International migration has in recent years become a hot topic in both sending and receiving countries. Receiving countries are more concerned about the social economic impact of international immigration, while sending countries are concerned about the brain-drain effect. This dissertation focuses on the social economic impacts of international migration on Foreign Direct Investment (FDI), trade, tourism and labour markets. An important feature that distinguishes this study from previous migration studies is the focus on the role of the education (skills) of migrants. The empirical findings of the thesis demonstrate that a higher education level of migrants does not only generate push and pull effects in migration flows between OECD countries, but also complements the flows of FDI in both directions (inward and outward flows). Regarding international trade and tourism, this thesis shows that international migration has a positive effect on both international trade and Visiting Friends and Relatives (VFR) tourist flows. Moreover, this thesis also reveals that immigrants who are equally educated as the natives in the Netherlands are earning on average 3 per cent less than the natives graduates with the same qualification. This wage difference is further investigated in this thesis. We find that immigrants are often associated with lower schooling achievements, while second-generation immigrants (who are supposed to have a better language proficiency) are performing worse compared with first-generation immigrants. The relationship between quality of school and graduation score was found to be positive and significant.

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