Weekend Read | Edition 52

Brain Drain:

Myth or Reality?

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GALLUP PAKISTAN
Affiliated with Gallup International
Pakistan's Foremost Social Research Lab

Brain Drain: Myth or Reality?

Over the past few years, the ongoing economic fallout in Pakistan – compounded further by debilitating political instability and resurgence of militant attacks – has generated considerable commentary on mental desperation and financial pressures faced by low-income families. As some have been documenting, even 'well-heeled' sections of the society, are struggling to meet their ends. Indeed, those on the receiving end have already had to contend with the impact of soaring unemployment rate, run-away inflation and escalating costs of electricity bills.

But the recent tax-heavy budget has complicated things a bit further. Exacerbating this is the prevailing sense of general uncertainty and pessimism among all and sundry regarding their future. It is, thus, fairly common to discern an eerie air of despondency, hopelessness, popping up in everyday conversations and commentary, especially among the youth, a significant number of whom have expressed a desire to leave the country.

Newspaper reports and opinion pieces bear this out. A survey conducted by PIDE, for instance, indicated that 37 percent of Pakistanis want to leave the country. This tendency is strongest among the youngest age group (15-24 year olds), with 62 percent of them looking for a way out.[1] Newspapers coverage also reflects this trend of increasing migration among Pakistan – especially young graduates and professional – who have been desperately flocking local passport offices, looking for a safe exit to greener pastures, with some ferretting out both legal and illegal ways to migrate to foreign destinations. The proverbial brain drain, they say, is rearing its head again.

But is it really happening, has it accelerated in recent years, is it good or bad for the country, what do the numbers tell us? The answers depend on whom you ask. Even though the commentariat seems divided on the numbers game, the current article attempts to cut the clutter and present the things as they are. It builds on a recent Gallup Pakistan report[2] which looks at emigration and remittances pattern based on detailed analysis official data gathered from Bureau of Emigration and Overseas Employment (BE&OE) and other sources such as the World Bank. Where relevant, the article also draws upon other similar reports and studies conducted on the subject.

By way of clarification, here brain drain refers to emigration of highly qualified individual and professionals from home to destination countries. Pakistanis leaving the country and settling abroad for work, study or seeking better opportunities is not an altogether new phenomenon. Since its inception in 1971, BE&OE has registered 10 million Pakistanis who have proceeded abroad to seek employment. The outmigration trend initially picked up under Bhutto regime in 1970s, with the Gulf countries receiving the bulk of Pakistani workers. The scale of migration in that period was reflected in maturing of remittances sent back by Gulf-based workers which rose considerably, making up 7 to 8 percent of Pakistan's GDP in 1980s.[3]

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[1] Nayab, Durre. (Nov, 2022). *Desire to Live in Pakistan: Stay or Leave*? PIDE Basics Survey. BASIC Notes Number 4. Pakistan Institute of Development Economics (PIDE). Available at, https://file.pide.org.pk/uploads/bn-04-desire-to-live-in-pakistan-stay-or-leave.pdf

[2] Gallup Pakistan. (Sep, 2023). *Emigration Report Press Release*. Available at, https://gallup.com.pk/wp/wp-content/uploads/2023/09/emigration-report-press-release.pdf

[3] Zaidi, Akbar. (2015). *Issues in Pakistan's Economy: A Political Economy Perspective*. Karachi: Oxford University Press, p. 30.

As per BE&OE, most of these workers emigrants, have been semi-skilled and low-skilled, remaining for four to five years on average in the destination countries. For instance, 96 percent of emigrants registered with BE&OE between 1971 and 2023 were residing in the Persian Gulf, Saudi Arabia and United Arab Emirates.[4]

Bureau's own statistics[5] suggest that the number of emigrating individuals has shown a steadily increasing trend since 2006, particularly from 2010 onwards. These numbers reached its highest in 2015, when 964,571 individuals went abroad, but registered a sudden dip in 2017, when the Gulf countries entered a period of economic recession.[6] The upward trend did rebound in 2018/2019, but a year later with the onset of COVID-19-led restrictions, related job losses and subsequent reduction in labour demand specifically in construction industry, the outflow of labour to Gulf and other countries reduced significantly. Thus, only 225,213 Pakistanis were able to leave the country in 2020. Post-pandemic, a recovery of the previously upward trend was observed in 2021. In line with the earlier outmigration pattern, the number of individuals who went abroad for work/study etc. increased up to 832,339 and 862,625, in 2022 and 2023, respectively.

