Centre on International Migration, Remittances and Diaspora
(CIMRAD)

Pakistan Migration Report 2024

Lahore School of Economics

PAKISTAN MIGRATION REPORT 2024

Nasra M. Shah

Almazia Shahzad

Samar Quddus

Memoona Qazi

Centre on International Migration, Remittances and Diaspora (CIMRAD)

Lahore School of Economics

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Lahore School of Economics
Intersection of Main Boulevard, Phase VI, DHA, and Burki Road
Lahore 53200, Pakistan
Tel.: +92 42 3656 1230
www.lahoreschoolofeconomics.edu.pk/

Preface

The Pakistan Migration Report 2024 is the third in a series of biennial reports published by the Center for International Migration, Remittances, and Diaspora (CIMRAD), Lahore School of Economics. The objective of this series is to analyze the flows and characteristics of migration from Pakistan and resultant remittances, both of which have a significant impact on the economy of Pakistan, especially its employment and labor market. The first two reports are available at www.gids.org.pk/publication.

The first report covered major trends and characteristics of migration to, and from, Pakistan and outlined the main features of the Diaspora covering the period from 2008-2018. It also looked at the Afghan refugees, irregular migrants and deportees and described the main components of governance of migration as well as remittances. The second report continued with an analysis of the trends and patterns of migration by comparing the pre-Covid-19 year, 2019, with the two Covid-19 years 2020-21. It provided an in-depth analysis of migration and remittance governance, especially with regard to the activities that addressed the migration related SDG goals.

The present report continues the analysis trends and patterns of migration outflows and compares three time periods, pre-Covid-19 (2019), Covid-19 (2020-21) and post Covid-19 (2022-23). In addition, this report addresses a special issue that has recently been debated in Pakistan regarding the possibly negative impacts of migration due to an apparent massive brain drain. The present report also provides a comprehensive analysis of irregular migration, especially to Europe.

The four major findings of this report may be summarized as follows. First, the post-Covid-19 outflows in 2022-23 exceed 800,000 marking a major reversal of the downward trend experienced during the epidemic years. Second, contrary to migration trend, remittance inflows have declined by 12.6 percent in 2022-23, mainly due to economic uncertainty and widening gap between official and market exchange rate, which has redirected inflows to unofficial channels. Third, an analysis of the trends in outflow of skilled migrants shows that the current data do not support the view of a massive, unprecedented brain drain from the country. Four, irregular migration from Pakistan to Europe seems to be on the rise and more than 40,000 Pakistanis were residing illegally in Europe in 2022.

Nasra M. Shah
Coordinator, CIMRAD
Lahore School of Economics
June 2024

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Key Findings and Reflections for the Future

The third Pakistan Migration Report, 2024, focuses on four different aspects intending to analyze (a) the trends and patterns of migrant outflows from 2019-2023; (b) outlining the trends and main issues in remittance receipts; (c) assessing the level of 'brain drain' as a component of overall outflows; (d) and describing the trends in irregular migration from Pakistan, especially to European countries.

The following key points summarize the findings of the first two reports, published in 2020 and 2022.

(i) The legislative framework for migration governance, guided by the 1979 Emigration Ordinance requires updating. A draft policy document has been ready for more than three years and is still awaiting government approval.

(ii) An overwhelming majority of Pakistani labor migrants are headed to the oil-rich Gulf countries, primarily Saudi Arabia and the United Arab Emirates (UAE). An unprecedented decline to the UAE, however, was witnessed in 2021, with only 10 % migrants bound for that country compared to 34 % in 2019.

(iii) More than half of all labor migrants continue to fall in the categories of unskilled and low-skilled workers.

(iv) Knowledge on return migration to Pakistan remains weak, and routine data collection systems are unable to capture it.

(v) Irregular migration from Pakistan seems to have increased, and needs focused attention to reduce the risks faced by irregular migrants.

(vi) The number of deportees to Pakistan increased between 2015 and 2017, a majority returning from Saudi Arabia. The root causes of such failed migration requires further study and policies for reduction.

(vii) Participation of women in the migrant flows remains negligible.

Key findings of the 2024 report

Trends and Patterns

- Compared to the pre-Covid year (2019), the number of outward migrants declined substantially from about 625,000 to less than 300,000 in 2020-21 during the Covid-19 years. The outflow numbers increased to 832,000 and 862,000 in 2022-23 after the impacts of the pandemic subsided.

- Saudi Arabia retained its primacy receiving about half of all migrants in 2023. The UAE regained some of the lost ground and outflow to that country increased to 27 % of the total migration.

- While some diversification beyond the Gulf countries occurred, almost 90 % of all workers still proceeded to the Gulf region in 2023.

- The relative places of origin remained similar to the past with Punjab and Khyber Pakhtunkhwa (KPK) sending most migrants.

- Unskilled workers remained the major category constituting 56 % in 2023. The percentage of highly skilled/qualified workers increased slightly from 4-5 % to 8 % in 2023.
- Women comprised only 8126 (0.94 %) of the total 862,625 workers in 2023.

Trends of Remittance Inflows

- Compared to the 27.3 percent growth in remittances in 2020-2021, the period characterized by Covid-19 related uncertainties, growth rate of inflows declined to 6.2 percent in 2021-2022 and -12.6 percent in 2022-23.
- From July 2023 till April 2024, USD 23.8 billion have been received, and according to State Bank of Pakistan's projections the total will aggregate between USD 27.1 and 28.1 billion by June 2024 against the government target of USD 30.5 billion. The upper limit of the expected inflows suggests a meagre 2.9 percent increase compared to 2022-2023.
- Saudi Arabia, UAE, UK, other GCC countries collectively and USA remained the top five remittance sending countries, respectively.
- Primary reasons for the decline in 2022-2023 and passive trend in 2023-2024 are poor economic conditions, worsening balance of payment position leading to currency depreciation, and widening of the gap between the official and market exchange rate.
- Redirecting of flows through unofficial channels appear to offer an explanation for the apparent contradiction between migration trends and remittance inflows.

The brain drain debate

A detailed analysis of the occupational skill level of migrants was conducted to assess whether the recent outflows showed an unprecedented increase in the exodus of Pakistani skilled workers. We found that:

- The percentage of highly qualified/skilled out-migrants has remained less than 10 % of all registered migrants for most of Pakistan's migration history since 1971.
- The percentage of doctors, teachers and IT experts comprised about 0.4%, 0.2% and 0.3% among all migrants.
- A relatively larger number of nurses have migrated in recent years from 337 in 2019 to 4880 in 2023, and may be a cause for concern.

Irregular migration from Pakistan

- In 2022, the number of Pakistanis found to be illegally present in Europe was 40,450
- Pakistanis are found among the top ten nationalities that enter Europe illegally either through land or sea borders.
- Among the Pakistanis who apply for asylum, only about 15% are successful.
- In 2021, 18656 decisions were made to return Pakistanis to their home country; about 14.3% of these decisions were effectively implemented, either through voluntary or forced repatriation.

Reflections and conclusions for future migration

Pakistan has generally had pro-migration policies and depends heavily on remittances received from migrants. It has instituted a widespread administrative structure to facilitate and regulate labor migration after registering with the designated authorities. The governance mechanisms to regulate migration outflows and remittance receipts were described in detail in our second report for 2022.

Some important aspects that deserve focused attention by the concerned government departments are as follows:

- The draft policy document that was prepared about three years ago needs to be discussed and passed by the Cabinet and the National Assembly. Adequate resources to enable the implementation of the policies should then be made available and an organized system for follow up should be devised.
- An objective evaluation of the impact of the outflow of highly skilled and qualified Pakistanis on its economy and productivity should be conducted in order to consider positive incentives to retain such persons in the country. However, the recent hype about the unprecedented and exceptional 'brain drain' based on inaccurate interpretation of data should be discouraged.
- The data on migrant outflows and characteristics collected by the government is limited to those who leave after registering with the Bureau of Emigration and Overseas Employment (BEOE) protectorates. It has been observed that in case of some highly skilled individual, such registration may be bypassed. For example, the migrant worker can go to the host country on a visit visa, find a job and stay there without registering with the BEOE. Mechanisms to capture the outflow of such workers must be found in order to fully understand the impacts of migration on the sending country, Pakistan.
- Despite increased efforts by the Pakistani government to curb human trafficking and migrant smuggling, Pakistanis continue to be ranked among the top ten nationalities of irregular migrants apprehended at the European borders. Using land as well as sea routes, many such migrants continue to meet horrific ends. Efforts to discourage the irregular migration from the country need to strengthen further.

Reflections on Future Outlook of Remittances

- While concerns about relevance of Pakistani migrants' skillset in the changing international landscape for labor demand are valid, government macroeconomic polices have an important bearing on the remitters' behavior.
- Economic certainty and public confidence in governance appears to be correlating with the trend of remittance inflows.
- Especially exchange rate policies that are mainly formulated on the back of the value of foreign debt and trade policy, widening gap between official and market driven exchange has consequences for the choice of channel for sending remittances. Unofficial channels that offer a better rate, translates into more money in Pakistani Rupees for the families.
- Remittances are a key source of foreign exchange and provide a necessary buffer against Pakistan's persistent trade deficit, hence they merit due consideration in exchange rate policy decisions.

Chapter 1

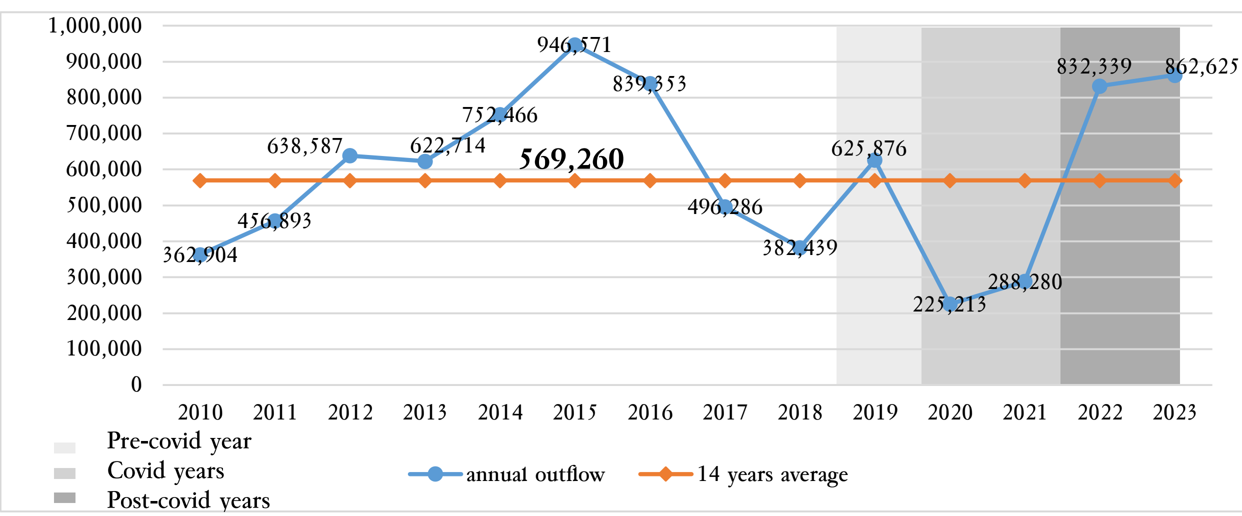
Trends and Patterns of Overseas Migration, 2019-2023

The objective of this Chapter is to compare the latest trends and patterns of overseas labor migration for three periods, namely (1) pre-Covid or 2019; (2) Covid or 2020-21; and (3) Post-Covid or 2022-23.

Trend in annual outflows from 2019-2023

Since 1971, the Pakistan Bureau of Emigration and Overseas Employment (BEOE) publishes data on the number of labor migrants who register with the nine designated protectorates in order to take up overseas employment. These data are updated monthly and are available for public use on the BEOE website (https://beoe.gov.pk/reports-and-statistics). The trend of labor migration outflows since 2010, shown in Figure 1.1, indicates major yearly fluctuations, with the number reaching almost one million in 2015 that declined to less than 400,000 in 2018. The number increased to 625,876 in 2019, prior to the Covid-19 pandemic announced in March 2020. The Covid years, 2020-21, showed a marked decline owing to government policies of host as well as home countries including lockdowns, stoppage of air travel, closure of businesses, and the loss of jobs by many migrants; consequently, less than 300,000 labor migrants left Pakistan for overseas employment in each of these years. It is estimated that 304,000 were brought back by the government through 500 flights (Qaisrani et al., 2021). Once the economic activity in the host countries resumed and the administrative machinery designed to manage and regulate migration flows was resuscitated, the annual outflow from Pakistan more than doubled in 2022, to 832,339. The upward trend continued in 2023 with almost 862,625 Pakistanis leaving that year. Thus, the upward trend in emigration continued in the post-Covid period.

Figure 1.1: Yearly outflows of Pakistani labor migrants, 2010-2023 (Numbers)



Source: BEOE dataset

The relatively huge jump in outflows between 2020-21 and 2022-23 has been the subject of much debate in the country. It has been argued that a massive brain drain started occurring in 2022, due to political and economic uncertainty and worsening economic situation. The debate has become politicized with the government and their opponents blaming each other. We discuss various aspects of this debate in Chapter 3 and try to provide an objective evaluation evidenced by the data, and try to separate the rhetoric from the reality.

Major destinations of Pakistani labor migrants

The oil-rich Gulf countries continue to be the major destination for Pakistani workers, attracting more than 90% of all migrants in 2022-23. During the last decade, Saudi Arabia and the UAE have remained the two main recipients of Pakistani labor migrants. With the exception of a few years, Saudi Arabia well exceeded the UAE in attracting Pakistani workers (Shah et al, 2020). During 1971-2010 about 2.74 million Pakistani workers went to Saudi Arabia. That country retained its primacy in all three periods examined in this report, and at least half of all migrants went there. In 2022, almost 62% of all the outflows were to Saudi Arabia, declining to about 50% in 2023 (Table 1.1).

