

Mobility from the EU10 - some considerations as seen by these countries: Remarks to the brain drain, brain waste or brain gain debate

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Introduction

Whereas the impact of increased intra-EU mobility in the receiving countries has been high on the agenda since the two significant waves of enlargements (2004 and 2007), so far less attention has been paid to the perspectives of the sending countries. This happened despite the fact that some concerns have been raised also from their part.

The concerns are related to the fact that among the emigrants, young people are overrepresented, which has implications both from demographic and economic perspectives. Similarly to most EU15 Member States, population of the sending countries is also ageing; the recent economic crisis affected their economies, with serious social consequences in most cases (slow growth, high unemployment, increasing poverty rates and inequalities).

When the impact on the sending countries is analysed, it is important to distinguish between short-, medium and possible long-term effects. Whereas in principle short-term effects can be deducted from current developments, there is more uncertainty when either the medium or the long-term perspectives are assessed.

It may, however, prove challenging even to analyse the current situation. Not only do shortcomings of basic data make cross-country comparison difficult, for a clearer picture counterfactual analysis would be needed. In order to give an objective, impartial assessment, it would be important to find the right balance between the positive and negative effects; for example, such important questions should be answered whether unemployment would be higher in the sending countries if emigration did not occur.

The available data show that whereas the education level of mobile EU citizens tends to be high, the majority are employed in low-skilled occupation. This may suggest that the motivation behind emigration could not only be earning higher income, but possibly also to escape from unemployment. Related to the gap between educational attainment and occupation level, it is relevant to ask whether this could be a long-lasting phenomenon or there are signs for improvement.

Despite the general tendency of EU10 migrants having low-skilled occupation, if certain professions are considered, such as health specialists (doctors), this is definitely not the case. As regards the emigration of highly specialised doctors and the ensuing shortages in that profession in the sending country (as demonstrated for example by Eurofound, 2013), even some signs of brain drain can be detected. In this case, the question is whether there could be a chance of their return in the future. The extent of potential return (and possible brain gain) depends to a large extent on economic perspectives of the sending countries. So far, return migration has not happened on a massive scale (Eurofound, 2012) presumably because the impact of the crisis could be felt strongly in most of the sending countries (Poland seems to be an exception as regards the strong effects of the crisis, but even here, scale of return migration is unknown due to deficiencies of the related data). Therefore, it is

not surprising, that currently there is hardly any evidence for brain gain. Some country variation can be observed, however, also in this regard. For example, in case of two small countries, Slovenia and Estonia, among the returnees, students constitute the largest group. If the majority of the members of this group stay in the country at least for some time, the countries could benefit from the knowledge the students acquired abroad. Even nowadays, however, an increased circularity (circular movement) can be observed in intra-EU mobility. This is likely to persist and expand in the future.

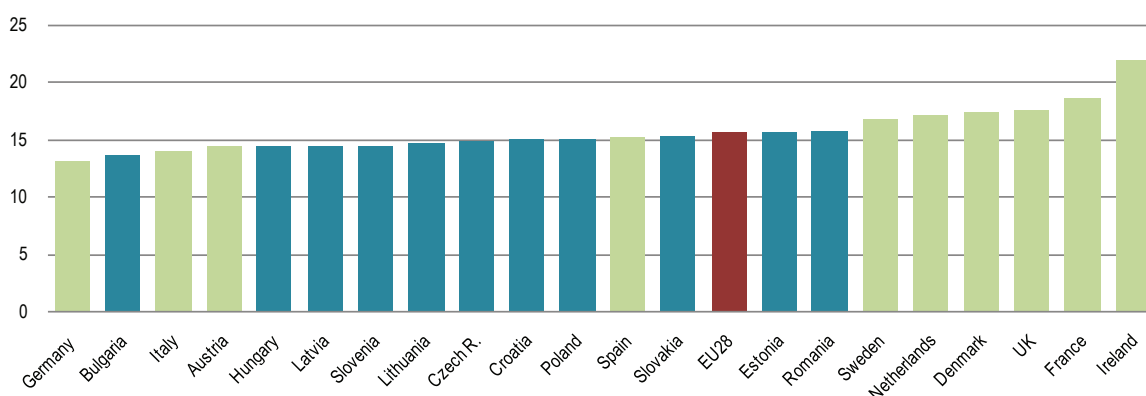
The study analyses mainly the sending countries' perspectives, focusing first on demographic data compared with those of the main destination countries. In order to get some idea about the issue of possible brain drain, brain gain or brain waste, the second section outlines some key characteristics of the EU10 mobile citizens, and the third is concerned with their current labour market performance. Finally, the conclusions focus on possible future perspectives.

