



WORLD BANK GROUP



International
Human
Capital Forum
Dushanbe, May 16 - 18



International migration: A challenge or opportunity for human capital building in Central Asia?

Laurent Bossavie

Senior Economist, World Bank,
Social Protection and Jobs Global Practice

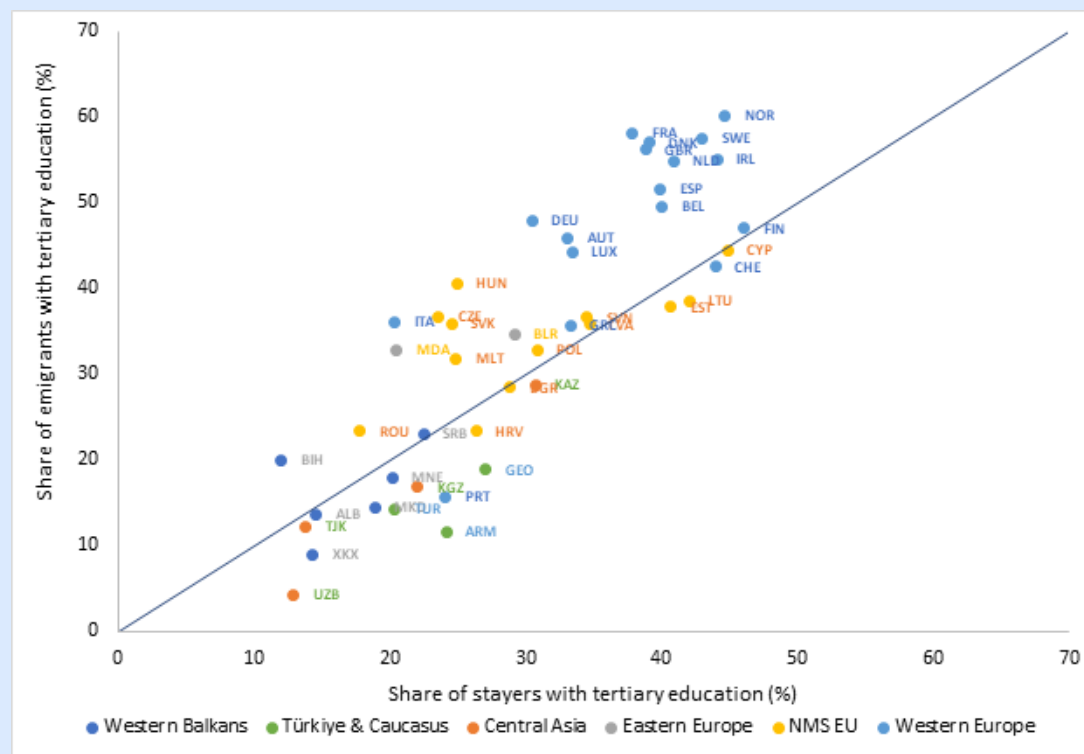


- Migration can support human capital formation
 - Can prevent human capital loss from inactivity when domestic employment opportunities are limited
 - Can incentivize workers to invest in human capital (“brain gain”) to migrate
 - in the case of high-skilled migration
 - Migrants can learn new skills and accumulate working experience abroad
 - Origin countries can benefit if/when migrants return
- Labor mobility, however, can also come with human capital losses
 - Migrants may not find employment abroad (skill deterioration due to inactivity)
 - Possible occupational downgrade at destination (i.e. migrants may be employed in low-skilled occupation compared to their level of education)
 - When migrants return, skills and experience earned abroad may not be valued by labor markets
 - Migrants may not return (“brain drain”)
 - Low-skilled migration opportunities may disincentivize investment in human capital



- Migration from Central Asia is low-skilled
- Migrants tend to be less skilled than nonmigrants
 - “Brain drain” is less of a concern in Central Asia

