

Special Conference 1 on Good Governance

Taking measures against the brain drain of
human capital



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| Forum: | Special Conference 1 on Good Governance |
| Issue: | Taking measures against the brain drain of human capital |
| Student Officer: | Alfredo Lira |
| Position: | President |

Introduction

Brain drain refers to the immigration of well-trained and/or educated individuals to more prosperous working and living conditions, as well as a better wages, often associated with a professional's departure from their home nation.

The Royal Society was the first to coin the term 'Brain Drain' in post-war Europe as many scientists and technologists were emigrating towards North America. This phenomenon became apparent in the form of a worldwide public health issue in the late 1940s; after the war many highly skilled European medical professionals found it better to emigrate to better living and working conditions, to nations such as the United Kingdom or the United States of America. This course of conduct continued until it began to raise concern in the mid-1960s. By the late 1970s, the World Health Organization had become involved. This organization had published a detailed report that covered a wide range of findings – this report covers 40 countries and reveals that 90% of medical professionals that were immigrating had gone towards: The United States of America, The United Kingdom, Australia, Canada, and the Federal Republic of Germany.

The most significant results, however, from any findings in previous years is the brain drain processes have become transparent and have inevitably attracted scientific and political attention. Nevertheless, the enough progress has not yet been made so as to eradicate the main issue of brain drain of human capital. The migration rates of experienced, qualified, and skilled individuals from developing countries continues at an all-time high, and these developing nations are not receiving any compensation for their repeated losses that they undergo.

Definition of Key Terms



Brain Drain

Brain drain is the immigration of highly skilled, qualified, educated, and at times experienced personal, commonly to a more developed country in the hope of finding better pay, as well as better working and living conditions.

Brain Gain

Brain gain, as the name suggests, is the exact opposite of brain drain. It is the action in which a nation receives highly skilled, qualified, educated, and at times experienced personal that seek a better standard of living.

Human Capital

Human capital is the skills, experience, knowledge, and other intangible assets of a person that are used in generating (economic) value for individuals.

Developing Nations

Developing nations are countries in which the average income of individuals is relatively low in comparison to that of individuals from industrial nations. It is a nation that seeks to develop its resources through industrialization.

Globalization

Globalization is the spread to different corners of the world, to further create a need for global integration and development throughout all member states.

General Overview

Throughout developing nations, with particular emphasis on Southern Asia, the demand for healthcare has been exponentially growing over the years – mainly due to the fact that a large proportion of qualified and skilled professionals have migrated to developed countries in search for better working and living conditions. With the continued migration of skilled people in the healthcare sector, policy makers from these victim countries are searching for policies that will essentially reverse the effects that brain drain has brought onto their country.

The current economic situation, in which many member states are opening their international borders to outsourced goods and services, has proven to be a vital asset to



changing the current issues associated with brain drain; there have even been minor linguistically made changes that lead 'brain drain' to be 'brain circulation'. Solutions to the issue at hand should be based from a broader perspective, viewing from all member states – both developing and developed – in order to reach a positively reinforced solution.

At the moment, the wage differences between source countries and destination countries are so separated that a minor increase in wages in the source countries would not suffice to recollect the lost human capital. However, it should be viewed that the financial component is only a piece to the bigger puzzle (it is not always a major factor, although it is commonly correlated in this way). At the end of it all, there is a clear call for help to review the social, political, and economic incentives that individuals may have for such migration in a myriad of numbers, and it is the responsibility of the governments to address such issues effectively. A lowering of standards of the skilled individuals should not be acceptable; rather, a review and rectification of current conditions.

On estimate, research has shown the individuals living abroad publish 4.5 as many research papers and a ten times more patents than their equals in said home country. Once again, turning to the government proves that there is a direct correlation between brain drain and brain gain – in the sense that developed countries have been able to prosper with funding infrastructure, and technical support, all of which are areas that developing nations seek progression through.

Contributions through International Cooperation

To understand the reasons for migration of so many people in such large amount, countries need to take into account that they are competing in a dog-eat-dog world. However, this entire philosophy that has been created by society should be reviewed – it is time to bury the archaic concept of brain drain. In this new millennium we are given the opportunities to innovate and explore beyond previously set boundaries. To elaborate on this point, we have the ability to communicate around the world at any given moment – using this to forge deeper collaboration between developed and developing nations is crucial to be able to create an environment where skilled expatriates are able to contribute to their home-country.

Major Industries Effected

The concept of brain drain has been thought to have its biggest effect on the healthcare industry; simply because the working conditions in developing nations are not up to the appropriate standards that skilled individuals would like to put themselves through. As

a result, the case of health worsens throughout said developing nations because it becomes increasingly difficult to help ill people with a lack of resource - in this case, resource pertains to human capital. To give an example, the sub-Saharan Africa region of Africa has felt a deep impact from the effects of brain drain. It is estimated by the African Union that African countries lost around 20,000 qualified, professional medical individuals a year.

