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# *Benefits of temporary and permanent migration schemes in developing source countries*

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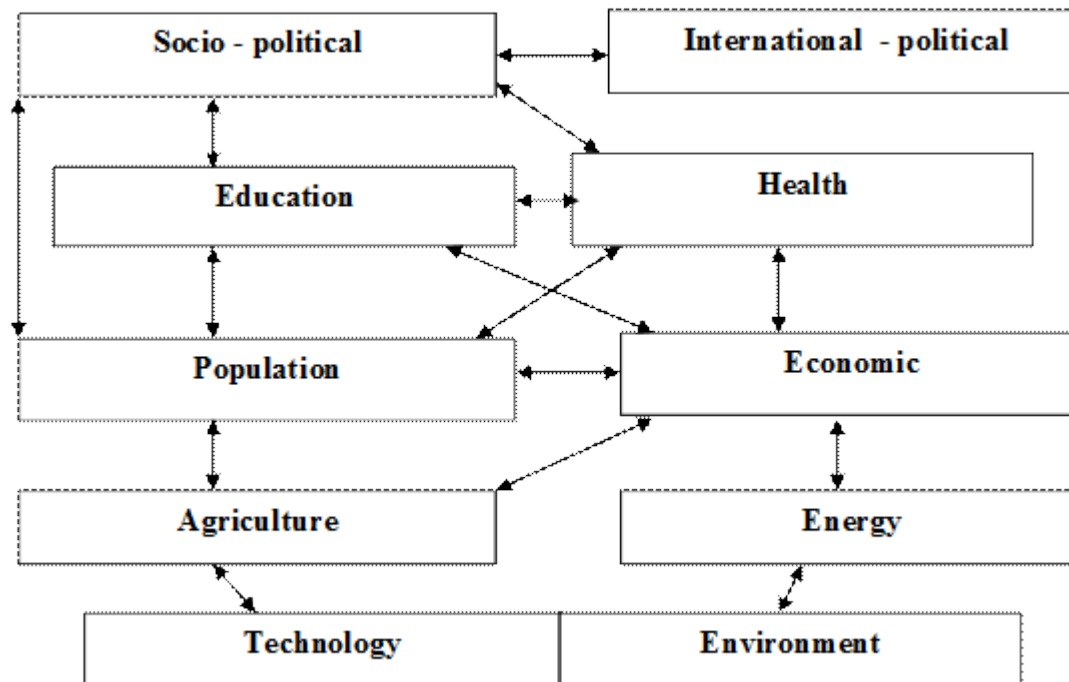
# The current migration debate

- Brain drain is a negative effect of migration as it reduces human capital of source countries
- Brain gain is a positive effect of migration generated by raising expected returns on education.
- Diaspora may help to develop trade networks and to facilitate foreign direct investments
- Migration boosts development through remittances
- Return migration may increase productivity in source countries but reduces remittances

# Recent research developments

- Quantification of economic impacts of migration are scant in the literature
- In particular quantifications of impacts of temporary vs permanent migration are scant
- Cantore and Cali` 2011 provide an integrated assessment modeling simulations analysis.  
<http://www.odi.org/node/8205>