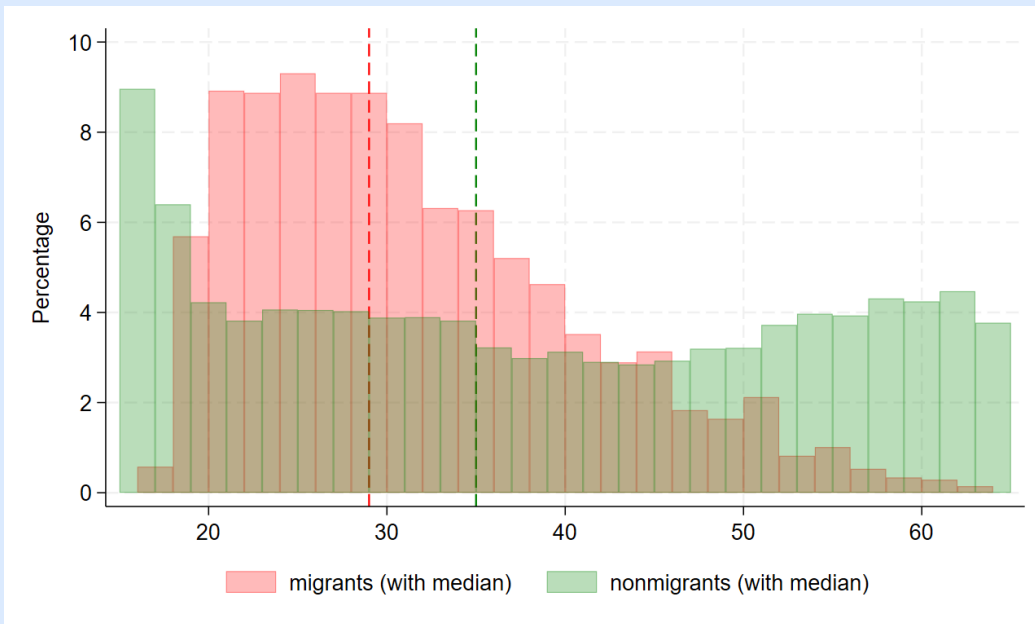
Share of tertiary-educated among emigrants and nonmigrants in ECA





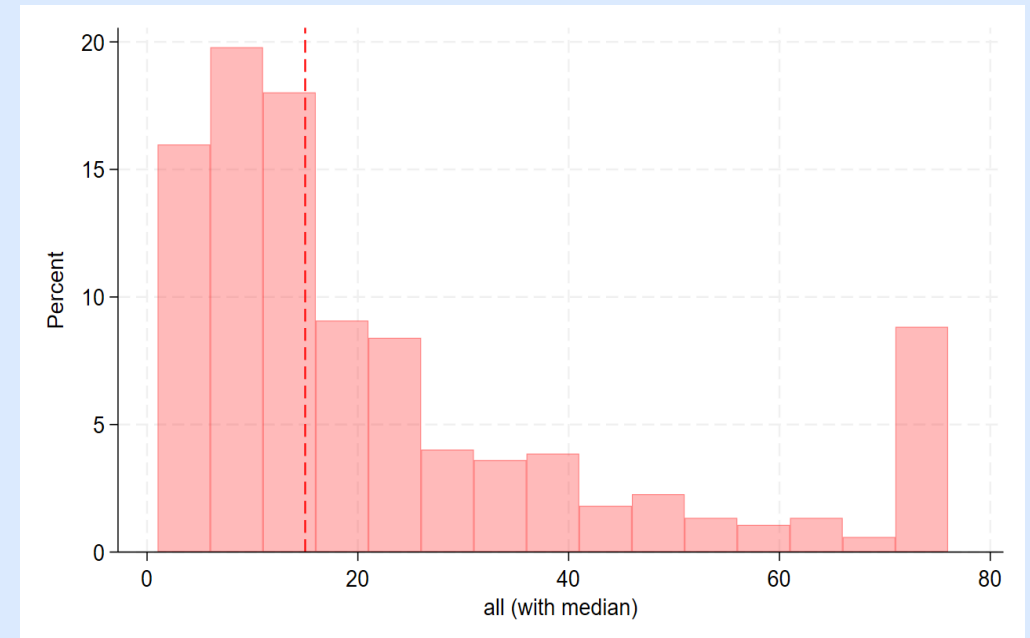
- Central Asian workers migrate early in their life cycle
- Close to two out of five migrants go abroad soon after completing schooling
 - Migration takes place at a critical stage of human capital formation
- Migrants usually return (average duration abroad is two years)

Age distribution of international migrants compared to nonmigrants



Note. Vertical dashed lines denote median values

Duration of stay abroad of international migrants (in months)