Demographic background – key features in the sending countries

If perspectives of the sending countries are considered, potential of future work force and sustainability of the welfare system (especially pensions) should be analysed – both current age composition and fertility rates are certainly relevant from this point of view.

As can be seen from Figure 1 below, it is precisely the sending countries, where share of the youngest age group (below 15 years of age) is usually the lowest. There are exceptions, however: among the sending countries these are Romania and Estonia (the share in both being about 16%) whereas among the traditional receiving countries Germany and Austria (the share being 13% and 14% respectively) as well as the new receiving countries, such as Italy and Spain (about 14% and 15%, respectively).

Figure 1: Share of population below 15 years of age in EU28, EU10 plus Croatia and some key destination countries



Source: Own calculations, based on Eurostat data

It seems obvious that part of the explanation for the divide between the Member States lies in presence/dominance of third country nationals in certain countries. This may explain the relatively high share in the former colonial powers (such as the UK, France and the Netherlands), whereas in Denmark and Sweden high

number of refugees could be attributed to that. Ireland is a special case: as is well known, it has the youngest population in the EU.

As regards the sending countries, however, even if the share of the youngest age group is higher in Slovakia or Romania than in some receiving countries (i.e. Germany, Italy, Austria or Spain), if the pace of current emigration continues, it is doubtful whether this relatively high share can be preserved.

To some extent, a similar pattern is shown when the total fertility rates are examined. As can be seen from Table 1, in none of the EU countries did the indicator reach such a level which would make the so called simple reproduction possible – as is known, this is 2.10 (the indicator shows the average rate of child birth per women of child-bearing age, i.e. 15-49 in a country in a given year) This is true even for those two EU Member States which are known as having relatively high fertility rates, i.e. Ireland and France. Fertility rates in EU10 are usually lower than in EU27/28 average, the exceptions being Lithuania (interestingly) and Slovenia in 2012. However, in neither of them is higher fertility rate a long-term pattern. It is rather Estonia, which could be regarded as a real exception, where even longer trends (between 2005 and 2011) show a more favourable perspective. At the same time, in most EU15 countries, the fertility rate is higher than the EU average. The exceptions again are Germany, Austria, Italy and Spain. In one of the most important destination country, in the UK, however, fertility trends have constantly improved, from 1, 70 to 1, 92. It may well be that the recent increased inflow from the East-European Member States has contributed to the improvement.

As is clear from Table 1, however, there are fluctuations in many countries, and as regards demographic trends, straightforward conclusions could be drawn from a long-term perspective. The fluctuations during this short term period show that country-specific demographic features, such as age composition, are playing also an important role. This varies quite a large extent across the EU, which is reflected in Table 2. The data give quite a mixed picture even on the changes of share of prime working age groups in the total population.

As can be seen, although at EU average level, the share of all the younger age groups decreased between 2004 and 2013 (just the eldest one, 44-49 years, it increased), this did not happen in any of the countries listed in the table. It is only in France where a drop was experienced in case of all the age groups (although in the eldest one it was minimal). Share of the two youngest age groups, however, declined in almost all EU10 countries (with the exception of Lithuania, but even here its absolute number decreased during the last two years compared to the previous period, and its share increased only because the total population dropped even more than the number of people in the age group of 20-24 years).

