

Skilled migration and skill creation: A quasi-experiment

Beyond the Fence conference

Michael Clemens (with Satish Chand)

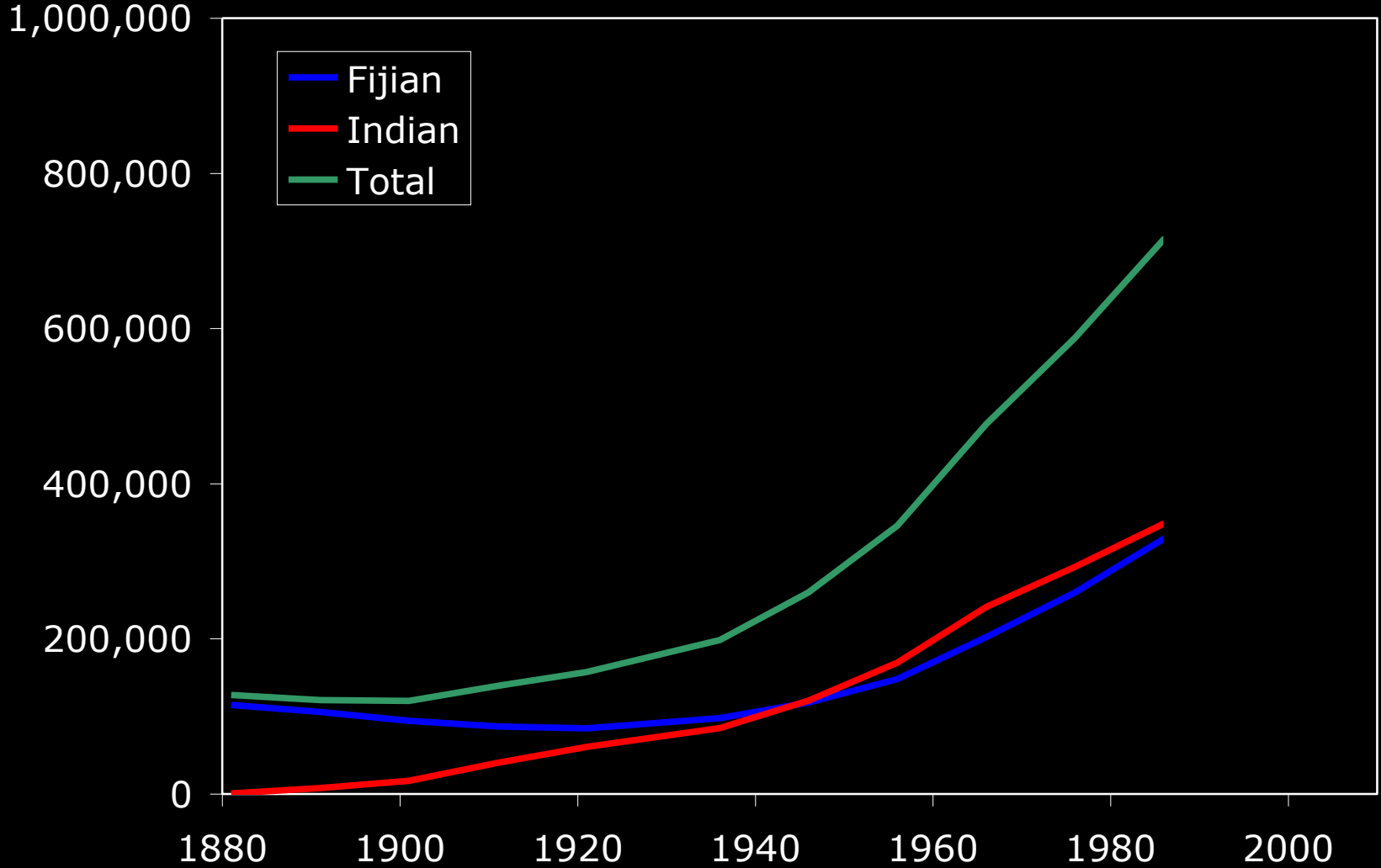
May 26, 2009



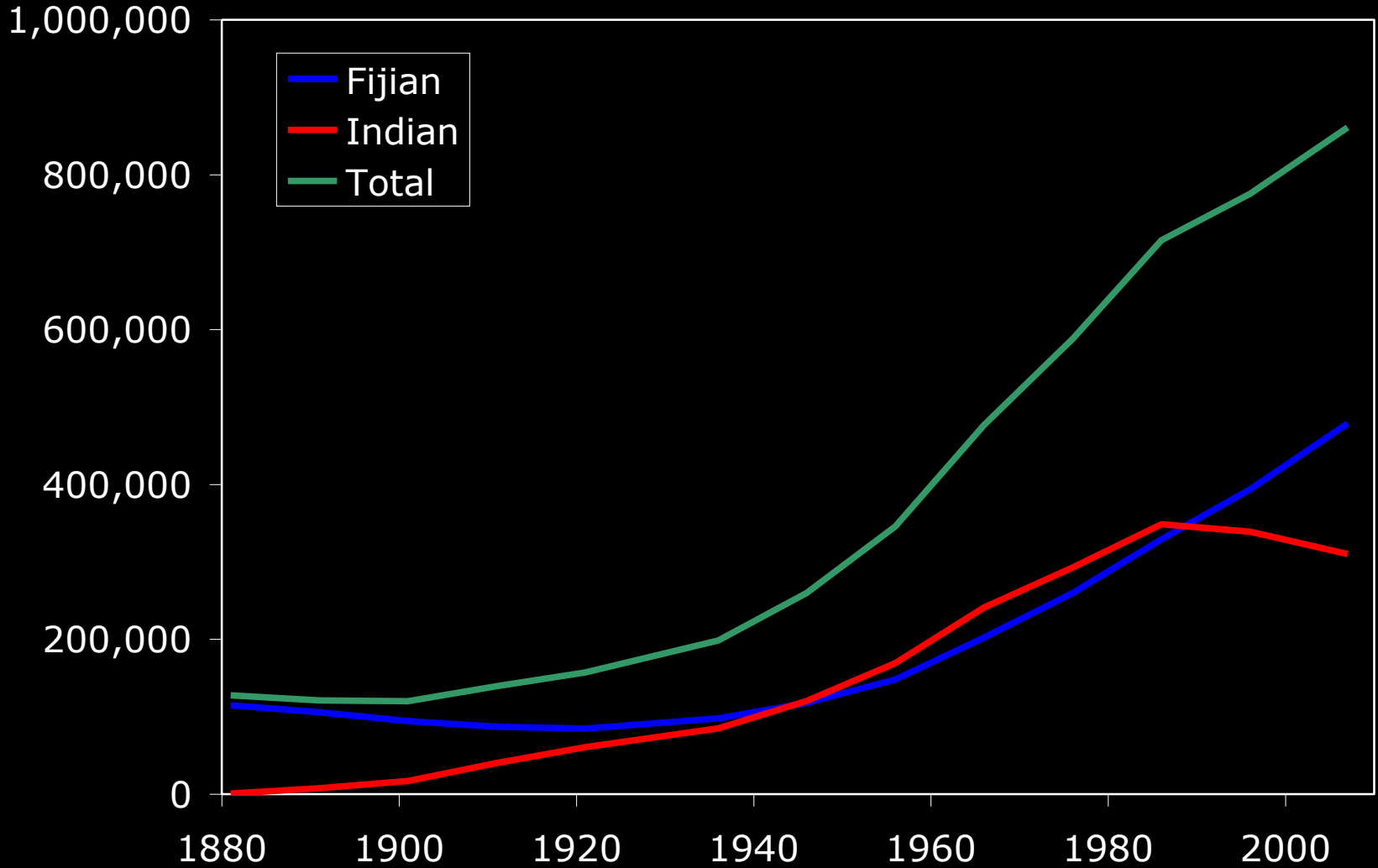
The experiment

- *Treatment*: Sudden, sustained change in relative value of human capital abroad vs. at home
- Two quasi-control groups
 - Indians before 1987
 - Fijians

