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THE ECONOMIC CONSEQUENCES OF 'BRAIN DRAIN' OF THE BEST AND BRIGHTEST: MICROECONOMIC EVIDENCE FROM FIVE COUNTRIES*

John Gilson and David McKensie

The first is the idea of a brain drain, whereby the departure of doctors, teachers, engineers, scientists and other highly skilled workers decimates the human capital and engineers, scenarios and other nagion states outcess occurates for summa capital and fiscal revenues of sending countries (Bhagsait and Hamada, 1974). Such fears lead to calls for policies to restrict the flow of highly skilled workers, such as demands that developed countries stop recruiting doctors from developing nations and efforts be developing nations to restrict the case of their highly skilled individuals migrating.¹ Contrasting with this is the view of a highly educated diaspora as a potent force for developing the local economy through remittances, trade, foreign direct insestment (FDI) and knowledge transfers, with the experience of India and China in setting up technology firms as a result of diaspora working in Silicon Valley a prominent example (Sasenian, 2002). Economists have also emphasised that the possibility of migrating may spur human capital accumulation, potentially leading to a net increase in the education levels of those in the home country.²

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The Economic Consequences of "Brain **Drain**" of the Best and Brightest: Microeconomic Evidence from Five **Countries**

This article presents results of innovative surveys that tracked academic high achievers from five countries to wherever they moved in the world to directly measure at the micro level the channels through which high-skilled emigration affects sending countries. There are high levels of emigration and of return and the income gains to the best and brightest from migrating are an order of magnitude greater than any other effect. Most high-skilled migrants from poorer countries remit but involvement in trade and foreign direct investment is rare.



Fiscal costs vary widely but are much less than the benefits to the migrants themselves.

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