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From Brain Drain to Brain Gain: How the WTO can make Migration a Win-Win

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In recent months, the debate over foreign workers in the UK has become more heated. While the government argues that more foreign workers will raise growth, protectionists insist that foreign workers are robbing British citizens of jobs. A different question is also asked: how can Africa develop if the brightest and best are leaving? The debate runs a serious risk of trivialising what is a complex set of issues.

In reality, it is hard enough as it is for aspiring workers from developing countries to get to the rich countries of the North, even on a temporary basis. For all the rhetoric about free trade, the one thing that is not allowed to roam freely, alongside capital, is labour. And the issue goes well beyond the narrow agendas of domestic politicians. Measures affecting temporary migration of services providers on a contract basis, as intra-corporate transferees, or as self employed, are high on the agenda at next month's World Trade Organization Ministerial meeting in Hong Kong, where developing countries hope they will get a fairer deal that will enable them to trade their way out of poverty.

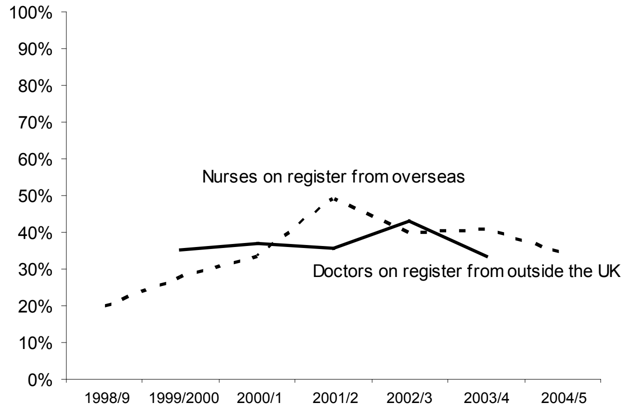
The General Agreement on Trade in Services (GATS) negotiations in 'Mode 4' hinge on reducing 'barriers to the temporary movement of natural persons'. Current rules preclude developing countries from exploiting a useful source of comparative advantage and deny developed countries the benefits from immigration.

The emphasis is too often on the costs of migration in specific sectors – where for example smaller or poorer countries, lacking capacity in critical sectors, lose a large proportion of their workforce. Capacity constraints in Zambia's health sector provide a good example: in 2003 up to 10% of the Zambian nurses workforce asked for the certificate of good standing needed to emigrate. Between 200 to 300 Zambian nurses, some 3-5% of the nursing workforce, registered with the UK Nursing and Midwifery Council each year. Inevitably, many of the best educated and qualified emigrate. Significantly, a growing number of Zambian doctors are registering in the UK, with emigration rates of medical personnel from Zambia doubling over the past decade.

The 'brain drain' school sees the phenomenon of health workers leaving one of the world's poorest countries with high rates of HIV/AIDS as an unmitigated disaster. The prescription is that the outflow must be stopped, through measures such as government-imposed taxes. Further, the argument goes, developed country governments should compensate developing countries directly for the sizeable loss in home grown human capacity. And, despite the lack of locally educated medical personnel (a third of newly UK registered doctors and nurses are from outside the UK), some would maintain that the jobs should be kept for UK citizens.

But is this really the only side of the story? We believe

The UK health system is dependent on the use of overseas personnel



Note: this shows what percentage of nurses and doctors that have been added to the register com from outside the UK (doctors) or from overseas (nurses); the latter category does not include overseas nurses with an EU education
Source: Nursing and Midwifery Council; Doctors on the register

migration can be a win-win for developing as well as developed countries.

First, temporary migration from developing countries helps normal business activities (such as IT and construction), fosters skill enhancement and ups remittances (8% of national incomes in Uganda) and investment flows from the Diaspora back into the developing countries. Exports of goods and services also benefit – the Caribbean Diaspora in the UK accounts for a significant share of Carnival-related services exports from the Caribbean. Temporary migration also helps developed countries, as shown by government reports on the preliminary effects of EU enlargement on the UK.

Secondly, it makes economic sense for countries on the receiving end of developing country emigration to invest in training partnerships in a country that is training workers for the provision of international public goods. It is cheaper to educate nurses in developing countries that have a comparative advantage in providing workers such as nurses. The UK health system faces staff shortages, and it costs far less than £1 million to educate the 200 or so Zambian nurses recruited each year (costs are estimated to be slightly higher, around £1500 annually, to train a student in St Lucia). On the developing country side, there is a huge demand for training, and a shortage of teachers and equipment. So investing in training would clearly be a win-win.

Thirdly, investing in developing country health and education systems helps them meet development goals, but also helps provide an international public good (health) with positive international impacts. Educating more nurses in Zambia can help Zambia as well as the countries tempting its nurses abroad. Accepting this argument implies accepting that non-aid funds, as well as aid funds, can be used to build developing country expertise. Under such a scenario, UK health systems could fund training of nurses in developing countries, a bit like the Global Environmental Facility – through which developed countries support a better environment (an important global public good) in developing countries.

Clearly, such investments would not cover developed country payments to 'compensate for, say, IT workers from India', since IT workers largely benefit the private sector. Because there are also significant private good aspects to the training of nurses – trained nurses can expect a good job – some private contributions would also be justified. In the right conditions, this would also allow private investment in health training institutes. So aid and non-aid funds would flow from developed and developing countries and this could be combined with private investment as well as private contributions from trainees.

Finally, such training programmes would be even more effective if they could be coupled with exchange programmes between developed and developing country institutions to actively facilitate migration of a temporary, rather than long-term nature (say for 2-3 years). For such partnerships to happen across the services sectors, international migration rules should be eased to allow developing country workers temporary access to developed countries. The experience and qualifications of these workers should also be adequately recognised. Developing countries could also ask for assistance in building up services export capacity (of labour) under different types of services negotiations, internationally as well as with the European Union. Crucially, and as has recently been advocated by the Global Commission on Migration, developed countries will need to develop and implement temporary worker schemes and where possible bind these under GATS.

Agreeing in Hong Kong to a better deal on temporary migration would mark an auspicious start to efforts to turn the brain drain into a brain gain.

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