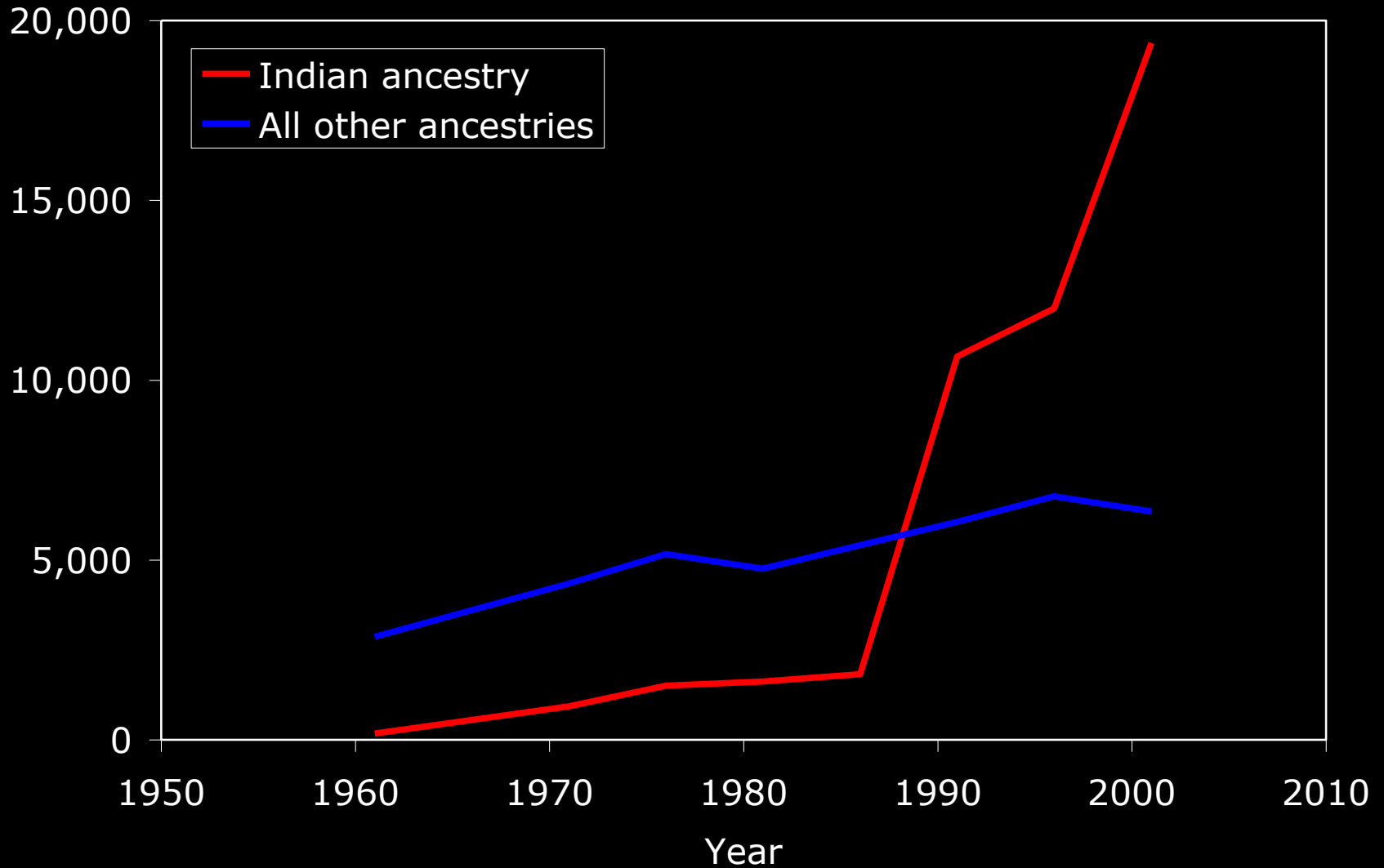
Population of Fiji



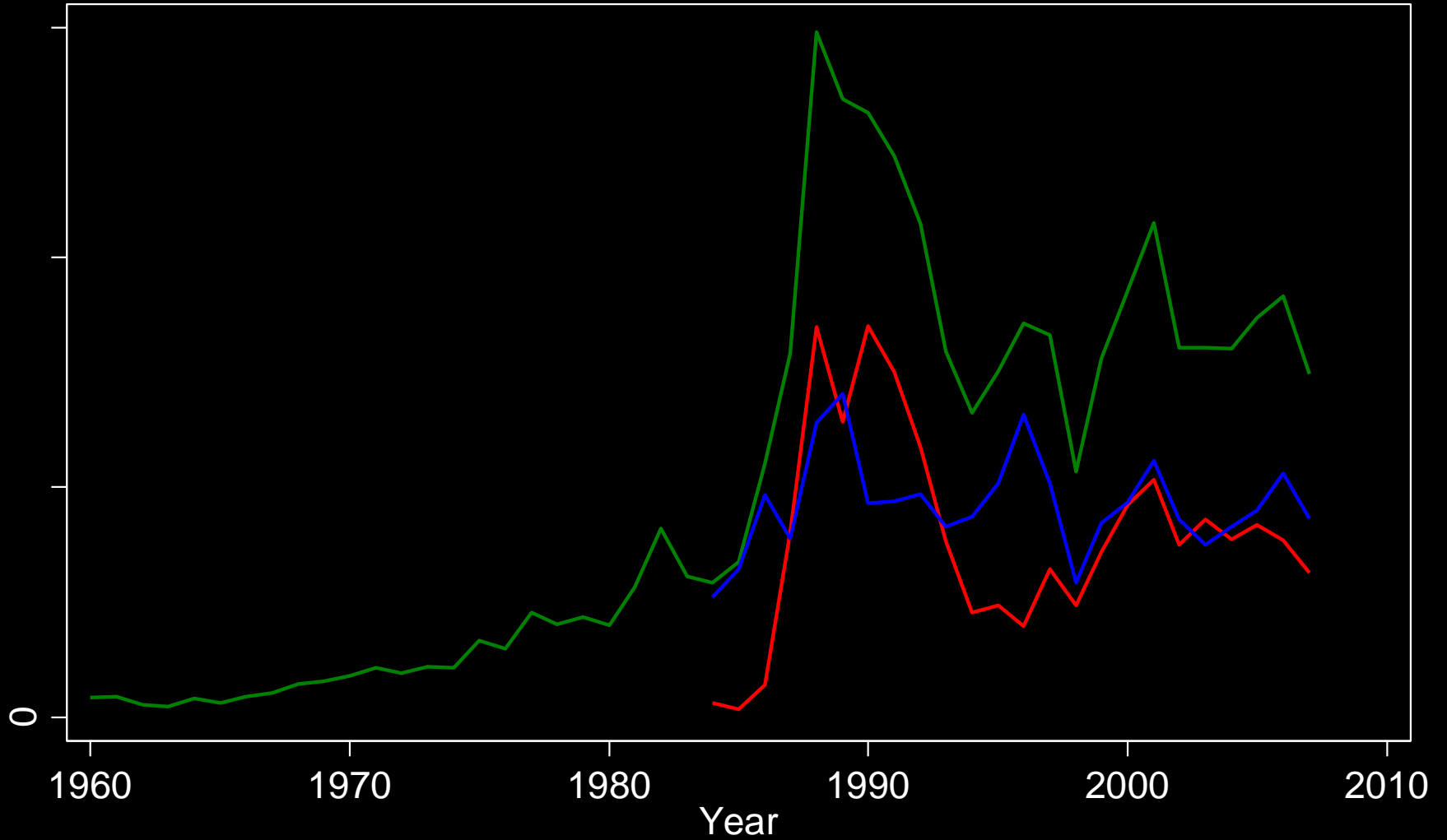
Population of Fiji



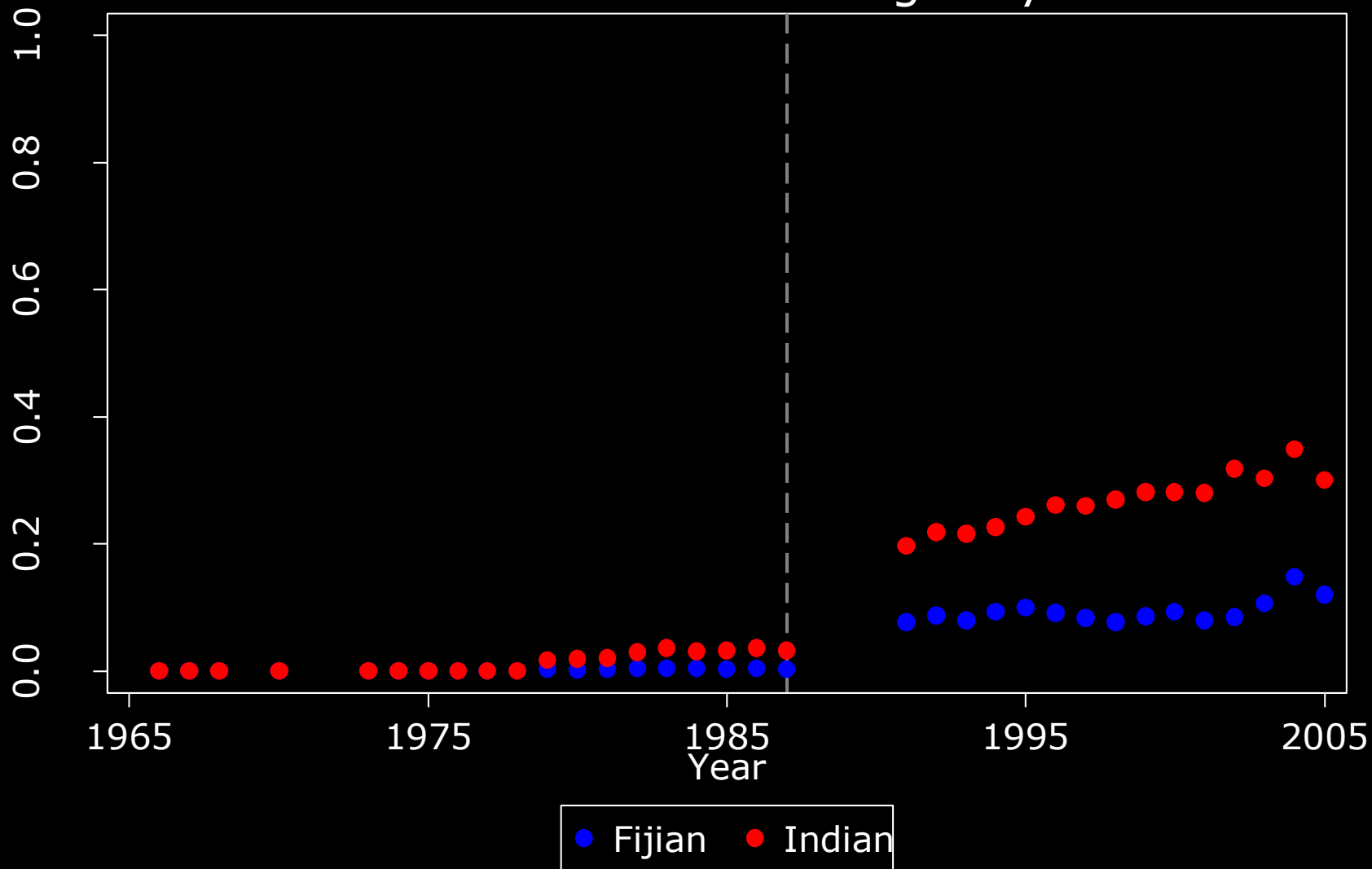
Number of people born in Fiji resident in New Zealand



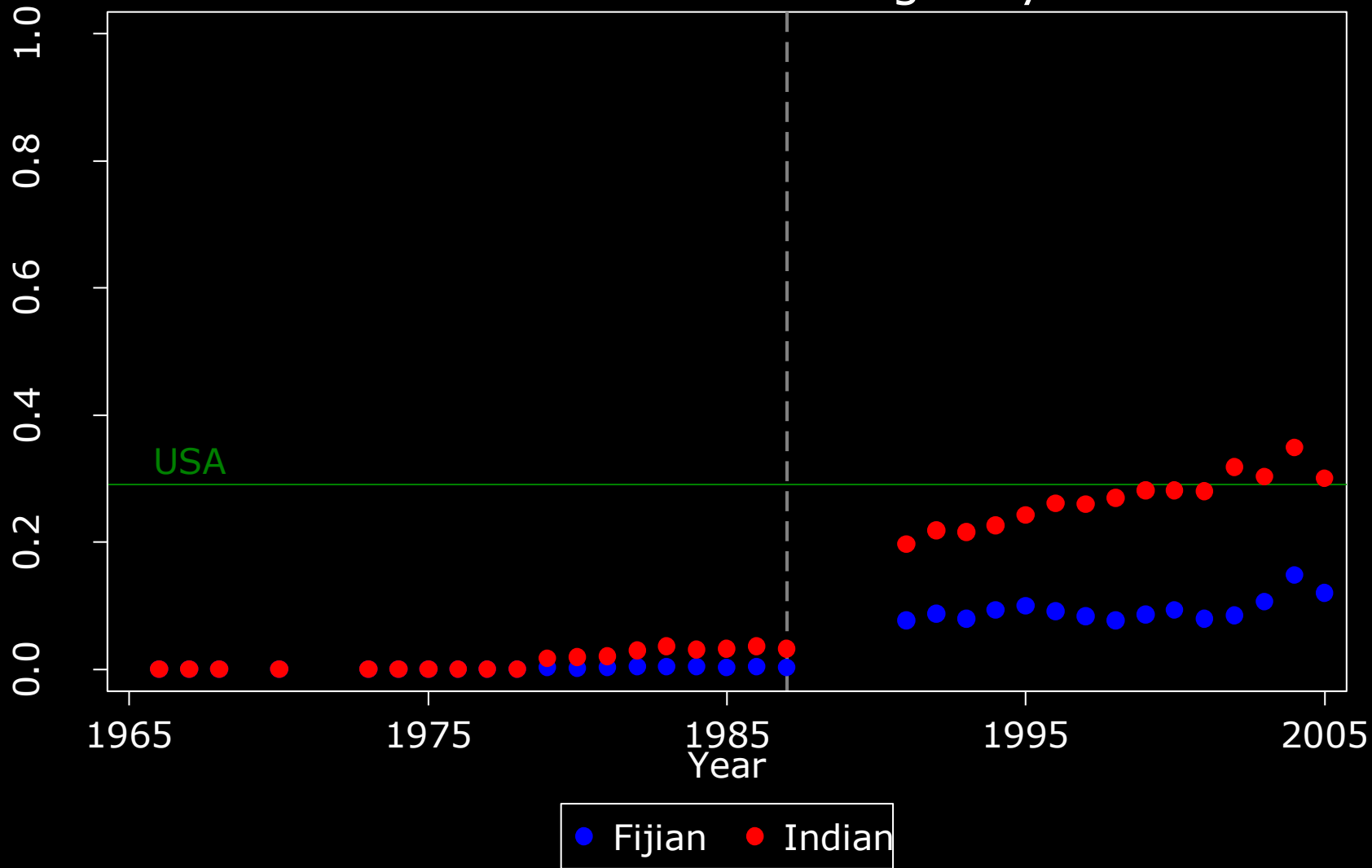
Settler arrivals in Australia, born in Fiji



