



Caribbean Studies

ISSN: 0008-6533

iec.ics@upr.edu

Instituto de Estudios del Caribe

Puerto Rico

Bristol, Marlon A.

Brain Drain and Return Migration in CARICOM: A Review of the Challenges

Caribbean Studies, vol. 38, núm. 1, enero-junio, 2010, pp. 129-146

Instituto de Estudios del Caribe

San Juan, Puerto Rico

Available in: <http://www.redalyc.org/articulo.oa?id=39220687005>

- How to cite
- Complete issue
- More information about this article
- Journal's homepage in redalyc.org

redalyc.org

Scientific Information System

Network of Scientific Journals from Latin America, the Caribbean, Spain and Portugal

Non-profit academic project, developed under the open access initiative

BRAIN DRAIN AND RETURN MIGRATION IN CARICOM: A REVIEW OF THE CHALLENGES

*Marlon A. Bristol **

ABSTRACT

This paper investigates the pertinent issues of the arguments on human capital depletion, specifically in the context of the more recent literature that seeks to explain the phenomenon in the context of the English speaking Caribbean Community (CARICOM). It further assesses return migration policies of the region in an attempt to ascertain their practicality in redressing skills depletion or accumulation for member states. Clearly, facilitation policies are essential, but there is no documented analysis on their effectiveness, despite the tendency to speak of their usefulness. The main motivation for having return facilitation policies, emerged out of recognition of the potential of the Diaspora and what they can offer for the development of CARICOM nations. There is a tendency for return facilitation policies to favour life cycle re-migrants or retirees with affinity to their homeland, whatever the reason. From observation the all inclusive nature of the return facilitation policy construct does not present a framework for attracting skilled individuals in their productive age. The problem with this is that the retirement age in most member states does not allow for retirees to re-enter the workforce to impart knowledge or skills, outside of investment initiatives. This general weakness in return facilitation policy limits what optimally a re-migrant can offer. The counterfactual that return migrants bring with them networks and links from which their home country can benefit is also potentially restricted by the same token.

Keywords: CARICOM, Human Capital Depletion, Return Migration Policy, Brain Drain, Return facilitation, Education, Labour Force Quality

RESUMEN

Este artículo investiga los asuntos pertinentes a los argumentos de la reducción del capital humano, específicamente en el contexto de la más reciente literatura que busca explicar el fenómeno en el contexto del Caribe de habla inglesa de la Comunidad Caribeña (CARICOM por sus siglas en inglés). Se evalúan las políticas de migración de la región para intentar determinar su practicalidad en compensar la disminución de destrezas. Resulta claro que la facilitación de políticas es esencial, pero no existe un análisis documentado de su efectividad, a pesar de la tendencia a hablar de su utilidad. La motivación principal para

tener políticas de facilitación de retorno surgió del reconocimiento del potencial de la diáspora y de lo que puede ofrecer para el desarrollo de las naciones de CARICOM. Existe una tendencia en las políticas de facilitación de retorno a favorecer emigrantes retirados afines con su país de origen. La naturaleza de “todo incluido” en la estructura de la política de facilitación de retorno no atrae individuos diestros en su etapa productiva. El problema radica en que la edad de retiro en la mayoría de los estados miembros de CARICOM no permite a los retirados regresar a la fuerza laboral a impartir conocimiento o destrezas, fuera de las iniciativas de inversión. Este punto débil en la política de facilitación de retorno limita lo que un emigrante puede ofrecer óptimamente para beneficio de sus países de origen, como por ejemplo redes de conexiones y otros vínculos.

Palabras clave: CARICOM, reducción de capital humano, política de migración de retorno, fuga de talento, facilitación de retorno, educación, calidad de la fuerza laboral.

RÉSUMÉ

Cet article analyse des questions pertinentes en ce qui a trait à la réduction de capital humain, spécialement dans le cadre des plus récents documents qui expliquent le phénomène du contexte des pays anglophones de la Communauté Caribéenne (identifiée par son sigle anglais CARICOM). Dans le but de déterminer son sens pratique et démontrer leur capacité, le chercheur essaie d'évaluer les politiques migratoires de la région. Il est clair que les démarches politiques sont importantes, mais aucune analyse soutient son efficacité, malgré les efforts déployés pour expliquer son importance. Le motif principal d'un retour à une politique de facilitation est né à partir d'une reconnaissance du potentiel de la diaspora et de la contribution qu'elle peut apporter dans le développement des nations de la CARICOM. L'idée de cette politique de facilitation de retour permet à des individus en retraite de réintégrer leur pays d'origine. En regardant la nature et la structure de cette démarche, on voit qu'elle ne possède pas les conditions nécessaires pour faciliter le retour des professionnels dans leur étape de production. Le problème qui se pose, c'est que l'âge de retraite adopté par ces états membres, empêche à ces retraités de transmettre leurs connaissances et leurs expériences. Cette faiblesse générale de la politique de facilitation de retour empêche aux émigrants de se mettre au service du pays d'origine, par exemple de contribuer dans des réseaux de connections, entre autres.