Table 1.1: Top ten countries where Pakistani labor migrants went, 2019-2023 (Percentages)

Pre-Covid		Covid years				Post-Covid			
Countries	**2019**	**Countries**	**2020**	**Countries**	**2021**	**Countries**	**2022**	**Countries**	**2023**
Saudi Arabia	53.2	Saudi Arabia	60.6	Saudi Arabia	54.0	Saudi Arabia	61.9	Saudi Arabia	49.5
UAE	33.8	UAE	23.8	Oman	13.3	UAE	15.4	UAE	26.7
Oman	4.5	Oman	4.6	Qatar	13.2	Qatar	9.9	Qatar	6.4
Qatar	3.1	Bahrain	3.5	UAE	9.5	Oman	7.0	Oman	7.0
Malaysia	1.8	Qatar	3.3	Bahrain	4.5	Bahrain	1.6	Malaysia	2.4
Bahrain	1.3	Malaysia	1.0	Iraq	1.0	Malaysia	0.7	Bahrain	1.5
Iraq	0.4	Iraq	0.5	Cyprus	0.7	Romania	0.4	UK	1.9
China	0.2	UK	0.4	UK	0.4	UK	0.4	Romania	0.6
Cyprus	0.2	Kuwait	0.2	China	0.2	Cyprus	0.3	Greece	0.3
UK	0.1	Japan	0.2	USA	0.2	Iraq	0.3	Iraq	0.5
Others	1.5	Others	2.0	Others	3.0	Others	2.1	Others	3.2

Source: BEOE dataset

Migration to the UAE had declined to 9.6% in 2021 but recovered some of the lost ground in 2022, and was the second largest recipient with 15.4% of all migrants. This upward trend to the UAE persisted during 2023 with 26.7% of all migrants headed there. Qatar gained a larger share of all workers during the Covid years, and this gain seems to have continued in 2022 but declining somewhat in 2023. Bahrain attracted fewer Pakistani workers than the other Gulf countries during the post-Covid period. Kuwait was the only country that did not attract enough Pakistani workers to be counted among the top ten destinations. As discussed in our first report, Kuwait received only a handful of new workers since 2010 owing to its policies that have imposed a virtual ban on new immigration from Pakistan.

Pakistan has been trying to diversify the destinations of its labor migrants and maximize outflows to new countries. Beyond the Gulf countries, Malaysia has become a relatively important recipient of Pakistani migrants, with about 1.6% going there in 2022; and 2.4% in 2023. A number of other countries including Iraq and UK have received Pakistani migrants but their numbers are relatively small and rarely exceed 1% of the total outflows.

Major origins of labor emigrants within Pakistan

In terms of the district of residence, Pakistani migrants originate from many different areas. No single district sent more than 4-5% of all migrants during 2019-2023 (Table 1.2). Only about one-third of the migrants originated from the top ten districts. The districts of Sialkot and Dera Ghazi Khan were among the top areas of origin sending 4-5% of migrants during 2022-23.

Table 1.2: Top ten districts generating Pakistani labor migrants, 2019-2023 (Percentages)

Pre-Covid		Covid years				Post-Covid			
Districts	**2019**	**Districts**	**2020**	**Districts**	**2021**	**Districts**	**2022**	**Districts**	**2023**
Swat	4.1	Sialkot	4.7	Swat	3.9	Sialkot	5.0	Dera Ghazi Khan	4.0
Lower Dir	4.1	Swat	4.4	Lower Dir	2.9	Dera Ghazi Khan	4.3	Sialkot	4.2
Sialkot	4.0	Dera Ghazi Khan	3.8	Sialkot	5.1	Swat	3.9	Lahore	3.9
Dera Ghazi Khan	3.4	Lower Dir	3.7	Dera Ghazi Khan	4.7	Gujranwala	3.8	Gujranwala	3.6
Gujranwala	3.2	Gujranwala	3.6	Gujranwala	3.6	Faisalabad	3.0	Faisalabad	3.3
Lahore	2.5	Faisalabad	2.8	Lahore	2.8	Lower Dir	3.0	Rawalpindi	3.4
Faisalabad	2.4	Mardan	2.8	Faisalabad	2.8	Rawalpindi	2.8	Swat	2.9
Mardan	2.4	Lahore	2.8	Mardan	2.4	Lahore	2.7	Mardan	2.3
Upper Dir	2.3	Rawalpindi	2.8	Upper Dir	1.7	Mardan	2.5	Gujrat	2.2
Rawalpindi	2.1	Upper Dir	2.4	Rawalpindi	3.2	Narowal	2.4	Lower Dir	2.3
Others	69.5	Others	66.3	Others	66.8	Others	66.5	Others	72.1

Source: BEOE dataset

Provincial distribution of the emigrants is shown in Table 1.3. Between 2019 and 2022, Punjab registered the highest percentage of all migrants, increasing from 50.0% to 56.7%. This high percentage is proportional to the population size of this province; about 53.0% of the total population of Pakistanis resided in Punjab in 2023. Khyber Pakhtunkhwa (KPK) sent almost 30% of all migrants in 2019 and 24.4% in 2023. The percentage of migrants from KPK was almost twice as high as the population in that province. About 9.1% of all migrants originated from Sindh in 2019, declining to 8.4% in 2023 that is much smaller than the proportion of population residing in that province. Similarly, Baluchistan sent only about 1% of all migrants while about 6% of the population resided there. Thus, the patterns regarding provincial origin observed during the earlier decade persisted during 2019-2023, with KPK sending a much larger proportion of migrants than the population residing in that province.

Table 1.3: Percent distribution of emigrant workers by province of origin, 2019-2023 (Percentages)

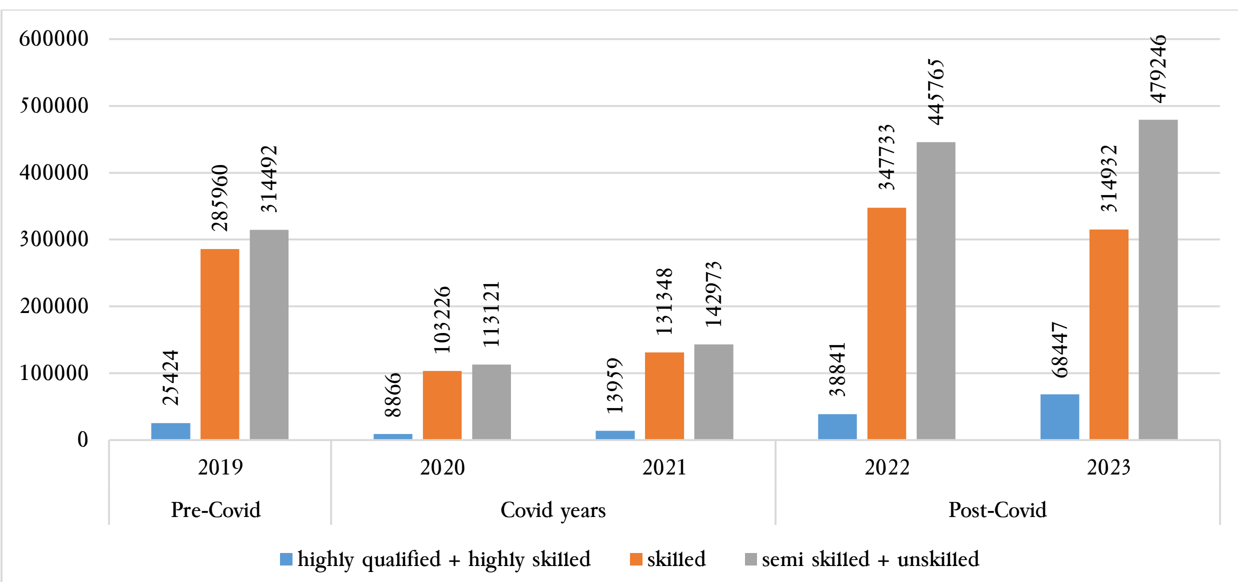
Province	Pre-Covid	Covid years		Post-Covid	
	2019	2020	2021	2022	2023
Federal	0.7	0.8	0.8	0.8	1.2
Punjab	50.0	52.9	54.7	55.3	56.7
Sindh	9.1	7.6	7.5	7.1	8.4
Khyber Pakhtunkhwa	29.8	30.4	26.5	27.1	24.4
Baluchistan	0.8	0.8	0.9	1.0	1.0
Azad Kashmir	4.8	3.4	3.7	3.5	3.9
N/Area	0.4	0.1	0.4	0.1	0.2
Tribal Area	4.4	1.4	5.6	5.1	4.2

Source: BEOE dataset

Skill level of Pakistani Labor Migrants

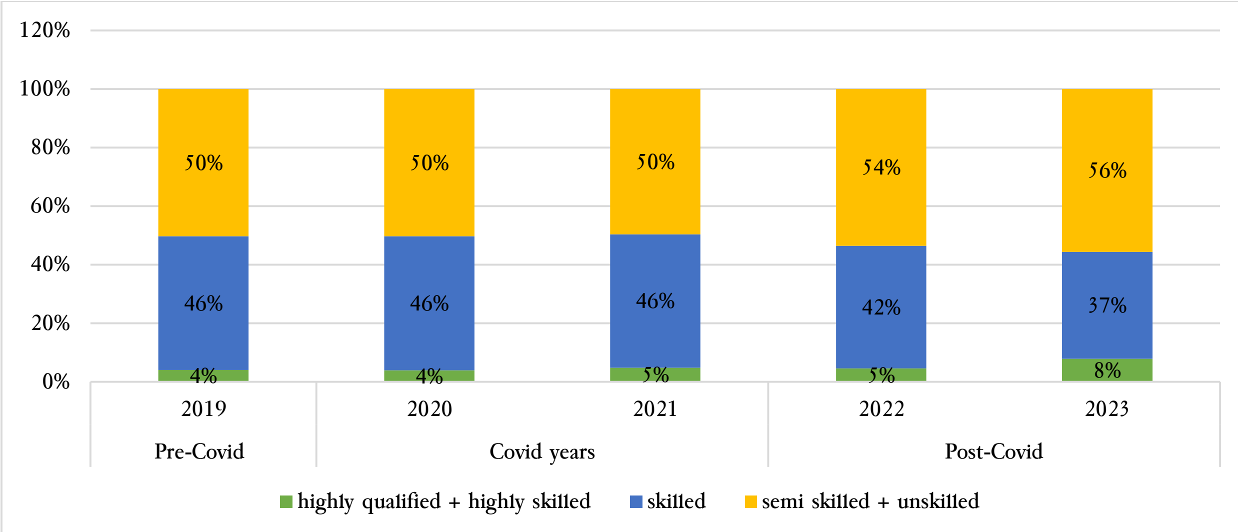
The BEOE collects and publishes tables on the detailed occupational distribution of emigrating workers, as well as tables grouped according to the worker's skill level. Figures 1.2 and 1.3 present the skill level of workers in terms of absolute number and percentages, respectively. Consistent with the trend reported in our first two reports, at least half of all workers were concentrated in unskilled or semi-skilled jobs during 2019-2023, and the proportion of unskilled/semi-skilled workers increased to 56% in 2023. The percentage of highly skilled and qualified emigrants remained around 4-5% from 2019-2022 but increased to 8% in 2023. Given the skill distribution of migrant workers it seems that no major change has taken place in the outflows during the last several years. Further discussion of these patterns is presented in Chapter 3 in the context of the current public debate on the brain drain from Pakistan.

Figure 1.2: Pakistani out-migrant workers by skill level, 2019-2023 (Numbers)



Source: BEOE dataset

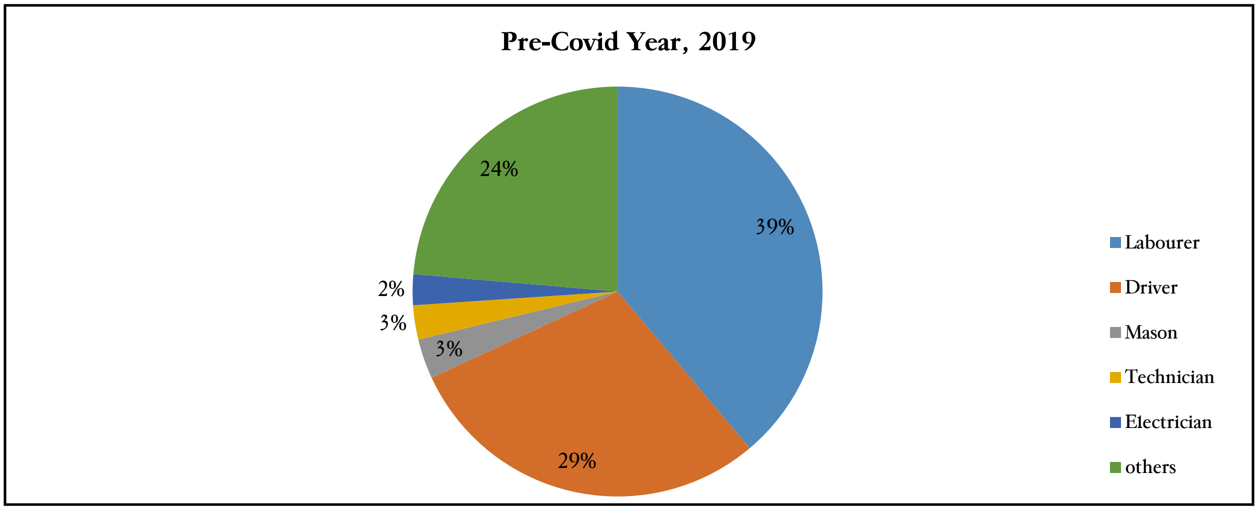
Figure 1.3: Pakistani out-migrant workers by skill level, 2019-2023 (Percentages)

