

The Main Pillars of the Eu Labour Migration Policy to Solve a Significant Brain Drain Social Problem

Summary. *The overall purpose of this paper is to put everyone in the picture about the nature of the brain drain migration and to the search of the possible ways of the improvement of the EU labour migration policy to solve this significant problem. The findings of the analysis indicate that in the modern world with its demographic and economic imbalances, the total number of international migrants is likely to rise during the XXI century. After presenting a statistical overview of two distinct migratory flows of European labour force, it was concluded that the existing politics of brain drain is not adequately captured in the official data. Therefore, the core factors that drive brain drain migration are determined by authors. The most spread models of high-skilled labour attraction management are investigated in the paper. And, finally, the main pillars of the EU labour migration policy to solve a brain drain social problem are proposed.*

Keywords: *brain drain, European Union, high-skilled labour force, labour attraction management, migration*

According to the most recent estimates by the Food and Agriculture Organization of the United Nations^[1], the total share of people living in poverty around the world has declined over the past thirty years, but over a quarter of the world's population still doesn't have enough money for food. By the way, many of employees worldwide live in extreme poverty due to a lack of decent work opportunities, and almost 10% of the employed population worldwide lived with their families on less than 1,90 USD per person a day in 2016^[2].

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^[1] *The State of Food and Agriculture 2015. Social protection and agriculture: breaking the cycle of rural poverty*, Food and Agriculture Organization of the United Nations, Rome 2015, <http://www.fao.org/3/a-i4910e.pdf> (accessed 10.01.2018).

^[2] *The Sustainable Development Goals Report 2017*, United Nations Department of Economic and

Nowadays the differences between countries all over the globe are often not as great as the disparities within them, because each nation has its own unique type of economic system. A comprehensive analysis provided by “The Economist”^[3] shows that the gap between low income and high income regions increased during the downturn in some developed economies. This circumstance helps to explain why the labour markets of high-income economies are so attractive to employees from low- and middle-income territories. According to Michael Jandl^[4], those migrants who move to the high-income countries are able to gain an income that is 20 or even 30 times higher than they would be able to earn at their home countries.

As we can see from the last report on international migration^[5], published by the United Nations Department of Economic and Social Affairs on December, 2017, the number of international migrants worldwide has continued to grow over the past 17 years, reaching 258 million in 2017, up from 173 million in 2000. During these almost two decades, the total number of international migrants originating in Asia recorded the largest increase (40,7 million people), followed by the migrant population born in Africa (14,7 million people), in Latin America and the Caribbean (12,9 million people), in Europe (11,6 million people), in Northern America (1,2 million people) and in Oceania (700 thousand people). These tendencies can be seen on the following diagram (See fig. 1).

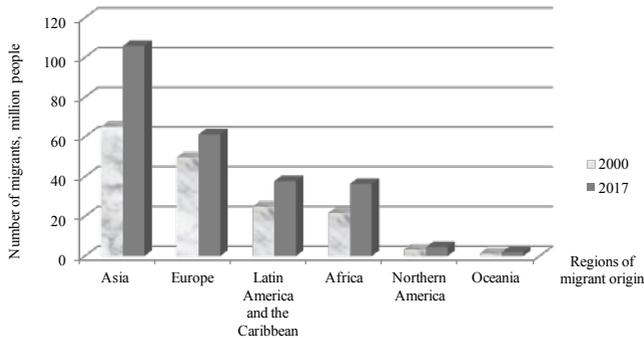
In the present study, it was revealed by us that international migrants are the people who have different levels of educational background. Great differences in knowledge and skills between non-migrants and migrants and among the latter tend becoming more visible. The amount of time spent studying, living and working outside the country of origin usually allows migrants not only to get new skills in different areas, such as a language or a certain craft, but also develop the technological, professional, academic, managerial and other capabilities. Such accumulation of human capital often takes place through formal education, informal channels or the obtained practical experience.

Social Affairs, <https://unstats.un.org/sdgs/report/2017/overview/> (accessed 10.01.2018).

^[3] *Internal affairs: The gap between many rich and poor regions widened because of the recession*, “The Economist”, 10.03.2011, <http://www.economist.com/node/18332880> (accessed 11.01.2018).

^[4] *Innovative concepts for alternative migration policies: Ten innovative approaches to the challenges of migration in the 21st century*, ed. M. Jandl, Amsterdam 2007. 152 p.

^[5] *The International Migration Report 2017 (Highlights)*, United Nations Department of Economic and Social Affairs, http://www.un.org/en/development/desa/population/migration/publications/migrationreport/docs/MigrationReport2017_Highlights.pdf (accessed 11.01.2018).