Mots-clés: CARICOM, réduction de capital humain, politique de migration de retour, fuite de cerveaux/talent, facilitation de retour, éducation, qualité de force de travail

Received: 23 October 2008 Revision received: 25 October 2009 Accepted: 27 October 2009

Introduction

Boosting human capital via education is seen in the Caribbean Community (CARICOM)¹ as key to competitiveness and by extension future growth (Ramsaran and Hosein 2008). Already, the more general literature has established in theory and by way of empirical evidence that investment in human capital is vital to economic growth (Barro 1992, Becker 1962, Miyamoto 2002, Romer 1989, 1990). Human capital depletion, it is argued, can adversely affect countries of CARICOM; see Thomas and Hosien (2005).

Investment in education, a key input to human capital, whether based on an individual's private decision (opportunity cost of time) or treated as a public good (opportunity cost of education expenditure) has always been a hallmark of CARICOM's economic development. There is however limited literature directly measuring the contribution of human capital to economic growth in this regional grouping; an example is Boamah (2001). Alternatively, competitiveness is mainly measured in factor productivity studies or by the real effective exchange rate (REER) indicators and more recently indicators of the business environment (Downes 2004), see also World Economic Forum Reports. These assessments on competitiveness are predominantly related to trade in goods and the institutional frameworks.

The depletion of human capital has caused much furor about policies needed to stem the flow of skilled persons, some of which date back to Bhagwati's 1976 proposal. Recently, Clemens (2009), Human Development Report (2009) et al., argues against stemming the flow and proposed bold reforms to support the freedom of human mobility for development. However the debate and concrete policies of redress in CARICOM continues to languish somewhat due to data caveats (Pastor 1985, ECLAC 2007, Thomas-Hope 2002 et al.). Nevertheless, the gamut of the recent literature on emigration of skilled individuals from CARICOM, [Thomas-Hope (2002, 2003), Nurse (2004), Mishra (2006), Downes (2006), Thomas and Hosein (2006), Castellani (2007)], has sought to assess causes, consequences and prescribe some policy options.² The essence of the arguments presented imbues a notion of typical problems faced in developing countries such as their absorptive capacity, and the existence of mismatch or more structural issues, *inter alia*.

This policy paper investigates the pertinent issues of the arguments on human capital depletion, specifically in the context of the more recent literature that seeks to explain the phenomenon in the CARICOM context. It further assesses return migration policies of the region in an attempt to ascertain their practicality in redressing skills depletion or accumulation for member states.

The Context:

Gary Becker's conceptual formulation of human capital argues that knowledge (the key inputs of which are education, medical care, etc.) people possess is important to them and employers (Becker 1992), by extension to the economy. This notion of human capital, adapted in this paper, purports education and training leads to improved knowledge, that is, as schooling years increase from nursery to tertiary the probability of earnings increases. Hence, the more knowledgeable you are the more valuable you tend to become to society. This makes education and training essential to the society's value added and development as a whole. Human capital depletion therefore refers to the outward migration or emigration of skilled individuals.

Despite the dynamics and influence that national policies have on international migration, there is, at the global level, a policy position on the cross-border movement of skilled individuals. This is enshrined in the World Trade Organization-General Agreement Trade and Services, Mode 4 general principle³ that seeks to categorize the movement of individuals to trade their services/skill across jurisdictions permanently or temporarily.⁴

Having established the scope of the concepts used in this paper, the rationale for the current investigation of human capital depletion from "a CARICOM perspective" is four fold: (1) The fact that the best minds leave is not unique, but the rate at which they leave are among the highest in the world per capita of the educated labour force; see Carrington and Detragiache (1998a, 1999b) and Docquier and Marfouk (2004) and this potentially has implications for how member states are affected; (2) The effect of skills depletion on small (as defined by geographic size, population, limited productive diversification, etc.) island development, is particularly strong, see Beine et al. (2008) who concluded that small states are the main losers and they react stronger to push factors (Schiff and Wang 2008), who showed that technology diffusion decreases with the emigration of skilled labour and this is particularly substantial for small states; (3) In CARICOM there is evidence that the losses from emigration of skilled workers outweigh the gains, a situation which appears to hurt national growth prospects, see Mishra (2006), and Castellani (2007); and (4) There is great potential for tailored policy to reverse some of these losses, see Human Development Report (HDR) (2009).

The aforementioned should also be taken against the background that CARICOM, next to North America and Europe is among the best regions to live based on the Human Development Index (HDI).⁵ Further, the depletion of capital is reaching such epic proportions, that these very private decisions to e-migrate are having public policy implications. For example, the issue of public education subsidies, amidst other compet-

ing welfare priorities of government. Visible too are shortages (and in some cases acute shortages) of specific skills such as nurses and teachers. These challenges are further pitted against relatively higher wages in the developed world; and the developed world recruitment drive for skilled professionals just to mention a few.