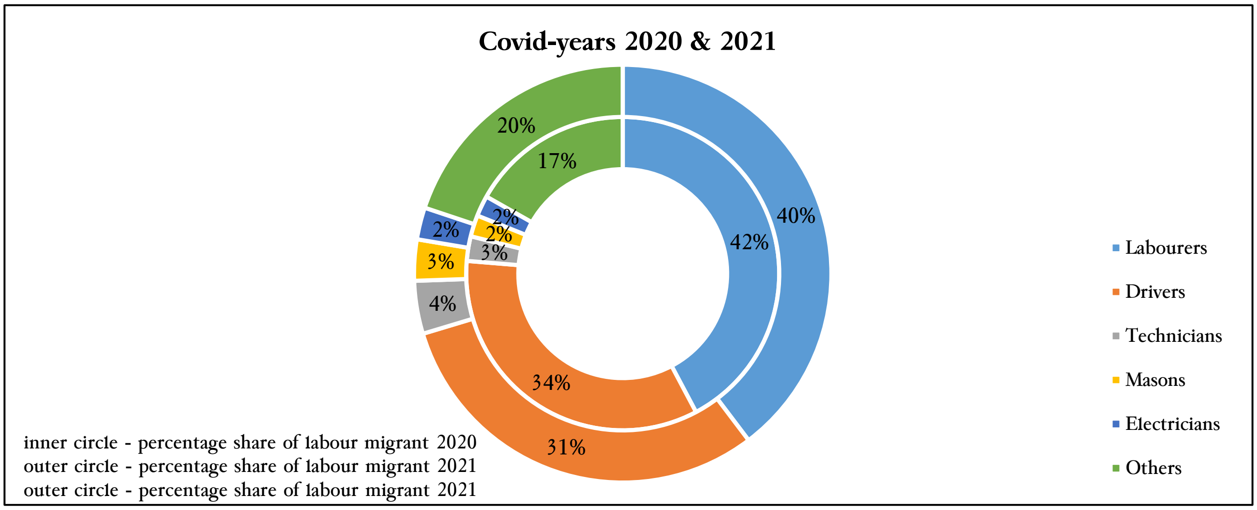


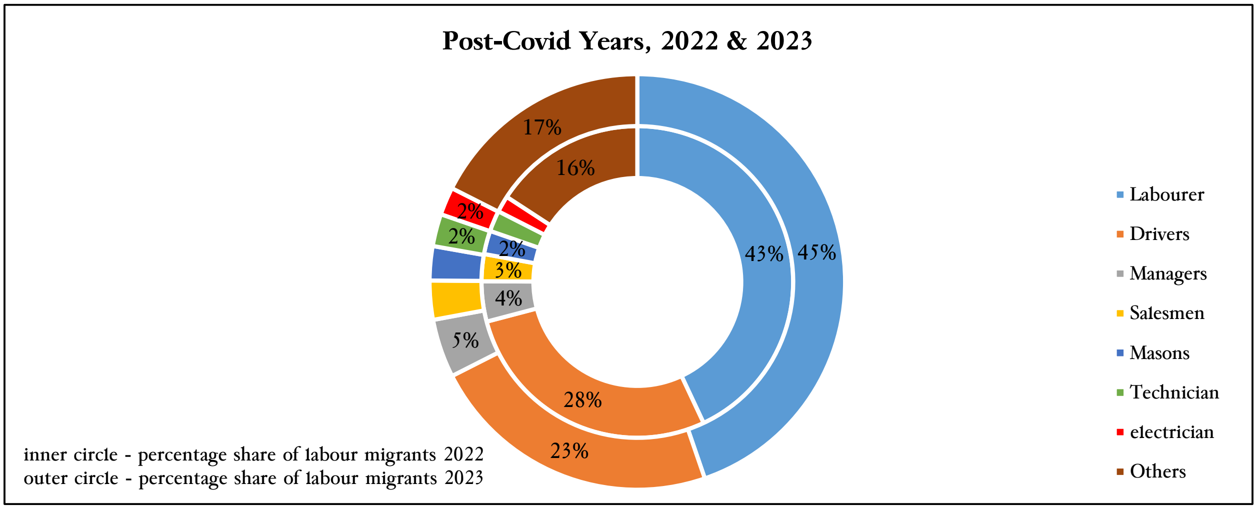
Source: BEOE dataset

General laborers comprised the largest category among all emigrants in 2019-2023. From 39% in 2019, the proportion of laborers increased to 40-42% during the Covid-years, and further to 45% in 2023 (Figure 1.4). Drivers constituted the second largest category with about 29% in 2019 and 23% in 2022, with slightly higher percentages during the Covid years. Construction related workers comprised the third largest category.

Figure 1.4: Five leading occupations where Pakistani labor migrants were employed (Percentages)







Source: BEOE dataset

When viewed in terms of the ten major occupations in 2019 compared with 2023, the percentage of laborers increased by 59% and those of drivers by 7% (Table 1.4). Salesmen registered the largest increase of 178%. All other occupations increased in number with the exception of carpenters for whom a decline of 4% occurred.

Table 1.4: Top ten occupations in 2023 as compared to 2019, and percentage difference

Sr. No.	Category	Year		Difference	Percentage
		2019	2023		
1	**Laborers**	242811	385892	143081	59%
2	**Drivers**	182920	196575	13655	7%
3	**Managers**	19590	39274	19684	100%
4	**Salesmen**	9430	26170	16740	178%
5	**Masons**	19590	22956	3366	17%
6	**Technicians**	16890	21680	4790	28%
7	**For/Supervisors**	7734	18681	10947	142%
8	**Electricians**	15166	18036	2870	19%
9	**Carpenters**	13769	13275	-494	-4%
10	**Mechanics**	9002	10723	1721	19%

Source: BEOE dataset

In conclusion, labor migration from Pakistan remains predominantly that of the relatively low and unskilled workers, with slight differences between the pre-Covid, Covid and post-Covid years. The total number of emigrants declined during the Covid-19 period from 2020-21. The decline, however, was reversed in 2022-23 when more than 800,000 workers left the country each year. A small gain in the outflow of highly skilled and highly qualified workers was registered in 2023 compared to the previous four years.

Female Migrant Workers from Pakistan

Labor migration from Pakistan comprises primarily of males; with only 1% women. In 2023, only 8,126 of the 862,625 workers were female (Figure 1.5). Even though their number was very small, the skill level of migrant women was higher than that of men. About 45% women were highly skilled and qualified while 41% were unskilled/semi-skilled in 2022 (Figure 1.6 and 1.7). The former category comprised largely of doctors, nurses and managers, while the latter group consisted of domestic workers and general helpers (Table 1.5).

Figure 1.5: Comparison of Pakistani female vs. male outmigrants, 2023 (Percentages)

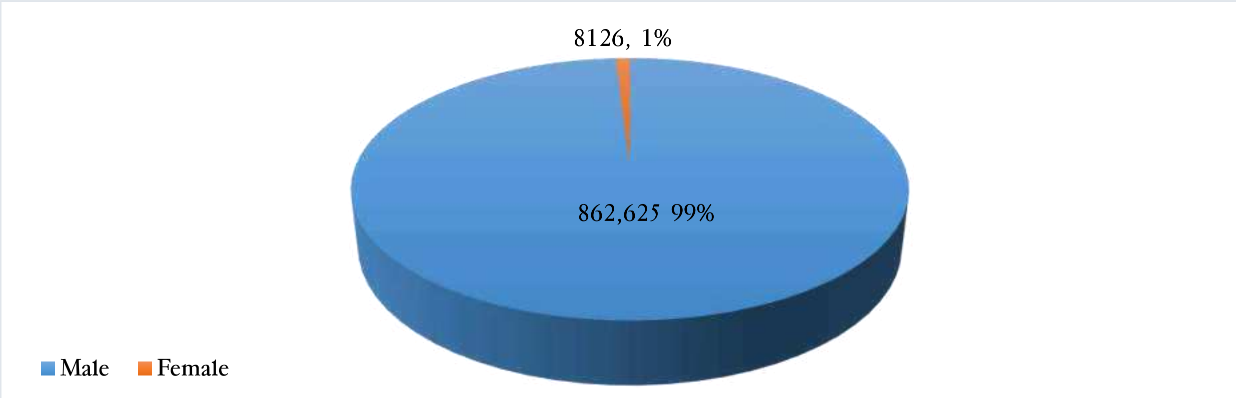


Figure 1.6: Female Pakistani out-migrant workers by skill level, 2019-2022 (Numbers)

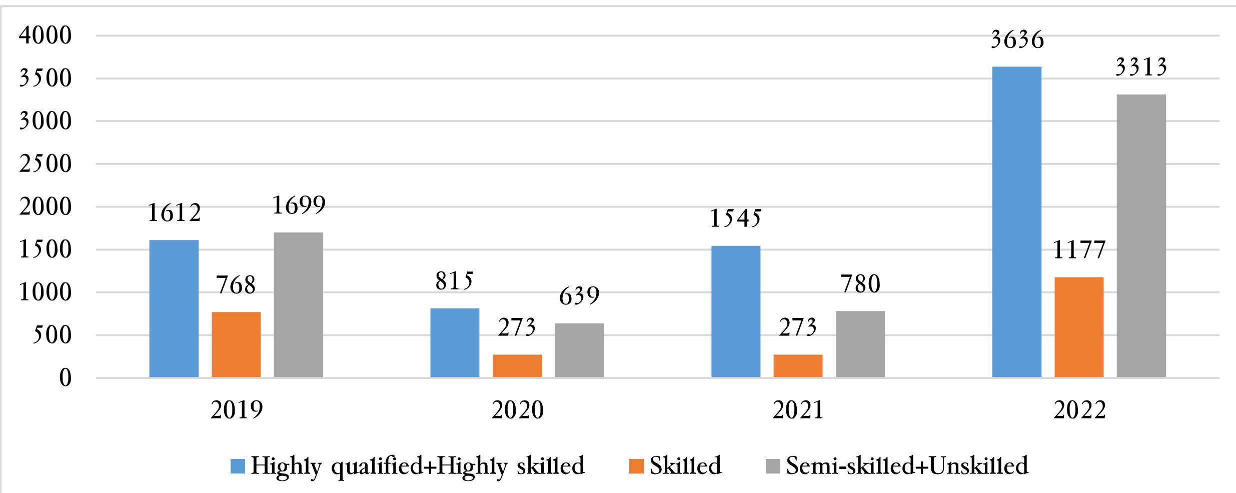
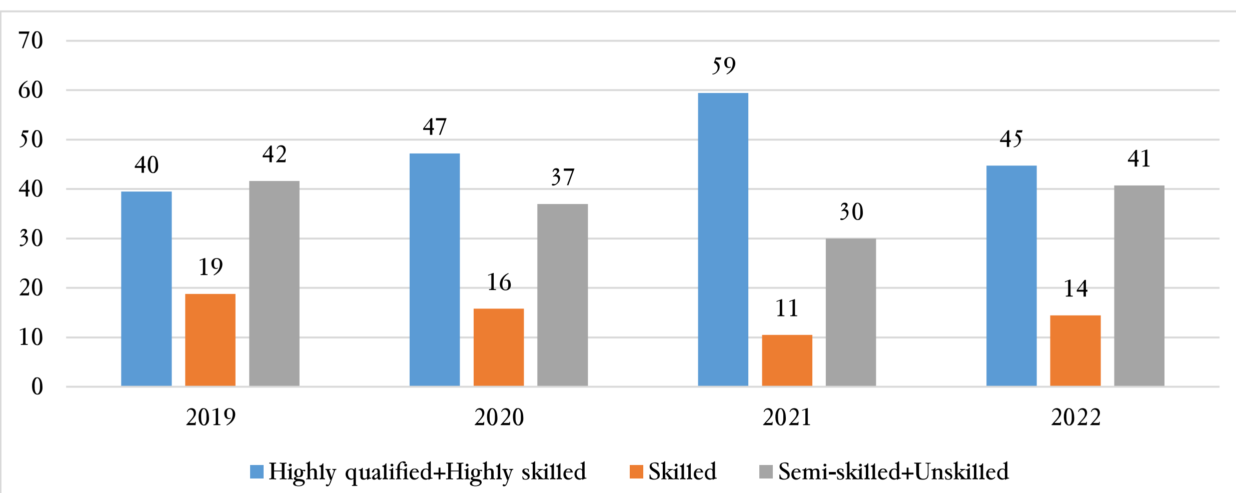


Figure 1.7: Female Pakistani out-migrant workers by skill level, 2019-2022 (Percentages)



Source: BEOE dataset

In 2022, about 40% of female migrants originated from the two largest cities, Karachi and Lahore. However, about 45% were drawn from areas beyond the five major cities (Table 1.6). In terms of destination, the Gulf region was the primary recipient of Pakistani migrant females, as in case of male migrants. Saudi Arabia and the United Arab Emirates attracted about 60% of the female migrants in 2022 (Table 1.7). Thus, female migrants play a relatively negligible role in outflows from the country. Those who leave for overseas work include highly skilled as well low skilled workers.

