

TRANSCRIPT OF DEVELOPMENT DRUMS [EPISODE 35 – MIGRATION AND DEVELOPMENT]

Host: Owen Barder. Guest: Michael Clemens

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Owen Barder

Thanks for downloading Development Drums. My name is Owen Barder and my guest today is Michael Clemens. Michael is a senior fellow here at the Center for Global Development and he is also our research manager. And he's partly known for exposing grandiose claims by people running aid projects like the Millennium Villages Project. But he is perhaps better known for his work on migration and the relationship between migration and development. Michael, welcome to Development Drums.

Michael Clemens

Thank you so much.

Owen Barder

Now Michael, you've said lots of smart and important things about migration. But there is one that struck home particularly for me and which I want to take account of in this interview. Which is your thought that very often when we talk about migration, we talk about the impact on countries, on either the country from people leave when we talk about the brain drain and things. And we talk about the impact on the country where people arrive, the impact on unemployment and so on. And we will come to those, but the smart thing you said was we should focus much more than we do on the impact on the people who move, on the migrants. And so I want to kick off this discussion today by focusing on what we know about the impact of migration on the migrants themselves. And this is an area where you've done a lot of work. Tell us what we should know about that.

Michael Clemens

To me there is one number that really captures this. It hits me in the face when I think about it and it was calculated by Branko Milanović, a brilliant economist at the World Bank. For the first time, a couple of years ago he took micro data, individual data on the earnings of people all over the world and he asked this question, how much of the variance in people's incomes, how far can he get towards a perfect prediction of your income can be explained by just one thing and that is the country you live in. And the mind-blowing answer to that question for me is 59%.

Owen Barder

So 59% of the difference between my income and that of any other random person in the world can be explained by the fact that I live in the United Kingdom and they live somewhere else.

Michael Clemens

Yes. And – think about that for a second, Owen. We're talking about what determines your real standard of living. And this fact means not just that the country you're living and working in is more important than anything else about you, it means that the country you live and work in is more important than everything else about you put together.

Owen Barder

Right, added together.

Michael Clemens

Put together. All your efforts, whether your parents are high class, low class; whether you're beautiful, ugly, smart, dumb, female, male; all of those things put together explain a huge portion of the variance but they don't come close combined, to the country you live in. There is a massive inequality of opportunity in the world today and a corollary of that fact is that your labour, my labour, the labour of anybody on earth sells for different prices in different places. The same person doing the exact same thing can earn 300% to 800%, 1,000% differences just based on where they are doing that task and that's remarkable.

Owen Barder

Okay. So – I mean you are making a point partly framed as a justice point. That it's very unfair that people who by accident of birth are born in a poor country rather than a rich country have much lower life chances. But what – when somebody moves, when somebody migrates, what do we know about what happens to their income? What's the average – are they – poor people in Mexico who move to the United States and live miserable lives as agricultural workers in the United States, what's the – how should we think of a typical migrant and what happens to them as they move and the impact on their income and their family and so on?

Michael Clemens

Well that's the remarkable thing, is that by and large people don't move for miserable lives, they move for lives that are much, much better than their alternative. And in the case of Mexico, my co-authors, Lant Pritchett at Harvard and Claudio Montenegro, and I have studied people moving across borders to ask this question, take the same person, put them in a different place doing very similar things and how much more do they earn? What is the change in their real standard of living? For Mexico, that's three times.

Owen Barder

So the average Mexican who moves to the United States earns three times more in the United States than they did in Mexico?

Michael Clemens

Precisely. And the people that we analyzed were a 35 year old male urban worker with nine years of education. But across the spectrum this is true and we studied it in 42 countries. So really gigantic differences just based on the place you are. I am not saying other things don't matter. Certainly some portion of the differences in income between countries across the US-Mexico border for example are due to things that are inside people, differences in education. You could go on and on about theories but the most of it has to do with place. And that is the remarkable fact about the world.

Owen Barder

So when we talk about development, as you've said in a couple of your papers, we tend to talk about development of places. To what extent has Haiti become a developed – is it becoming more developed? Now you say in your writing that we should focus much more on the notion that development is about improvements in people's lives and therefore we should look at the development of a population irrespective of what – taking account of the fact that some of those people are moving. So, explain more about what this notion of development of place or development of people.

Michael Clemens

Well the development of place is a useful notion, it's not useless, but it has strong limitations and those are made incredibly clear to me by an example of Lant Pritchett's. He pointed out this fact; the poverty line in Ghana translated into US dollars at US prices is about \$3 a day. In the United States, for a single adult, I looked it up yesterday; it's over \$30 a day. Now the thought exercise is this, take a Ghanaian who is earning \$8 a day, moves to the United States and makes \$24 a day. You have taken away from Ghana somebody who was above the poverty line, meaning that the poverty rate in Ghana went up. You have placed a person into the United States who is below the United States poverty line, meaning that the poverty rate in the United States has gone up. All that happened in the scenario is that one person's income tripled and poverty in the world has increased everywhere. That's remarkable. That shows that these – any indicator of development or poverty reduction based exclusively on place has limits when there is a world system in which people are participating. Traditionally that's been very small, but more and more people

are moving. Right now 3% of the world lives outside their country of birth and that's only going to increase.

Owen Barder

So what role in the past and in the future has movement of people played in the development process? So – and there is both the question of people moving from the countryside to the city and internal migration?

Michael Clemens

Tremendous, yeah.

Owen Barder

And then there is also people moving abroad, either temporarily or permanently. And to what extent – when we talk about development, we often are talking about building infrastructure or improving health and education. Is, in fact, movement of people rather than development of place, how big a part of the development process is that?

Michael Clemens

Well it's gigantic. Just to talk about my own country, the US, it used to be a primarily agrarian economy. Now a tiny fraction of the economy comes from agriculture, a tiny fraction of the population works in agriculture. That arose through migration. Migration was part and parcel of that structural transformation, which was an inherent part of our economic development. So movement is not – movement is a – movement constitutes a portion of that process. It's not something that, it's meaningful to say to what degree does blood influence the body? Well, blood is part of the system. Thomas Edison was not inventing things out on a remote farm. The concentration of people in places at the domestic level is something we can intuitively sense. The same thing happens at the international level.

