

SEDEC-VI/052

## 138th plenary session, 11-12 February 2020

### **OPINION**

# Brain drain in the EU: addressing the challenge at all levels

### THE EUROPEAN COMMITTEE OF THE REGIONS

- draws attention to the risk brain drain poses to the long-term sustainability of the European project. Sending regions are in a double bind: they need convergence (to close the gap with receiving regions), but are losing their skilled workforce. In the long term, any change or transition to a sustainable and competitive economic model based on the knowledge economy and high added-value products would seem very difficult to achieve in a scenario where disparities between sending and receiving regions are widening.
- suggests that LRAs set up local alliances, including all stakeholders (public authorities, businesses, universities, NGOs, etc.), which are able to draft and implement local policies that help to mitigate brain drain.
- recommends that different types of response be identified and implemented for each subcomponent of the brain drain phenomenon – brain gain, brain waste, brain circulation and remigration. Each of these areas calls for different, specific solutions;
- recommends that the European Commission steps up its efforts to reduce regional disparities,
   which are one of the major causes of brain drain. The cohesion funds play a crucial role in supporting our regions and areas that suffer from such disparities;
- considers it crucial that LRAs understand the importance of universities' and vocational education and training providers' role in local development within the knowledge-based economy. Public authorities need to develop partnerships with universities, and also to be aware of the need to support universities, including through investment in local infrastructure.
- recommends that the European Commission actively support in close cooperation with the European Committee of the Regions, the European Parliament and the EU Council of Ministers – the efforts of local and regional public bodies in addressing brain drain.

<u>Rapporteur</u>		
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# Opinion of the European Committee of the Regions – Brain drain in the EU: addressing the challenge at all levels

### I. POLICY RECOMMENDATIONS

### THE EUROPEAN COMMITTEE OF THE REGIONS

- 1. emphasises that freedom of movement of citizens and workers is the foundation of the internal market and one of the main freedoms recognised in Treaties of the European Union. Citizens and workers must be able to move freely within the EU; however, they should move because they want to and not because they are pushed from their regions, among others, by scarce economic opportunities;
- 2. notes that the challenge is to achieve a balance in legal and policy terms between two essential principles of the European Union: free movement of labour and economic and social convergence between regions;
- 3. observes that the issue of brain drain in the European Union is complex, and calls for a pragmatic policy response from both the Union and the Member States. That response should address all aspects of brain drain (e.g. brain gain, brain waste, brain circulation, re-migration), as well as the different, but often interconnected, levels where action and solutions are needed local, regional, national, and supranational (EU);
- 4. considers that decision-makers at all levels need to acknowledge and factor into the solutions proposed the fact that brain drain is not just a technical issue requiring an administrative or policy response, but also a political matter. Left unaddressed, the phenomenon will have longterm and permanent effects on the future of the European Union and is likely to hamper territorial cohesion;
- 5. notes that brain drain is directly triggered by existing social and economic imbalances between the EU regions. Empirical studies<sup>123</sup> identify a series of push and pull factors, with receiving regions having a more attractive labour market and more diverse job opportunities and overall better quality of life, while for sending regions the situation is the opposite. This is another reason why the future MFF should concentrate resources on rectifying the misbalance between sending and receiving regions within the framework of cohesion policy;
- 6. stresses that there should be a strong association between cohesion policy, which is meant to address these imbalances and to promote a more even development across the EU, and measures envisaged to deal with brain drain. Two of the key Europe 2020 objectives, increasing the percentage of employed people and improving social inclusion, are directly relevant to creating

European Commission, Directorate-General for Employment, Social Affairs and Inclusion, Directorate D – Labour Mobility, 2018

Annual Report on Intra-EU Labour Mobility.

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European Committee of the Regions, 2018, <u>Addressing brain drain: The local and regional dimension</u>.

Atoyan, R., Christiansen, L., Dizioli, A., Ebeke, C., Ilahi, N., Ilyina, A., Mehrez, G., Qu, H., Raei, F., Rhee, A. and Zakharova, D., Emigration and Its Economic Impact on Eastern Europe, IMF staff discussion note, July 2016.

favourable conditions which will diminish brain drain. Other Europe 2020 objectives, such as innovation and increasing the number of people in tertiary education, could potentially lead to brain gain and regain through attracting and stimulating talented individuals;

