

# The Cost-Benefit Analysis of Brain Drain and Remittances: Identifying Strategic Priorities for Afghanistan's Economic Development

Dr. Abdullah Sadiq<sup>1</sup>, Azatullah Zaheer<sup>2</sup>, Safiullah Shinwari<sup>3</sup>

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## Abstract

*This study investigates the cost-benefit dynamics of brain drain and remittances in Afghanistan, focusing on their socio-economic impacts and strategic implications for sustainable development. Employing a mixed-methods approach, the research integrates qualitative thematic analysis and quantitative regression models to examine the relationship between skilled migration, remittances, and overall economic performance, including GDP and human capital development. Data were sourced from international reports, academic studies, and global databases, capturing a comprehensive view of migration and remittance trends.*

*The findings reveal that political instability, restrictive policies, and limited professional opportunities are major drivers of brain drain, undermining Afghanistan's economic resilience and growth. While remittances positively contribute to GDP and poverty alleviation, over-reliance on these inflows creates long-term economic vulnerabilities. The study emphasizes the importance of governance reforms, strategies to retain skilled professionals, and policies to channel remittances into productive investments. These findings provide actionable insights for addressing brain drain while leveraging remittances for Afghanistan's sustainable development.*

**Keywords:** *Brain drain, Remittances, Skilled migration, Afghanistan, Economic development, Political instability, Human capital, Governance reforms, Sustainable development, Socio-economic challenges*

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<sup>1</sup>. Assistant Professor (Salam University Kabul, Afghanistan). [Abdullah.sadiq88@gmail.com](mailto:Abdullah.sadiq88@gmail.com)

<sup>2</sup>. Lecturer (Salam University Kabul, Afghanistan). [Azatullahzaheer28@gmail.com](mailto:Azatullahzaheer28@gmail.com)

<sup>3</sup>. Lecturer (Salam University Kabul, Afghanistan)

## Introduction

Afghanistan has faced years of political instability and economic struggles, which have caused many skilled professionals to leave the country for better opportunities. This ongoing brain drain has seriously affected key areas like education, healthcare, and economic development, leaving large gaps in the workforce and weakening the country's ability to recover (Conflict and Health, 2024). The return of the Taliban in 2021 made the situation even worse, as many doctors, engineers, and teachers left the country. Losing so many skilled workers has been a big setback for Afghanistan, which already faces major challenges in rebuilding its institutions.

At the same time, remittances from Afghan migrants have become an important source of support for families and the economy. In 2020, these remittances made up about 4% of Afghanistan's GDP, providing critical help during tough times (International Organization for Migration, 2021). Migrants who are more educated tend to send more money back home, which helps reduce poverty and supports economic stability (Migration Data Portal, 2021). However, while remittances give short-term financial relief, they cannot replace the long-term loss caused by the departure of skilled workers (Migration Data Portal, 2021).

This issue is not limited to Afghanistan. Neighboring countries like Pakistan and Iran are also affected by brain drain. Pakistan faces shortages of healthcare workers as many migrate to Gulf countries for better jobs. Iran, on the other hand, deals with its own brain drain while hosting Afghan migrants who often take on lower-skilled jobs. These common challenges show the need for regional cooperation to better manage migration and make the most of its benefits (Center for Strategic and International Studies, 2023).

The challenges of brain drain and reliance on remittances bring both risks and opportunities for Afghanistan. Remittances provide important financial support, but the country needs to reduce its dependence on them by keeping its skilled professionals. Policies should focus on retaining talent and using remittances for productive investments. Working with neighboring countries can also help manage the effects of migration and create shared solutions for sustainable development (United States Institute of Peace, 2023).

This study aims to explore the trends of migration and remittances in Afghanistan, focusing on how to balance the costs of brain drain with the benefits of remittances. It will analyze the challenges and opportunities posed by migration and provide strategies and recommendations to ensure that remittances contribute effectively to sustainable economic development while minimizing the negative impacts of skilled labor loss.

## Problem Statement

The loss of skilled labor due to brain drain significantly reduces Afghanistan's human capital, directly impacting key sectors such as education, healthcare, and economic development. While remittance inflows provide essential financial support to households and communities, driving consumption and poverty alleviation, the trade-offs between the economic costs of brain drain and the benefits of remittances remain insufficiently analyzed. This knowledge gap hinders policymakers from designing strategies that effectively balance these factors to foster sustainable development, particularly in a region where economic challenges and migration trends are deeply interconnected.

### **Research Objectives**

This study aims to explore the cost-benefit dynamics of brain drain and remittances in the context of Afghanistan. Specifically, the research seeks to:

1. To analyze the socio-economic costs and challenges of brain drain in Afghanistan, with a focus on its impact on critical sectors and economic development.
2. To evaluate the role of remittance inflows in enhancing Afghanistan's economic growth, stability, and resilience.
3. To identify and propose strategies for mitigating the adverse effects of brain drain while leveraging remittance inflows for sustainable economic development.

### **Research Questions**

1. What are the costs and socio-economic challenges associated with brain drain in Afghanistan, particularly its impact on critical and economic development?
2. How do remittance inflows influence Afghanistan's economic growth and resilience?
3. What strategies can mitigate the adverse effects of brain drain while optimizing the benefits of remittances for sustainable economic development?

### **Significance of the Study**

The findings of this study are expected to contribute to a deeper understanding of the interconnected impacts of brain drain and remittances on Afghanistan's economy. By identifying the trade-offs and synergies between these phenomena, the research aims to inform policymakers and stakeholders about strategies that can foster economic resilience. Moreover, this study aligns with Afghanistan's broader goals of achieving sustainable development and retaining its skilled workforce while capitalizing on diaspora contributions.

### **Literature Review**

The phenomenon of brain drains, defined as the emigration of skilled and educated individuals in search of better opportunities, has long been a concern for developing countries. This issue is particularly

detrimental to nations already struggling with economic and social challenges, as it depletes their human capital, affecting essential sectors such as education, healthcare, and governance. Vega-Muñoz et al. (2022) emphasize that governance plays a pivotal role in retaining talent, with political stability and the rule of law acting as significant deterrents to migration. Conversely, political instability and economic inequality foster dissatisfaction, driving skilled individuals to leave their home countries. Similarly, Fakih and El Baba (2023) and Fetzer and Millan (2015) highlight the interplay between political dissatisfaction, economic hardship, and professional stagnation as key factors behind brain drain.

Afghanistan exemplifies the severe impact of brain drain on socio-economic development. Its history of conflict, restrictive policies, and economic instability has forced millions of skilled individuals to emigrate, creating a critical void in key sectors. Nezami (2019) estimates that over seven million Afghans emigrated during the Soviet occupation and subsequent Taliban regime, significantly undermining the country's capacity to rebuild. Recent policies, such as bans on female education and restrictions on women working in NGOs, have accelerated the outflow of educated individuals, particularly women (United States Institute of Peace, 2023). The consequences of brain drain are not confined to Afghanistan; neighboring countries like Pakistan and Iran also face significant challenges, with large-scale emigration of skilled professionals resulting in shortages across sectors such as healthcare and education (Medical Channel Asia, 2023; Financial Times, 2025).

On the other hand, remittances offer a lifeline to many developing economies, including Afghanistan. Numerous studies affirm the positive relationship between remittances and economic growth, particularly under favorable conditions. Kajtazi and Fetai (2022) and Islam et al. (2021) find that remittances, combined with complementary factors such as financial sector development and innovation, significantly boost economic performance in developing and middle-income countries. In Afghanistan, remittances contribute substantially to household income, enabling families to meet basic needs and invest in education (Temory, 2024). This is especially vital in a context where official development assistance has dwindled, as highlighted by ACAPS (2023).

However, the reliance on remittances is not without risks. Studies by Pradhan (2016) and Qutb (2022) caution that over-reliance on remittance inflows can lead to dependency, reduced labor force participation, and economic vulnerabilities, such as inflationary pressures. Afghanistan's financial system's limited capacity further exacerbates these risks, constraining the productive use of remittances for long-term growth. Without strategic interventions, the economy risks falling into stagnation, echoing the findings of global studies on the long-term challenges of remittance dependency (Ratha, 2013).

In addressing these interconnected challenges, a multifaceted approach is crucial. Improvements in governance, the creation of economic opportunities, and investment in human capital are essential to mitigate brain drain while maximizing the socio-economic benefits of remittances. Collaborative regional strategies can also play a pivotal role in tackling the root causes of migration and fostering sustainable development (Dustmann & Glitz, 2011; Barajas et al., 2009).

### **Methodological Approach**

This research employs a mixed-methods approach, integrating both qualitative and quantitative methods to comprehensively explore the costs and socio-economic challenges associated with brain drain, as well as the impact of remittances and net migration on economic growth and tertiary education.

