



European Centre of Expertise (ECE) in the field of labour law, employment and labour market policy

Labour Market Policy Thematic Review 2018: An in-
depth analysis of the emigration of skilled labour

Portugal

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1 Introduction: the demographic and labour market situation in Portugal

Following a downturn after 25 April 1974, Portuguese emigration grew steadily once the country joined the EU in 1986 and has accelerated since 2000. The economic trends of stagnation and downward pressure on public investment that followed Portugal's accession to the Euro generated increased emigration during the first two decades of the 21st Century, mainly due to worsening labour market conditions (Pires et al. 2015; Peixoto et al. 2016). This increase was interrupted by the financial crisis of 2008-10 but reinforced during the fiscal consolidation of 2011-14.

Portuguese emigrants in the 21st Century are more qualified than previously (Pires et al. 2011). However, the available data do not allow us to assess whether emigrants are more qualified than the Portuguese population at large, also more qualified than it was in earlier decades. Up until the last national census (2011), the share of people with tertiary education among the emigrant population grew at a similar rate as the share of people with tertiary education living in Portugal. But with the collapse of the flow of unqualified Portuguese emigration to Spain after 2008 and increasing emigration to new destinations such as the UK, it is possible that the structure of the emigrant population by qualification level has changed (Pires et al. 2015; Peixoto et al. 2016).

The intensification of the growth of emigration this century and its recent stabilisation at a high level have helped to aggravate regressive trends in the Portuguese demography. Portugal today is a country with high emigration, low immigration, low birth rate and fast ageing. The migratory and birth-death rate balances are negative and the population has already begun to decline.

At a more cyclical level, job creation only resumed in 2014, accompanied by a fall in unemployment. The recent dynamics of economic growth in Portugal are, however, still too recent and emergent to reverse the negative migratory balance and to avoid potential shortages of skilled and unskilled labour short-term.

2 Emigration of skilled labour

In terms of total number of emigrants compared to the population, Portugal is second only to Malta in the EU. According to the Emigration Observatory, based on figures from the United Nations (Pires et al. 2016: 41), in 2015, Portuguese emigrants were about 22 % of the population of the country of origin. The main destination of current Portuguese emigration is other European countries (85 %). In 2015, there were 2 306 321 Portuguese migrants, 10 % more than five years earlier, according to estimates by the UN (United Nations 2015; 2017b).

Despite Portuguese emigration being a long-standing phenomenon, the number of people leaving this country between 2013 and 2015 were only surpassed between 1969 and 1973, when an average of almost 150 000 people emigrated from Portugal each year. From 2013 to 2015, the number per year has been about 110 000 people (see Figure 1)¹.

This high level of Portuguese emigration relates to the crisis and the impact of austerity policies implemented since 2010 (Observatório da Emigração 2015, 39). In the first phase of the financial crisis, from 2008-10, there was a fall in the

¹ This data is updated annually and made available on the Emigration Observatory website (<http://observatorioemigracao.pt/np4EN/1269/> and <http://observatorioemigracao.pt/np4EN/1315/>).

number of emigrants. This was associated with the global nature of the crisis and the impact on employment in Spain, the main destination of Portuguese emigrants at that time. This tendency accompanied the declining trend in migration flows observed across OECD countries (OECD, 2015). In the second phase of the crisis, the asymmetrical nature of the sovereign debt crisis and the recessionary effects that caused labour market shortages in the country led to more Portuguese leaving the country (see Figure 1).

High unemployment has been a cause of increased migration. The unemployment rate in Portugal was 16 % in 2012 and 2013, and the youth unemployment rate reached 38 % in the same years, acting as push factors for Portuguese to move abroad (cf. Eurostat 2017; PORDATA-INE 2017b). The UK became the top country of destination, accounting for almost one-third of all Portuguese emigration. Simultaneous to the increase in the outflows there was a parallel decline in migration to Portugal, which became one of the top European countries with a negative net migration.

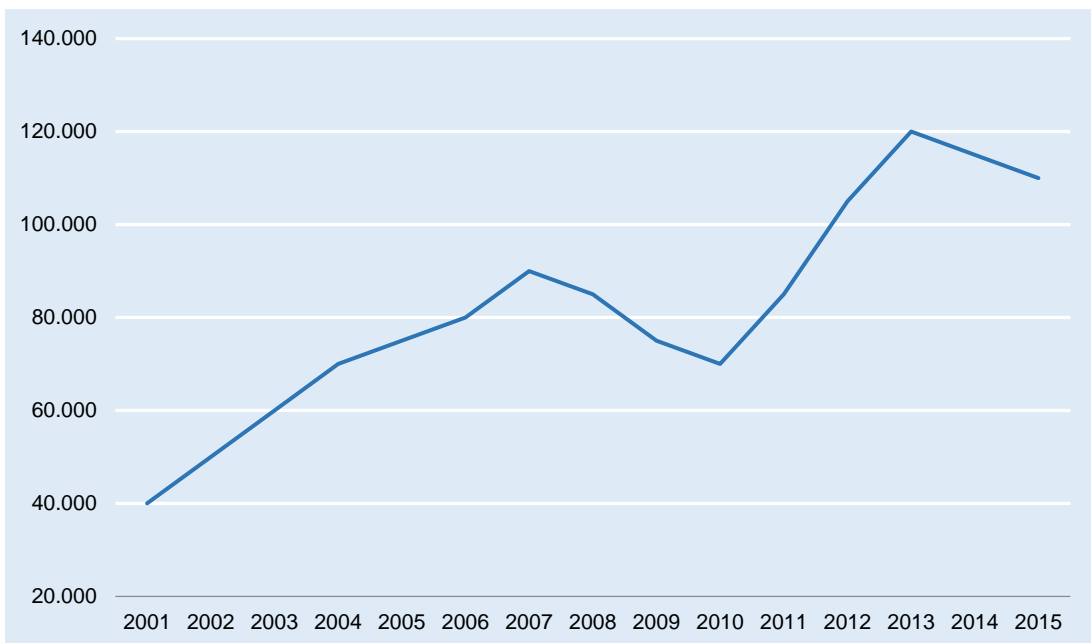


Figure 1. Estimates of the outflows of Portuguese emigrants, 2001-15

Source: Chart by Observatório da Emigração (Emigration Observatory, OEm) (2017), data from OEm estimates based on permanent inflows registered by statistical offices of destination countries.

