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**Debating Brain Drain: An Overview**

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**Abstract:** The basic needs of desperately poor people frequently activate normative concern. An important part of addressing deprivation is the availability of skilled personnel able to provide what would fulfill needs. Sadly, developing countries, where neediness is most dire, experience severe shortages of just such personnel. For instance, about 4.25 million more health workers are needed to supply basic health for all. These shortages are exacerbated by the departure of high numbers of skilled personnel from developing countries seeking better prospects for themselves in developed ones. What, if anything, may developing countries defensibly do to solve problems associated with high skill migration? In our just published book, *Debating Brain Drain: May Governments Restrict Emigration?*, I develop an account of the responsibilities skilled citizens of poor, developing countries have to contribute to deprivation reduction, especially when they wish to leave such countries. In this overview article I discuss the structure of that project. I focus particularly on my case that carefully designed compulsory service and taxation programs can be justified under certain kinds of conditions.

**Keywords:** bhagwati tax, brain drain, compulsory service, emigration, global justice

1 **Introduction**

The basic needs of desperately poor people frequently activate normative concern. An important part of addressing deprivation is the availability of skilled personnel able to provide what would fulfill needs. Sadly, developing countries, where neediness is most dire, experience severe shortages of just such personnel. For instance, about two million more teachers and 4.25 million more health workers are needed to supply basic health and education for all.¹ These shortages are exacerbated by the departure of high numbers of skilled personnel


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from developing countries seeking better prospects for themselves in developed ones. What, if anything, may developing countries defensibly do to solve problems associated with high skill migration?

In our just published book, [*Debating Brain Drain: May Governments Restrict Emigration?*](#), I develop an account of the responsibilities skilled citizens of poor, developing countries have to contribute to deprivation reduction, especially when they wish to leave such countries. In this overview article I discuss the structure of that project. I focus particularly on my case that carefully designed compulsory service and taxation programs can be justified under certain kinds of conditions, such as when poor, responsible, legitimate developing states are making good faith efforts to supply core goods and services that citizens need for a minimally decent life, under severe budgetary constraints, and where there is full information about those constraints and what is expected when students accept opportunities for tertiary-level training.

## 2 Some background

### 2.1 Global justice and the importance of states

The problems of brain drain arise largely because there are vast disparities in life prospects in different countries and some are unable to provide sufficiently good opportunities. If a state is unable to provide citizens with reasonable prospects for a decent life and that is a fundamental factor driving migration, we should investigate what obligations there might be to remedy that underlying situation. So, what responsibilities do we all have to one another to ensure essentials for a decent life? How, if at all, should membership in states matter to our obligations? I have developed a comprehensive account of global justice in earlier work.

If we are interested in global justice (or at least reducing global injustice), there are many state-level institutions, policies and practices that should be a focus for concern. State-level institutions are still highly significant in promoting or retarding human beings’ prospects for flourishing lives and constitute an important site of co-operation that ought to aspire to fairness. Furthermore, in

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the world we live in, much responsibility for ensuring core ingredients necessary for a good life are devolved to states. States are therefore an important vehicle through which many key aspects of global justice are secured and protected. Third, as an empirical matter, in our current world effective states are undeniably important for beneficial development. There are many reasons why states that are effective are indispensable to beneficial development. States ensure the availability of key goods including healthcare, education, water, sanitation, infrastructure, security, the rule of law, and at least a minimum level of social and economic stability, all of which are necessary precursors in building a dynamic economy capable of pro-poor growth. States are also in a unique position to regulate and develop the economy in helpful ways. All in all, the body of evidence that confirms the positive role effective states can play in reducing poverty is huge; on some accounts, states are altogether essential to the process. In addition, actively engaged citizens can play a key role in helping to produce and maintain effective and accountable states.

Once we appreciate the role effective states have to play in securing global justice, we come to realize that skilled citizens have an important role to play in helping states to be effective. What may states permissibly do to retain skilled workers or benefit from their skills? It is to those issues that we turn shortly. Before we are in a position to discuss these normative issues, we must first survey some relevant empirical evidence that suggests skilled worker migration can cause important losses and we discuss that next.

