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Human Capital Flight: Evidence from MINT Countries

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ABSTRACT

Human Capital Flight and its endless resulting effect have been a crucial issue worthy of discussion in both the traditional and contemporary global economic sphere. After the stock market crash of 1929 which marked the emergence of the Great depression, and the end of the Second World War in 1945, the emigration of skilled workforce from poor countries increased rapidly. The loss of intellectual capital, called the Brain drain, has been one of the greatest obstacles to the development of some countries of the world. In 2000 almost 175 million people (2.9%) of the world's population, were living outside their country of birth for more than a year. Of these, about 65 million were economically active. The purpose of this research is to understand the cause of Human Capital Flight in MINT countries (Mexico, Indonesia, Nigeria and Turkey), the socio-economic impact on income and economic growth to the sending country as well as the host country, and ways to reverse the effects of brain drain, thereby creating a brain-gain. Brain drain is a product of both internal and external factors working simultaneously to push educated and highly-skilled individuals out of their country and pull them into developed nations respectively. Although, human capital flight in a way stimulates education, generates significant remittances, and brings about unequaled contributions from both the returnees and the diaspora abroad. But, the biggest problem arises when it reduces human stock and causes fiscal losses. Also, these individuals after gaining the much anticipated experience, exposure and wealth choose not to return to their native country due to the lack of an environment conducive for professional growth. To reverse brain drain and boost economic growth, every government should create a conducive environment for investment that will ensure employment opportunities and reduce poverty. It should also put in place good institutional framework, maintain zero tolerance for corruption and must provide the much needed infrastructures necessary for growth and satisfaction such as employment opportunities, affordable and functional education, good health care system, security, and good roads and transportation systems. These are arguably the dominant factors which constitute a good life.

KEYWORDS Brain Drain; Income; Economic Growth; MINT countries

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