

Highly skilled migration

Most of us would agree that it's a noble goal to lessen global economic inequality and improve the standards of living in poor parts of the world. The SDGs have promised to reduce inequality [within and among](#) countries, but within countries, it is slow going. On current trends, we'll miss the 2030 deadline by more than two centuries. Economic evidence shows that one of the best ways to reduce inequality between nations is to allow workers to migrate to rich countries, where they will be much more productive. But such a radical immigration policy is unlikely to be acceptable to a majority of voters in most developed nations. Happily, there's a more moderate solution that can still enrich the world and reduce inequality between nations: Increase highly skilled migration by 10%.

Inequality: Better than you may think, but still far off the SDG

While we're likely to come up short on every SDG, the delay is particularly stark for Goal 10, which [promises](#) to "reduce inequality within and among countries." On our current trajectory, even ignoring the effects of COVID-19, the world will only reach that target in the year 2245.

This gloomy performance is due to inequality measures being focused on changes *within* countries, which is understandable. Data is more easily available on a national level, and trends are more easily understood for individual nations. However, this ignores inequality *among* countries, which has seen dramatic change.

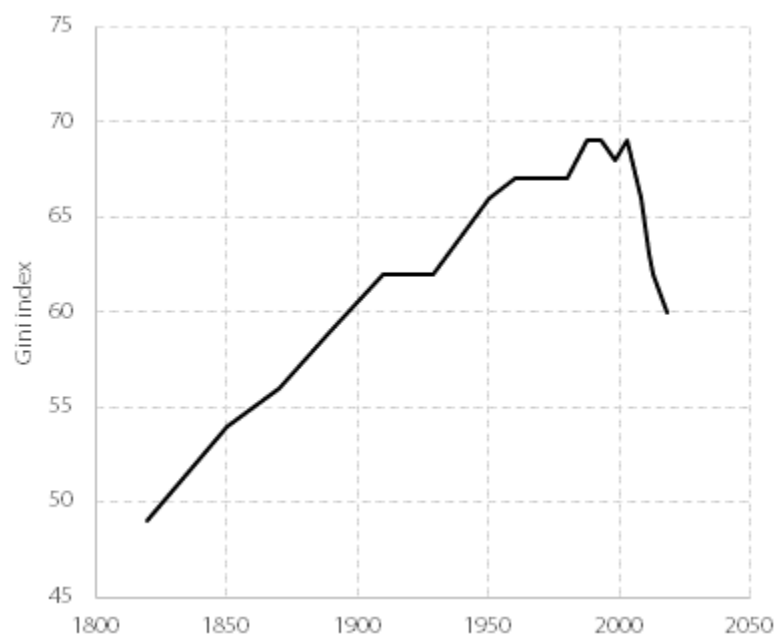
Two hundred years ago, almost all countries were poor, so most of the inequality in the world arose from the differences between the rich and the poor within each country. Researchers have [pointed out](#) that this is the inequality that Marx and many others were focused on tackling: The difference between rich landowners, capitalists, and aristocrats versus the poor masses.

As industrialization took off, first in England and later in much of what is now known as the rich world, incomes grew enormously and lifted most of the poor masses out of absolute poverty. Sure, they were still *relatively* poor because the capitalists also saw their incomes increase dramatically, but they were suddenly much better off compared to the poor in the rest of the world. Indeed, in some cases, the poor in the rich world were now better off than some of the rich in poorer parts of the world.

This phenomenon shows us that we also need to think about [global inequality](#). To calculate this, we can consider the world as if it were one single nation.

Using available data for the past two centuries, Figure 15.1 shows that inequality increased dramatically from 1820 to about 1950 and remained very high for the remainder of the 20th century. However, something amazing has happened in the past few decades: Inequality has plummeted even more rapidly than it rose. Inequality is measured using the so-called Gini Coefficient, which runs from zero (when everyone has an equal income) to one (where one person has all the income and everyone else has zero income).

Large parts of the poor world are catching up to the rich world in terms of income. This happened first in Japan and the other Tiger economies—perhaps most spectacularly within China, which has lifted more than [three-quarters of a billion people](#) out of poverty since 1978. Together with India, which lifted some [300](#) million people out of poverty, this dramatic progress has substantially reduced global inequality.



Source: <https://osf.io/preprints/socarxiv/yg2h9/>

Figure 15.1 Global inequality 1820–2018, measured by the Gini coefficient. Zero is no inequality, one is absolute inequality.