### **Qualitative Analysis**

The qualitative component of this study focuses on:

1. **Thematic Synthesis:** Identifying recurring themes and patterns related to brain drain and remittance dynamics in Afghanistan and neighboring countries.
2. **Trend Analysis:** Examining historical and contemporary migration and remittance trends to understand their socio-economic implications.
3. **Inferential Analysis:** Exploring qualitative insights into how migration and remittance flows influence key sectors, such as education and healthcare, and contribute to broader socio-economic changes.

### **Quantitative Analysis**

The quantitative component of the study employs regression models to assess the relationships between net migration, remittances, and two key dependent variables: tertiary education and GDP. This analysis quantifies the impact of these variables, providing data-driven insights to complement the qualitative findings.

### **Hypotheses**

Based on the research objectives and the mixed-methods approach, the following hypotheses are proposed for quantitative analysis:

**H1:** Net migration and remittances significantly impact tertiary-level education.

**H2:** Net migration and remittances significantly impact GDP.

### **Data Collection**

This study utilizes both qualitative and quantitative data to explore the socio-economic implications of brain drain and remittances.

- **Qualitative Data:** Data for the qualitative analysis were collected from a range of secondary sources, including academic literature, policy reports, and institutional publications. Key sources include research studies, international organization reports, and databases that provide insights into brain drain, remittance flows, and their socio-economic impacts on Afghanistan and neighboring countries.
- **Quantitative Data:** Quantitative data were obtained from reputable international databases, primarily the **World Bank** and the **United Nations**, to ensure accuracy and consistency. The data include information on net migration, remittances, labor force size, GDP, and tertiary education levels across Afghanistan and neighboring countries.

## Sampling

The quantitative component of this study employed **purposive sampling** to select Afghanistan and its neighboring countries—Pakistan, Iran, Tajikistan, and Uzbekistan—based on their socio-economic and migration linkages. The sample covers a 20-year period, ensuring sufficient data points for robust statistical analysis and allowing for the examination of long-term trends and impacts.

## Brain Drain

The phenomenon of brain drain has long been a concern for many countries, particularly in the developing world. It refers to the emigration of skilled and educated individuals who leave their home countries to seek better opportunities elsewhere. This issue is especially damaging for nations already grappling with economic and social challenges, as it deprives them of the human capital needed for development. Studies suggest that several factors contribute to brain drain, including economic inequality, poor public services, political instability, and external interventions. For instance, Vega-Muñoz et al. (2022) identify governance as a critical factor, where political stability and the rule of law play a significant role in retaining talent. Conversely, the lack of these elements creates an environment where dissatisfaction and uncertainty drive people to migrate.

Economic conditions are another major driver of brain drain. When opportunities to grow professionally and financially are limited, people seek better options abroad. Fakih and El Baba (2023) point out that dissatisfaction and a lack of trust in the system are common reasons why educated individuals decide to leave. Similarly, Fetzer and Millan (2015) argue that political dissatisfaction often overlaps with economic challenges, making migration an appealing solution for those seeking stability and growth. These combined factors not only deplete a country's talent pool but also create a vicious cycle, where the lack of skilled professionals further hinders development.

Afghanistan serves as a striking example of how brain drain can deeply impact a nation. Its history of conflict, external occupations, and internal instability has forced millions of skilled individuals to leave the country. Nezami (2019) highlights that during the Soviet occupation and later under the Taliban regime, over seven million Afghans emigrated to neighboring countries and beyond. This exodus severely affected Afghanistan's ability to rebuild and develop. In more recent years, the situation has worsened due to restrictive policies such as bans on female education and prohibitions on women working in NGOs and international organizations. According to the United States Institute of Peace (2023), these policies have accelerated the migration of educated individuals, particularly women, further deepening the crisis. Alongside these political challenges, Afghanistan's deteriorating economic conditions, including rising unemployment and inflation, have eroded livelihoods and pushed many to seek opportunities abroad (United States Institute of Peace, 2023).

The problem of brain drain is not limited to Afghanistan. Neighboring countries like Pakistan and Iran are also facing significant challenges. In Pakistan, over 700,000 skilled professionals emigrated in 2023 alone, largely due to political instability, economic hardships, and inadequate infrastructure (Medical Channel Asia, 2023; Spine Times, 2023). Similarly, Iran is experiencing a high rate of emigration among students and academics, driven by inflation and political unrest. This has led to severe skill shortages in key sectors such as education and industry (Financial Times, 2025). Tajikistan faces a similar issue, particularly in the healthcare sector, where many medical professionals are leaving for better opportunities abroad (Olimov et al., 2019). Uzbekistan and Turkmenistan also struggle with brain drain due to limited professional growth opportunities and economic challenges, which push their educated populations to migrate.

Brain drain has wide-ranging consequences, not just for the individuals who leave but also for the countries they leave behind. When skilled professionals emigrate, nations lose their ability to innovate, provide essential services, and maintain strong institutions. Afghanistan, for example, has seen its businesses face shrinking demand and reduced investment confidence due to the loss of talent, as highlighted by the World Bank (2024). The same applies to other countries in the region, where the departure of skilled workers undermines economic stability and long-term development.

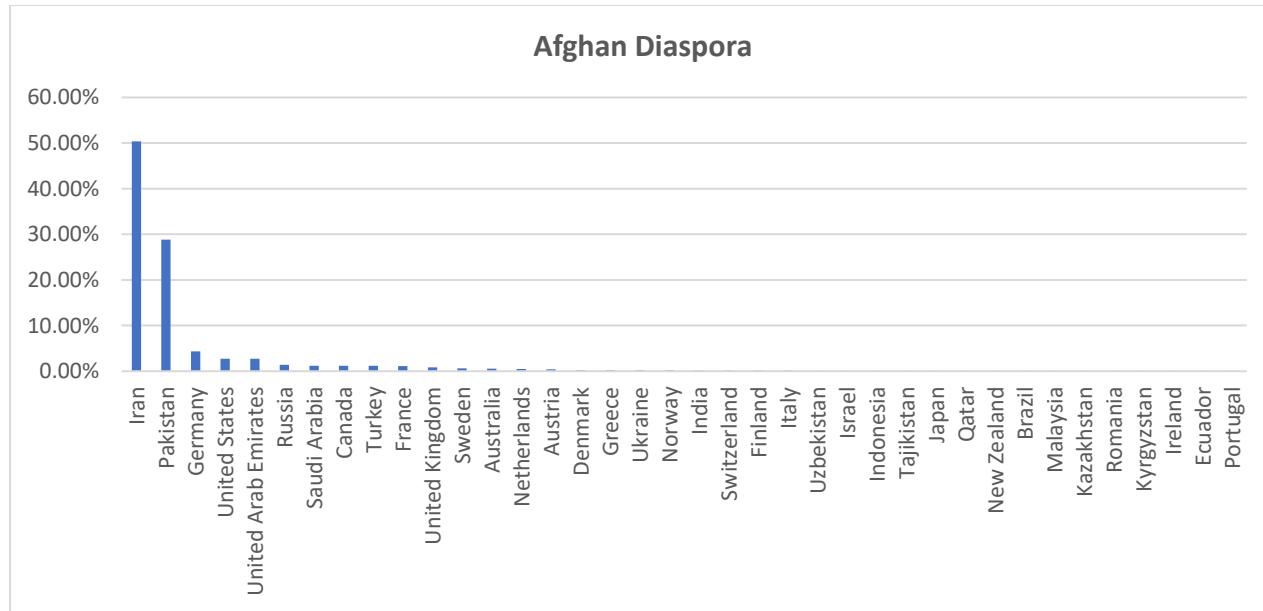
Addressing brain drain requires a multifaceted approach. Countries need to focus on improving governance, creating economic opportunities, and fostering trust in public institutions. At the same time, reducing inequalities and ensuring access to quality public services can help create an environment where skilled individuals feel encouraged to stay and contribute to their home countries. The interconnected nature of brain drain across regions also calls for international cooperation and shared strategies to tackle

its root causes effectively. While the challenges are significant, understanding the underlying factors and implementing targeted policies can offer a path toward mitigating this pressing issue.

The impact of brain drain in Afghanistan is best understood through statistical trends that highlight the scale of skilled emigration and its effects on critical sectors. These statistics provide a clear view of how economic challenges, political instability, and restrictive policies have driven the exodus of talent, underscoring the urgent need for effective solutions to retain and utilize the country's human capital.

### Afghan Diaspora

The Afghan diaspora represents one of the largest displaced populations globally, shaped by decades of conflict, political instability, and economic challenges. Spread across neighboring countries and regions worldwide, the diaspora reflects both a reliance on immediate neighbors for refuge and a pursuit of better opportunities in developed nations. This dispersion has profound implications for Afghanistan's socio-economic landscape, contributing to brain drain while also offering potential for transnational support and development.



