

# Migrants are their country's best and brightest

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Biavaschi has studied migrants' education levels worldwide, along with who wins and loses when the well-educated move. Credit: Svein-Inge Meland

People who choose to emigrate are those with the best education. This flies in the face of popular opinion, according to researcher Costanza



Biavaschi, an associate professor at the Department of Economics at the Norwegian University of Science and Technology (NTNU).

Biavaschi has studied migrants' education levels worldwide, along with who wins and loses when the well-educated move.

Far more migrants leave their country of origin as job seekers than as refugees. Job seekers prefer to go to countries where they see greater opportunities. The study does not distinguish between the two groups.

Biavaschi identifies three findings from her research:

- Along most <u>migrant</u> corridors, a large majority of those leaving their country of origin are highly educated.
- OECD countries benefit from migration, while most sending countries lose.
- Migrants with the highest skill levels travel to the most productive countries.

# Norway included

People with higher education are three to four times more likely to emigrate from their origin country than people who are less educated. Although varying widely, this is clearly a major trend, Biavaschi says.

The trend is weaker for immigration to Norway, but these migrants are also more highly educated than the population of the home country. The likelihood of a skilled or educated person emigrating to Norway is 1.6 times greater than the likelihood among individuals with less education.

# **Distance sifts migrants**



Geographical distance is an important factor. The general rule of thumb is that the farther individuals have travelled from their origin country, the greater the chance that they have a higher education level.

"Among the migrants crossing the border between Mexico and the US, a lower percentage has higher education than in the home country. The border is nearby, no sea separates the two countries, and travel is relatively easy. Of course, Biavaschi points out, distance is just one of numerous factors.

# Less clear in Norway

According to basic social economy models, Norway's relatively high wage levels for jobs with low-skill requirements contribute to more migrants with less education coming here.

Add to this the security of a welfare state, and these factors may contribute to explaining why the proportion of highly educated immigrants in Norway is lower than in many other OECD countries, says the researcher.

#### Positive financial contribution

Biavaschi also looked at the economic impact when a disproportionate percentage of the population with higher education emigrates.

She has concluded that migrants help to increase the welfare (income and other socio-economic benefits) in their new country by 0-4 per cent. According to the study, virtually all countries in the OECD are showing improved welfare thanks to the positive selection among immigrants.

"The welfare effect is positive from a global perspective, too, because



the gain in the receiving country is greater than the loss in sending countries," says Biavaschi. "A world where highly educated migrants are over-represented provides a more effective localization of talent. Migration increases the highly educated workforce in countries that are most productive to begin with. The losers are countries whose most skilled workers leave. Small countries where only a small percentage of the population has higher education suffer the greatest loss."

#### Research method

Biavaschi used a calibrated multi-country model, which means working with a mathematical model of the economy that includes various sectors, different groups of workers, and consumers.

After defining some key parameters, the model can be used to estimate the changes in production, consumption and trade when adjusting the skills of migrants. The World Bank, EU Commission and Central Banks typically use models like this to have a model of the economy and see what happens when the variables are changed.

## **Excludes public expenditures**

"The research model does not estimate government spending, but focuses on the global impact of migration," says the researcher.

Biavaschi thinks it would be interesting to study what migrants cost the state in terms of support, social security schemes and other types of expenses. But this would be a completely different study, she says.

## **Selection by point system**

Canada welcomes job seekers using a point-based system, and migration



there exerts a greater positive financial effect than in comparable countries without such a system, according to Biavaschi's study.

Point-based immigration is a controversial issue in many countries. Canada, Australia and New Zealand, and to a certain extent the UK, prioritize migrants by points. The EU has also created a "blue card" with requirements for migrants coming from outside the European Union.

Norway does not have a point system, but requires <u>job seekers</u> who come from countries outside the EU to fulfil certain conditions, including having completed higher <u>education</u> or vocational training, or to possess a particular desired expertise.

# **Skiing counts too**

Biavaschi is herself a migrant. She comes from La Spezia in Italy and moved to England to work at the University of Reading. When a more tempting offer appeared at NTNU, she moved to Norway.

"A research job in Norway is better paid than at home in Italy or in the UK, whereas I would earn more if I had a similar job in the United States. Work and pay are the main reasons to emigrate, but of course there are lots of others. I really like being in Norway and love to go skiing. What I miss is a delicious parmigiana from home," says Biavaschi, with a smile.

**More information:** Costanza Biavaschi et al, Taking the skill bias out of global migration, *Journal of Development Economics* (2018). DOI: 10.1016/j.jdeveco.2018.12.006

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