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THE EFFECTS OF MIGRATION ON SENDING COUNTRIES: A COMPARISON OF MEXICO AND TURKEY

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Abstract

International migrants are persons who cross national borders and remain outside their countries of birth or citizenship for 12 months or more, regardless of the reason for being abroad or legal status while abroad. According to UN estimates, the number of international migrants was 191 million in 2005, and half were in the labor force of the destination country. International labor migration affects both receiving and sending countries, and most of the impacts of emigration on sending countries are captured in the so-called 3-R channels, viz, recruitment, remittances, and returns.

Recruitment in Mexico and Turkey began with US and German government approval of the movement of unskilled workers, In both countries, labor flows got larger and lasted longer than anticipated because of distortion and dependence: some employers made investment decisions that assumed migrants would continue to be available and some migrants and regions became dependent on foreign jobs and remittances. There was a decade pause in Mexico-US migration between the mid-1960s and mid-1970s, while there was a shift from labor migration in the early 1970s to family unification in the late 1970s in the case of Turkey-Germany migration.

The governments of both Mexico and Turkey see emigration as a short-term safety valve, but the two countries have different policies toward current and future migrants. The Mexican government, which often says that it represents 105 million Mexicans in Mexico and another 25 million abroad (half children born to Mexicans abroad), anticipates continued emigration and rising remittances, and has made policies to improve conditions for Mexicans abroad a top priority. The Turkish government, on the other hand, downplays potential emigration as it seeks entry into the European Union (EU), emphasizing that few Turks are leaving for foreign jobs and that the infusion of foreign and local investment with EU entry will speed up economic and job growth and encourage most Turks to stay home when they have the freedom to seek jobs elsewhere in the EU.

Key words: Labor migration, economic developtment, Mexico, Turkey.
Classification JEL: J61, O1.

Introduction

Mexico and Turkey are among the world's leading labor-sending nations, with about 11 million Mexican-born and 3.5 million Turkish-born persons abroad in 2005. The major destination for

Mexican migrants is the US, and the major destination for Turkish migrants is Germany. Mexico is more populous and has a higher per capita income, but Turkey's economy expanded faster than Mexico's in 2003-04 despite Mexico receiving far more foreign direct investment. Mexico continues to be a net emigration country, but Turkey has had more immigrants than emigrants since the late 1990s.

Table 1
Mexico and Turkey, Comparative Data, 2004

	Mexico	Turkey
Population(mils)	104	72
Growth 2000-04%	1.4	1.5
GNI/capita ($)	6,770	3,750
Growth 2003-04%	2.9	7.4
FDI ($ bil 2003)	10.8	1.6
Net Migra 1995-2000(mils)	-2	0.135

Source: World Bank, World Development Report, 2006.

The first Mexican and Turkish migrants were recruited with government permission by employers in the US and Germany. Under both the Mexico-US and Turkey-Germany guest worker programs, employers had to prove local workers were unavailable before hiring migrants, and migrants were expected to depart after a season or year or two of work abroad (Miller and Martin, 1982). Most of the migrants rotated in and out of the country in the revolving door fashion expected, but both guest worker programs persisted longer and got larger than expected. The settlement of some migrants and their families, and continued legal and illegal migration, led to the aphorism that there is nothing more permanent than temporary workers.

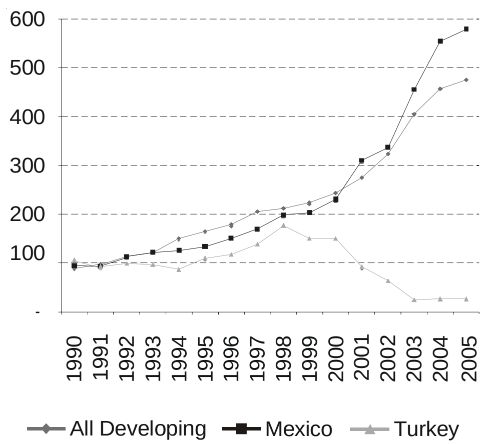
It is important to emphasize that the receiving countries, the US and Germany, set Mexican and Turkish labor migration in motion with recruitment. However, what began as an assumed mutually beneficial short-term labor relationship evolved into something more far-reaching and long-lasting than expected. In the US, Mexico-US migration expanded over time, spreading Mexican workers from agricluture in the southwest to many industries throughout the country.