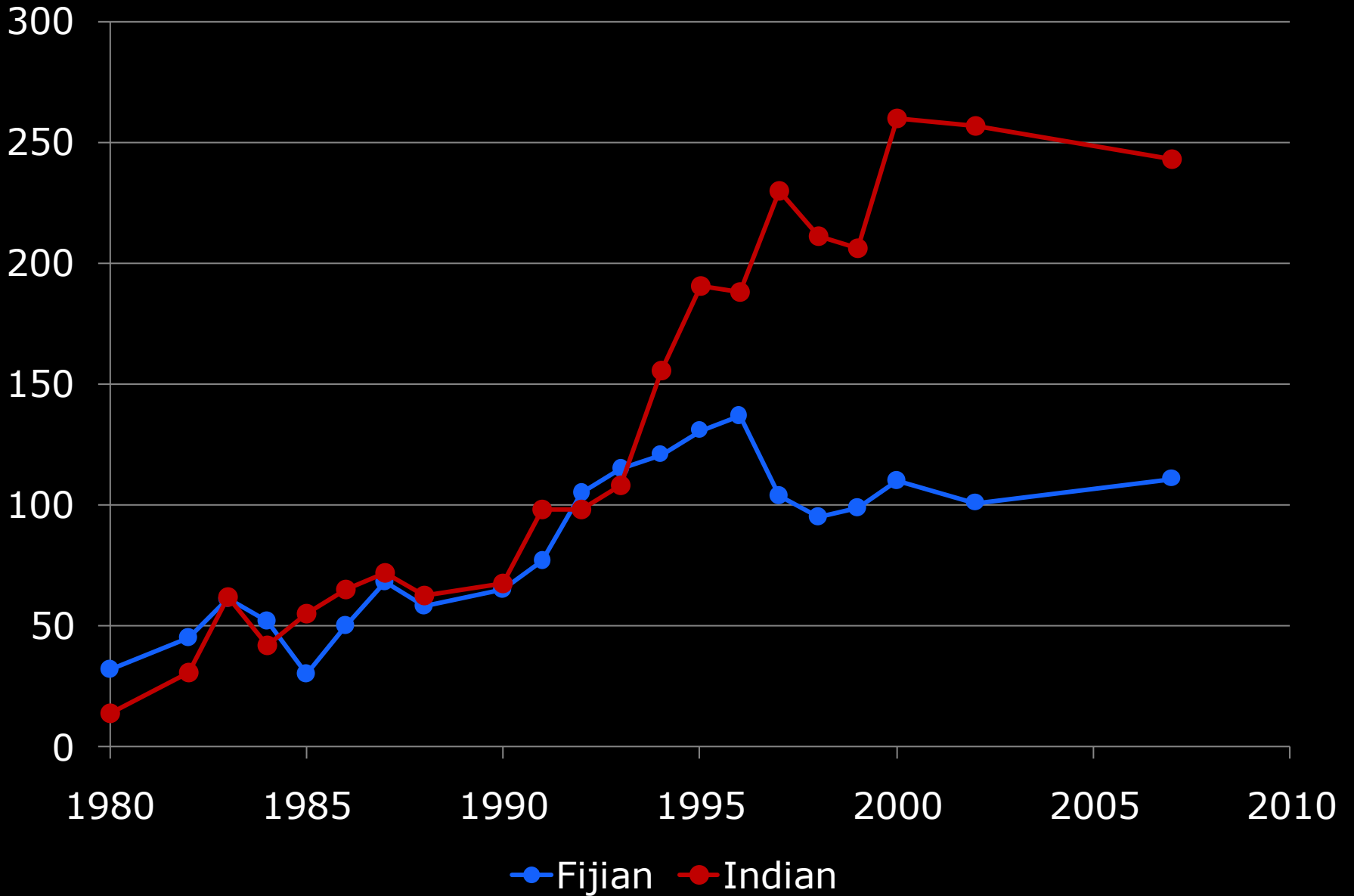
Attainment of Form 7 among 18 year olds



Attainment of Form 7 among 18 year olds



Business and Economics



Internal validity

Pre-treatment

	Fijians	Indians
Fertility 1980	3.3	3.3
Female life expect. 1986	65.3	65.1
Infant mortality 1986	19.2	21.0
Unemployment 1986	4.3	4.0
Annual earnings 1986	F\$7,200	F\$7,500
% in poverty 1990	28	31

Coefficient on 'Indian'

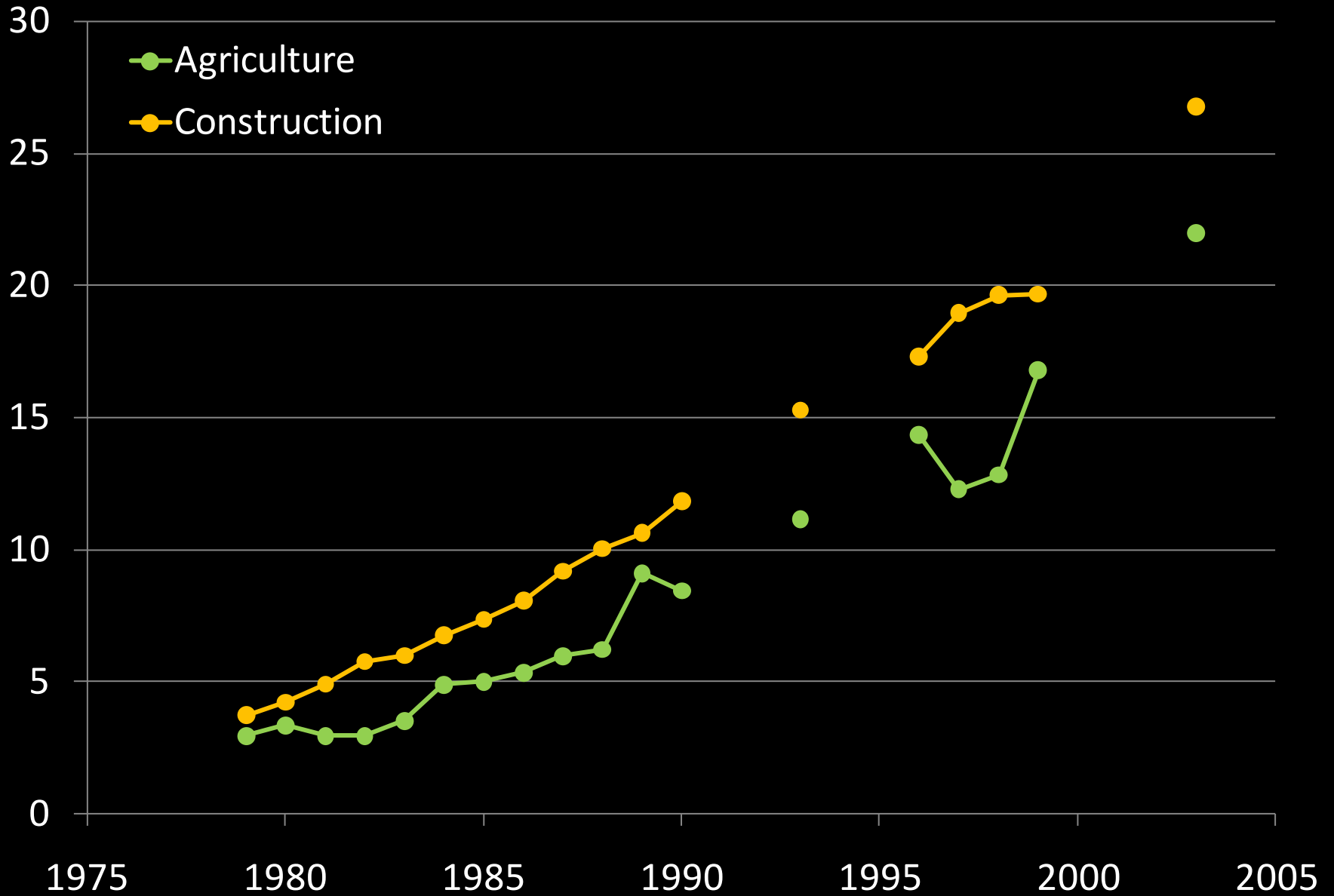
Dependent variable: Tertiary attained (0/1)

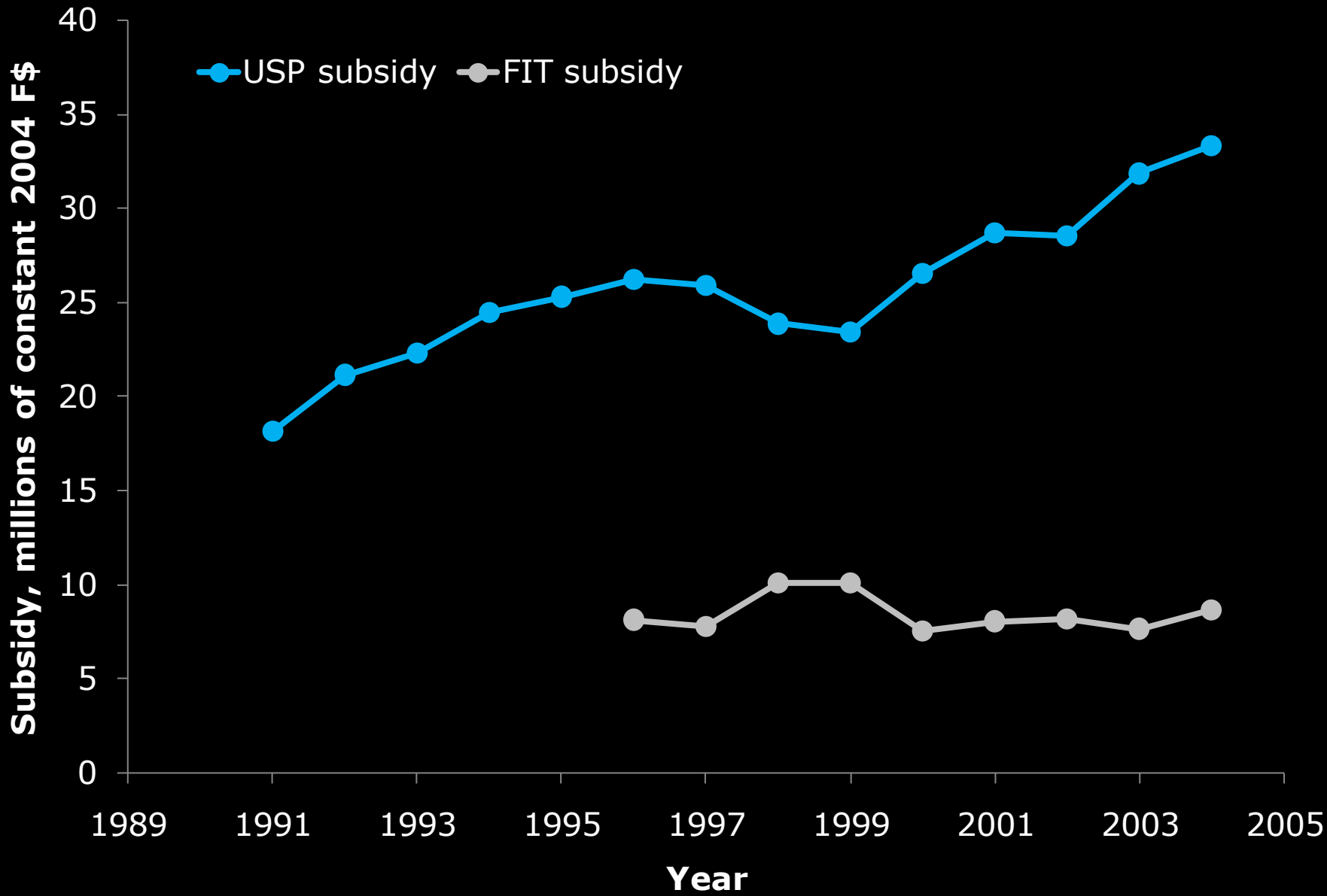
Population of Indian/Fijian 18 year olds

	OLS	OLS Controls	Logit OR Controls
Before	0.012	0.015	1.639
After	0.119	0.123	2.438
	<i>0.107</i>	<i>0.108</i>	<i>1.487</i>