Permanent Portuguese emigration figures as published by the Statistics Portugal (INE) and the Eurostat underestimate the size of the phenomenon when compared to those calculated by the Emigration Observatory (based on the statistics of Portuguese arrivals in destination countries)². The main source of information used by the INE to estimate international migration to and from Portugal is the *Inquérito ao Trabalho* (Labour Force Survey), a sampling survey. For immigration, these results are subsequently adjusted according to the administrative records of the entries from *Serviço de Estrangeiros e Fronteiras* (Immigration and Borders Service). For emigration, national administrative records allowing a similar

² The text of this paragraph is extracted with slight changes from the page of 'Data' in the Emigration Observatory website. <http://observatorioemigracao.pt/np4EN/Dados/>

adjustment do not exist. Also, the surveys of the INE are conducted only in national territory and those who have left the country are therefore not questioned. In turn, the Emigration Observatory uses data from the institutions responsible for immigration statistics in the destination countries. Therefore, it is likely that net migration is lower than that recorded by national and Eurostat statistics (Observatório da Emigração 2017a).

Table 1. Estimates of the total exits of Portuguese emigrants, 2000-15

Years	Source			Emigration Observatory [B]
	INE (Statistics Portugal) / Eurostat [Permanent] [A]		Temporary	
	Total	Permanent / Eurostat		
2015	101 203	40 377	60 826	110 000
2014	134 624	49 572	85 052	115 000
2013	128 108	53 786	74 322	120 000
2012	121 418	51 958	69 460	105 000
2011	100 978	43 998	56 980	85 000
2010	..	23 760	..	70 000
2009	..	16 899	..	75 000
2008	..	20 357	..	85 000
2007	..	7 890	..	90 000
2006	..	5 600	..	80 000
2005	..	6 360	..	75 000
2004	..	6 757	..	70 000
2003	27 008	6 687	20 321	60 000
2002	27 358	8 813	18 545	50 000
2001	20 223	5 396	14 827	40 000
2000	21 333	4 692	16 641	..

Notes: The numbers of 'Portuguese emigration' by Eurostat correspond to the 'permanent' emigration by Statistics Portugal (INE), in this table (Eurostat, 2016). The reference of 'Eurostat' in the table was added by us.

Source: Table by the Emigration Observatory, data from: [A] Instituto Nacional de Estatística INE (Statistics Portugal), Inquérito aos Movimentos Migratórios de Saída (1992 a 2007) and Estimativas Anuais da Emigração (since 2008), based on data from Inquérito Permanente ao Emprego, in Pordata, Base de Dados de Portugal Contemporâneo; [B] Emigration Observatory based on data from Portuguese inflows in the destination countries. <http://observatorioemigracao.pt/np4EN/1315/>

Concerning skilled migrants, in the last decade there was a considerable growth of 70 % in the share of Portuguese-born migrants with high

educational attainment, i.e. from 7 % to 11 % (Observatório da Emigração 2015, 105). This and the following analysis are based on the harmonised census data regarding Portuguese migrants in OECD countries (most Portuguese migrants live in OECD countries) through its DIOC database.

The pattern of Portuguese skilled migrants by country of destination is very heterogeneous. In 2010-11 the proportion of Portuguese-born migrants with high educational attainment [ISCED 5A/5B/6] was 38 % in the UK, compared to only 7 % of those living in France, 6 % in Switzerland and 4 % in Luxembourg³ (Observatório da Emigração 2015, 88).

In 2010/11, only 19 % of the employed Portuguese-born migrants had high or very high skilled occupations (managers, professionals and technicians). However, this high skilled occupational structure [ISCO 1/2/3] is very different across countries of destination, ranging from 10 % in Luxembourg to more than 40 % in Denmark, Sweden and Ireland (Observatório da Emigração 2015, 94-96).

Although there has been a significant growth in the number of the highly educated, Portuguese migrants with a basic educational level still make up the largest group. In 2011, 62 % of the Portuguese-born migrants aged 15 and above in OECD countries had a low educational level [ISCED 0/1/2], 27 % had a medium educational level [ISCED 3/4] and 11 % had a high educational level⁴ [ISCED 5A/5B/6] (Observatório da Emigração 2015, 96-97). This structure of qualifications is reflected on the occupations of Portuguese emigrants, who are predominantly manual unskilled workers.

For Portuguese skilled migrants engaged in academic work, in 2011 there were more than 8 000 doctorate or post-doctorate grant holders outside Portugal, particularly in the UK, the US and Spain (Pires et al. 2011, 95). As 'other semi-peripheral countries, Portugal remains a point of departure rather than arrival for mobile researchers', although the number of researchers moving to Portugal has risen in recent years (Delicado 2010a, 54).

Most of the Portuguese emigrants in OECD countries are of working-age and, generally, their sex distribution is balanced (48.5 % are women), with slight differences by country of destination. In 2010/11, 77.7 % were between 25 and 64 years old, 16.8 % were more than 65 years old and 5.5 % were in the age group of 15-24 years old (Observatório da Emigração 2015, 80-83).

The purpose of migration among Portuguese skilled workers is varied, mainly (i) to have a job, (ii) to work in their area of education, (iii) to study, or (iv) to progress in the professional career. These drivers for migration have been found in the outputs of recent research projects on the Portuguese emigration in times of crisis (Ganga et al. 2016; Oliveira et al. 2016; Peixoto et al. 2016; Pereira, Pinto, and Pires 2015; Lopes 2014; Pereira 2015).