Table 1.5: Five leading occupations where female Pakistani labor migrants were employed, 2019-2022 (Percentages)

Pre-Covid		Covid years				Post-Covid	
Occupations	**2019**	**Occupations**	**2020**	**Occupations**	**2021**	**Occupations**	**2022**
Housemaid	17.3	Doctor	19.6	Nurse	19.2	Housemaid	18.1
Manager	11.5	Housemaid	15.7	Doctor	17.7	Gen. Worker	13.4
Gen. Worker	10.3	Gen. Worker	12.4	Gen. Worker	10.8	Manager	13.3
Doctor	9.7	Manager	9.0	Housemaid	10.1	Nurse	10.9
Clerk / Typist	8.3	Nurse	6.8	Manager	9.4	Doctor	9.7
Others	42.9	Others	36.5	Others	32.8	Others	34.6

Source: BEOE dataset

Table 1.6: Distribution of female emigrant workers by cities of origin, 2019-2022 (Percentages)

Pre-Covid		Covid years				Post-Covid	
Cities	**2019**	**Cities**	**2020**	**Cities**	**2021**	**Cities**	**2022**
Karachi	17.7	Karachi	20.6	Karachi	26.1	Karachi	22.9
Lahore	15.4	Lahore	16.4	Lahore	17.3	Lahore	16.1
Rawalpindi	7.0	Rawalpindi	7.1	Rawalpindi	6.2	Rawalpindi	6.9
Islamabad	5.5	Islamabad	5.5	Islamabad	6.0	Islamabad	5.1
Multan	3.5	Faisalabad	3.5	Multan	3.7	Multan	3.5
Others	50.9	Others	46.9	Others	40.7	Others	45.5

Source: BEOE dataset

Table 1.7: Top five countries to which female Pakistani labor migrants went, 2019 -2022 (Percentages)

Pre-Covid		Covid years				Post-Covid	
Countries	**2019**	**Countries**	**2020**	**Countries**	**2021**	**Countries**	**2022**
United Arab Emirates	35.3	Saudi Arabia	29.5	Saudi Arabia	34.3	Saudi Arabia	35.1
Saudi Arabia	29.9	United Arab Emirates	21	United Kingdom	11.2	United Arab Emirates	24.3
United Kingdom	5.6	United Kingdom	11.6	United Arab Emirates	10.5	United Kingdom	10.3
Oman	4	Bahrain	5.2	Bahrain	6.3	Qatar	9.2
Bahrain	3.7	Canada	4.7	Qatar	5.8	Oman	2.9
Others	21.5	Others	28	Others	31.9	Others	18.2

Source: BEOE dataset

Chapter 2

Trend of Remittances in 2022, 2023 and 2024

Pakistan and the Global and Regional Trends

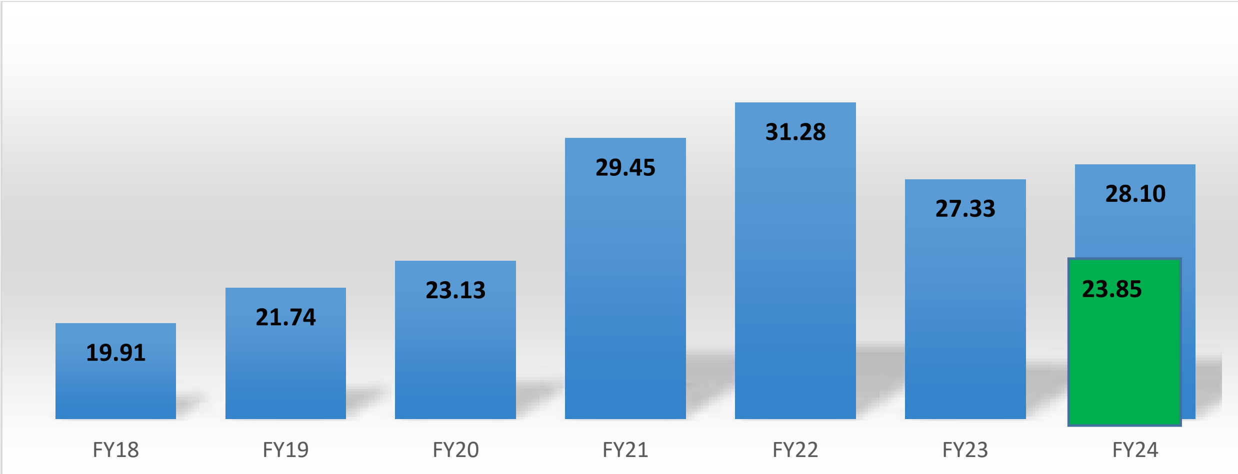
Remittance flows to low- and middle-income countries reached around $647 billion in 2022 and $669 billion in 2023, representing growth of 8.0 percent and 3.8 percent respectively. Compared to a 10.6 percent increase in 2021, the declining trend in the recent two years came with slowing down of growth in the advanced economies and high inflation, possibly reducing migrants' real incomes. While the oil price boom in the Gulf countries (GCC) countered the effect, and sustained remittance flows (KNOMAD, 2023a & 2023b). The declining trend is expected to persist with growth expected to further decline to 2.4 percent in 2024, given slow economic recovery in remittance-sending advanced economies. Additional possible risks include; the situation of war in Ukraine and conflict in the Middle East further deteriorating, oil price volatility, and in case of remittance-receiving countries especially facing exchange rate and economic uncertainties, migrants' preference shifting to informal channels of money transfer (KNOMAD, 2023b).

Regionally, South Asia saw remittance inflows grow by 12.0 percent in 2022 totalling $176 billion but tapering off in 2023 to 7.2 percent with $189 billion inflows. Large increase in remittance flows to India primarily drove the regions' remittance growth trend. Similar to the declining global trends, growth rate of remittances in 2024 to the region are projected to slow down to 4.9 percent (KNOMAD, 2023b).

In case of Pakistan, compared to the 27.3 percent increase in 2020-2021[1], growth rate of remittance inflows declined to 6.2 percent in 2021-2022 and -12.6 percent in 2022-23 (Figure 2.1). Along with Pakistan, Bangladesh and Sri Lanka also experienced worsening balance of payment conditions leading to currency depreciations, and widening of the gap between the official and market exchange rate, which negatively affected the flows of remittances to these countries through official channels (KNOMAD, 2023a).

[1] All figures for Pakistan have been reported on fiscal year basis, i.e. July-June, except for Table 2.1 (for comparison) which is based on KNOMAD data. KNOMAD data figures are on calendar year basis, i.e. January-December.

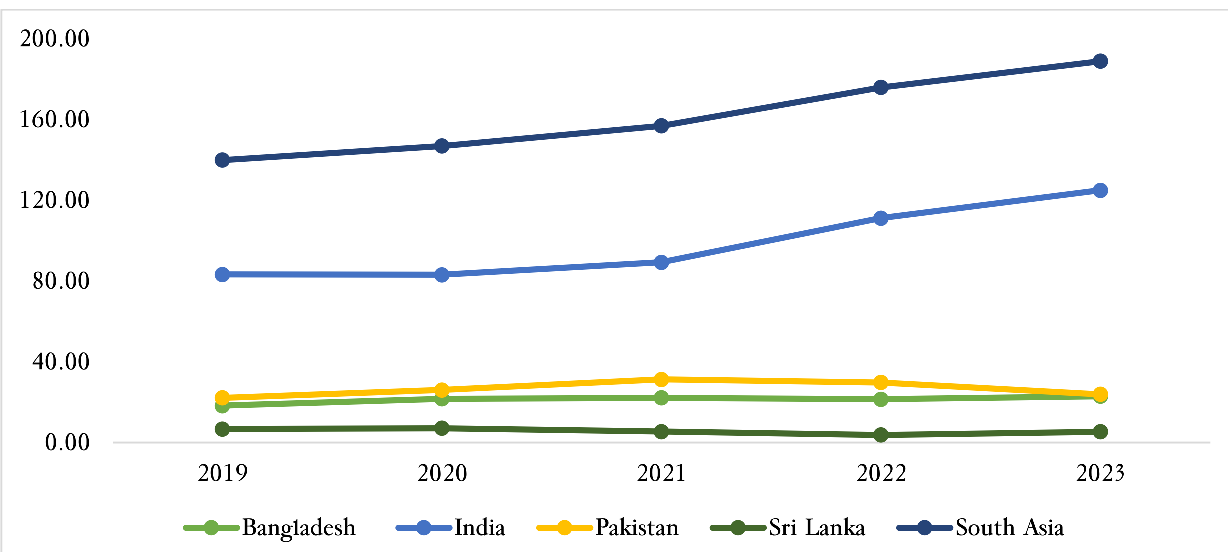
Figure 2.1: Total Remittance Inflows to Pakistan (billion USD)



Source: State Bank of Pakistan, Country-wise Workers' Remittances
Figure for FY24 is the upper limit of SBP projects (SBP, 2024). The shaded region shows the total remittances received in 10 months from July 2023-April 2024

Figure 2.2 shows comparative trend of remittance flows in four South Asian countries - India, Pakistan, Bangladesh and Sri Lank - that have accounted for around 94 percent of the inflows to the region from 2019 to 2023. The former three are also among the top ten recipients of remittances among the low- and middle-income countries. Pakistan's share in the region's aggregate inflows declined to 16.9 and 12.7 percent in 2022 and 2023 respectively after an increasing trend, peaking at 20 percent in 2021 despite Covid-19 related disruptions[2]. Table 2.1 shows that by comparison, India which already takes the bulk of the inflows has been rapidly increasing its share in 2022 and 2023.

Figure 2.2: Trend of Remittance Flows, South Asian Countries (billion USD)



Source: KNOMAD, December 2023

[2] See Pakistan Migration Report 2022 for reasons behind the persistence of flows in the country

Table 2.1: Country –wise Share of Remittances to South Asia (Percentages)

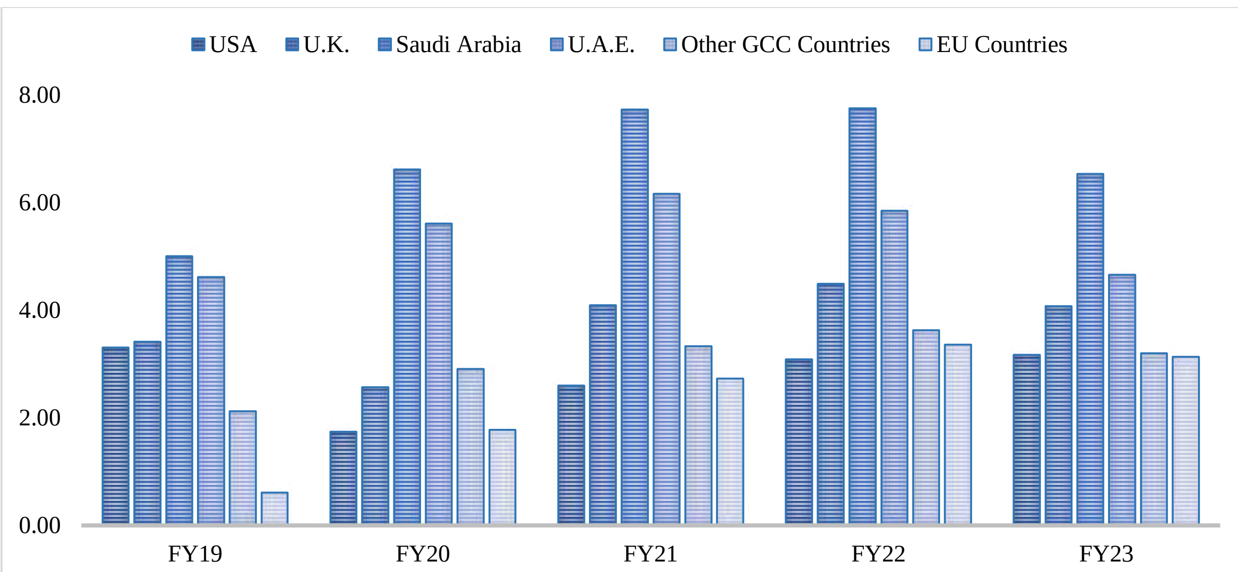
Country	2019	2020	2021	2022	2023
Bangladesh	13.12	14.80	14.14	12.22	12.17
India	59.52	56.56	56.93	63.19	66.14
Pakistan	15.89	17.75	19.94	16.97	12.70
Sri Lanka	4.82	4.86	3.52	2.17	2.86

Source: Calculations based on KNOMAD, December 2023

Remittance Flows to Pakistan by Countries/Regions

In 2021-2022 Pakistan received all-time high remittance inflows of USD 31.3 billion, whereas in 2022-2023 the volume of remittances declined drastically to USD 27.3 billion, even below the 2020-2021 period affected by Covid-19 when the inflows accumulated to USD 29.5 billion. Saudi Arabia, UAE, UK, other GCC countries collectively and USA remained the top five remittance sending countries, respectively. Figure 2.3 and Table 2.2 show the inflows received and share in total remittances from the top six countries/regions for the last five years.

Figure 2.3: Country-wise Remittance Inflows to Pakistan (billion USD)



Source: State Bank of Pakistan, Country-wise Workers' Remittances

Table 2.2: Country/Region-wise Share in Total Remittance Inflows to Pakistan (Percentages)

	FY19	FY20	FY21	FY22	FY23	FY24*
USA	**15.2**	**7.5**	**8.8**	**9.9**	**11.6**	**11.9**
U.K.	**15.7**	**11.1**	**13.9**	**14.4**	**14.9**	**14.9**
Saudi Arabia	**23.0**	**28.6**	**26.2**	**24.8**	**23.9**	**24.3**
U.A.E.	**21.2**	**24.3**	**20.9**	**18.7**	**17.0**	**17.7**
Other GCC Countries	**9.7**	**12.6**	**11.3**	**11.6**	**11.7**	**10.8**
Bahrain	16.1	14.3	14.1	14.6	14.2	14.0
Kuwait	34.2	25.4	25.9	25.8	25.5	25.2
Qatar	18.2	26.1	27.3	28.4	28.6	28.5
Oman	31.5	34.2	32.7	31.2	31.7	32.4
EU Countries	**2.8**	**7.7**	**9.3**	**10.7**	**11.5**	**12.0**
Germany	20.3	22.1	15.8	15.1	17.6	16.6
France	10.1	13.5	15.5	14.5	14.2	13.8
Spain	24.8	18.5	14.7	15.3	15.7	17.0
Italy	18.3	20.3	22.2	25.5	26.8	27.8
Greece	8.1	8.2	10.0	10.9	10.7	11.2
Other Countries	**12.3**	**8.2**	**9.5**	**9.9**	**9.4**	**8.4**

Source: State Bank of Pakistan, Country-wise Workers' Remittances
*figures based on 10 months data, from July 2023-April 2024

The trends of inflows from Saudi Arabia and the UAE are particularly worth noting; between 2019-2020 and 2021-2022 the share of remittances from the two countries increased. Among other factors, the redirecting of flows through official channels had been associated with this patterns. As mentioned earlier, in 2023 the gap between the official and market exchange rate widened, estimated to be around 4 percent by January 2023, combined with the lingering economic uncertainty, is expected to have shifted remitters preference to unofficial channels offering higher PKR amount (KNOMAD, 2023b). This possibility reflects in data through a lower share of Saudi Arabia and the UAE in total remittances received in 2022-2023. Inflows from UAE decline by a substantial 20.4 percent and 15.8 percent from Saudi Arabia. Among other GCC countries, the share from Qatar increased between 2018-2019 and 2021-2022 but appear to have plateaued since, in the last three years. Share of inflows from Kuwait declined in 2019-2020 and has not recovered.