**Figure 1**

### Afghan Diaspora

*Note. Data adopted from Wikipedia. Retrieved from [https://en.wikipedia.org/wiki/Afghan\\_diaspora](https://en.wikipedia.org/wiki/Afghan_diaspora)*

Figure 1 shows most Afghans in the diaspora reside in Iran and Pakistan, with smaller populations in Germany, the United States, and the UAE, reflecting regional and global migration patterns.

### Table 1

#### *Global Distribution of the Afghan Diaspora (2023)*

| Afghan Population | Percentage | Year | Country              | Percentage |
|-------------------|------------|------|----------------------|------------|
| 5500000           | 50.40%     | 2023 | Iran                 | 50.40%     |
| 3150000           | 28.87%     | 2023 | Pakistan             | 28.87%     |
| 476,000           | 4.36%      | 2023 | Germany              | 4.36%      |
| 300,000           | 2.75%      | 2023 | United States        | 2.75%      |
| 300,000           | 2.75%      | 2023 | United Arab Emirates | 2.75%      |
| 150,000           | 1.37%      | 2023 | Russia               | 1.37%      |
| 132,282           | 1.21%      | 2022 | Saudi Arabia         | 1.21%      |
| 132,015           | 1.21%      | 2023 | Canada               | 1.21%      |
| 129,323           | 1.19%      | 2021 | Turkey               | 1.19%      |
| 124,830           | 1.14%      | 2023 | France               | 1.14%      |
| 93,296            | 0.85%      | 2023 | United Kingdom       | 0.85%      |
| 67,858            | 0.62%      | 2023 | Sweden               | 0.62%      |
| 59,797            | 0.55%      | 2021 | Australia            | 0.55%      |
| 51,830            | 0.47%      | 2021 | Netherlands          | 0.47%      |
| 44,918            | 0.41%      | 2023 | Austria              | 0.41%      |
| 21,635            | 0.20%      | 2024 | Denmark              | 0.20%      |
| 21,456            | 0.20%      | 2021 | Greece               | 0.20%      |
| 20,000            | 0.18%      | 2001 | Ukraine              | 0.18%      |
| 19,072            | 0.17%      | 2023 | Norway               | 0.17%      |
| 15,806            | 0.14%      | 2021 | India                | 0.14%      |
| 14,523            | 0.13%      | 2021 | Switzerland          | 0.13%      |
| 12,044            | 0.11%      | 2021 | Finland              | 0.11%      |
| 12,096            | 0.11%      | 2021 | Italy                | 0.11%      |
| 10,000            | 0.09%      | 2022 | Uzbekistan           | 0.09%      |
| 10,000            | 0.09%      | 2012 | Israel               | 0.09%      |
| 7,629             | 0.07%      | 2021 | Indonesia            | 0.07%      |
| 6,775             | 0.06%      | 2021 | Tajikistan           | 0.06%      |
| 6,063             | 0.06%      | 2024 | Japan                | 0.06%      |
| 4,000             | 0.04%      | 2012 | Qatar                | 0.04%      |
| 3,414             | 0.03%      | 2013 | New Zealand          | 0.03%      |

|                   |       |      |                   |       |
|-------------------|-------|------|-------------------|-------|
| 2,800             | 0.03% | 2023 | <b>Brazil</b>     | 0.03% |
| 2,661             | 0.02% | 2021 | <b>Malaysia</b>   | 0.02% |
| 2,500             | 0.02% | 2021 | <b>Kazakhstan</b> | 0.02% |
| 2,384             | 0.02% | 2020 | <b>Romania</b>    | 0.02% |
| 2,000             | 0.02% | 2002 | <b>Kyrgyzstan</b> | 0.02% |
| 1,200             | 0.01% | 2019 | <b>Ireland</b>    | 0.01% |
| 1400              | 0.01% | 2018 | <b>Ecuador</b>    | 0.01% |
| 883               | 0.01% | 2021 | <b>Portugal</b>   | 0.01% |
| <b>10,912,490</b> |       |      |                   |       |

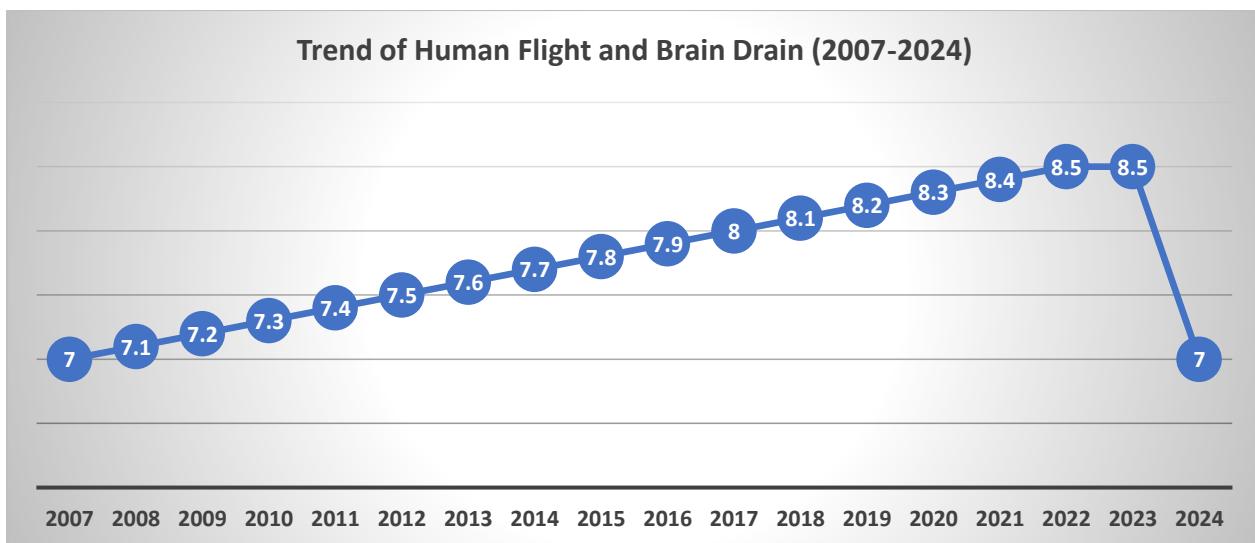
*Note. Data adopted from Wikipedia. Retrieved from [https://en.wikipedia.org/wiki/Afghan\\_diaspora](https://en.wikipedia.org/wiki/Afghan_diaspora)*

The table 1 highlights the distribution of the Afghan diaspora globally, emphasizing the concentration of Afghan populations in key host countries. As of 2023, Iran and Pakistan host the majority, with **50.4%** and **28.87%** of the diaspora, respectively, reflecting Afghanistan's reliance on neighboring countries for migration over decades. Other significant destinations include Germany (4.36%), the United States (2.75%), and the United Arab Emirates (2.75%), which together accommodate smaller yet notable proportions of Afghans.

The widespread presence of Afghans across diverse regions, including Europe, North America, and the Middle East, reflects the long history of displacement due to conflict, instability, and economic challenges. This dispersion further contributes to brain drain, as skilled and educated individuals often migrate to countries offering better opportunities, leaving Afghanistan with reduced intellectual and professional resources. The global distribution underscores the importance of policies aimed at fostering conditions for return or leveraging the diaspora's capacity for Afghanistan's socio-economic development.

### **Human Flight and Brain Drain from Afghanistan**

Human flight, often referred to as "brain drain," involves the emigration of skilled professionals, leading to a loss of talent in the originating country.

**Figure 2***Trend of Human Flight and Brain Drain (2007-2024)*

*Note. Data adopted from TheGlobalEconomy.com, Afghanistan: Human flight and brain drain index, 2024. Retrieved from [https://www.theglobaleconomy.com/Afghanistan/human\\_flight\\_brain\\_drain\\_index/](https://www.theglobaleconomy.com/Afghanistan/human_flight_brain_drain_index/)*

The Figure 2 illustrates the trend of Afghanistan's Human Flight and Brain Drain Index from 2007 to 2024, showcasing notable changes in the emigration of skilled professionals. Starting at 7.00 in 2007, the index steadily increased, reaching its historical maximum of 8.50 in 2023, indicative of severe brain drain exacerbated by socio-economic and political challenges. The latest value for 2024 shows a sharp decline to 7.00, suggesting potential stabilization or improvements that have reduced human capital flight. Compared to the world average of 4.98 index points (based on data from 176 countries), Afghanistan's average from 2007 to 2024 is significantly higher at 7.59. The country's minimum value of 7.00 was recorded in both 2007 and 2024, while the peak of 8.50 occurred in 2023. These trends highlight the pressing need for policy interventions to address the underlying causes of brain drain and foster conditions that retain talent, ensuring long-term socio-economic development.