Portuguese highly skilled migration is typically long-term as workers tend to settle in the destination countries. However, simultaneously, there is a significant dimension of circulation and return (Peixoto et al. 2016; Oliveira et al. 2016; Pereira, Pinto, and Pires 2015b; Gomes et al. 2015; Lopes and Teixeira 2014). Regarding permanent and long-term migration, the percentage of migrants with a

³ The movement of Portuguese skilled workers by regions of the sending country is not available.

⁴ The area of education data is available only for 2001 (still not available for 2010/11).

tertiary qualification in 2011 was greater among those who had emigrated within the past five years, compared to those who emigrated more than five years ago. Nearly a quarter (23 %) of the recent migrants – residing in the country of destination for less than five years – are highly qualified [ISCED 5A/5B/6] (see Figure 2). In the new countries of destination with a lot of Portuguese migrants with tertiary education, such as the UK, Norway, Denmark and Ireland, more than half of the total Portuguese-born residents in 2011 had been there for fewer than 10 years. 35 % have been residing in the UK for less than five years, and the share of those residing between five to 10 years is 25 %, while those residing for more than 10 years is 41 %. (Observatório da Emigração 2015, 86-89).

The higher qualified the Portuguese migrants returning to Portugal, the higher their chance to find a job in skilled occupations upon their return. Still, a considerable number face unemployment when returning to Portugal (Oliveira et al. 2016).

Portuguese people with a basic education level are more likely to emigrate than the highly skilled; nevertheless, the emigration rate of the highly skilled registered a greater growth between 2001 and 2011 (Arslan et al. 2014). Portugal is among the 15 top countries in the world (11th) with a rise in the rate of highly skilled emigrants in the last decade, both in absolute numbers and percentage⁵ (Arslan et al. 2014, 41).

The key factors pushing Portuguese skilled workers to move abroad is the view that a stable career is not possible in Portugal, the lack of opportunities of mobility and the desire for new experiences; the key pull factors are the job offers in the intra-European space, the recruitment and the quality of working conditions. Not having a stable and well-paid professional pathway assured in the current national context seems to be the main push factor. There is also evidence that emigration is more likely at the beginning of life-cycles such as looking for a first job following a degree, or after a divorce. Other factors drive migration such as accompanying the partner who is moving or having had already an experience of migration or international academic mobility (Erasmus). The remaining key factors pulling tertiary educated Portuguese are the direct recruitment in the origin country (nurses) and the working culture of meritocracy (Lopes et al. 2016; Pereira, Pinto, and Pires 2015b; Pereira 2015; Peixoto et al. 2016; Ganga et al. 2016).

As recent studies have found, a main reasons Portuguese skilled workers move abroad is because they see no future at home, followed by having no career opportunities in Portugal (Peixoto et al. 2016; Lopes 2014).

Education and training influence Portuguese skilled labour flows. While there are no accurate figures on Portuguese scientists leaving the country (temporarily or permanently) during the last decades, PhD and post-doctoral fellowships for studying or working abroad granted by the FCT [national Foundation for Science and Technology] provide relevant insight. According to a study on the mobility of Portuguese scientists, 'between 1994 and 2008, 3 815 PhD and 691 postdoctoral fellowships for studying abroad and 3 046 PhD and 973 post-doctoral mixed fellowships (divided into periods spent at a foreign and a national institution) were granted' (Delicado 2010b, 163). The same study found that nearly 4 000 Portuguese researchers in Portugal had PhDs obtained abroad, and about 80 % were active in the

⁵ There is no available data on the wage increase that is necessary to motivate mobility into a job for which one is overqualified.

Portuguese scientific system. This research shows that there was a considerable return of Portuguese scientists, explained mainly because most of them had contracts already with Portuguese institutions and were granted fellowships to study abroad. (Delicado 2010b: 169-171). Since this figure relates to 2009, it would be important to see the impact of the economic crisis on the mobility strategies of researchers and their return.

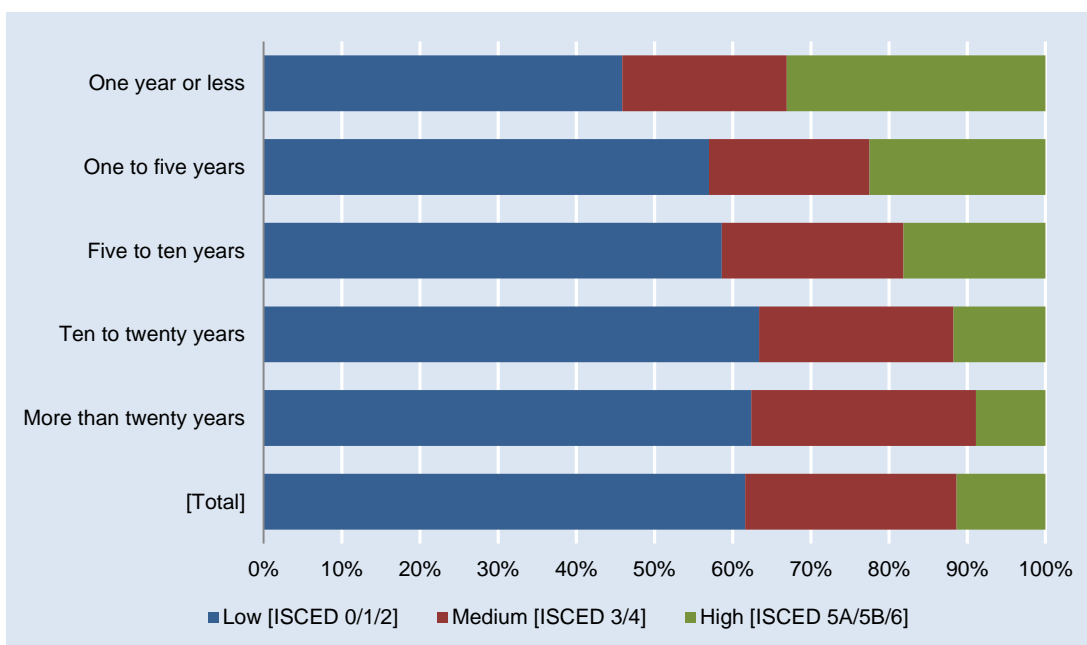


Figure 2. Stock of Portuguese-born emigrants aged 15 and over in OECD countries by duration of stay and educational attainment, 2010/11