Over the past 20 years, global inequality has dropped dramatically. In 2018, inequality was as low as it has ever been since 1900, as seen in Figure 15.1. An [estimate](#) by the World Inequality Lab even found that global inequality in 2020 was lower than in 1870.

This incredible movement of people out of poverty is well worth celebrating. Of course, we must do better. In 2022, there are still [657](#) million people who live in extreme poverty. We need to find ways to boost development and opportunities for the world’s poorest. As one part of this, to address inequality and improve these people’s quality of life, one focus needs to be on allowing people who want to move more easily to countries where there are more economic opportunities.

Doubling global GDP and vanquishing most inequality—A world with unlimited migration

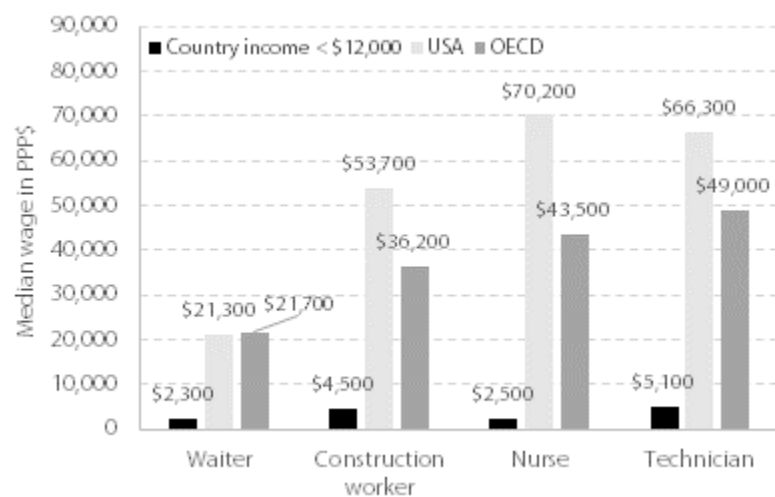
Migration doesn’t have its own SDG goal, but it [pops up in many places](#) in the SDGs, mostly because it is one of the most effective ways for poor people to increase their incomes. Not surprisingly, it is anchored in Goal 10, which aims to reduce inequality. In Target [10.7](#), the SDG signatories promised to “facilitate orderly, safe, regular, and responsible migration and mobility of people.”

However, migration is both politically sensitive and divisive, which is one reason why the world has not been progressing much on Goal 10. In developed nations, many people fear the effects increasing immigration will have on their jobs and communities, while those concerned with the developing world often worry over the loss of productive workers and citizens.

These are reasonable points to debate, but what’s undeniable from the economic literature is that migration is a powerful way to achieve both higher productivity and less inequality. To see this

trend clearly, let's consider a politically implausible scenario: The world's nations allow essentially unlimited migration.

There is a huge difference in the wages of workers across the globe, even when they're performing the same duties. As you can see in Figure 15.2, a waiter is paid about \$1,700 per annum in poorer countries and about \$16,000 in rich countries for performing approximately the same job. That's about nine times the wage paid to a waiter in a poorer country, and there's an even greater difference for more technical positions. A nurse in the USA is paid 28 times as much as a poorer one.



Source: <https://oxfordre.com/economics/display/10.1093/acrefore/9780190625979.001.0001/acrefore-9780190625979-e-353>

Figure 15.2 Median wages for similar work in low-income countries (less than \$12,000 in GDP per person), the United States, and rich countries.

While rich Americans or Europeans may like to believe their countries' dramatically higher wages are somehow justified by a more efficient or better-educated workforce, the [overwhelming economic evidence](#) shows that this is not the case. A large part of the difference is simply a "place premium": Workers are paid more in rich countries because they live in highly productive societies where they are relatively scarce and, therefore, can negotiate a higher wage. One way to see that is to compare the wages of McDonald's workers, who, by design, do identical work across the world and yet are [paid in the USA 16 times](#) what they are in India.

A 2020 Oxford [study](#) shows that there is nothing intrinsic about the abilities of domestic-born versus foreign workers. Comparing the wage of Nigerians working in Nigeria with the wages of similar people born and educated in Nigeria but now working in the USA also shows a 16-fold wage difference.