The Gallup Pakistan report referred to earlier provides a breakdown along a number of dimensions of occupations, skill, age, district, and destination countries. Even though it does not reflect data from 2022 and 2023, a careful attention to details in BE&OE figures would still suggest an increasing trend in migration among professionals and trained individuals between 2011 and 2022. There are a few points worth highlighting from the report. Although elementary occupation still comprise the largest percentage of migrants (39 percent) between 2011 and 2022, the data between 2017 and 2022 show that migrants with higher skill level occupations have registered a significant growth. For instance, managers and professionals grew at 41 percent and 94 percent, respectively, in the same time period. Furthermore, the numbers of highly qualified individuals and highly skilled outmigrants also increased by almost three times between 2021 and 2022. While the absolute numbers of professional still remain considerably low when opposed to that of those belonging to elementary occupations, the percentage growth does reflect a rising tendency in brain drain.

Some authors and news sources have challenged the perception that Pakistan is witnessing brain drain.[7] First, they argue, that most of the emigrants comprise labour or skilled, semi-skilled and low-skilled individuals, while the white-collar or professionals still register a miniscule percentage relative to the former. Second, proponents of this view claim that the recent public panic relating to the supposed uptick in migration to foreign countries is exaggerated for the following reason. Citing figures from 2015, 2022 and 2023, these authors argue that, despite the post-COVID-19 rebound, the overall migration pattern has remained almost stable between 2022 and 2023, and is still slightly below the pre-pandemic level when a record number of individuals outmigrated in 2015. This year-to-year comparison has led them to assert that brain drain is largely a myth.

[4] Ahmad, Junaid. (Feb, 2024). *Pakistan's Emigration: Trends and Insights* (Knowledge Brief). Pakistan Institute of Development Economics. Available at, https://file.pide.org.pk/pdfpideresearch/kb-112-pakistans-emigration-trends-and-insights.pdf
[5] BE&OE data is available at https://beoe.gov.pk/reports-and-statistics
[6] DTDA. (2020). *Labour Market Profile Pakistan – 2021/2022.* Danish Trade Union Development Agency (DTDA), p. 17. Available at, https://www.ulandssekretariatet.dk/wp-content/uploads/2021/12/LMP-Pakistan-2021-Final.pdf
[7] Razzaque, Ayesha. (Sep, 2023). Are Pakistan really leaving? *The News International.* Available at, https://www.thenews.com.pk/print/1107801-are-pakistanis-really-leaving

But there are some issues with the analyses that takes BE&OE dataset at face value, as pointed out by Pakistan Institute of Development Economics.[8] First, the official BE&OE data does not reflect countries such as the United Kingdom, Australia that have recently emerged as favourite among the migrating student and workers in Pakistan, along with other European and Asian countries such as China, Malaysia, Japan. To take one example, Australia is altogether absent from the list of destination countries included in official BE&OE dataset, despite the fact that it is top destination for students and professionals, registering a 31 percent increase in number of arrivals by Oct, 2023, compared to 2022. Second, the official figures also do not truly represent the number of doctors, teachers, IT experts and other highly qualified professionals.

Third, the BE&OE does not track the number of returning migrants from Gulf, many of whom as alluded to above are seasonal migrants. This is a crucial omission in the dataset, as it exaggerates the numbers of migrants currently residing in the GCC. Fourth, the official data is also silent on the number and volume of people who opt for illegal ways to migrate abroad, which is now an increasingly favourable choice and way out for many in Pakistan. As the PIDE study suggests, if a comprehensive dataset is developed that covers countries such as the UK, Australia, Canada and others, plugging critical gaps in the dataset mentioned, the emigration trend will mostly likely show a clear trend towards brain drain – outmigration of highly qualified, skilled and trained individuals.

Some factors that are driving and fuelling outmigration have been discussed above. One major driver that is specific to the youth consists of the state's long-standing failure to generate consistent and sustainable economic growth leading to job generation in formal sector. As a result, it has failed in absorbing the increasing volume of unemployed young people who end up in the labour market, every year. As readers are already aware, about two thirds of Pakistan's population consists of young people. Over the years, the numbers of university going students and graduates have consistently increased. Data from Higher Education Commission (HEC) suggest that the number of university graduates grew by about 35 percent between 2016 and 2021 and about a half million graduated in 2020-21 alone.[9] But the labour market and employment prospects remain grim for many.