So you asked me what is the contribution? For a few places we have studied – Lant Pritchett and I have another paper in which we asked the question for a few countries, what portion of poverty reduction that ever occurred for people from some places happened in those places and let me just give you the example of Haiti. For Haiti, Lant and I set a poverty line that we think is much more reasonable, which is \$10 a day at US prices. That's not Haiti's poverty line but since that's a third of the US line of destitution, \$10 a day at Washington DC would certainly be – I would consider myself beyond destitute; if that's the poverty line and you asked the question how many Haitians, people born in Haiti, ever got above that line in the United States compared to those who did it in Haiti? The answer is that 82% of those people who emerged from poverty by that definition did it outside Haiti. So to – when people say well, what could migration do for poverty reduction? For Haitians, migration has been poverty reduction for the vast majority of Haitians who have done it. So that – it's – to me the question is not, does it contribute, the question is how to make it contribute even more.

Owen Barder

So there will be lots of people listening who want to argue about what's the impact on Haiti of people leaving and earning more money and people who want to talk about the impact on the United States. We are going to come to those. But I want to – just want to explore one point about this idea that people moving is the development process in part because, as you say, whether it's internal migration or external migration, what they are experiencing is a huge increase in their income. And that means that they are able to access health and education and other good things for them and their family. And traditionally – well I say traditionally, recently we've said that development is the fact of more people having access to a – more of a range of these kinds of – not only of higher income, but of more of these different kinds of services. Amartya Sen has this idea of development as being the capability of accessing and making choices about these kinds of things.

I recently wrote a blog post, actually, saying that that doesn't fit with most people's idea of development, right? It isn't simply that people have higher incomes. It's that something about the system has changed that sustains those – that better quality of life for those people. If we just give aid to people, if we give them food, then in one sense their quality of life is better because now they have food but we wouldn't call that development because the system hasn't changed. There is no permanent change in the ability of the system

to give them those things. So, when you say that Haitian – the majority of people who've got higher incomes from Haiti have done so by leaving Haiti and moving to the United States and having higher incomes there, that isn't development, right? I mean, that's good for them and there are all kinds of good things about that but that isn't the same thing as development of Haiti. That's just a welfare increase for a bunch of people from Haiti.

Michael Clemens

It's not development of Haiti, the place that is half of Hispaniola Island, but it is absolutely development. Now, I agree completely with you that development is not just cash in the hand. I can walk into DuPont Circle outside our office and give cash to a panhandler and he can do stuff with that and that is not development to me or probably to most people listening.

Owen Barder

A panhandler is a beggar for those people listening who don't speak American.

Michael Clemens

Ah, thank you. Yes. And I mean, to say that the human body is a system is not to negate the fact that the lung is also a system and the kidney is also a system. I mean, yes, Haiti the place is a system. There is also an international labour market and people from Haiti have participated in that market both by moving across the island to Dominican Republic and off the island for centuries and they will continue to do so and the expansion of that system is the unfolding of a system to help people realize their capabilities and therefore constitutes development in the broader sense.

Moderator

Okay, got it. You are listening to Development Drums with me, Owen Barder, and my guest, Michael Clemens. We've talked so far about the effect of migration on people. And after the break we're going to start looking at some of the criticisms of migration, which tend to focus on the impact of migration both on the places that people leave and on the impact on the places that they move to.

Michael, people who oppose migration, I think on the whole don't dispute that migration is good for the migrants, right. I mean I think it's pretty clear that if people are putting themselves at the kind of risk that they do to move from one country to another that they must think that it's strongly in their interests to do so and as you have said the evidence shows that they are right about that. They get a huge improvement in their incomes and their standard of living. But there are a lot of people who are opposed to migration on the grounds that even so it is bad for the country that people move to. Let's start with jobs because that's the thing that people talk about most and it kind of stands to reason, doesn't it, that if a Ghanaian moves from Ghana to London and gets a job as a hospital porter that that is one fewer job for somebody from London, somebody born in London to do. So there must be one more person unemployed in the United Kingdom because this Ghanaian has moved to take that job as a hospital porter. So what's wrong with that?

Michael Clemens

I want to start with the long-term because this is something about which there could not be to me any intelligent controversy. In the long-term it's very, very clear that immigrants create jobs. People entering the labour force create a job, there is no way as Ben Powell of Texas Tech has pointed out, there is no way that so many women could enter the labour force after World War II and not cause massive unemployment if the entry of people into a labour force does not also create employment. Entry into the labour force creates new consumers, it raises the return to investment in new businesses through all sorts of channels that are not abstract and theoretical but very real and we have seen them for generations. People entering the labour force in the long-term create employment one for one. So we are talking about the short-term.

Owen Barder

Let's just pause on the long-term point, just to make sure that that's nailed down. So in a sense what you are saying is that as the supply of labour increases and your example was women who previously hadn't been a part of the workforce becoming part of the workforce.

Michael Clemens

Yes.

Owen Barder

So that creates more demand in the economy in some way that eventually reaches an equilibrium so that, yes, you have got more supply of people but you have also got more people consuming and doing things in the economy and that creates about as much employment as the extra people...

Michael Clemens

By raising investment, by fostering technological change, by creating new consumers, all kinds of things that enrich an economy.

Owen Barder

Right. And if that weren't true then as our population has grown from some small number 100 years ago to some bigger number today, all those extra people in our economy would be unemployed and they are evidently not.

Michael Clemens

Well let's talk precisely the US in 1905 had a population of 75 million. Unemployment was 5% in 1905. Fast forward to 2005, the population was 300 million, four times increase, unemployment was at 5%. Every single immigrant who came in generated exactly one job, full stop.

Owen Barder

That's not quite right, 5% of 300 million is a bigger number than 5% of 75 million. So there are more people unemployed now than there used to be.

Michael Clemens

I mean in proportional terms. Yes, it's imprecise to say one for one jobs. I mean in proportional terms, both of those economies were at full employment.

Owen Barder

Right. Okay, so in the long run it does seem hard to sustain the view that as a population expands all that expansion takes the form of higher unemployment. As the population expands, the economy expands and other things being equal, unemployment is going to be about the same before and after.

Michael Clemens

In the long run.

Owen Barder

In the long run. Okay so now you wanted to talk about the short run. So let's do that.

Michael Clemens

Yes, so we are only talking about the short run. And whenever I speak to people for whom their primary concern about immigration right now is employment, my first question is how did you feel five years ago? At least in the United States in 2007 the economy was at full employment. It was below 5%. Since records have been kept in 1870, there has never been lower unemployment in the United States in any boom time. There are certainly people whose attitudes towards immigration are flexible in that sense. Most of the people I speak to would then shift to some other reason that in 2007 they opposed it.

Owen Barder

Right, but that's a debating point. Let's be...

Michael Clemens

Yes, but let's be clear about what we are actually talking about and often the conversation which starts about unemployment is not really about that.

Owen Barder

Right, no but let's actually understand what the economics of the impact on unemployment is in the short run. Because we will come on to some of the other reasons why people might be hostile to immigration. But let's just understand whether there is an impact on jobs.