**Table 3***Displacement and Migration Trends of Afghans (2024)*

| Category   | Number of People | Remarks                                 |
|--|------------------|---|
| Afghans who are refugees, in refugee-like situations, or seeking asylum (as of 2024) | 6.4 million      | Includes all Afghan refugees worldwide. |
| Internally Displaced Persons (IDPs) (as of 2024)                                     | 2.0 million      | Conflict-induced displacement.          |
| Total refugee returns since 2002   | 6.2 million      | Majority returned in earlier years;     |

significantly lower in recent years.

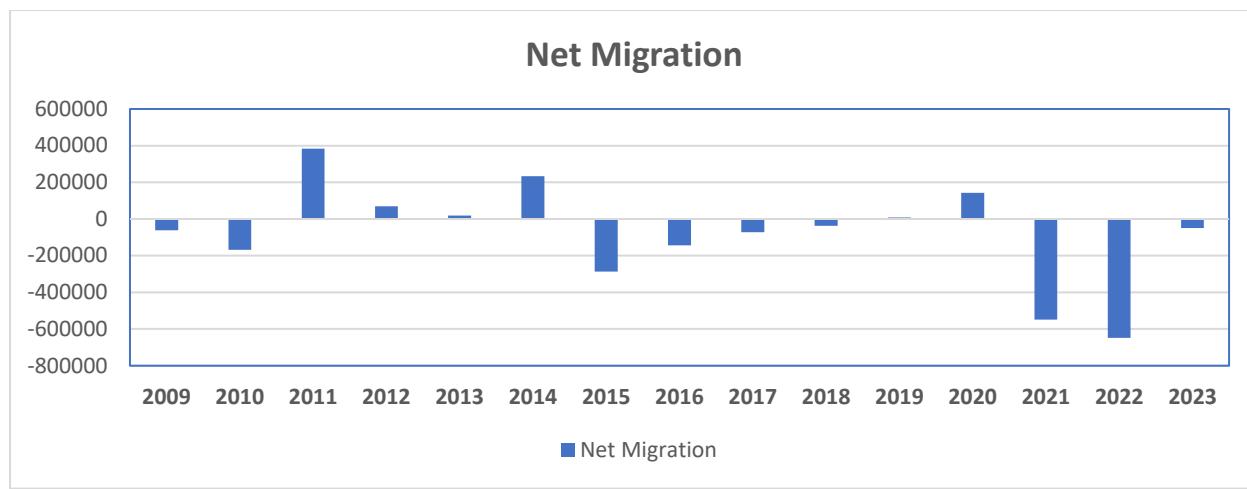
|  |                                 |  |
|--|---------------------------------|--|
| New Afghan arrivals in neighboring countries since August 2021 | 1.6 million                     | Post-Taliban takeover migration.   |
| Refugee and IDP returnees in 2023                              | 360,000                         | Includes voluntary returns during 2023.                                      |
| Refugees returned in the first 9 months of 2023                | Over 12,000                     | Returned due to improved conditions in Afghanistan and family reunification. |
| Estimated returns (2024 projections)                           | 360,000 refugees, 300,000 IDPs) | Anticipated voluntary returns in 2024.                                       |

*Note. Data adopted from United Nations High Commissioner for Refugees. (2024). Afghanistan situation: Global appeal 2024. UNHCR. Retrieved from <https://reporting.unhcr.org/afghanistan-situation-global-appeal-2024>*

The table 3 underscores Afghanistan's ongoing challenges with displacement and brain drain. As of 2024, 6.4 million Afghans are refugees or asylum seekers, with an additional 2.0 million internally displaced due to conflict, highlighting the large-scale emigration of skilled professionals. While 6.2 million refugees have returned since 2002, most occurred earlier, with limited recent returns. Post-Taliban migration remains significant, with 1.6 million new arrivals in neighboring countries since 2021. Although 360,000 returns are projected for 2024, these are insufficient to offset the severe loss of talent, reinforcing the need for policies to retain and attract skilled individuals for Afghanistan's socio-economic recovery.

### Net Migration

Net migration refers to the difference between the number of people entering a country (immigration) and those leaving it (emigration) over a specific period. For Afghanistan, net migration trends are shaped by decades of conflict, political instability, and economic challenges. High levels of emigration often signify brain drain, as skilled professionals and educated individuals leave the country for better opportunities, while periods of positive net migration indicate return migration or reduced outflows. Understanding these trends is essential for assessing the socio-economic impacts of migration on Afghanistan's development.

**Figure 3***Net Migration Trends in Afghanistan (2009–2023)*

*Note. Data adopted from World Bank. (2024). Net migration data for Afghanistan. World Development Indicators. Retrieved from <https://data.worldbank.org/indicator/SM.POP.NETM>*

The Figure 3 shows fluctuating net migration trends in Afghanistan from 2009 to 2023, with notable emigration spikes in 2015, 2021, and 2022, reflecting periods of heightened instability. Positive migration in years like 2011 and 2014 highlights temporary improvements or return migration.

**Table 4***Yearly Net Migration Data for Afghanistan (2009–2023)*

| Year | Net Migration | Cumulative Migration | Net Change | Year-on-Year     |
|------|---------------|----------------------|------------|------------------|
|      |               |                      |            | Migration Remark |
| 2009 | -60602        | -60602               |            | Stable Migration |
|      |               |                      |            | Significant      |
| 2010 | -167460       | -228062              | -106858    | Emigration       |
|      |               |                      |            | Significant      |
| 2011 | 384486        | 156424               | 551946     | Immigration      |
| 2012 | 68628         | 225052               | -315858    | Stable Migration |
| 2013 | 18119         | 243171               | -50509     | Stable Migration |
|      |               |                      |            | Significant      |
| 2014 | 233913        | 477084               | 215794     | Immigration      |
|      |               |                      |            | Significant      |
| 2015 | -286314       | 190770               | -520227    | Emigration       |
|      |               |                      |            | Significant      |
| 2016 | -143049       | 47721                | 143265     | Emigration       |

|      |         |          |         |                  |
|------|---------|----------|---------|------------------|
| 2017 | -71491  | -23770   | 71558   | Stable Migration |
| 2018 | -36753  | -60523   | 34738   | Stable Migration |
| 2019 | 9159    | -51364   | 45912   | Stable Migration |
|      |         |          |         | Significant      |
| 2020 | 143634  | 92270    | 134475  | Immigration      |
|      |         |          |         | Significant      |
| 2021 | -548784 | -456514  | -692418 | Emigration       |
|      |         |          |         | Significant      |
| 2022 | -647402 | -1103916 | -98618  | Emigration       |
| 2023 | -48958  | -1152874 | 598444  | Stable Migration |

*Note. Data adopted from World Bank. (2024). Net migration data for Afghanistan. World Development Indicators. Retrieved from <https://data.worldbank.org/indicator/SM.POP.NETM>*

The table 4 illustrates Afghanistan's net migration trends from 2009 to 2023, showcasing significant fluctuations driven by political, economic, and security factors. Notable net emigration occurred in 2010 (-167,460) and escalated dramatically in 2021 and 2022 (-548,784 and -647,402, respectively) following the Taliban's return to power. These outflows reflect ongoing instability and a severe brain drain as skilled professionals and educated individuals leave in search of safety and opportunities abroad.

Periods of positive net migration, such as in 2011 (384,486) and 2014 (233,913), highlight temporary improvements in conditions, often linked to international support. However, the overall trend of sustained emigration underscores the loss of human capital, hindering Afghanistan's development.

The slight improvement in 2023 (-48,958) suggests stabilization but does not address the long-term effects of brain drain. To mitigate this issue, Afghanistan must focus on improving security, fostering economic opportunities, and creating an environment that encourages talent retention and return migration.

**Table 5**

*Impact of the 2021 Crisis on Afghanistan's Educated Workforce*

| Category                                    | Statistics | Remarks  |
|---|------------|--|
| Evacuation post-2021 government fall        | 124,000    | Includes mostly experts and educated individuals during the first six weeks of evacuation. |
| University professors who left (since 2021) | 229        | Includes professors from Kabul, Herat, and Balkh universities.                             |

Professors resigned from 112 Many held master's or doctorate degrees.