Of course, it could be that people who choose to migrate are more productive, and there is some evidence to support that. Yet, an ingenious [study](#) showed that the place premium is still a large reason for wage increases. Every year, New Zealand allows some people from the island nation of Tonga to immigrate. If there are too many applicants, lots are drawn. Therefore, you can compare the wage of all the people who want to migrate and see the difference in wages between

those who got to go with those who didn't. The study found that those who migrated made almost three times as much as those whose lots weren't drawn.

In [total](#), it is likely that moving a male, urban worker in the formal sector with 9–12 years of schooling from one of 42 poorer countries (including Nigeria, India, and Indonesia) to the USA will see his wages rise [almost five-fold](#).

This is why many [economists](#) contend that the world's labor market is extremely [misallocated](#). Most of the world's currently poorer workers could become much more productive and richer if they were allowed to move to the rich world, which would itself gain economic growth from that increased productivity. In the 19th and early 20th centuries, this economic dynamic fueled the American economy as [60 million Europeans](#) left for labor-scarce destinations in the New World, mostly in the USA.

[Studies](#) routinely find that opening the entire world to migration, somewhat like the USA did for some Europeans up to the early 1900s, could increase the world's GDP by between 50–150%. Compared to pretty much every other possible development or economic policy, even the ideas in this book, this upside is enormous. By allowing unrestricted migration, we could likely double the world's annual income and double the average person's income.

While this is a remarkable benefit for all of us, opening up migration would especially help the world's poorest. On average, they would see their incomes go up the most from this sort of policy. The average person in lower-income nations would see his or her income increase by about [\\$10,000 per year](#)—dramatically reducing global inequality.

This isn't only because workers emigrating from poor countries to rich countries would increase their wages dramatically, but also because the people left in poor countries would each have more capital, therefore becoming more productive. In total, open migration would [reduce](#) global poverty by one-third to two-thirds.

The reason there is such a misallocation today isn't that people aren't interested in moving; in fact, they have a greater incentive to migrate. When Europeans left for better prospects, the difference in wages was much smaller than it is today for workers migrating from poorer nations. For Irish immigrants, it is estimated that the difference was just [two-to-one](#).

Rather, the labor mismatch is an issue of immigration law. Each year, the USA hands out 50,000 Green Cards but receives more than [14 million applications](#). Gallup routinely surveys the world and asks whether people would like to permanently move to another country, and [750 million people](#) indicate they would. More than half the population in countries including Sierra Leone, Liberia, Haiti, and Albania would like to move. More than 150 million people in these and other countries would like to move to the USA, while around 40 million each would like to move to Canada, Germany, France, or Australia.

There are plausibly even more people interested in finding work abroad than these figures indicate. Gallup asks if people would like to relocate *permanently*, which is a very high bar. A far larger number of people would be interested in working abroad for a limited time or trying out living in a new country. Take a 2007 [World Bank study](#) that asked young people from seven nations if they would be interested in moving “permanently,” “temporarily,” “to try it out,” or “not move” to a new country. In most places surveyed, an overwhelming number of young people were interested in moving, albeit most temporarily. In Bangladesh, for instance, only 3% wanted to move permanently, but almost 80% wanted to at least try out another country.

It's still true that there are [costs](#) for everything involved with such a shift as massive as opening the world to migration. Some of these weigh on the migrants themselves, such as the time and effort it takes to get the correct papers, the cost of moving and settling in, finding good schools, or locating a job, as well as the harder-to-measure emotional costs of uprooting and sometimes even temporarily breaking up a family unit.

Countries receiving migrants would also incur the costs of processing applications and helping migrants settle in. Pessimistic estimates put these costs as high as \$70,000 per worker for the first year, but even so, this is much smaller than the benefit to GDP these countries receive.

[Researchers](#) for a previous Copenhagen Consensus project estimated that for each dollar in costs incurred in opening migration, at least \$45 in higher incomes would be delivered.

In addition to delivering tens of trillions of dollars of annual benefits, opening up countries to migration helps recipient countries in two important ways. First, the rich world's birth rates have fallen below replacement levels. It will have ever-fewer workers supporting more and more elderly people—unless young workers can migrate from elsewhere to fill in this gap.

