Exogenous Migration Shock

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Objective

- The objective is to see the Impact of Migrants from MEASNAF Countries Due to Political Instability to Other Regions
- The labor force in MEASNAF is decreased by 10%
Pattern of the Migrants

Change in Migrants from MEASNAF in Different Countries

No. of Migrants in Millions

Regions

1 USA
2 Canada
4 UK
5 Germany
6 REU
7 REurope
9 FSovUnion
10 AusNZL
12 Japan

1 unsklab
2 sklab
Impact on Real Factor Price of MEASAF

Impact on Real Returns of factors of Prodn

Change in real return to factor

Region

1 USA  2 Canada  4 UK  5 Germany  6 REL  7 REurope  12 Japan  19 MidEastNAf
1 Land  2 unsklab  3 sklab  4 Capital  5 NatRes
Impact on Real Factor Price of MEASAF

- The real return to skilled and unskilled labour is increasing due to decrease in domestic ss for lab
- The real return to land, capital and natural resources decrease in MEASNAF
- For labour importing countries the returns to lab. decreases due to increase in lab. Ss and for the other factors it increases.
<table>
<thead>
<tr>
<th>Region</th>
<th>USA</th>
<th>Germany</th>
<th>REU</th>
<th>Japan</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Unsklab</td>
<td>skl ab</td>
<td>Total</td>
</tr>
<tr>
<td>USA</td>
<td>15950</td>
<td>2829</td>
<td>13129</td>
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<tr>
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<td>-10.28</td>
<td>-80.39</td>
<td>45179</td>
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<tr>
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<td>-245.54</td>
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<td>-1.58</td>
<td>-56.75</td>
<td>-4.22</td>
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</tbody>
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Real Income Impact

- The real income for natives of lab. Importing countries increase due to the increase in returns to non-lab factors.
- While it declines for the old migrants since they don’t benefit from the returns of non-lab. Factors.
- The real income for the lab. Exporting country also increase by about 6.36% due to two reasons:
  1) increase in return to lab, and
  2) Increase in remittance to the region.
Remittance Flow Impact

Change in Remittance Flow to MEASNAF

Remittances in Millions of USD

Regions

<table>
<thead>
<tr>
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<th>Sklab</th>
</tr>
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<tbody>
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