





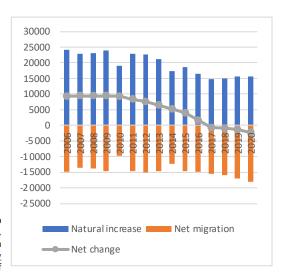
Impact of migration in Jamaica

Jamaica is rapidly moving to an advanced stage of demographic transition, partly due to a rapid decline in the birth rate, but more so due to a high emigration rate. In 2020, there were 33,800 births and 18,100 deaths (Economic and Social Survey of Jamaica 2019), which would have resulted in a population increase of about 15,700 persons. However, net emigration caused the loss of a further 18,000 people, thus leading to a minor population decline.

Before 2010, the Jamaican population increased by around 10,000 people annually, but since 2017, this has turned into an annual population decline.

On its own, emigration is not a problem if it is simply an indicator of family relations and other economic linkages. However, self-selection renders the emigration rate a problem because it could cause a brain drain for Jamaica. As noticed in the Economic and Social Survey of Jamaica: "Over the past five years, the largest proportion of Jamaicans granted permanent resident status was between 25 and 44 years. Many of these individuals are females in their prime productive and reproductive years" (section 20.12). The most notable example is the departure of well-trained Jamaican nurses who are highly regarded in other countries, potentially leaving Jamaican hospitals understaffed.

Similarly, many of the most talented young people head abroad to study and may not return. According to the <u>Jamaica Labour Force Survey</u>, in 2019, only 9.3% of male and 17.7% of female workers had a degree, meaning that the loss of talented young people is harshly felt. Thus, the evidence suggests that brain drain is a potentially significant challenge for Jamaica's long-term socioeconomic development. The <u>2017 policy on international migration states</u> that "[t]he ongoing high levels of emigration and the attendant loss of critical human resources (brain drain)" is of concern to the Government of Jamaica as well.



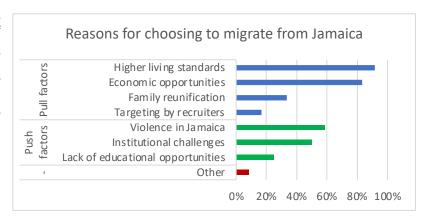
What are the causes behind net migration?

The JEP panellists were asked about the main drivers of migration. These drivers can be divided into pull factors (which affect the desirability of a specific location) and push factors (which drive away migrants from a country). Overall, the panellists believed that pull factors play a more prominent role than push factors, though both are highly relevant. According to the panellists, economic factors, with high living standards and greater economic opportunities, are the highest-rated factors.

Mr. Wendel Ivey, Economist, links brain drain to the economic challenges faced by Jamaica in general:

II Economic progress in Jamaica has been hampered by low or declining productivity growth over the last three decades. This has created a situation where the country is unable to adequately absorb, utilize and compensate Jamaican talent. To this end, economic opportunities outside the borders of the country seem to have become increasingly attractive. Facilitating sustained improvement in productivity growth may prove to be a worthy strategy to remedy brain drain and many other challenges faced by Jamaica.

- Mr. Wendel Ivey
Economist



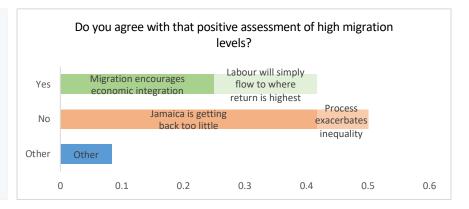
The Planning Institute of Jamaica (PIOJ) points out in its Economic and Social Survey of Jamaica that "[i]nternal and international migration plays an important role in the reallocation of labour resources from areas of surplus to areas of need. Migration also fosters social and economic linkages between places of origin and destination".

This statement implies substantial benefits to the emigration of Jamaicans to other countries. The JEP panellists did not have a uniform response to the statement. Almost half of the respondents agreed, while a slightly greater number felt that the disadvantages are greater than the benefits. **Mr. Keenan Falconer**, Research Economist, for example, points out that such economic linkages due to migration are not necessarily sustainable or durable:

11 The idea that migration fosters social and economic linkages between places of origin and destination is debatable.

When one assesses the growth in remittances for Jamaica, for example, while it is growing at an average annual rate of 13%, the sustainability of remittance inflows is predicated on several tenuous factors, with the strength of family ties being of paramount importance.