Second, lowering barriers to legal migration would help alleviate flows of illegal migration, which often puts migrants in deadly situations and can benefit organized crime. Developed nations have tried a variety of policies to secure their borders, yet flows of illegal immigrants keep coming. The wage difference between poor and rich nations makes too high of an incentive. Even if the journey is perilous, migrants keep coming. In one 2018 [study](#), researchers asked people in Gambia about their desire to migrate illegally to Europe and then asked them what they thought the expected risk of death might be to do so. Of the 406 people interviewed, nearly half said they wanted to go to Europe even though this group estimated, on average, that they had a 43% chance of dying along the way. When provided with researchers' estimate that the probability of death was "only" 20%, this, unsurprisingly, increased their willingness to migrate illegally.

Yet, while all the benefits of open migration are compelling, it's obvious that it's a politically implausible policy. One-off costs aside, many people—particularly in developed nations—worry about the wider effects of lowering barriers to migration, let alone abolishing them. Those are serious concerns worth weighing.

[How high are the costs of migration?](#)

There are at least five obvious concerns around the general proposal to abolish migration barriers.

First, the scale of change involved in opening all migration is just implausibly enormous. Removing all migration barriers mean that about [two billion workers](#) would move to the rich world. Today, the total number of workers in the rich world is about [670 million](#), so this would mean the workforce would literally quadruple—and that's not even considering accompanying dependents. There seems to be no way that unrestricted migration could plausibly take place without enormous social upheaval, even if carefully phased in over decades.

Second, it is reasonable to question if wages would really rise as much as projected if *every worker* were free to move to where there are better opportunities. If each rich-world worker was supplemented with four more workers, mostly from poor countries, is it plausible that all four would be as productive as that first rich-world worker? Even adjusted for educational quality, it

seems that it could be possible that, in total, these five workers achieve lower productivity than five rich-world workers, reducing the total benefits.

Some have pointed out that when most migrants move from poorer to richer countries, they are typically moving to countries with well-functioning economic and political institutions that are conducive to economic growth and efficiency. They are often escaping nations with economic and political institutions that are far less stable or efficient but to which they are more accustomed. It's not implausible then to imagine that massive migration from nations with less well-functioning governments and organizations might negatively affect the institutions in the rich world, reducing the benefits of migration. Indeed, one 2021 [study](#) suggests that immigration leads to poorer institutional performance in destination countries. Such studies suggest that the aggregate benefits would be smaller and the negative impacts larger, although it is very likely that the total benefits would remain very large.

Third, while allowing more migration dramatically increases global productivity and delivers huge benefits to the world's poor—both for those who migrate and those who stay behind—it also has another notable economic impact: Increased migration drives down wages in rich countries. The [study](#) that mapped a one-third to two-thirds decrease in global poverty also found that “workers in the rich region would lose: their wages would decline by 7%.” [Another](#) paper found that real wages would fall by “about 20%.” While the dramatic increase in the incomes of billions of poor workers would still cause the net effect on wages to be positive, it is unlikely that these wage declines would be readily accepted by rich-world voters. One study even points out that the reason immigration reform won't readily happen is “because the beneficiaries of these policies are not allowed to [vote](#)” in rich countries.

But this impact is less clear-cut than it may first appear. One of the reasons wages go down for workers in rich nations is that they have to share capital with more people as migrants enter, making each person less productive. Over time, however, more capital would flow to rich countries and restore productivity. Yet, substantial losses in the short and medium term make this a hard policy to sell.

It is also important to remember that the reduction in the rich-world wage is an average for all workers, including all newcomers. Since much of the wage reduction will be for the most unskilled workers, it is possible that, on average, the wages of the incumbent workers who were working in rich countries before migration flows increased would remain [unaffected](#). But that would be because incumbent high-income workers would see their wages rise, whereas incumbent low-income workers would see their wages go down. Crudely put, incumbent wealthy workers would benefit from gardeners and service wages becoming cheaper, while the incumbent workers earning those wages would not.

Fourth, though wage gaps do seem to drive migration, there are some instances in which workers choose not to move despite large differences in income—implying the cost of migration may be much higher than the \$70,000 per worker mentioned above. Take, for [instance](#), the difference in wages between the American territory of Puerto Rico and the rest of the USA: It was some \$20,000 in 2010 or about \$500,000 in present-day lifetime income differences. Though there is full mobility between Puerto Rico and the USA, about two-thirds of all Puerto Ricans have chosen not to move. It's reasonable then to suppose that the implicit cost (including actual financial costs and social ones) of migrating is higher than \$500,000 for many of these people.

