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Integrating Immigrants as a Tool for Broad Development*

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Abstract

International migration can contribute importantly to sustainable economic growth. The effects of migration for both origin and host countries, however, depend on immigrant integration. We experimentally evaluate the impact of information and migrants' aspirations on immigrant integration using a field experiment among Cape Verdean immigrants in Portugal. The interventions promote integration outcomes such as migration status regularization and better-quality employment of migrants. They furthermore affect those left behind. While the impact on material remittances is muted, targeting migrant integration barriers improves democratic processes and attitudes over gender equity in origin countries. In addition, providing immigrants with better information sources about integration processes affects migration intentions and expectations of prospective migrants.

Keywords: International Migration, Integration, Remittances, Field Experiment.

JEL Codes: O12, O15, F22,

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1. Introduction

International migration has the potential to be a driver of economic development when emigrants impact those left behind.¹ The magnitude and direction of such impact, however, likely depends on migrants' integration in host societies. But even a substantial time after arrival, immigrants are often not effectively integrated.² Governments of migrant destination countries react to this challenge with integration programs targeted towards immigrants. While there is some evidence on the effectiveness of social inclusion programs focusing on education outcomes and crime reduction, causal evidence on the impact of migrant integration programs on legalization, labor market outcomes, and uptake of inclusion initiatives remains scarce.³ Empirical evidence on the relationship between migrant integration and origin country development, consequently, is even more limited.

In this paper, we present evidence from a randomized control trial on migrant integration constraints, and how alleviating these constraints affects those left behind. Our experimental design allows us to answer two questions. Are the cost of accessing formal information and psychological barriers relevant constraints to migrant integration? Can integrating immigrants serve as a tool for origin country development?

To identify the effects between migrant integration, remittances, and development outcomes we randomly allocated 800 Cape Verdean migrants in Portugal into an information treatment, a psychology-based intervention targeting migrant cognitive biases, a combination of both

¹ Financial remittances can foster firm creation and growth, serve as an important poverty alleviation tool, and improve health and education outcomes. Migrants also create business networks across borders, serve as information providers, and have the potential to change existing norms around e.g., democratic processes.

² Early studies pointed towards language skills and education to explain most of the observed labor market gaps and immigrant assimilation (Chiswick 1978, 1991; Borjas 1985, 1994; Dustmann 1994). But in terms of education, significant "brain waste" (the skill underutilization of immigrants that results in persistent underemployment or unemployment) seems to remain over time in a variety of settings (Kiker et al. 1997; Mattoo et al. 2008; Chiswick and Miller 2009; Bah 2018).

³ Integration programs typically focus on supporting migrants in obtaining citizenship, residency, or work permits (recent examples of such policies include amnesty programs in Europe due to the COVID-19 pandemic and for Venezuelan immigrants in Colombia), or facilitate integration through language and cultural education programs. Other initiatives include aid transfers or labor market participation programs. Those programs are typically designed as holistic initiatives that tackle multidimensional constraints simultaneously. Studies show that, as expected, amnesties and initiatives that facilitate obtaining citizenship have positive effects on immigrant integration and might be beneficial for health and education outcomes as well as labor market integration. Yet, take-up rates of programs are typically low and impacts of general labor market programs differ significantly between migrant and native-born beneficiaries.

interventions, and a control group.¹ The experimental sample in Cape Verde is composed of the family members of those migrants that stayed behind. Specifically, we ask the migrants to indicate the family member over 18 years that is closest to them (with whom they have the most contact), contact the family members together with the migrant to introduce the study, and interview them through phone after the baseline survey to ensure anonymity. We follow the sample over the course of one year.

The migrant integration interventions affect both the cost of access to information as well as beliefs about integration opportunities through positive role models. We assume that immigrants have low quality information about their rights concerning education, health care, regularization, and residency as they largely depend on their social network to acquire this type of information. This is because other sources of information are often too complex (e.g., online information from legal authorities) or costly to obtain (e.g., from legal support services). The information intervention is expected to have a positive effect on immigrant integration outcomes through the reduction of information barriers to successful integration. We expect that immigrants suffer from psychological constraints to successful integration because of an experience of immigrant segregation and discrimination. These barriers may lead them to invest less in their legalization and integration effort. The aspirational intervention should have a positive effect on immigrant integration outcomes through exposure to role models that increases immigrants' aspirations and expectations for the future.