Official figures not just understate unemployment rate; the state also remains disinterested about the issue, as is evident from the fact that it has failed to conduct unemployment survey for the past two years. The last Labour Force Survey came out in 2021. Nevertheless, the current crisis did compel the government recently to acknowledge independent work done by others, admitting that unemployment had hiked to 10.3 percent.[10] According to International Labour Organization, the country's employment to population ratio is at its lowest point in decades[11], while PIDE estimates suggest that 31 percent of the educated youth with degrees unable to get employed.[12] It is also important to mention that the bulk of employment in Pakistan is concentrated in its so-called informal sector which absorbs around 71 percent of its non-agricultural workforce, marked by casual and precarious work, offering meagre wages and

[8] Ahmed, Junaid. (Feb, 2024). Ibid,

[9] HEC. (2023). Annual Report 2022-23. Higher Education Commission. Available at, https://www.hec.gov.pk/english/services/universities/HEDP/PublishingImages/Pages/Component-4/Annex%203%20HEDR%20Annual%20Report%20(C4).pdf

[10] Rana, Shahbaz. (July 12, 2024). Govt admits unemployment rising to 10.3%. *The Express Tribune*. Available, https://tribune.com.pk/story/2478919/govt-admits-unemployment-rising-to-103

[11] ILO. (Sep, 2023). Pakistan: Employment outlook in a setting of austerity. ILO Brief. International Labour Organization. Available at, https://www.ilo.org/resource/brief/pakistan-employment-outlook-setting-austerity

[12] Nadeem ul Haque & Durr-e-Nayab. (Feb, 2022). Pakistan Opportunity to Excel: Now and the Future. Pakistan Institute of Development Economics. Available at, https://file.pide.org.pk/uploads/pip-0306-pakistan-opportunity-to-excel-now-and-the-future.pdf

security or prospects of social mobility. The labour productivity is still the lowest in the region, except for Afghanistan. Add to this the run-away inflation and regressive taxation measures, which have further been eating into household incomes and savings and made the overall situation even worse. That partly explains why people, especially the youth, is increasingly desperate to leave the country by hook or by crook.

The recent upsurge in outmigration is a double-edged sword. Optimists might cast it in a favourable light, viewing it as an opportunity providing Pakistanis with exposure to global ideas and innovation, exchange of skills and knowledge, but also as an economic benefit leading to greater remittances. However, there's also a downside to it. The youth outmigration, combined with lack of investment in human development at home, implies that Pakistan will remain unable to convert its youth bulge into a demographic dividend.

The burning question that remains to be answered is the following: what is to be done? As scholars and experts have pointed out, there is no smooth sailing. Structural economic reforms are the dire need of the time. In short-term, economic and political stabilisation should be a priority. However, the boom-and-bust cycles that have characterized Pakistan's economic growth over the past few decades are no longer sustainable. To address the issue in the long-term, those at the helm should have a clear vision that should include a complete overhaul of the economic system and a re-orientation of economic development. As William Easterly pointed out, Pakistan's paradoxical economic experience can be summed as 'growth without development'. That is, despite registering spurts of economic growth, the state has been unable to translate it into meaningful developmental and social outcomes.[13] For that to happen, the elite would need to concede economic and political power to other social groups. The state would need to invest in human development, including education, health, gender equality, while also providing opportunities for economic growth, job generation, and generational social mobility. A step in this direction is the dire need to rethink Pakistan's industrial policy[14] which need to be labour-intensive: without investing in manufacturing and value-added sectors, it would be close to impossible to absorb the millions of working people – especially the youth and women.

[13] Easterly, William. (2001). The Political Economy of Growth Without Development: A Case Study of Pakistan. (Ed. Rodrick, Dani). *In Search of Prosperity: Analytic Narratives on Economic Growth*. Princeton: Princeton University Press. Available at, https://williameasterly.wordpress.com/wp-content/uploads/2010/08/9_-easterly_thepoliticaleconomyofgrowthwithoutdevelopmentpakistan.pdf

[14] Azhar, Shahram. (2024). *Rethinking Industrial Policy in Pakistan: A Political Economy View*. Pakistan Institute of Development Economics.

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