Chapter 10

Inputs from the New Economics of Migration of Medical Doctors in Eastern and Central Europe

Cristina Boboc
Bucharest Academy of Economic Studies, Romania

Emilia Titan
Bucharest Academy of Economic Studies, Romania

ABSTRACT

This is a contribution to the new economics of skilled labor emigration that focuses on the mobility of physicians inside European Union from ECE countries. Economic models under risk neutrality and aversion are used. The findings show that the education could change significantly the results on the emigration benefits. Comparisons of theoretical and observed relative human capital per country averages are conducted and ensured the statistical validity of the model used. The empirical results based on the available data on emigration by Docquier and Marfouk (2008) but also by Bhargava, Docquier, and Moullan (2010) allowed further use of the model to understand the current trends in the emigration of physicians and the border between brain gain and brain drain. The countries included in the study all exhibited brain gain between 1991-2004. Each country is encouraged to anticipate the likely effects of this emigration on the economy with the increase of health demand, the domestic wages, and the increase in education capacity for medical doctors.

DOI: 10.4018/978-1-4666-4723-7.ch010
INTRODUCTION

In the context of globalization in general and of EU enlargement in particular, migration is one of the most important and sensitive aspect with a lot of implications on social, economical and demographical changes.

This chapter deals with the migration of physicians inside European Union. Economic models under risk neutrality and aversion are used. The model used in this paper is not different from the one developed earlier. The basic features of this model are from Stark, Casarico, Devillanova and Uebelmesser (2005). After the underlying assumptions, the cases of risk neutrality and aversion are introduced with their related comparative statistics.

It begins with a literature review of the main papers about the new economics of skilled labor emigration. Many authors analyzed these imbalances. In the countries when health care needs are often greater than in developed countries the workforce shortage seriously compromise the ability to deliver adequate and equitable health care to a large proportion of population. In these countries the physician emigration could have important effects on donor countries.

Authors such as Commander, Kangasniemi and Winters (2003) emphasized 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, Ling, and Docquier (2010) suggest that the movement of high 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 Rapoport (2009) suggest that education-based selection rules are likely to have emigration data. Each country is encouraged to anticipate the likely effects of this emigration on the economy with the increase of health demand, the domestic wages and the increase in education capacity for medical doctors. As said earlier, the theoretical model and the preliminary applications are those in Driouchi, Baudassé, Zouag and Boboc (2009).

LITERATURE REVIEW

Physician migration is a complex and multifaceted phenomenon. Imbalances in the production of physicians lead to workforce shortages and surpluses. Many authors analyzed these imbalances. In the countries when health care needs are often greater than in developed countries the workforce shortage seriously compromise the ability to deliver adequate and equitable health care to a large proportion of population. In these countries the physician emigration could have important effects on donor countries.

The chapter continues with the application and testing of the model developed earlier and is reintroduced in the previous chapter. The empirical results based on the available data on emigration by Docquier and Rapoport (2007) and Bhargava et al. (2010) allow for further use of the model to understand the current trends in the emigration of physicians and the border between brain gain and brain drain. The countries included in the study are all exhibiting brain gain under 1991-2004
Related Content

Financial Integration: Crisis and Economic Development
Sandra Jednak and Dejan Jednak (2018). *Regaining Global Stability After the Financial Crisis* (pp. 67-87). [www.igi-global.com/chapter/financial-integration/202071?camid=4v1a](www.igi-global.com/chapter/financial-integration/202071?camid=4v1a)

An Agent-Based Model to Forecast the Inflation Rate in the Eurozone: Incorporating Microfoundations into Complex Behavioral Models

Participation and in the Aegean Polynesia: Coop Community Challenges at a Time of Acute Social Crisis

Technological Change and Innovation in Latin American Emerging Economies: The Pork Industry of Antioquia, Colombia