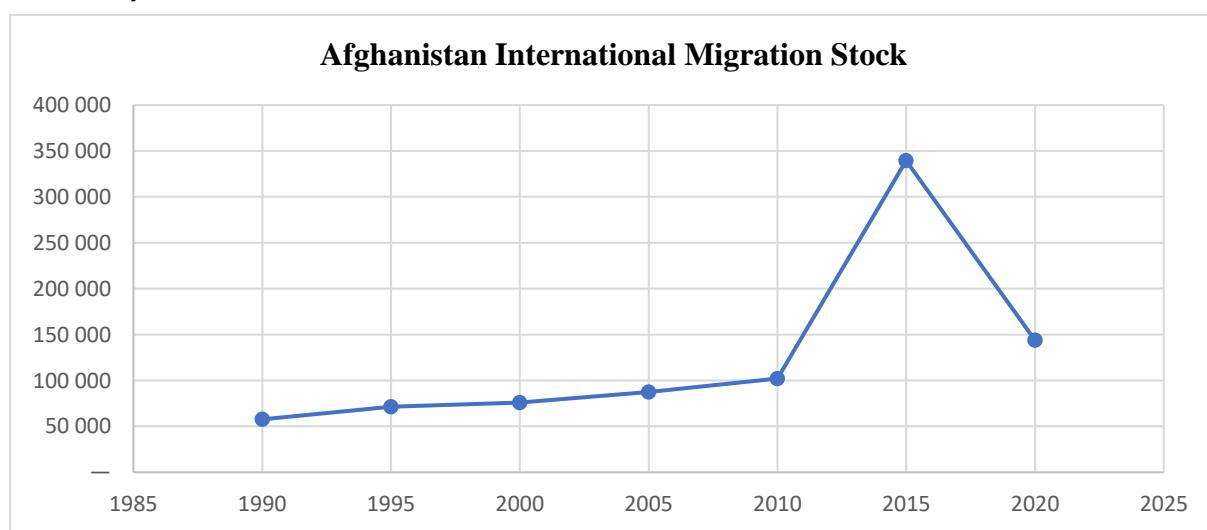
Kabul University

*Note. Data adopted from Center for Strategic & Regional Studies. (2022, August 8). A look at Afghanistan's brain drains crisis and its consequences. CSRS. Retrieved from <https://www.csrskabul.com/en>*

The table 5 sheds light on the profound impact of Afghanistan's political crisis on its educated workforce after the fall of the government in 2021. In just the first six weeks, **124,000 individuals**, mostly experts and highly educated professionals, were evacuated, signaling a massive brain drain. Among those who left were **229 university professors** from key institutions like Kabul, Herat, and Balkh universities, representing a significant loss for higher education in the country. Additionally, **112 professors** resigned from Kabul University alone, many of them holding advanced degrees such as master's and doctorates. This exodus highlights the serious challenges Afghanistan faces in rebuilding its education system and retaining its intellectual resources.

### International Migration Stock

International Migration Stock refers to the number of people residing in a country who were born elsewhere, and it significantly contributes to economic and cultural development. Research from the International Monetary Fund (IMF) highlights those migrants, whether high- or low-skilled, enhance income per capita and improve living standards in host countries (IMF, 2016). Similarly, the World Bank (2018) emphasizes that increased labor mobility yields substantial economic benefits for destination countries and the migrants themselves. Additionally, Harvard Business School research points out that immigrants contribute to cultural diversity, fostering innovation and economic growth (Kerr, 2008). These findings underscore the importance of understanding migration stock to harness its potential benefits effectively.



**Figure 4***Trends in Afghanistan's International Migrant Stock (1990–2020)**Note. Data adopted from United Nation*<https://www.un.org/development/desa/pd/content/international-migrant-stock>

Considering Afghanistan's international migration stock, the graph (Figure 4) illustrates a steady increase from 1990 to 2010, followed by a sharp rise around 2015, peaking at nearly 400,000. This surge may reflect heightened political instability and conflicts during that period, prompting increased migration. However, after 2015, a notable decline by 2020 is observed, potentially indicating changes in migration patterns due to evolving political and economic conditions. This fluctuation emphasizes the role of external factors in shaping migration trends and highlights the need for well-designed policies to manage such dynamics effectively.

**Table 6***Data on Afghanistan's International Migration Stock Over the Years*

| Year | International Migration Stock | Cumulative Growth (%) |
|------|-------------------------------|-----------------------|
| 1990 | 57686                         | 0.00                  |
| 1995 | 71522                         | 23.99                 |
| 2000 | 75917                         | 31.60                 |
| 2005 | 87314                         | 51.36                 |
| 2010 | 102276                        | 77.30                 |
| 2015 | 339432                        | 488.41                |
| 2020 | 144098                        | 149.80                |

*Note. Data adopted from United Nation. Retrieved from*<https://www.un.org/development/desa/pd/content/international-migrant-stock>

Afghanistan has faced significant brain drain over the decades, as evidenced by extensive data on emigration. Despite this outflow, the **International Migration Stock** data reveals that the inflow of migrants to Afghanistan has been minimal and insufficient to offset the loss. The data shows a gradual increase in the number of people residing in Afghanistan who were born in other countries, rising from **57,686 in 1990** to a peak of **339,432 in 2015**. However, this number declined sharply to **144,098 in 2020**, reflecting reduced migration into Afghanistan, likely due to worsening security, economic instability, and declining opportunities.

Notably, these figures represent the period before the Taliban takeover in 2021. Since then, no updated statistics have been shared by the UN, but it is plausible that the **International Migration Stock** has further

reduced to very minimal levels. The ongoing political instability, combined with heightened security concerns and economic challenges under the Taliban regime, has likely deterred potential migrants from entering Afghanistan.

Compared to the large-scale emigration of skilled professionals and intellectuals, the inflow of migrants remains negligible. This imbalance highlights a critical gap: while Afghanistan continues to lose its talent pool, it fails to attract migrants who could contribute to its economic and social development. The data underscores the need for policies aimed at stabilizing the country, fostering economic growth, and creating an environment conducive to retaining local talent and attracting foreign migrants.

### **Remittances and Economic Growth**

Remittances, the financial transfers made by expatriates to their home countries, play a significant role in the economies of many developing nations. These flows of money are often lauded for their potential to alleviate poverty, enhance household welfare, and stimulate economic growth. However, their broader implications, especially over the long term, have elicited diverse perspectives within the academic community. This section explores how remittances impact economic growth, acknowledges their potential downsides in the long run, and contextualizes these findings within the Afghan experience.

#### **The Positive Impacts of Remittances on Economic Growth**

Numerous studies affirm that remittances can positively influence economic growth, particularly under favorable conditions. Kajtazi and Fetai (2022) identified a significant and positive relationship between remittances and economic growth in ten Southeast European countries from 2009 to 2019, emphasizing that the impact of remittances depends on specific regional and economic contexts. Similarly, Islam et al. (2021) found that R&D expenditure and remittances together significantly boost economic growth in middle-income countries, underscoring the importance of complementary factors such as innovation.

The financial sector's development also plays a critical role in enhancing the benefits of remittances. Sumaiya Binta Islam and Laboni Mondal (2023) demonstrated that remittances and financial development are positively associated in four lower-middle-income countries in Latin America, suggesting that efficient financial systems amplify the economic benefits of remittance inflows. This perspective is supported by Meyer and Shera (2017), who observed stronger positive effects of remittances on growth when remittance levels relative to GDP were higher, highlighting the proportional benefits of remittances in driving development.

From a regional lens, Cazachevicia et al. (2020) reported that while remittances have a generally small positive effect on economic growth, these effects vary significantly across regions, with notable benefits in Asia but limited impacts in Africa. Additionally, Azizi et al. (2020) found that remittances are more

impactful in countries with higher human capital, where they enhance investment in physical capital. However, their findings also suggest that remittances have no effect on investment in low human capital countries, indicating the importance of human resource development in maximizing remittance-driven growth.

### **The Long-Term Challenges of Remittances**

While the immediate economic benefits of remittances are evident, their long-term implications raise concerns. Pradhan (2016) analyzed data from the BRICS countries and found that a 1% increase in remittances led to a 0.24% decrease in GDP per capita over time, suggesting that remittances might hinder long-term growth. This phenomenon is often linked to dependency, reduced labor force participation, and a focus on consumption rather than productive investments.

