

# Topic: Brain drain: Causes and consequences

## Outline:

### 1. Introduction

**Thesis statement:** Nations suffering from the menace of brain drain face issues such as poor governance, weak national prestige, low foreign direct investment, social inequality and stagnation in technological advancement. However, every cloud has a silver lining and countries can still address the growing problem of brain drain by implementing prudent measures.

### 2. Brain drain in Pakistan: An overview

- Pakistan's brain drain rate is 7 percent compared to 2.9 percent for India (IMF 2024).
- About 45 percent of Pakistani migrants are in the Middle East, especially Kingdom of Saudi Arabia and the United Arab Emirates (Pakistani startup 2023).

### 3. Key causes of brain drain:

#### a. Prevailing the menace of political instability and feudal systems

- The political landscape in Pakistan remains volatile, with frequent clashes between political parties and institutions (IPR 2024)
- The feudal system remains deeply entrenched in rural areas, where land ownership and political power are concentrated in the hands of a few elite families (SDPI 2023)

#### b. A widespread crisis of poor governance and rising economic turmoil

- The Transparency International's Corruption Perceptions Index ranked Pakistan 133rd out of 180 countries in 2023.
- The rate of inflation in Pakistan is 29.18 Percent (IMF 2023)

### c. Qualified personnel being unemployed and unsatisfactory amount of salaries

- About 5.6 million people are unemployed in Pakistan (IUB 2023)
- The minimum salary for young private school teachers in Pakistan set at a mere 25 thousand PKR per month (DAWN 2024)

### d. Gender discrimination and nepotism culture

- Pakistan has a dismally low women labor force participation rate of 24.6 Percent, the lowest in South Asia (ILO 2023)
- Pakistan stands at 135 out of 166 countries, when it comes to treating men and women equally (UNDP 2024)
- Article 25 of the constitution of Pakistan ensures that there should be no discrimination on the basis of sex.

### e. Existing low quality of life:

- About 22 percent of Pakistan's population lives below the income poverty line set at US\$ 3.2 per day (IUB 2022).

### f. Insufficient high-tech infrastructure and limited research facilities

- Pakistan lags behind its regional counterparts

in terms of technological readiness and innovation capability (IMEF 2023).

### 5. Consequences of brain drain:

a. Leadership vacuum and a subsequent weakening of democratic institutions

- A case study of Balochistan.

b. Decrease of public trust in the government and weakens national prestige

- Pakistan ranks low in terms of public trust in government institutions, with widespread disillusionment among citizens regarding the government's capacity to govern effectively (PRS 2023).

c. Decrease in productivity and tax revenues

- Pakistan's GDP falls from 3.4 percent in 2022 to 2.8 percent in 2023 (IMF).

- During the first 10 months (July-April) of fiscal year 2024, the FBR collected Rs 7.363 trillion, falling short of the Rs. 7.425 trillion target by Rs 62 billion.

d. Decrease in foreign direct investment (FDI) and dependence on remittances

- FDI inflows have decreased by 15 percent (SBP 2024)

- Pakistan received about 29.87 billion dollars remittances during the fiscal year 2022-23.

- The philosophy of remittances mantra.

e. Increase in generation gap and loss of skilled work force

- The brain drain has led to a significant decline

in the number of professionals in key sectors such as healthcare, education, and technology (CPBS 2023).

- Human Capital Theory.

f. Stagnation in technological advancement and dependency on foreign expertise

- Brain drain manifests in several ways, including a significant reduction in research and development activities, a decline in innovation and a loss of specialized expertise in key technological sectors (PCST 2023).

G. A way forward to address brain drain:

- a- Ensuring political stability in the country.
- b- offering more employment opportunities and better living standards
- c- Investing in education and technology sector
- d- Promoting peace and harmony throughout the state

7. Conclusions

From the post-war era to the 1990s, witness the gripping tale of the brain drain saga, as Europe's brightest minds flock to the United States, reshaping economies and redefining nations. The collapse of Eastern European economies in the '90s intensifies this exodus. Even amid globalization's reach, the struggle persists for developing nations to retain talent. Indeed, brain drain is neither a new issue nor is it a fully settled one. Most of the developed nations are dealing with it successfully, whereas the developing and under-developed nations are still struggling. Unfortunately, Pakistan is one of them. The main causes behind brain drain are: political, economic, social and technological loopholes. Within the political realm, factors such as prevailing the menace of political instability, the presence of feudal system, and a widespread crisis of poor governance serve as catalysts for the emigration of skilled professionals seeking stability and opportunity elsewhere. Economically, an extensive unemployment among qualified personnel, and inadequate wages or salaries exacerbate the exodus of talent. Socially, entrenched gender discrimination, nepotism cultures, and deteriorating quality of life contribute to a sense of disillusionment among skilled individuals, prompting them to seek better prospects abroad. Technologically, inefficient high-tech infrastructure and limited research facilities compelling skilled individuals to seek environments conducive to their growth.