Source: Chart by Observatório da Emigração (Emigration Observatory) (2015), data from OECD, Database on Immigrants in OECD Countries, DIOC 2010/11 (Rev 3 File B). <http://observatorioemigracao.pt/np4EN/4924.html>

3 Emigration of skilled labour and its impact on domestic economies beyond the labour market

Concerning the impact of emigration on the domestic economy, the main problem is that the innovation potential of skilled Portuguese moving abroad is not compensated by immigrants replacing them in the country, where small and medium-sized enterprises make up 99 % of all enterprises. This structure of enterprises, with only 1 % of large enterprises (PORDATA-INE 2017a), helps explain why in Portugal, as in other countries of Southern Europe, a 'high share of the individuals identified as over-qualified are working in a family business (NACE sector T). This applies to 20-50 % of the high-skilled in elementary occupations in Portugal, Spain, Romania, Greece, Malta, Italy and Cyprus' (European Commission 2015, 248). The Portuguese labour market is in recovery, attracting little immigrants and returning emigrants with innovation capital.

The social consequences of emigration are the transformation of relationships, with friends apart and split families, namely lone elders, interacting through online technologies; the fiscal consequences are the slowing down of consumption, not compensated for by immigrants, with a negative impact on the job openings in the labour market. The absent skilled

workers do not consume in Portugal, which contributes to the reduction of tax revenue and consequently to the slowing down of the economy including less job openings for immigrants (and nationals). Nevertheless, the employment rate has been slightly growing since 2014 (PORDATA-INE 2017c). Socially, online direct communication technologies (such as Skype), cheap mobile and telephone services and social networks (such as Facebook), reduce the social and emotional costs of migration by allowing daily and regular contact, but personal contact is reduced both with friends and family. Inside the EU, cheap flights also allow two or more annual visits to friends and family in the country, although reduced with the financial recession. There are different portrayals of split families due to one or more members migrating: children separated from one or both parents, couples apart from each other, and elders left without personal contact with sons/daughters.

The emigration of skilled labour contributes little to the growth of remittances. The country with the highest share (38 %) of highly qualified [ISCED 5A/5B/6] Portuguese emigrants, and currently the main destination, is the UK (Observatório da Emigração 2015, 88). But although remittances received from the UK increased by more than 20 % annually between 2012 and 2015, they still only account for about 5 % of total remittances received in Portugal (Vidigal and Pires 2014, 16). Those received from France and Switzerland (countries historically linked to Portuguese emigration but where the percentage of highly skilled Portuguese is only 6 % in each) make up more than 50 % of the total. Although relatively there was a greater growth in remittances received from the UK compared to France and Switzerland, remittances from the UK in absolute terms are less significant to the total received in the country (Observatório da Emigração 2017b). Since the highly qualified Portuguese emigrants are of working-age and most are settled with families, consumption and savings are made in the destination country, with little money being sent back to Portugal.

The impact on the sustainability of social security systems is twofold, (1) fewer skilled workers pay social contributions, which has a strong impact on adequacy of public pensions, since Portugal is one of the top five countries in terms of a high proportion of older people, (2) the system provides fewer social assistance cash benefits. The emigrating highly qualified Portuguese have stopped paying contributions to the national social security system, which therefore receives less. On the other hand, the system has had to pay less social assistance cash benefits to those who were looking for their first job or were unemployed in Portugal and left. People in receipt of unemployment benefits in Portugal who then emigrate to another EU Member State continue to collect these benefits which are paid by the Portuguese social security (via a bilateral agreement) in the new country. However, when they get a job in the destination country, the Portuguese social security system saves money short-term as the payment of unemployment benefits ceases, but medium- and long-term it will not receive the social security contributions of these workers either. Portugal is one of the top five countries in the world with the highest proportion of older people aged 65 years and above (21 %) in 2015 (World Bank Group, 2017), which means that emigration has a strong impact due to receiving less social contributions to pay pensions.

The impact of Portuguese emigration is not counterbalanced by immigrants, currently an economic, social and demographic issue in Portuguese society. That is, the entry of foreigners is very small and does not compensate for the large number of outflows. Looking at the harmonised data of the Eurostat for 2013, Portugal not only attracts few immigrants (about 17 000), but more than two-thirds of those

attracted (69 %) are Portuguese, generally returning Portuguese emigrants (see Figure 3) (Observatório da Emigração 2017a). Considering the impact of return migration, Portugal is one of the countries in Europe with the most negative net migration, relatively speaking (-0.4 %) (Pires and Espírito-Santo 2016, 9). In Europe, 'only Poland, Greece and Spain have higher negative values for net migration, and if we discount the effects of returnees' flows, Poland and Romania are the only countries to lag behind Portugal' (Observatório da Emigração 2015, 12,13).

Inflows into Portugal combine citizens of other EU countries and third country nationals. The main sending countries were, in 2013, Brazil, Cape Verde and Romania; in 2016, Brazil was top, followed by France and Italy, due largely to the new Portuguese tax benefit attraction policies targeting particularly retired people (Observatório da Emigração 2015, 23; SEFSTAT 2017, 71–79). The returning population is mainly young and qualified, suggesting that a fraction of the more recent migration tends to be brief. However, 'the situation of unemployment after the return makes it possible to believe that new emigration projects will follow. The theses of transnationalism and circulation may result both from freely constructed projects and from the constraints created by a more flexible and precarious labour market, less favourable to long-term projects' (Oliveira et al. 2016, 31).

