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**Press Release**

## **Embargo: Wednesday 2 April 2008, 3:00 pm**

A new study on **The International Mobility of Talent Types, Causes, and Development Impact** directed by **Andrés Solimano** at the World Institute for Development Economics Research of the United Nations University (UNU-WIDER) will be launched on Wednesday 2 April 2008 **at the Brookings Institution**, 3:00 to 5:00 pm; Saul/Zilkha Room, 1775 Massachusetts Ave, NW, Washington, DC USA. [www.brookings.edu](http://www.brookings.edu)

The Director of the WIDER study Andrés Solimano and co-author AnnaLee Saxenian are available for advance phone interviews; please use the contacts below to schedule a time. Copies of the study and Policy Brief summarizing the study is be available for journalists at the launch and PoliThe full study is available for media preview at: [www.wider.unu.edu](http://www.wider.unu.edu)

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## **Brain Drain or Gain-Gain? Migrants and global development**

Washington, 2 April 2008. An innovative study released today by the Helsinki-based **World Institute for Development Economics Research of the United Nations University (UNU-WIDER)** takes a fresh look at the “brain drain”: highlighting the positive development impact of talent mobility in today’s globalized economy.

A Pole returns to Warsaw after four years in the Dublin car hire business: within a year he has established a successful franchise in the same trade. A successful mobile telephone company founded by a Bolivian entrepreneur in the US has already opened several plants in Latin American capitals.

Examples of how talented individuals utilize ideas, capital and innovation feature in “Mobilizing Talent for Global Development”. The book examines how “high value migrants” from developing countries and transition economies contribute to new technologies, to business creation and other forms of human creativity, *in their own countries* as well as those they go to work in.

In the twenty-first century, the international circulation of talent has increased significantly; a cause and effect of greater economic interdependence and lower transport costs. The direction of this talent circulation is multiple, but as the wealth disparity between rich and poor countries remains, the 'south-north migration' of talent predominates.

But innovative entrepreneurs, IT experts, media professionals, scientists, engineers, doctors, artists and others, increasingly impact on economies in both the developed and the developing world. This kind of skills mobility, if it is effectively and smartly managed, can lead to a win-win scenario, the book shows.

"The idea that the mobility of bright, qualified people represents a permanent loss of scarce human capital for the source country is becoming rapidly outdated. Talent mobility can bring benefits both to host and source countries," says Andrés Solimano, director of the UNU-WIDER research project on the Mobility of Talent.

Although the economic benefit of skilled immigrants to wealthy developed economies and the potential depression of business creation, innovation and growth in source countries has been widely documented - the traditional brain drain - "Mobilizing Talent for Global Development" shows that this is far from the end of the story.

Emigration raises the return on investment in human capital, often stimulating more investment in education in sending countries with future positive growth effects. In this case, the 'brain drain effect' of emigration of talent is increasingly being counter-balanced by the 'brain gain effect'.

At the same time, if emigration follows a cycle (increasingly the case) and the emigrant returns home bringing fresh capital, contacts and knowledge, the result is often positive development for the home country.

The revolution in information and communications technology (ICT) of the last two to three decades spurred an increase in the demand for talent that specializes in these areas in the USA and Europe. In Taiwan in the 1980s and 1990s, the formation of the Hsinchu Science-based Industrial Park (HSIP) benefited greatly from return immigrant Taiwanese entrepreneurs and engineers from Silicon Valley.

Several successful Indians and Taiwanese in the high-tech industry in the USA also set up hardware and software companies in their home countries contributing to growth in the source countries.

As well as charting these positive growth trends, the report cautions that in some cases the emigration of talented professionals remains detrimental to source countries, particularly in the case of health professionals.

As doctors, nurses and medical specialists continue to leave African, Asian and Caribbean countries, the health services they leave behind become depressed and inadequate. This is particularly serious in the case of Africa, suffering from an HIV/AIDS epidemic, malaria, and other diseases that cause loss of human life and impair development potential. Ethical standards for recruitment and compensation schemes are possible tools to deal with this phenomenon.