This pattern contradicts the migration trends described in Chapter 1; share of migrants to UAE increased to 15.4 percent in 2022 from 13.3 in 2021 and was much higher at 26.7 percent in 2023 according to BEOE data. As well as for Saudi Arabia that remained the top migrant destination for Pakistani workers. According to KNOMAD (2023b) Saudi Arabia's recent policy of allowing foreign workers to bring their families along could possibly result in lower remittances being sent back home, with prominent implications for Pakistan and most North African countries. However, the likely impact of the policy might be more evident in the medium term, and Pakistan's exchange rate dynamics appear to have played a more forward role in directing flows away from the formal channels.

In 2018-2019 Malaysia appeared to be an emerging destination for Pakistani migrants, with remittances of USD 1.6 billion in the year. Interestingly, while inflows drastically decline in the subsequent years with only USD 0.1 billion received in 2022-2023, proportion of Pakistani's travelling to Malaysia for employment has increased over the same period as detailed in Chapter 1.

Share of remittances from migrants in the European Union has been rising over the past five years, jumping from 2.8 percent in 2018-2019 to 7.7 percent in 2019-2020 and continuing the upward trajectory, though the rate of increase has slowed down. Predominantly this trend can be associated with the share of inflows from Italy, which has increased to 26.8 percent in 2022-2023 from 18.3 percent in 2018-2019, surpassing Germany and Spain. Chapter 4 of this report points out that the number of Pakistanis illegally present in Italy increased by 3.4 times in 2021 and further 1.8 time in 2022. The trend provides support of the increase in remittance inflows from the country.

Macroeconomic Management and Remittance Flows

The decline in remittances in 2022-2023 can be linked with economic and political uncertainty in the country during this period. Estimates in the Pakistan Migration Report 2022 showed the presence of a pro-cyclical pattern between remittances to Pakistan and economic growth. Real GDP growth in 2022-2023 contracted drastically to 0.3 percent and inflation surged up to 29.2 percent (SBP, 2023). Even though, the interest rates in the country were also high during the period as the State Bank of Pakistan increased it monetary policy to 22.0 percent to curb inflation, this does not appear to have channeled higher investment/savings oriented inflows from well settled Pakistani diaspora abroad, especially in the Western countries. This maybe because central banks in the advanced economies had also increased interest rates to control inflation. Better investment opportunities in these countries and relatively lower risks could have bagged Pakistani migrants' savings.

Remittances from the Middle Eastern countries, which constitute more than 50 percent of the total inflows, are sent largely for home sustenance purposes. These migrants often rely on unofficial channels and social networks to send money. The widening exchange rate gap referred to above, played a role in recording lower inflows from these countries through the official channels.

In contrast, record high remittance inflows during 2021-2022 were observed as Pakistan experienced a GDP growth rate of 6.0 percent following 5.7 percent growth in the previous year 2020-2021, signalling a growing economy. Although inflation had been increasing, State Bank of Pakistan increased the monetary policy rate from 7.0 percent to 13.75 percent to curtail its impact (SBP, 2022). Higher returns combined with persistent depreciation of rupee against dollar, possibly attracted inflows for capital gains, especially in the real estate sector (SBP, 2022). Strong economic and wage growth and Covid-19 related compensations in advanced remittance-sending countries had also increased migrant earnings (KNOMAD, 2022).

To prevent further depreciation of the rupee and limit dollar outflow, the State Bank had introduced new measures enhancing its regulatory control over the activity in the foreign exchange open market[3]. Consequently, reducing the gap between the official and market rate, and the incentive to use unofficial channels to remit money over the official channels.

Contribution of Diaspora Savings

The special focus of the Migration and Development Brief 39 (KNOMAD, 2023b) covered potential ways of leveraging of diaspora finances for mobilizing private capital in developing countries. This section extends the discussion on Pakistan's efforts and policy initiatives untaken for the purpose.

[3] See Pakistan Migration Report 2022 for details of these measures.

In August 2020, necessitated by Covid-19 related lockdowns, the State Bank of Pakistan had introduced Roshan Digital Account (RDA) initiative to integrate the Pakistani diaspora with the country's banking system. It allowed opening of foreign currency and non-resident rupee accounts by the migrants abroad remotely. Funds in these accounts could be used for meeting everyday transaction needs of the remitter or their family at home, including cash withdrawals, transfers, bill and fee payments and merchant transactions, and also for investment purposes. The latter could be either in the new savings opportunities introduced as part of the RDA initiative - Naya Pakistan Certificates (NPC) and Roshan Equity – or in government securities, real estate and mutual funds. Hence, playing a dual role of channeling remittances through formal medium and mobilizing diaspora investments.

In the first year of launch 2020-2021, the diaspora showed a great interest in the investment side of the RDA with 58.2 percent of the net inflows being used for investments, mainly NPC. However, in the following years, investment trend has been declining. Instead, repatriated amount from the RDA as a proportion of total inflows, has being depicting an upward trend, from 2.4 to 24.9 and 37.7 percent in 2020-2021, 2021-2022 and 2022-2023 respectively[4]. The uncertain macroeconomic and political situation in the country during these years, likely lead to the repatriation of funds from these accounts by the diaspora. The trend seems to be improving in 2023-2024; during first three quarters from July 2023 till March 2024 the net inflows have exceeded preceding year's inflows, investment is picking up as well though by a much lower volume as compared to earlier years.

Conversely, the local utilization of the inflows has increased in the following years. In 2022-2023, utilized amount exceeded the net inflows, by drawing down of account balances and investments (Table 2.3), possibly to meet rising family expenses caused by inflation in the country.

The small amount of inflows raised via the savings/investment opportunities compared to for local utilization and total remittances received, indicates that an enormous potential remains to tap the savings of Pakistani diaspora.

Table 2.3: Roshan Digital Account Net Inflows and Usage (million USD)

	RDA - Net Inflows	Locally Utilized	Investments (NPC & Roshan Equity)*	Balances in Account
FY21	1,518	391	883	244
FY22	2,286	1,731	336	219
FY23	1,087	1,655	-488	-80
FY24**	1,186	1,025	155	-4

Source: State Bank of Pakistan, Key Statistics on Roshan Digital Account
* also including a small amount of investments in government securities, real estate and mutual funds
** figures are shown for nine month period, i.e. from July 2023 – March 2024

Future Outlook and Policy Measures

According to the State Bank of Pakistan's most recent projections, the total volume of inflows is expected to be between 27.1-28.1 billion USD in 2023-2024 (SBP, 2024). During the first 10 months of the year, 23.85 billion USD have been received. Which suggests a meagre 2.9 percent increase at most compared to 2022-2023. By contrast, according to KNOMAD (2023b) remittances

[4] Calculated using State Bank of Pakistan, Key Statistics on Roshan Digital Account. Accessible at https://www.sbp.org.pk/RDA/Progress.html

are expended to decline in Pakistan given low public confidence and expectation of positive economic recovery, especially under as the IMF-supported program takes effect.

With the shift in the types of investment and projects being under taken in Saudi Arabia and the Gulf region, demand for high skilled labor is expected to increase relative to low or unskilled, which is the primary category of Pakistani labor migrants to the region. However, the brain drain debate in Chapter 3 indicates the possibility that irrespective of demand, there appears to be an increase in migration out of the country, especially to the advanced countries.

The future direction of inflows apart from migration trend will largely also depend on government macroeconomic policies, especially exchange rate. The earlier discussion shows that remitters' decision about the medium for sending money demand on the exchange rate being offered. The higher the disparity between the official and market rate, the more likely the use of unofficial channels would increase, primarily because this translates into more money in Pakistani Rupees. While the government decision about exchange rate policy are often largely driven by the value of its foreign debt, and trade policy, due consideration needs to be given to remittance inflow decision, since they are a key source of foreign exchange reserves for Pakistan, buffering against its persistently high trade deficit.

Chapter 3

The Brain Drain Debate: Rhetoric and Reality

Opinions about the net benefits and net costs of migration have historically remained divided and controversial in the migration literature, as well as popular and political discourse (Docquier, 2014; Haque, 2005; Sriskandarajah, 2005). One of the costs of migration is perceived as the exodus of the most talented individuals resulting in a dearth of highly skilled, qualified and entrepreneurial members in the sending country's labor force. The counter-argument states that the home country may in fact benefit not only in terms of remittances sent by the migrants but also through additional skill levels gained by migrants who may eventually return.

Pakistan has witnessed a resurgence of this debate in 2023 ever since the data for out-migrants was published by BEOE for 2022 showing that the number was more than thrice as high as that in 2021 (832,339 and 288,280 respectively). Politicians from the government as well as the opposition were quick to blame each other for the deterioration in living conditions that was held accountable for the increasing exodus. The brain drain debate did not consider the reasons for the apparently sudden increase in outflows from 2021 to 2022, rooted primarily in the occurrence of the Covid-19 pandemic in 2020-21. Governments across the world responded to the Pandemic by closing their borders and the administrative machinery responsible for regulating migration came to a halt in sending as well as receiving countries. Business closures in the host countries greatly reduced the demand for foreign workers. Once conditions returned to normal, a return to higher outflows was expected.

A number of newspaper articles raised an alarm about the massive brain drain from Pakistan with more than 800,000 persons departing in just one year. It was assumed in several such articles that the out-migrants were primarily professionals with high qualifications. For example, Murtaza (2023) reported that "In 2022, a large number of young and qualified professionals, around 765,000, left Pakistan to find jobs abroad". Venkatesh (2023) commented that Pakistan's brain drain has turned alarming and this trend in outflow of educated persons will result in the country becoming "brain dead". We found only one newspaper article that analyzed the outflow data accurately and concluded that the upward trend observed in 2022 was not an unusual aberration and even higher outflows had been witnessed in the recent past (BR research, 2022).

In addition to the relatively higher numerical outflow observed in 2022, a recent survey that asked a hypothetical question about the desire to leave the country if offered an opportunity showed that about 37% of the respondents would like to move out (Durr-e-Nayab, 2022). An earlier survey of the youth in Karachi reported that about 48.7 % of the young people wanted to leave the country (Zafar, 2021). The survey information added further to the general perception that the desire to leave the country was widespread. Thus, the popular rhetoric resulted in the oft-repeated notion of a massive loss of brain power resulting from migration.

The main objective of this chapter is to examine the validity of the argument which claimed that an unprecedented outflow of highly skilled persons in 2022 indicated a massive brain drain. A related objective is to document the global trends in desires to migrate to properly contextualize the trends seen in Pakistan. We begin with the global trends.

Global trends in desire to migrate

The Gallup World Poll provides information on desire for migration for more than 150 countries, covering 99% of the world. Gallup asks the following two questions on migration to assess the wish to migrate and preparation for migration:

- Migration wish: 'Ideally, if you had the opportunity, would you like to move permanently to another country, or would you prefer to continue living in this country?'
- Migration preparation: 'Have you done any preparation for this move? (asked only of those who are planning to move to another country in the next 12 months)'

Recent Gallup survey data for 2021 indicate that about 900 million adults (16% of the world population) would like to move permanently to another country (Pugliese and Ray, 2023). An upward trend in the desire is visible in Sub-Saharan Africa, Latin America and several Asian countries. In 13 countries of the world, more than half of the adult population would like to move to another country; the highest percentage in Sierra Leone (76 %) followed by 63 % in Lebanon. The desire to move is, however, not matched by the actual preparation to move, and is significantly lower.

In a comprehensive analysis of Gallup surveys of about 150 countries for the period 2010-2015, Migali and Scipiono (2019) reported that about 41 % of those living in middle income countries wished to move compared with about 27-28 % of those in high as well as low income countries. Pakistan was grouped as a middle income country indicating a fairly high desire for migration. While a fairly sizable percentage indicates a wish to move, only 1-2 % had actually undertaken any concrete steps to do so. Thus, limiting the analysis to desires to move may reflect an incomplete and over-estimated picture of the potential migrants in a sending country. If perceptions about future flows of migrants are based primarily on the wish or desire to move, receiving countries in the North may indeed feel threatened by the impending flood of migrants from the South.

Migali and Scipioni also found that dissatisfaction with one's own standard of living is associated with a higher probability of the desire to move. However, the above dissatisfaction was less clearly associated with the actual preparation to migrate. Some individual traits that were positively associated with the preparation to move included being male, foreign-born, highly educated, and having networks abroad.

The literature also points to the growth of a "culture of migration" in sending countries where many neighbors, friends and relatives have already moved (Cohen and Serkeci, 2011; Kumpikaitė -Valiūnienė, 2021). The Philippines is an example of such a country where about 10 % of the total population was working or residing overseas at the end of 2004. According to Asis (2006) a culture of migration has emerged with millions of Filipinos eager to work abroad, despite the potential risks they might face. Surveys in the Philippines during 2005 showed that 26-33 % of the Filipinos would migrate to another country and live there if it was possible. In a nationwide survey of children aged 10-12 about 47 % of the Filipino children said that they wished to work abroad some day while 60 % of the children of overseas workers desired to work abroad.