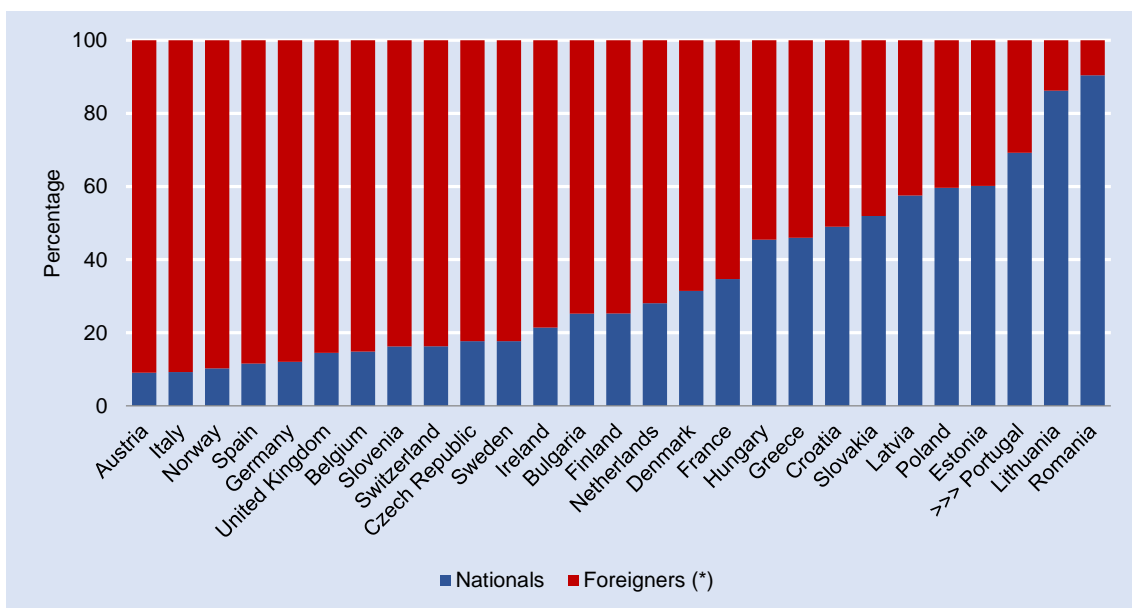


Figure 3. Permanent inflows to EU and EFTA countries, according to nationality, 2013

Notes: Excluding countries with less than one million inhabitants (Cyprus, Iceland, Liechtenstein, Luxembourg and Malta). (*) Includes migrants without nationality and with unknown nationality.

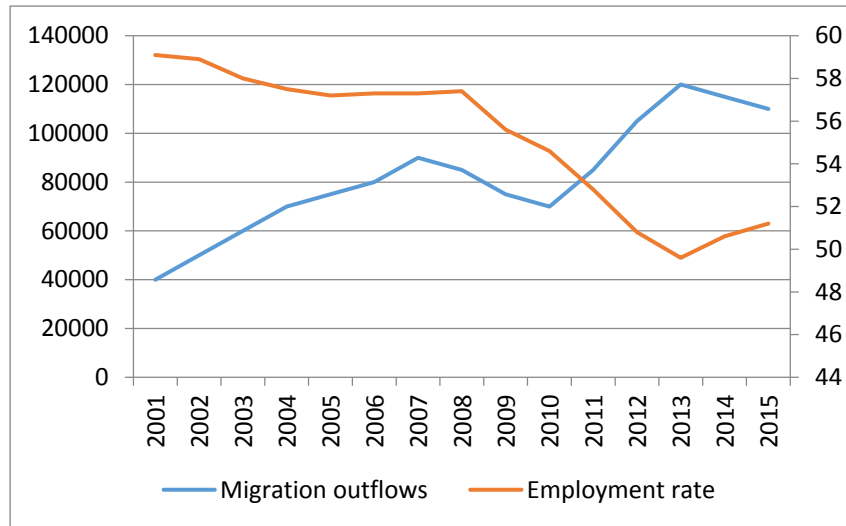
Source: Chart by the Emigration Observatory (Pires and Espírito Santo 2013, 11), data from the Eurostat, Database on Population and Social Conditions, Demography and Migration (pop).

4 Emigration of skilled labour and its impact on labour market conditions

There is a clear connection between labour market dynamics and migration in Portugal. In the 21st Century, the evolution of Portuguese emigration has been negatively correlated with the employment rate and positively correlated with the unemployment rate (see Figures 4 and 5). These correlations were only interrupted during the 2008-10 financial crisis, which, being global, reduced the role of

international migration as an alternative to labour market depression. The relationship between emigration and the labour market is particularly intense for skilled labour (see Figures 6 and 7).

Figure 4. Employment rate and migration outflows, Portugal, 2001-15



Source: Pordata (employment rate) and Emigration Observatory (outflows).