Both interventions improve migrants' integration indicators. However, each intervention affects different types of integration outcomes while the joint program does not provide any additional benefits. While the aspirations treatment encourages migrants to take more actions to *try* to obtain documentation, they are not statistically significantly more likely than the control group to obtain residency in Portugal. The information treatment group however is 4.7pp (23%) more likely to *receive* a temporary residence permit. Furthermore, the information treatment improves labor market outcomes for migrants. Migrants with the information app report employments with more stability, that are closer to their homes, and have a better schedule. Both types of treatments also affect return migration intentions of migrants. Migrants in either treatment condition are between 39% - 48% more uncertain about if or when they will return to Cape Verde.

¹ Our experimental sample in Portugal is composed of migrants that have arrived less than five years ago. Focusing on existing migrants allows us to exclude endogeneity concerns related to self-selection into migration.

The integration treatments also affect households in Cape Verde. Households left behind receive the same amount of money through remittances, but they receive less goods from migrants. While the impact on *material remittances* is relatively small (likely due to the limited impact of our treatments on migrants' incomes), we report substantial differences in *immaterial remittances* for households with treated migrants. Under our treatments, respondents in Cape Verde are between 12% - 15% more likely to have voted if their migrant was randomized into a treatment and is thus more likely to be better integrated in Portugal. Treated households are also 26% - 31% more likely to support gender equity. Additionally, we find that providing immigrants with better information sources about integration processes affects migration intentions of those left behind. Prospective migrants are 58% more likely to make effective plans to move to Portugal and have more accurate beliefs about their potential income.

Our results contribute to our understanding of the effects of international migration and the role of migrant integration for economic development. Identifying the causal effect of migrant integration in host economies on remittances can provide important insights for the design of effective migration policies.

2. Background and Context

Portugal is a country with a long history of migration with large immigration flows from its former colonies in sub-Saharan Africa and, more recently, also from Eastern Europe.² As in other countries, immigrants in Portugal tend to perform worse than natives in the labor market in terms of unemployment rates, access to high-skilled employment, and wage levels. This is especially true for immigrants from African countries.³

Cape Verdeans are the second-largest group of immigrants in Portugal. Even though the official language and language of instruction in Cape Verde is Portuguese, which should decrease linguistic disadvantages relative to other immigrant groups, this immigrant group has experienced poor labor market integration outcomes. Cape Verdeans have one of the highest unemployment rates among non-Portuguese nationals: 27.8% according to the Census 2011. This figure is particularly pronounced for female Cape-Verdean immigrants: 36.6% of females were recorded as

² In 2017, 880,188 individuals (or 8.5% of the resident population) were immigrants in Portugal according to United Nations data.

³ See, for example, Kiker et al. (1997), or Bah (2018).

unemployed, relative to only 20.2% of men. The pattern of deficient integration outcomes for Cape Verdean nationals relative to native Portuguese is similar in terms of concentration in low-skilled jobs, job rotations, wages, and education results compared to native-born individuals.

3. Experimental Design

3.1 Sampling Strategy, Balance, and Representativeness

We built our sample in several steps and exploiting different methodologies. In a first step, we recruited migrants and conducted a listing of recently arrived Cape Verdean immigrants in different neighborhoods of the Greater Lisbon area that were documented to have many recently arrived migrants. These neighborhoods were identified with the help of the Cape Verdean consulate and of Cape Verdean immigrant associations. We focused our recruitment efforts on neighborhoods with a higher proportion of Cape Verdean immigrants. Within those neighborhoods, enumerators of Cape Verdean descent approached individuals on the street and registered those that met our eligibility criteria. Eligible individuals were required to have Cape Verdean nationality, not have Portuguese nationality, and have arrived in Portugal within the previous five years. They were asked if they would be willing to participate in a survey about migrants in Portugal and, in this event, asked to share their contact details. In a second step, these individuals are re-contacted again by phone, their sample inclusion characteristics get verified, and a date to conduct the baseline survey is scheduled.

The random listing described above included approximately 2,300 migrants in the greater Lisbon area. Given the onset of the pandemic and restrictions related to COVID-19, our success rate in collecting baseline data with individuals from this listing exercise is about 35% during the first months, leading to a final sample size of around 800 immigrants. The success rate is determined by individuals' willingness to participate in the face-to-face survey and opportunities to meet with an enumerator.