2.2 Effective states require robust institutions

Creating better institutions is a significant component in helping people out of poverty, and a key factor in promoting development. For instance, those institutions that promote respect for the rule of law and accountability make for an environment conducive to innovation and investment in education, health, and


infrastructure, all key ingredients for lifting people out of poverty. As I go on to
discuss, one of the most worrisome setbacks developing countries suffer from
emigration is damage to institutions, institution building, and therefore the loss
that is sustained in opportunities for development and escape from poverty. I
document some of the many important ways in which high skill migration can
have detrimental effects for those left behind. Some of the notable negative
effects concern important fiscal losses, reduced knowledge transfer, and
reduced income levels and long term economic growth. But, as I highlight, the
most worrisome effects are institutional. Highly skilled people are “close to
indispensable” in building domestic institutions. As institutions are crucial in
promoting development, when those most likely to contribute to institution
building are absent, development suffers.

People build institutions and the skilled people who leave are potentially
important institution builders. Skilled and talented citizens are both important
sources of demand and supply for institutional reform. Generally, for institution
building to occur, you need a critical mass of people with high levels of human
capital. For instance, in the US it has been argued that an “intellectual vanguard
of university-trained professionals, economists, and other progressive thinkers
was among its most valuable state-building resources during the early twentieth
century. These individuals played key roles in developing a more professional
and bureaucratic state by providing new ideas about better organization
and the exercise of power”. The loss of those with high skill levels often
promotes more emigration, thus further undermining that critical mass
necessary for institution building. In addition, the World Values Survey Data
suggests a strong connection between a pro-democracy stance and class and education,
so when the more educated leave this can weaken local support for democracy.
Developing countries tend to have a limited middle class so if members

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of this segment leave in high numbers, maintaining robust democracies may be challenging.

It is important to point out that there are at least three distinct types of harms that have been identified in this brief survey of detrimental effects from compatriots’ departure on those left behind:

(i) purely financial loss (such as costs of training or loss of tax revenue);
(ii) loss of skills and services; and
(iii) loss of institution-building assets.

Some losses of types (i) and (ii) have an important indirect effect on the quality and capacity for better institutions. For instance, loss of tax revenue can play a vital role in states’ abilities to be effective, and having sufficient funds to build and sustain institutions is also obviously important. Also, providing some kinds of goods (such as basic education and healthcare) might be necessary precursors for the right kinds of institutions to take root, so may be necessary conditions for institution building.

2.3 A note about some of the positive effects and the empirical evidence

Do the positive effects that result from emigration outweigh or compensate for the losses identified? It is often suggested that there are a number of ways in which high skill migration can have good poverty-reducing or institution-enhancing effects, and can benefit countries of origin. These include:

i. *Increased human capital formation:* the prospect of leaving to seek a better life elsewhere incentivizes many to acquire skills they would not otherwise.

ii. *Network or diaspora effects:* emigrants residing abroad can become assets to countries of origin, for instance, enhancing trade links or facilitating additional mutually beneficial opportunities which would not arise in the absence of migrants living outside of the home country.

iii. *Temporary migration and return:* migrants often bring many benefits back to countries of origin when they return, such as enhanced human and other forms of capital, or progressive ideas, including the importance of promoting freedom, equality, or democracy.

iv. *Remittances:* Migrants often send sizeable funds back to friends and family in countries of origin. The volume of such cross-border transfers is huge and standardly is much greater than official development assistance.\(^{11}\)

\(^{11}\) For an extended analysis of some of the positive and negative effects of remittances see also Brock, Global Justice, Chapter 8.
An extended analysis of the empirical literature is not needed for several reasons. The main reason is that Michael Blake and I agree that despite a huge range of benefits that accrue to countries of origin, there are some cases in which net losses may be occurring. So, the key normative question is worthy of consideration, namely: when there are important net losses for poor, developing countries, what may they do to remedy these? And we share the view that there are enough real world cases of tragic losses that this core normative issue has some important bearing for the world we live in and so deserves analysis.

