Emigration and Democracy

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Migration is an important and yet neglected determinant of institutions. This study documents the channels through which emigration affects home country institutions and considers dynamic-panel regressions for a large sample of developing countries. We find that emigration and human capital both increase democracy and economic freedom, implying that the effect of unskilled emigration is positive while that of skilled emigration is ambiguous. Simulations show an impact of skilled emigration that is generally positive, significant for few countries in the short run and for many countries in the long run once incentive effects of emigration on human capital formation are accounted for.