Michael Clemens

Certainly. This is an area of active research right now. I don't think anybody has settled it. The most influential study that exists is by David Card of the University of California, Berkeley. He studied an astonishing natural experiment, which was that in 1980 there was a one-off agreement between US president Jimmy Carter and Fidel Castro to admit many people who wanted to leave Cuba from – they departed from Mariel Bay in Cuba, so they are called the Marielitos, it's called the Mariel Boatlift and allowed them to arrive almost exclusively in urban Miami. Most of them stayed. In over the course of three months it was the arrival of over 100,000 people permanently. More came, but that's the number who stayed in the Miami area, a 7% increase in the labour force of Miami in three months, so gigantic. That's about the proportional size of the US economy that is unauthorized immigrants right now. And what David Card did was track what happened to unemployment, what happened to wages, what happened to unemployment and wages of blacks, what happened to unemployment and wages of other Cubans. And the astonishing answer that he found by comparing Miami to other urban areas like Atlanta that had not experienced this influx was that nothing happened. And it's astonishing.

Owen Barder

Even in the short run?

Michael Clemens

Even in the short run. I am talking about immediately, I am talking about that summer of 1980.

Owen Barder

But when they arrived they were unemployed, right? On day one they were unemployed. On day two they must still have been unemployed, right? How quickly would they have got jobs and were they not displacing people in the local population?

Michael Clemens

At a microscopic level certainly if somebody was to be hired for a job and I take you instead of somebody else then yes there is displacement. But what this study and other evidence like it is suggesting is that the economy is much, much more complex than that. Some economists call it the lump of labour fallacy that there is only one labour market. In fact there is a rich web of interlocking labour markets which are also relating to capital markets. Something about the arrival of those people certainly caused more consumption in the Miami area. All of those people were not just workers, there are also consumers. They affected the profitability of investing in new businesses, maybe many of the small businesses. Not long ago I ate in a restaurant which was founded shortly after arrival by one of them. I don't know the answer to that question and the economists are debating it to this day but the fact is not in dispute. And it suggests that even in the short run the labour markets we deal with are just much more complex and Europeans have seen the huge influx of – by some estimates 600,000 Poles after Britain opened to them in 2004 and economists like Christian Dustmann, Ian Preston and others have looked intently for any displacement. I am talking about any unemployment effect, any wage effect of that gigantic inflow of people in a very short-time and it's just not there. It's a fascinating area, it's a frontier area of research. It's certainly not at all clear that they displaced even a single worker at their destination.

Owen Barder

And yet I wonder if this is a case where economists are guilty of depersonalizing people into numbers. Because it may be that for example, you have an influx of Poles who have a series of skills, say as plumbers is the famous story in Europe. And if you were a British plumber, you might find that you are now unemployed but that there are more jobs for shop workers, selling goods to the Polish immigrants. So from an economist impersonal point of view it's a wash, right? You have got one fewer employed British person who was a plumber but you have got one more employed British person who is now a shop worker. But they are different people. If you are the plumber who got displaced from that and you are now unemployed and you didn't use to be. You don't think that's a wash, right? You think that's a disaster, and

it is a disaster for you. So when you say there is no effect do you mean there is no effect but underneath the surface there might be some personal triumphs for some people who get jobs and didn't use to have them and some personal catastrophes for other people who used to have a job but now they don't? But overall to us it's a wash because we don't see those individual things?

Michael Clemens

Absolutely. We started out just talking about what is the effect on the unemployment rate. Certainly the effects are much richer. There can't be no effects. Certainly there are going to be all kinds of complex effect. I would dispute that they are always something that you could define as disaster. For example if an influx of low skilled immigrants depresses the low skill wage, that is what an economist would say as the return to dropping out of high school. That causes, as is quite reasonable to believe, people to stay in high school and complete high school and maybe even continue to college. That has certainly changed the person's life. It certainly had an effect on them that has made them do something they otherwise wouldn't have done but I am not sure it's a disaster. They might find that it's something that pays off quite well in the long term as changing sectors might do for a plumber.

Owen Barder

Right. So the story there is that if you have an influx of low paid workers and you are somebody born and bred in London and you are thinking about leaving school you are going to think, well, if I leave school without qualifications I am going to be competing in this very badly paid part of the labour market with a lot of competition. I would rather get my qualifications in school and then I can compete for jobs above where these low skilled workers are working and so what you end up with is that the local born citizens actually maintain a higher level of skills and end up with higher incomes than they would have done without the immigration. Is that your example?

Michael Clemens

Certainly this has happened to some degree and I don't mean to say that's the only effect and certainly there is displacement and certainly there is stress from any change. I just want to put on the table that not all such change is disastrous.

Owen Barder

Right. I want to come back to some of these costs of change points in a second. But let's look at some of the other costs because you have I think very convincingly said that the impact on jobs in the long run is self-evidently zero and in the short run perhaps more surprisingly also it looks like zero. But a lot of people who were worried about immigration are either not worried about jobs or willing to put aside their concern about jobs but they have another set of worries, about, these are much harder to describe and people are actually interestingly quite nervous of describing them for fear of sounding as if they are saying something that people would interpret as racist but people are worried, my kid is going to a school they say and now most of the kids in her class don't speak English as their first language. And so the whole class is moving more slowly and my kid's not getting the same kind of education she was getting or my local services have stretched. The waiting list at the hospitals are going up, the classes are too full at my school, I am in the housing queue for social housing and I can't get it. People feel as if there is some pressure on public services from having a high level of immigration. People also worry about cultural homogeneity. They worry that – particularly if you have large groups of immigrants coming in that something about the quality of life for people in the country – I think a lot of people would say there are huge benefits to this, we like diversity, we like these communities, all those things. But nonetheless they feel like they are losing something too. There is pressure not just on public space and public amenities but also some kind of cultural asset that they feel is threatened by that. As economists I think it's quite hard for us to have a lot to say about that. How seriously should we take those concerns?

Michael Clemens

I want to start with the concerns of community and cultural homogeneity. When I look at the 1,500 people who died in the Mediterranean last year according to the estimates of UNHCR, when I look at the 400 or 500 dead bodies that the US border patrol collects on the US-Mexico border every year, I don't mean that these things have simple answers but if I am doing that to protect my community, it might be time to

reevaluate my community. I should think carefully about what aspects of my life comforts are worth that cost.

Owen Barder

Right. So interestingly even the people who complain vociferously about this probably wouldn't mount a machine gun at a fence and shoot people trying to come into their community. And yet somehow through our institutions we are implicitly doing that by forcing people into endangering their lives trying to be illegal immigrants.

