February 2023

Greetings from Washington,

Brain drain is a common phenomenon in the global south, where highly educated and skilled individuals leave their native home to a more favorable location with better employment, development, and career prospects elsewhere. While brain drain is largely common in the developing world, including Africa, Latin America, and the Caribbean, it is particularly significant in the Arab World.

The Middle East and North Africa region (MENA) is populated with approximately 381 million people spanning across twenty-one countries. Sixty percent of the population in the MENA region is under the age of thirty, and about thirty percent of this young population continue to leave their countries in search for better opportunities in the western sphere. The top country with brain flights from the MENA region is Syria, since the war has driven most of the country's talented population out. Although the human flight and brain drain index also includes other conflict-affected countries, such as Yemen, Iraq and Lebanon, the list also includes relatively politically stable countries like Morocco (second highest from MENA in terms of brain flight), Tunisia (sixth highest from MENA), Jordan (eighth highest from MENA), and Egypt (ninth highest from MENA). So, what are the main factors driving MENA's youth population to leave? The

primary cause is youth unemployment. Youth unemployment rates in the MENA region have been the highest in the world over the past twenty-five years, reaching 30 percent in 2017, compared to 13 percent globally. Given the increased political instability in the region over the past decade, policymakers have reduced their focus on youth unemployment, prioritizing security and political concerns ahead of economic reforms. The highest rates of youth unemployment regionally are in Palestine (43 percent), Jordan (36 percent), and Tunisia (36 percent). A recent study by the Arab League's Department of Population and Migration Policies found that high unemployment rates in the Middle East were responsible for 70 percent of university graduate brain flights. The second main cause is education. It is not coincidental that the same countries with the highest levels of brain flight in the region also provide the lowest levels of public spending on education and research. Due to their limited fiscal space and

high levels of debt to GDP, government spending on education and research is limited to <u>2.5 percent</u> of GDP in Egypt and <u>3.2 percent</u> in Jordan. Most of the migrating talents from the MENA region are also from the high-skill sectors, including medicine and engineering, where research-based career opportunities are virtually absent. Accordingly, most destination countries for highly skilled migrants from MENA are in Europe and North America, where research capital and prospects in advanced science fields are very robust. The third reason behind the departure of MENA youth is the low average real wage, which not only is lower than the global average, but has also been in decline since 2014, according to ILO statistics. Many of the talented professionals from the middle-income MENA countries depart to work in the Gulf States, where average

pay is higher, in addition to the higher quality of life that is mostly driven by political and social stability. The UAE, Saudi Arabia, Kuwait, Bahrain, Oman, and Qatar are witnessing a "brain gain" phenomenon, where an average of 70 percent of the working population is based on emigrants, including from MENA countries. So, what can MENA policy makers do to retain talent? First, policy makers need to continue to promote private sector development to create jobs, especially in the SME and labor intensive sectors. Second, prioritizing research and innovation is key to retaining the highly-skilled and ambitious talents in MENA countries. Improving public spending on education, facilitating public private partnership

(PPP) projects, and developing the education-tech ecosystem can also help retain talent. Third, labor law reforms in the middle-income MENA economies, such as Egypt, Jordan, Morocco, and Tunisia, and the initiation of minimum wage schemes that are also in line with international benchmarks, can help create incentives for the young population to remain. Sincerely, Racha Helwa Director, empowerME Rafik Hariri Center for the Middle East Atlantic Council

2023 WIn Fellowship Roadshow



Upcoming Conversation Atlantic Council RAFIK HARIRI CENTER FOR THE MIDDLE EAST **QAHWA WITH:** empowerME WIn Fellows **Trailblazing Saudi Women**

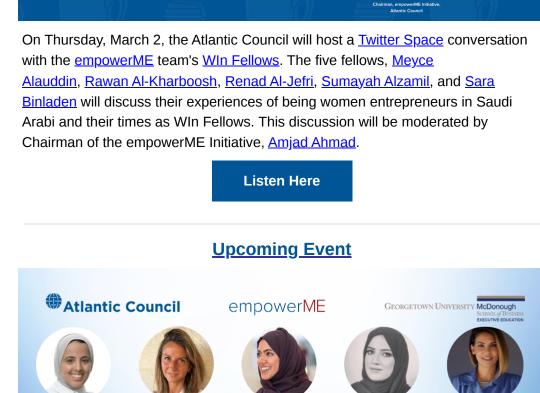
Thursday, March 2 | 11:00 a.m. (ET)

Moderated by

#TwitterSpaces #ACempowerME ()

Entrepreneurs

East Region.



