Bleeding the Third World: our skills windfall

By Tim Colebatch
October 25, 2005

Malawi is the world's poorest country. Its people live on the equivalent of $16 a week, about 2 per cent of our income. One in seven of its adults has AIDS. Average life expectancy is just 37 years.

Part of Malawi's problem is that it lacks doctors and nurses. In 2003, in fact, 91 per cent of surgical posts in its central hospitals were vacant. One hospital authorised to employ 24 surgeons in fact had just one. In the entire country, only 28 per cent of nursing posts were filled.

It is not that Malawi never trained doctors and nurses. They have emigrated, seizing the openings in the West or mineral-rich southern Africa for doctors, nurses, teachers, professionals and skilled workers.

One in three highly qualified Africans now lives in the West. Countries such as Australia celebrate this because it enhances our skills base, increases our output, and increases our ethnic diversity. But what does it do for those left behind?

Two new reports, one by the World Bank and one by Washington think tank the Centre for Global Development, conclude that it can be damaging. In the short term, it hurts countries' ability to deliver health, education and other services. In the long term, it takes away the natural leaders who would otherwise set up businesses, create institutions, spread ideas and promote reform, democracy and innovation.

This is the dark side of global immigration, little studied, yet entrenching the global poverty that our governments are trying to fight.

The scale is staggering. In round figures, Australia imports about 50,000 professionals and skilled workers a year from developing countries. Assume that on average they bring human capital with a replacement cost here of $100,000 each. That implies an aid flow from developing countries to Australia of $5 billion a year - twice the $2.5 billion that Australia gives them in foreign aid.

Look ahead, the two reports warn, and these flows will escalate. Ageing populations will force Western countries to target far bigger immigration flows; even Japan will open its doors to foreign workers as its baby boomers retire. This could be a force for good, or for disaster.

Both reports support immigration. The main message of the World Bank report is that it can do a lot of good for the source countries, if unskilled workers emigrate and send home remittances, or potential entrepreneurs - such as India's diaspora in Silicon Valley - then invest back home.

But it is another matter when rich Western countries such as ours plunder the doctors, nurses, teachers, academics and engineers of poorer countries, because they failed to train enough of their own. The effects back home can be harmful, subtle, far-reaching and long-lasting.

The centre's report sums it up in its ironic title, Give Us Your Best and Brightest. Written by economists Devesh Kapur and John McHale, it highlights the short and long-term damage that countries can suffer when their doctors and nurses, teachers and researchers, engineers and knowledge workers leave home.

The long-term damage is that the best and brightest are no longer at home to be agents of change, drivers of growth, innovators, founders, and reformers. The authors quote historian Barrington Moore's dictum: "No bourgeoisie, no democracy."

The short-term damage can mean death for many. Take Ghana, one of Africa's relative success stories.

Almost half its university graduates have emigrated. And the result? Ghana now has one doctor for every 16,129 people, Australia one for every 417.

Of Ghana's medical graduates between 1985 and 1994, half left the country within five years of graduating. Three-quarters had gone within 10 years. How can it conquer AIDS, malaria, or high child and maternal mortality when the West keeps recruiting its doctors and nurses?

In the most important chapter of the bank's report, International Migration, Remittances, and the Brain Drain, Frederic Docquier and Abdelslam Marfouk estimate that by 2000, between 80 and 90 per cent of all graduates from some Caribbean countries had emigrated, mostly to the US.

In the Pacific, they say, more than 75 per cent of graduates from Samoa and Tonga, and even 62 per cent of Fijian graduates had emigrated by 2000. We know where they went: Australia and New Zealand. Even from from Papua New Guinea, 28.5 per cent of graduates had emigrated.

Where do they go? Relative to size, the biggest beneficiary is Australia, which for 30 years has run an immigration policy increasingly targeting skilled workers. And let's be honest, we do it because it is cheaper to import doctors and the like from developing countries than to train our own.

Docquier and Marfouk estimate that by 2000, Australia had imported more than 1.5 million professionals and skilled workers (many of them, of course, from Britain, New Zealand and other Western countries), while just 116,723 qualified Australians were overseas.

What should we do? Both reports stress the responsibility of countries such as Australia to tackle the problems their policies are causing, but are vague on solutions. The centre's report suggests we should compensate source countries with some of transfer payment, and rule some areas of migrant recruitment off limits.

But the solution that makes most sense is to stop relying on poorer countries to supply our knowledge workers, and train enough of our own.

Tim Colebatch is economics editor.

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