As we see from surveying some of the empirical evidence, the effects for countries of origin are complex and multi-faceted. There are many ways in which high skill migration can have important consequences for countries of origin. The main channels of influence that I discuss in this book include fiscal losses, human capital formation, temporary migration and return, network or diaspora effects (especially on trade, foreign direct investment, technology adoption, and home country institutions), remittances, impacts on services or outcomes involving core goods (notably health and education), knowledge spillover effects, effects on income and growth, and of course, effects on institutions and institution building possibilities. Given this range of considerations it is not surprising that research confirms that the effects of brain drain vary considerably for different countries of origin, especially given population size, skill levels within those populations, and so forth. Though I do not deny that there can be considerable benefits, I also want to emphasize that when we do the aggregation, we need to consider both benefits and costs, and we need to evaluate whether net resulting benefits are sufficiently large as to outweigh some of the pervasive harms that also flow from migration. In trying to arrive at an overall assessment, we should be especially careful in taking into account factors that might undermine the fundamental features necessary to sustain the right kinds of prosperity promoting conditions. Prominent among such conditions are those that sustain robust institutions and effective states.

While the argument I make in this book aims to be well informed by current evidence, it is not, strictly speaking, dependent on it, in the sense that I am not relying on there being important losses, as a key assumption in my argument. Obviously, if there are no relevant losses, there is nothing to offset. So it is relevant to my project that at least in some cases we can identify relevant losses. And it is also pertinent that we can identify many of the types of losses that accompany high skill migration so we can identify appropriate policy that could mitigate these categories of losses. But we need not be committed to the view (that is surely false) that the losses identified must always accompany high skill migration. Again, and for emphasis, my central question is a conditional
one: When there are relevant losses that accompany high skill migration, what may governments from poor, developing countries do about such losses?

3 Some policy options: compulsory service and taxation

There are a variety of policy options that deserve our consideration in attempting to reduce damage to those left behind. The ones I am particularly interested in discussing here are the permissibility of compulsory service programs and taxation arrangements that target citizens who have departed or those who wish to do so. Is it permissible to coerce (whether directly or indirectly) highly skilled citizens to provide service for payment in their skill areas for a short period? Are programs that tax departing or departed non-resident citizens justified?

3.1 Compulsory service programs

First of all, what do I mean by a “compulsory service program”? The basic idea is that a period of service is required, typically on completion of a course of study, and the state may be quite directive about where that service should take place. The state frequently directs service towards those areas considered to be underserved – those areas for which it is hard to attract staff capable of delivering the necessary services, given normal market incentives. A common reason for an area being underserved is that it is geographically remote, far from typical attractions that urbanized areas offer, such as many schooling or lifestyle opportunities often desired by potential providers especially those with families. For this reason compulsory service is frequently directed towards rural areas.

Programs of compulsory service may include a large variety of schemes. In a comprehensive study, Frehywot, Mullan, Payne and Ross survey a large variety of compulsory service programs currently in use in 70 countries, which attempt to deploy and retain a professional health workforce within particular countries. They identify a number of programs as instances of compulsory service programs.

some of which are more accurately characterized as incentive schemes, in my view. So, while I reject the authors’ particular typology, the study is useful in bringing to our attention the range of programs classified as compulsory service. Surveying and reflecting on these programs, we might distinguish seven common types of programs. I list them next, ordered loosely from ones that may be considered to be more coercive, to those that could reasonably be seen as less coercive and perhaps are more accurately described as incentive schemes:

1. Some required service must be performed as a condition of completing the education needed to be awarded a degree. For instance, a requirement to complete a module of underserved community service (typically in rural areas, but other communities are sometimes included) is part of the degree requirements to become a medical doctor.

2. Service in underserved communities is required on completion of the degree.

3. There is a delay (such as one year) between completing the education necessary to be awarded the degree and the awarding of the degree.