Moreover, while many migrants themselves are net contributors to their destination, this crucially changes if they have several dependents following—elderly parents, young children, etc. The standard model assumes no dependents.

Fifth, the fact that almost all rich countries impede migration implies that unrestricted migration may not be all that marvelous a policy. Why would countries consistently act against their own best interests? Perhaps these countries' revealed preferences show that their governments do not actually believe that large-scale migration could deliver tens of trillions in net benefits to their constituents.

Whether these concerns are correct, they show that most of those involved in the current political discussion would not be interested in taking a vast leap into the unknown to eliminate migration barriers.

These points also drive opposition to more moderate proposals. The Copenhagen Consensus met strong opposition when it proposed a more open migration policy in the past, although it was still well short of totally open migration. With an excellent benefit-cost ratio of 45, the policy asked only to increase migration by about 20% each year for the next 25 years. Yet when I argued for this policy, most listeners remained unconvinced of the large potential benefits and were very skeptical that we had really included all of the negative impacts—especially those that are political, cultural, or long-term.

There is, however, another migration policy that is much more modest and still phenomenally effective at raising poor workers' wages: Let in some more highly skilled migrants when richer nations need them.

[A more acceptable migration increase](#)

Letting in just 10% more highly skilled migrants could make the world's poorest better off and help address inequality between nations, with small disruptions to the receiving nations. Specifically, this chapter's paper looks at increasing skilled migration by 10% both globally and within Africa.

Skilled workers make up a very small proportion of roughly 180 million working-age migrants in the world today—as defined by the UN's Department of Economic and Social Affairs. The peer-reviewed paper for this chapter estimates there are almost 37 million migrants with advanced educations. STEM workers make up about 9 million of these, and medical doctors about 1 million. For comparison, the world has about 136 million STEM workers and about 13 million doctors.

Looking at a 10% increase in the skilled migration that has already taken place means that this takes into account the political reality and the economic needs of individual countries. Countries that have already had a large skilled migration are more likely to accept and to be able to use 10% more of a large number. Countries that have had little skilled migration will only see a 10% increase in a small number of more skilled migrants.

Moreover, in the model, it is assumed the new migrants come from the same regions as the old migrants. For instance, Northern Europe has had 60% of its skilled migrants come from other parts of Europe, so the additional 10% are assumed to see a similar fraction come from the rest of Europe.

The benefits of migrating doctors

To help us map out the numerical benefits of skilled migration, let us look at physicians. By far, the largest benefit comes from the productivity gain of the physician, moving from a lower-wage to a higher-wage region. The model assumes that the skilled workers will migrate at around age 30–35, with 25 years ahead of a full working life.

When the doctor moves within relatively similar regions, the wage or productivity increase will be moderate. Aggregated over 25 years and discounted at 8%, the benefit for a doctor moving from Australia or New Zealand will be just \$147,000. On the other hand, a doctor moving from the Caribbean or Central America to North America will see a dramatic increase in wages worth almost \$1.8 million. On average, across all regions, a migrating doctor becomes more productive to the tune of an additional \$783,000 over a lifetime.

Doctors will also increase efficiency wherever they go. In part, this is because having more skilled workers will allow employees to fill the roles to which they are most suited—i.e., specialized doctors can take specialized positions, allowing general practitioners or nurses to go back to what they do best. They will also [generally raise](#) economic growth, albeit slightly, because this is only a moderate migration increase. Innovation goes up when you have people of different origins and, therefore, varied ways of thinking, doing things, and approaching problems. This, in turn, drives growth to the tune of \$37,000 in average benefits per doctor to the receiving country when combined with the effects of greater efficiency.

Host countries will also benefit from lower dependency ratios; there will be more productive workers supporting those outside the workforce. This is a particular help for nations with low birth rates and aging populations, two problems common to many developed countries. Across his or her lifetime, each doctor will pay higher taxes to fund the host country's government spending worth \$49,000.

Countries from where migrants originate also receive benefits. When new doctors or STEM workers migrate, they establish new and additional channels for trade, investment, and production. These networks can enhance productivity in home countries. Think of a poorer country doctor who moves to a higher-income region acquiring knowledge that could be effective back home. The doctor can help have tools imported or procedures transferred and maybe can even produce a new version that works better in her old home country. It is estimated that each migrating doctor will bring a long-term benefit to the source country worth \$27,000.