Construct validity

Real mean daily wage, 2007 F\$



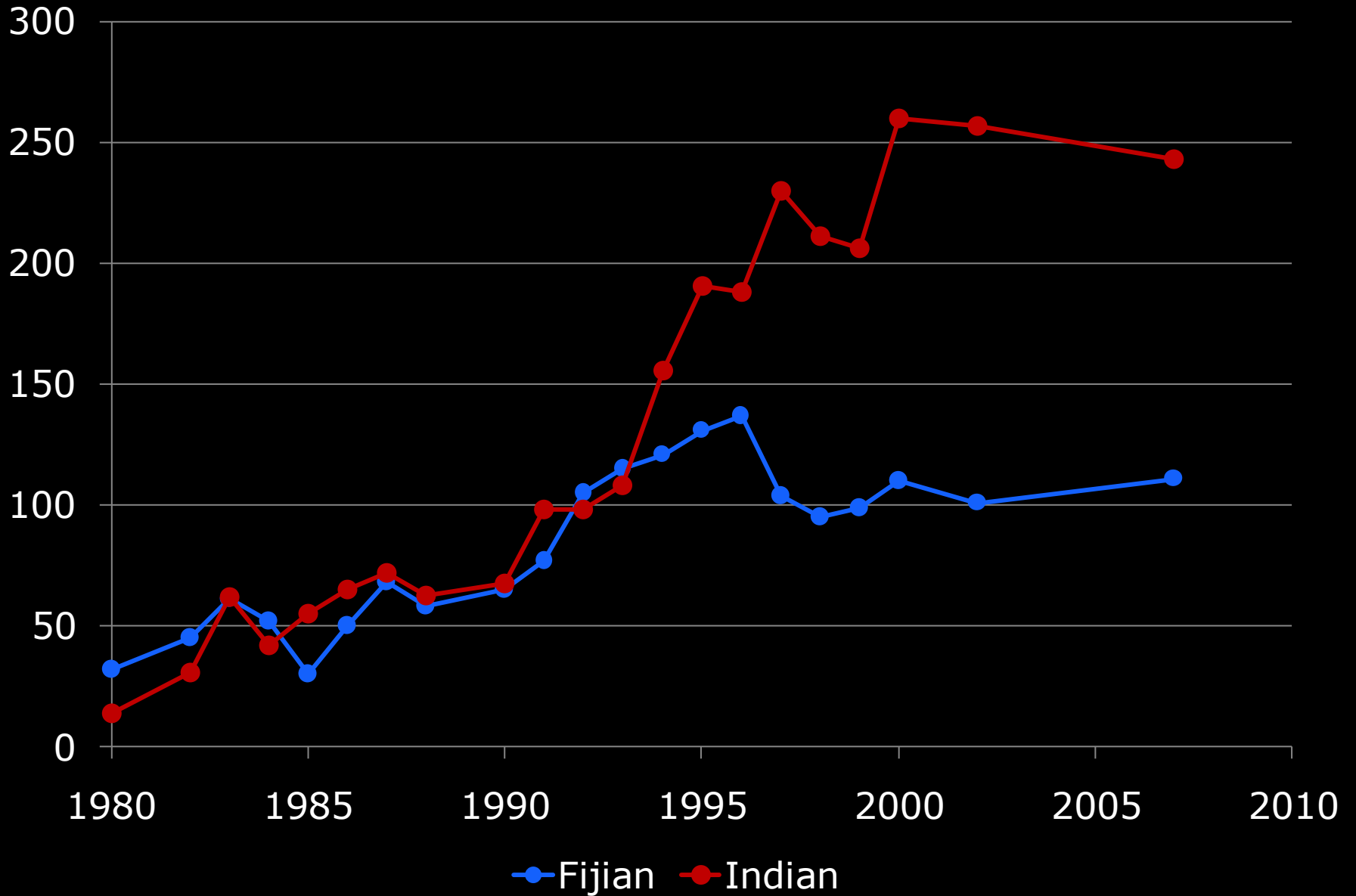


Coefficient on 'Indian'

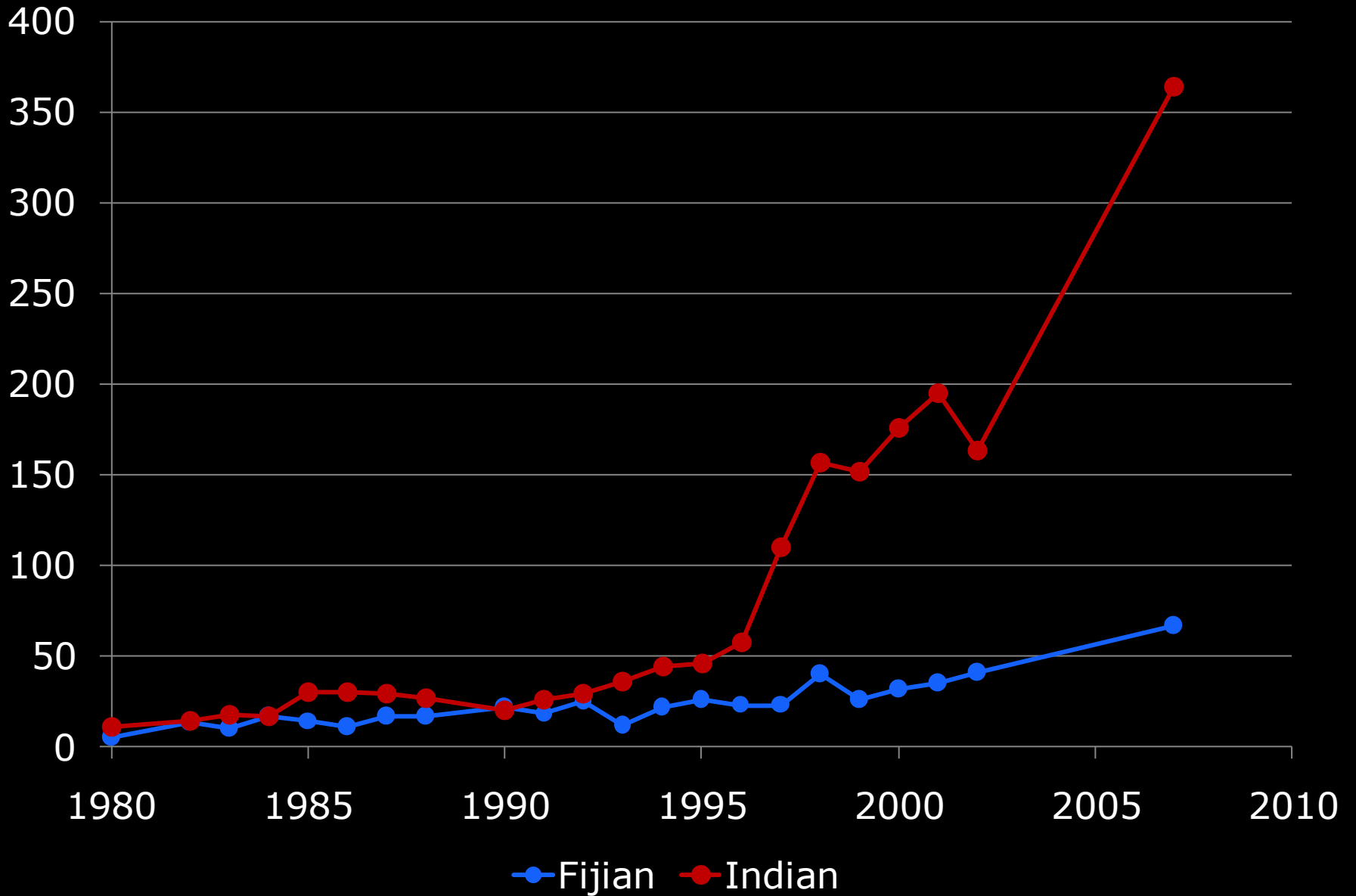
Dep. variable: HH educ. expenditure 2002

		Controls
Primary	-29.7 (6.83)	-13.5 (2.66)
Secondary	-22.0 (2.64)	-4.71 (0.576)
Tertiary	109 (4.09)	123 (4.77)

