

Report on the manuscript MS 3378: Relationship between emigration and immigration, foreign direct investment, international trade and remittances.

This paper analyses the nexus between migration, foreign direct investment, international trade and remittances for a sample of 112 countries with which Spain has closely interconnected migratory, commercial and investment exchanges. The results show that a greater number of immigrants in Spain boost foreign direct investment (FDI), remittances sent and received and Spanish imports and exports to the immigrants' countries of origin.

Comments

According to the authors, this study is supposed to be the first one analysing the nexus between all these variables in a united framework. Although the nexus between trade, migration, FDI and remittances have already been analysed in previous studies, most previous works focused on the relationship between only two factors (trade and migration; FDI and migration, investment and remittances, etc.).

I am not convinced about the contribution of this paper comparing to what authors called classical (previous (??) approaches. I don't see how is possible to examine the multiple connections between FDI-trade-migration-remittances in a single framework. I also doubt that the empirical framework proposed by the authors is the most suitable one to undertake this type of analysis.

The paper does not provide a clear explanation about what are the main mechanisms through which each of the variables influences the others. Authors do not convince the reader about which channels really matter through a well-identified data exercise. The presentation of the results is very confusing. Authors propose until 9 hypotheses without a clear explanation about the mechanisms through which each of these connexions works. It seems that the main results are discussed within the text (???) There no tables showing the main results (???) It is almost impossible to follow the explanation of the results.

Review of the literature should be considerably updated and improved. Important references are missed. See for example Peri and Requena-Silvente (2010): The trade creation effect of immigrants: evidence from the remarkable case of Spain. *Canadian Journal of Economics* 43 (4); Rapoport and Bahar (2018): Migration, knowledge diffusion and the comparative advantage of nations", *Economic Journal*, 128; Rapoport et al (2018): Migration and Cross-Border Financial Flows" *World Bank Economic Review*, 32; Cuadros et al (2019). Migration and FDI: The role of job skills. *International Review of Economics & Finance*, 59; Aleksynska and Peri (2014) Isolating the Network Effect of Immigrants on Trade, *The World Economy* 37 (3); Docquier and Lodigiani (2010). Skilled Migration and Business Networks *Open Economies Review* 21 (4);

It is not always clear that the authors make a good interpretation of the main results obtained by some of the most important papers about the subjects analysed. Just to name a few examples: To my knowledge, Javorcik (2011) is not focused on remittances (see pp. 5). Also, I'm not sure that the main conclusion of Aubry et al. (2012) is that "FDI incentivises emigration to receiving countries at an early stage, and then lead to an equalisation of wages in countries of origin and lower labour market pressures on emigration".

Many paragraphs throughout the text are very difficult to follow. The confusion begins in the abstract when the authors say: "FDI and migration could also be seen as a kind of risk aversion strategy. When looking at the behaviour of these variables together across a wide sample of countries and years, it is evident that immigration and emigration act as two sides of the same coin." (??). Moreover, what do authors mean with expressions like the World System theory (pp. 5) or The Theory of Migratory Networks???

Authors should describe better the sources for the data used.

Authors do not explain the methodology properly and they don't clarify what are the main advantages regarding alternative approaches. 1 single equation is estimated???? Higher description and explanations of the methodology are needed.

The manuscript is poorly written and the reader is easily lost among all the details. The manuscript suffers from numerous spelling mistakes and repetitions and the text is very confusing. English proofread by a native speaker should be considered.