Michael Clemens

I am not suggesting for a minute that those people are murderers but if I want to consider the benefits of a system for my cultural comfort and as I walk around my day-to-day life, I need to consider also the costs of that system. It's ethically complex. I don't mean to suggest it by any means that somebody who is a migration restrictionist is therefore a murderer. It is nevertheless a clear cost of the system.

Owen Barder

But that's a point about saying, yes, people may be worried about the cultural impact but there are – they also need to take care to think about the effects on the migrants of having that concern. But nonetheless that isn't the argument against them having that concern, right?

Michael Clemens

I think they are legitimate concerns. I am not lucky enough to have kids yet but if my children were in school and I saw something happening to them that I felt was beyond my control, I would have concerns about it and I think those are perfectly legitimate. The notion that cultural purity is what's best for children is something that – as you correctly note I am economist, I don't have any expertise on this. I do note that places that are vibrant with many languages such as Hong Kong or Montreal are among the most delightful, desirable places to live on earth. I do note that if I were to walk around London with a copy of Beowulf and ask people to read it, essentially everyone would tell me that they can't read it. And the reason they can't read it is because it was written in the 9th century before English was hopelessly corrupted by foreign influence. And that's where we get Chaucer and that's where we get Shakespeare. So I think it's safe to say Shakespeare has enriched children's lives and I think myopic arguments that purity of some kind is what's best for children need to be looked at very carefully.

Now, about the burden on public services, this is something that's been of great concern and I think legitimate concern, also extensively studied. This is not something that's hypothetical. Many British economists have looked carefully at the use of public services in Britain by the Poles aforementioned and it's much, much lower than the rate at which others use them. The same thing has been found in the United States. Ronald Lee, a demographer among others has studied how much at the federal level migrants put in through various taxes that they pay and they do pay very large numbers of taxes such as sales taxes, property taxes and sometimes unrequited social security taxes and how much they take out. His conclusion is that for migrant it's usually a wash and for their children it's robustly positive.

Owen Barder

So saying it's a wash means that they come to the UK or the US. They pay taxes, they receive public services and roughly speaking the state is breaking even on that transaction.

Michael Clemens

Overall they are paying their own way. And certainly there are exceptions to that just as there are exceptions of many Americans who don't pay their way in public services terms.

Owen Barder

But on average migrants, the first generation pays its way and the second generation...

Michael Clemens

More than does so, yes.

Owen Barder

Is a net contributor to the state?

Michael Clemens

In the United States. I haven't seen that calculation for Britain.

Owen Barder

So I think in both the case on the jobs and in the case on the impact on public services and perhaps also in the case of culture and diversity and those kinds of issues, it feels to me like we have an adjustment problem, right? And often economists think in comparative statics, right? The next equilibrium is looking better than this equilibrium, so we should move there. But we don't take sufficient account of the transitional costs and the impacts of people of getting from this equilibrium which is not that great to the next equilibrium which is much better.

Michael Clemens

Yes.

Owen Barder

And take the example of public services, eventually these people are paying taxes and that should mean that there are more public services available for people but it takes time for us to do that. Once they – you have to pay enough taxes for us then to build more schools, train more teachers, improve public transport and so on. So although they are providing the money that would enable us to improve public services, public services don't in fact improve that quickly.

Michael Clemens

Yes.

Owen Barder

And you can have a group of immigrants moving to a particular part of London quite quickly. And I know that Tesco's, the retailer has a way of tracking their sales at the cash register. So they can normally spot where a group of migrants has arrived within two weeks. They can say right, there is Polish community that's moved in here and on the shelves you will get a special area of Tesco's that has got sauerkraut and dill pickles and things for the Polish community that's just arrived there.

Michael Clemens

I want to get that data. I will be emailing Tesco this afternoon.

Owen Barder

No, but they can do that. Now the trouble is that Westminster Council isn't as smart as Tesco's. They are saying right, we have got this problem. They will often have been working on data for the cohort of children they are expecting to put through primary school for example, which they got five years ago from the birth data. And they know there will be some inward and some outward migration and they will know what they average for that is. But they won't be expecting this big influx and they won't be able to respond as quickly to that.

Michael Clemens

Yes.

Owen Barder

This seems to me to really underly a lot of people's concerns about migration. The inability of these important institutions to adapt when this migration happens.

Michael Clemens

Yes, I think this is absolutely critical. I've heard it called the mayonnaise problem.

Owen Barder

The mayonnaise problem.

Michael Clemens

Yeah, in that you have to mix oil and eggs in just the right way to get mayonnaise and you can't do it too fast. I don't mean to minimize problems of this kind. And yes I am talking in comparative static terms as you put it. There is a transition that needs to happen. This has been the subject of almost none of the research that economists have done on immigration. Remarkably it's all about these other kinds of questions that we have been talking about till now. Certainly there is a rate, which is too much. Certainly there is a disorganized way for it to happen. If we are talking about something that unquestionably has benefits in the long-term, the question for us as this generation is how to make sure that those benefits come about. That's part of being responsible to the next generation which will reap them and to make sure that it comes about in a way that protects human rights to the extent possible that avoids civil conflict, all of these things, but really it's about managing a transition to a world in which the place you are doesn't determine 59% of your life prospects but a place that rewards more of who you are.

Owen Barder

One last point on this impact on – and what it is that we can do about in making it possible for there to be more migration and reducing these negative transition effects. So as you say we can make it possible.

Michael Clemens

Yes.

Owen Barder

Do you think there is a tension in the end between having a European style welfare state that provides unemployment benefit for the unemployed, housing for people who can't afford their own housing and so on and having large quantities of migration? Is there just a fundamental incompatibility?

Michael Clemens

Not at all.

Owen Barder

Why not? For a lot of people it sounds like we have a choice. We can either have lots of immigration or we can have a welfare system, but you can't have both.

Michael Clemens

Not at all. There clearly must be as a system to prevent free-riding. There must be some system to make sure that if you are taking lots of resources out, you have put in some resources and that could be more or less depending on redistributive concerns but some such mechanism is required. Now should that mechanism be a fence or should that mechanism be something else? Well traditionally we have allocated public services like that depending on where you are. And that works pretty well in a world where not many people change where they are. Now we are in a different world where it's vastly easier to change where you are. People are changing where they are to a huge extent and there needs to be a different system. Such systems are already in place. So you can't just show up in the United States and get social security. You need to prove that you have paid into the system for 40 quarters. That is a minimum of 10 years or even longer if you haven't worked all the time before you can take \$1 out of that system. And that's right, that's the way it should be.