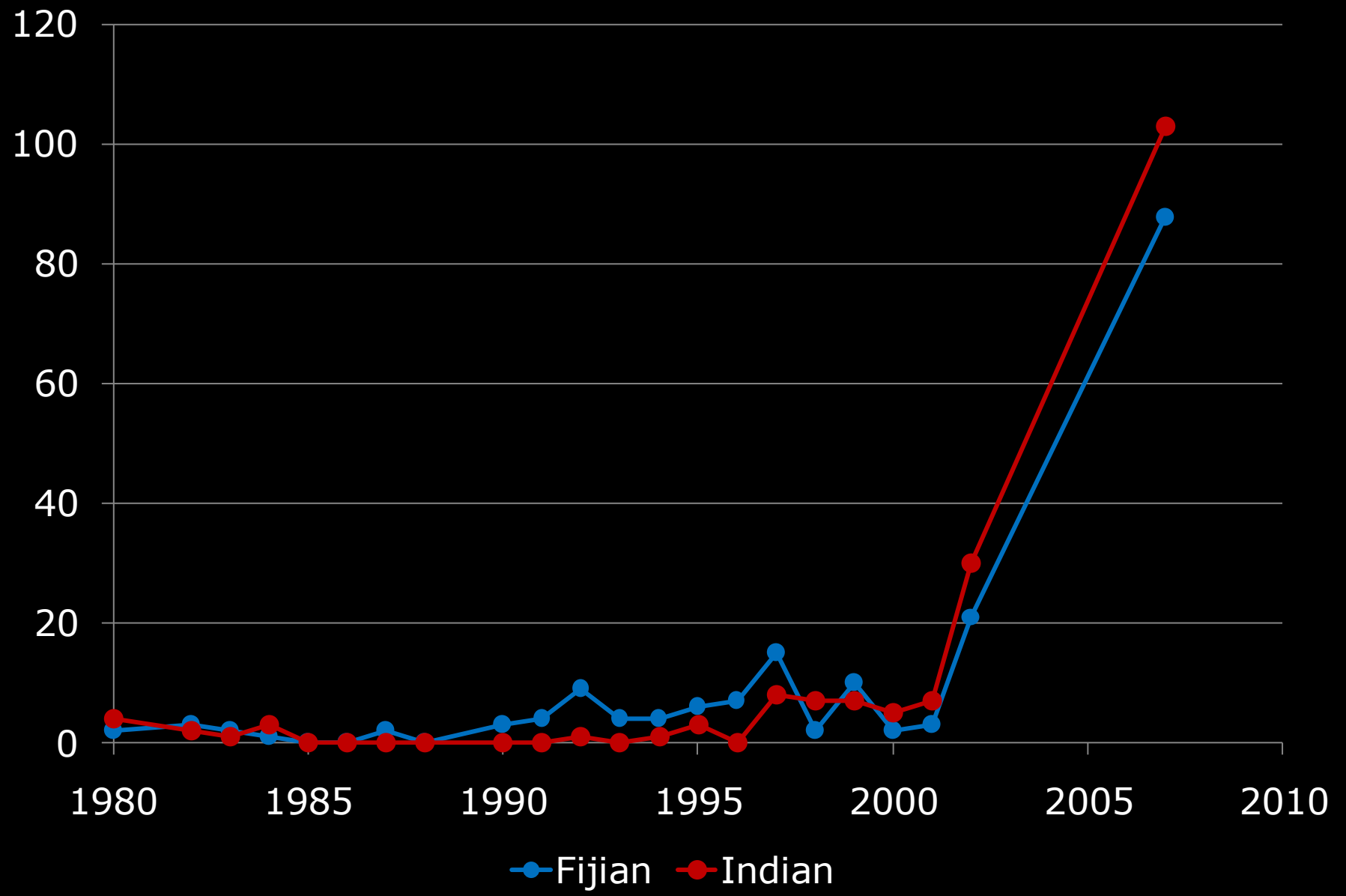
Business and Economics



Science and Technology



Islands and Oceans

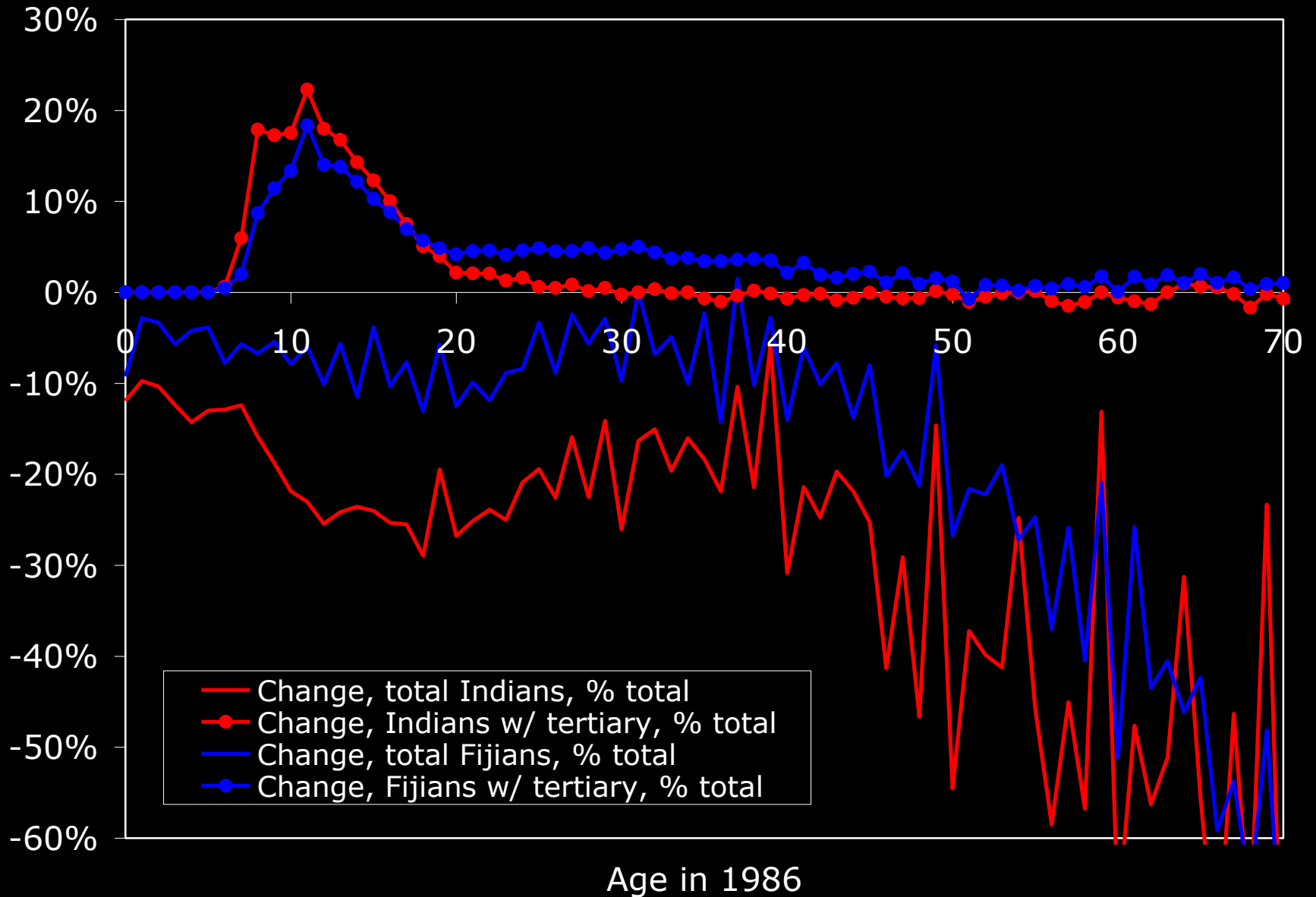


External validity

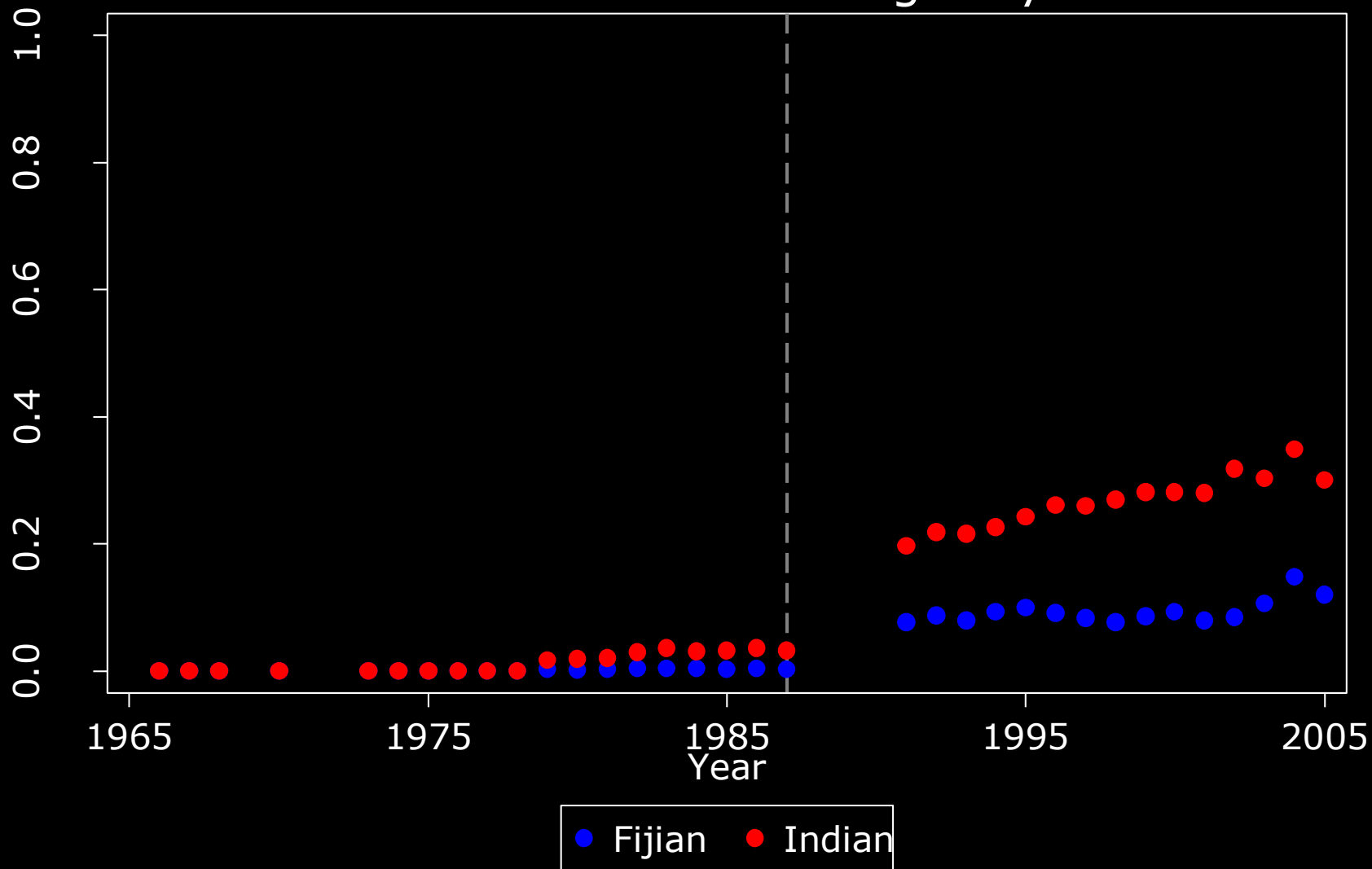
- Skill selectivity
- Large outflow
- Fiji special?