Thus, the desire or wish to migrate to another country is not unique to Pakistan. The global trend in the wish to migrate appears to be upward and dissatisfaction with one's level of living seems to be a core element of this desire.

The recent survey from Pakistan indicated that a larger percentage of males than females expressed the wish to leave the country (49 % and 26 % respectively). Almost half of those aged 15-24 wished to leave. Compared to 21 % of those without any schooling, about half of those with more than high school education wished to leave (Durr-e-Nayab, 2022). These findings have added to the general perception of a brain drain of the highly qualified from Pakistan.

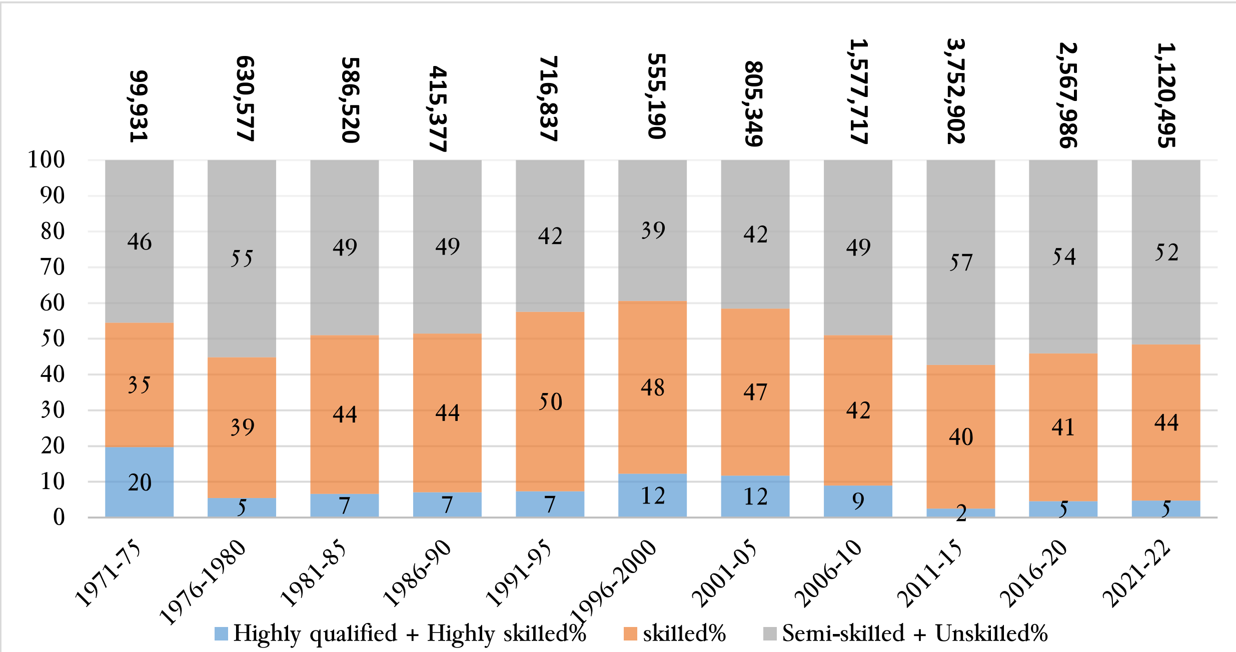
Outflow of highly skilled and highly qualified workers from Pakistan

This section analyses the trend in migration of the highly skilled and highly qualified workers from the country. The BEOE gathers and publishes data on the occupation of the overseas migrants. It also groups the above information into five categories, namely highly qualified and highly skilled, skilled, semi-skilled and unskilled. The following occupations are classified as highly qualified and highly skilled:

	Occupations
Highly qualified	• doctors, dentists, engineers, teachers, accountants and managers.
Highly skilled	• nurses, foremen/supervisors, technicians, operators, surveyors, computer programmers/analysts, designers, pharmacists, riggers, draftsmen, photographers and artists.

Figure 3.1 shows the aggregated percentage of the highly skilled and qualified emigrant workers since1971 grouped by five years. The percentage of highly qualified/skilled out-migrants has remained less than 10 % for most of Pakistan's migration history. In 2011-2015 when a total of 3.7 million workers went overseas, only 2 % fell in this category. The percentage in 2021-22 was only 5 %. A majority of the outflows since 1971 in fact comprised of semi-skilled and unskilled workers (Shah, 2023). Thus, an alarm about the unprecedented high outflow of qualified/skilled workers is misplaced and based on inaccurate analysis of the available data.

Figure 3.1: Skill level of Pakistani migrant worker grouped by five years, 1971-2022 (Numbers & Percentages)



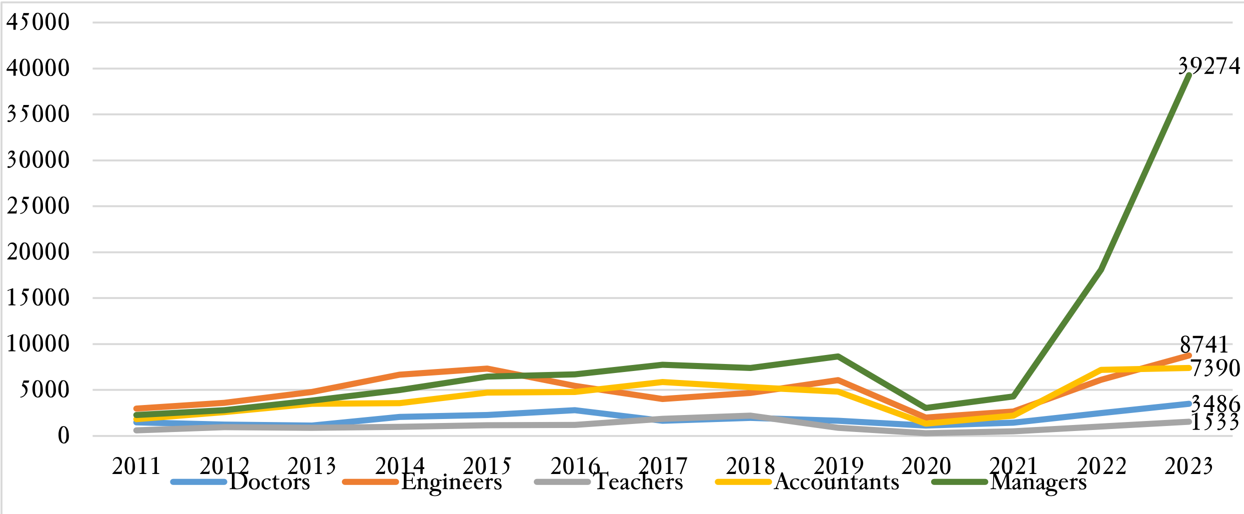
Source: Shah (2023)

We explore the alleged brain drain by further disaggregating the 5 occupations within the highly qualified group, by looking at the annual number of emigrants in these occupations and their percentage out of the total outflows. We also do a similar analysis for selected occupations grouped as 'highly skilled'.

Figure 3.2 shows the trend in outflow of the five occupations classified by BEOE as "highly qualified" during 2011-2023. The number in each category declined during 2020-21, the Covid-19 years. In case of doctors, engineers, accountants, and teachers the numbers bounced back in 2022-23. The group of managers was the only one that showed a marked spike in 2023. Compared to 8653 in 2019, 39274 managers left the country. While this appears to be a big jump, the category of managers may be somewhat broadly defined and could include mid-level professionals.

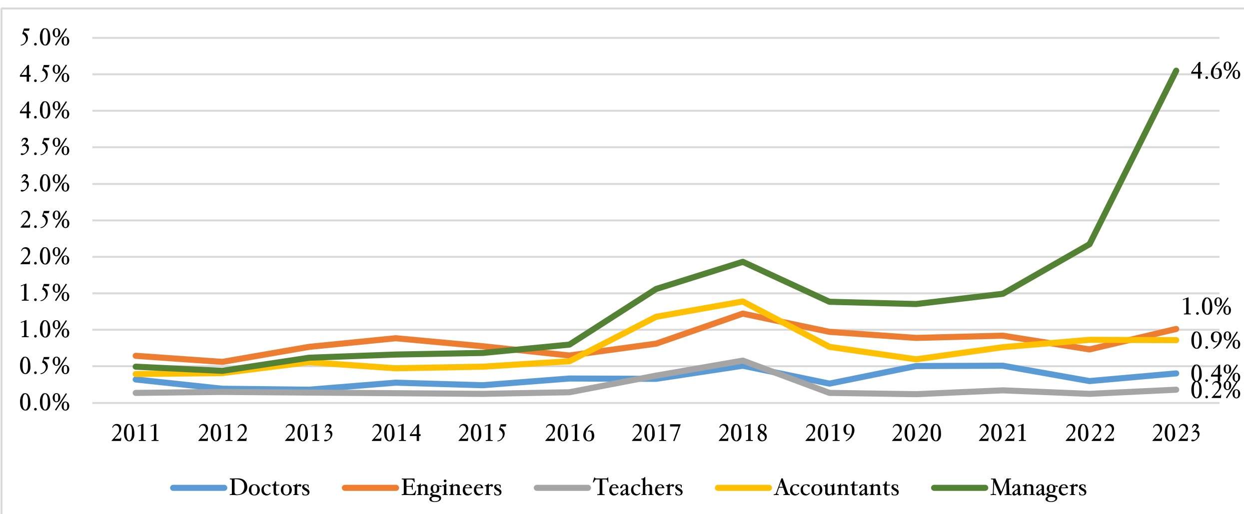
When viewed as a percentage of total migrants in each year who left the country, only 0.4% were doctors an 0.2% were teachers in 2022 (Figure 3.3). These percentages were actually lower than those seen during 2018 and did not show any spikes during the last decade. Managers comprised 4.6% of all workers who left in 2023. However, the category of managers is less clear than that of doctors or teachers and it is hard to argue that the departure of such persons would cause a serious negative impact on Pakistan's economy.

Figure 3.2: Pakistani highly-qualified out-migrant workers by occupation, 2011–2023 (Numbers)



Source: BEOE dataset

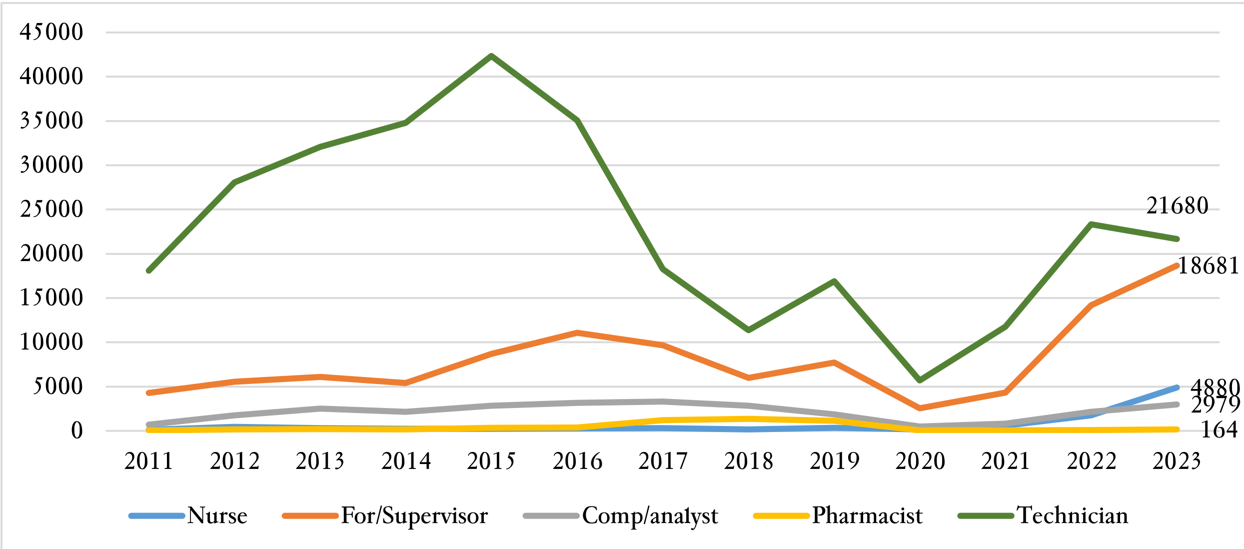
Figure 3.3: Pakistani highly-qualified out-migrant workers by occupation, 2011 – 2023 (Percentages)



Source: BEOE dataset

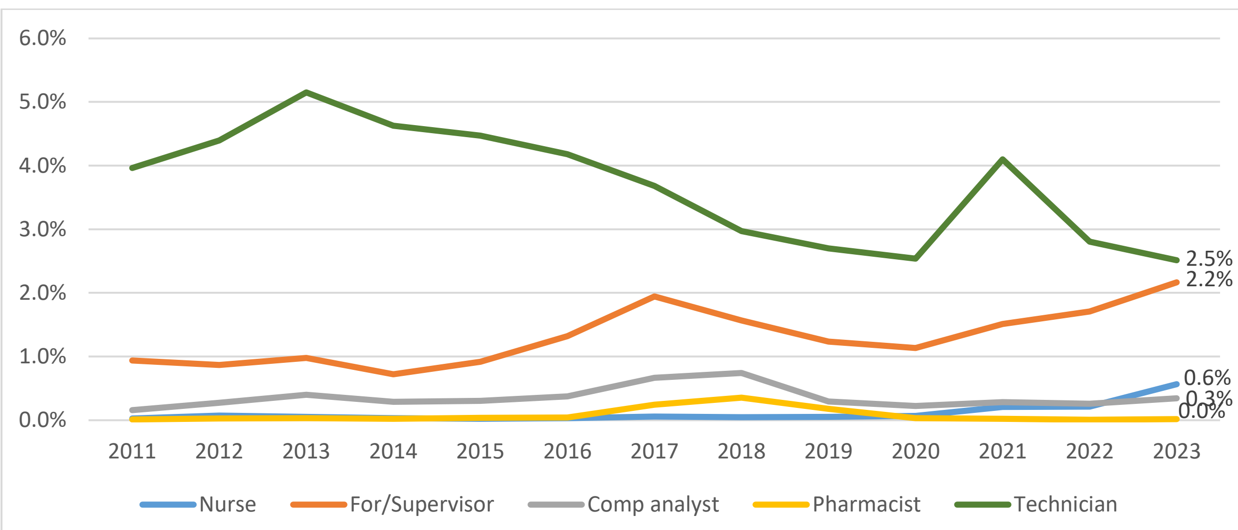
Among selected occupations within the highly skilled workers, most categories showed an upward trend when viewed in terms of absolute numbers (Figure 3.4). For example, 2979 computer analysts left the country in 2023; lower than the number who left in several of the pre-Covid years. When viewed as a percentage of the total yearly outflow, less than 1.0 % comprised of computer analysts, pharmacists or nurses (Figure 3.5). The number of technicians and supervisors increased notably in 2022 compared to the Covid years. However, these two categories may include a diverse number of skills of varying levels and their exodus from Pakistan's labor force may or may not have deleterious effects.