- 7. notes that brain drain and related phenomena need to be understood and assessed in the EU in the context of multilevel governance (MLG). Whether the characteristics of MLG will represent a barrier or an opportunity in this policy field will very much depend on how the EU and its institutions act as facilitators and coordinators of policy-making and policy dissemination;
- 8. points out that though often perceived as a national or supranational policy problem, due to its broad and severe effects, brain drain can be addressed successfully at the subnational level. Local and regional public authorities play a crucial role here, since local communities are the ones that are directly affected by the consequences of brain drain: the loss of a young and educated workforce is a huge challenge for local communities throughout the Union;
- 9. observes that local authorities in the Member States represent the best level at which policies on brain drain can be drafted and implemented. Local communities are systems with relatively clear boundaries, allowing easier analysis of the problem and tailor-made solutions. In addition, local authorities can more easily monitor and evaluate the success of policies at local level;
- 10. notes that there is much to be gained from drawing on the experience and capacity of these subnational administrations when framing policies at Union level;
- 11. believes that the direct experience of local authorities in addressing brain drain could provide success stories and best practices that would be helpful in developing a coherent policy at EU level. Local and regional authorities can go beyond a general and abstract definition of policy issues and provide concrete and effective solutions. They need to better understand the efforts and initiatives designed to address brain drain beyond the administrative borders of the communities they represent and to engage in regional and interregional cooperation;
- 12. points out that the problems confronted by sending and receiving regions are different and therefore need to be addressed accordingly. This distinction is important because policies at supranational level should aim to facilitate win-win solutions, or at least to limit situations in which both sending and receiving regions lose (brain waste);
- 13. draws attention to the risk brain drain poses to the long-term sustainability of the European project. Sending regions are in a double bind: they need convergence (to close the gap with receiving regions), but are losing their skilled workforce. In the long term, any change or transition to a sustainable and competitive economic model based on the knowledge economy and high added-value products would seem very difficult to achieve in a scenario where disparities between sending and receiving regions are widening. Left unaddressed, disparities will increase further and a vicious circle of "disintegration" will ensue. According to the Global Competitiveness Index, the eastern and southern EU Member States are currently among the world's countries least able to retain their talent;

- 14. points out that although the European institutions have put forward mechanisms to reduce disparities, those approaches have been only partially effective. Given that brain drain is increasing, and given its geographical and economic dimensions, a different type of initiative or effort is needed, one that would directly address the push factors resulting from the specific growth trajectories of sending regions that make those regions insufficiently attractive to the highly educated part of the workforce;
- 15. notes that an education—labour market gap is one of the problems associated with brain drain. Education is clearly an area where improvements can help to mitigate the negative effects of brain drain. Local and regional authorities should pay more attention to this, in cooperation with national and European authorities. Furthermore, education systems need to factor in the variable dynamics of the labour market and its increasing diversity in order to allow for a return from investments in a country's or region's human capital, which is lost with brain drain;
- 16. draws attention to a phenomenon that needs to be closely monitored, namely the issue of children left at home by parents seeking better work abroad. This is a direct effect of brain drain and has long-term implications;
- 17. highlights the importance of the Erasmus+, ESF+ and similar programmes in creating academic and professional opportunities for talented individuals and opportunities for international networking and partnerships throughout Europe and not just at certain regional hubs, as well as supporting the implementation of the European Pillar of Social Rights into practice. The new Commission's support for increasing the budget of the Erasmus+ programme is a step in the right direction;
- 18. believes that addressing the brain drain issue requires strong leadership and coordination of various efforts across national jurisdictions. The key point is to find specific ways of building cooperation networks, to counter populist political discourse, and to strengthen European integration. Further action at Member State and European Union level should focus on coordination and facilitation/support for efforts at the subnational levels, building consensus about how brain drain should be analysed and addressed, so as to create a win-win situation for all stakeholders;
- 19. stresses that a number of key strategic issues need to be identified with respect to brain drain, so that decision-makers can avoid unnecessary duplication in public policy efforts. These strategic issues must be framed in a way that ensures policy measures have a visible impact and that supports policies which translate into concrete action;
- 20. recommends that different types of response be identified and implemented for each subcomponent of the brain drain phenomenon brain gain, brain waste, brain circulation and remigration. Each of these areas calls for different, specific solutions. It is very important not to adopt a blanket approach to these subcomponents. Lack of tailored solutions may lead to broad and abstract statements/objectives which are hard to implement in real life;
- 21. appreciates that certain regions and cities are already implementing creative solutions for attracting and retaining talent. Policies range from supporting the relocation of talented

individuals to those regions/cities to more sophisticated measures involving the development of transnational networks of entrepreneurs. The EU needs to support programmes or initiatives that aim to enhance learning between different European local and regional authorities (LRAs);