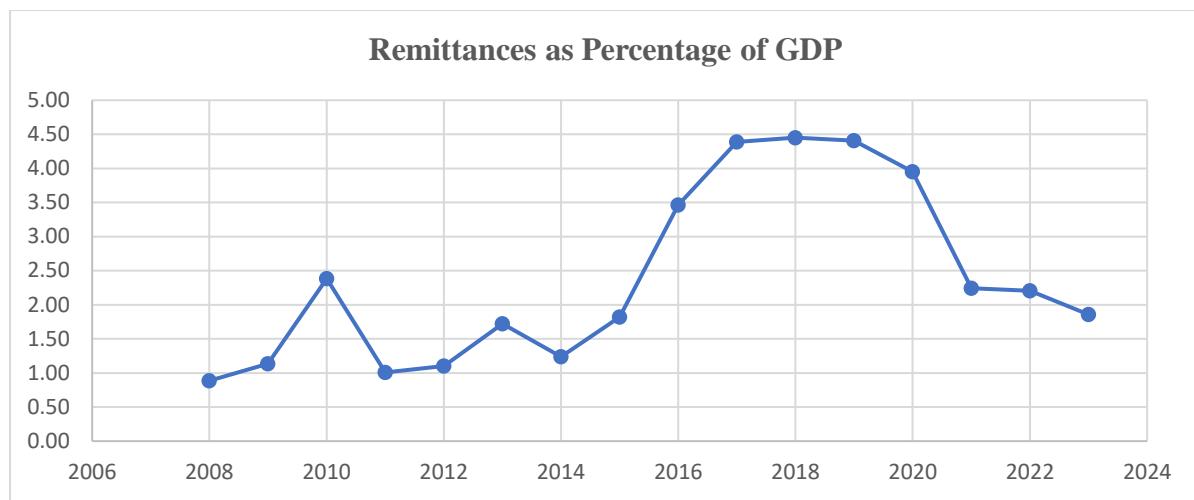
Similarly, Qutb (2022) examined the case of Egypt and concluded that remittances had a long-term negative impact on economic growth due to their countercyclical nature. The study highlighted that remittance inflows increased imports and fueled inflationary pressures, creating economic vulnerabilities rather than sustainable growth. These findings underscore the risks of over-reliance on remittances and the potential for economic distortions if remittances are not channeled into productive sectors.

### **The Case of Afghanistan**

In the context of Afghanistan, remittances are a lifeline for many households, particularly amid the ongoing humanitarian crisis. Temory (2024) analyzed data from 600 Afghan households and found that remittances significantly contribute to household income and poverty reduction. Factors such as education, household size, and employment status were positively correlated with the benefits of remittances, suggesting that these flows provide vital support to Afghan families.

Further highlighting their importance, a report by ACAPS (2023) emphasized that remittances have been crucial in stabilizing Afghan households following the reduction in official development assistance after 2021. These funds enable families to meet basic needs such as food, shelter, healthcare, and education, offering a degree of economic stability in a challenging environment.

However, Afghanistan's reliance on remittances also mirrors some of the long-term risks identified in global studies. The limited capacity of Afghanistan's financial systems and the lack of robust human capital development may constrain the productive use of remittance inflows. Without strategic interventions to channel remittances into growth-oriented investments, the Afghan economy risks falling into patterns of dependency and economic stagnation over time.

**Figure 5**

*Trends in Remittances as a Percentage of GDP in Afghanistan (2006–2023)*

*Note. Data adopted from World Bank. (2023). Personal remittances, received (% of GDP). Retrieved from <https://data.worldbank.org/indicator/BX.TRF.PWKR.DT.GD.ZS>*

The graph (Figure 5) illustrates remittances as a percentage of GDP from 2006 to 2023, with a peak around 2018 at 4.5% followed by a steady decline since 2019. This trend underscores the critical role remittances play in supporting household income and stability, as highlighted in the Afghan context, while also reflecting potential risks of dependency and the need for strategic use to foster sustainable economic growth.

**Table 7**

*Remittance Inflows and Their Contribution to GDP in Afghanistan (2008–2023)*

| Year | Remittances USD | Percentage of GDP |
|------|-----------------|-------------------|
| 2008 | 89,540,435.95   | 0.89              |
| 2009 | 140,695,166.30  | 1.13              |
| 2010 | 378,206,657.02  | 2.39              |
| 2011 | 179,116,561.38  | 1.01              |
| 2012 | 219,416,087.48  | 1.10              |
| 2013 | 347,165,291.81  | 1.72              |
| 2014 | 253,367,821.60  | 1.24              |
| 2015 | 348,624,717.30  | 1.82              |
| 2016 | 627,710,802.38  | 3.46              |
| 2017 | 822,731,630.25  | 4.39              |
| 2018 | 803,546,453.79  | 4.45              |
| 2019 | 828,571,904.11  | 4.41              |

|      |                |      |
|------|----------------|------|
| 2020 | 788,917,115.25 | 3.95 |
| 2021 | 320,000,000.00 | 2.24 |
| 2022 | 320,000,000.00 | 2.21 |
| 2023 | 320,000,000.00 | 1.86 |

Note. Data adopted from World Bank. (2023). *Personal remittances, received (% of GDP)*. Retrieved from <https://data.worldbank.org/indicator/BX.TRF.PWKR.DT.GD.ZS>

The table 7 shows the trends in remittances in Afghanistan from 2008 to 2023, highlighting their absolute value and percentage of GDP. From 2008 to 2010, remittances steadily increased, peaking at 2.39% of GDP in 2010. However, the period from 2011 to 2015 shows fluctuations, with a notable dip in 2011 (1.01%) and 2014 (1.24%), reflecting possible economic instability. A significant rise occurred between 2016 and 2019, with remittances reaching their highest contribution to GDP in 2018 (4.45%), underscoring their growing importance during this period. Post-2019, a decline is evident, with remittances as a percentage of GDP dropping to 1.86% by 2023, despite the remittance amount remaining constant at \$320 million from 2021 onward. This trend suggests either a relative increase in GDP or reduced reliance on remittances. The data highlights the critical role of remittances in stabilizing Afghanistan's economy while underscoring the need to channel them into productive uses for long-term sustainability.

The trends in remittances in Afghanistan from 2008 to 2023 align with studies by Kajtazi and Fetai (2022) and Meyer and Shera (2017), which highlight the positive impact of remittances on economic growth. Similarly, findings from Temory (2024) and ACAPS (2023) emphasize their critical role in supporting Afghan households and stabilizing the economy. However, the observed decline in remittances' contribution to GDP after 2019 reflects concerns raised by Pradhan (2016) and Qutb (2022), who warn of long-term risks such as dependency and reduced productivity. This highlights the urgent need for policies that not only stabilize remittance inflows but also direct them toward productive investments to ensure sustainable economic growth.

### Analysis and Discussion

This Section provides a comprehensive analysis of the impacts of brain drain and remittances on Afghanistan, using a combination of **thematic synthesis, trend analysis, inferential analysis** and **quantitative methods**. The thematic and trend analysis explores patterns in migration and remittance data, highlighting their socio-economic implications for Afghanistan.

To complement this, quantitative analysis is employed, with regression models assessing the impact of net migration and remittances on tertiary-level education and GDP. This integrated approach ensures a

balanced perspective, combining qualitative insights with data-driven evidence to inform the broader discussion on Afghanistan's development challenges and opportunities.

### Balancing brain drain and remittances

The data and literature provide a comprehensive overview of how brain drain and remittances impact Afghanistan. Brain drains, as highlighted by Vega-Muñoz et al. (2022) and Fakih and El Baba (2023), deprives nations of skilled professionals crucial for economic development. In Afghanistan, this is particularly pronounced due to prolonged conflict, restrictive policies, and economic instability. The increasing Human Flight and Brain Drain Index, peaking in 2023 at 8.50, underscores the severity of this issue. The loss of skilled professionals, such as university professors, erodes institutional capacity, stifles innovation, and limits essential services, as seen in post-2021 evacuations of highly educated individuals. These trends reflect a critical challenge for Afghanistan's socio-economic recovery, as the outflow of talent reduces prospects for sustainable development and creates a cycle of underdevelopment.

Conversely, remittances offer a short-term economic lifeline. Studies like Kajtazi and Fetai (2022) and Meyer and Shera (2017) show the positive impact of remittances on economic growth, a finding echoed in the Afghan context. Remittances have supported Afghan households by alleviating poverty, ensuring basic needs, and stabilizing livelihoods, as highlighted by Temory (2024) and ACAPS (2023). The graph and table of remittances from 2006 to 2023 demonstrate their peak in 2018 at 4.5% of GDP, reflecting their significant role during critical periods. However, the subsequent decline in remittances' contribution to GDP post-2019 aligns with concerns raised by Pradhan (2016) and Qutb (2022), who warn of the long-term risks of dependency and economic stagnation if remittances are not channeled into productive uses.

In conclusion, while brain drain poses long-term challenges by depleting Afghanistan's skilled workforce, remittances provide short-term economic relief and stability. However, sustainable development requires policies to mitigate brain drain and maximize the productive use of remittances, ensuring they contribute to building human capital and fostering long-term economic resilience.

### Impact of Brain Drain on Afghanistan's Socio-Economic Sectors

This section examines the socio-economic challenges Afghanistan faces due to brain drain using inferential analysis. Drawing on data from the World Bank, it explores how the migration of skilled professionals intensifies weaknesses in critical sectors such as education, healthcare, governance, and the private sector, while contributing to economic stagnation, gender inequality, and diminished institutional capacity.