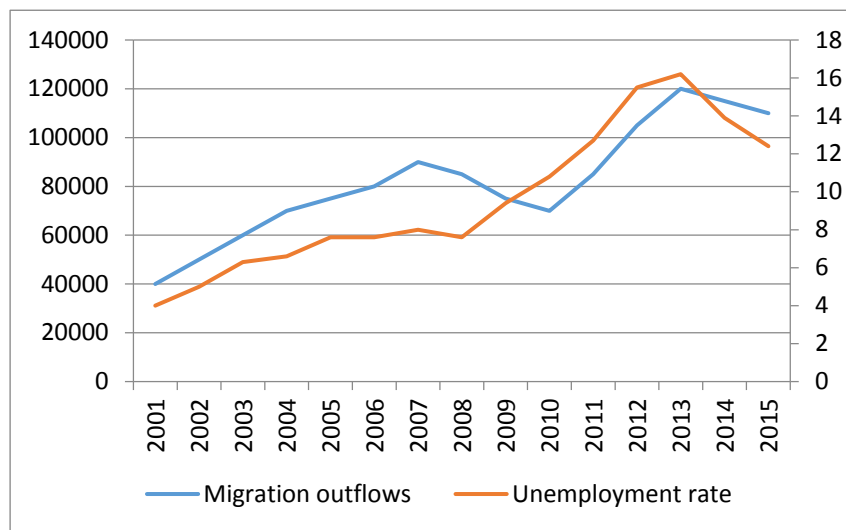
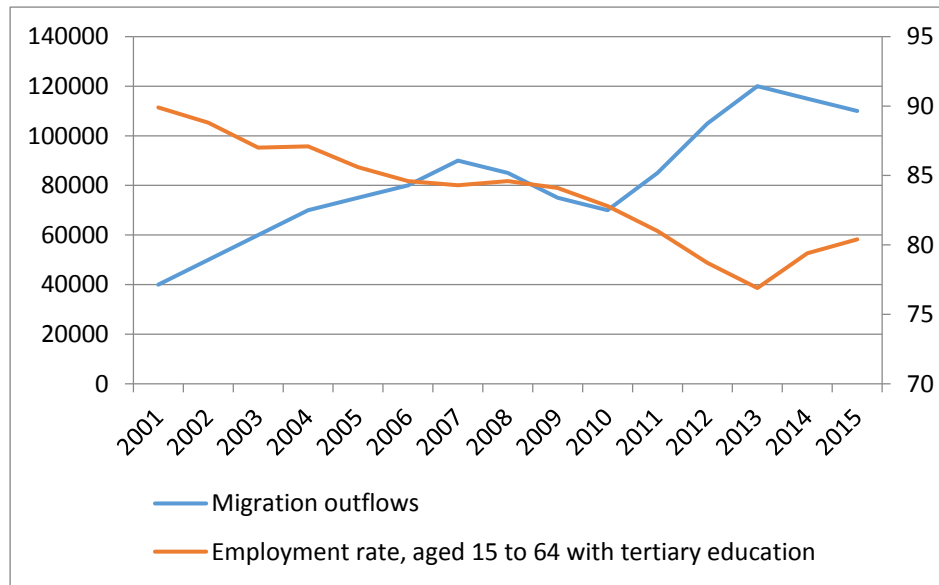


Figure 5. Unemployment rate and migration outflows, Portugal, 2001-15

Source: Pordata (unemployment rate) and Emigration Observatory (outflows).

Figure 6. Employment rate, aged 15-64 with tertiary education, and migration



outflows, Portugal, 2001-15

Source: Pordata (employment rate) and Emigration Observatory (outflows).

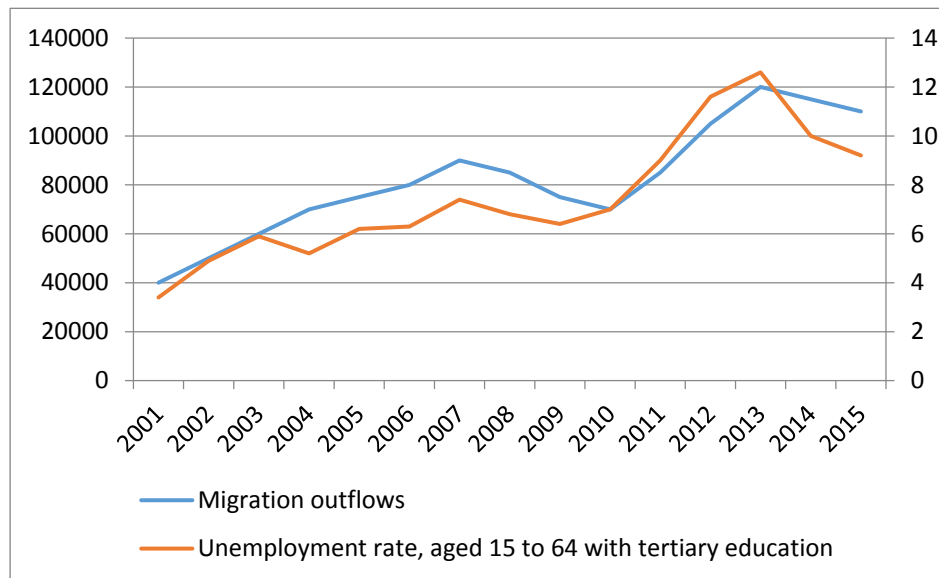


Figure 7. Unemployment rate, aged 15-64 with tertiary education, and migration outflows, Portugal, 2001-15

Source: Pordata (unemployment rate) and Emigration Observatory (outflows).

The same labour market dynamics that favour emigration make immigration more difficult. The symmetry is almost perfect: immigration decreases as the unemployment rate increases, and immigration increases as the employment rate increases (see Figures 8 and 9). For Portugal, total immigration, i.e., inflows (foreigners and returned nationals), did not compensate for outflows (see Figure 10).

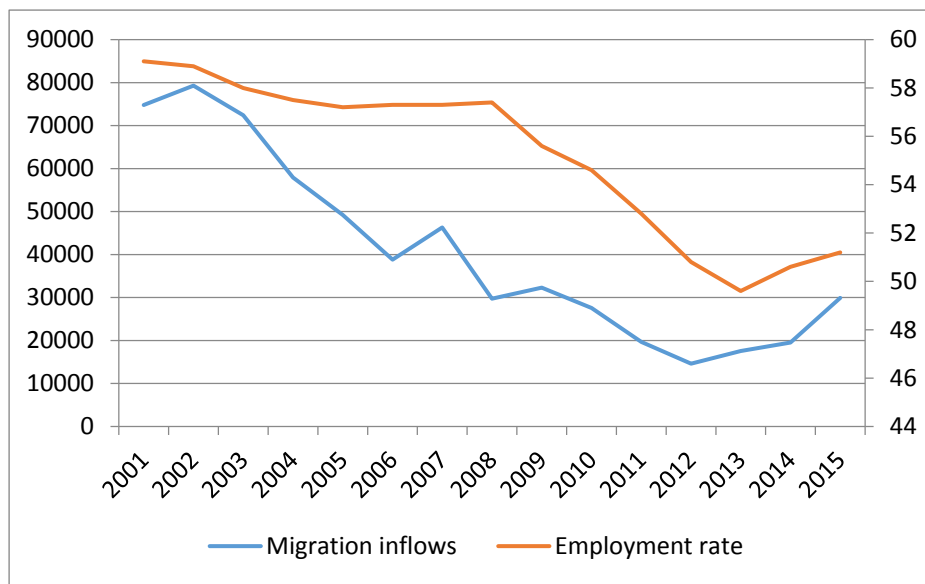


Figure 8. Employment rate and migration inflows, Portugal, 2001-15

Source: Pordata (employment rate) and Statistics Portugal (INE) (inflows).