- 22. sees local and regional players as key to addressing brain drain; attracting and maintaining a highly skilled labour force can be ensured by making good use of the Integrated Territorial Development instruments of cohesion policy;
- 23. suggests that LRAs, in cooperation with national and EU authorities, should promote policies and instruments to develop local entrepreneurship, self-employment and alternative models of business development that increase the attractiveness of sending regions;
- 24. recommends that LRAs make the connection, based on a realistic assessment of needs, between their region's particular assets and the talents and policies that are needed;
- 25. suggests that LRAs set up *local alliances*, including all stakeholders (public authorities, businesses, universities, NGOs, etc.), which are able to draft and implement local policies that help to mitigate brain drain. Regular meetings of the relevant stakeholders should be supported and organised. Meetings should be used as forums for discussing and envisaging local and context-specific solutions, based on success stories from other locations/jurisdictions;
- 26. notes that rigorous strategic planning processes at the local and regional levels can be important in correlating the mobility of human resources with medium- and long-term development plans, as well as providing a sound foundation for cooperation with other regional, national, and European authorities;
- 27. would like there to be a better understanding of the reasons and barriers which prevent those who have emigrated in the past from returning to their place of origin and a better understanding of how public authorities can help in reducing those barriers. This could have a transformative effect, turning brain drain into brain circulation or re-migration;
- 28. recommends that action at the subnational levels be integrated and coordinated with that of the Member States and of the Union while respecting the subsidiarity principle. Integration of efforts undertaken at various levels is crucial to successful EU policy. Policies and programmes should be developed to integrate and facilitate coordination between the action of LRAs on the one hand and that of the Member States and the Union on the other. This applies in all the areas that are implicated in brain drain (education, cohesion, regional development, digitisation, etc.). A mechanism needs to be initiated at EU level that is specifically designed to foster integration and coordination of policy measures on brain drain;
- 29. suggests that LRAs need to be aware of the scale of the phenomenon and to conduct realistic and serious assessments of the characteristics of each area affected by brain drain. Evidence-based decision- and policy-making is the only way to frame effective solutions. Realistic assessment of the brain drain phenomenon at the level of each region can help public authorities which face similar or related issues to replace competition with cooperation, and could improve coordination between all stakeholders of ongoing efforts and existing resources;

- 30. believes that quick procedures for recognising diplomas and skills/competencies could help a lot in reducing brain waste. Digitisation and interconnection of records is feasible and necessary here, based on diverse EU initiatives, including the upcoming Europass digitally signed credentials. Furthermore, welcomes the initiative of the European Commission for a European Education Area by 2025, in which learning, studying and doing research would not be hampered by borders. Points at the same time to the need to put in place mechanisms to foster brain circulation and re-migration;
- 31. recommends that the European Commission steps up its efforts to reduce regional disparities, which are one of the major causes of brain drain. The cohesion funds play a crucial role in supporting our regions and areas that suffer from such disparities. Tailored policies and instruments that directly tackle these disparities between eastern/southern Europe and the western countries, as well as in between regions within Member States are essential in eliminating one of the main causes of brain drain. The political commitment of the Commission<sup>4</sup> to a fair minimum wage is very relevant, especially in sending regions, as this would tackle the issue of living standards and working conditions, and have a direct impact on quality of life. The EU's cohesion policy for 2021-2027 should be a long-term policy of investment for all regions, focused on overcoming economic, social and regional divides and in line with the partnership principle and a place-based approach. Cohesion policy should be better coordinated with other EU policies so that there is a level playing-field. Vertical coordination of different funding sources should be improved at EU level in the governance of post-2020 cohesion policy and programmes, so as to guarantee more coherence of agendas at different governance and planning levels in the short to medium term<sup>5</sup>;
- 32. recommends that realistic policies to attract, retain, and re-attract an educated workforce be designed and implemented at local and regional level. One key strategic concept is quality of life: as indicated, enhancing quality of life is a very powerful tool for attracting and retaining an educated workforce. It is advisable and desirable that quality of life measurements be conducted regularly and in a structured way, so that they provide valuable information to LRAs about possible areas where intervention is needed;
- 33. suggests that local, regional, national and EU authorities should focus on functional approaches to reverse emigration and attract workers<sup>6</sup>: these include building a knowledge economy, improving the attractiveness of regions, developing diaspora strategies, and implementing a functional approach in urban governance;
- 34. suggests that local, regional, national, and EU authorities need to pay special attention to removing structural factors that exacerbate brain drain (infrastructure/highways, quality of services, access to technology, etc.);

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<sup>4</sup> Ursula von der Leyen, A Union that strives for more. My agenda for Europe, p. 9.

<sup>5</sup> ESPON, 2019, Addressing Labour Migration Challenges in Europe, p. 18.

<sup>6</sup> Idem, pp. 17-18.