The Debate:

There are three key arguments surrounding the depletion of skills in general which have significant relevance to CARICOM member states.

Firstly, there exists the notion of a **mismatch** which suggests disequilibria between demand and supply of skills. Downes (2006) highlighted mismatches between job requirements and the skills set in CARICOM member states, alluding to workers attitude, ethics, and pertinent deficiencies in the educational system. CARICOM is not alone in this regard, Handel (2003) produced evidence from the USA which attributed mismatch to employers dissatisfaction with workers attitudes and efforts, opining that there is little or no evidence to suggest that job requirements have exceeded workers' capabilities. There is other documented evidence of a mismatch in CARICOM territories, some of which are sector related. For example, in Saint Lucia, according to Beltramo (2006), there exists a mismatch between the skills needs of the tourism sector and concomitant training received. In the Organization of Eastern Caribbean States (OECS), the World Bank (2007) produced evidence that shows the education sector was not aligned to satisfy the needs of the labour market, and so youths in particular suffered from this mismatch. Evidence by Armendariz et al. (2007) demonstrates a similar circumstance in Guyana; they showed that the output of the University and other tertiary institutions is not catering to the needs of the labour inputs for private sector development; this was particularly true for primary/agrarian sector. The skills mismatch that exists, as argued in the literature, is most acute among young people of working age generated in part by a limited educational reform. Notwithstanding the foregoing, a mismatch can also be the result of labour market discrimination (in training, recruitment, or work); see Haughton (1993).

Further evidence from the World Bank (2005) indicates that skills mismatch within the context of the Caribbean, led to unemployment, affected firms' competitiveness and ultimately can hurt future economic growth prospects. Another key effect of skills mismatch is the wage penalty result which disproportionately affects women (Falter 2007). Wiers-Jenssen and Try (2005) indicated that such disparity may also occur based on whether or not an individual is domestically or foreign trained. Nevertheless, Khatkhate (1970) argued that human capital accumulation does not by itself account for its own utilization unless there is a

concomitant transformation to an appropriate industrial society. Consequently, in the absence of being able to utilize the skills produced the presumption is that the probability of emigration increases.

Abby (2003) had explained that many Caribbean e-migrants accept low and semi-skilled jobs abroad; a position that they are more than likely to refuse in their home country, Byron and Condon (1996) indicated. In situations where individuals settled for jobs below capacity built, suggested a waste (brain waste), according to Ozden and Schiff (2006). However, emigration of skilled individuals from CARICOM member states, like most countries, also persists due to non-economic factors such as family ties, life style choices, etc. (See Halfacree 2004).

If it is true that a labour market experiencing a mismatch in skills produced and skills needed result in disequilibria which fuel the emigration of skills; or structural rigidities, economic and non-economic factors do so, then labour shortages or surplus will occur if replacements do not match depletion rates. In delineating the second point the position posited is that a mismatch of skills creates a disequilibrium which can result in labour shortages and/or surplus. A natural response to labour surplus as Caribbean countries transitioned from agrarian societies was put forward by Lewis (1954). In recognition of the usefulness of surplus labour Lewis argued for societies to shift to industrial production to absorb labour from the primary sector once the marginal product of that transition is zero, that is, the transition does not affect the output of the sector from which the labour came. More recently Downes (2006) suggested that earlier exodus of labour from CARICOM was, in part, related to labour surplus. In general, however, Nurse (2004) contends that the Caribbean is now a net exporter (rather than importer) of people. In fact, the HDR (2009) produced statistics on international migrants which shows the rate of emigration far outweighs the annual growth rate of immigration for CARICOM countries. It is important to note that while there is evidence to suggest that more people emigrate than immigrate, this is by no means the only indication of potential labour shortages. There is no evidence of causation of exodus resulting from a mismatch either, but the fact that the net position is not expansive is indicative of some of the challenges of replacing depleted resources. Push factors have been known to be strong in small states (Beine et al. 2008), and trends show that skills depletion is correlated adversely with population and GDP per capita growth (Docquier and Marfouk 2004).

In CARICOM, skills depletion resulting from emigration is particularly observable in the health and education sectors, Thomas and Hosein (2006), Bhaumik and Banik (2006). CARICOM Secretariat (2009) shows that during the period 2000 to 2004, 1199 new nurses graduated of which 900 emigrated; while one quarter of the 13,046 nursing positions were

available. Nurse vacancy rates ranged from 4% in Grenada and Saint Lucia in 2005 to as high as 58% in Jamaica in the same year. In the education sector (*ibid.*) Guyana trains as many teachers as the number that emigrates annually. Push and pull factors play a key role (Thomas-Hope 2002); Mode 4 principle of the WTO-GATS, bilateral agreements, and family unification are among these. So too is the liberalization of immigration policies to facilitate the need for specific skills in former colonial powers jurisdiction (Hatton and Williamson 2005).

