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What Is Brain Drain?

Brain drain is also known as “The human capital flight”. It can be simply defined as the mass emigration of technically skilled people from one country to another country. Brain-drain can have many reasons, for example-political instability of a nation, lack of opportunities, health risks, personal conflicts etc. Brain-drain can also be named as “human capital flight” because it resembles the case of capital flight, in which mass migration of financial capital is involved.

Our lifestyle is missing the basic elements and necessities of life. Why would a graduate from Harvard wait for the electricity to come back, or resort to spending thousands of rupees to fuel generators to run a house? Why would someone who has graduated from the London School of Economics settle for a mediocre paying job at a bank when he knows that he could earn twice as much abroad in a lower position? Why would anyone for the matter be patient about not receiving the water or gas that he/she pays high bills for when they are sometimes free abroad? The lack of such necessities takes away the element of peace from one's daily life and thus causes the decision to seek a better lifestyle abroad, this off course being how the brain drain begins.

For the balance of power and for the staggered development of the world, it is very important to stop the phenomena of brain-drain. This will help a particular country to use all local skilled citizens for development and proliferation. But to hold these skilled workers at their native places, it is also important to provide them enough work opportunities and living facilities. For this purpose, developed nations should help developing countries with necessary money and resources. So that each and every human of this planet can have good standard of living and each and every nation can introduce itself as a developed nation.

Pakistan the worst-hit country by brain drain'

LAHORE: Hardly any country has suffered more from the 'brain drain' than has Pakistan. Nearly 3,500 (annual) graduates of Pakistan's medical colleges are jobless; most go abroad.

This was stated by the Chairman Denmark Pakistan Chamber of Commerce (DPCC) and Research Economist Abid Ali Abid while delivering a lecture 'the impact of brain drain on Pakistan's economy' to the members of Lahore Economic Journalist Association (LEJA).

President LEJA Mansoor Ahmad, Vice president Itrat Bashir, General Secretary Muhammad Sudhir Chaudhry and Treasure Imran Adnan also spoke on the occasion.

Abid said that those that consider flight of highly skilled human resource of the country as source of remittance fail to realise that absence of highly qualified doctors, engineers and scientists is playing havoc with the long-term economic growth of the country. He said even the low skilled labour force of the

country should be nurtured to improve their skills and play their role in the local economy.

He said Pakistan seems to have nothing but problems. He said the endemic poverty of British Raj pales compared with the current poverty rate in Pakistan. He said high skilled workforce badly needed in Pakistan is going abroad in search for jobs. He said educated see their future not in their home country but in other countries.

He said all economists agree that every doctor who leaves a poor nation leaves a hole that cannot be filled. That creates enormous problems for the source country and the educational and health leaders in the country who are attempting to provide healers, he added. He said no nation can achieve long-term economic growth by exporting human resource.

Chairman DPCC said according to official estimates of Pakistan's Overseas Employment Corporation, close to 36,000 professionals, including doctors, engineers and teachers, have migrated to other countries in the last 30 years. Interestingly, this number is indicative of only a small proportion of actual migration, since the majority of emigrants do not register. He said his research indicates that the number in recent years has increased around 45,000.

Abid said that though the danger of the brain drain to Pakistan is clear, a large part of the problem is that there are not enough opportunities offered to the country's highly skilled labour for contribution and advancement opportunities. Educated unemployment is very high and salary levels for skilled workers (relative to unskilled workers) are often kept forcibly low by governments to maintain an egalitarian income policy.

He said though the salaries of highly skilled workforce in developed world is 30-40 times higher than in Pakistan but money is not the only reason for many who opt to go abroad. He said lack of respect of the professionals is another reason. He said highly skilled software engineers are usually answerable to the bosses that have no knowledge about IT and they ridicule the computerised solutions that the engineer presents before them. He said the government should impart on job training to farmers, welders and plumbers about their profession so that they could increase productivity and ensure a progressively better future for them.

'Gross Domestic Product - GDP'

GDP is commonly used as an indicator of the economic health of a country, as well as to gauge a country's standard of living. Critics of using GDP as an economic measure say the statistic does not take into account the underground economy - transactions that, for whatever reason, are not reported to the government. Others say that GDP is not intended to gauge material well-being, but serves as a measure of a nation's productivity, which is unrelated.

$$\mathbf{GDP = C + G + I + NX}$$

where:

"C" is equal to all private consumption, or consumer spending, in a nation's economy

"G" is the sum of government spending

"I" is the sum of all the country's businesses spending on capital

"NX" is the nation's total net exports, calculated as total exports minus total imports. (NX = Exports -

Imports)

As one can imagine, economic production and growth, what GDP represents, has a large impact on nearly everyone within that economy. For example, when the economy is healthy, you will typically see low unemployment and wage increases as businesses demand labor to meet the growing economy. A significant change in GDP, whether up or down, usually has a significant effect on the stock market. It's not hard to understand why: a bad economy usually means lower profits for companies, which in turn means lower stock prices. Investors really worry about negative GDP growth, which is one of the factors economists use to determine whether an economy is in a recession.



