

Abstract

Higher education is increasingly becoming an important factor in determining the success of the migration process from the individual point of view. To the sending countries, the migration of its human capital may be associated with high social costs as their scarce resources are spent on individuals who will later be productive elsewhere.

The hypothesis of this study is that there is a positive social return on an investment in higher education even if the educated people (skilled workers) choose to out-migrate after finishing their studies. Furthermore, a deliberate policy aimed at providing a surplus of higher education graduates can be seen as an "export" strategy leading to positive social returns to the country practising it.

The study attempts to evaluate the net result of an individual's out-migration to the sending country via a cost-benefit approach, which is based on a model for out-migration consisting of three distinguished phases: Education, migration and return. The model is applied to the case study of Jordan and the necessary data is collected via a survey.

The results show that the social return on education and migration is dependent on the sending country's employment situation in the labour market for skilled workers. In the case of unemployment, the social return is positive since the opportunity costs of forgone production diminish. In the case of scarcity, the social return is only positive if higher education takes place in the sending country or at a comparable cost abroad. When higher education takes place in an industrialised country with tuition fees, the return to the sending country is negative. Achieving a positive return to the sending country in this case would require one or more of the three following conditions: Higher remittances, repatriating more of the migrant's savings or a better utilisation the migrant's skills after return to achieve productivity gains.