Owen Barder

Social security, I should just explain for European listeners is what we call state pensions, not what we would call social security which is a system of income support for people who are poor.

Michael Clemens

Ah, thank you.

Owen Barder

So you can't get a US – this is old age pension you can't get unless you've paid in for 10 years.

Michael Clemens

Yes. And that's appropriate. That's a mechanism to prevent free-riding. And it's not a fence. It's another mechanism. So to say that there is an incompatibility is to say that there is an incompatibility between a system where rights are based on place and free movement and certainly that's true. That would lead to free-riding and that's something that people would find unjust. But there are many alternatives to that.

Owen Barder

So – then we need to think about how to adapt to the welfare system to not rely on there being a fence but to rely on some other mechanism for ensuring fairness.

Michael Clemens

Well said.

Owen Barder

This is Development Drums with my guest Michael Clemens. After the break we are going to be talking about the brain drain, the idea that migration has a negative impact on the country from which people leave.

Michael, before the break we were talking about the effects of migration, first on the people themselves and then on the countries to which they migrate. Let's turn our attention now to the effects of migration on the countries from which people come. I would like to start with this idea of a brain drain. People – I don't know if this is true but people say there are more Ghanaian doctors practicing in London or in New York than there are practicing in Ghana. And whether or not that is true it certainly seems right to say that there is something wrong with the world in which a smart Ghanaian grows up in Ghana, gets trained as a doctor and then spends his or her life solving the medical problems of people like you and me instead of serving a medical system in Ghana where there is desperate need and a desperate shortage of doctors. Evidently it doesn't make sense for countries like ours to have Ghanaian doctors working in our health systems because of the brain drain. Now you have done some work on this, specifically on this question of medical professionals. Tell us what you found and what your conclusions are?

Michael Clemens

So you started out saying that – we are talking about the effects of migration. I want to be very clear. Migration is the choice of where to live. So if you are talking about a brain drain that means nefarious effects on the place you come from because of your choice of where to live, I don't accept that. I don't accept that there is any such thing. I believe that there could be nefarious effects of the reasons that people leave. Why is somebody leaving Ghana? Why are they not paying for their own training? These questions have important answers that we need to look at. If we define the problem as people are choosing where to live and that is – in the extreme example that people talk about, medical brain drain, that is killing children because people are choosing where to live and it is because they are migrating and those are synonymous, that's something I can't possibly accept.

Owen Barder

Right, okay. There is a framing point you're making here which is that it isn't the migration that's causing the problem. It's the reasons why people are leaving that are causing the problem and – okay, right.

Michael Clemens

Yes and this is not just semantics.

Owen Barder

But I want to get into the question of is it true that when people leave that causes harm to the country from which they leave.

Michael Clemens

Their movement is not the cause of it. And I want to be very clear about this. So if here in Washington a very poor neighborhood is Anacostia and nobody, no right-minded person would say to themselves the poverty of Anacostia is due to the choice of bright young people from Anacostia to live somewhere else

because then the clear policy prescription is take away that choice. The choice is the problem and migration is a choice. That's all that it is. It is based on reasons and if you were to foster development in the neighborhood of Anacostia all that you would do would say – or if we want bright young people living there, let's give them a reason to stay. We would never say their departure is the problem because then we focus on the departure. But we do that for poor countries.

Owen Barder

What I want to get into is, is it harmful whether or not we say it is the cause, is it harmful for Anacostia or is it harmful for Ghana, that people leave?

Michael Clemens

The reasons why they are leaving are harmful. The choice itself is absolutely not harmful. The choice itself, dependent on the reasons is something that you would make, that I would make and that no reasonable person I think could define as something that is harmful in and of itself. That's what migration is, a decision.

Owen Barder

Okay so take for example the British government's policy of not actively recruiting medical professionals to the National Health Service from developing countries with shortages in medical staff.

Michael Clemens

Yes.

Owen Barder

The purpose of that policy, which I am sure you are going to tell me doesn't actually work but... The purpose of that policy is to do what we can to reduce our contribution to medical professionals leaving, say, Ghana to go and work somewhere else. Is it true that it would be better for Ghana for more of its doctors to choose to stay in Ghana and work there than for those doctors to go and work in New York?

Michael Clemens

That policy is well intended. I have respect for the people who put it in place but I think it should be wiped off the map. Even if it did work it would be ineffective at its goal, second it does not work and third I consider it to be profoundly unethical.

Owen Barder

Okay. So let's take those three in turn.

Michael Clemens

Yes.

Owen Barder

Okay so the second one was it doesn't work. The first is...

Michael Clemens

Trapping doctors in Ghana does not do one thing to change the reason why those people are leaving Ghana. And this is a perfect example of the kind of policy you arrive at when you focus on people's decisions as the problem rather than the making of those decisions. Why are they choosing to leave. Second of all, it did not work.

Owen Barder

Let's stop on the first of those. In what sense does it not work that – we can't address necessarily the weaknesses in the Ghanaian health system that might lead a doctor to say you know what, I want to really help people and I can't do that in my own medical system. I can't get access to the drugs, I don't have the operating theatres, I don't have the colleagues, I don't have the community that enables me to do that. So I am going to leave.

Michael Clemens

We could imagine things that would do that but the last thing would be to stop the Ghanaian doctor in the airport with a guy with a gun saying you can't leave. There are certainly many things that would change that decision that would change the Ghanaian health system. Trapping people in a space is what jailers do. That is not one of those things.

Owen Barder

Okay. But you are making an ethical point. I want to get to the practical point of if we had some ethical way of making them stay, we could bribe them to stay say or...

Michael Clemens

Give them a reason to stay. That's a perfectly ethical way to make them stay.

Owen Barder

Right, and then Ghana will be better off right?

Michael Clemens

Absolutely.

Owen Barder

Because those doctors would be there practicing in Ghana rather than in New York, okay.

Michael Clemens

Absolutely. The question is whether migration is the problem and I absolutely reject that it is the problem that has any meaningful focus.

Owen Barder

Okay. I thought you were going to say something else here. So you must tell me if I have got this completely wrong in which case I will take this section out of the podcast. I thought you were going to say that people having the opportunity to leave Ghana, having trained as a doctor or as a nurse changed the equilibrium in Ghana, that more people would want to become doctors and nurses in Ghana if it was the kind of profession where some of those people would have an opportunity to travel abroad and earn incomes abroad and the net effect of medical professionals leaving developing countries is that there is more supply of medical professional in those countries. I thought that was what your research showed.

