

## **Migration: Who Gains, Who Loses**

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This paper is an attempt to cast some of the recent issues in the migration debate in the context of the “brain drain” literature of the 1970s. I show that the phenomenon would almost always benefit the migrant through improved wage prospects. Regarding the source and host countries, I bring out important asymmetries with respect to skilled and unskilled migration. Skilled emigration is likely to leave smaller countries such as those in the Caribbean and sub Saharan Africa worse off: it often drains these countries of the bulk of their skilled labor force and may deprive those left behind of important externality effects and income transfers through tax and nontax mechanisms. For large countries such as India, skilled emigration has yielded a net benefit. Skilled migrants account for a small proportion of the total labor force of these countries and have brought these countries important links to the developed world. As regards unskilled migration, it is the host countries that often fear it because it is seen as lowering the local unskilled wages. But neither the conventional trade models nor the available empirical evidence provide compelling case for the validity of this view.