Fig. 1. The total number of international migrants by region of origin, comparing 2000 and 2017

Source: *The International Migration Report 2017...* (accessed 10.01.2018)

Consequently, all emigrants can acquire some type of new skills and knowledge, but this tends to happen the more intensively – the more skilled emigrants are, through a process of cumulative causation driven by the increasing returns that are typical of knowledge and its accumulation^[6]. Actually, this is about “brain drain” phenomenon.

Though this term was first coined by the world’s oldest independent scientific academy widely known as the “Royal Society” to describe the migration of scientists and technologists from the United Kingdom and Canada in the middle of XX century, it is commonly referred to as the international transfer of resources in the form of human capital^[7], i.e. the migration of relatively highly educated individuals from the developing countries to the developed ones.

Today the term “brain drain” is used to describe the phenomenon of emigration of highly qualified talented professionals from one country to the other^[8] and as such, it is an integral part of the process of international migration.

Recent research on high-skilled emigrants^[9] has led us to the determination of the core factors that drive its international mobility (See fig. 2).

^[6] *Mobilizing the Diaspora: From Brain Drain to Brain Gain. 2012. The Least Developed Countries Report: Harnessing Remittances and Diaspora Knowledge to Build Productive Capacities*, UN Conference on Trade and Development, http://unctad.org/en/PublicationChapters/lcdr2012_ch4_en.pdf (accessed 11.01.2018).

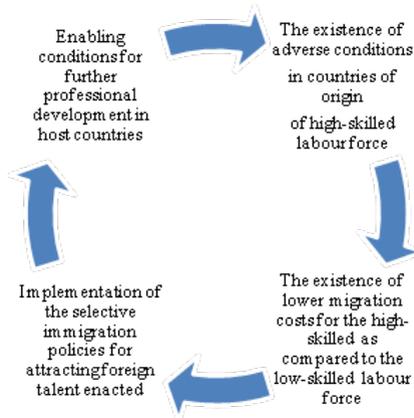
^[7] *The New Palgrave Dictionary of Economics*, ed. S.N. Durlauf, L.E. Blume, New York 2016, <https://books.google.com.ua> (accessed 12.02.018).

^[8] *From brain drain to brain gain: mobilizing Albania’s skilled diaspora: A policy paper for the Government of Albania*, Centre for Social and Economic Studies, http://www.migrationdrc.org/publications/other_publications/Brain_Gain_Policy_Paper_english_FINAL.pdf (accessed 13.01.2018).

^[9] *Mobilizing the Diaspora: From Brain Drain to Brain Gain...* (accessed 13.01.2018).

According to the fig. 2, the first group of these factors is related to enabling conditions for further professional development in host countries, where the high-skilled emigrants are able to earn higher salaries that in their countries of origin. Host countries ensure the greater labour productivity, due to more advanced institutional environment. Besides, the permanent inflow of high-level talent, capital and technology results to the sustainable development of these agglomeration economies. Many host countries offer quite favourable opportunities to the high-skilled labour force for its further professional development in terms of better living conditions and employment opportunities. As practice shows, these countries can ensure really favourable conditions for the fruitful research and academic interaction for scientists and researchers, as well as to create more secure property rights for entrepreneurs.

Fig. 2. The core factors that drive brain drain migration



Source: adapted by the authors from *Mobilizing the Diaspora: From Brain Drain to Brain Gain...* (accessed 10.01.2018).

In contrast to the first group of factors, the second one is associated with the existence of adverse conditions in the countries of origin of talented and high-skilled labour force. As a rule, these conditions include a high level of insecurity, civil conflict and political strife, which can be regarded as “push factors” of international migration.

Equally important group of factors is concerned with the existence of lower migration costs for the high-skilled as compared to the low-skilled labour force. In other words, all this implies much easier access for the high-skilled workers to the information on host country labour markets and current migration conditions.

And the last group of factors that drive brain drain migration is related to

the implementation of the selective immigration policies for attracting foreign talent, especially by several of the world's high-income economies.

Over the last few decades brain drain phenomenon has become one of the most serious constraints on low-income economies development. By the way, it is also a matter of concern for many European countries, which have recently seen a significant share of their high-skilled labour force emigrate abroad^[10].

According to the investigations of Jacob Hasselbalch^[11], the overall statistical picture does support a notion of two distinct migratory flows of European labour force: a steady flow of medium-skilled Eastern employees moving West over a longer duration of time, and a more sudden flow of highly-skilled Southern employees moving North during the last Eurozone financial crisis, which was caused substantially by sharply escalating interest rates on the EU's Southern members. *On the basis of the above considerations*, it's reasonable to assume that we should expect a risk of brain drain in Eastern and Southern countries of the European Union, but the flows from each of these regions are driven by various factors. The long-term Eastern flow of the labour force in Europe can be explained by differences in wages and working conditions while another one, the sudden Southern flow of the labour force was concerned with the rapidly rising unemployment levels in the period of the above-mentioned Eurozone crisis.