SAUDI ARABIA'S NEW ECONOMIC FORCE: WOMEN ENTREPRENEURS Thursday, March 2nd | 3:00 p.m. (ET); 11:00 p.m. (KSA)

PEPSICO

The Atlantic Council's empowerME Initiative will hold a hybrid panel discussion with its WIn Fellowship Roadshow participants on Thursday, March 2, from 3:00 - 4:30 pm ET / 11:00 pm - 12:30 am KSA. This conversation will be with the participants of the WIn Fellowship Roadshow to hear their inspiring entrepreneurial stories and learn how they are becoming an economic force in Saudi Arabia and the Middle

Register

2023 Inaugural Rafik Hariri Awards and Tenth Anniversary Gala



on R&D spend, a key determinant of economic growth. Gross expenditure on R&D, % of GDP

Sweden Switzerland

USA

UK

UAE Middle East, North Africa, Saudi Arabia and Pakistan (MENAP) countries Morocco Egypt Tunisia Qatar Oman 0.2 Bahrain 0.1 Kuwait 0.1

Watch Video Big Question

"The brain drain in the Middle East and North Africa region, particularly since the

COVID-19 pandemic began, is

How can policy makers in the MENA region create incentives to reverse brain drain?

unprecedented—especially for graduates of medical schools in Egypt. these hospitals soon." Laila El Baradei

Professor of Public Administration The American University in Cairo

"The UAE's focus has been on "brain

region. According to the Arab Youth Survey (2022), 57 percent of young Arabs chose the UAE when asked

succeed through an innovative customer

retention and attraction platform.



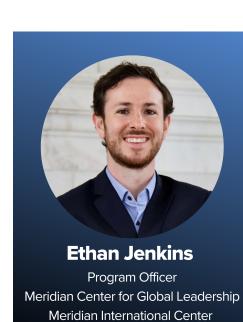
Washington, DC

collaboration can be a valuable tool to reverse brain drain. These programs can provide emerging leaders and young professionals with opportunities to not only develop new skills and grow their professional networks, but additionally to foster a stronger sense of identity with their home countries. By participating in

these programs, individuals can

enhance their expertise in relevant

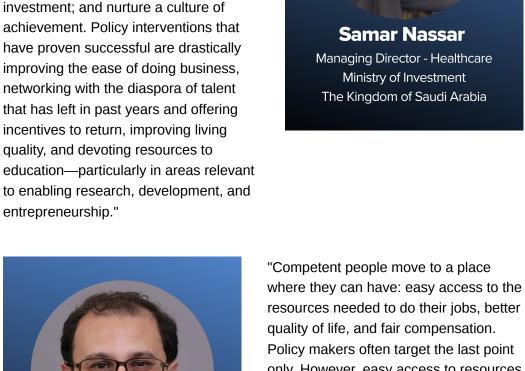
fields, while also promoting cross-



"The first imperative for policy makers is to create opportunities for the educated, entrepreneurial mindsets to return to work and invest back in the region. Creating opportunities is essential, as talent flows naturally to countries—and companies—that create an environment for economic growth; make life easy for

enterprise; attract and welcome





Mohamed Zahran

Computer Science Department

Courant Institute of

Mathematical Sciences

New York University

Economist)

(Bloomberg)

life is a long-term goal that needs a clear plan. Policy makers in the MENA region need to fight bureaucracy, corruption, and ensure fairness both in compensation and recognition. This has to be built in the DNA of governments." **Big Reads** • After decades of empty talk, reforms in Gulf states are real-but risky (The • Saudi Arabia's venture capital funding nears \$1 billion mark (Arab News)

unique chairman, regional venture capital pioneer Amjad Ahmad. **WATCH VIDEO** Subscribe to learn more about our latest events and publications! Subscribe

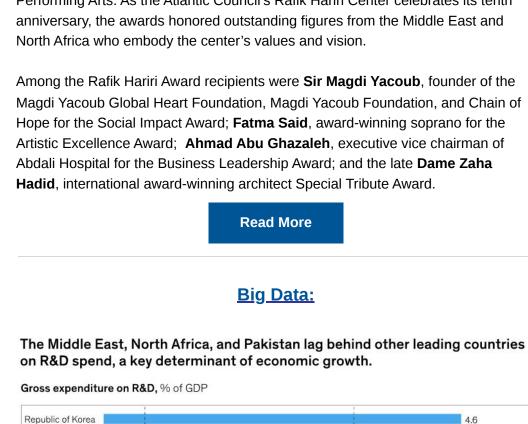
prosperity, and job creation.

economies' (The National News)

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0.53 Average of MENAP countries Source: Soumitra Dutta et al., eds., Global Innovation Index 2021: Tracking innovation through the COVID-19 crisis, 14th edition, World Intellectual Property Organization, 2021 Source: McKinsey & Company



3.22 Average of top five countries on GII

3.2

5 countries with

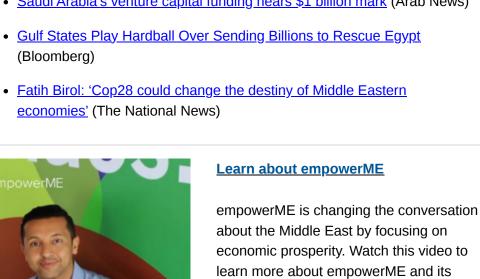
highest overall rankings on

To combat brain drain in the medical field, policymakers need to quickly restructure the compensation system for physicians working in public hospitals, or else we will not find anybody working in





resources needed to do their jobs, better quality of life, and fair compensation. Policy makers often target the last point only. However, easy access to resources needed for the job, whether the job is research, educational, or entrepreneurial, means way less bureaucracy for paperwork and export of material and less corruption. Quality of



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<u>empowerME</u> shapes solutions to empower entrepreneurs, women, and the private

sector and builds influential coalitions to drive regional economic integration,