Note. Vertical dashed lines denote median values

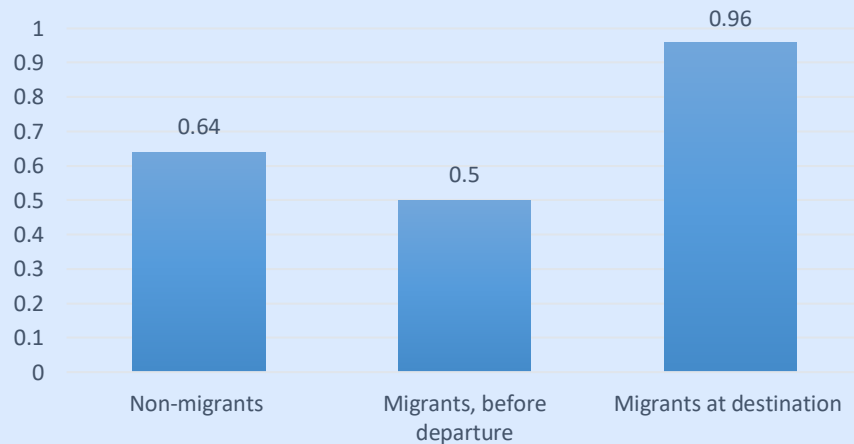


- Employment rates of migrant workers are high compared to before migration and to nonmigrants
 - May Limit/prevent human capital loss due to inactivity among youth

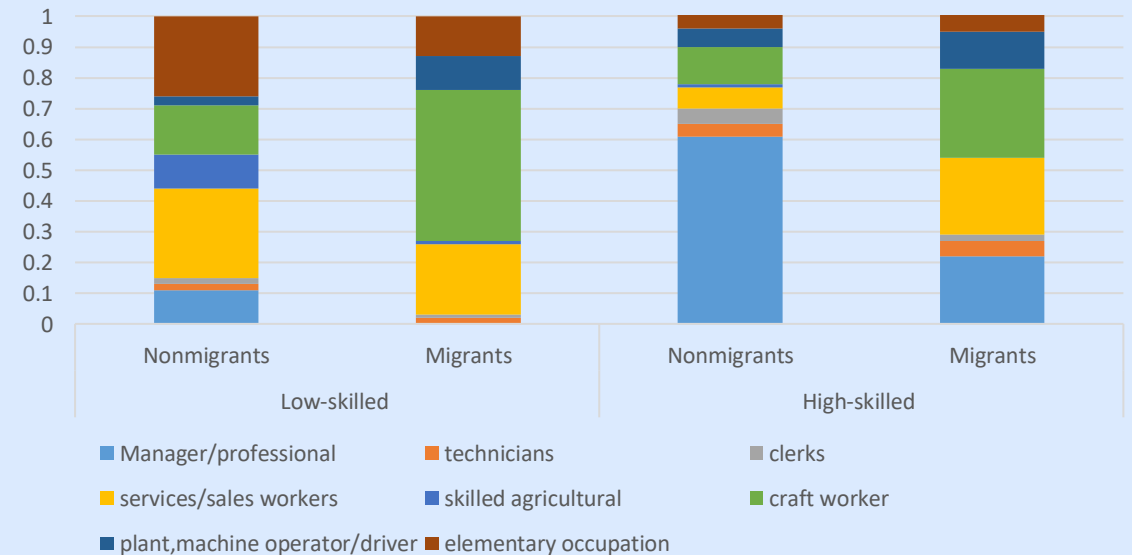
However:

- Migrants are concentrated in low-skilled occupations
 - High-skilled migrants experience occupational downgrade abroad