mclemens@cgdev.org

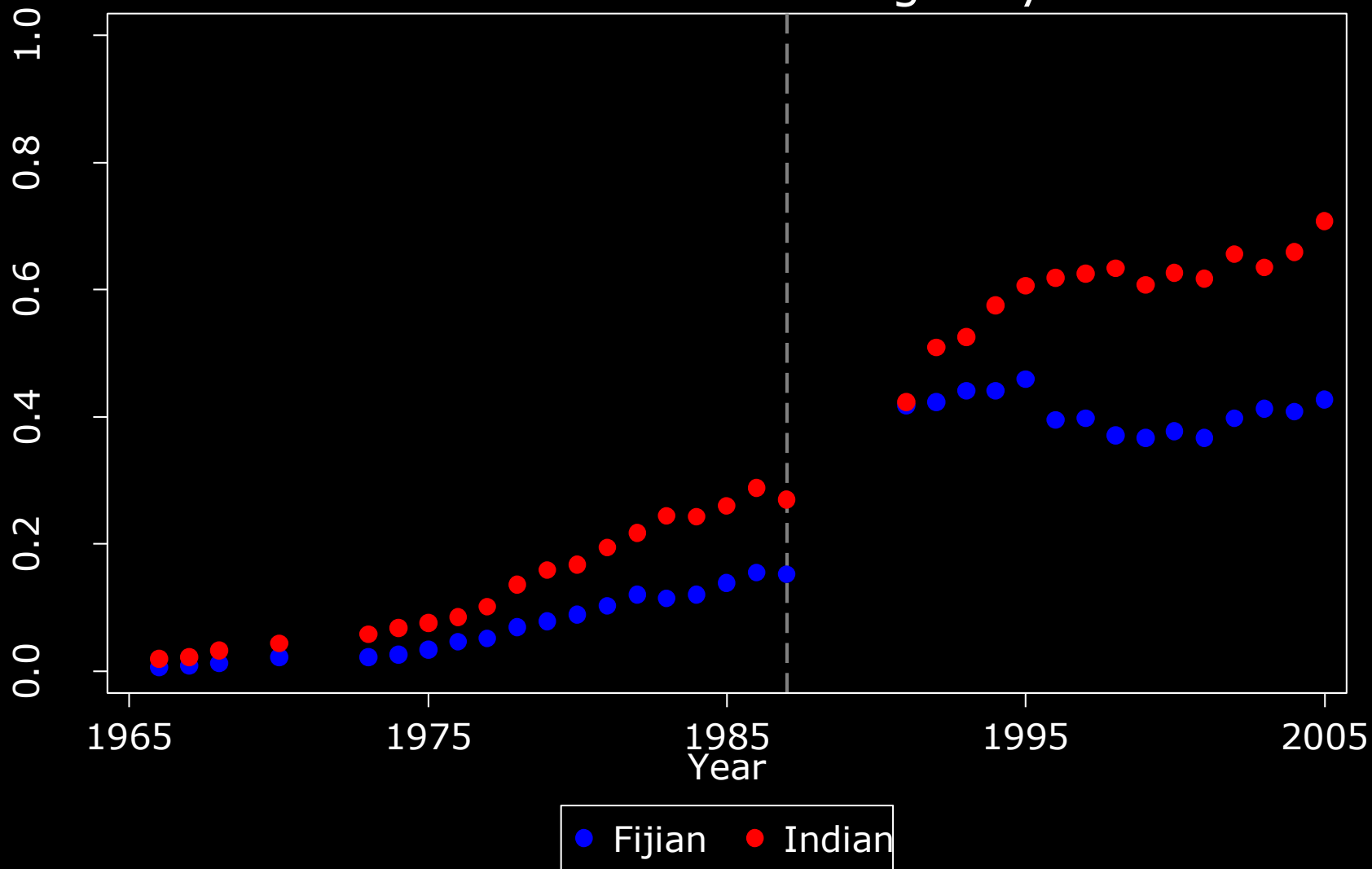
Intercensal changes in population



Attainment of Form 7 among 18 year olds



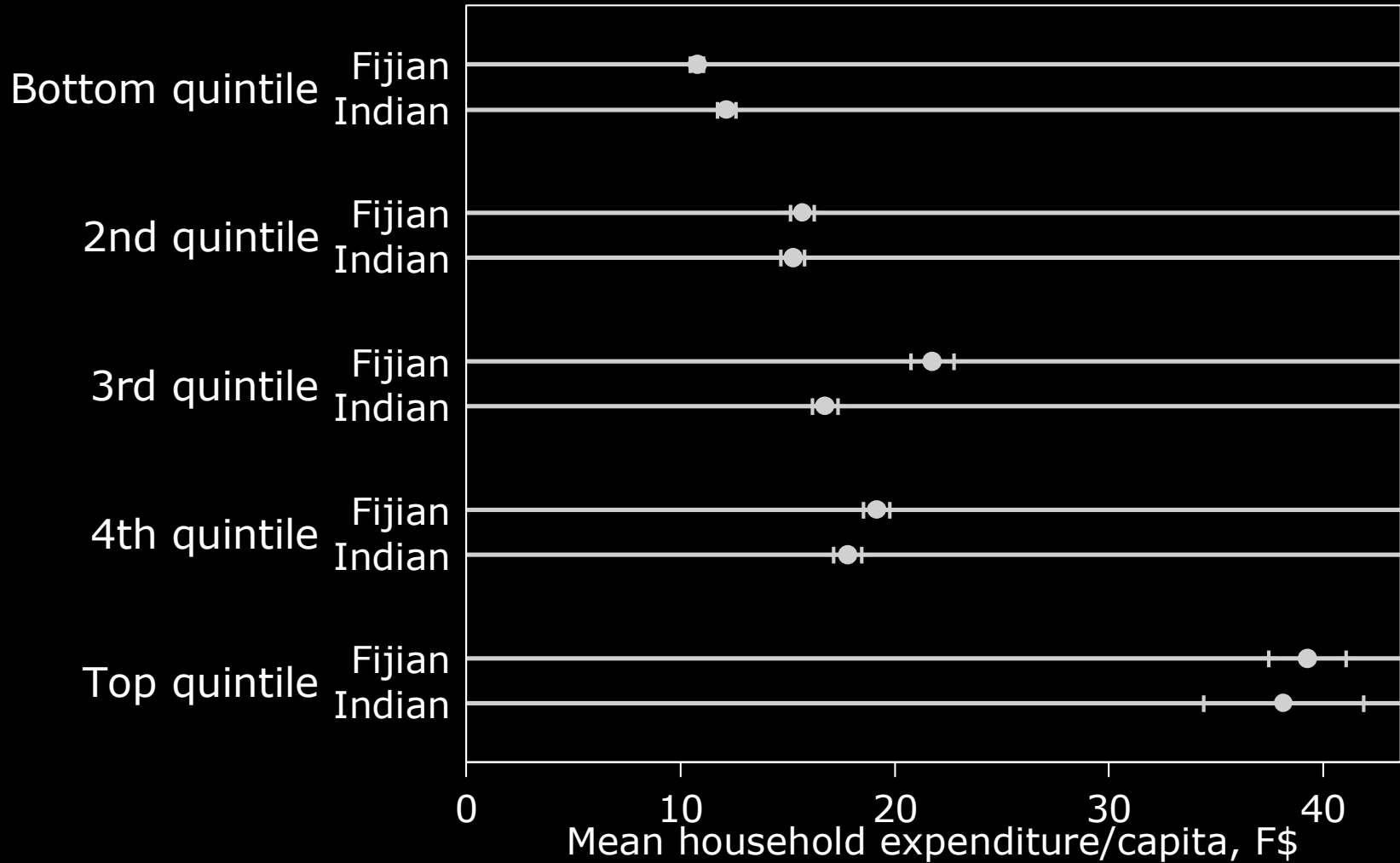
Attainment of Form 6 among 17 year olds



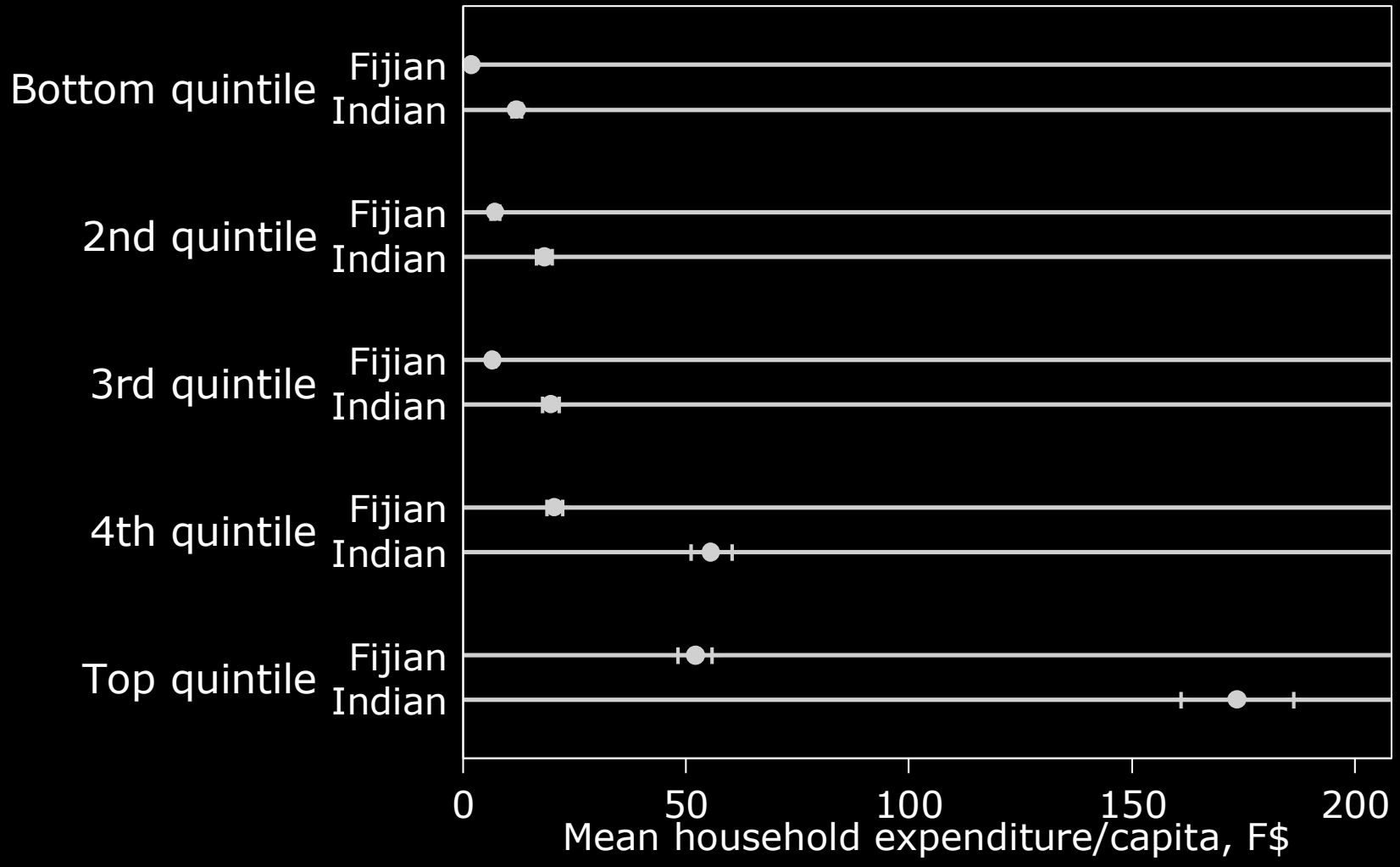
Dep var: Tertiary attainment

	OLS	OLS	OLS	OLS	Logit, OR	Logit, OR
	1986	1996	1986	1996	1986	1996
Indian	0.012	0.119	0.015	0.123	1.639	2.438
Male			-0.001	-0.010	0.939	0.913
toilet1			0.021	0.087	1.886	1.914
toilet2			0.005	0.024	1.268	1.102
HH Child mortality			-0.008	0.003	0.681	1.018
People/Room			-0.001	-0.002	0.873	0.912
HoH Professional			0.040	0.117	2.194	1.997
electricity			0.003	0.012	1.282	1.334
Constant	0.021	0.093	0.016	0.051		
14 Province dummies	N	N	Y	Y	Y	Y
6 HH construction dummies	N	N	Y	Y	Y	Y
N	13559	14796	12957	13597	12767	13596

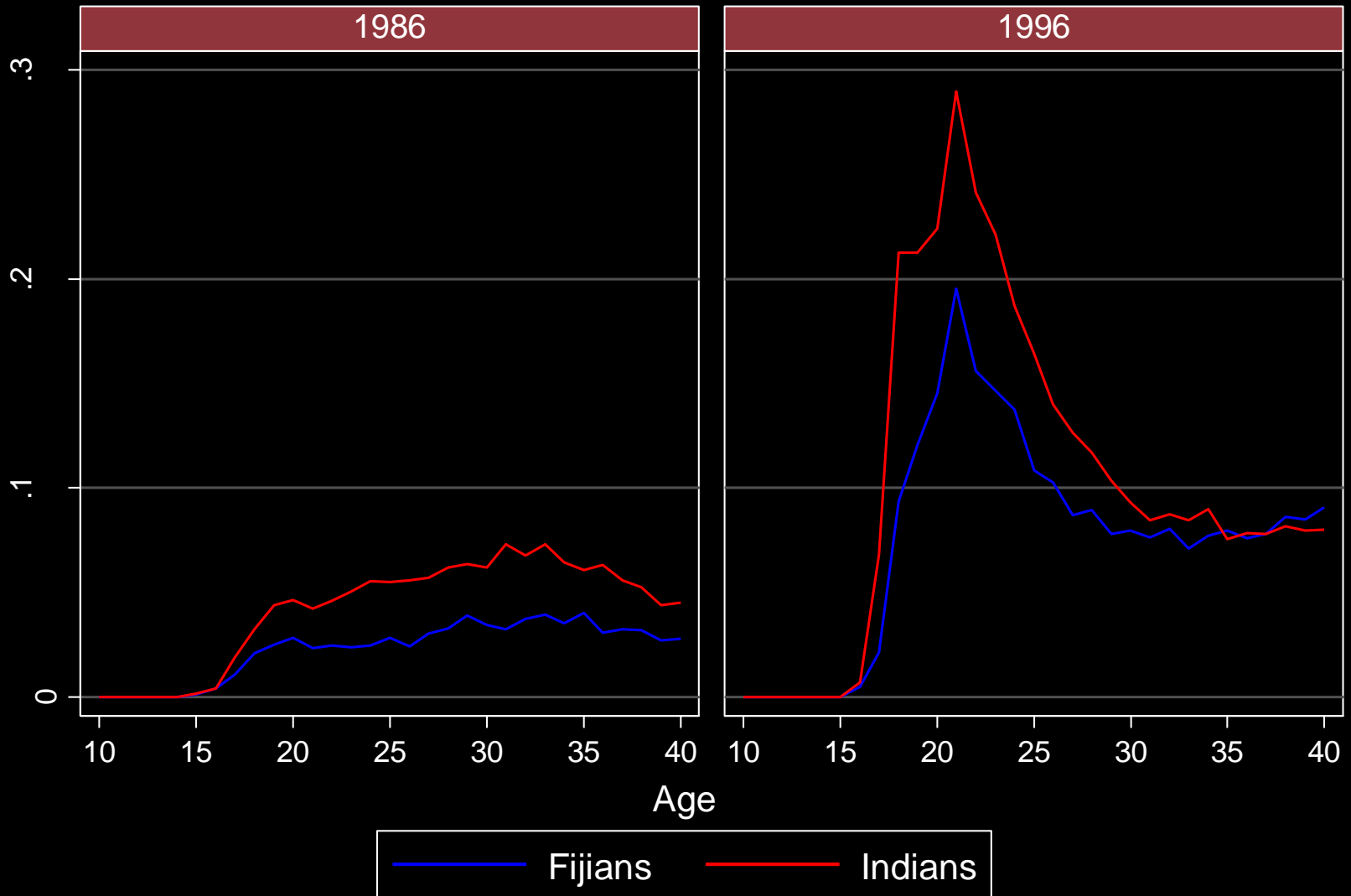
Secondary schooling expenditure by household income/capita quintile