Finally, the issues of skills mismatch and/or disequilibria in the labour market beg the question of a nation's **absorptive capacity**. It is indeed true that accumulation of capital does not always explain its utilization and as such this may be a signal that countries are not transforming into that industrial, or even service oriented nation at or above the rate at which they produce human capital. That said, there are a number of impediments explaining why small states like those in CARICOM may or may not be able to evolve. This is an entirely different discussion rooted in the debate on diversification, and the notable transformations that CARICOM states (or at least some of them) have moved from primary producer to service oriented economies. However, the literature has established that human capital is essential for attracting FDI and optimizing the benefits there from, for example see Miyamoto (2003).

The empirical conclusion of skills depletion and the determinants thereof is still out. Data deficiencies impede the process of ascertaining causes of human capital depletion as it relates directly to the CARICOM development. Nevertheless, proximate causes have been identified as to why potentially skilled individuals emigrate.⁶ Clemens (2009) argued that the "degree of harm or benefits resulting from skilled workers emigration is contingent on how development is defined." If it is focused on places then it is easy to assert that emigration of skills is net harmful, but if it is focused on people and the freedoms they have then the movement of skills is definitely a tool for development.

The Challenges:

In this essay, I have categorized the challenges emanating from human capital depletion in CARICOM into 2 broad components.

1. The issues relating to a relatively stagnant population; and
2. The quality needs of the labour force.

CARICOM Population

As is forthcoming in the literature, competitiveness continues to increase, amidst burgeoning uncertainties. A possible solution, as is

historically evident, is the potential impact of an optimal quantity and quality of labour—building a pool of necessary and sufficient human capital, as is espoused in *new* endogenous growth theory. The reality is that unlike most emerging economies evidence from CARICOM population data does not suggest that it is plausible for the region to enhance competitiveness via cheap labour resulting from an abundant supply; see Table I.

Table I: CARICOM* Population trends

Census Year	Male	Female	Total	% Change
1960 ^{a)}	1,080,425	1,138,608	2,219,033	—
1970	2,169,060	2,269,008	4,438,068	100.0
1980/81 ^{b)}	2,491,442	2,568,633	5,060,075	14.0
1990/91	2,724,677	2,803,612	5,528,289	9.3
2000/01 ^{c)}	3,205,700	3,263,170	6,468,870	17.0

- Note: a) Excludes data for Antigua and Barbuda and Jamaica.
 b) Excludes data for Antigua and Barbuda.
 c) Guyana and Suriname Censuses were conducted in 2002 and 2004 respectively. Suriname's data is included only for this period, prior to which it was not, it became a full member in 1995.
 * Haiti became a member in 2002 and hence its population data is not included here. Data for Associated Members (Anguilla, Bermuda, British Virgin Islands and the Cayman Islands) are not included.

Source: CARICOM Secretariat

CARICOM's Population has more than doubled since the 1960s, reflecting percentage changes in double and even triple digits. However, the primary explanation for the fluctuations is the addition of a member either related to the time they joined the union or the absence or presence of census data. The growth of the population in CARICOM shows proportionately more females than males. Noteworthy is that internal population at the national level may have a very different interpretation or dynamics to the regional evaluation. For instance, in Guyana population growth has stagnated for decades. Increase of competitiveness will therefore have to be based on improving productivity. This in turn will have to depend on an innovative and creative labour force. Consequently, a focus on improving the quality of labour supply will have to continue to be one of the key focuses for enhancing development prospects in CARICOM.

Further details complementary to the fact above show that while the natural rate of population increase and fertility rates for the Caribbean

are comparable to those of other selected regions (Latin America and the Caribbean, Europe and North America), there are other mitigating factors. Particularly, high net migration rates, high infant mortality, and relatively lower life expectancy; see Table II.

Table II: CARICOM Population Dynamics

CARICOM	Current Situation					Expectation	
	Rate of Natural Increase (%)	Net migration rate per 1,000 Population	Infant mortality ^(b)	Total Fertility rate ^(a)	Life expectancy	Population projection	
						2025	2050
Antigua and Barbuda	1.5	-6	20	2.3	72	0.1	0.1
Bahamas, The	1.0	1	12.7	1.9	71	0.4	0.5
Barbados	0.6	-1	14.2	1.9	76	0.2	0.3
Belize	2.3	10	25	3.3	70	0.3	0.6
Dominica	1.7	-12	22.2	3.0	74	0.1	0.1
Grenada	1.2	-15	17	2.1	65	0.1	0.1
Guyana	1.2	-7	48	2.7	65	0.8	0.6
Haiti	1.8	-3	57	4.0	58	11.5	14.3
Jamaica	1.1	-6	24	2.1	72	3.0	3.4
St. Kitts & Nevis	1.0	-6	14.5	2.3	70	0.1	0.1
Saint Lucia	0.8	7	19.4	1.7	74	0.2	0.2
St. Vincent & The Grenadines	1.1	-8	18.1	2.0	71	0.1	0.1
Suriname	1.4	-7	20	2.5	69	0.4	0.5
Trinidad & Tobago	0.6	-3	15	1.6	69	1.5	1.4
Caribbean ⁽¹⁾	1.1	-3	32	2.5	71	46	51
LAC ⁽²⁾	1.5	-2	24	2.5	73	691	784
Europe (all)	-0.1	2	6	1.5	75	719	669
North America ⁽³⁾	0.6	4	6	2.0	78	387	462

Note: 1) Caribbean includes English-, French-, Spanish-speaking countries, plus the Netherlands Antilles and excludes Belize, Guyana, Montserrat, and Suriname.