The purpose of guest worker programs is to add temporary workers to the labor force without adding settlers to the population. However, guest worker programs tend to get larger and to last longer than anticipated because of distortion and dependence. Most employers in host countries do not hire guest workers. Distortion means that those who do often assume migrants will continue to be available, and some make investment decisions that reflect this assumption. As a result, farmers may plant fruit trees in areas with few people, assert that they will go out of business without migrants to pick their crops, and thus resist efforts to reduce the number of guest workers. German auto makers in one shorthand expression summarizing the 1960s and 1970s got Turkish migrants while Japanese automakers developed robots. If governments nonetheless reduce or end guest worker programs, illegal migration may rise.

Dependence reflects the fact that some migrants, their families, and regions and countries of origin may assume that foreign jobs, earnings, and remittances will continue to be available, and buy or build housing that reflects this assumption. If the opportunity to work abroad is curbed, migrants may migrate illegally to avoid reductions in their incomes and loss of assets. Most researchers conclude that the 1942-64 Bracero programs sowed the seeds of subsequent unauthorized Mexico-US migration, via distortion in rural America and dependence in rural Mexico

In Mexico and Turkey, many migrant areas of origin became dependent on foreign jobs so that, without an economic transformation, there was pressure for continued out-migration. In Turkey, out-migration was converted to rural-urban migration, explaining why remittances have fallen sharply since 2002, while emigration from Mexico continues at high levels and remittances to Mexico reached a record $19 billion in 2005.

Figure 1
Remittances to Mexico, Turkey, and all Developing Countries, 1990-2005, 1990-92 = 100



Source: World Bank, Global Economic Prospects 2006.

Both the US and Mexico halted recruitment amid debates about what had gone wrong with the original assumptions of guest worker programs. The legacies of the guest worker experience in both countries are mostly negative, making it hard to discuss a resumption of similar guest worker programs in the 21st century. Understanding what went wrong in past programs could help to avoid similar issues in new guest worker programs.

1. Effects of Braceros: US and Mexico

The US has the largest farming sector among high-income countries. Throughout its history, the US had three major farming systems that differed in how they obtained seasonal workers (Martin, 2003). In the northeast and Midwest, mostly subsistence family farms relied on family labor, while the southeast had plantations based first on slavery and later sharecroppers.[1] The third system, primarily in the western states, was dominated by commercial farms reliant on migrant and seasonal workers with no other US job options.

Large landholdings were common in the western US before the development of a infrastructure that lowered transportation costs and encouraged a shift from cattle grazing and grain production to irrigated and labor-intensive fruit and vegetable crops. The policy question at the end of the 19th century was whether large farms would have to be broken up into family-sized units to obtain seasonal workers. The answer turned out to be no, primarily because landowners were able find and maintain a class of workers to do seasonal farm work.

Waves of newcomers became the core seasonal farm work force, including Chinese migrants shut out of urban areas in the late 19th century by discrimination, Japanese newcomers who were barred for a time from owning land in California, and South Asian immigrants allowed to enter the US despite a general bar on Asian immigrants because they were British subjects. There were also US citizens who became seasonal farm workers because they had no other job options, such as the Okies and Arkies who migrated west during the 1930s Depression and whose experiences were portrayed in John Stenbeck's novel The Grapes of Wrath.

The seasonal farm workers who found jobs on western commercial farms saw farm jobs as stepping stones to better nonfarm jobs. Many soon got out of seasonal farm work, and their children educated in the US rarely followed their parents into the fields. As a result, farmers sought a constant infusion of new workers with no other US job options. There was widespread dissatisfaction with this revolving-door farm labor market, and the debate over whether to change the structure of agriculture to eliminate the need for armies of seasonal workers came to a head in the 1930s. The US government enacted policies to raise prices of farm commodities, but many farmers were slow to raise wages to workers harvesting cotton and other commodities that benefited from federal farm subsidies, producing numerous strikes. At the same time, the US government was enacting labor legislation to foster unions and protect workers to raise their purchasing power and thus help to pull the country out of the Depression. A major policy question in this period was whether hired farm workers, 25 percent of the US labor force, should also have the right to form or join unions and be protected by minimum wage and unemployment insurance laws.[2]

Worker advocates were divided about applying labor laws to agriculture. Many wanted to break up the large farms that required seasonal workers into family-sized units, making land reform rather than labor law protections their top priority. Other reformers thought that there would be no land reform in a country committed to private property, making the best policy to protect farm workers one that treated large farms as factories in the fields and give workers employed on them the right to join unions and earn minimum wages.