and development elsewhere. The consequences of brain drain are far-reaching. It erodes public trust in governance, diminishes national prestige, reduces foreign direct investment, increases dependence on remittances, exacerbates social disparities, stifles technological innovation, and fosters reliance on foreign expertise. However, every cloud has a silver lining and countries can still control the growing problem of brain drain by implementing prudent measures.

The term "Brain Drain" refers to the migration of highly educated and skilled professionals of a country, such as doctors, engineers, scientists and economists to abroad. The people have fled from their home country to elsewhere in search of better job opportunities, economic security and an improved quality of life. At present, brain drain has proved to be disastrous for third-world countries like Pakistan. It has been impacting the country politically, economically, socially and technologically to a worse extent. According to International Monetary Fund (IMF) 2023, "Pakistan's brain drain rate is 7 per cent compared to 2.9 per cent for India." The percentage is increasing with every passing day due to the shabby conditions of the country. As revealed by Pakistani Startup (2023), "About 45 per cent of Pakistani migrants are in the Middle East, especially

Kingdom of Saudi Arabia and the United Arab Emirates." Resultantly, Pakistan is facing a shortage of skilled labour. This human capital flight is ruining the country's socio-economic fabric by depriving it of its own human capital. Therefore, the increasing percentage of the menace in the country must be highlighted.

First begins with the political instability in Pakistan which has been a significant factor contributing to brain drain. The frequent changes in government, coupled with periods of political unrest and uncertainty, create an environment of instability that undermines confidence in the country's future. According to a recent report by the Institute for Policy Reforms (IPR) 2024, "The political landscape in Pakistan remains volatile, with frequent clashes between political parties and institutions." The political instability undermines efforts to attract foreign direct investment and hinders the implementation of long-term development strategies. The picture of brain drain further becomes dispiriting when someone analyses the presence of feudal structures in Pakistan's political landscape. It perpetuates inequalities which impedes governance reforms and progress in the country. Despite efforts to modernize and democratize, feudal lords continue to wield significant influence over political affairs. According to a report by the Sustainable

Development Policy Institute (SDPI) 2023, "The feudal system remains deeply entrenched in rural areas, where land ownership and political power are concentrated in the hands of a few elite families." This concentration of power stifles meritocracy and upward mobility, leading talented individuals to seek opportunities elsewhere. Consequently, the prevalence of political instability and feudal structures exacerbating the governance challenges and driving skilled professionals away from the country.

Adding to this, poor governance, characterized by corruption, is a pervasive cause that fuels brain drain. The Transparency International's Corruption Perception Index ranked Pakistan 133<sup>rd</sup> out of 180 countries in 2023. The lower ranking reflects the country's weak rule of law, and inadequate government effectiveness. The detrimental effects of poor governance also contribute to the increasing economic turmoil in the country. According to International Monetary Fund (IMF) report 2023, "The rate of inflation in Pakistan is 29.18 percent, highest in the South Asia." With the dawn of every passing day, the cost of living has become increasingly burdensome for ordinary citizens. This economic instability not only erodes purchasing power but also undermines confidence in the country's financial future.



Therefore, Pakistan continues to grapple with the loss of talent and hindering its potential for sustainable growth and prosperity.

Due to the crippling failure of state institutions in the economic spheres, a widespread unemployment among qualified personnel, contributing to brain drain in Pakistan. According to the World Bank's report (2023), "About 5.6 million people are unemployed in Pakistan." Despite possessing valuable expertise and qualifications, many individuals find themselves unable to secure gainful employment opportunities within Pakistan's constrained job market. This mismatch between skills and available employment opportunities drives talented individuals to seek greener pastures abroad, where their skills are more valued and rewarded. Additionally, the unsatisfactory level of salaries offered to skilled professionals also fueling the brain drain enigma in Pakistan. As reported by DAWN Newspaper (April 2024), the minimum salary for young private school teachers in Pakistan set at a mere 25 thousand PKR per month which is even less than the minimum salary threshold 32 thousand PKR per month set by the government of Pakistan in 2024. Therefore, many skilled individuals find it challenging to meet their basic needs and attain financial stability because the salaries

offered in the country are insufficient. This disparity between salaries and the cost of living not only undermines the quality of life for professionals but also diminishes incentives for talent retention within the country. Consequently, the persistent issue of low employment opportunities and inadequate salaries contributes significantly to the brain drain phenomenon in Pakistan.