 Mr. Keenan Falconer Research Economist



Are there policy options to pursue to reduce the impact of migration?

Given that the panellists generally agree that the high net migration rate is relevant, they also entertained questions about sound policy options to alleviate this problem. The great majority of respondents believe that the Government of Jamaica must provide for better livelihoods inside Jamaica. In contrast, only a tiny minority do not believe that the Government should play any role. **Dr. Patricia Northover**, Senior Fellow, Sir Arthur Lewis Institute for Social and Economic Studies (SALISES), UWI, Mona argues the following:

Jamaica's long-term vision of development is expressed as becoming the 'place of choice' where one wants to live, work, raise families, do business and retire.
For this vision to be possible, it is the Government's responsibility to fully commit to supporting the enabling conditions for that 'good life' vision to be realized.

- **Dr. Patricia Northover** Senior Fellow, SALISES, UWI, Mona

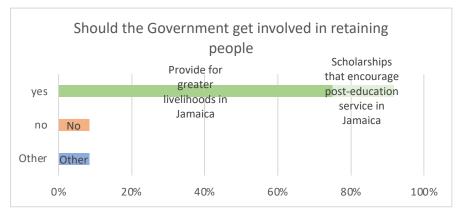
Of course, economic opportunities are not the only thing relevant for reducing migration. **Dr. Christine Clarke**, Lecturer, UWI, Mona points out that the Government should also be considering some of the push factors that encourage migration:

I really think that everyone should be free to make their own decisions since they will have to live with any possible, (though rare), negative side effects.

On the other hand, unvaccinated healthcare workers may be putting the lives of their (already) sick patients at risk.

— Dr. Christine Clarke

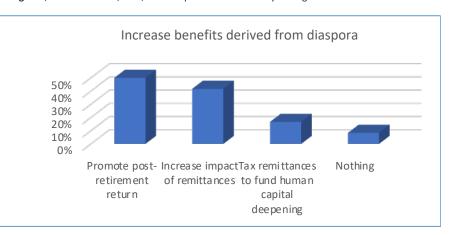
Lecturer, UWI, Mona



Finally, as already noted, one of the positive side-effects of the high migration rate is a substantial Jamaican diaspora, which provides a large flow of remittances. In 2020, remittances were equal to 22.2% of GDP, up from 16.2% in 2019, one of the world's highest rates. However, it is not clear whether these high levels of remittances are having the desired effect on the socioeconomic status of the Jamaican population. The JEP panellists were thus asked about policies that could improve how Jamaica could benefit from its substantial diaspora. The most popular option was to encourage the return of retired Jamaicans, which would allow for a wealth transfer from destination countries to Jamaica. **Dr. Andre Haughton**, Senior Lecturer, UWI, Mona expands on this idea by stating:

The process of promoting post-retirement return should be accompanied by encouraging them to invest in local bonds or equity as additional retirement income. The process would require better health care and other infrastructure as well as a reduction in corruption, crime and violence.

Dr. Andre Haughton
 Senior Lecturer, UWI, Mona



The second most popular idea is to increase the socioeconomic impact of remittances, but it is not exactly clear what would be the most effective way to do so. **Dr. Patricia Northover**, Senior Fellow, Sir Arthur Lewis Institute for Social and Economic Studies, UWI, Mona, points out the following:

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Migrants should be engaged to invest in the sustainable development of their home communities, and appropriate financial instruments developed, and matched with the social and economic character of the remitters, in order to attract patient capital funds for long term development needs.

Dr. Patricia Northover
 Senior Lecturer, UWI, Mona

Conclusion

While it is important to note that migration is a human right and substantial benefits from migration abound to both sending and receiving countries, the current level of net emigration from Jamaica is one of the causes behind the current population decline. Moreover, if emigrants are higher skilled than those left behind, this could possibly induce a brain drain as well. The JEP panellists support the use of policies to reduce the pull factors that encourage emigration. Such policies include improving livelihoods in Jamaica and addressing some of the other institutional challenges the country faces. These reflect policy prescriptions that befit overall socioeconomic development in Jamaica, thus making them even more worthwhile to pursue.