"Mobilizing Talent for Global Development" shows how policies that encourage the reconnection and return of talent to home countries to support national development hold

promise. The book documents how business, scientific and cultural networks that connect expatriates with nationals of their home country have proved successful.

The book also argues that the exodus of the skilled is often as much an effect of underdevelopment as a cause in itself. It recommends that countries that are losing talent should set up more liberal and open policy regimes that create a positive climate for business and the well educated, leading to an improvement in the economy and society at large. The evidence suggests these measures lead to less outflows and more inflows of talent: in a generation Ireland has turned from a major source to a key destination for the talented.

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**Andrés Solimano**, director of the WIDER research project on the Mobility of Talent, and **AnnaLee Saxenian**, a contributor to the project, will jointly discuss the main findings and policy implications of the study.

**Andrés Solimano** is currently Regional Advisor at the United Nations Economic Commission for Latin America and the Caribbean (UN-ECLAC). Formerly Country Director at the World Bank in Washington DC and Executive Director for Chile and Ecuador on the Boards of the Inter-American Development Bank (IDB) and affiliated institutions, he has published numerous books and authored articles on growth, development, globalization, economic reform, income distribution, international migration, and macroeconomics in professional journals and the media.

**AnnaLee Saxenian** is Dean and Professor in the School of Information and professor in the Department of City and Regional Planning at the University of California, Berkeley. Her most recent book, *The New Argonauts: Regional Advantage in the Global Economy* (Harvard University Press, 2006), explores how the "brain circulation" by immigrant engineers from Silicon Valley has transferred technology entrepreneurship to emerging regions in China, India, Taiwan, and Israel.

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## WIDER Publications on Migration of Talent

### The International Mobility of Talent Types, Causes, and Development Impact

Edited by Andres Solimano

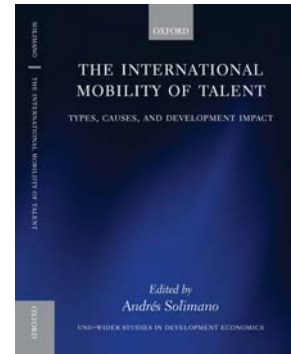
ISBN-13: 978-0-19-953260-5

Estimated publication date: February 2008

352 pages, Numerous tables & figs., 234x156 mm

Series: WIDER Studies in Development Economics

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UNU Policy Brief No. 7, 2006

### Mobilizing Talent for Global Development

Andrés Solimano, September 2006



## Reviews

'This interesting book brings the knowledge and sophistication of first rate economists to the analysis of the globalization of talent and assesses its various and not always obvious consequences. It will help us to better understand this complex and topical phenomenon. It will become an essential reference in this important and new branch of economics.' - Vito Tanzi, former director of the Fiscal Affairs Department of the IMF, and an Undersecretary for Economy and Finance in the Italian Government

'The International Mobility of Talent brings together the best research in this critically important subject, identifying the roles of creativity, knowledge, ideas, and skills that go beyond trade and capital as the movers of economic development.' - Richard Florida, Joseph L. Rotman School of Management, author of The Rise of the Creative Class

'This is the highest talent writing about the mobility of talent, now a subject central to development. This book deserves a warm welcome.' - Alice H. Amsden, Barton L. Weller Professor of Political Economy, MIT

'Andrés Solimano has skilfully edited the contributions of many experts to present a comprehensive analysis of one of the least examined dimensions of globalization. This important work examines the international mobility of talented individuals and the way that they disseminate ideas as they move from country to country, which in turn impact on economies in both the developed and the developing world.' - David Parrish, International Management Consultant and Trainer: [www.davidparrish.com](http://www.davidparrish.com)

**World Institute for Development Economics Research of the United Nations University (UNU-WIDER)** undertakes multidisciplinary research and policy analysis on structural changes affecting the living conditions of the world's poorest people; provides a forum for professional interaction and the advocacy of policies leading to robust, equitable and environmentally sustainable growth; and promotes capacity strengthening and training for scholars and government officials in the field of economic and social policy making. WIDER is the first research and training centre of the United Nations University (UNU), established in Helsinki, Finland in 1984. [www.wider.unu.edu](http://www.wider.unu.edu)

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