Employment rate of males in working age from Central Asia



Occupations of Central Asian workers, by international migration status





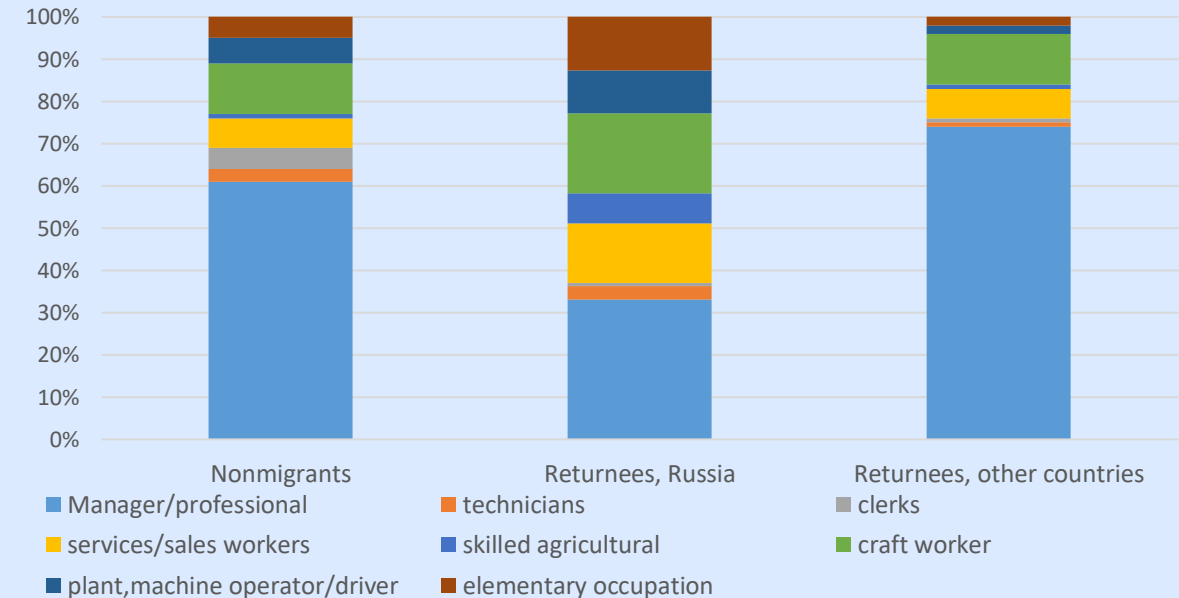
Human capital gains from return migration are limited in Central Asia

- Overall, migration abroad is not associated with significant wage gains upon return
- Low-skilled migrants however earn a small positive wage premium
- High-skilled returnees experience a negative wage gap compared to nonmigrants
- Occupational downgrade is very common among high-skilled returnees

Additional monthly earnings of return migrants relative to nonmigrants (in %)



Occupations of tertiary educated Central Asian workers, by past migration status



Note. The displayed coefficients were obtained by regressing workers' logged monthly wages in USD2010 (dependent variable) on a returnee dummy (explanatory variable) controlling for workers' other observable characteristics. The coefficients displayed are OLS coefficients on the male dummy. Horizontal lines represent 95 percent confidence intervals.



Migration may also impact human capital through other channels :

- Remittances can help increase households' investments in children's education educational expenditures
 - Results are mixed, heterogenous and context specific (Bossavie and Ozden 2023)
 - Positive impacts of remittances on schooling for boys but not for girls in Tajikistan (Jaupart 2019)
- Low-skilled migration opportunities may, however, reduce incentives to invest in education
 - In Tajikistan, young people tend to forsake schooling beyond compulsory education in the presence of opportunities to migrate abroad (Abdulloev et al. 2019; Abdulloev et al. 2020)
 - More studies are however needed to generalize findings



How can we reconcile migration and human capital formation?

1. Migration policies can support human capital...

- Diversification of migration to new occupations and destinations
 - Can help prevent/reduce occupational downgrade
 - Requires expanding origin countries' capacity to identify demand from new destinations/occupations
 - Close coordination with destination countries (data sharing on labor demand and skill shortages)
 - Formalized Bilateral Agreements including Government-to Government (G2G) programs and Global Skill Partnerships (GSPs)
- Productive reintegration of return migrants
 - Systematic data collection on return migrants (return migrant registries)
 - Linkages to ALMPs and employment services
 - Requires strengthening of domestic ALMPs and employment services
 - Public works and social assistance can support unexpected returns and mitigate human capital losses



How can we reconcile migration and human capital formation?

2. ... And human capital policies can help increase gains from migration

- Skill training and upskilling
 - Includes technical but also language training
 - Can enhance migrants' wage gains and access to better jobs abroad
 - Can support diversification to new destinations
 - Can benefit origin countries ("brain gain"):
 - Not all newly trained workers will go and work abroad
 - Through return migration
 - Can be partly supported by destination countries through Global Skill Partnerships (GSPs)
- Recognition of credentials in foreign labor markets is also key
 - Training and Education curricula must meet international standards
 - Formal mechanisms to recognize foreign credentials
 - Requires strong enforcement mechanisms



International
**Human
Capital Forum**
Dushanbe, May 14 - 15

Merci pour votre attention!

[#HumanCapitalForum](#)

[#TajikistanHCF2024](#)