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[1] Northeast family farms were subsistence because there were no markets in colonial America or Europe for the livestock products and grains they produced.
—European farmers produced the same commodities, and the largest city in the US in 1790 was Philadelphia, which had 50,000 residents. In the southeast, by contrast, a warmer climate allowed the production of crops not grown in northern Europe, tobacco and cotton.

[2] The 1930s introduction of farm policies to help farmers and labor policies to help workers but exclude farm workers is summarized in Martin, 2003, Chapter 2.

Disagreement between the farm labor reformers, opposition from farmers, and the outbreak of World War II kept farm workers excluded from basic labor law protections and prevented fundamental land reforms. With the pool of seasonal workers shrinking as the military and wartime industries expanded, farmers persuaded the US government to create a Bracero (strong arm) seasonal worker program. Mexico agreed that its citizens working in US fields would be a contribution to the war effort, and the Bracero program expanded to admit almost five million Mexican farm workers between 1942 and 1964, making it one of the largest seasonal worker programs ever (workers admitted multiple times were counted each time; one to two million Mexicans participated).

The Bracero program resulted in distortion and dependence, the two-Ds of most guest worker programs. Distortion was evident as US farmers planted additional labor-intensive crops, even in remote areas, knowing the plantings would not be profitable if the influx of migrants willing to work seasonally at the minimum wage was reduced. US farmers thus had an economic incentive to continue and expand Bracero admissions. Many rural Mexicans became dependent on seasonal US farm jobs to support their families, and would have suffered a fall in their standard of living if they were unable to continue migrating to the US for employment.

Distortion and dependence occurred over two decades in the major activities of farmers and migrants, but there were also secondary effects of the Bracero program with far-reaching consequences. US employers had to pay the cost of transportation from the worker's Mexican home to the US job.[3] To improve their chances of being selected as Braceros, some Mexicans moved their families to the Mexico-US border. This reduced US farmers' transportation costs, but provided no employment alternatives for ex-Braceros in Mexico when the program ended in 1964, fueling illegal migration that both governments tried to curb by creating border-area assembly factories know as maquiladoras. The 1965 Border Industrialization Program had both countries making exceptions to trade policies: Mexico allowed duty-free imports of components to be assembled into final products, and the US levied a tariff only on the value added in Mexico.

The Bracero program ended in 1964, when it was relatively easy for some ex-Braceros to become immigrants. US farmers who offered foreigners even seasonal jobs in writing were able to get immigrant visas for foreigners, and these visas, printed on green paper, allowed thousands of Mexicans to become "green card commuters" who lived in Mexico and commuted to seasonal US farm jobs. As green card commuters aged, some had their sons and relatives replace them, often illegally, while others became farm labor contractors whose binational ties and experience made them efficient recruiters of Mexican migrants in the US.[4]

Mexico-US migration remained relatively low until the 1980s, when peso devaluations and an economic crisis spurred more Mexico-US migration. The US responded to rising unauthorized Mexico-US migration with the Immigration Reform and Control Act of 1986, which increased rather than reduced unauthorized migration. NAFTA in 1994 was associated with a further increase in

[3] Braceros, but not US farm workers, were protected by minimum wages. Most Braceros, earned the minimum wage, which is why US farm employers tried to reduce transportation costs and complained when inspections made them improve housing.

[4] The Mexican ambassador in 1963 noted that, as the number of Braceros fell in the early 1960s, the number of apprehensions was stable, leading him to conclude that "Mexican workers have understood and accepted the fact that if they cannot obtain work by contract, it is because they would not obtain it either by entering the US illegally." (quoted in Congressional Record, August 15, 1963, 15203).

Mexico-US migration, largely because of an economic crisis in Mexico that accelerated push factors and an economic boom in the US that created a demand-pull for Mexican workers.

