

## **GA2: Economics**

*Tackling the negative economic  
effects of brain drain from developing  
nations*

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**Issue:** Tackling the negative economic effects of brain drain from developing nations

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## Introduction

The Royal Society of London coined the term "Brain Drain" to characterise the exodus of highly educated individuals from the UK to the United States and Canada. Several emerging countries with vibrant youthful populations today still struggle with this problem. The economies of many emerging countries face a particular challenge due to the emigration of their best workers. A nation is destined to slip into the so-called "middle-income trap" if a clever enough workforce doesn't get to the top of the food chain. The middle-income trap is when a nation advances to the point of being a developing nation but is then stuck there due to a lack of innovation and long-term technical advancement. A contemporary example of this phenomenon is Türkiye. In an interview in 2012 Ali Babacan, a former Treasury Minister for the Republic of Türkiye said "Turkey may never achieve the level of GDP per capita (20–25,000 dollars) if specific reforms and initiatives are not made and taken in a timely manner." Babacan was referring to improvements that would help universities and other educational institutions grow in this context. A few years later, Babacan was forced out from his position as the minister of treasury and resigned from the Justice and Development Party, the party he helped form. His counsel was ignored, and today Türkiye is seen as trapped in the middle-income trap. Turkey's GDP per capita now stands at 9664 dollars, never having reached the milestone of 20,000 dollars. Due to the reckless use of precious resources in sectors like infrastructure and the housing industry, Türkiye was unable to overcome the obstacle of becoming an MEDC. To summarise, governments must invest their limited resources into areas like scientific research and development to advance from being a middle-income state to a developed economy.

## Definition of Key Terms

**Brain Drain:** The emigration of highly trained or intelligent people from a particular country to a more developed country.

**Emigration:** The act of leaving one's own country to settle permanently in another; moving abroad.

**Reverse Brain Drain:** The emigration of highly trained or intelligent people from a particular highly developed country to a less developed country.

**Human Capital:** The skills, knowledge, and experience possessed by an individual or population, viewed in terms of their value or cost to an organisation or country.

**Workforce:** The people engaged in or available for work, either in a country or area or in a particular company or industry.

**Negative Externality:** An external factor not related to the handling of the economy that damages a country's economic output.

**Diaspora:** The dispersion or spread of a people from their original homeland.

**White Collar Jobs:** A person who performs professional, desk, managerial, or administrative work.

**Middle-Class:** The economic group between the upper and lower classes, including professional and business workers and their families.

## General Overview

The term Brain Drain was first used by the British in the 1960s to describe the situation of people moving to more developed countries from developing countries. The phenomenon existed much beforehand. In the late 1800s, many highly skilled workers from Europe migrated to the U.S.A this trend also continued into the 20th century when the finest intellectuals from the war-torn European continent sought a new life in the U.S. and Canada. Prominently the Jewish exodus from Nazi Germany fueled the growth of the scientific community in the new world. The USA's so-called A. Bomb Project (popularly known as the Manhattan Project) was created by Jews and other marginalised groups who fled away from the Nazis. Today the brain drain is the biggest obstacle in the way of development for emerging economies. Emerging markets such as the Islamic Republic of Iran have faced this problem over the years. After the revolution and the following Iran-Iraq war many of Iran's greatest minds fled to western countries (MEDCs). This subsequently led to the loss of valuable resources and money for the country. Since educating these workers are of great expense to their respective countries, moving away from their own homes at a very substantial cost. For example, according to the Science ministry of Iran, it has lost 150 million dollars annually (this number might have been manipulated to make it seem less prominent) since the revolution. Although nations have made efforts to create a so-called "reverse brain drain" this has not created enough incentives to end the issue completely.

## Major Parties Involved and Their Views

**The United States of America:** The United States of America over the years has greatly benefited from the brain drain. In fact, it could be said that the US has been built by people who have come to it from abroad looking for a better place to live. The US has some of the world's top educational and scientific facilities, research institutions, and creative industries. But over the last 10-20 years political instability and turmoil in the US have made people all around the world question whether the so-called "American Dream" is still true. This has made America face the negative consequences of the Brain Drain. All of these led up to today where The US, once the country that reaped the benefits of brain drain, is now trying to take preventive measures to decrease it.

**The United Kingdom of Great Britain and Northern Ireland:** The United Kingdom with a population of only sixty-seven million and an average age of forty has a lot to gain from the brain drain. The way the UK has benefited from the brain drain was by actively encouraging the emigration (influx) of highly skilled and educated individuals from other countries, particularly in the areas of science, technology, engineering, and mathematics (STEM). With all of these in mind, the UK has created programs such as the Chevening Scholarship where talent from many developing countries come to the U.K to study and go back to their homeland in order to develop their own countries.