Randomization into one of four treatment conditions was conducted at the individual level stratified by residence neighborhood and gender of the migrant to ensure balance along those dimensions. Randomization is done by computer assignment before the baseline survey and is not publicly disclosed.

3.2 Treatments

Immigrants in our sample will be randomly assigned to four different groups:

- *Control/Placebo Intervention:* individuals will be provided with information about things to do and see in Lisbon through a printed guide and mobile phone app.
- *Information Intervention:* individuals will receive a mix of detailed information about migrant legal rights (including how to access public services, such as healthcare and education), strategies to access jobs that are adequate to immigrants' qualifications and aspirations, where to obtain further information regarding different integration matters and where to seek out personalized assistance. This information will be conveyed through a printed guide and mobile phone app.
- *Aspirational Intervention:* individuals will be individually shown a short video documentary that tells the story of three Cape Verdean immigrants that successfully built their life in Portugal. These success stories of immigrants are expected to potentially reduce immigrants' psychological barriers to successful integration - namely barriers created by an experience of immigrant segregation and discrimination. Individuals in this treatment group will also be provided with the placebo printed guide and mobile phone app.
- *Joint Intervention:* individuals will be given both the information guide and app and the inspirational video. The order of the two interventions within this group will be randomized.

Both integration interventions are aligned with the International Organization for Migration's approach for immigrant integration⁴ and tailored to the Portuguese context. The precise design of the treatments was decided in collaboration with governmental officials, international organizations and local NGOs with experience working with our target population. They were pre-tested and subject to focus groups and qualitative analysis before implementation. The intervention components are available in both Portuguese and Cape Verdean Creole.

The information treatment is delivered to migrants at the end of the baseline survey through a printed booklet and mobile phone app⁵ by trained enumerators. Although the information provided is publicly available to migrants online and at the respective government institutions, there is

⁴ See <https://www.iom.int/migrant-integration> for further details.

⁵ Although the smartphone penetration among Cape Verdean immigrants is relatively high there is a small number of immigrants that received the booklet only.

currently no Portuguese platform that centralizes this information. Additionally, the available information is often written in legal terminology that might not be appropriate for our study population that has limited education. The booklet and the app provide information about e.g. legalization processes to obtain residency and work permits, and housing and health services. The intervention is hypothesized to improve integration outcomes as it significantly reduces the cost of accessing information.

The second intervention is hypothesized to improve psychometric outcomes of migrants by exposing them to migrant success stories through a short video documentary. Higher aspirations and resilience as well as forward-looking behavior is expected to improve integration outcomes as migrants might suffer from aspirations failure that leads them to under-invest in legalization and integration processes.

3.3 Empirical Strategy

Our identification strategy allows us to estimate ITT effects of our integration interventions on our outcomes of interest. Our data is composed of survey data collected by a team of enumerators in the greater Lisbon area in Portugal. While data collected in Portugal and the intervention are delivered by trained enumerators in-person, data collected for the experimental sample in Cape Verde is collected through phone surveys.

The main outcome variables and data is collected through phone surveys with family members of migrants immediately after the migrant baseline and intervention, and one year after the initial contact. Family members are contacted and informed about the study in a first step while the enumerators are still with the migrant (during the baseline survey but before treatment implementation). The same individuals are then contacted and interviewed via phone after the survey with the migrant was completed on a different day as soon as their availability allows. Both the migrant and the family member in Cape Verde are informed about the confidentiality of their responses and assured that none of the information they provide will be passed on.

The empirical analysis of program impact is based on the following econometric model:

$$Y_{it} = a + \beta_1 \text{IntegrationTreatment}_j + \gamma_i + \varepsilon_i$$

where Y_{it} denotes outcome of interest Y for individual i at time t , and β_1 is a vector that estimates the effect of being the family member of a migrant j that has received an integration treatment.

4. Results

We consider whether providing emigrants with integration support affects those left behind through remittances, impacts on migration intentions, and the combined consequences on household welfare. First, we examine impacts on material remittances. We then show results on immaterial remittances such as political participation, and attitudes towards gender equality.