4. There is a requirement to complete a module of underserved community service as part of the requirements to gain a license to practice in that state.

5. There is a requirement to complete a term of underserved community service in order to be considered for postgraduate training.

6. Completing a term of underserved community service is considered an advantage in applications for postgraduate training.

7. Incentives are offered to serve in various underserved areas. These incentives could take various forms including offering employees subsidized or free housing, education for their children, higher salaries, or low rate loan opportunities.

In my view, (6) and (7) are not at all coercive and are more accurately described as incentive schemes. A dominant assumption is that compulsory service involves programs such as (2), but in the literature we find quite a range of

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13 These programmes are all governed by some type of regulation, ranging from a parliamentary law to a policy within the ministry of health. Depending on the country, doctors, nurses, midwives or all types of professional allied health workers are required to participate in the programme. Some of the compliance-enforcement measures include withholding full registration until obligations are completed, withholding degree and salary, or imposing large fines.

14 In the real world programs may combine several features. I separate out here different features of the programs, while acknowledging that in practice sometimes programs combine more than one feature. I also broaden the scope of such programs to include not just healthcare workers, but also all other skilled citizens trained at tertiary level who are involved in the provision of core goods and services necessary for citizens to flourish.
possibilities. Compulsory service programs could take the form of (3) or (4) which involve fairly low levels of coercion. In practice, (3) may have almost the same desired result as (2) because newly trained but not yet officially graduated healthcare workers may lean heavily on government provided opportunities during that period, which might involve performing less desired work in underserved communities. At any rate, many of the newly trained (but not yet graduated) are likely to remain in the country for at least the length of time required to get the paperwork needed to receive the qualifications, so in effect will serve in countries of origin for that period. On (4), if one wants a license to practice in the state one must perform a period of compulsory service. One may not wish to practice in the state so that would hardly be coercive if one wishes to leave it.

Another interesting fact we learn from examining the literature on compulsory service is that the most common way to enforce service requirements is through withholding certification necessary to practice legally within a particular country, i.e., programs such as (3) and (4). Freywot et al report that 64% of the compulsory service programs they surveyed do this.\(^\text{15}\)

### 3.2 Taxation programs

The basic idea with the taxation programs that are our focus is that departing citizens would be eligible for taxation, and the taxes could be levied in various ways. These include departure taxes, ongoing taxation on income (at least for a certain period such as five years after exit), or tax sharing arrangements between home and host countries. A high profile proposal concerning ongoing taxation is the Bhagwati Tax Proposal, which has undergone several forms since its initial presentation in 1972.\(^\text{16}\) In its original formulation, the Bhagwati Tax would enable developing countries to receive revenue streams from emigrants living in developed countries to offset some of the effects of brain drain.\(^\text{17}\) Another reason offered for such taxes is that if those who leave countries of origin still retain the right to vote (as many do) then there is “representation without

\(^{15}\) Frehywot et al., “Compulsory Service Programmes,” p. 366.


\(^{17}\) Bhagwati and Parlington (eds.), *Taxing the Brain Drain*. 
taxation”. Those who have a say in determining the life of a community should also be prepared to help support that community financially.\footnote{18} In Bhagwati’s preferred form, the tax would be collected and administered via the institutions of the United Nations. The tax would be levied for a certain period, such as the first ten years after an emigrant departs from a developing country. The United Nations would have the authority and the means to direct the revenue to countries of origin, and could deal with the issue of any corrupt or dictatorial countries by disbursing funds to developed countries to spend as part of their normal development spending. Early reactions to the proposal focused on anticipated legal, administrative, and practical problems. But a further wave of attention challenged the idea that these issues were insurmountable. More than three decades on, there is considerable co-operation among jurisdictions (especially about taxation matters) in such a way that many obstacles to its implementation have been cleared.\footnote{19} In practice, we see that several countries do tax their citizens who live abroad. Countries such as the United States (currently) and the Philippines (prior to 1998) use citizenship as the basis for ongoing taxation, taxing their citizens on worldwide income received, regardless of where they reside. The US experience shows that it is not only possible to tax citizens living outside of their countries of citizenship, but that it may be less complicated than previously argued and can bring in considerable sums from some of the most high income earning citizens who are globally mobile.\footnote{20}

