Chapter 4
Potential Skilled Labor Migration, Internationalization of Education with Focus on Medical Education: The Case of Arab Countries

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ABSTRACT
This chapter is a contribution to the new economics of skilled labor emigration that focuses on the mobility of students with application to the Arab countries with a special focus on medical education in these economies. With limited data on the emigration of students, descriptive statistics besides regression analysis are pursued to support the empirical investigations. The findings show statistically significant trends in emigration of students from Arab countries. They also indicate that the relative expected benefits and the emigration rate have major effects on the net relative human capital who leave for international destinations. The effects of the relative expected benefits in the destination and sending countries besides the yield of education are found to likely affect the emigration patterns. The empirical results based on the available data mainly from UNESCO (1990-2010) and OECD (2005-2009) allow further use of the model to understand the current trends in the emigration of students. These trends confirm the magnitude of relative wages besides the level of education and the attitude toward risk as determinants of the international movements of students. The complexities taking place in the education systems in different countries with the internationalization and delocalization of universities and schools are likely to introduce more options for students but also new possibilities to understand the outcomes of migration decisions.

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INTRODUCTION

Within the tradition of the new economics of skilled labor migration and as a follow-up to Stark, Casarico, Devillanova and Uebelmesser (2005) and to the model developed by Driouchi, Baudassé, Zouag and Boboc (2010), it has been important to update and apply the theoretical framework of the above papers to series of sectors and economies to discuss relevant economic and social policies. Well trained students and graduates are crucial for the provision of the human skills needed for local and international development. While countries are investing in higher education, the objective of this paper is to understand the flows and stocks of students that are emigrating outside their countries of origin. The focus here is on countries of the Arab World.

This paper aims at using a decision model that incorporates economic, social and behavioral parameters that may capture the emigration decisions of potential skilled labor with a focus on the stage of students. The economic part is represented by the relative expected wages between destination and countries of origin, the social dimension is the education level and the behavioral component is related to the attitudes towards risk. The economic variables may also account for other financial incentives such as scholarships, provided either by the sending or receiving countries. The data used are those of UNESCO (1990-2009/2010) and OECD (2005-2009).

This article is composed of four sections. The first one is a literature review. The second introduces the decision model and its implications. The third section focuses on the applications of the model to the sending Arab countries to the major destinations. The last part discusses the overall results attained in relation to the economic and social policies of the Arab region.

I. SKILLED LABOR AND INTERNATIONALIZATION OF EDUCATION

This is analyzed from both mobility of students and movements of internationalization of universities in the Arab world.

1. Mobility of Students to Foreign Developed Countries

Commander, Kangasniemi and Winters (2003), emphasize that early models found that emigration of skilled labor would be harmful through the impact on wages, employment, and fiscal costs. They also showed that more recent literature has argued that a beneficial “brain gain” takes place under the effects of educational externalities. Marchiori, Shen and Docquier (2010) indicate that the movement of highly skilled human capital from developing to developed countries can have many positive effects. Brain drain improves human capital through ex-ante motivations to be highly educated, creates positive externality on total factor productivity by helping technology diffusion from the receiving countries, decreases information risks and triggers more foreign direct investment inflows (Marchiori et al., 2010).

However, the empirical findings of Beine, Docquier and Özden (2009) suggest that education-based selection rules are likely to have moderate impact. De la Croix and Docquier (2010) explore the complementarities between highly skilled emigration and poverty in developing countries through a model with human-capital accumulation, highly skilled migration and productivity. Their results show that two countries sharing the same characteristics can exhibit different impacts on poverty. Camacho (2010) uses a model with an economy composed of two sectors and two regions while allowing for skilled migration. The solution path attained converges to a steady state that exhibits a distribution of skills between regions but with no evidence of symmetry. The new steady