# The International Futures model



<http://pardee.du.edu/>

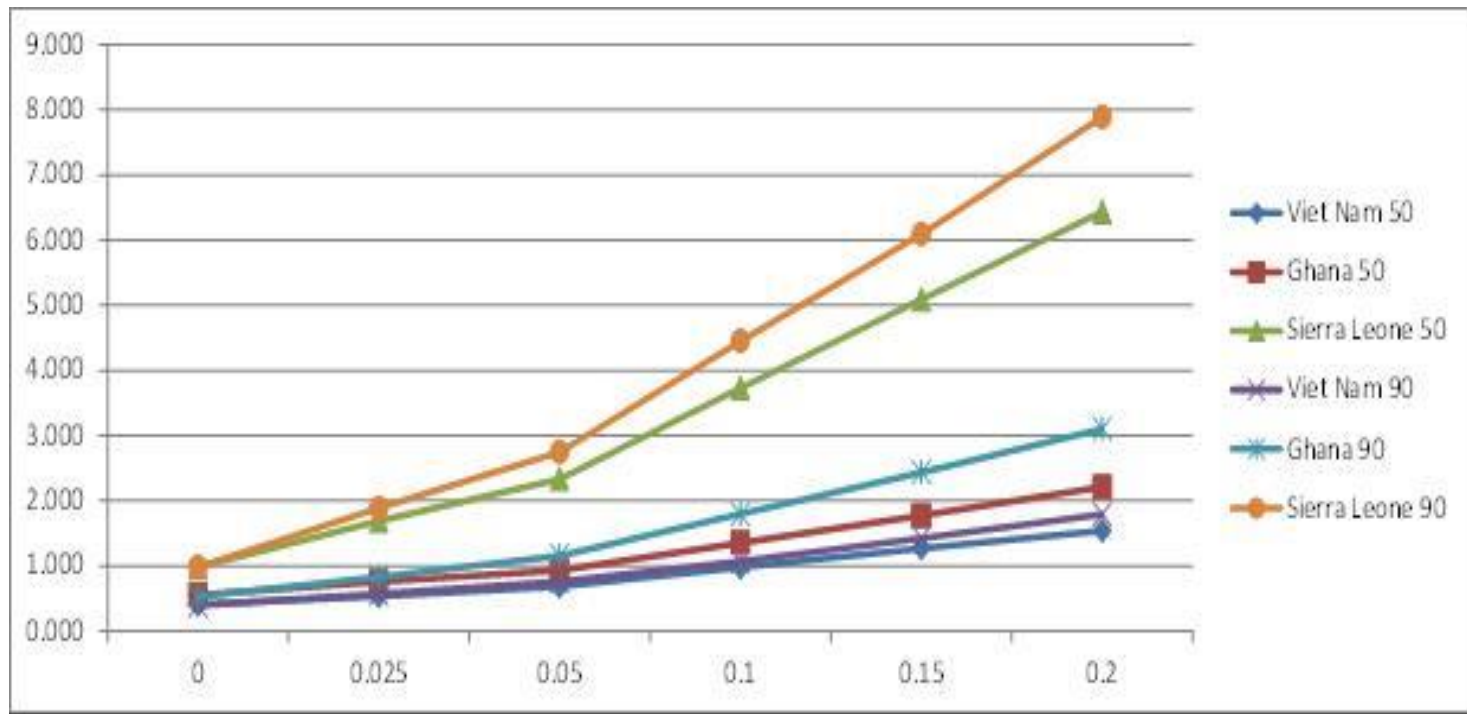
# The return migration scenarios

	Number of return migrants by year
<b>Viet Nam</b>	
2016	3000
2017	3000
2018	3000
2019	3000
2020	4000
<b>Total return migration LOCAL50 scenario</b>	<b>16000</b>
2021	2000
2022	2000
2023	2000
<b>Total return migration LOCAL90 scenario</b>	<b>22000</b>
<b>Ghana</b>	
2016	1000
2017	2000
2018	2000
2019	1000
2020	1000
<b>Total return migration LOCAL50 scenario</b>	<b>7000</b>
2021	2000
2022	2000
2023	2000
<b>Total return migration LOCAL90 scenario</b>	<b>13000</b>
<b>Sierra L.</b>	
2016	1000
2017	1000
2018	1000
2019	1000
2020	1000
<b>Total return migration LOCAL50 scenario</b>	<b>5000</b>
2021	1000
2022	1000
2023	1000
<b>Total return migration LOCAL90 scenario</b>	<b>8000</b>

# Modelling strategy

- Simulations time horizon by 2030
- Remittances as the only endogenous variable
- Education, trade, FDI are calibrated on the basis of the existing literature. Parameters of these variables do not change in the temporary and permanent scenarios.
- Permanents vs temporary scenarios differ in terms of remittances and productivity which is increasing in temporary scenarios.

## Changes in GDP per capita (%) vs. changes in the productivity parameters



Central estimate (Boubtane and Dumond 2010): an increase of 50% of native born net migration increases 0.1 productivity



## Snapshot of results (% compared to a baseline)

	GDP per capita	Net remittances	Poverty reduction
<b>PERMANENT</b>			
Viet Nam	0.408	0.583	-0.715
Ghana	0.556	2.222	-0.701
Sierra Leone	0.981	5.500	-1.082
<b>TEMPORARY50</b>			
Viet Nam	0.408	0.173	-0.672
Ghana	0.556	1.124	-0.662
Sierra Leone	0.952	3.077	-0.945
<b>TEMPORARY50_0.025%</b>			
Viet Nam	0.538	0.173	-0.825
Ghana	0.756	1.124	-0.839
Sierra Leone	1.690	3.077	-1.585
<b>TEMPORARY50_0.05%</b>			
Viet Nam	0.574	0.173	-1.000
Ghana	0.831	1.124	-0.977
Sierra Leone	2.305	3.077	-2.094



# Conclusions

- Temporary migration is better than permanent migration if skilled people can use their improved skills in local productive activities in source countries
- Productivity effects in source countries more than counterbalances negative effects of remittances reduction from return migration
- Needed complementary policy programs to prepare the return of migrants for local economic upgrading



MANY  
THANKS