Michael Clemens

That can happen but it can only happen when the education system has a certain flexibility. So it has clearly happened in the Philippines. I believe it's also happened in South Africa and both of those I can document. In the Philippines it's the clearest of all. The Philippines is the top origin country for registered nurses on earth. Tens of thousands are leaving a year. The large majority of Philippine trained registered nurses live elsewhere. Most of the foreign born nurses in the United States are Filipinos. A huge, huge flow out and how many registered nurses are there in the Philippines? More per capita than Great Britain. And this is a lower middle income country. We are talking the income per capita of Peru and they have more nurses in the Philippines in that context than Great Britain does, than Italy does per person. How did that happen? It's because there is a huge private nursing education sector that responded in just the way that you outlined to that incentive. The migration of nurses abroad to better earning opportunities means in economic terms higher return to human capital and people respond to that incentive. They massively responded to that incentive in the Philippines to such a degree that immigration has more than compensated, more than one for one replaced the people who have gone. But that can only happen when there are not artificial barriers to the response of the education system. In Ghana right now current conditions are probably not propitious for that. But that is an example of what we should seek to build rather than building fences.

Owen Barder

Right. So we would be better off allowing Ghanaian doctors or nurses to leave Ghana but help have a better medical training system so that as the status of that profession rises because people have these external opportunities so more people come into the profession and you end up as in the case of the Philippines with

actually a very high level of professionalized medical service because you have a training system that's partly funded by these people who are going abroad for example and by the countries who are benefiting from that training.

Michael Clemens

That's precisely where to fund it. Nurses and doctors leaving Africa for other places can earn 500%, 1000%, 2000% more. As I mentioned before that's the biggest arbitrage opportunity on earth. There would be absolutely no problem if the financial mechanism existed for them to pay for their education. So when people talk about the financial brain drain they are often talking about a result of not just movement but many things including current educational finance systems and those can be changed. They don't require fences to maintain them.

Owen Barder

Right. So the answer is there could be a brain drain if the systems from which people leave are insufficiently flexible to be able both to respond to the increased throughput that's needed and to be able to capture some part of the benefit of people leaving to finance those systems. If you could find some way of fixing some of that then you would fix the brain drain and that's the better way to fix the brain drain than having a man at a border with the gun saying you can't leave. Is that?

Michael Clemens

Dramatically better, it is much more ethical in my opinion. I don't see why anybody born in Malawi should have somebody standing at the border telling them that they must serve in the Malawian public service because the person at the border with the gun has decided that that's the best thing. Not one of us I believe honestly, listening to this podcast would be willing to volunteer to be that person to say I believe that somebody in a ministry who has decided where I need to live and work should have the right to coerce me to do it even when I have demonstrated that I would rather do something else.

Owen Barder

So the summary on the negative side of the ledger for developing countries is there are some situations where people leaving is beneficial. The Philippines is a good example where the system is sufficiently flexible to respond, you end up with more people coming into those professions. But there are cases where there is a negative effect and the correct solution to that is not just of the brain drain but to enable the system to respond in that more positive way.

Michael Clemens

It's all a question of what we consider to be people's rights and that's simply a decision. That's not an empirical fact about the world. If you believe that people for example leaving a poor neighborhood like Anacostia have the right to move then it's the environment that shapes the impact of that thing. If you don't, then you focus on the movement and what the National Health Service ban on recruitment from developing countries does is, focus attention entirely on the movement and we don't even talk about all of these other things like how could we get more creative with education finance in a way to make movement which is definitely going to happen anyway into a win-win rather than focus on stanching the movement.

Owen Barder

On the positive side of the ledger let's talk about remittances and in a way that I imagine annoys you as it does me, for a lot of people working in development, remittances are identified as the big benefit of migration. I imagine that's annoying because you like to focus rightly on the impact on the migrants themselves.

Michael Clemens

That's good imagination.

Owen Barder

Right, I guessed it would be. But nonetheless people are right only to say that remittances are an important benefit for developing countries. The numbers now are quite large.

Michael Clemens

Yes. Worldwide remittance flows are heading towards \$400 billion a year or quadruple aid flows.

Owen Barder

\$400 billion a year or nearly quadruple aid flows, right. So – and is that good for development? I was recently in Morocco and I saw these huge rather garish houses going up and I asked people who is paying for these things and the answer was Moroccans working abroad, I think in Southern Europe and they were building their retirement homes back in Morocco. Now it doesn't seem to me that a huge garish home in Morocco is going to have a big benefit for – I mean it will employ some people in the building trade but it doesn't feel like it is an investment in the infrastructure of Morocco that's going to improve that country's systemic ability to make a better quality of life for its people.

Michael Clemens

Sure. So you are absolutely right that I do try to deemphasize remittances in my own work simply because there is already a lot of attention on them. But remittances are very important. They are mostly an intra-household transfer that is from one family member to another. That is something that goes on all over developing countries. This is just something that happens to cross a border. But a husband working and giving money to his wife who is raising children in El Salvador is not doing something any different than if the husband is in Texas sending money across the border. That's just – in the case of remittances it happens to be a lot of money. Now what they are doing with it, well the garishness of somebody's spending decisions, people have different opinions about it. I don't think it's any of my business that people in El Salvador get to make – have a greater freedom about the decisions of what to do with their lives including buying hideous clothes or listening to stupid music or building garish homes. That's entirely their business and they will probably consider most of my choices worse. Now...

Owen Barder

But is there a development benefit? Is there – is this just a more consumption of things that don't have much development impact?

Michael Clemens

Yes. There is something which I think is not often – which needs to be a greater part of this discussion, which is that consumption causes investment, full stop. Now people often say well remittances sent to Haiti are mostly consumed. Manuel Orozco of the Inter-American Dialogue has survey evidence on what people in Haiti do with remittances and it's mostly food, education, healthcare. They are buying goods and services produced in Haiti. They are mostly not buying flat screen TVs from Korea. They are buying goods and services produced in Haiti. What happens when you buy a good and service produced in Haiti? Well somebody provided that. A farm provided that, a business provided. You are raising the profits of that Haitian farm or business. By definition you are raising the return to investment in that farm or business meaning you are causing an investment by consuming. That's how an economy works. You don't need to put it into a village cooperative that is raising a barn of some kind although that is a perfectly good thing to do with it to foster investment. There is a multiplier with consumption.

Owen Barder

Right. So if you are sending money to your sister and she is buying food then that means that somebody else can raise the cooperative barn because then there is more demand for food from that farm and cooperative.

Michael Clemens

That's what happens when money circulates. It's spent and the person you give it to spends it and the person you give it to spends it and that builds the entire economy and that causes investment. Consumption causes investment always and everywhere in every economy and remittances stimulate consumption mostly and therefore stimulate investment.

