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Poor nations seen pinched by skilled worker losses

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By Laura MacInnis

WASHINGTON (Reuters) - Well-educated people leaving poor nations for opportunities abroad can inflict pressure on their home countries, and often find their skills go to waste, economists say.

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While migrants send home huge amounts of money -- a figure expected to top \$225 billion this year, far more than official foreign aid -- experts say many developing nations are pinched by the loss of high-skilled workers like doctors and nurses.

"Massive emigration of highly-skilled citizens poses troubling dilemmas for many smaller low-income countries," the World Bank said in a report "International Migration, Remittances and the Brain Drain," released on Monday.

The global lender said skilled workers make up 40 percent of sub-Saharan Africa's emigrants compared to just 4 percent of the region's labor force, and Caribbean nations Guyana, Jamaica and Haiti lose more than 80 percent of their skilled workers.

The Center for Global Development, a Washington think tank, said large-scale departures can cause budget strain and weaken institutions in developing nations, which badly need reformers and innovators at home.

In a report released this month called "Give Us Your Best and Brightest: The Global Hunt for Talent and Its Impact on the Developing World," the group said better-educated workers are more likely to emigrate and are more marketable abroad.

John McHale, co-author of the Center for Global Development study, said states with low high-skilled emigration rates -- like Burkina Faso, Botswana and Egypt, where less than 5 percent of university-educated workers depart the country -- tend to fare better.

"The countries that are able to retain their talent, where people are employed productively at home, stand a better chance of developing and building the institutions that are better for development," McHale, a Queen's University professor, said.

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The World Bank said nearly 200 million people worldwide now live in countries other than the ones in which they were born, and forecast migration flows will accelerate as a result of looming labor shortages in the rich world.

"The current demographic trends in both developed and developing countries are pointing toward significant potential economic gains from migration," it said, noting movements can bridge a gap between fast population growth in the developing world and low Western birth rates.

"By allowing workers to move in areas where they are more productive and valued, migration leads to a direct increase in global output and income."

The World Bank estimated that if OECD countries boost their immigration by 3 percent of their labor forces, they would see economic gains larger than those from the removal of all the world's trade barriers.

Innovation would also likely increase, particularly with higher numbers of foreign graduate students and highly trained workers entering developed economies, the bank said, noting the reverse may be true where numbers drop.

"Reductions in the inflow of foreign graduate students and skilled migrants to the United States -- partly because of increased security concerns following the Sept. 11, 2001, terrorist attacks -- are most likely to have significantly negative effects on future U.S. innovative activity," it said.

Problems also arise when immigrants' skills go unused in destination countries, because of differing education systems and quirky licensing rules, World Bank and Center for Global Development researchers found.

While countries like Canada, Australia and the United States have sought to attract high-skilled, educated immigrants to meet labor force needs, analysts say low-skilled workers actually generate the most overall economic gains and send more remittances home.

Queen's University's McHale said targeted immigration policies by industrialized countries can harm developing countries.

"From a development perspective, that is not a good thing. The skilled people could have the most positive influence if they remained at home. The unskilled people have the most potential to be the strongest remitters," McHale said.

"If you really believe that remittances are a force for development, that suggests you should be pushing your immigration policy more in a less-skilled rather than a high-skilled direction."

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