Along with the rise of unemployment and low salaries, the factors like gender discrimination and a pervasive nepotism culture significantly contribute to brain drain in Pakistan. According to the International Labor Organization's (ILO) 2023 report, "Pakistan has a dismally low women labor force participation rate of 24.6%, the lowest in South Asia." This means that there are fewer economic opportunities for women as compared to men and men are preferred over women. This gender disparity also reflects the prevalence of patriarchy culture in Pakistan that makes it hard for women to find jobs and contribute to the important sectors of the economy. Furthermore, "the United Nations Development Programme (UNDP) report 2023-24 shows that Pakistan has a very low ranking, 135 out of 166 countries, when it comes to treating men and women equally." Although the Article 25 of the constitution of Pakistan ensures that there should be no discrimination

on the basis of sex. Hence, in Pakistan the prevalence of gender discrimination and nepotism driving skilled individuals, particularly women to seek opportunities in more inclusive and meritocratic environments abroad.

Besides, Pakistan's low quality of life also exacerbates the brain drain phenomenon. According to the World Bank's report (2022), "A staggering 22 per cent of Pakistan's population lives below the income poverty line set at US \$ 3.2 per day." This alarming poverty rate reflects the challenges faced by millions of Pakistanis in accessing basic necessities such as food, shelter, and healthcare. The lack of social welfare programs and economic opportunities further intensifies disparities and diminishes prospects for upward mobility. As individuals grapple with the daily hardships of poverty and limited access to essential services, the glamour of better living standards and opportunities abroad becomes increasingly appealing. As a result, the combination of pervasive poverty and limited social welfare programs exacerbates the allure of emigration for many Pakistanis, and impeding the nation's effort to foster sustainable development.

The story of brain drain in Pakistan does not end here. The dearth of high-tech infrastructure in Pakistan serves as a significant factor contributing to brain drain.

The country's technological infrastructure remains inadequate to support the needs of a modern workforce. With limited access to advanced technologies and outdated infrastructure, skilled professionals in fields such as Information Technology, Data science, Biotechnology and Engineering are often constrained in their ability to innovate and compete on a global scale. According to a recent assessment by the World Economic Forum (2023), "Pakistan lags behind its regional counterparts in terms of technological readiness and innovation capability." In addition to this, the limited availability of research facilities in Pakistan further worsens the brain drain phenomenon. The scarcity of research institutions and laboratories hinders the skilled professionals in their pursuit of cutting-edge research and innovation. This shortage of research infrastructure not only impedes scientific progress but also stifles the growth industries reliant on innovation and technology. Hence, the dearth of high-tech infrastructure and inadequate research facilities exacerbates the brain drain in Pakistan and impeding its ability to compete on the global stage.

After analyzing the causes of brain drain in Pakistan, it would be quite pertinent to shed light on its consequences.

In Pakistan, the consequences of brain

of brain drain are far-reaching. The departure of educated and skilled professionals creates a leadership vacuum and subsequently weakens democratic institutions. As educated individuals seek opportunities abroad, less qualified individuals often step in to assume pivotal roles within political parties, resulting in a dearth of capable leaders to spearhead policy initiatives. This phenomenon is particularly evident in Balochistan, where educated Baloch nationalists are compelled to leave the country due to the province's limited economic prospects. This exodus exacerbates the leadership vacuum, further undermining democratic processes in Balochistan. Therefore, the loss of political leadership and the weakening of democratic institutions exacerbate governance challenges and political instability within Pakistan.

Similarly, the departure of skilled professionals erodes public trust in the government. According to a report by The Pew Research Center (2023), "Pakistan ranks low in terms of public trust in government institutions, with widespread disillusionment among citizens regarding the government's capacity to govern effectively." This lack of trust further undermines the government's ability to effectively address societal challenges and implement policies that promote economic and social development. Moreover, national prestige on the global stage has also been affected. The exodus

of talent signals to the international community a lack of confidence in the country's leadership. This loss of human capital not only diminishes Pakistan's standing but also hampers its ability to compete in the global arena. Hence, the erosion of national prestige and diminished confidence in Pakistan's leadership owing to brain drain hinder the nation's prospects for international cooperation and investment.

