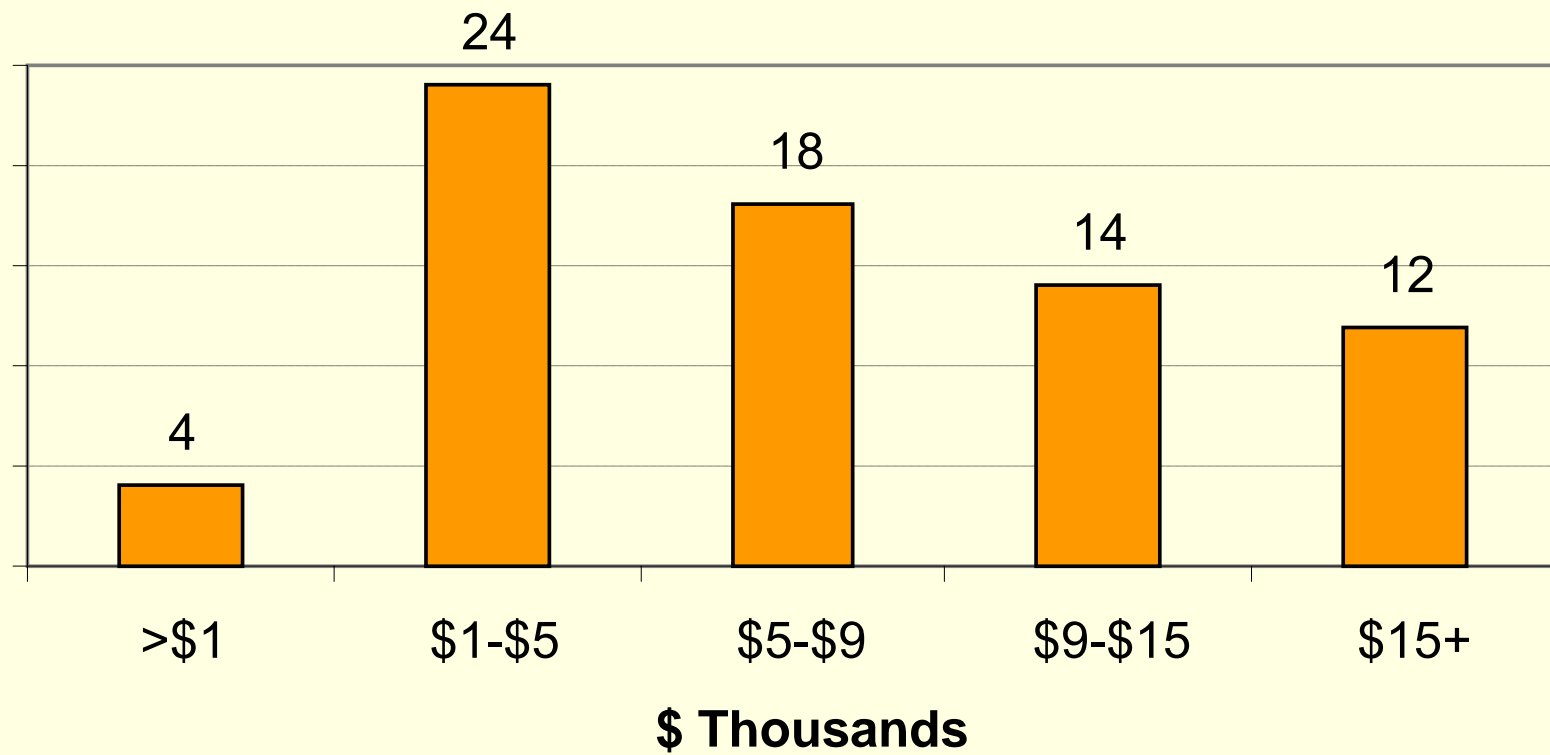
Education level of Father



Remittances



Remittances- Average: \$6,800



Migration



**What should we do?
Treat the symptom or cure the
disease?**

Migration



**What should we do?
Treat the symptom or cure the
disease?**

- Take away Passports
- Punish the recruiters
- Pay Higher salaries back at home
- Make migrants pay for their education
 - Make migrants feel guilty

Migration



**...or is High Level of
Skilled Migration
a result of wrong
education and health policies?**

Migration



No Easy Answers!!

Ask The British!!

**UK is the country with the
Highest level of skilled
migration today!**

Migration



What is equitable, economically efficient and pro-development?

- **Two-tiered education system?**
 - **One for the Global Market, one for the local market where the first finances the latter?**
- **Migrant tax – coordinated w/ Destination countries?**
- **Recruitment Tax?**
- **Brain Circulation?**

MIGRATION IN TURKEY

DATA SOURCES



Relevant Surveys	Positives	Negatives	Access
Turkey Demographic and Health Survey-2003	<ul style="list-style-type: none"> - Migration (where was each person in the household born.) - Current Location - Informal safety net. - Female labor supply decisions - Fertility - Other family characteristics 	<ul style="list-style-type: none"> - Crude income levels are crude - provided only in brackets - Mainly household assets are asked, detailed information is missing - Is it already out of date? 	Yes
Life in Transition Survey-2006	<ul style="list-style-type: none"> - Subjective mobility questions – not as detailed as desired - Assets index & income and subjective poverty module - Information on labor force participation, sector codes, reasons for not working - Life history matrix - Parental background variables 	<ul style="list-style-type: none"> - Very crude consumption module - Information only provided as metropolitan/urban/rural 	Yes
Family Structure Survey-2006	<ul style="list-style-type: none"> - Migration questions - Subjective poverty, employment status, labor force participation - School enrollment, household dwelling 	<ul style="list-style-type: none"> - Crude income levels in brackets - Detailed information on assets is missing - No information on consumption 	?????

MIGRATION IN TURKEY

DATA SOURCES



Relevant Surveys	Positives	Negatives	Access
Labor Force Survey	<ul style="list-style-type: none"> - Annual - Detailed labor market behavior - Detailed migration questions - Basic data on education and family characteristics 	<ul style="list-style-type: none"> - No consumption, asset or other economic information 	<p>??????</p> <ul style="list-style-type: none"> - No access to migration/ regional identifier data
Internally Displaced People Survey of SPO + Hacettepe	<ul style="list-style-type: none"> - Great Migration questions - Oversample migrant sending/receiving areas - Questions on return migration - Include household characteristics 	<ul style="list-style-type: none"> - No detailed consumption, asset or other economic information (except labor force participation) - Sampling not clear for other migration corridors 	<p>??????</p>