The last biggest enlargement in the history of the EU has led to increased diversity within individual member states and their attractiveness as the host countries for potential high-skilled immigrants. Unfortunately, at present there is no long-term data that would allow us to analyze the trends year by year. We also know nothing about the educational levels of migrants and their prevailing forms of employment. This is because the gathered statistics can't track individual movements of employees. As a result, we still have gaps and uncertainties in the data available on these aspects.

Rainer Münz^[12] observes, that “in the short run, Europe needs more labour mobility between EU member states given excessively high unemployment reported in some regions, while others face a shortage of skills. In the long run this will not be sufficient to close gaps in European labour markets”. But in fact many Europeans are not ready to accept a large number of international migrants, even high-skilled ones, and give their electorate vote to the political

^[10] M. Beine, F. Docquier, H. Rapoport, *Brain drain and human capital formation in developing countries: winner and losers*, Louvain 2006, <https://sites.uclouvain.be/econ/DP/IRES/2006-23.pdf> (accessed 13.01.2018).

^[11] J. Hasselbalch, *The European politics of brain drain: a fast or slow-burning crisis?*, “CSGR Working Paper” 2017, № 285/17, Center for the Study of Globalization and Regionalization. University of Warwick, <https://warwick.ac.uk/fac/soc/pais/research/researchcentres/csgr/papers/285-17.pdf> (accessed 13.01.2018).

^[12] R. Münz, *The global race for talent: Europe's migration challenge*, “Bruegel Policy Brief” 2014, issue 2014/02, http://bruegel.org/wp-content/uploads/imported/publications/pb_2014_02_.pdf (accessed 14.01.2018).

parties with restrictive migration agendas.

Thus, we have the following challenges: the first one is related to organizing political majorities in favour of more proactive migration policies; the second one is concerned with talent and skills; and the last one is related to the moving away from unilateral migration policies towards negotiated win-win solutions aiming at reducing the costs of, and enhancing the welfare gains from, migration and remittances.

Marcus Andersson^[13] has reviewed country approaches to talent attraction management, identifying differences in regard of talent management leadership and organizations. While the European and Nordic approaches tend to be mostly public sector driven, i.e. public sector actors are the main initiators of talent management policies, the Singapore and US/Canadian approaches tend to rely more on the private sector. In total, the authors have identified at least seven different talent attraction management models used by different countries (See tab. 1).

Tab. 1. The worldwide spread models of high-skilled labour attraction management

Models of labour attraction management	Brief characteristics of the presented models
Public sector driven model	Public sector organizations take the lead in promoting employment opportunities of the host countries, while the private sector organizations can be involved in legitimizing the public sector's efforts. Obviously, some large companies use the public sector recruitment platform to seek employees of highest quality (instead of establishing its own recruitment channels).
The market and sponsor driven model	In most cases it is a public-private partnership where the provision of services is carried out in cooperation with the business community, or through sponsorship or even certain service fees.
The division of work model	The given model is related to the idea that private and public sector organizations take not only distinctively different roles, but also the complementary ones.
Social entrepreneurship model	The model is concerned with the voluntary and needs based service provision which is functioning through the activity of volunteers and various social partnerships (including funding from major beneficiaries such as universities, or companies).

^[13] M. Andersson, *Talent Attraction Management – innovative tools and strategies for attracting and retaining talent*, Tendensor. Talent conference, Tallin 2014, http://www.praxis.ee/vana/fileadmin/tarmo/Projektid/Haridus/ONE_BSR/Marcus_Andersson_01.pdf (accessed 14.01.2018).

The network model	This participatory model is based on the arrangement between the following actors: business structures and entrepreneurs, academia, public bodies, social entrepreneurs and the like. The main idea of this interaction is concerned with the thesis that high-skilled employees, coming to a country, do not need one single entering service, because they can enter through different "entry points".
The talent attraction arena-centric model	This is the most geographically concentrated innovative milieu or arena (science park or cluster), able to attract people sharing the same lifestyle or interest.
The single forerunner approach	This is a model where the high-skilled labour attraction management is initiated and carried about by a single person or company.

Source: adapted by authors from S. Carrera, E. Guild, K. Eisele, *Rethinking the Attractiveness of EU Labour Immigration Policies. Comparative perspectives of the EU, the US, Canada and beyond*, Centre for European Policy Studies, <https://slidex.tips/download/rethinking-the-attractiveness-of-eu-labour-immigration-policies> (accessed 11.01.2018).

