

Preface

International migration is a development issue. In the last half-century, cross-border trade and financial flows transformed the global economic and political landscape and created new opportunities and new challenges for the developing world. In this century, cross-border flows of people—whether as permanent migrants or temporary workers, and irrespective of legal status—are bound to be equally transformative.

This book is about one aspect of this phenomenon—the movement from poor to rich countries of people with skills: the once-named “brain drain.” The economic and social consequences of substantial immigrant inflows for the receiving countries have prompted considerable debate and rich analysis. The welfare and human rights of migrants—whether their movement is provoked by income gaps, ethnic cleansing, economic instability, or human trafficking—is an issue attracting increasing international attention. This book addresses a third subject heretofore largely neglected: how immigration policies of the rich countries matter to those nations sending immigrants.

For the Center for Global Development, publication of this book marks the start of a broader investigation into cross-border flows of people and their causes and consequences for developing countries. The Center’s mission is to reduce global poverty and inequality, including and especially through research that inspires better policy in the rich world. A key question for us is whether, how much, and in what form immigration and labor mobility policies of rich countries matter for the

“brain drain”—and whether and how they interact with developing country policies and constraints to affect “brain gain,” that is, the return of human capital and of complementary investment from rich to poor countries. This book suggests immigration policy does matter—and could matter more in the future, though often with unintended and surprising effects. It also sets out how immigration policies could be more development friendly—benefiting rich as well as developing economies.

Concerns about migration of human capital from developing countries have undergone a sea change in recent years. The sentiment and the language have switched from alarm (“brain drain”) to hope for remittances, for “brain gain” arising from the greater incentives to acquire human capital when emigration is a possibility, and for the network effects of enriched and savvy diasporas (“brain trust”). In fact, neither view in the extreme is warranted. But to understand why and the implications, we need to understand the mechanisms through which these flows can affect sending countries, and why those effects are likely to differ depending on characteristics of the sending country.

Devesh Kapur and John McHale begin by surveying the magnitude of the poor to rich country flows, as well as the rich country policies that are driving them. They then provide detailed study of the multiple channels through which skilled migration affects development. Although they stress that the balance of effects will vary by country and by sector, they draw attention to the potential harm that can be done when a poor country loses a substantial fraction of its already scarce talent.

At a time when institutional quality is front and center in the development debate, they emphasize the impact of internationally mobile human capital on building effective institutions. Finally, they provide a rich discussion of the available policy options, outlining those that avoid the worst losses to poor countries, while maintaining the most liberal feasible international migration regime.

There is a growing awareness in the development community that the movement of people is potentially as important to development outcomes as the movement of goods and capital. Yet little is known about the recent and likely future course of policies in rich countries that will affect movement of people. And in comparison to the breadth and depth of analysis of the development impacts of trade and financial flows, almost nothing is known about the development impact of international migration. This timely and thoughtful volume advances

tremendously our understanding of the issues and sets a high standard for future contributions to this important new area of development policy research. Without more knowledge, there can be no basis for consensus on what set of migration policies would be pro-development. I believe this book will ultimately be seen as the key first step in building a more development friendly policy consensus.

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