Owen Barder

I am always struck that people who are hostile to foreign aid talk often about Dutch Disease effects. This is the effect on the real exchange rate of having foreign aid in place but they never talk about the Dutch

Disease effect of remittances. And yet it would seem to me to be exactly the same. If we're concerned about the Dutch Disease effect of aid we ought to be exactly as concerned about the Dutch Disease effect of remittances.

Michael Clemens

Certainly, but I mean to be – to say that that negates the benefits of remittances is tantamount to saying when income – when disposable income rose in the industrial revolution, urban food prices also rose. Well certainly that's true but the question is what's the net effect and the net effect of remittances is certainly positive.

Owen Barder

That's exactly why I think the Dutch Disease effect in – is not a valid criticism of foreign aid rather – so I draw the conclusion that for the same reason that we are in favor of remittances and their positive effects we ought to be in favor – we ought more to take attention of that criticism of foreign aid. There are lots of other reasons to criticize it.

Michael Clemens

It's a real phenomenon. It doesn't negate – not necessarily...

Owen Barder

But it's not a bad thing. It's Dutch but it's not a disease. But anyway, on remittances is there something that we in the rich world should be doing apart from accepting more migrants to improve the way remittances flow. Should we be trying to reduce their transactions costs, should we be doing something to help governments in recipient countries tax them or securitize them or do something to benefit more from them or is this just fine as it is and we should – the main policy conclusion is that it's yet another reason for thinking that migration is good?

Michael Clemens

This is something I am not an expert in as you pointed out, I haven't worked a lot on remittances. One thing that I can clearly see that from the time I started doing research on migration to now has just revolutionarily changed across the whole world is the ease of sending money. The remarkable facts about today's Africa is that the huge majority of people that you meet walking around incredibly poor places have a device in their pocket that's electronically connected to a real time global network over which you can send money, nothing remotely of the kind was true 10 years ago. Migration has not changed, the ability of people to send remittances easily has changed. In one country, Kenya where Safaricom created this fantastic money sending system M-Pesa.

Owen Barder

With the support of the British Department for International Development.

Michael Clemens

Is that true? I didn't know.

Owen Barder

Yes, it is yes.

Michael Clemens

I read recently that more than four out of five Kenyan adults have used this system so we're talking about everybody, even down to people with very little education are successfully using the system to send money. Some large fraction of the entire Kenyan money supply seems to now reside in M-Pesa credits.

That means that with the knowledge in five minutes, I could send most Kenyans adults any amount of money I wanted. That's astonishing but even if they're in the middle of the bush something that never could have happened just a few years ago and where we get to the policy concern is that there appear to be barriers, policy barriers to a similar expansion, to an expansion of similar systems in other countries. It could be and this differs in different countries but it could be that in many of those cases incumbents in

financial services, particularly banks, that are threatened by these things are regulating the amount of existence. That's not the only reason why every African country doesn't have an M-Pesa, but it is as an important reason.

Owen Barder

It's not just every African country, a Kenyan friend was visiting here in Washington DC recently and said he couldn't get used to the fact that he couldn't pay for things here and transfer money here with his mobile phone and he had got so used to it back home. This is Development Drums with my guest Michael Clemens. After the break we'll turn to the last section of our discussion, which is about development policy and migration.

Michael, you and I both work at the Center for Global Development where our goal is not only to do interesting research and great research but also to turn that research into practical policy ideas. Take us back to the moment where you were sitting around thinking what shall I do, what shall I work on, what shall I research into, that I am going to be able to turn into a practical policy idea. And you looked down the list of possible topics and you thought migration. That is the place where there is really political space and that's the place where I'm really going to have an effect on development by coming up with policy proposals. What made you pick migration as something to work on for policy?

Michael Clemens

Masochism.

Owen Barder

You must be mad, correct?

Michael Clemens

I've been told again and again that no policy progress could be made and yet recently I think we've demonstrated conclusively that that's not the case and I want to tell the story of our work on Haiti as what I hope could be an inspiring example to people thinking about this topic. I mentioned before that Lant Pritchett and I had studied the massive effects of poverty reduction for Haitians of migration leaving Haiti. And I happened to put a video about that research online the day before Haiti's cataclysmic earthquake of 2.5 years ago. One of the deadliest earthquakes on earth in that last millennium.

And a guy at the Washington Post saw this video, asked me to write an article about how labour mobility might contribute to the relief and recovery effort. I wrote him some carcass and he read it and said look, I need a specific proposal, what's the proposal? So I wrote – there needs to be some mechanism for people to move after natural disasters. You're looking at the cheapest and most effective force for poverty reduction for Haitians and it wasn't on the table as a part of the relief and recovery efforts.

All of it was aid based, in combination with a rigid naval blockade of the country. Setting aside they did put a stay on deportations of people who managed to come here but I am saying not one Haitian was allowed to leave Haiti after this cataclysm because of what had occurred there. It struck me as ironic that we had a complex system of refugee and asylum law for people that would have accommodated the departure of some limited number of people from Haiti if a minor conflict were going on there. If even small numbers of people faced threat of violent prosecution but nothing to accommodate the needs of somebody whose life had been destroyed, whose family had been wiped out by something equally their fault resulting from a movement of the earth, equally not their fault I should say.

At that time people told us well that will never change particularly with regard to Haiti, you've got an election coming up, the economy is bad and you're talking about, even any number, even any small number of dark skinned very poor people moving to United States, is going to be political insanity. You who live in Washington should understand that nothing positive could happen in that space.

To make a long story very short, we spent much of 2011 going around Washington and Florida talking to the elected representatives of people who live in the places where a lot of Haitians would go – do go coming to the US. We talked to the Homeland Security, the State Department, all around Congress, the

National Association of Haitian American Elected Officials, the Haiti Advocacy Working Group, put together a coalition and came to the department of Homeland Security with a proposal which was to reverse a standing ban on Haiti's participation in the largest temporary work visa to the US, called the H2 visa.

In January they did. And they did it in an election year. They did it with bipartisan support. We had republicans and democrats signing letters to Janet Napolitano saying this is a reasonable thing to do. They did it and it's something that's going to be – it was a change in migration policy for reasons of humanitarianism, development, poverty reduction. Something that's very uncommon, something that certainly didn't happen in propitious circumstances but really happened. And could happen to a greater degree elsewhere.

Owen Barder

So first thing congratulations on that. That's a huge achievement.

Michael Clemens

Thanks.

Owen Barder

It shows I think two things, one is that when we talk about policy change in migration, this isn't an all or nothing. We're not – you're not suggesting what we need is open borders and that's the answer to development is just a removal of all restrictions on migration. What you're saying is that there are specific policy measures that, we can make which may look small relative to migration policy but actually are quite large relative to our approach to development. Compared to giving aid, this was a hugely valuable contribution to the lives of a large number of people.

