

## **Fruit that falls far from the tree**

### **Might poor countries gain when their best and brightest leave?**

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IN THE 2002 football World Cup, France, the reigning world champions, suffered a humiliating defeat to unfancied Senegal. All 11 members of the victorious Senegalese team had played for European clubs. They were not alone. By 2000, the first and second divisions of Europe's leagues had poached enough African players to field 70 teams. So, have greedy European clubs deprived Senegal of its best footballers, or has the prospect of a lucrative career in Europe encouraged more Senegalese to take up the beautiful game?

This question is posed by a new book, "Give Us Your Best and Brightest", by Devesh Kapur and John McHale. The authors are development economists first, football fans second (if at all). But they see the emigration of African players as a highly visible example of the "brain drain". Less visible, but more worrying, is the departure of the poor world's doctors, nurses and teachers to more lucrative job markets in the rich world. Ghana, for example, has only 6.2 doctors per 100,000 people. Perhaps three-quarters of its doctors leave within ten years of qualifying.

The answer to the Senegal conundrum is of course "both": the best players leave, and the dream of emulating them motivates many others to take their place. The real question is whether the second effect outweighs the first, leaving the game in Senegal stronger or weaker than it otherwise would be. A few economists, including Andrew Mountford, of Royal Holloway (part of the University of London), and Oded Stark, of the University of Bonn, think the net effect of the brain drain is similarly ambiguous. The prospect of securing a visa to America or Australia should tempt more people in poor countries to invest in education. Mr Stark calls this a "brain gain". If the temptation is strong enough, and the chances of landing a visa low enough, the poor country could even come out ahead: it might gain more qualified (if disappointed) doctors and engineers than it loses.

As with all debates about the brain drain, theory has run ahead of evidence. The numbers on international flows of people are much patchier than those on cross-border flows of goods or capital. In a recent paper\*, Mr Stark and his co-authors investigate internal migration instead. The rural villages of Mexico lose many of their brightest sons and daughters to jobs in cities or border towns. Those Mexicans who leave their home villages tend to be better educated than those who stay. But despite this, the example the leavers set (and the job leads they provide) raises the average level of schooling of those left behind. Because they can aspire to a world beyond the village, even if they never reach it, young Mexicans have an added reason to stay in school beyond a ninth year, the authors show.

#### **Branches picked bare**

Even if the brain drain does leave a country with a better-educated populace, is this necessarily a good thing? Education is not free, and some of those who gambled on a diploma as a ticket overseas will regret their decision. But Mr Stark assumes that people in poor countries tend to demand too little education. A person's productivity depends on the skills of those around him, as well as his own. Because of these spillovers, an individual's education is worth more to the economy as a whole than it is to himself, and he will underinvest in it as a result. Mr Stark sees limited emigration as one way to fix this market failure.

India's software engineers are perhaps an example of this principle at work. Indian students had little reason to learn computer coding before there was a software industry to employ them. But such an industry could not take root without computer engineers to man it. The dream of a job in Silicon Valley, however, was enough to lure many of India's bright young things into coding, and that was enough to hatch an indigenous software industry where none existed before.

India's valley-dwellers represent just one contingent in a much larger diaspora. According to the most exhaustive study<sup>†</sup> of the brain drain, released last month by the World Bank, there were 1.04m Indian-born people, educated past secondary school, living in the 30 relatively rich countries of the OECD in 2000. (An unknown number of them acquired their education outside their country of birth, the report notes.) This largely successful diaspora is more than just something to envy and emulate. Its members can be a source of know-how and money, and provide valuable entrées into foreign markets and supply chains.

But Messrs Kapur and McHale think India's relatively happy experience with its educated emigrés is more likely to be the exception than the rule. Its million-strong brain drain represents just 4.3% of its vast graduate population, according to the Bank. By contrast, almost 47% of Ghana's highly educated native sons live in the OECD; for Guyana, the figure is 89%. This is not a stimulative leeching of talent; it is a haemorrhage.

Emigration, as Mr Stark suggests, might be a spur to greater accomplishment, and the poor world's talent, like Senegal's footballers, deserves a chance to compete on a global stage. But it is not easy to run a managed “emigration” policy. The drain of educated minds from poor countries is mostly determined by host countries' rules, not home countries' interests. There will be tremendous pressure to loosen those rules in the future, not least because, as the baby-boom generation retires, it will seek to “backfill the taxpaying workforce behind it”, as Messrs Kapur and McHale put it. The rich world no longer welcomes the tired and the huddled; it looks set to compete ever more fiercely for the bright and the qualified.

\* “A Gain with a Drain? Evidence from Rural Mexico on the New Economics of the Brain Drain”, by Steve Boucher, Oded Stark and J. Edward Taylor. August 2005.

† “International Migration, Remittances and the Brain Drain”, edited by Maurice Schiff and Caglar Ozden.