Table 2
Mexican Immigration and Apprehensions: 1890-2003

Decade	Immigrants Annual Average	Decade Total	Decade as percent of total 1890-2003	Apprehensions[a] Annual Average	Decade Total	Decade as percent of total 1890-2003
1890-1900	97	971	0%	na	na	na
1901-1910	4,964	49,642	1%	na	na	na
1911-1920	219,000	219,004	3%	na	na	na
1921-1930	45,929	459,287	7%	25,697	256,968	1%
1931-1940	2,232	22,319	0%	14,746	147,457	0%
1941-1950	6,059	60,589	1%	137,721	1,377,210	3%
1951-1960	22,981	229,811	3%	359,895	3,598,949	8%
1961-1970	45,394	453,937	7%	160,836	1,608,356	4%
1971-1980	64,029	640,294	10%	832,150	8,321,498	19%
1981-1990	165,584	1,655,843	25%	1,188,333	11,883,328	26%
1991-2000	224,942	2,249,421	34%	1,466,760	14,667,599	33%
2001-2003	180,557	541,670	8%	1,008,017	3,024,052	7%
Total		6,582,788	100%		44,885,417	100%

Source: INS Statistical Yearbook and Yearbook of Immigration Statistics.
Notes:
a. Apprehensions record events, so one person caught three times is three apprehensions. Mexicans are 95-98 percent of those apprehended.
* Apprehension data for 1921-30 is calculated as twice the reported 1925-30 figure (128,484).

It is hard to generalize about the effects of migration and remittances on Mexico and migrant areas of origin because Mexico-US migration has been rising over the past quarter century. The usual assumption is that moving labor from lower- to higher-wage areas promotes convergence, as wages rise faster in origin areas and slower in destination areas. Mexico-US migration has been rising over time, and the economic gaps have remained remarkably stable. If migration does lead to convergence, there must be considerable lags between receiving remittances and getting stay-at-home development. The alternative explanation is that some migration begets more migration, as gaps between sending and receiving areas widen and social and cultural factors make emigration the preferred avenue for upward mobility. This may be happening in at least some parts of rural Mexico, where one pattern of behavior is to "work" in the US and rest and retire in Mexico. However, if plans to return change, as they often do, rural Mexico may wind up with an excess housing stock built by migrants who intended to return.

2. Effects of Gastarbeiter: Germany and Turkey

Organized Turkish labor emigration began with an October 1961 agreement between Turkey and the Federal Republic of Germany. The Turkish government promoted worker emigration and anticipated eventual free access to the European labor market as a means of relieving domestic unemployment pressures and obtaining remittances. Between 1968 and 1973, some 525,000 Turkish workers went abroad legally, and the Turkish government expected labor migration to speed up economic development.

The September 1963 Ankara Association Agreement and the Additional Protocol of 1973 promised Turkey a reciprocal lowering of tariff and eventually migration barriers with the then European Communities, with Turks having "free access" to the EC labor market by December 1986. Progress in implementing the Ankara Agreement was slowed by events in Turkey and in the EC. In December 1976, Turkey announced that it could not decrease trade barriers as scheduled, and in January 1982, the European Parliament persuaded the EC Commission to suspend EC-Turkish relations. On April 14, 1987, Turkey applied to join the EC, but on December 18, 1989, its application was rebuffed. The EU rejected another application in December 1997, but in December 1999, Turkey was put on a list of countries eligible for future EU entry. Turkey made a series of changes to its laws and policies, and in Fall 2005 accession negotiations began.

What impact did emigration between 1961 and 1973 have on Turkey and its prospects for joining the EU? Most of the micro studies of migration's effects concluded that emigration, remittances and returns did not set the stage for an economic take off in the areas sending migrants abroad. There are several reasons, including the fact that some migrants did not return to their areas of origin, opting instead to move to cities with other rural-urban migrants, but the major theme of the 1970s studies was that migration was not sufficient to change centuries of tradition. For example, remittances were used to bid up the price of farm land, to open small stores that employed family members, or to buy a car or truck, creating few of the factory jobs desired by the government (Abadan-Unat, et al, 1976; Penninx, 1982; Schiller, 1970).

