



INTERNATIONAL LABOUR OFFICE  
DEPARTMENT FOR INTERNATIONAL DEVELOPMENT, UK

*PROJECT INT/01/M09/UKM: SKILLED LABOUR MIGRATION  
(THE "BRAIN DRAIN") FROM DEVELOPING COUNTRIES:  
ANALYSIS OF IMPACT AND POLICY ISSUES*

**MIGRATION OF HIGHLY SKILLED PERSONS  
FROM DEVELOPING COUNTRIES:  
IMPACT AND POLICY RESPONSES**

**SYNTHESIS REPORT**

Executive Summary

B. Lindsay Lowell  
Institute for the Study of International Migration  
Georgetown University  
lowellb@georgetown.edu

Allan M. Findlay  
Centre for Applied Population Research  
University of Dundee  
a.m.findlay@dundee.ac.uk

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## EXECUTIVE SUMMARY

1. This is a summary report of a research project on the impacts of high skilled emigration on developing countries and the policy options of developed countries. Background papers were written on skill mobility and policies around the world; specific processes and policies in the United Kingdom; and yet more specific processes and responses in eight countries: Bulgaria, South Africa, Argentina and Uruguay, Jamaica, India, Philippines, and Sri Lanka.

*The volume of skilled emigration raises concerns.*

2. Some skilled emigration from developing countries can stimulate economic growth, but significant outflows create concern about a “brain drain.” In order to gauge this possibility, we examine the only comparative data set on the percent of highly educated persons abroad for 1990. Those estimates find losses of ten to thirty percent and much more of the highly educated workforce from a few developing countries. There is little doubt that blanket statements are not warranted, but there is equally little doubt that skilled emigration at such high levels may create challenges for some developing countries.

*Skilled emigration triggers multiple impacts.*

3. Like most social processes, the net impact of skilled emigration from developing countries is a balance of direct and indirect effects. The most direct effect of skilled emigration is to reduce the number of educated workers who are critical to productivity and a developing country’s economic growth, but it also sets in play a number of forces that can increase economic growth.
4. For example, there are three major feedback effects of skilled emigration. Return migrants, in particular, bring back their skills and work experience from abroad boosting productivity. Expatriates who remain abroad contribute money via worker remittances; and many observers claim that their transfer of knowledge or technology to developing countries can increase productivity and economic development.
5. Similarly, some economic theorists focus on direct effects while others posit that the possibility of emigration may create opportunities. Neoclassical models find that a high level of skilled emigration slows economic growth and “new growth” models find an even greater reduction of economic growth and increases in poverty. Yet, the possibility of emigration for higher wages can stimulate persons to pursue education and domestic enrollments may increase. Average workforce skill is thereby increased and economic growth stimulated—there may be an “optimal level” of skilled emigration.
6. Finally, “brain exchanges” between countries characterize all advanced economies, forming one component of the flow of goods and information in a

globalizing economy. A central challenge for developing countries can be to engage appropriately in the exchange of skills taking place in the global labor market. Ready examples exist of developing countries engaging in and benefiting from the international migration for the trade in services.

*Impacts may be specific to certain occupations and regions.*

7. If the international mobility of highly skilled workers is likely to increase, what of the future of developing countries already experiencing substantial losses? First, the factors mentioned above condition whether or not high skilled emigration ends up being a medium- to long-term drag on economic growth. Second, the adverse effects of high levels of skilled emigration may be restricted to certain occupations within a country, and/or to certain groups of countries that are closely linked by directed flows of highly skilled migration.

*Response with migration, diaspora, and development policies.*

8. Both developed and developing countries around the world implement policies to deal with the impacts of high skilled emigration. Here these are grouped under “Six Rs.” A darling of the 1970s, *reparation* for the direct loss through a “brain drain tax” has long since been abandoned. Three of the “Rs” are variants of migration policy, e.g., *return, restriction, or recruitment*. For those who remain abroad, there are *resourcing* policies or “diaspora options.” Grand policies of *retention* through building educational institutions and assisting in economic development are the best long-run response to a brain drain.

*Suggestions for policies*

9. This report suggests the following policy directions for policymakers in developed receiving countries:
  - International migration is in the best interest of developing countries. Immigration policies of developed countries should facilitate movement; yet, they should incorporate mechanisms that encourage developing country economic growth. Developed countries might:
    - encourage temporary and return migration;
    - control recruitment from at risk countries;
    - establish best practices;
    - regulate recruitment agencies;
    - establish bilateral agreements; and
    - standardize GATS commitments.
  - Diaspora arrangements bring together a large number of strategies that are primarily under the aegis of sending countries, but receiving countries can contribute. Expatriate organizations and mechanisms of technology transfer are important, as are means of facilitating remittances or investments.

- Education, training, and targeted economic development may actually increase skilled migration in the short-to-medium term, but it is the best means of addressing developing country skill shortages over the long run. The promotion of human rights may also play a role in this context.