**France:** France is one of the countries that stand to benefit from the brain drain of other nations and has created programs in-line with these goals. In 2017, France launched the "Make Our Planet Great Again" campaign. This program aims to attract top researchers from around the world to France to work on projects related to climate change and sustainability. The program offers funding and support for research projects, as well as assistance with visas and other administrative processes. Additionally, the French government has also implemented policies aimed at retaining and utilising the talents of immigrants already living in the country. For example, the government has implemented measures to improve access to education and training for immigrants, as well as policies aimed at reducing discrimination and promoting diversity in the workplace.

**The People's Republic of China:** Beijing has had a hard time keeping its minds at home. With heavy restrictions on popular culture, the internet, and many more areas of life, the youth of the country are looking to find someplace else to call home. Adding insult to injury, after the mass protests in 1989 were crushed by the Chinese government, more and more developed countries relaxed their visa laws toward people of Chinese origin. In light of all of these, the PRC will do anything in its power to end the brain drain and draw its population overseas back to the mainland.

**The Russian Federation:** With a quarter of its population under 18 The Russian Federation is a very young country. But with this in mind, the Kremlin is not that great at keeping its youth at home. The advent of the war in Ukraine has certainly drawn away many of the future workforces away from Russia. This combined with a large amount of censorship and many policies which may be deemed out-of-date by some has created an influx of brain drain in the federation. In light of this information, it would be in the interest of the delegation of Russia to propose preventative measures against these problems.

**The Islamic Republic of Iran:** To quote Ayatollah Khomeini the first Ayatollah of Iran after the Islamic Revolution “They say the brains escaped. Let them escape, they are not educated people, and are treacherous brains” almost a quarter of a decade has passed since the uttering of these words but Iran’s attitude against its educated population has yet to change according to a report released in 1999 by the IMF a quarter of Iranians who had a university degree were living outside of the country. A member of Iran’s Supreme Council of the Cultural Revolution stated “we lack the necessary research and development infrastructure; we cannot prevent them from leaving the country.” After the large student protests and the subsequent crackdown on universities, the amount of brain drain drastically increased in Iran. The flight of highly educated individuals from Iran has been constantly denied or downplayed in recent years, although the country faces major difficulties. If nothing changes, the tendencies can even get worse as the economy grows.

### Timeline of Events

1880s-90s	<i>Russian Jews migrated to the richer parts of Europe.</i>
1933	<i>Albert Einstein flees to the U.S. along with other scientists escaping persecution by the Nazi regime.</i>
1942	<i>Oppenheimer and other notable German scientists developed the first atomic bomb.</i>
1960	<i>After the military coup (1960) and the following political Turmoil in Türkiye, many of the young minds were motivated to seek better lives abroad.</i>
1979	<i>After the Islamic revolution in Iran many of the top talent escape to western MEDCs</i>

## Evaluation of Previous Attempts to Resolve the Issue

There have been numerous attempts over the years to address the critical problem of brain drain. Many countries have been trying to counter this problem but in all actuality, the solution to this problem is not that it is not all that complex. Giving the younger generation what they want is important: what they want is access to employment opportunities, freedom of speech, and a living wage. Nevertheless, we cannot dismiss countries with less liberal governments. There is a solution, albeit a difficult one, for regimes like those in China or Iran. According to studies, even though the younger generations rank freedom of expression as one of the most crucial criteria for employment, it's not absolutely necessary to lessen the harm caused by brain migration. Although nations like the UAE and Qatar might be viewed as less liberal than their European counterparts, they have managed to attract many of Western Europe's best intellectuals by paying them better and promoting a stress-free, relaxed lifestyle, and a healthy work-life balance.

## Possible Solutions

Solutions to the brain drain problem come in two categories; The first one is the **creation of jobs and opportunities**. For example, Ireland has implemented a strategy they call the "Smart Economy". The Smart Economy includes investments in education and research and tax incentives for development. The second is the **encouragement of brain gain**. For example, Singapore with the slogan "Winning the Future" has created a very successful brain gain program. 25 years ago Singapore began to pursue a future as an Asian research hub, putting science and technology at the center of its economy. This was an ambitious goal for a country without an established research culture. But driven by necessity, and generous government funding, Singapore has drawn some of the world's leading scientists.

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