The Turkish government created Turkish Workers Companies (TWC) to channel remittances into investments in factories. Turkey had high tariffs, but migrants converting their DM savings into lira to purchase stock in TWCs were permitted to import cars and other consumer items duty free. About 360 TWCs were "founded" in migrant areas of origin, 200 were incorporated, and 100 constructed a facility to produce a good. However, almost all TWCs failed, leaving only 80 with an employment of 11,000 in the early 1980s (Abadan-Unat, 1986, p. 358). In most cases, it made no sense to open factories in the rural areas from which migrants came because inputs had to be imported and outputs exported. The only value-added was local labor, and low wage costs were offset by high transportation costs.[5]

[5] An example of a failed TWC is a tannery near Bogazlian built between 1972 and 1975 that operated for 45 days and then ran out of money and closed. The tannery, expected to employ 500 people, operated again in 1988 for 45 days and closed again—it made no economic sense to open a tannery far from suppliers or customers. A TWC making wood furniture near Denizli began operating in 1982, and it too had to import materials and export products, so that in mid-1989 it employed 180 workers, including 2 returned migrants, and was being financed by the government.

Interviews with returned migrants who had invested in TWCs revealed considerable frustration, much of which derived from the falling value of the Turkish lira. Many returned migrant-investors converted their DM savings into lira and soon discovered that their lira had only a fraction of their previous purchasing power. There was no Turkish stock market in the 1960s and 1970s, so TWCs were one of the few policy options available to channel migrant savings directly in Turkish industry.

3. Migration and Development: 3 R's

The impacts of migrants on their countries of origin flow through three major channels, the so-called 3 R's of recruitment, remittances, and returns. Recruitment is shaped by receiving country employers and policies, but individuals in developing countries decide whether to emigrate, how much to remit, and whether to return.

The spectrum of impacts from emigration can be framed by two extremes: virtuous and vicious circles. In the case of IT professionals from India, emigration seems to have set in motion virtuous circles that led to new industries and jobs and improved the quality of IT services throughout India, suggesting that non-migrants benefited from this emigration. However, the emigration of African doctors and nurses may have led to worst health care in rural areas, threatening to put the health care system in a downward spiral, with remaining workers forced to assume more responsibilities, the quality of care declining, and more health care workers considering emigration to escape.

What determines whether emigration from developing countries leads to virtuous and vicious circles? Virtuous circles are most likely if migrants are abroad for only a short time, they send back remittances, and they return with new skills and links to industrial countries that lead to increased trade and investment. Vicious circles can be the outcome if migrants flee what they believe to be a sinking ship and cut ties to their countries of origin.

Most governments subsidize higher education, so the emigration of graduates can represent a "loss" of subsidized human capital to developing countries. Efforts to prevent the emigration of professionals are rarely effective, since professionals can leave as tourists or conference participants. Instead, the most common control policy is to withhold the final license for a doctor or nurse until she has completed a period of service, usually in a medically underserved area, a policy that can postpone but not prevent emigration. For example, South Africa graduates about 1,300 doctors and 2,500 nurses a year, and surveys suggest that 40 percent of medical graduates want to emigrate. Graduates who received government support for their education must serve two years in rural areas before receiving their license to practice, but enforced duty in rural areas with poorly equipped clinics often reinforces the desire to leave.

The South African government, unwilling to recruit doctors from lower-wage neighboring countries to replace those who emigrate, has turned to Cuban doctors—80 percent of the doctors in rural South Africa are Cubans (Martineau *et al*., 2002). It should be emphasized that, especially in nursing, there can be both unfilled nursing vacancies and unemployed nurses, so stopping emigration or getting all nurses abroad to return could be less effective than persuading South Africans to return to nursing. In 2000, there were about 32,000 unfilled nursing jobs in South Africa and 7,000 South African nurses abroad, but there were 35,000 nurses in South Africa not working as nurses.

South Africa says it has spent $1 billion educating health workers who emigrated— the equivalent of a third of all development aid it received from 1994 to 2000. In Malawi, where public sector RNs earn $1,900 a year, almost two-thirds of the nursing jobs in the public health system are vacant because of emigration as well as nurses staying in the country but switching to private hospitals and foreign-financed nonprofit groups. The migration of African doctors and nurses to developed countries seems to be an extreme example of the brain drain, especially because the demand for health care in Africa is growing with AIDS and recent initiatives to provide funds for immunization against common diseases. In May 2004, African countries at the annual assembly of the World Health Organization urged developed nations to compensate them for their lost investment in training nurses, and won a pledge to study ways to reduce the damage from the emigration of nurses.