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An additional problem is that advancement for the highly skilled is limited in a system where individuals often gain jobs and other opportunities through personal contacts versus merit. This also fuels a frustration with the system. This also leads to Pakistan's professionals leaving the country for one in which their skills and talents will be rewarded properly, based on what they do, not who they know.

If Pakistan is serious about stemming its alarming brain drain, it must provide better job opportunities that properly remunerate workers based on their skills and talents. Otherwise, it will continue to lose its skilled labor to countries where benefits and opportunities are plentiful and a system based on merit versus contacts is in place.

Reasons of Brain Drain in Pakistan are

1. Economics reasons

In addition to several legitimate political reasons including peace and security for himself and his family, another reason is economic; such as job satisfaction, academically progressive environment, better pay and service conditions.

2. Lack of financial and Academic reasons

The just for better life and higher education is a strong reason behind the brain drain from Pakistan. There is no doubt that more and better opportunities in the US and UK are one of the attractions to moving there. No good institution for research and doctorate level and post doctorate level studies opportunities

are available in Pakistan.

3. Role of political will in the prevention of brain drain

The political instability let the people leave the motherland for a better future with some prediction. There is a dire need to assure the man power to remain present in Pakistan. A diplomatic solution should be given a priority to resolve conflicts rather than going to let the people do what they want.

4. Lack of higher Education Institutes

Science and technology is an area that is not fully exploited by the Pakistan resources. A less budget sliced away for education is the reason in leaking the higher studies which could prevent the brain drain. Many other reason behind the brain drain from Pakistan are there some of these are;

- Natural Problems
- Political and Social feater
- Poor status of Science and Scientists in Pakistan society.
- Lack of competition and Challenging Culture.
- No Proper ontrstrueture for research and development.
- No merit criteria.

Implications of brain drain in Pakistan

The implications of brain drain are disastrous. It entails losses of strategie man power from bey posts. Trained and skilled people constitute a very scarce resource for poor countries. Losing them sets developments back in these countries. Another important implication of the brain drain is that investment in education in a developing countries may not lead to faster economic growth if a large number of its highly educated people leave the country.

Impact of brain dain on GDP

One could not identify the impact in short run but it does have impact on GDP in long run. Human capital is among important factor of productions. low level of human capital means inefficient production of goods and services which in turn would lower the GDP. We could import scientific technologies or capital from abroad but again this would only help in achieving efficiency if we have trained personnel as well. human capital means a lot when a country is passing through take off stage. Or we can say it is about to take off. Transition from agro based economy to an industrialized economy needs human capital along with machinery and financial capital. Pakistan hasnt still taken off(according to some optimistic economists it has taken off) and needs its human capital to accelerate GDP. Brain drain can also effect GDP by affecting investment. However this effect could be taken as positive i.e worker remittances. More people will work abroad and more will be the worker remittances flowing into the country. .This would have positive impact on foreign reserves, imports and exports and consequently on GDP. But we do need human capital in our country. For that one possible recommendation could be that any Pakistani who want to work abroad will have to return after 5 or 7 years. In this way we can earn worker remittances as well as have our human capital back. Similarly studnets going abroad for higher studies must have to return back and serve pakistan atleast for five years. These few policies can work if applied transparently.(i Know pakistan is so called democratic state, but one should reckon these policies if we want to save our nation rather than so called democracy which is actually not been practiced in its true essence in pakistan) As far as infrastructure,

political and economic instability, security problems are concerned, these hindrances need to be removed by achieving transparency and accountability in the systems.

A **uniform system of education** may cause a rebellion from the bourgeoisie but the proletarians must be given the chance to study up to the level of Cambridge Examinations. Better universities need to be developed in order to hold back the bright minds that find their ways to countries such as UK, USA and Canada. Better job opportunities for fresh graduates need to be arranged so that they are not tempted by the lifestyle abroad. This, is just the beginning of a long list of solutions that need to be super imposed on our educational system to prevent it from worsening any more, if it still can.

At current levels, wage differentials between source and destination country are so large that small increases in healthcare wages in source countries are unlikely to affect significantly the supply of healthcare migrants. According to the results of a study in Pakistan, a small proportion of people funded for a doctorate face on return major nonfinancial disincentives for good performance.²³ Thus the financial component of such flows is only part of the picture and in some cases not the major push or pull factor. Moreover, there is a need to review the social, political, and economic reasons behind the exodus, and to provide security and opportunities for further development locally. Lowering of standards should not be accepted; instead local conditions should be reviewed and rectified.