Why would it be fair to expect citizens who wish to exit a country to pay taxes to the country they leave? Are compulsory service programs a defensible instrument of social or global justice? We need to examine the important normative issues next and explore the responsibilities emigrants and destination countries have to those left behind. We discuss some of these policy options in more detail once we have explored the normative case for there being important responsibilities that need to be discharged, especially on the part of the emigrant.

\footnotetext{20}{Desai et al., “Sharing the Spoils”}
4 Whose responsibility is it to remedy losses caused by the departure of skilled migrants?

4.1 Some normative considerations

Consider the following case, which I call “Attempting to be a responsible government, even though poor”, or “Responsible, but poor” for short. A legitimate government of a poor developing country attempts to address and provide for its citizens’ needs in a responsible way. It makes projections of current and future citizens’ needs, and makes good faith efforts to plan to meet them. It realizes it will have to invest in training in a number of areas: the country needs more nurses, doctors, and a range of other health care workers, but also more engineers, legal experts, teachers, skilled construction workers, architects, quantity surveyors, information technology experts, economists, social workers, experts in finance and entrepreneurial skills, workers skilled in best administrative practice, and a host of other categories, in order to build robust, well-functioning institutions and the necessary ingredients capable of sustaining decent lives for its citizens. After thoroughly reviewing its budget, the government decides that it has sufficient funds to train only a small number of people in each skill category every year. For emphasis, let us make that number very small, let us say only five people can be trained in each of the identified need categories. The government widely publicizes the state of its budget, which is transparently available for all to see (on its web-based transparency portal), as is the budgetary calculation indicating why it is a sensible decision that, under the circumstances, only a limited number of people can be trained at public expense every year. The government also widely publicizes its view that given the scarcity of resources, acceptance of the training would create some weighty expectation that on completion of the course of study, the qualified person would provide benefits to citizens in their field of training in the future. The government also suggests that under the circumstances, it believes that the following policy would be justified, namely, that those who accept places in these limited supply tertiary training opportunity courses acknowledge that such acceptance creates an obligation for the graduate to provide services in their chosen occupation for a period of one year. The government proposes that it be made part of a formal agreement that anyone trained in tertiary institutions in that country will be required to provide service to that country for a period of one year. It further proposes adding an additional clause that should the trained citizen leave the country (at any stage), she would
be required to pay either an exit tax or an ongoing income tax back to that government for a period of five years.

The government realizes it needs to provide some normative argument for why these prudent decisions might also be morally justified. It enlists the help of a political philosopher who is to compile a report of normative arguments that they might like to consider. I then discuss what I would advise in my report. This is where the extended normative analysis takes place (over two chapters), which I can only briefly summarize here. I move to that summary of my view next.

Summary of Conclusions from Part I, Debating Brain Drain.
A poor, legitimate, developing state may defensibly regulate emigration of skilled citizens – directly or indirectly – when certain conditions obtain. Importantly, states must be legitimate, background conditions must hold, and citizens must have relevant responsibilities. States exercise power legitimately when they make good faith efforts to protect human rights. The background conditions that must apply are that:

1. Evidence from the particular country indicates that skilled citizens can provide important services for which there are severe shortages, and their departure considerably undermines efforts to meet citizens’ needs. The ways in which citizens’ departure exacerbates deprivation may be quite direct (such as failure to provide important services necessary to meeting basic needs) or more indirect (such as when the institutional reforms necessary for development have been hampered by net losses resulting from migration of skilled workers).

2. Governments have invested appropriately in training of skilled workers to provide for their citizens’ needs and to promote beneficial development.

3. Losses that result from skilled workers’ otherwise uncompensated departure would not adequately be compensated for by benefits that result from citizens who leave.