4.1 Remittances

Table 1: Impact of any treatment on material remittances

	(1) Received remit.	(2) Value of remit. (IHS)	(3) Received goods	(4) Value of goods (IHS)
Any treatment	-0.016 (0.047)	-0.084 (0.314)	-0.079* (0.048)	-0.612** (0.297)
Observations	558	531	558	469
P-val.	0.732	0.790	0.098	0.040
Control Mean	0.471	217.333	0.426	127.297
Adj. R ²	0.130	0.141	0.077	0.097

Neither treatment has a significant impact on remittances received in the form of *money*. Column 1 of Tables 1 and 2 shows the impact of either treatment or the combined intervention on the likelihood to receive any remittances in the form of money. In column 2 of Tables 1 and 2, we report effects on the inverse hyperbolic sine transformation on the value of remittances received. While the point estimates suggest that emigrants under the information treatment send less money back home, those in the video treatment seem to send higher values. However, we cannot estimate these effects precisely. While the treatments do not affect the likelihood of receiving remittances in the form of *goods*, migrants in any of the treatments send lower goods values. Emigrants send between 39% - 42% lower values in goods over a control mean of 127 Contos. Reducing the cost of information to emigrants is particularly effective.

Table 2: Impact of individual treatment arms on material remittances

	(1) Received remit.	(2) Value of remit. (IHS)	(3) Received goods	(4) Value of goods (IHS)
Information treatment	-0.072 (0.058)	-0.485 (0.381)	-0.077 (0.057)	-0.624* (0.343)
Aspiration treatment	0.050 (0.058)	0.295 (0.380)	-0.080 (0.058)	-0.614* (0.358)
Both treatments	-0.027 (0.056)	-0.044 (0.373)	-0.080 (0.059)	-0.596 (0.362)
Observations	558	531	558	469
P-val.	0.731	0.804	0.099	0.040
Control Mean	0.471	217.333	0.426	127.297
Adj. R ²	0.135	0.146	0.074	0.093

Two potential mechanisms can explain our results. First, negative income effects through integration reduce disposable income of migrants. If remittances in the form of goods mostly provide non-basic support to those left behind or represent investments for a migrant's return, we would expect a decrease in remittances through goods but not money. Second, if integration affects the return migration plans of migrants, our treatments are expected to decrease home country investments as reflected by the decrease in remittances through goods.

Table 3: Impact of any treatment and individual treatment arms on immaterial remittances

	(1) Voted (last elect.)	(2) Voted (last elect.)	(3) Equality dummy	(4) Equality dummy
Any treatment	0.097** (0.042)		0.065 (0.041)	
Information treatment		0.107** (0.050)		0.079 (0.048)
Aspiration treatment		0.099* (0.051)		0.015 (0.052)
Both treatments		0.085* (0.049)		0.103** (0.045)
Observations	545	545	534	534
P-val.	0.021	0.021	0.112	0.108
Control Mean	0.713	0.713	0.782	0.782
Adj. R ²	0.096	0.093	0.033	0.037

Columns 1 - 4 of Table 3 show that the treatments affect those left behind beyond material remittances. Households with emigrants in either treatment are between 8.5pp (12%) – 10.7pp

(15%) more likely to have voted in the last elections. Especially households with migrants in the information treatment – those that are more likely to have documentation and higher job satisfaction – increase their political participation. These effects are large compared to existing findings⁶ suggesting that emigrant integration can be an important tool to improve democratic processes in emigration countries.

The same households furthermore report more support for gender equity. Our results in column 4 of Table 3 show that respondents with migrants in the combined treatment are 10.3pp (13%) more likely to support that equality in household decision making. This suggests that integration of emigrants is likely to contribute to the transform of norms that are less malleable through conservative types of interventions. Gender equity, however, has been found to be an important factor for economic development.

4.2 Impacts on Migration Intentions and Origin Household Welfare

Integration treatments affect migration plans of those left behind in two ways. We consider whether our treatments affect migration intentions in general, and migration plans to Portugal and income expectations of potential migrants. Table 4 displays the results for any treatment and in Table 5 by treatment group.

Table 4: Impact of any treatment on migration decisions

	(1) Emigrate CV	(2) Plans imm. PT	(3) Income expect. PT
Any treatment	0.032 (0.041)	0.061 (0.059)	-101.642 (96.401)
Observations	533	362	373
P-val.	0.438	0.307	0.292
Control Mean	0.697	0.273	992.238
Adj. R ²	0.218	0.047	0.005

Households with migrants in the video treatment are 9.1pp (over a control mean of 70%) more likely to wish to leave Cape Verde. While reducing the cost of information to migrants increases migration intentions of those left behind as well, we cannot precisely estimate the effect size. For those that do wish to emigrate, however, the information treatment households are 15.6pp (58%) more likely to make effective plans to migrate to Portugal. These results suggest that information about integration procedures is a relevant constraint to migration decisions of prospective

migrants. While it does not affect migration prospects, reducing the cost of information allows prospective migrants to be better prepared and make plans to migrate.