Adding to this, the phenomenon of brain drain also fuels the decrease in productivity and tax revenues in the home country. According to International Monetary Fund (IMF), "Pakistan's GDP falls from 3.4 percent in 2022 to 2.8 percent in 2023." This decline arises from a shortage of qualified personnel to drive innovation, efficiency and growth within businesses and industries. Moreover, brain drain contributes to a decline in tax revenues as high earning professional emigrate, resulting in a smaller tax base and diminished government income. During the first 10 months (July - April) of fiscal year 2024, the Federal Board of Revenue (FBR) collected Rs. 7.363 trillion, falling short of the Rs. 7.425 trillion target by Rs. 62 billion. The loss of skilled individuals not only directly affects tax revenues but also indirectly impacts economic activity and consumption patterns. Consequently, the decrease in productivity

and tax revenues exacerbates economic challenges within Pakistan owing to the menace of brain drain.

Similarly, as skilled professionals leave the country in search of better opportunities abroad, there is a noticeable decline in Foreign Direct Investment (FDI) inflows, as investors are hesitant to commit capital to a nation experiencing a loss of human capital and expertise. According to the State Bank of Pakistan (2024), "FDI inflows have decreased by 15 percent in the past year alone, coinciding with an uptick in the brain drain phenomenon." Moreover, brain drain exacerbates Pakistan's reliance on remittances as a source of foreign exchange earnings. The State Bank of Pakistan unveils that in the fiscal year (2022-23), Pakistan received remittances of 29.87 billion dollars. The stats explain that overseas Pakistanis are an asset to the country. The philosophy of remittances mantra also states that brain drain is mitigated by the flow of remittances sent back to the home countries by migrants, which can contribute to economic development. However, this reliance on remittances underscores the vulnerability of Pakistan's economy to external shocks and highlights the need to address the enigma of brain drain to ensure long-term growth and economic stability in Pakistan.

Moreover, recent reports highlight the profound impact of brain drain on Pakistan's social fabric. For instance, when skilled professionals leave the country in search of better opportunities abroad, there is a widening generation gap as younger generations are deprived of the guidance and mentorship of experienced individuals. This gap in knowledge and experience hampers the transfer of skills and inhibits social cohesion. According to Pakistan Bureau of Statistics, "The brain drain has led to a significant decline in the number of professionals in key sectors such as healthcare, education, and technology." However, the Human Capital Theory supports this perspective, as skilled workers migrate to places where they can maximize their returns on their skills and knowledge, leading to "knowledge drain" in their home countries and "knowledge gain" in the destination countries. Consequently, urgent measures are needed to stem the tide of brain drain in Pakistan and retain skilled professionals within the country.

Furthermore, in Pakistan the brain drain is also leading to stagnation in technological advancement and increasing dependence on foreign expertise. The Pakistan Council for Science and Technology (PCST) 2023 highlights the detrimental impact of brain drain on the country's technological landscape.



This impact manifests in several ways, including a significant reduction in research and development activities, a decline in innovation and a loss of specialized expertise in key technological sectors. Consequently, brain drain exacerbates Pakistan's reliance on foreign expertise and technology. This dependency not only undermines Pakistan's technological sovereignty but also limits its ability to address pressing challenges and compete in the global economy. Therefore, the ongoing brain drain in Pakistan poses a formidable challenge to the nation's technological progress and global competitiveness.

To effectively address brain drain in Pakistan, a comprehensive approach is essential. Firstly, ensuring political stability and governance reforms are crucial to instilling confidence in the government and creating an environment conducive to investment and talent retention. Secondly, offering more employment opportunities and improving living standards can incentivize skilled professionals to remain in the country. Last but not least, promoting peace and harmony throughout the state is essential for creating a stable and secure environment where individuals feel safe and motivated to contribute to the country's development. By implementing these measures in a coordinated manner, Pakistan can effectively combat brain drain and harness

full potential of its human capital for sustainable growth and prosperity.

To sum up, brain drain is not new; it is as old as humanity. At present brain drain has proved to be disastrous for third-world countries like Pakistan. The multifaceted causes of brain drain encompass political, economic, social, and technological loopholes. The consequences of brain drain are far-reaching. It erodes public trust in governance, diminishes national prestige, reduces foreign direct investment, fosters dependence on remittances and stifles technological innovation. However, the prudent solutions, such as offering more employment opportunities, investing in education and technology and promoting peace and harmony, provide a pathway forward to control the effects of brain drain. As Mahatma Gandhi once said, "The future belongs to those who believe in the beauty of their dreams." With determination and concerted efforts, Pakistan can overcome the challenges of brain drain and unleash its potential on the global stage.