The skilled citizens have important responsibilities to assist with need satisfaction when all of the following considerations apply (in roughly descending order of importance):

1. Governments have invested scarce resources in creating human capital to provide for the needs of citizens and are entitled to a fair return on their investment.

21 That measure will serve as a concise proxy for the relevant issues, though legitimacy includes also making good faith efforts to provide sufficient public goods, operating an impartial system of justice, collecting and spending public resources judiciously, and so on.
2. By leaving without compensating for losses, emigrants thwart governments’ attempts to discharge their duties.
3. Citizens have received important benefits during their residence in the state of origin and failure to reciprocate for those past benefits involves taking advantage of others or free riding unfairly.
4. Citizens’ leaving without compensation creates important disadvantage for others from which they deserve to be protected.
5. Uncompensated departures that result in governments being unable to discharge their duties undermine citizens’ abilities to support their governments. Fair-minded citizens should not undermine fellow citizens’ abilities to support legitimate governments that attempt to discharge their duties in good faith. We also have other grounds for helping compatriots to support their institutional schemes, such as loyalty and a concern for unintended harmful side-effects.

When all of these conditions obtain, citizens have a moral responsibility to repay accumulated moral debts.

For taxation programs to be justified, in addition to the state’s being legitimate, and the relevant background conditions and moral responsibilities applying, it must be the case that taxation of those skilled citizens would assist in remedying deprivation. Governments should have made all high skilled citizens (whether prospective migrants or not) aware of their need to tax such citizens to assist with remedying deprivation, and have made this an explicit condition of student’s accepting the opportunity for tertiary-level training in various significant courses of study. The taxation program should not require unreasonable sacrifices.

For compulsory service programs to be justified, governments must, in addition to the conditions outlined above, have made students aware of the fact that they will be expected to meet needs on completion of their training, at least for a short period such as one year, and have made this an explicit condition of student’s accepting the opportunity for tertiary-level training in various courses of study. In addition, being present in the country must be important to remedying the deprivations, the compulsory service program should not require unreasonable sacrifices, and the costs of staying should not be unreasonable.

5 Some concluding thoughts

The above constitutes a summary of the central position on when compulsory service and taxation programs are justified, along with the overall shape of the
arguments explored in more detail in *Debating Brain Drain*. The book continues the development of the argument by considering key objections to the view and some replies, along with an extended analysis of my chief opponent’s position. Do compulsory service programs not inappropriately limit the freedom and opportunity of emigrants? Why think it is justifiable to coerce some people to labor for the benefit of others? Why distribute so much of the responsibility for assisting the needy on relatively poor compatriots rather than affluent developed world citizens? And why think the emigrant can assist best by staying in the country of origin rather than from outside of it? These are the sorts of reasonable questions that need further analysis and more extended treatment of these issues continues in the book.

Michael Blake argues that the proposals I defend – such as for compulsory service or taxation – are both unfair and illiberal. They are unfair because they place a disproportionate share of the burden of global justice on talented and educated residents of developing societies. And they are illiberal, because they rest upon an illegitimate vision of what the state is entitled to do. These are important lines of objection to my argument that deserve extended analysis. Such consideration takes place particularly in Chapters 5 and 10 of *Debating Brain Drain*. The debate continues in the articles and my response collected in this volume. I continue to argue that, contrary to such important lines of objection, a significant case can be marshaled for the defensibility of carefully constructed taxation and compulsory service programs. The details of such programs matter a great deal. For exactly how long will taxation or compulsory service be justified? How will these programs be enforced? Showing that reasonable answers are available to such questions goes a long way to showing that the programs are neither unfair nor illiberal. On the contrary, failure to implement such programs might attract such charges.  

22 For excellent comments on previous drafts of this work I thank all the participants in a symposium on the book which took place in Frankfurt, June 2015. I am particularly grateful for extremely stimulating comments from Michael Blake, Rainer Forst, Eszter Kollar, Darrel Moellendorf, Christine Straehle, and Lea Ypi.