Figure 3.4: Pakistani highly-skilled out-migrant workers by occupation, 2011–2023 (Numbers)



Source: BEOE dataset

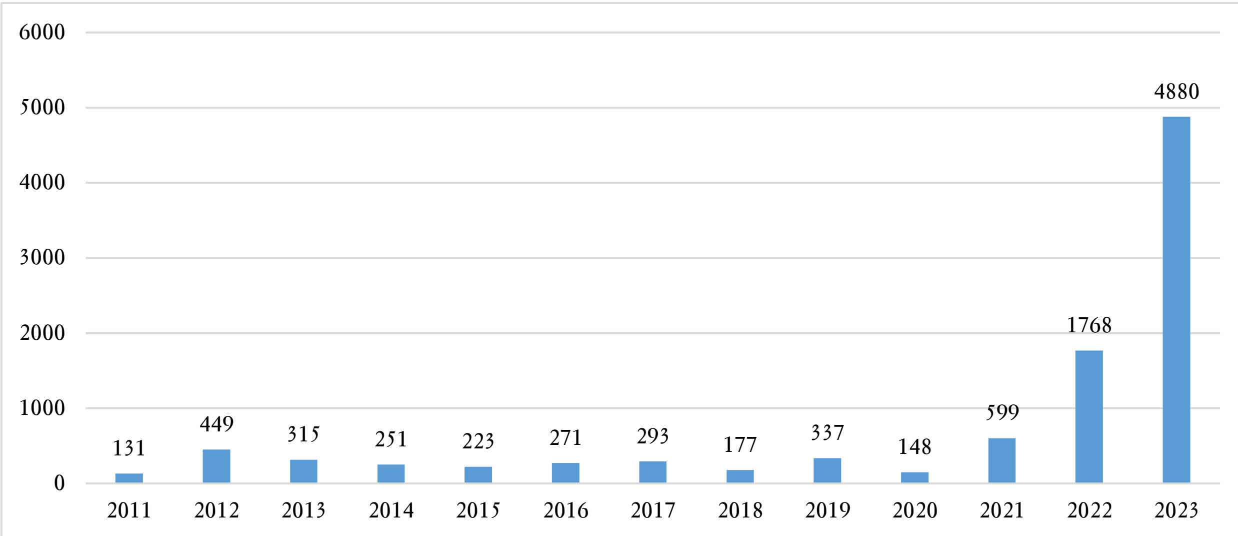
Figure 3.5: Pakistani highly-skilled out-migrant workers by occupation, 2011 – 2023 (Percentages)



Source: BEOE dataset

One category that requires closer attention is that of nurses. There is a world-wide shortage of nurses and the need for such workers increased further during the Covid-19 pandemic. About 600 nurses went overseas in 2021 and the number increased to 1768 in 2022, and to 4889 in 2023. In view of the greater global demand for nurses, the outflow of this group needs further study to assess its production and absorption in Pakistan's labor market, and gauge any shortages caused by emigration.

Figure 3.6: Yearly outflow of Pakistani nurse migrants, 2011-2023 (Numbers)



Source: BEOE dataset

In summary, we do not find any evidence of a massive and unprecedented outflow of professional and highly skilled workers in 2022-2023 as mentioned repeatedly in the Press. The rise in the number of outgoing workers following the pandemic is essentially an outcome of the return to normalcy following the Covid-19 pandemic. An analysis of trends in emigration of highly qualified and skilled persons does not show any alarming rise during the last decade. The hype relating to the excessive brain drain that may spell disaster for the economy is generally based on rhetoric and not a scientific analysis of the patterns of migration from Pakistan. Furthermore, Pakistan is not exceptional in terms of people's wish to move to another country.

It is possible that the number of highly skilled migrant workers is undercounted in the data since some migrants may arrange overseas employment without registration with the BEOE. Further research is needed to arrive at a more accurate count of such outflows. Furthermore, there is a need to estimate the quantity and quality of highly skilled migrants as a proportion of the total stock of such workers in the country.

Since the last five decades, the Pakistan government has had a pro-emigration policy. Overseas Pakistanis are often lauded as national heroes who contribute large amounts of remittances to the country. In its bilateral relations with host countries, the government tries to secure additional opportunities for Pakistani workers. The country has established a fairly comprehensive governance mechanism to regulate and manage an "orderly, safe and regular" migration, as described in our earlier report of 2022 (Shah et al, 2022).

It is true that an excessive outflow of highly qualified and skilled workers could potentially damage productivity within Pakistan. The policies relating to such emigration must, however, be based on a scientific and objective analysis of the trends rather than rhetorical reactions motivated by the current political and economic circumstances. A bigger concern in the occupational structure of emigrants should probably focus on the fact that Pakistan has been unable to improve the skill profile of its migrants over the years. The lack of such development may render Pakistani workers less competitive in a world where the demand for skilled workers in increasing.

Chapter 4

Irregular Migration to, and from, Pakistan

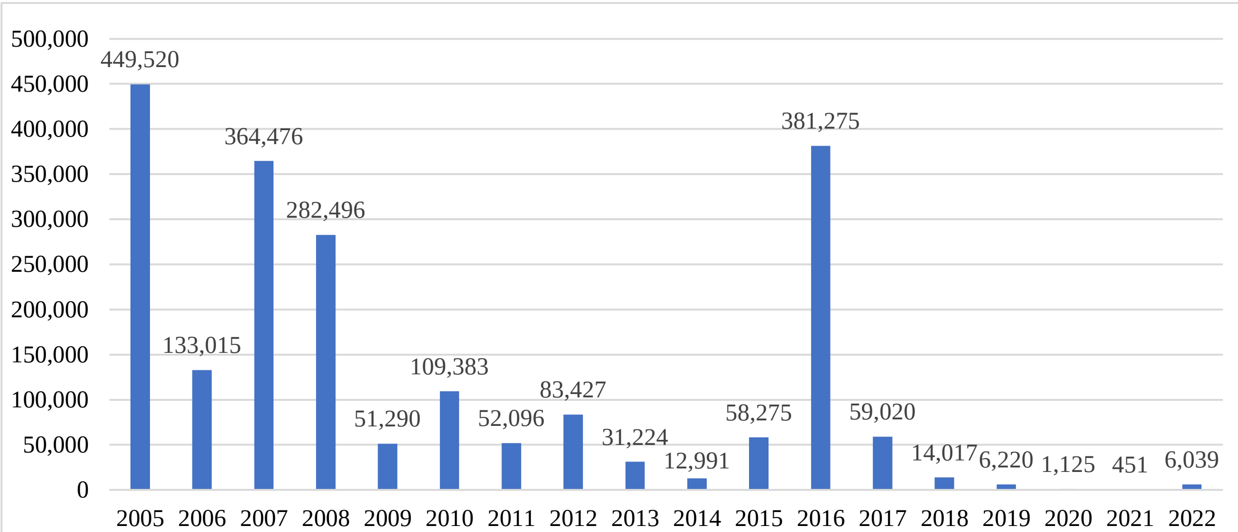
Pakistan is a country of origin, transit and destination for irregular (or undocumented) migrants. The two main geographical locations that have provided irregular migrants to Pakistan are Bangladesh and Afghanistan. Refugees driven by war and conflict from these countries entered Pakistan and their prolonged stay in the country rendered many of them irregular migrants, without any legal documents authorizing them to stay. In 1971 when Bangladesh was created, the urdu-speaking population of Biharis either stayed back in Pakistan or moved to it from Bangladesh. A majority of this population settled in Karachi where they continue to reside until the present. The total number of this group was estimated by the EBDM (2009) to be about 1.03 million in 2009. Children born to the Biharis are not eligible for Pakistani nationality, and this group continues to expand and reside in Pakistan in an irregular capacity as described in our first Pakistan Migration Report, 2020 (Shah et al., 2020).

Refugees from Afghanistan are the second major group that has been residing in Pakistan since the Soviet invasion of Afghanistan in 1979. It was estimated that Pakistan received about 2.5 million refugees during1981-1990, and the number went up to 3.3 million by the end of 2001 (CSSR, 2006). The only Census of Afghans in Pakistan held in 2005 showed the number to be 3.04 million. More recently, with the withdrawal of the American troops from Afghanistan and the Taliban government's takeover in August 2021, more than 600,000 Afghans sought refuge in Pakistan (Tribune, September 2023).

Over the years, some efforts have been made to provide legal documents to Afghans residing in Pakistan. Following the 2005 Census, an effort was made to issue Proof of Residence (POR) cards to Afghans in Pakistan. What percentage of all Afghans were actually issued POR cards is debatable, and an unknown number of unregistered Afghans are still present in the country.

The Government of Pakistan has made multiple efforts for the repatriation of Afghan refugees over the last two decades. A Tripartite Commission was established between the governments of Pakistan and Afghanistan with the UNHCR to enable such repatriation. An agreement based on the principles of voluntary, safe, and dignified repatriation was signed by this Commission. A total of 4.39 million Afghan refugees were repatriated between 2002 and 2022, as shown in Figure 4.1. During 2016 a record high number of 381,275 Afghan refugees were repatriated, followed by marked declines. In the post Covid-19 period, only 1,125 were repatriated in 2020 and a mere 451 in 2021 whereas the number went up to 6,039 in 2022.

Figure 4.1: Yearly voluntary repatriations of Afghan refugees, 2005 – 2022



Source: United Nations High Commissioner for Refugees (UNHCR). All statistics are updated as of 31st December 2022. More information available on UNHCR: data portal, https://data.unhcr.org/en/country/pak

Historically, the Pakistan government offered a kind accommodation to Afghan refugees. Initially a majority of Afghans were settled in camps established for this purpose. Over the years, however, squatter settlements of Afghan refugees developed in several large cities. In September 2023, the policy of friendly accommodation of Afghan refugees underwent a somewhat drastic change. A summation of Pakistan's policy towards Afghan refugees is given in Box 4.1.

Box 4.1 Pakistan's Policy on Afghan Refugees

Since 1979 when the Afghan refugee influx to Pakistan began, Pakistan has been a generous host with considerable international financial support. However, it has held a consistent position advocating the eventual return of all Afghans (CSSR, 2006). While some writers have described Pakistan's policies regarding Afghan refugees as "truly generous and ambivalent", they have also maintained that Pakistan used Afghans as a political tool in its foreign relations policies (Grare and Maley, 2011).

In 1980, the Government of Pakistan established the Chief Commissionerate for Afghan Refugees (CCAR) in Islamabad with branches in all four provinces to cooperate with UNHCR for administration and management of all Afghan refugees in the country (EUAA 2022). In 2021, the Government of Pakistan in collaboration with the UNHCR carried out a digital exercise referred to as the Documentation Renewal and Information Verification Exercise (DRIVE) to provide new PoR smartcards to about 1.4 million Afghan refugees whose cards had expired in 2015. By March 2022, 887,000 smartcards had been issued in addition to the previous 700,000 issued in December 2021. The registration of these card holders was extended till the end of 2023 by NADRA (EUAA, 2022).

While the Government of Pakistan was fairly consistent in its policy of accommodating Afghan refugees up until 2022, this policy underwent a drastic change recently. On 26th September 2023 the Ministry of Interior announced a decision to enact its "Illegal Foreigners Repatriation Plan" (IOM, 2024). On 3rd October 2023 Pakistan's National Apex Committee endorsed a plan to repatriate all "illegal aliens" from the country voluntarily or face deportation by November 1st, 2023 stating that they faced security concerns (UNHCR, 2023). The decision largely affected the 3.7 million Afghans seeking refuge in the country. Only 1.3 million of these were registered with the authorities (Tribune, September 2023). As reported by the UNHCR, a total of 286,700 returns took place between 1 October to 9 November 2023 (UNHCR, 2023). Recent estimates reveal that around half a million Afghan refugees returned during the first phase of repatriation. The authorities have also begun work on the second phase of repatriation by starting the mapping process of around one million documented Afghans, that is, the Afghan Citizen Card holders. This phase is expected to pick up pace soon after Ramadan and the repatriation of the remaining Afghan refugees is set to begin in early to mid-summer 2024 (Dawn, March 2024).

The Taliban government of Afghanistan viewed this decision to expel Afghans as rather distasteful and considered it "unacceptable". The Afghan government urged Pakistan to "tolerate" the refugees as long as they do not leave Pakistan voluntarily stating that the Afghans were not involved in Pakistan's security problems (Tribune, October 2023). Thus, the sudden change in policy poses a new challenge to the Pakistan-Afghanistan relations on managing the Afghan refugees many of whom have lived in Pakistan for over 40 years, and several were born in Pakistan.