Major Parties Involved and Their Views

African Union

The African Union (AU) is a formation of African states. It has been declared by the United Nations that one of the biggest impairments to Africa's development is the issue of Brain Drain. The people who do have the capabilities to further help their nations supersede are unable/unwilling to sustain themselves with the poor living and working standards. Keeping in mind that in African nations there are such prevalent diseases such as HIV/AIDS, malaria, and so on and so forth, there is a desperate need for work to be done in this field.

United States of America

The United States of America is thought to be one of the nations that receives the largest amount of 'Brain Gain'. The United States immigration structure operates under a visa system – this entails that companies can pay for workers to live in the country. It has been proven that more than 80 percent of visa holders, in fact, are paid lower wages than US citizens in comparable positions.

South Eastern Asia Treaty Organization (SEATO)

Southern Asian countries do suffer from the brain drain effect, but it is not a primary issue nor as prevalent as it is in African countries. Nevertheless, with such an exponentially increasing population it is crucial that this issue is addressed – also keeping in mind that the country loses \$2 billion annually because of this nearly unpredictable effect. However, Southern Asian countries, such as India, have managed to promote brain drain to have a positive effect. The Indian government has encouraged individuals who are living abroad to reinvest their capital into India to promote new projects back home, this has proven to have a positive effect and managed to reduce the overall effect of brain drain.



Timeline of Events

The timeline of events below shows a progression of major events that have occurred when regarding the issue of brain drain of human capital:

| Date | Description of event |
|----------------------------------|---|
| 1933 - 1938 | Increased feeling of anti-Semitism in Europe (particularly in Germany) forced the migration of a myriad amount of the Jewish population to non-European nations (particularly to the United States of America). |
| 1921 - 1961 | In the Soviet Union and Eastern European countries undergo a loss of skilled professionals, a deep impact of brain drain as the issue was uncontrollable. Eventually the problem was reduced and contained. |
| April 23 rd , 2005 | "Develop World is Robbing African Countries of Health Staff" is a study that was published in the United Kingdom by a Medical Journal. Within this study it was found that developed countries hired foreign skilled workers to obtain the ability to a pay a lower amount for their labor. |
| 2006 | The World Health Organization (WHO) published a report In 2006 in which it assessed the effects of the ongoing brain drain crisis in the healthcare industry. |
| November 29 th , 2012 | The assembly of the United Nations Conference on Trade and Development (UNCTAD) generates profound discussions on the issue of brain drain. |

UN involvement, Relevant Resolutions, Treaties and Events

- World Health Organization publishes: *The World Health Report 2006 – Working Together for Health*.
- Maximizing the development impact of remittances, 29 November 2012 (TD/B/C.I/EM.4/2)
- Office of the United Nation High Commissioner for Human Rights: *The international Convention on Migrant Workers and its Committee*.

Evaluation of Previous Attempts to Resolve the Issue

A very logical and reasonable to solve the issue of brain drain would start by analyzing the definition of brain drain. If individuals migrate out of their home country



because of poor living and working conditions, then why not just invest into improving the conditions? Unfortunately, this creates a very paradoxical effect, as poor nations do not have the financial means to incentivize this initiative. A more balanced approach to the issue than this is needed.

In past attempts to solve the issue there have been many events in which government intervention is involved; it has been seen that government restrict mobility to limit the damages of brain drain. Keeping in mind that this does technically solve the problem, it will create more problems because you are essentially denying individuals their freedom of choice. Mobility of peoples can actually bring benefits to a country and if nations choose to undermine the positive effects of mobility, there will be negative consequences.

As previously stated, one of the most damaged countries by the effects of brain drain is those nations in the African continent. The Reintegration of Qualified African Nations (ROQAN) is an initiative set-up by the International Organization for Migration (IOM) which attempts to reduce the effects of brain drain by creating incentives to those who have left.

Possible Solutions

Tackling the pervasive problem of the brain drain of human capital is clearly a very tricky task. A clear way to promote brain gain for developing countries would be to launch campaigns and educate individuals, as it would create a more knowledgeable society that is aware of the dangers that it can bring to an economy.

However, if we stray away from the mainstream thoughts of conduct we can find alternative solutions. Governments could create organization with noteworthy individuals who are skilled and experienced in their specialized field, in which they encourage future generations, pass on knowledge, and help the entrepreneurship spirit of any country to develop and flourish.

All in all, the vital element to any solution is to create opportunities – this will draw attention away from developed countries and focus the attention to developing nations.

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