Finally, the skilled migrants will also increase remittances sent back home. Of course, the actual remittances just come out of the doctor's higher wage, so this is already counted. However, additional gains arise from the ability of households and firms in source countries to invest a portion of these remittances in education, health, and entrepreneurship. Because these remittances are likely long-term (as the migrating doctor will have a permanent wage increase), this will allow the households to increase their spending on education to drive their own productivity gains. With reasonable estimates, it is likely that this will add up to an additional \$18,000 in benefits over 25 years.

Let's briefly look at the total numbers. There are about a million migrant doctors across the world, most of whom have migrated to similar regions (meaning within Africa to other African countries and within Europe to other European countries). If we assume migration of an additional 10% or about 105,000 doctors going in the same proportions to the same destinations as the million migrant doctors already did, what will be the benefits?

More than four-fifths of the benefits accrue to the doctors themselves in higher productivity of about \$783,000 per doctor or \$83 billion for all 105,000 additional doctors. In addition, the destination countries will gain over \$5.1 billion from the improved dependency ratio; efficiency will make them about \$1.1 billion richer, while productivity spillovers contribute another \$2.8 billion. In the source countries, network benefits will deliver \$2.8 billion, and remittances driving more education and entrepreneurship in the source country will be worth \$1.8 billion.

In total, the additional 105,000 migrating doctors will make the world \$96 billion better off, as can be seen in Table 15.1.

The costs of migrating doctors

There are two significant sources of costs. First, the source country loses the production and taxes from the emigrated physicians, and thus the dependency ratio for supporting children and the elderly deteriorates. This is sometimes described as a ‘brain drain.’ This loss from a somewhat smaller workforce of doctors in the future sums up to \$2.2 billion, less than half of the corresponding gain for the destination country because most of the migration goes from poorer to richer countries, and the dependency ratio in poorer countries with a relatively young population is much more favorable than in rich countries.

Second, without these doctors, the source countries will, for a while, have to live with fewer doctors. This means a less productive healthcare system where doctors will have to step in to perform procedures in specialties further removed from their own or have nurses do what doctors would otherwise have done. In total, this efficiency loss is estimated at about 0.3 billion dollars for the global migration of physicians. The total of these two costs is \$2.5 billion in Table 15.1.

It is worth pointing out that while much of the literature emphasizes the ‘brain drain,’ or loss of doctors and other skilled workers from poorer countries, it often ignores the spillover benefits of network gains and productivity gains from increased remittances. Here, the brain drain cost of doctors for the poorer countries is about \$2.5 billion, both in demographic losses and efficiency losses. In comparison, the benefits from better networks and remittance productivity reach \$4.7 billion for skilled workers’ countries of origin. It is likely that even on these very narrow estimates, the benefits, even for source countries, are significantly greater than the costs.

Benefit-costs ratios for skilled migration

It is clear that the benefits of allowing the migration of an additional 10% of migrant doctors, or about 100,000 doctors, vastly outweigh the costs. Indeed, the benefits run to \$96 billion, while the costs are just \$2.5 billion, delivering a substantial \$38 back on each dollar spent, as seen in Table 1.5.

The paper considers the same groups of costs and benefits for the other groups of skilled workers. For the world’s roughly 9 million migrant STEM workers, it estimates the benefits of allowing another 900,000 STEM workers to migrate along the same paths and in the same proportions as the original 9 million.

The benefits, seen in Table 15.1, are much larger because there are many more workers. However, the benefits are only slightly more than three times larger, although the number of workers is nine times larger. This is mostly because the much more uneven group of STEM workers make about one-third of the average physician’s wage, weighted across the global distribution of migrant workers. As the costs are also about three times larger, the benefit-cost ratio remains at a very favorable \$17 back on the dollar.

Table 15.1 Benefit and cost in billion dollars, and benefit-cost ratios for 10% rise in skilled migration globally.

	Benefit	Cost	BCR
Physician migration	96	2.5	38
STEM migration	344	20	17
Other skilled labor migration	815	78	10
Highly skilled migration (STEM and physician)	440	22	20
All skilled labor migration	1,255	100	13

Note: Future costs and benefits are discounted at 8%.

The 26 million other skilled migrants are a much more mixed bag and have an even lower average wage. An increase of 2.6 million other skilled migrants would bring benefits worth \$815 billion with costs of \$78 billion, delivering a good benefit-cost ratio of \$10 back on each dollar. That's good, but not the sort of phenomenal investment this book is looking for.