Table 8

*Brain Drain and Its Potential Link to Afghanistan's Issues*

| Issue/Weakness from the Report (with Statistics)   | How Brain Drain Might Have Contributed  |
|--|---|
| Weak service delivery in education and healthcare: Afghanistan faces gender-based exclusions and restrictive policies. The ban on female education worsens capacity issues in these critical sectors.  | Migration of skilled professionals (e.g., doctors, teachers) reduces the capacity to deliver critical services, worsening inequality and human capital development. |
| Economic stagnation and weak private sector: - GDP contracted by 26% over the past two years (20.7% in 2021 and 6.2% in 2022). - Over a third of businesses are not fully operational. - 8% of businesses (mainly women-owned) have ceased operations. - 50% of firms lack female employees. | Loss of skilled entrepreneurs, managers, and technical experts limits innovation, business growth, and private sector recovery.                                     |
| Labor market strain with high unemployment and underemployment: Employment remains significantly below pre-2021 levels, with a 58% employment gap. Gender disparities in employment have increased.  | Brain drain reduces the skilled workforce, leading to mismatches between job availability and workforce skills.   |
| Deflation and reduced domestic demand: Headline inflation turned into deflation in April 2023, with prices falling by 9.7% year-on-year by February 2024. This reflects a drop in aggregate demand due to economic stagnation.   | Skilled migrants often have higher purchasing power; their absence reduces local consumption and demand.  |
| Governance and institutional capacity challenges: Afghanistan's fiscal strategy is strained, with arrears reaching the government's annual revenue collection level. Policies are misaligned with resource mobilization.   | Migration of trained policymakers, administrators, and financial experts hinders effective governance and institutional management.                                 |

|  |  |
|--|--|
| Deficiencies in agriculture and mining sectors: The agriculture sector, accounting for 36% of GDP, contracted by 6.6% due to drought and other issues. The industrial sector shrank by 5.7%, with manufacturing down 10%.    | Loss of technical expertise required for modernization and development of these key economic sectors limits their growth potential.  |
| Social inequality and exclusion: Gender-based exclusion has intensified, with 50% of firms reporting no female employees. Women-owned businesses have faced higher closure rates, leading to gaps in economic participation. | Educated women leaving due to restrictive policies deepens gender inequality, reducing diversity and leadership in critical sectors. |

### Quantitative Analysis

Table 9

#### Normality Test

| Skewness/Kurtosis | tests | for              | Normality        |             |           |
|-------------------|-------|------------------|------------------|-------------|-----------|
| Variable          | Obs   | Pr(Skewnes<br>s) | Pr(Kurtosis<br>) | adj_chi2(2) | Prob>chi2 |
| var10             | 100   | 0.539            | 0.025            | 5.320       | 0.070     |

Considering the results of the Skewness/Kurtosis test for normality, the residuals are approximately normal, as the joint p-value is 0.070 ( $p > 0.05$ ). Skewness is not significant ( $p = 0.539$ ), indicating no strong asymmetry, but kurtosis shows slight deviation ( $p = 0.025$ ). Overall, the regression results are reliable and meet the normality assumption.

Table 10

#### Multicollinearity

#### Variance inflation factor

|             | VIF   | 1/VIF |
|-------------|-------|-------|
|             | 3.41  | .293  |
| Remittances |       |       |
| LaborForce  | 3.361 | .297  |

1.918 .521

NetMigrati  
on  
Mean VIF 2.897 .

The Variance Inflation Factor (VIF) values indicate no severe multicollinearity among the predictors. Remittances (VIF = 3.41) and LaborForce (VIF = 3.36) show moderate multicollinearity but remain within acceptable limits, while NetMigration (VIF = 1.92) has low multicollinearity. The mean VIF of 2.90 suggests the overall model is not significantly affected by multicollinearity.

**Table 11***Heteroscedasticity*

| Test  | Value                |
|---|----------------------|
| Null Hypothesis (Ho)  | Constant variance    |
| Variables Tested  | Fitted values of GDP |
| Chi-square Statistic ( $\chi^2(1) \backslash \text{chi}^2(1) \chi^2(1)$ ) | 4.47                 |
| p-value (Prob > $\chi^2 \backslash \text{chi}^2 \chi^2$ )                 | 0.0345               |

The Breusch-Pagan / Cook-Weisberg test for heteroskedasticity indicates the presence of heteroskedasticity ( $p = 0.0345$ ), meaning the variance of residuals is not constant. This violates the assumption of homoskedasticity in regression. To address this issue, a robust regression was run. The robust regression ensures reliable standard errors and valid interpretations of the results.

**Table 12***Hausman specification test*

| Test  | Result  |
|---|---|
| Null Hypothesis (Ho)  | Difference in coefficients not systematic   |
| Chi-square Statistic ( $\chi^2(3) \backslash \text{chi}^2(3) \chi^2(3)$ ) | 17.74   |
| p-value (Prob > $\chi^2 \backslash \text{chi}^2 \chi^2$ )                 | 0.0005  |
| Conclusion  | Reject H <sub>0</sub> H <sub>1</sub> : Fixed effects model is appropriate                         |
| Note  | V <sub>b</sub> - V <sub>BV_b</sub> - V <sub>BV<sub>b</sub></sub> - V <sub>B</sub> is not positive |

definite

The Hausman specification test was used to determine whether the fixed effects or random effects model is appropriate. The result ( $\chi^2(3)=17.74$  |  $\text{chi}^2(3) = 17.74$  |  $\chi^2(3)=17.74$ ,  $p = 0.0005$ ) rejects the null hypothesis that the difference in coefficients is not systematic. Based on this, the fixed effects model was selected for the regression analysis as it provides consistent and reliable estimates. The note "( $V_b$ - $V_B$  is not positive definite)" may indicate numerical issues but does not affect the overall conclusion.

### Regression Analysis

Table 13

*The Impact of Net Migration & Remittances on Economic Growth*

| GDP                | Coef.      | St.Err.   | t-value           | p-value    | [95% Interval] |           | Sig |
|--------------------|------------|-----------|-------------------|------------|----------------|-----------|-----|
|                    |            |           |                   |            | Conf           |           |     |
| NetMigration       | .001       | .006      | 0.21              | .833       | -.01           | .012      |     |
| LaborForces        | 0          | 0         | 1.79              | .073       | 0              | 0         | *   |
| Remittances        | .006       | .001      | 7.53              | 0          | .005           | .008      | *** |
| Constant           | -          | 25468.999 | -0.94             | .346       | -73925.76      | 25910.883 |     |
|                    |            | 24007.438 |                   |            |                |           |     |
| Mean dependent var | 114594.291 |           | SD dependent var  | 117807.865 |                |           |     |
| Overall r-squared  | 0.617      |           | Number of obs     | 100        |                |           |     |
| Chi-square         | 251.031    |           | Prob > chi2       | 0.000      |                |           |     |
| R-squared within   | 0.765      |           | R-squared between | 0.620      |                |           |     |

\*\*\* $p < .01$ , \*\* $p < .05$ , \* $p < .1$

The regression analysis investigates the impact of net migration, labor force, and remittances on GDP using panel data from Afghanistan, Pakistan, Iran, Tajikistan, and Uzbekistan over the last 20 years. Although the study primarily focuses on Afghanistan, data from neighboring countries were included to enhance data availability and statistical robustness. The results indicate that net migration has a small positive effect on GDP (coefficient = 0.001), but the relationship is not statistically significant ( $p=0.833$  |  $p=0.833$  |  $p=0.833$ ). This suggests that migration flows in these countries do not have a measurable direct impact on economic growth during the study period.

The labor force shows a marginally significant positive effect on GDP ( $p=0.073p = 0.073p=0.073$ ), but the magnitude of the coefficient is close to zero. This implies that, while the labor force contributes to GDP, its impact may depend on productivity levels and the effective utilization of the workforce. In contrast, remittances exhibit a highly significant and substantial positive impact on GDP ( $p=0.000p = 0.000p=0.000$ , coefficient = 0.006). This highlights the critical role of remittances in supporting economic activity across these countries. Remittances likely enhance household income, boost consumption, and contribute to investments, making them a significant driver of economic growth.

The overall model is statistically significant ( $\chi^2=251.031$   $\chi^2 = 251.031$ ,  $p=0.000p = 0.000p=0.000$ ), explaining approximately 61.7% of the variation in GDP ( $R^2=0.617R^2 = 0.617R2=0.617$ ). The within  $R^2=0.765R^2 = 0.765R2=0.765$  suggests that the model captures a substantial proportion of time-series variation within individual countries, while the between  $R^2=0.620R^2 = 0.620R2=0.620$  indicates moderate explanatory power for differences across countries.