- 2) LAC 38 (inclusive of South America, Caribbean, and Central America).
- 3) Canada and the USA.
 - a) Average number of children born to a woman during her lifetime.
 - b) Infants death per 1000 live births. Rates shown with decimals indicate national statistics reported as completely registered, while those without are estimates from sources such as UN Demographic Yearbook, 2003, World Population Prospects, Health Surveys Rates in italics are based upon fewer than 50 annual infant deaths and as a result, are subject to considerable yearly variability.

Source: Population Reference Bureau, 2007 World Population Data-sheet.

Labour Force Quality

Notwithstanding the challenges, it has been increasingly recognized and acknowledged that CARICOM member states can and have benefited from the quality of its labour force. More recently, this initiative has been the basis for some arguments supporting the transformation to an information and communication technology society. Further, the link between technology and productivity is critical to addressing some of the structural rigidities faced by some member states, see Mitchell (2003), et al. However, alarming rates of brain drain, see Table III, are hurting growth prospects as argued empirically by Mishra (2006), and Castellani (2007). Emigration of tertiary level individuals is often double

Table III: CARICOM: Emigration rates by level of Education

CARICOM	1990 (rates, %)			2000 (rates, %)		
	Primary	Secondary	Tertiary	Primary	Secondary	Tertiary
Antigua and Barbuda	7.0	31.7	65.3	6.0	35.9	70.9
Bahamas, The	3.7	11.7	38.3	1.5	12.1	36.4
Barbados	14.1	28.4	63.5	9.9	24.3	61.4
Dominica	16.6	62.1	58.9	8.0	60.6	58.9
Grenada	7.5	61.1	68.8	9.9	69.5	66.7
Guyana	10.9	30.6	89.2	13.7	34.1	85.9
Jamaica	11.0	28.9	84.1	8.3	30.0	82.5
St. Kitts & Nevis	10.8	21.4	89.9	10.3	37.1	71.8
Saint Lucia	1.9	46.8	80.4	2.6	32.1	36.0
St. Vincent & The Grenadines	5.9	56.7	89.8	6.3	53.4	56.8
Trinidad & Tobago	5.7	19.3	77.2	6.1	20.6	78.4

Source: Docquier and Marfouk (2004)

that of those with secondary qualifications and three times that of those with primary education.

Associated with these high rates of brain drain are the concern of the drain on public resources and the ability of member government to recover cost. In the more general literature there is empirical evidence, for example Psacharopoulos (1993), which argues that social profitability is highest from attaining primary level education. And, individuals' private returns are likely to outweigh social returns once education continues to be subsidized by public finance. The concern of CARICOM governments is no different.

Other sensitive issues that increase anxiety of policy makers within CARICOM is the fact that neo-liberal thinking has brought enormous pressure to bear on traditional institutions such as Labour unions, acknowledging the possible rigidities that union can present. Notwithstanding, distrust often stymied social partnerships in CARICOM critical for the productive process (Downes 2006). Policy makers, therefore, have the complex task of removing labour market rigidities, and protecting workers rights, all without creating an environment of doubt. Finally, receding labour productivity has been another major area of concern in CARICOM, as governments try to boost competitiveness. In this regard, human capital accumulation or hindrance to its depletion is critical.

The Policy Response

Potentially a mechanism for redress has been to encourage and facilitate return migration. Several CARICOM countries have sought to attract capital from abroad (even developed their own)—human, financial and physical. Traditionally, general investment policies are geared particularly towards attracting financial and physical capital, but recent FDI literature demonstrates that concomitant human capital must also be available to optimize the benefits therefrom. It has been recognized too that there is immense potential in the CARICOM diaspora and hence some member governments have offered additional incentives to attract its resources.

Of particular interest to this paper are the policies to attract human capital, or what Sollorano and Soda (2006) refer to as Assisted Voluntary Return (AVR). By this, the focus is directed towards the measures that encourage emigrants to return—return facilitation policies; see Table IV. It should be noted that individuals of CARICOM origin may return for the purpose of business/investment/work, and/or residency, the policy distinctions and incentives for specific purpose of return, wherever available, are clear. What constitutes return in CARICOM in terms of duration and purpose, and why an emigrant may or may

not return are not generally delineated here, see Byron and Condon (1996), Rubenstein (1982), Thomas-Hope (1985), Potter and Conway (2005), De Souza (2006). Some evidence from the small states in the Pacific, by Gibson and McKenzie (2009), suggests return is linked to family and lifestyle reasons.