As we can observe from the tab. 1, all of these models have their own advantages and disadvantages. Nevertheless, each of them provides a good guidance to the national economies, cities or regions on how it would be possible to set up high-skilled labour attraction management policies and what format the cooperation could take.

The country that is most attractive for economic migrants, according to the Migration Attractiveness Index 2017^[14], is Austria (See tab. 2), which stands out among EU countries due to having the lowest rate of unemployment, along with a high level of funding for families with children.

Tab. 2. Top-10 European countries according to the Migration Attractiveness Index in 2017

EU countries	Total score	Unemployment rate	Cost of living index	Positive attitude to immigration from outside of the EU
Austria	369	6,0	71,52	36
Sweden	391	6,9	78,88	64
Luxembourg	360	6,3	77,28	49
Denmark	351	6,2	83,02	31
Finland	343	8,8	73,06	38
The Netherlands	334	6,0	72,47	44
Ireland	331	8,0	76,98	56
Germany	328	4,1	65,50	41
United Kingdom	304	5,3	69,49	49
Belgium	301	8,0	75,36	39

Source: adapted by authors from K. Matuszczyk, *The Migration Attractiveness Index in 2017*, CEED Kulczyk Research Institute, <http://ceedinstitute.org/attachments/420/39855ff647bf393ca4fba0ad823fce5a.pdf> (accessed 11.01.2018).

^[14] K. Matuszczyk, op. cit. (accessed 14.01.2018).

The next country which is rather attractive for high-skilled migrants is Sweden, which is characterized by a society open to immigrants. The country in third place, which comes close behind Sweden, is Luxembourg. This Western European country is literally developed around its capital city of the same name, and it has excellent conditions for conducting business activity. In addition to a very high rate of socio-economic development, Luxembourg has the highest percentage of foreigners in overall society (approximately 47%) of all of the EU countries. Under this view on the most attractive European countries for economic migrants, the following facts can appear. Thus, the societies of such Scandinavian countries, as Denmark and Finland, are wealthy in terms of GDP per capita, median earnings and the obtained level of funding for families with children. In contrast, Germany and the United Kingdom, with their highest level of inflow of foreigners from the “new” EU member states during the last decade, have only 8th and 9th positions in the ranking respectively. In many respects this can be explained by the immigration policy of those countries, and migration networks as well.

As for Central and Eastern European countries, it should be mentioned that they still remain not very attractive for high-skilled migrants. The predominant type of immigration in this region is seasonal, mainly from Russian Federation, Ukraine, and Belarus.

When analyzing the main pillars of the EU labour migration policy to solve a significant brain drain social problem, at least three main conclusions can be drawn:

First of all, the European Union government should improve the existing labour migration channels to ensure that high-skilled employees from abroad can choose any European country over other host destinations. Thus, the EU Blue Card, which provides comprehensive socio-economic rights and a path towards permanent residence in Europe, should be expanded by lowering the wage threshold. The so-called “Blue-Card-Ready” pool of the qualified candidates could also be considered for a much long period of time. It should be easier for people graduating in the European universities to obtain a work permit in the EU. In general, the current EU Directives on labour migration should be more flexible to ensure an effective high-skilled labour attraction management.

Secondly, the European Union should simplify procedures which are currently an obstacle to attracting and recruiting high-skilled employees. Recognition of foreign qualifications should be simplified. A creation of a single application platform for labour migration would also help, while maintaining decision making at the level of EU member countries.

Thirdly, the European Union government should reinforce and promote the single labour market for high-skilled employees from abroad. Obviously, the provisions for intra-EU mobility for this target category of people should be improved to help the interested employers to offer an enticing package to the

potential migrants abroad.

In this regard, an increased migration has been a main trend of the past two decades, changing the existing socio-economic structure of the countries and regions across the globe. Following the scientific position of Sergio Carrera, Elspeth Guild, Katharina Eisele^[15], it should be noted that “effectively managing migration flows means taking into account of all the economic, social and human dimensions, and, obviously, of their external implications”. Therefore, strong relations among countries of origin and transit ones should be upgraded, as well as the link between migration and development policies. Highly-skilled individuals, in the context of knowledge-based economy, have become the key factors for innovation and economic development. Due to their mobility, they are able to transfer valuable knowledge from one country to another. Migration policy both at the EU and national levels is one of the urgent topics in current political debate, with daily discussion of the impact of migration in the media across European countries. In this context the study on the improvement of the EU labour policy can enhance the quality of policy-making decisions in this field.

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^[15] S. Carrera, E. Guild, K. Eisele, op. cit. (accessed 14.01.2018).

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