Table 5: Impact of individual treatment arms on migration decisions

	(1) Emigrate CV	(2) Plans imm. PT	(3) Income expect. PT
Information treatment	0.048 (0.050)	0.156** (0.076)	-98.159 (112.864)
Aspiration treatment	0.091* (0.047)	0.011 (0.070)	-197.408** (94.206)
Both treatments	-0.043 (0.051)	0.030 (0.072)	-0.858 (133.450)
Observations	533	362	373
P-val.	0.435	0.268	0.309
Control Mean	0.697	0.273	992.238
Adj. R ²	0.227	0.054	0.008

This finding is also reflected in the impact of our treatments on income expectations of prospective migrants. Those in the control group expect monthly incomes of around 992EUR. The minimum salary in Portugal in 2020, however, was 740EUR, and migrants in our Portugal sample reported average net incomes of 585EUR. The video intervention significantly decreases income expectations of those left behind by almost 200EUR. Households with migrants in the information treatment also decrease their income expectation although less strongly such that we cannot estimate the effect precisely.

Our results also show that households with migrants in the video treatment are less likely to work and report lower incomes. Correspondingly, these households are also less likely to have formal savings. Columns 1-4 in Table 6 display these results. As explained above this is unlikely to be explained by an increase in income through remittances. Additionally, while general health outcomes do not seem to be affected, households with migrants in the information treatment report consuming less alcohol.

Table 6: Impact of any treatment on household outcomes

	(1)	(2)	(3)	(4)
	Works for pay	After-tax income	Formal savings	Formal credit
Any treatment	-0.055 (0.042)	-6.334** (3.147)	-0.059 (0.047)	-0.005 (0.035)
Observations	557	526	556	555
P-val.	0.188	0.045	0.213	0.897
Control Mean	0.706	33.021	0.346	0.279
Adj. R ²	0.281	0.132	0.065	0.363

5. Conclusion

Our results provide experimental evidence on the importance of integration programs in destination countries for economic development in countries of origin. Traditionally, international emigration has been regarded as detrimental to origin countries (the “brain drain” view of Gruber and Scott (1966) and Bhagwati and Hamada (1974)). Recent studies, however, have emphasized that emigration seems to have a positive impact on the educational attainment of both migrants and non-migrants (Beine et al., 2008; Batista et al., 2012), as well as on entrepreneurship and new business creation (Mesnard and Ravallion, 2006; Batista, et al. 2017), the demand for improved political institutions and on community engagement in the home country (Batista and Vicente, 2011; or Barsbai et al., 2016; Batista, Seither and Vicente, 2019), as well as on international trade and FDI between the origin and destination countries of migrants (Gould, 1994; Rauch and Trindade, 2002; Javorcik et al., 2011).

One limitation of the literature examining the development impact of international migration is the difficulty in establishing causal relationships. Indeed, the decision to emigrate and economic development are strongly related and underline the need for exogenous variation to make valid causal inference. There are very few studies that go beyond the use of instrumental variables as an answer to this methodological problem. Exceptions are given by Yang (2008) who used the exogenous exchange rate variation provided by the Asian financial crisis to find positive impacts of migrant remittances on outcomes such as human capital investment and entrepreneurship. More recently, Batista and Vicente (2022) conducted a randomized control trial where mobile money (a new migrant remittance channel) is randomly introduced in rural areas of Mozambique. This study finds positive impacts of migration remittances on insurance against local shocks, simultaneously

with new migration flows taking place at the same time as disinvestment in traditional agricultural activities.

Our study combines these two strands of economic literature. It innovatively measures the impact of an immigrant integration program on immigrant outcomes in the host country. In addition, it measures the impact that these policies have on various dimensions shaping the economic development of the origin country of migrants. Our results have implications for the general equilibrium effects of migrant integration programs that have at most been studied from a destination country perspective. Understanding the broader impact of such policy interventions has implications for the cost-benefit analysis of these programs and also the development aid provided by destination countries.

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