Tertiary schooling expenditure by household income/capita quintile

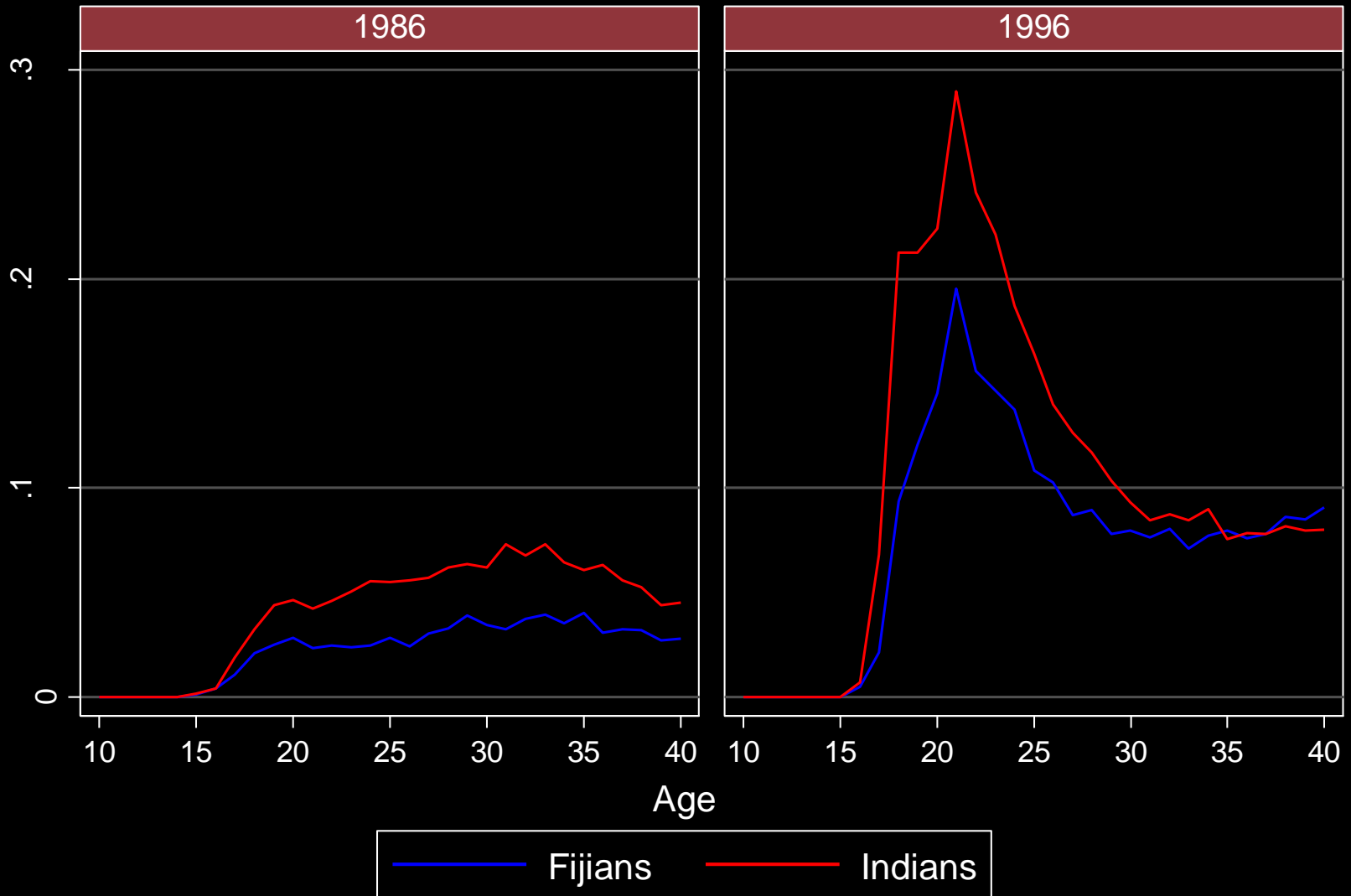


Tertiary attainment, fraction of people at each age



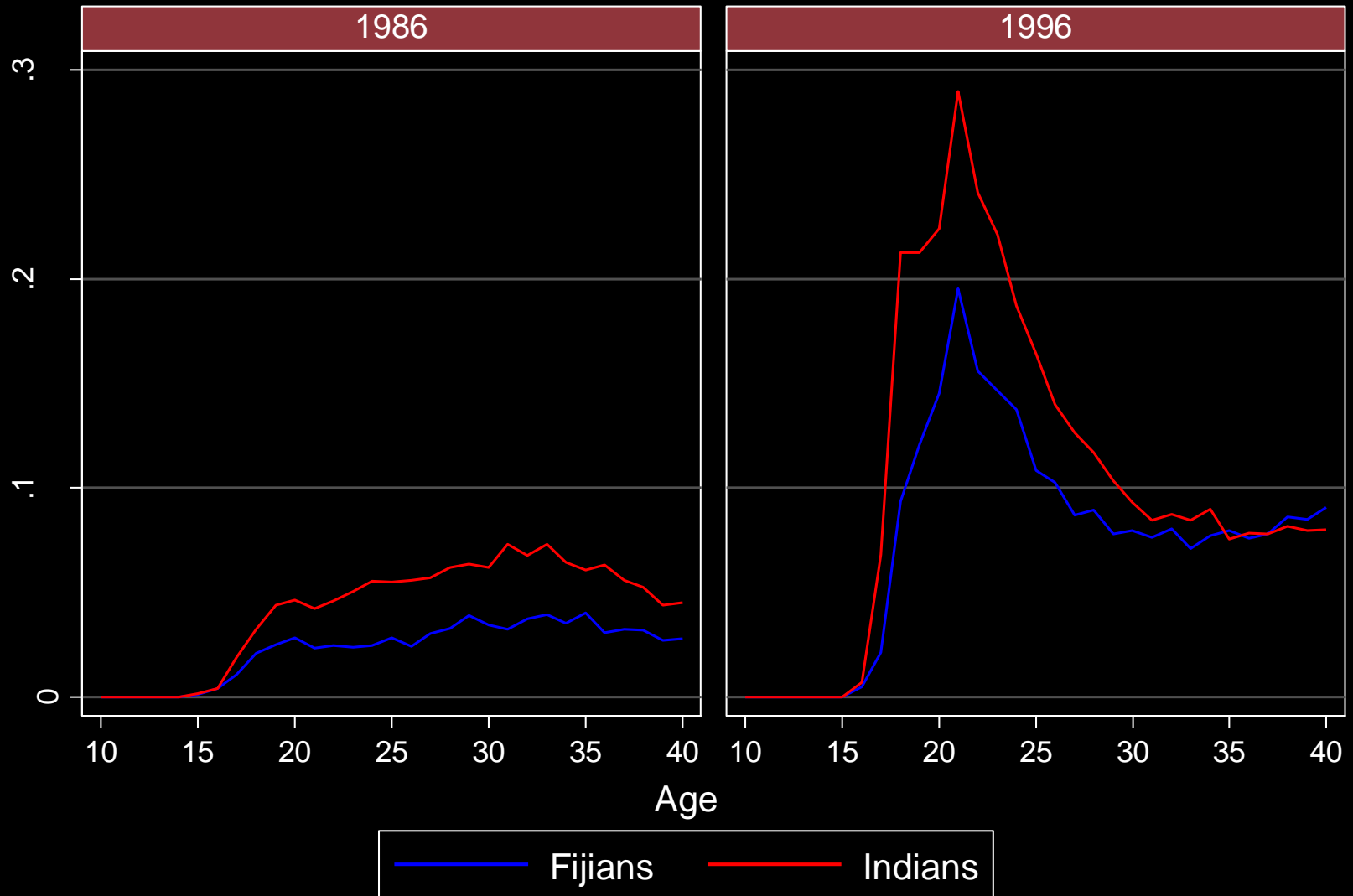
Graphs by year

Tertiary attainment, fraction of people at each age



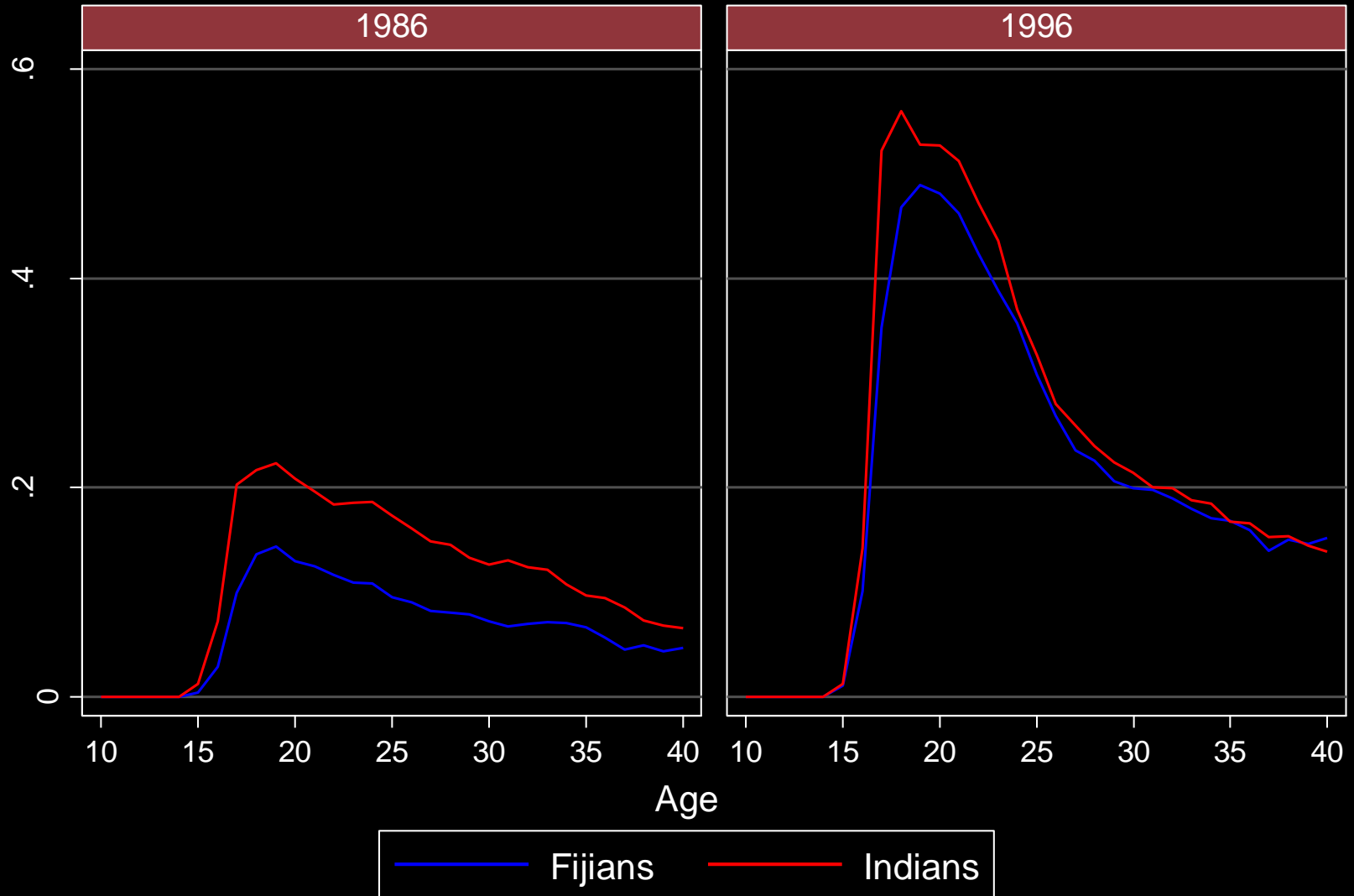
Graphs by year

Tertiary attainment, fraction of people at each age



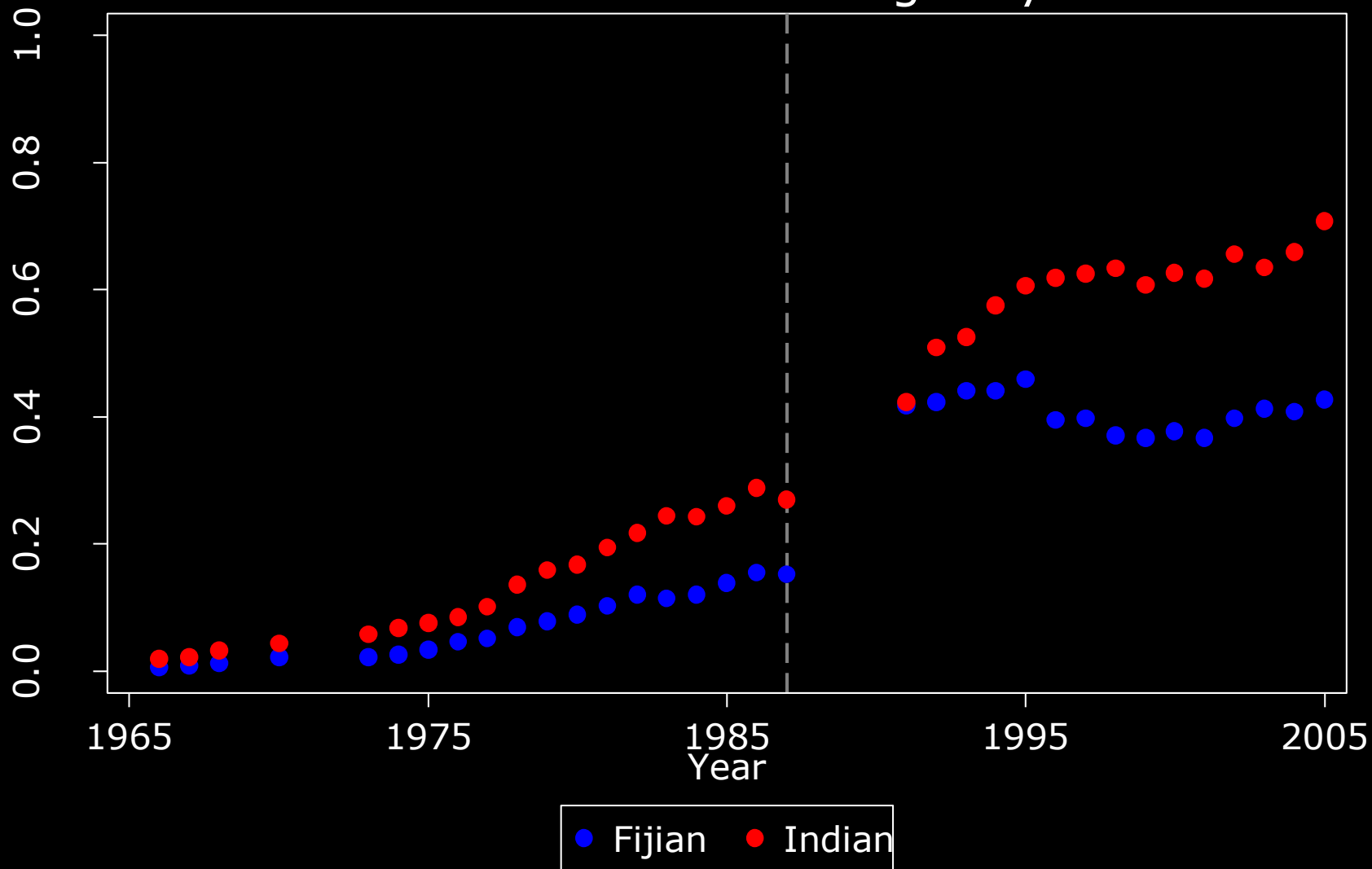