Table IV: CARICOM Return Facilitation Policy

Country	Return Facilitation	Eligibility Requirement	Incentives
Antigua and Barbuda	Yes	10 years abroad, return permanently	Tax concession (motor vehicle and household effects)
Bahamas, The	na	na
Barbados	Yes	10 years abroad, 3 years residency	Tax concession (motor vehicles and household effects)
Belize	No	na	na
Dominica	Yes	7 years abroad, return permanently	Tax concession (motor vehicle and household effects)
Grenada	na	...	na
Guyana	Yes	3-4 years abroad, return permanently	Tax concession (motor vehicle and household effects)
Jamaica	Yes	3 years abroad, return permanently	Tax concession (motor vehicle and household effects)
St. Kitts & Nevis	Yes	10 years abroad, return permanently	Tax concession (motor vehicle and household effects) deportees too
Saint Lucia	Yes	10 years abroad, return permanently	Tax concession (motor vehicle and household effects)
St. Vincent & The Grenadines	Yes	10 years abroad, return permanently	Tax concession (motor vehicle 75% and household effects)
Trinidad & Tobago	Yes	5 years abroad, return permanently	Tax concession (motor vehicle and household effects)
Suriname	na	...	na

Note: na –not available

Source: Various Member States Ministry of Foreign Affairs

Key similarities of return migration policies within CARICOM are mainly related to the concessions offered and the eligibility criteria. Returning residents are usually required to be away for a consecutive period ranging from 3-10 years, while concessions are tax exemptions on returning residents' *personal effects*. Differences relate primarily to time variations of the eligibility criteria and whether or not a *returnee* gets full duty-free access for personal effects. Other notable difference is the fact

that in the case of St. Kitts and Nevis no distinction is made between deportees and AVRs for the purpose of the incentives of facilitation.

The nature of the existing return policies assumes and facilitates particularly lifecycle re-migrants. These policies do not necessarily discriminate with regard to skills, but other more general investment policies usually do in relation to sector specific investment, etc. Until labour market issues of retirement age, and or specific programmes are implemented to cater for lifecycle re-migrants there will always be doubts about their contribution. To attract skilled re-migrants in their more productive age there will have to be more targeted or discriminatory policies. For instance, why mandate a returnee to return permanently, instead of a specified minimum reciprocity time as suggested in the Barbados policy; or why have such varied time criteria; or why not allow resettlement to be determined by demand and supply, hence necessitating a CARICOM wide return policy. These are all questions to be answered in further research. Their mentioning here is based on the idea that the philosophy of the CSME dictates no different the effects as those potentially resulting from the aforementioned questions of a truly integrated region.

Alternative policy options have been suggested by Clemens (2009). He argued for best practices such as innovation in education and finance—more private sector investment in key areas that show a propensity for skills to emigrate, improved incentives for quality services, match subsidized skills to local needs, and support temporary return by skilled emigrants, among others. Within CARICOM, a move to managed migration of nurses is currently being established, while other measures are those of free movement of skills within the Single Market and Economy, contingent rights and accreditation (CARICOM Secretariat 2009). The HDR (2009) has also proposed a package of policy reforms (for a global agenda but can be tailored) that can optimize the benefits and mitigate the adversity resulting from migration.

Concluding remarks:

It may very well be premature for this assessment to conclude on the policy needs that have the potential to ease the exodus of skills or even encourage the return thereof. Data issues and the lack of empirical conclusions have made this difficult. Notwithstanding, neo-liberal trade and to some extent migration policies of the developed world, augmented by competitive wages and recruitment processes supported by other living condition and welfare amenities have made the process of a policy response from CARICOM as a whole or member governments individually no less complicated.

Clearly, facilitation policies are essential, but there is no documented analysis on their effectiveness, despite the tendency to speak of their usefulness. The main motivation for having return facilitation policies emerged out of recognition of the potential of the Diaspora and what they can offer for the development of CARICOM nations. There is a tendency for return facilitation policies to favour life cycle re-migrants or retirees with affinity to their homeland, whatever the reason. From observation the all inclusive nature of the return facilitation policy construct does not present a framework for attracting skilled individuals in their productive age. The problem with this is that the retirement age in most member states does not allow for retirees to re-enter the workforce to impart knowledge or skills, outside of investment initiatives. This general weakness in return facilitation policy limits what optimally a re-migrant can offer. The counterfactual that return migrants bring with them, networks and links from which their home country can benefit is also potentially restricted by the same token.

In the final remark it can be argued that the same conceptual misinterpretation or fear affecting the integration movement as evident in the CSME, are likely to prevent any regional response to a CARICOM return policy. Nevertheless, an effective policy response to skills depletion is essential to the region's future development prospects. There must be further work to inform that response in an effort to mitigate the adverse effect perceived or real.