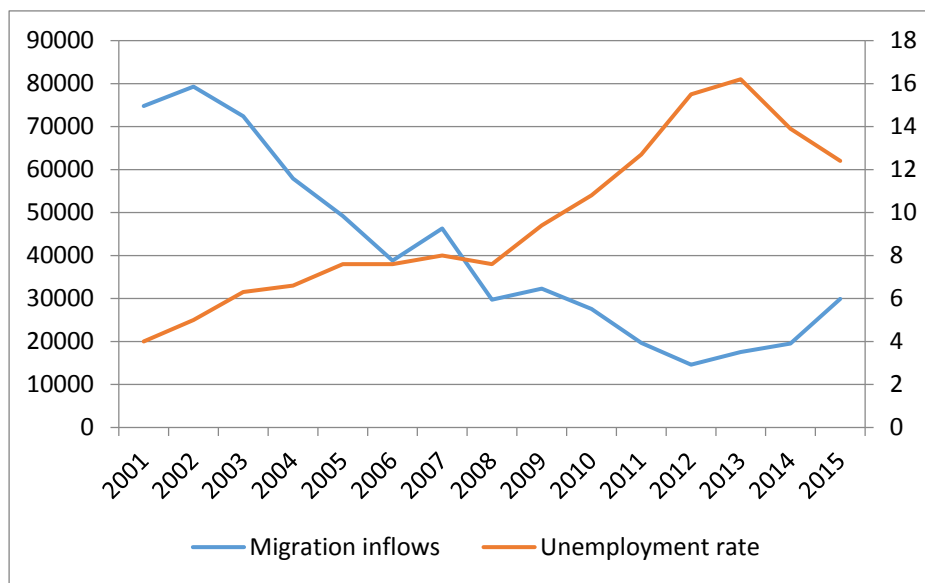


Figure 9. Unemployment rate and migration inflows, Portugal, 2001-15

Source: Pordata (employment rate) and Statistics Portugal (INE) (inflows).

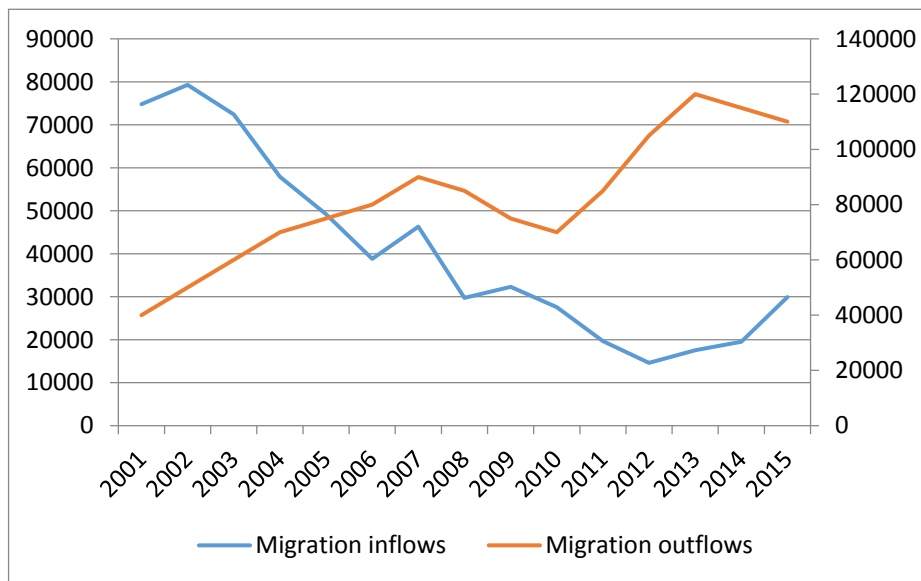


Figure 10. Migration inflows and outflows, Portugal, 2001-15

Source: INE (inflows) and Emigration Observatory (outflows).

In the short term, emigration compensated for the depressive dynamics of the Portuguese labour market, for both skilled and unskilled labour. However, with the resumption of economic growth and the revitalisation of the labour market, some skills may be lacking medium-term. This is reinforced by the available data illustrating the predominance of settlement or remigration to another country among skilled Portuguese emigrants. According to a recent study of Portuguese brain drain, more than 60 % of the emigrants surveyed did not consider returning to the country (Gomes et al. 2015, 29–30).

The modest return of Portuguese emigrants, at least for skilled and unskilled workers, might be explained by the wage inequality between the countries of the EU, aggravated by the greater flexibility of the national labour market in the years of austerity policies. Even if this greater flexibility can translate into job creation, these new jobs will hardly help encourage the return of the most qualified Portuguese emigrants, who enjoy higher wages, better working conditions and greater career prospects abroad.

As a result of the increase in the employment rate from 2014 onwards, accompanied by a reduction in unemployment, shortages of skilled labour are already felt in sectors such as technological engineering and ICT⁶, according to a questionnaire carried out with 47 companies by the Portuguese Business Council for Sustainable Development (BCSD) (Brito, 2015). The emigration of Portuguese nurses provides an example of the dynamics of qualified emigration and the ensuing shortages of skilled labour (Pereira, 2015).