The UK has responded to South African protests about the recruitment of its health care workers with an "ethical recruitment" agreement that commits public sector British hospitals not to actively recruit health care workers in poor countries, since much of the controversy arose from the expansion of the British National Health Service in the past decade; starting pay for NHS nurses was $31,000 a year in 2004. The UK Code of Conduct for Recruitment of Health Professionals, developed in 2001 and applicable only to the National Health Service, asserts that "international recruitment is a sound and legitimate," but advises the NHS not to "target developing countries for recruitment of health care personnel unless the government of that country formally agrees." (Buchan, 2002, 19).[6] Physicians for Human Rights, winner of the Nobel Peace Prize in 1997 for its work to ban land mines, issued a report in July 2004 that called on industrial nations to reimburse African countries for the loss of health professionals educated at African expense, but also emphasized that there is a trade off between the rights of African health professionals to seek a better life and the rights of people in their home countries to decent health care.[7]

Countries such as the Philippines and India take the opposite approach, seeking to "market" their health care professionals abroad rather than seeking to restrict their emigration. In both countries, many health care workers are trained in private, tuition-charging schools, with students taking out loans to get their education and private recruitment firms finding jobs abroad for graduates. Recruitment firms compete to attract professionals interested in going abroad by finding foreign employers who will offer better wages and working condition, but the real prize for many migrants is an immigrant visa.[8] The Philippine government regulates the activities of labor recruiters, and has labor attaches abroad to which migrants with problems can turn (Abella, 1997).[9]

Most migrants remit some of their earnings to family and friends, and during the 1990s, when remittances to developing countries doubled, many governments and institutions became aware of the significance of remittances to cover balance of payments deficits. Most developing countries

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[6] The International Council of Nurses issued similar recruitment guidelines in 2001 (/www.icn.ch/psrecruit01.htm).
[7] Celia W. Dugger, "In Africa, an Exodus of Nurses," New York Times, July 12, 2004. PHR did not recommend that African governments try to prevent the emigration of health care workers, but did recommend that industrial countries not recruit actively in Africa.
[8] One recruiter promises Filipino nurses that their US hospital employers will sponsor them for immigrant visas (www.nursestousa.com/).
[9] Abella notes that governments can play important indirect roles in labor migration, such as negotiating cheaper airfares for migrants and passing some of the savings on to the migrants (1997, 85).

took steps to increase remittances by making it easy and cheap to send money home, but studies demonstrate convincingly that the best way to maximize remittances is to have an appropriate exchange rate and economic policies that promise sustained economic growth (Ratha, 2003). Otherwise, migrants remit to help their families but not to invest, and lack of investment can prompt more emigration and discourage the return of successful migrants.

The spending of remittances can generate jobs. Most studies suggest that each $1 in remittances generates a $2 to $3 increase in GDP, as recipients buy goods or invest in housing, education, or health care, improving the lives of non-migrants via the multiplier effects of remittance spending. Research suggests that the exit of men in the prime of their working lives initially leads to reduced output in local economies, but the arrival of remittances can lead to adjustments that maintain output. For example, migrant families can shift farming operations from more labor-intensive crops to less labor-intensive livestock, hire labor to produce crops, or rent crop land to other farmers, enabling them to achieve economies of scale.

In addition to remittances, migrants can steer foreigners' investments to their countries of origin and persuade their foreign employers to buy products from their countries of origin. Having migrants abroad increases travel and tourism between countries, as well as trade in ethnic foods and other home-country items. Migrants abroad may undertake other activities, including organizing themselves to provide funds for political parties and candidates and collecting funds via hometown associations to improve the infrastructure in their areas of origin, since many plan to return.

The third R in the migration and development equation is returns. Ideally, migrants who have been abroad provide the energy, ideas, and entrepreneurial vigor needed to start or expand businesses at home. Migrants are generally drawn from the ranks of the risk takers at home, and if their new capital is combined with risk-taking behavior, the result can be a new impetus for economic development. On the other hand, if migrants settle abroad and cut ties to their countries or origin, or if they return only to rest and retire, there may be few development impacts of returning migrants. There is also the possibility of back-and-forth circulation, which can under some conditions contribute to economic growth in both countries.

There are several cases of Diaspora-led development,[10] sometimes fostered by government programs and policies that planted the seeds that led to the return of migrants and investment and job creation at home. For example, Taiwan invested most of its educational resources in primary and secondary education in the 1970s, so Taiwanese seeking higher education often went abroad for study, and over 90 percent remained overseas despite rapid economic growth in Taiwan.[11] During the 1980s, even before the end of martial law, more Taiwanese graduates began to return, while others maintained "homes" in North America and spent so much time commuting that they were called "astronauts" to reflect the time they spent on airplanes.