These findings align with the existing literature, which emphasizes the importance of remittances in developing economies. Barajas et al. (2009) demonstrated that remittances play a significant role in boosting GDP by increasing household consumption and investment, particularly in countries heavily reliant on external inflows. Similarly, Ratha (2013) highlighted that remittances provide a reliable and stable source of income, more so than foreign aid or investment, in countries like Afghanistan and its neighbors. The World Bank (2020) further noted that remittances often account for a significant share of GDP in Central and South Asia, especially in economies with limited industrial bases.

The limited impact of net migration and the marginal role of the labor force could reflect structural inefficiencies, political instability, or low productivity in the region. This is consistent with findings by Çevik and Amanat (2020), who examined Afghanistan's economic growth and highlighted the challenges posed by dependency on external factors and limited workforce productivity. Additionally, the insignificant effect of migration may result from brain drain, where skilled workers leave without sufficient reinvestment in their home countries, as discussed by Dustmann and Glitz (2011) in their exploration of migration's impact on education and economic systems.

In conclusion, the analysis underscores the critical role of remittances in driving GDP growth across Afghanistan and neighboring countries. While the labor force shows potential as a growth driver, its impact remains limited, indicating the need for policies aimed at improving workforce productivity and integration. Net migration does not appear to significantly affect GDP, likely due to structural challenges or the nature of migration flows in the region.

## Tertiary Education

Table 14

## Regression results

|                    | Coef.       | St.Err.   | t-value           | p-value | [95%<br>Conf | Interval] | Sig |
|--------------------|-------------|-----------|-------------------|---------|--------------|-----------|-----|
| TertiaryLevelE     |             |           |                   |         |              |           |     |
| duca~n             |             |           |                   |         |              |           |     |
| Remittances        | 0           | 0         | 2.53              | .011    | 0            | 0         | **  |
| LaborForce         | .13         | .065      | 1.99              | .047    | .002         | .257      | **  |
| NetMigration       | 3.671       | 1.586     | 2.31              | .021    | .562         | 6.779     | **  |
| Constant           | 909698.85   | 1951040.5 | 0.47              | .641    | -            | 4733667.9 |     |
|                    |             |           |                   |         | 2914270.2    |           |     |
| Mean dependent var | 6699375.933 |           | SD dependent var  |         | 10836625.254 |           |     |
| Overall r-squared  | 0.578       |           | Number of obs     |         | 52           |           |     |
| Chi-square         | 65.849      |           | Prob > chi2       |         | 0.000        |           |     |
| R-squared within   | 0.007       |           | R-squared between |         | 0.995        |           |     |

\*\*\* $p<.01$ , \*\* $p<.05$ , \* $p<.1$

This regression analysis examines the impact of **net migration**, **remittances**, and **labor force** on tertiary-level education, with a primary focus on Afghanistan. Neighboring countries such as Pakistan, Iran, Tajikistan, and Uzbekistan were included to enhance data availability and robustness. While **net migration** and **remittances** are the primary variables of interest, the **labor force** was included as a control variable to account for its influence on education outcomes.

The findings reveal that **remittances** have a positive and statistically significant impact on tertiary education ( $p=0.011$  $p = 0.011$  $p=0.011$ ). Although the coefficient is small due to scaling, the significance underscores the crucial role of remittance inflows in improving access to higher education by funding tuition, learning resources, and educational infrastructure. The labor force also shows a significant positive effect on tertiary education ( $p=0.047$  $p = 0.047$  $p=0.047$ ), suggesting that a larger workforce correlates with increased demand for advanced skills and qualifications necessary to remain competitive in the labor market.

Similarly, **net migration** has a significant positive relationship with tertiary education ( $p=0.021$  $p = 0.021$  $p=0.021$ ), indicating that migration flows, particularly return migration, may enhance educational

attainment. This effect could result from the return of skilled individuals, exposure to international education systems, or financial support from migrants for educational purposes. The overall model is statistically significant ( $\chi^2=65.849$   $\text{chi}^2 = 65.849$   $\chi^2=65.849$ ,  $p=0.000$   $p = 0.000$   $p=0.000$ ), explaining 57.8% of the variation in tertiary education ( $R^2=0.578$   $R^2 = 0.578$   $R^2=0.578$ ). The between  $R^2=0.995$   $R^2 = 0.995$   $R^2=0.995$  suggests that the model effectively captures variations across countries, while the minimal within  $R^2=0.007$   $R^2 = 0.007$   $R^2=0.007$  indicates limited variation over time within individual countries.

These findings align with existing literature. Adams and Page (2005) emphasize that remittances are often used to fund educational expenses in developing countries, thereby improving access to higher education. Similarly, Ratha (2013) highlights that remittance inflows contribute to human capital development by enabling families to invest in education. The significant role of the labor force is consistent with Schultz (1988), who argues that a growing workforce drives demand for advanced education to meet labor market needs. Moreover, the positive impact of net migration is supported by Dustmann and Glitz (2011), who demonstrate how migration enhances education through exposure to international systems, returning skilled individuals, and financial support from migrants.

In conclusion, the analysis highlights the critical role of **remittances** and **net migration** in shaping tertiary education, while the labor force serves as a contributing control factor. These findings emphasize the need for policies that leverage remittance inflows, foster skill development, and create opportunities for returning migrants to contribute to the education sector in Afghanistan and similar contexts.

## Conclusion

This study examined the interplay between brain drain and remittances in Afghanistan, employing both qualitative and quantitative analyses to provide a comprehensive understanding of their socio-economic impacts. The **qualitative analysis** revealed that political instability, restrictive policies (such as bans on women's education and employment), and limited professional opportunities are the primary drivers of skilled migration. These factors have severely affected key sectors like education, healthcare, and governance, leaving critical gaps in human capital and hindering sustainable development.

The **quantitative analysis** confirmed that remittances significantly contribute to GDP and poverty reduction, with educated migrants sending more financial support back home. However, the findings also highlighted that remittance inflows are insufficient to offset the economic and institutional challenges caused by brain drain. Regression results demonstrated that while remittances positively impact GDP and tertiary education, the loss of skilled labor reduces overall productivity and limits long-term growth potential.

The study concludes that addressing the root causes of brain drain through improved governance, security, and professional opportunities is essential. Additionally, strategies to channel remittances into productive investments, such as entrepreneurship and infrastructure development, can amplify their long-term benefits. By implementing these measures, Afghanistan can mitigate the adverse effects of brain drain while optimizing remittance inflows for sustainable economic development.

### Strategies to Mitigate Brain Drain and Optimize Remittances in Afghanistan

#### 1. Policy Reforms to Retain Talent:

- Revisit restrictive policies, such as bans on women's education and employment, which are major contributors to brain drain. Allow equal access to education and career opportunities for all, creating a more inclusive environment.
- Implement clear and consistent governance policies to reduce uncertainty and create trust in the government's commitment to development.

#### 2. Improve Political Stability and Security:

- Strengthen law and order to ensure personal and professional security for citizens, reducing the fear that drives skilled individuals to leave.
- Engage in dialogue with international actors to foster political legitimacy and attract international support for nation-building.

#### 3. Create Opportunities for Professionals:

- Offer competitive wages and benefits for professionals in critical sectors like healthcare, education, and technology to discourage migration.
- Provide subsidized housing, grants, and job guarantees to retain young graduates and skilled workers.

#### 4. Invest in Human Capital Development:

- Prioritize investments in education and vocational training programs to create a skilled workforce ready to meet the country's needs.
- Support returnees by offering reintegration programs, such as employment opportunities and recognition of foreign credentials.

#### 5. Leverage the Diaspora's Potential:

- Develop policies to encourage diaspora contributions through remittance-backed investments in local infrastructure and small businesses.
- Create "return and serve" programs, offering incentives for skilled expatriates to return temporarily or permanently to share their expertise.

**6. Promote Economic Growth and Diversification:**

- Focus on diversifying the economy to reduce dependence on foreign aid and remittances, creating more local job opportunities.
- Foster entrepreneurship by easing regulations, providing access to credit, and supporting small and medium enterprises.

**7. Build Trust in Institutions:**

- Establish transparent and accountable governance mechanisms to build public trust and reduce political dissatisfaction.
- Actively combat corruption, which often discourages skilled professionals from working in their home country.

**8. Strengthen Regional and International Cooperation:**

- Collaborate with neighboring countries to address cross-border migration challenges and create regional frameworks for skills exchange.
- Engage international organizations to provide technical and financial support for workforce development and education initiatives.

By addressing these root causes of brain drain and focusing on building trust, stability, and opportunities, Afghanistan can create an environment where its skilled professionals are motivated to stay and contribute to the country's recovery and development.

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