Notes

- * The author was a researcher at the Institute of Development Studies, at the time of completing this paper. All errors are those of the author and do not reflect the views of the Institute. The author can be contacted at <marlonbristol@yahoo.com>.
- ¹ CARICOM refers to a regional grouping of English speaking countries in the Caribbean and the South American continent. These countries are: Antigua & Barbuda, Barbados, Bahamas, Belize, Dominica, Jamaica, Grenada, Guyana, Haiti, St. Kitts & Nevis, Saint Lucia, St. Vincent and the Grenadines and Trinidad & Tobago.
- ² Clemens (2000) review shows that while correlation has been proven in the literature on migration and its influences, causation is still difficult to prove.
- ³ Mode 4 of WTO-GATS deal with the presence of natural persons for cross-border trade in services, for example teachers, nurses, doctors, etc. It has its benefits and costs to host and destination

countries; its most notable feature is temporary migration, managed in a manner where the parties involved try to optimize their gains. See also <www.wto.org> for details on GATS Mode 4.

- ⁴ This paper does not address other forms of migration such as forced, trafficking in persons, etc.
- ⁵ Based on the 2007/2008 HDI ranking Antigua & Barbuda, Barbados, Bahamas, St. Kitts & Nevis, and Trinidad & Tobago have high human development, with the exception of Haiti and Jamaica, all other CARICOM member states are highly ranked in the medium human development category, see <<http://hdr.undp.org/en/statistics/>>.
- ⁶ Micro-level surveys, for example Bristol, Roopchand-Ewards, and Ceres (2006) have been able to pin-point factors that are likely to motivate potential skilled-emigrants from Guyana.

References

- Abby, David N. 2003. "Trends in Labour Migration and its Implications for the Caribbean." In *Living at the Borderlines: Issues in Caribbean Sovereignty and Development*, edited by Cynthia Barrow-Giles and Don Marshall. Jamaica: Ian Randle Publishers.
- Armendariz, Edna, Paloma Baena, Marlon Bristol, Anneke Jessen, Matthew Shearer, and Christian Schneider. 2007. "Identifying Binding Constraints to Economic Growth in Guyana." IABD Working Paper GY-P1030.
- Barro, Robert. 1992. "Human Capital and Economic Growth." Working Paper Harvard University.
- Becker, Gary S. 1962. "Investment in Human Capital: A Theoretical Analysis." *Journal of Political Economy* 70(5):9-49, Part 2: *Investment in Human Beings*.
- . 1992. "Human Capital and the Economy." *Proceedings of the American Philosophical Society* 136(1):85-92.
- Beltramo, T. 2006. "Skills Enhancement in the Tourism Industry: A Case Study of St. Lucia." Report to Industry Roundtable and Individual Meetings, World Bank Group.
- Bellante, Don. 1978. "Changes in the Migration of Human Capital and the Southern "Brain Drain": Evidence from the Censuses of 1960 and 1970." Elsevier Science.
- Beine, Michel, Frederic Docqueir, and Maurice Schiff. 2008. "Brain Drain and its Determinants: A Major Issue for Small States." *IZA Discussion Paper* 3398.
- Bhaumik, Pradip K. and Arindam Banik. 2006. "FDI, Skilled Labour and the Caribbean's Emerging Competitive Disadvantage." *Global Business Review* 7(2):175-193.

- Bhagwati, Jagdish. 1976. "The Brain Drain." *International Social Science Journal* MMVIII(4).
- Byron, Margaret and Stephanie Condon. 1996. "A Comparative Study of Caribbean Return Migration from Britain and France: Towards a Context Dependent Explanation." *Transactions of the Institute of British Geographers* 21(1): 91-104, New Series.
- Carrington, W. J. and Enrica Detragiache. 1998a. "How Big Is the Brain Drain." *IMF Working Paper*, WP/98/102.
- . 1999b. "How Extensive is the Brain Drain?" *Finance and Development* 36(2).
- Castellani, F. 2007. "International Skilled Migration: The Caribbean Experience in Perspective." UWI/SALISES Conference, Trinidad and Tobago.
- CARICOM Secretariat. 2009. "Brain Drain Impact on Development." OAS Special Committee on Migration, Washington.
- Clemens, Michael A. 2009. "Skills Flow: A Fundamental Reconsideration of Skilled-worker Mobility and Development." UNDP, Human Development Report Research paper.
- De Souza, Roger-Mark. 2006. "Using Return Migration as a Development Tool: Are the Right Policies in Place." Population Reference Bureau.
- Docquier and Marfouk. 2004. "Measuring the International Mobility of Skilled Workers (1990-2000)." *World Bank Policy Research Working Paper*, WP/33881.
- Downes, Andrew S. 2006. "Caribbean Labour Market Challenges and Policies." *CEPAL Review*, UNECLAC.
- Falter, Jean-Marc. 2007. "Mismatch and Skill Utilization: Determinants and Consequences." University of Geneva Leading House of Economics, mimeo.
- Gibson, John and David McKenzie. 2009. "The Microeconomic Determinants and Return Migration of the Best and Brightest: Evidence from the Pacific." *Center for Research and Analysis of Migration, CReAM, Discussion Paper Series*, CDP No. 03/09.
- Halfacree, Keith. 2004. "A Utopian Imagination in Migration's Terra Incognita? Acknowledging the Non-Economic Worlds of Migration Decision-Making." *Population, Space and Place* 10:239-253.
- Handel, Michael J. 2003. "Skills Mismatch in the Labour Market." *Annual Review of Sociology* 29:135-166.
- Hatton, T.J. and Jeffrey G. Williamson. 2005. "A Dual Policy Paradox: Why Have Trade and Immigration Policies Always Differed in Labour-scarce Economies?" *NBER Working Paper*, No. 11866.
- Human Development Report. 2009. "Overcoming Barriers: Human Mobility and Development", UNDP.
- Jenssen-Wiers, Jannecke and Sverre Try. 2005. "Labour Market Outcomes