The Taiwanese government made a major effort to attract professional migrants home, establishing the Hinschu Science-based Industrial Park in 1980 with the goal of creating a concentration of creative expertise to rival Silicon Valley in California. The government provided

[10] Diaspora is a greek word first applied to Jews dispersed outside of Israel in the 6th century BC, after Nebuchadnezzar of Babylon destroyed the first Jewish temple.
[11] These students were highly motivated to pursue advanced studies. Before they could do abroad, they had to complete two years of military service and obtain private or overseas financing.

financial incentives for high-tech businesses to locate in Hinschu, including subsidized Western-style housing (Luo and Wang). By 2000, the park was a major success, employing over 100,000 workers in 300 companies that had sales of $28 billion, with 40 percent of the companies were headed by returned overseas migrants— 10 percent of the 4,100 returned migrants employed in the park had PhD degrees.

The Taiwanese experience suggests that investing heavily in the type of education appropriate to the stage of economic development, and then tapping the "brain reserves overseas" when the country's economy demands more brainpower can be a successful development strategy. Then Chinese leader Premier Zhao Ziyang seemed to embrace such a strategy when he called Chinese abroad "stored brainpower overseas," and encouraged Chinese cities to offer financial subsidies to attract them home, prompting the creation of "Returning Student Entrepreneur Buildings."[12] However, most Chinese who study abroad continue to stay abroad: 580,000 went abroad since 1979, but only 25 percent returned by 2002.

Many countries have made new commitments to maintain links with their migrants, and one popular way to do so is to encourage dual nationality or dual citizenship. The number of countries approving dual nationality increased sharply in the past 20 years, and immigration countries such as the US do not ask if a foreigner naturalizing has relinquished his original citizenship. Bhagwati (2003) urges emigration governments to embrace dual nationality to achieve what he calls "a Diaspora model, which integrates past and present citizens into a web of rights and obligations in the extended community defined with the home country as the center."

4. Conclusions

Mexico and Turkey share similarities and differences. Mexico is the third most populous country in the Western Hemisphere, after the US and Brazil, and Turkey is the third most populous in Europe, after Russia and Germany. Both Mexico and Turkey changed their economic policies from import-substitution to export-led growth after economic crises in the mid-1980s, and both countries are debating whether economic reforms have gone far enough to put the economy on a stable footing for sustained growth. Finally, both Mexico and Turkey have shown that history does not have to repeat itself, as Mexico did not have an economic crisis during its presidential succession in 2000 and Turkey has not had what had been once-a-decade military interventions.

There is a sharp contrast between Mexico and Turkey in labor emigration. The outflow of Turkish workers peaked in the early 1970s, and remittances have been falling, especially after 2002. In Mexico, by contrast, remittances are rising with larger out-flows of migrants. Demography in the form of smaller cohorts of youth entering the labor force may reduce emigration pressures in Mexico after 2010, but the fact that less than a third of the 45 million Mexicans in the labor force have formal sector jobs promises significant emigration pressures for years to come.

[12] Shanghai reportedly has 30,000 returned professionals, 90 percent with MS or PhD degrees earned abroad, who are employed or starting businesses (Jonathan Kaufman, "China Reforms Bring Back Executives Schooled in US," Wall Street Journal, March 6, 2003; Rone Tempest, "China Tries to Woo Its Tech Talent Back Home," Los Angeles Times, November 25, 2002).

Did remittances in Mexico and Turkey accelerate convergence or stay-at-home development? This is a difficult question to answer for several reasons, since many things were happening in addition to migration and remittances. The Turkish government had high hopes that recruitment, remittances and returns would transform a society that the government wanted to modernize in top-down fashion, and was disappointed when Turkey as not transformed. The Mexican government largely ignored migration to the US until relatively recently, and then took steps to improve the status of Mexicans in the US by, inter alia, issuing matricula consular ID cards so that Mexican migrants could open bank accounts and thus have cheaper ways of sending money home.

The lesson of the Mexican and Turkish experience is that emigration can help individuals by increasing their incomes at the cost of family separation and help non-migrants by generating jobs and introducing new ideas in emigration areas. However, sending workers abroad may not be able to transform poorer countries into richer countries, that is, emigration and remittances alone do not lead to convergence between labor sending and receiving countries.

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