The best policy that is phenomenal is allowing a 10% increase in highly skilled migration of physicians and STEM workers, which would cost \$25 billion but deliver benefits 20 times higher at \$440 billion.

A regional option: Open Africa to skilled migration

The global migration options are very good, but there is another place where a similar policy has good potential, in part because leaders have already said they'd enact it—Africa.

In 2018, the member countries of the African Union signed on to the [Free Movement Protocol](#) in Addis Ababa and so agreed to “provide for the progressive implementation of free movement of persons, right of residence, and right of establishment in Africa.” The protocol officially codified the continent's commitment to free movement, which had been previously declared at the [establishment of the African Economic Community](#) in Abuja in 1991. Yet despite these aspirations, to date, [only a few smaller states](#) have fully ratified the Free Movement Protocol, and little migration policy reform has taken place.

The paper for this chapter finds that if Africa allows an additional 10% of skilled migrants to move freely within Africa, it could generate net benefits worth \$5.4 billion.

The research again adopts the scenario that an additional 10% of migrants would move to foreign locations within Africa and would work the bulk of their careers there, earning destination-level incomes if wages are higher or source-level incomes otherwise. (This is relevant because South Africa's wages are the highest on the continent, so migrants from that country would not see their incomes rise). Each migrant is assumed to have been educated in the source country.

Table 15.2 Benefit and cost in million dollars, and benefit-cost ratios for 10% rise in skilled migration within Africa.

	Benefit	Cost	BCR
Physician migration	223	32	7
STEM migration	1,682	384	4.4
Other skilled labor migration	5,389	1,444	3.7
All skilled migration	7,294	1,860	3.9

Note: Future costs and benefits are discounted at 8%.

With respect to physicians, the paper finds an overall gain in physicians' migrant salaries worth \$44,600 per doctor, which adds up to a total wage gain of \$113 million.

It's important to note that because there is still relatively little intra-regional migration in the first place, a 10% increase equals just 2,531 extra doctors migrating. Moreover, the salary gaps from one African region to another are also smaller than they are globally, meaning fewer gains when we look at benefits from migration on a regional level.

Nonetheless, the benefits add up. The efficiency gain in destination countries is \$1.2 million, while productivity spillovers amount to \$11 million. The largest source of welfare gains in the destination countries and regions is the demographic gain of \$88 million, as immigrant physicians grow the pool of highly skilled and productive workers that support the society. Total destination benefits amount to \$101 million. Along with benefits from diaspora-related innovation and investments from remittances in the source countries of \$9 million, the total benefits reach \$223 million.

In contrast, source countries suffer a small efficiency loss of almost \$1.1 million and a significant demographic loss of \$31 million. Across the continent, the benefits clearly outweigh the costs. However, because of much lower wage differentials, the benefits are only about seven times higher than the costs, as seen in Table 15.2.

There are 12 times more STEM migrants than there are physicians, but with lower wages, the benefits rise less than four-fold. In total, the benefits reach 1.7 billion dollars and a benefit-cost ratio of 4.4 across Africa. The scale of migration of other skilled workers is again 3-fold larger, delivering \$5.4 billion in total benefits. The overall continental BCR for all groups is essentially unchanged from the STEM case. In total, \$7.3 billion in benefits can be achieved for \$1.9 billion in costs.

Across the continent, the benefits clearly outweigh the costs. But since the main benefit of migration is to increase the productivity of the migrant, the limited productivity gap within Africa means that this is not the primary place to focus on increasing migration. The better option is to go global.

A politically viable chance to lower global inequality

The world has made grand promises about reducing inequality within and among countries while facilitating migration.

We are not on track to reduce inequality within nations, but perhaps surprisingly, inequality has been declining dramatically between countries because of increased economic growth in many formerly poor countries. Many of the other policies recommended in this book will help grow those economies more in the future.

Crucially, opening up the world to more migration could help with inequality while improving lives globally. While immigration policy is fraught and free migration remains politically infeasible, a 10% increase in highly skilled migration could deliver \$20 of benefits for each dollar of cost.

The data and texts in this manuscript are not finalized. Intended use is for finding references, links and sources for the finalized text of the book Best Things First.

The academic paper on which this chapter is based is entitled “A benefit-cost analysis of increased international migration of skilled labor in Africa and the world.” It is authored by

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