Michael Clemens

And to the Haitian economy as well, I mean the remarkable thing about a giant arbitrage opportunity, and in economic terms that's what this kind of movement is, is that the movement doesn't need to be very large in order to have vast economic potential. So in the case of the Haitians we're talking about each one of them has a – so a Haitian in the agricultural sector doing low skill work can make about \$1,000 a year. Working on this visa doing agricultural work in the US, they will make about \$1,700 a month. So we're talking about gigantic gains so much that if say 2,000 Haitians, a miniscule fraction of the Haitian labour force, a minuscule drop in the bucket of the US economy in a sector where labour is in shortage, acute shortage right now, which is manual farm work, would generate hundreds of millions of dollars over the space over the few years. First of all unlike aid going directly to Haitians and their families, the large majority of that would be remitted. And second of all rivaling in size the entire US aid package for reconstruction in Haiti post-earthquake, hundreds of millions of dollars.

Owen Barder

And costing us nothing actually, not only that but actually unlike the aid package, which costs us, it's a transfer from people in America this is actually beneficial to people in America because they're generating economic activity here.

Michael Clemens

Absolutely. Manual farm work, makes farms more productive. It generates jobs for Americans who are supervisors, equipment operators et cetera. Those people all pay taxes, they pay into the fiscal, this is something which is really win, win, win.

Owen Barder

So I think one of the magic things that's going on here is to do with the numbers. The gains from even quite small amounts of migration are so huge and actually the development benefits are so huge that it looks like this is an area where there ought to be quite a lot of small tweaks to migration policy, possible in lots of different areas in ways that would not be politically very salient, you can't imagine 2,000 Haitians is going to be a cause for enormous political campaigning and yet with massive possible development benefits. Is it your view that there is a huge landscape of such opportunities that with the right research and focus on it we could now identify and pick up?

Is there – are we close to some boundary of either what’s feasible or when the effects of this accumulate so large that it becomes politically infeasible to do it. What’s your sense of how many opportunities there are for this kind of thing?

Michael Clemens

Absolutely. I wrote an article last year called Trillion Dollar Bills on the Sidewalk arguing that the potential gains are just vast, numbering in the trillions of dollars a year and when that kind of potential is lying around, it’s not automatic that there be institutions to realize it but there is huge pressure for them to arise. Now...

Owen Barder

What would be the next thing you would do either in US immigration policy or say the European immigration policy. Having achieved this change in the visa status for Haitians, are there a few things that are on your hit list of things that we should be tackling.

Michael Clemens

Another area aside from manual agricultural work where it’s very clear that there are acute and growing not just short-term but long-term labour needs in many developed countries the US, all over Europe, Japan, is in healthcare. There are lots of organizations talking about how to meet that need. Most of them involve nurse educators or nurses associations and those people don’t talk about the international movement of nurses precisely because it is not in their interest. And really what we’re talking about when we’re talking about developing new institutions is creating people whose job it is to think about migration and development.

When we went around Washington talking about Haiti the people in Citizenship and Immigration Services rightly say development is not my job and the people in USAID rightly say immigration is not my job and there is nobody who’s sitting around thinking about how to do it. What we need in the case of healthcare workers are people thinking about how to foster that movement and foster it in a way that doesn’t lead to for example fiscal brain drain. There is absolutely no reason why the human capital needs of the US and the health sector can’t be met in part by people arriving here with healthcare skills acquired abroad and paying for the acquisition of those skills themselves, from this absolutely enormous gain, this arbitrage opportunity the gigantic increase in their economic prospects that occurs on arrival.

Owen Barder

More broadly it seems to me possible, and I’d be interested in your take on this, that as the demographic time bomb hits the industrialized countries, we have more and more older people and relatively fewer and fewer active people in the labour force. The economics will point more and more towards needing more immigrants to supplement our active labour force, to pay for the people in retirement and so on.

Michael Clemens

Definitely.

Owen Barder

Do you think that what we’re going to see as a kind of invisible effect whereas the economics changes without knowing it this will lead to changes in attitudes. The people’s concerns about migration will tend to drift down and drift away as in various ways, as you say for example the short the impending shortage of healthcare workers, as people experience shortages in hospitals and then see migrants coming in to provide them with healthcare, in care homes for example. Do you think that will – the economic benefits of migration and the necessity of migration for industrialized societies will gradually mean that people’s attitudes will change or am I just being too economically determinist.

Michael Clemens

Not at all. I’ve seen it happen in my own lifetime. I am 40. When I was a kid there was a phrase that I almost never hear anymore, bandied around in the US, which was a latchkey children. I don’t know if people in Britain talk about latchkey children but you’re referring to children who are alone in the

afternoon or evening because mom is working. And this was a subject of great concern in 1950s when women were working for the first time and when they were working not just being secretaries, teachers and nurses but even doing other things with their time, sometimes working late. People were worried, what is going to happen to our children. Are we going to raise a generation of somehow permanently damaged young people, that's going to damage our long-term prospects and these were I don't mean to pooh-pooh these concerns but they were widespread, they were serious and they have come to naught. Since then there have been many long-term panel studies of what happens to children when they were quote-unquote, "latchkey children", when they weren't and they can't detect anything about any differences in school performance and emotional adjustment in relationships as adults, just nothing at all.

That doesn't mean ex ante that the concerns were invalid and I don't want to minimize the concerns people have about migration. But it is the case that when there is huge pressure as there was huge pressure particularly in World War II and then thereafter for women to enter to the labour force, that people's attitudes tend to adjust and it can take a long time but that wasn't the first time it happened and it won't be the last.

Owen Barder

So if we see – I mean that suggests that for people who think that migration is important for developing countries that's quite optimistic thought, right? There is a whole – the richest countries in the world are, the economics is changing and they're going to need more migrants. So we should expect to see some kind of evolution, it seems to the opportunity then for us is to think about how can ensure that developing countries are able to take advantage of that opportunity as it emerges, in a way that's most effective for them that doesn't denude them of various kinds of asset and resource. It doesn't have a fiscal brain drain as you describe it, where they pay to train nurses and then we employ them.

Michael Clemens

Precisely, policies that are designed for a world with movement rather than designed for some other world and maintained by higher and higher fences.

Owen Barder

Michael Clemens, thanks very much for coming on Development Drums.

Michael Clemens

Thank you so much.

Owen Barder

You have been listening to Development Drums with me Owen Barder and my guest today has been Michael Clemens. And the producer of Development Drums is Anna Scott.