Irregular Pakistani migrants in Europe

Data on irregular migrants is generally among the least available pieces of information on the movement of persons across borders. Europe has made considerable progress in providing data on irregular migrants tabulated by country of origin, including Pakistan. Table 4.1 presents information on the number of Pakistanis residing illegally in various European countries from 2013-2022. The number of irregular Pakistanis residing in Europe fluctuated over time ranging from a high of about 82,000 Pakistanis in 2015 to a low of 20,255 in 2020, during the Covid-19 pandemic. During the post-Pandemic year of 2022, the number increased to 40,450.

Table 4.1: Pakistan Nationals found to be illegally present in Europe, 2013 – 2022

Country	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Belgium	345	365	365	390	290	225	195	100	90	90
Germany	3085	2980	11720	8935	3650	2850	2910	2235	1950	2740
Ireland	140	100	310	630	1120	565	350	75	110	110
Greece	4150	3525	27260	13460	9280	10145	10330	7110	6310	6045
Spain	2080	1935	1555	1185	815	770	1030	895	815	40
France	1600	2370	4210	2815	4000	3010	3815	2425	2810	2350
Italy	520	330	650	615	525	715	1100	740	2530	4490
Cyprus	395	225	200	185	160	490	970	450	905	2160
Austria	2310	880	3145	4050	2810	900	690	495	1350	7255
Poland	75	70	100	80	100	110	65	50	40	110
Portugal	110	115	245	265	160	95	85	45	50	40
Romania	65	55	40	120	150	40	40	85	125	NA
Slovakia	15	5	35	25	10	15	10	15	85	50
Sweden	125	345	5	30	5	10	15	15	5	5
Hungary	3760	425	22695	5895	4400	1035	310	235	1510	7900
United Kingdom	8240	9790	8210	6115	5545	2895	1865	NA	NA	NA
Others	625	775	1470	2115	860	1320	3275	5280	4465	7065
Total	27,640	24,290	82,215	46,910	33,880	25,190	27,055	20,255	23,150	40,450

Source: Eurostat, various years

The number of irregular Pakistani migrants residing in Europe varies considerably across countries. In 2022, Hungary was home to the largest number of irregular Pakistanis (7900) followed by Austria (7255) and Greece (6045). Some countries, such as Sweden, Slovakia and Spain reported less than 100 irregular Pakistanis residing on their soil.

Pakistanis find ways to enter Europe irregularly through land as well as sea borders. There was no consistent pattern of entry used by irregular migrants during 2009-2023 (Table 4.2). Land borders were preferred in some years while sea borders were more popular in other years. Since irregular migrants use the assistance of illegal agents and operatives to facilitate their journey, the entrance through land or sea borders probably depends on the activity level of such agents and factors such as the vigilance of concerned authorities to apprehend and punish them, as well as the amount charged by agents for arranging entry through a given route.

Table 4.2: Irregular border crossings by Pakistan nationals by border type, 2009 – 2023

Year	Border type: Land	Sea
2009	1328	264
2010	3675	203
2011	13781	1594
2012	3344	1533
2013	3211	1836
2014	555	3560
2015	17444	25866
2016	6519	11454
2017	5281	4734
2018	2883	2105
2019	2109	1690
2020	1071	1532
2021	1084	1952
2022	6561	5461
2023 (Nov)	2052	7760

Source: Frontex, various years
*Frontex: European Border and Coast Guard Agency (European Union Agency)

Three main sea and land routes are used by irregular migrants from Pakistan to enter Europe (Table 4.3). Data for 2009-2023 show a considerable amount of variation regarding the most frequently used route from year to year. In 2023, the Central Mediterranean route was the most favored used by more than three-fourths of all irregular border crossers. As a percentage of all persons who entered Europe through land crossing points, Pakistanis comprised the fifth largest group in 2021; 1911 out of 87509 (2.2 %). The largest number who entered illegally through land borders were Syrians and Afghans (43149 and 13640, respectively) (Frontex, 2022/23, Annex Table 2).

Table 4.3: Most used routes by Pakistan nationals for irregular border crossings, 2009 – 2022 (Percentages)

	Routes: Western Balkan*	Central Mediterranean**	Eastern Mediterranean***	Others	Total
2009	0.6	0.4	93.0	6.0	1592
2010	1.0	1.4	95.6	2.0	3878
2011	3.9	9.2	86.6	0.3	15375
2012	17.7	25.8	56.4	0.1	4877
2013	60.9	34.4	4.7	0.0	5047
2014	8.9	84.0	6.6	0.5	4115
2015	39.4	4.6	55.9	0.1	43310
2016	31.1	15.4	53.3	0.2	17973
2017	43.5	30.3	26.0	0.2	10015
2018	20.4	30.3	48.4	0.9	4988
2019	14.2	31.9	52.8	1.1	3799
2020	11.2	53.7	34.6	0.5	2603
2021	26.4	57.7	13.5	2.4	3036
2022	53.0	29.6	17.3	0.2	12022
2023	20.1	77.1	2.6	0.2	9812

Source: Frontex, various years.
*Western Balkan route includes Bulgaria, Romania, Hungary and Croatia at the land borders with countries from the Western Balkan region.
**Central Mediterranean route includes Italy and Malta sea borders.
***Eastern Mediterranean route includes Cyprus, Greece sea border, Greece and Bulgaria land borders with Turkey.

While many irregular Pakistani migrants are apprehended at the various borders and survive, several others meet a horrific end to their journey when overloaded boats capsize, or migrants get choked in containers, or succumb to hazardous passages along the way. In June 2023, more than 300 Pakistani migrants drowned off the coast of Greece in a ship they boarded in Egypt. The victims included women and children. This incident attracted a great deal of media attention worldwide and in Pakistan, primarily due to the scale of the disaster (Horowitz et al., 2023). However, this was not the only time such an incident occurred. In February 2023 four Pakistani migrants went missing, and 16 survived, when a boat carrying migrants to Europe crashed on rocks near the southern Italian coast (Shahzad, 2023). In another tragedy in April 2023, around 57 bodies washed ashore when two migrant boats sank in the Mediterranean off different towns in western Libya. The migrants were from Pakistan, Syria, Tunisia, and Egypt (Dawn, April 2023). Other incidents like the above are reported regularly, and occasionally capture the media headlines.

Asylum success

While many migrants are apprehended at the borders and face deportation others are able to enter a European or other destination successfully. Some are able to procure asylum and build a fruitful life in the host country. Such examples provide an incentive for others to venture on the perilous migration journey with the help of migrant smugglers. Table 4.4 shows the number of asylum applicants from Pakistan to various countries in 2022. A total of 40,618 migrants applied for asylum, a majority (85 %) of whom were unsuccessful in procuring it.

Table 4.4: Top 10 destinations Pakistan nationals applied for asylum in 2022

Destination	Applied	Accepted	Rejected	Acceptance Rate
Italy	11365	361	6455	5.3
Austria	7901	58	3903	1.5
Canada	2649	978	235	80.6
United Kingdom	2582	466	341	57.7
Greece	2549	101	2726	3.6
France	2069	184	3159	5.5
Cyprus	2018	13	2046	0.6
Germany	1594	149	728	17
United States	1477	232	231	50.1
Australia	881	159	107	59.8
Others	5533	1262	2359	-
Total	40618	3963	22290	15.1

Source: https://www.worlddata.info/asia/pakistan/asylum.php

The highest number of Pakistani asylum applicants in 2022 were in Italy (11,365), followed by Austria (7901). In terms of acceptance rate, the largest number of successful applicants were in Canada where 80.6 % of the applications were accepted, although the number of applicants there was much smaller (2649). Other countries where more than half of the applications were accepted included Australia, United Kingdom, and the United States of America. It should be noted, however, that the percentage of successful applications in a year does not indicate the success rate for that year since application processing may take longer than one year.

Return decisions and effective returns

Once apprehended at a land or sea border, a migrant may apply for asylum or seek some other legal way to continue living in the host country. If such an application is not accepted, the host country government makes a decision about whether a person may stay in the country or not. In 2021, decisions for the return of 350,260 irregular migrants from Europe were made. Of the total decisions, Pakistanis were the fourth highest (18,656), constituting 5.3 %. (Table 4.5).

Table 4.5: Return decisions issued of Pakistan nationals (2018-2021):

	2018	2019	2020	2021	Share of total
Pakistan	14458	17086	20217	18656	5.3
Total	305982	302023	329367	350260	100

Source: Frontex Risk Analysis Report, 2022-23
*Pakistan is among top 10 nationalities of people with return decisions issued.

Despite the return decisions issued by the European government the number of decisions that are implemented is much smaller. In 2021, 77,850 persons were effectively returned, constituting 22 % of the return decision (Frontex, 2022/23, Annex Tables 11 and 12). The International Labor Organization defines effective return as the return of migrant workers to their country of origin "in a safe and dignified manner after achieving their migration objectives overseas" (Wickramasekara, 2019). Among the total return decisions made for Pakistanis in 2021, only 14 % were implemented in 2021. Of those faced with a return decision, 1093 left forcibly and 1575 left voluntarily (Table 4.6).

Table 4.6: Effective returns of Pakistan nationals by type of return (2018-2021):

			Forced Returns		
	2018	**2019**	**2020**	**2021**	**Share of total**
Pakistan	1434	1168	708	1093	3.8
Total	75030	71672	26351	29051	100
			Voluntary Returns		
Pakistan	2871	1816	1270	1575	3.3
Total	72773	67656	42087	47068	100

Source: Frontex Risk Analysis Report, 2022-23

Forcible return, or deportation

Once a decision for return is issued, the irregular migrant may decide to leave voluntarily. The person is sometimes facilitated in the return journey by the host country or international agencies such as the International Organization for Migration. In case of forcible return, the person is deported through official channels. In Pakistan, the Federal Investigation Authority (FIA) is responsible for managing the cases of deportees. As discussed in our first Pakistan Migration Report 2020, a total of 123,093 returned through airports in 2017 and another 21,620 through the Iran land border (FIA, 2016/17). Saudi Arabia has been the largest source of deportees and accounted for about 76% of all such returnees in 2017 (Shah et al., 2020).

Recent data on all deportees are not available in FIA publications. The latest report for 2020 provides information on deportees from the Iran and Greek link offices set up by FIA in those countries (FIA, 2020). A total of 8628 Pakistanis were deported from Iran during January-November, 2020. Iran serves as a major transit country for irregular migrants attempting to reach Europe. Passage from Pakistan to Iran, then Turkey, and Greece is among the most common routes used by irregular migrants to reach Europe. The FIA is responsible for apprehending and punishing the human traffickers and migrant smugglers, known as 'dunkers', who arrange for the movement of irregular migrants. The FIA has established a wide network of surveillance mechanisms designed to apprehend and punish illegal agents and migrant smugglers.

In summary, irregular migrants residing in Pakistan are largely a result of the protracted stay of refugees from the newly created State of Bangladesh in 1971 and the Russian invasion of Afghanistan in 1979. It is estimated that more than one million Biharis and 3-4 million Afghan nationals, with or without documentation, are living in Pakistan. In September 2023, Pakistan decided to actively evacuate irregular foreigners from its soil. About half a million Afghans left Pakistan as a result of this policy between October 2023 and February 2024. Additional steps are underway to speed up the process of returning foreigners to their home countries.

Data from various European databases indicates that more than 40,000 Pakistani nationals were residing illegally in some European country in 2022, with the largest numbers in Hungary, Austria and Greece. Pakistanis try to enter Europe through land as well as sea routes. The most common route is through Iran, then Turkey and Greece. Upon entering a European country, irregular migrants usually apply for asylum; only about 15% are successful in obtaining it. Once the host country makes a decision to return an irregular migrant to his/her home country, a person may leave voluntarily or forcibly. Of all the return decisions made for returning Pakistanis in 2021, only 14% were effectively implemented. Thus, Pakistan is among the top ten countries whose nationals try to enter Europe illegally, with some facing death at sea or land, and others surviving in an illegal status until they decide to leave or are forcibly deported.

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Centre on International Migration, Remittances and Diaspora (CIMRAD)

The Centre on International Migration, Remittances and Diaspora (CIMRAD) was established in 2014 by the Lahore School of Economics and is the first institute of its kind in Pakistan. The Centre specializes in the study and analysis of international migration and its social and economic consequences – with a focus on the diaspora and the flow of remittances.

Global international migration has increased during the last two decades according to the United Nations estimates. The number of persons living outside their country of origin reached 281 million in 2020. Between 2000 and 2010, the number of international migrants increased by 48 million globally, with another 60 million added between 2010 and 2020. Pakistan is a net emigration country, ranking as the seventh largest sending country in the world. Labor migrants, primarily low-skilled male workers, are a vital component of the overall migration from Pakistan and numbered about 12.8 million during the period 1971 to June 2023. Pakistan has taken several steps to regulate and improve the governance of migration in response to specific migration-related goals highlighted in the UN's Sustainable Development goals, and the Global Compact on Migration.

The World Bank estimated remittances to low- and middle-income countries at $656 billion in 2023. The growth rate of 1.4% is much lower than the 8% increase recorded in 2022 despite global economic uncertainty. The lower increase was mainly associated with lower economic activity in migrant receiving countries. Pakistan is amongst the top ten remittance receiving countries. In 2022-2023 it received USD 27 billion, lower by 13.6% during 2021-2022. Economic and political uncertainty in the country, depreciation of the rupee against dollar and resulting rise in the kerb premium shifted remittance inflows to alternative informal channels offering better rates. In view of their significance as a major source of foreign exchange for the country, macroeconomic stability is key to attract remittances and better exchange rate management to reduce the spread between the interbank and open market rate, maintain the attractiveness of formal channels.

Remittances can be beneficial to economic development but at the same international migration can create a loss of skilled labour for the home country. Migrants can create cultural tension in host countries, but also face labour exploitation themselves. These complex social, economic and cultural issues will be explored through the lens of CIMRAD's research.

Team: Dr. Rashid Amjad, Dr. Nasra M. Shah, Dr. Fareeha Zafar, Ms. Almazia Shahzad, Ms. Samar Quddus, Ms. Memoona Qazi.

Rs. 1000/-