- 35. highlights the need to develop an integrated European approach to brain drain based on realistic assessments, cooperation and coordination at local/regional, national and Union levels. Similarly, the need for coordinated policies on various scales is needed in areas relevant to brain drain, including education, digitisation, cohesion, and economic policies;
- 36. considers it crucial that LRAs understand the importance of universities' and vocational education and training providers' role in local development within the knowledge-based economy. Public authorities need to develop partnerships with universities, and also to be aware of the need to support universities, including through investment in local infrastructure. There must be as much affinity as possible between the strategic objectives of universities and those of public authorities;
- 37. notes that partnerships between private firms (interested in R&D), local authorities and universities are important engines of local growth and development which should be included in the current Commission's objective of making it easier for small businesses to become large innovators through an SMEs strategy;
- 38. is concerned at the risk of inequalities growing between cities and regions that benefit hugely from the framework programme for research and innovation and warns of the inadequacy of the steps taken to close the gaps between regions in order to address the challenges, including the demographic challenge, and to promote access for all to Horizon Europe<sup>7</sup>;
- 39. would argue that digital connectivity and smart specialisation can have positive effects when it comes to brain drain. Regional strategies in smart development and specialisation can focus on the competitive advantage existing or created in one region. Digital connectivity and development of digital literacy should be essential elements in the new Commission's efforts to update the Digital Education Action Plan;
- 40. points out that local authorities can design and implement a large number of measures to increase and develop the individual resilience of communities, especially when faced with economic hardships such as unemployment. Individual resilience and the capacity to adapt and overcome periods of hardship can be supported through upskilling and re-skilling programmes such as those supported through the EU Skills Agenda, measures to promote entrepreneurship and small businesses, educational and community programmes for students and young people whose parents are working abroad, etc.;
- 41. recommends that the European Commission actively support in close cooperation with the European Committee of the Regions, the European Parliament and the EU Council of Ministers the efforts of local and regional public bodies in addressing brain drain. The Union is a complex political and administrative entity, and careful analysis of its responsibilities and capabilities is needed with respect to brain drain. Discussion of the Union's role will entail both determining its responsibilities and identifying the best tools available at EU level;

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<sup>7</sup> COR-2018-03891.

42. considers that the fact that an "employee is returning to his/her country of origin after a stay abroad" must be considered as an asset within the professional profile, and must, therefore, be visible to employment providers when carrying out the corresponding selection process.

Brussels, 12 February 2020

The President of the European Committee of the Regions

Apostolos Tzitzikostas

The Secretary-General of the European Committee of the Regions

Petr Blížkovský

#### II. **PROCEDURE**

Title	Brain Drain in the EU: addressing the challenge at all	
	levels	
Reference(s)	N/A	
Legal basis	Article 304 TFEU	
Procedural basis	Own-initiative opinion (Rule 41(b)(ii) RoP)	
Date of Council/EP referral/Date of	N/A	
Commission letter		
Date of Bureau/President's decision	25 June 2019	
Commission responsible	Commission for Social Policy, Education, Employment,	
	Research and Culture (SEDEC)	
Rapporteur	Emil BOC (RO/EPP)	
Analysis	August 2019	
Discussion in commission	27 November 2019	
Date adopted by commission	27 November 2019	
Result of the vote in commission	Unanimous	
(majority, unanimity)		
Date adopted in plenary	12 February 2020	
<b>Previous Committee opinions</b>	Strengthening STE(A)M education in the EU <sup>8</sup>	
	Erasmus <sup>9</sup>	
	Building a Stronger Europe: the role of youth, education	
	and culture policies <sup>10</sup>	
	Strengthening European Identity through Education and	
	Culture <sup>11</sup>	
	Modernising school and higher education <sup>12</sup>	
	Investing in Europe's youth and the European Solidarity	
	Corps <sup>13</sup>	
	A New Skills Agenda for Europe <sup>14</sup>	
	Recognition of skills and competences acquired through	
	non-formal and informal learning <sup>15</sup>	
	Opening up Education <sup>16</sup>	
	European higher education in the world <sup>17</sup>	

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<sup>8</sup> COR 6435/2018

<sup>9</sup> COR 3950/2018

<sup>10</sup> COR 03952/2018

<sup>11</sup> COR 6048/2017

<sup>12</sup> COR 3139/2017

<sup>13</sup> COR 851/2017

<sup>14</sup> COR 4094/2016

<sup>15</sup> COR 3921/2014

<sup>16</sup> 

COR 6183/2013 17

	Rethinking Education <sup>18</sup> Promoting the active citizenship of young people through education <sup>19</sup>
Date of subsidiarity monitoring consultation	N/A

<sup>18</sup> COR 2392/2012

<sup>19</sup> COR 173/2007