In Portugal, 3 000-3 500 nurses graduate per year and about a third (1 211) in 2013 began working in the UK, according to the Nursing and Midwifery Council. A questionnaire applied to a sample of Portuguese nurses in the UK in 2015 confirms their young profile: 81 % were under 29 years-old. Most of the nurses

⁶ Internet: <https://www.dinheirovivo.pt/carreiras/portugal-tem-falta-de-pessoas-nestas-12-profissoes/> <http://www.bcsdportugal.org/>

surveyed (83 %) went to work in the UK via job agencies; that is, professionally organised formal recruitment processes clearly prevailed over informal and individual emigration processes. Before emigrating, half the respondents were looking for their first job and 16 % had lost their jobs, but after emigration to the UK all were employed. Emigration allowed access to employment both for graduates and unemployed professionals and allowed these people to pursue career paths that were blocked in Portugal.

More than half of the respondents did not intend to return to Portugal before retirement. In the context of international migration, it is common for a higher percentage of immigrants with a recent emigration history to declare their intention to return to the country of origin short or medium-term. Among Portuguese nurses in the UK, the reverse is true: although recently arrived in the country, most do not intend to return to Portugal during their working age.

The consequence of this recent but intense history of skilled emigration is more shortages of nurses in Portugal. The ratio of nurses/physicians in Portugal has diverged from the OECD average since 2010 due to the emigration of nurses (Pereira, 2015: 31).

In the case of healthcare professions, attempts to compensate for shortages of skills are already underway by recruiting immigrants from either EU or third countries. In 2015, 1 455 Portuguese students began medical studies in Portugal. In the same year, 1 836 immigrant doctors worked in Portugal. This number has remained relatively stable in recent years (see Table 2). Since this is a very recent process, it is not possible to know if it can be reproduced in other sectors.

Table 2. Foreigner health professionals working in Portugal, 2011-15

	All professionals			Doctors
	All countries	EU	Third countries	
2011	2 938	1 252	1 686	1 672
2012	3 069	1 259	1 810	1 636
2013	2 957	1 283	1 674	1 715
2014	3 074	1 296	1 778	1 867
2015	2 978	1 256	1 722	1 837

Source: Central Administration of the Health System

No data are available on the wage impacts of skills shortages. In the case of doctors, these impacts were not felt given the largely public nature of the sector. There are, however, indications of pressures for higher wages in the sector of information technologies, where private employment predominates.

5 Actions undertaken by Portugal to address the outflows of skilled labour

The national authorities undertook some programmes to facilitate and encourage return migration, mobilising mainly Portuguese skilled entrepreneurs to invest in the country. These initiatives are included in the 'Strategic Plan for Migration 2015-2020', under the purpose of strengthening the link

and support for Portuguese citizens who want to return. Most of the actions are coordinated by the Ministry of Foreign Affairs, in partnership with the High Commissioner for Migration. In this plan, 'while the specifics are still unclear, areas scheduled for action include attracting foreign students to Portuguese universities, especially from former colonies; bringing in young scientists to work on national research projects; and mobilising Portuguese emigrant entrepreneurs to invest in Portugal' (Justino 2016, 21).

The High Commissioner for Migration created the Support Office for Emigrant Return that monitors the implementation of the initiatives, among which the extension to the emigrants of the former 'Mentor Program for Immigrants', the creation of the 'Platform of Global Professional Mobility', the 'VEM Contest - Valuing Emigrant Entrepreneurship', and the 'Empowerment of Emigrant Entrepreneurs' (Alto Comissariado para as Migrações 2016). Other new programmes were created, such as the '50/50 Contest', to stimulate investment with social and local impact; 'Raise Your Business', for entrepreneurs in the process of replicating their business in Portugal; 'Migrant Entrepreneur Support Office', for immigrants and emigrants; projects of municipalities that promote the creation of networks with the diaspora and provide support and accompany the return of the emigrants; the 'Diaspora Investor Support Office', in coordination with the embassies and consulates; and the 'Emigrant Support Office', a partnership between the Ministry of Foreign Affairs, through the Directorate General of Consular Affairs and Portuguese Communities, together with Municipal Councils, located in diverse cities of the country (Alto Comissariado para as Migrações 2016; Ministério dos Negócios Estrangeiros 2016).

The number of Portuguese returns over the past five years is about 10 000 per year (PORDATA-INE (2017d)). Return incentive actions, an alternative strategy, appear unsuccessful. The small-scale programmes mentioned above attracted few Portuguese to return home country and there are no specific return policies.

6 Conclusions

Throughout the 21st Century, the Portuguese economy stagnated and the national demographic trends have aggravated the recession, now one of the worst in Europe. The external migratory movements both reflected these negative dynamics and reinforced them.

Today, the economic recovery may halt the negative migratory balance short-term. However, medium-term, economic and demographic dynamics are less clear. Should the tendency of new Portuguese emigrants to settle down permanently in the country of destination remain or increase in the future, tackling skill shortages in Portugal – necessary to sustain the current resumption of economic growth – will only be possible through immigration. In a European context that is adverse to the growth of external inflows, this will not be an easy solution.

The shortage of workers beginning to make a mark in the labour market in Portugal affects both the less qualified and the most qualified sectors. The use of immigration to fill that shortage is easier in the unskilled than in the skilled sectors given that wage levels in Portugal are much lower than the EU average.

The return of Portuguese emigrants is low and the government return actions have so far produced little impact.

Improvements in the labour market in Portugal could more easily contribute to a reduction of emigration and the resumption of immigration than to an increase in return migration. However, due to the relatively low attractiveness of

Portugal as a destination for qualified emigration, the solution for eventual shortages of skilled labour continues to depend more on the growth of tertiary education than on migratory movements.

Today, as in the recent past, the need to increase the qualifications of the population remains one of the most important challenges of Portuguese public policy. It is perhaps the strongest counter-effect for the negative impact of emigration on skill supply.

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