- of Higher Education Undertaken Abroad." *Studies in Higher Education* 30(6):681–705.
- Khatkhate, Deena. 1970. "The Brain Drain as a Social Safety Valve." *IMF Finance and Development* 7(1).
- Mishra, Prachi. 2006. "Emigration and Brain Drain: Evidence from the Caribbean." *IMF Working Paper*, WP/06/25.
- Miyamoto, Koji. 2003. "Human Capital Formation and Foreign Direct Investment in Developing Countries." *Organisation for Economic Co-operation and Development* (OECD) Paper No. 211.
- Nurse, Keith. 2004. "Diaspora, Migration and Development in the Caribbean." *FOCAL Policy paper*, FPP-04-6.
- Ozden, C. and Maurice Schiff. 2006. "Overview" in *International Migration, Remittances and the Brain Drain*. A co-publication of the World Bank and Palgrave Macmillan. World Bank Document No. 33988.
- Pastor, Robert. 1995. "Migration and Development in the Caribbean: Relating Policies and People." *International Migration Review* 19(1):144-151.
- Potter, Robert B. and Dennis Conway. 2005. "Experiencing Caribbean Return: Societal Contributions, Adaptations and Frustrations." Pp. 283-87 in *The Experience of Return Migration: Caribbean Perspectives*, edited by Robert Potter, Dennis Conway and Joan Phillips. Aldershot, England: Ashgate.
- Romer, Paul M. 1989. "Human Capital And Growth: Theory and Evidence." NBER Working Paper No. W3173.
- . 1990. "Endogenous Technological Change." *Journal of Political Economy* 98(5). Part 2: *Problems of Development*. A conference of the Institute for Free Enterprise Systems.
- Solimano, Andrés. 2002. "Globalizing Talent and Human Capital: Implications for Developing Countries." *CEPAL ECLAC*.
- Sollorano, Irena V. and Federico Soda. 2006. "Return Migration." Presented in Thailand conference hosted by the Asian Development Bank.
- Thomas-Hope, Elizabeth. 2006. "Study to Facilitate the Development and Establishment of Policy and Principles on Contingent Rights Associated with the Free Movement of Person in the CARICOM Single Market and Economy." Prepared for CARICOM Secretariat.
- . 2002. "Skilled Labour Migration from Developing Countries: Study on the Caribbean Region." *International Migration Papers*, ILO Geneva.
- . 1985. "Return Migration and its Implications for Caribbean Development." Pp. 157-77 in *Migration and Development in the Caribbean: The Unexplored Connection*. Boulder, CO: Westview Press. Westview Special Studies on Latin America and the Caribbean.
- Thomas, C. Y. and R. Hosein. 2006. "Conceptualizing a Strategic Approach to Mode 4 and the Managed Migration of Nursing Skills." *Social and Economic Studies* 55(4):165-195.

- UNECLAC. 1998. "A Study on Return Migration to the OECS Territories and the British Virgin Islands in the Closing Years of the 21st Century: Policy Implications." Port-of-Spain, Trinidad and Tobago: UNECLAC, Caribbean Development and Cooperation Committee.
- _____. 2007. "Migration: International Organization for Migration/ECLAC Workshop on Data Collection, Management and Sharing in the Caribbean." *The Newsletter of the Caribbean Development and Cooperation Committee*.
- World Bank. 2007. "School and Work: Does the Eastern Caribbean Education System Adequately Prepare Youth for the Global Economy?" *Report of the World Bank Human Development Sector Caribbean Country Management Unit Latin America and the Caribbean Region*, No. 38555, 2007.
- _____. 2005. "A Time to Choose: Caribbean Development in the 21st Century." World Bank, Latin America and Caribbean Division.