Graphs by year

Form 6 attainment, fraction of people at each age

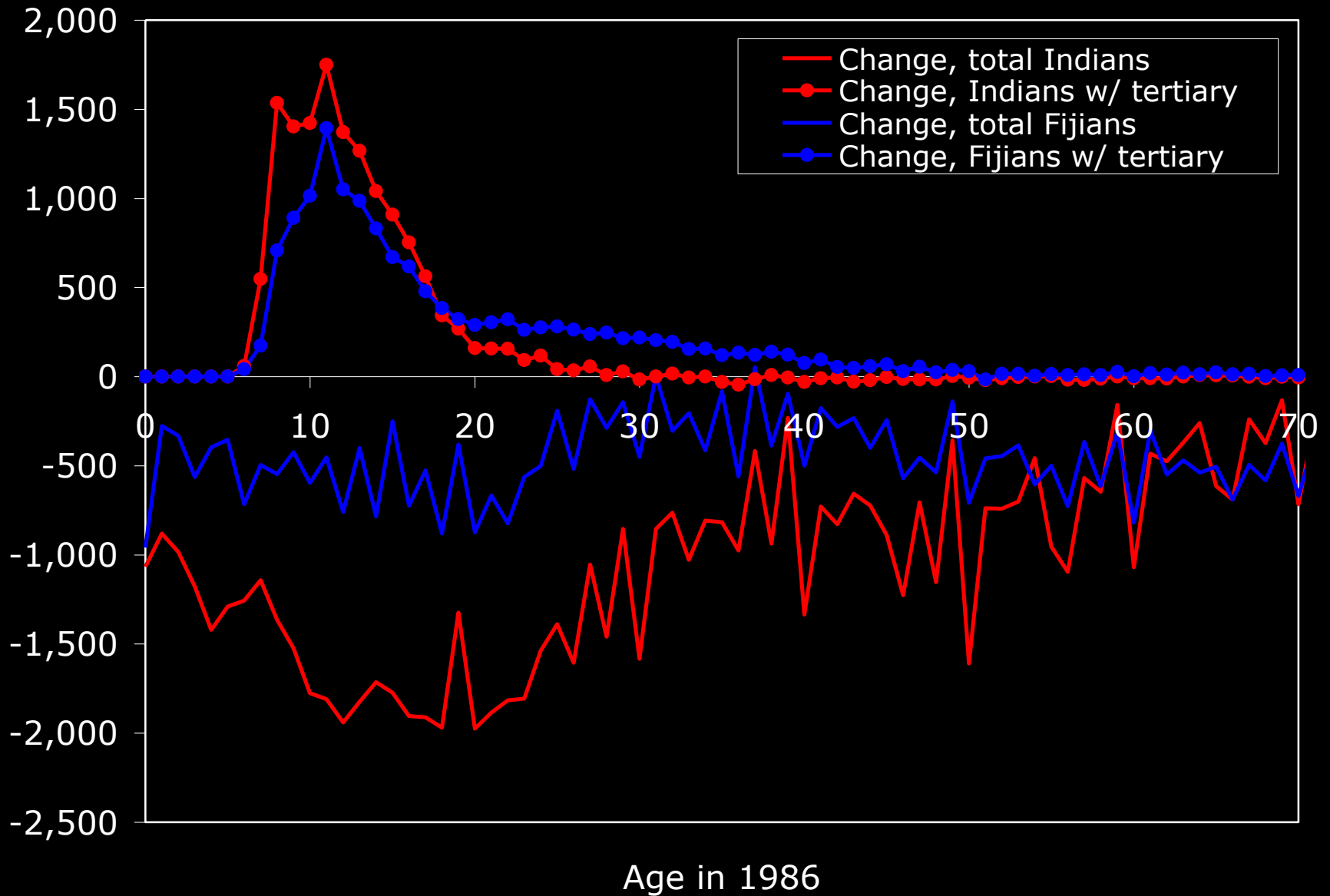


Graphs by year

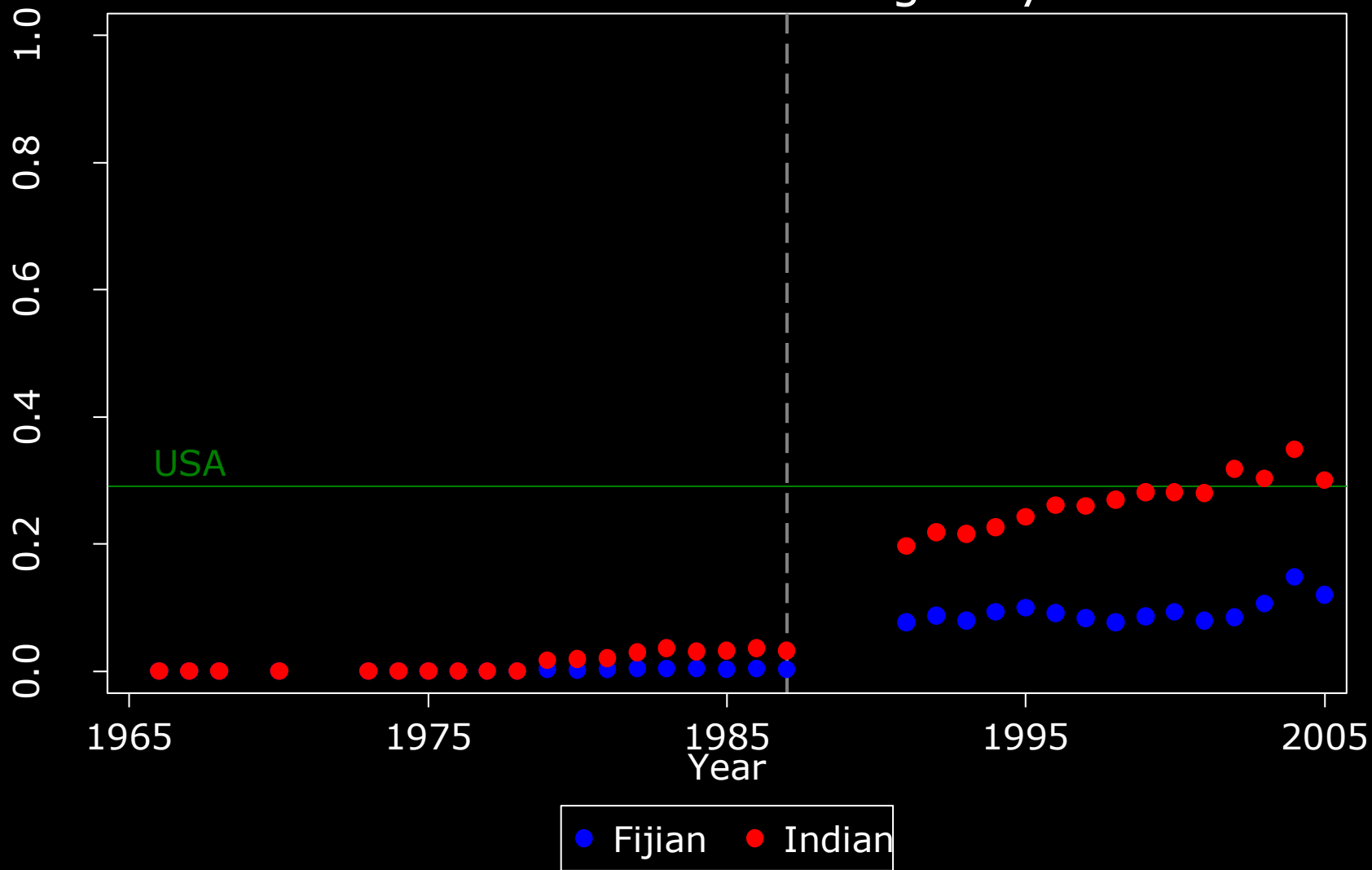
Attainment of Form 6 among 17 year olds



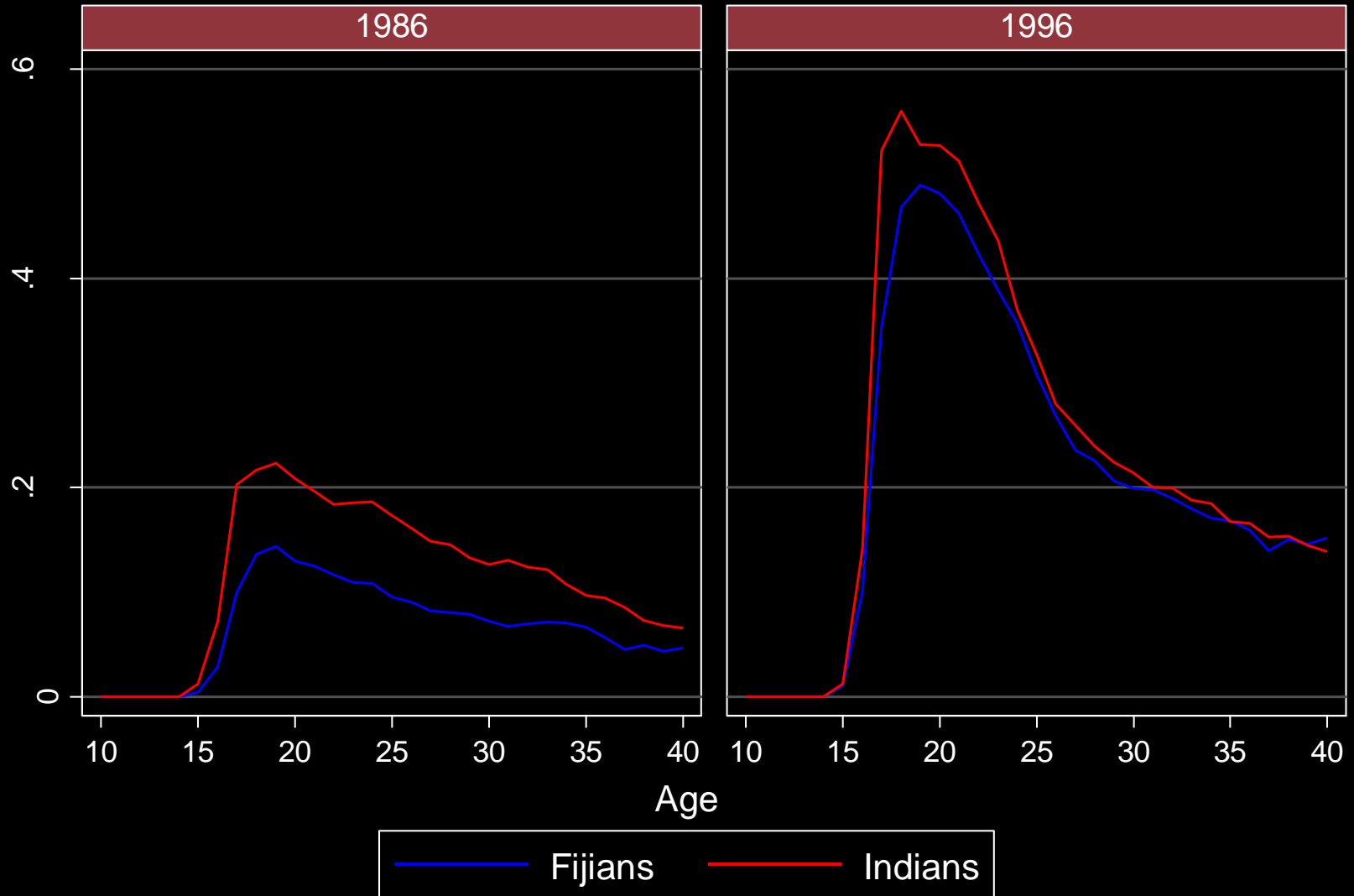
Intercensal changes in population



Attainment of Form 7 among 18 year olds



Form 6 attainment, fraction of people at each age



Graphs by year