Some countries experienced quite a large drop in share of certain age groups: for example even in Estonia, where both the share of the population below 15 years and the fertility rate show a favourable pattern, the decline in the youngest working age group (15-19 years) is very high and this is a result of a continuous decrease since joining the EU. This may not reflect, however, high number of Estonian workers abroad, rather the fact that large numbers of students studying mainly in Finland.

Among the EU10 countries, Hungary and the Czech Republic experienced a large drop in case of the age group of 25-29 years (regarded in many statistics as young people). The difference is, however, that whereas in the Czech Republic this is a result of a gradual decrease (with an annual decline of around 20 thousand or less), in case of Hungary a sudden, large drop of almost 70 thousand could be witnessed. Since, as mentioned, natural demographic trends are reflected in long-term developments; this sudden decrease could hardly be attributed to natural trends, rather to high emigration of the age cohort.

Table 1: Change of share of the prime working age groups in the total population of the respective countries between 2004 and 2013 (percentage points)

| | 15-19 | 20-24 | 25-29 | 30-34 | 35-39 | 40-44 | 45-49 |
|-------------------------------|-------|-------|-------|-------|-------|-------|-------|
| European Union (28 countries) | -0.83 | -0.49 | -0.51 | -0.56 | -0.74 | -0.12 | 0.39 |
| European Union (27 countries) | -0.83 | -0.49 | -0.51 | -0.57 | -0.75 | -0.12 | 0.40 |
| Belgium | -0.17 | 0.12 | 0.07 | -0.41 | -1.09 | -0.74 | 0.06 |
| Bulgaria | -2.12 | -0.79 | -0.84 | -0.17 | 1.05 | 0.39 | -0.55 |
| Czech Republic | -1.60 | -0.93 | -2.12 | 0.20 | 2.13 | 0.77 | -0.47 |
| Denmark | 0.93 | 0.89 | -0.86 | -1.26 | -1.22 | -0.31 | 0.79 |
| Germany | -0.78 | 0.04 | 0.47 | -0.70 | -2.86 | -1.09 | 1.40 |
| Estonia | -2.67 | -0.23 | 0.28 | -0.27 | 0.25 | -0.35 | -0.72 |
| Ireland | -1.46 | -2.60 | -0.89 | 0.44 | 0.44 | 0.37 | 0.38 |
| Spain | -0.92 | -1.96 | -2.54 | -0.62 | 0.46 | 0.64 | 1.16 |
| France | -0.55 | -0.40 | -0.20 | -0.89 | -0.89 | -0.24 | -0.02 |
| Croatia | -0.46 | -0.75 | -0.03 | 0.47 | -0.29 | -0.84 | -0.65 |
| Italy | -0.22 | -0.43 | -1.55 | -1.72 | -0.76 | 0.45 | 1.38 |
| Latvia | -3.17 | -0.18 | 0.58 | -0.39 | -0.07 | -0.60 | -0.24 |
| Lithuania | -1.51 | 0.28 | 0.00 | -1.21 | -0.93 | -0.84 | 0.43 |
| Hungary | -0.60 | -0.72 | -2.34 | 0.11 | 2.05 | 1.12 | -1.50 |
| Netherlands | -0.06 | 0.34 | -0.11 | -1.70 | -1.96 | -0.39 | 0.42 |
| Austria | -0.25 | 0.10 | 0.28 | -0.94 | -2.20 | -0.62 | 1.37 |
| Poland | -2.37 | -1.56 | 0.33 | 1.51 | 1.40 | -0.66 | -2.04 |
| Romania | -2.32 | -0.88 | -1.20 | -0.54 | 0.55 | 2.09 | -1.29 |
| Slovenia | -1.66 | -1.63 | -0.83 | 0.39 | -0.23 | -0.62 | -0.31 |
| Slovakia | -2.08 | -1.32 | -0.74 | 1.07 | 1.47 | -0.30 | -0.90 |
| Sweden | -0.26 | 1.19 | 0.18 | -0.60 | -0.96 | 0.58 | 0.57 |
| United Kingdom | -0.32 | 0.44 | 0.59 | -0.57 | -1.60 | -0.36 | 0.79 |

Source: Own calculations, based on Eurostat data

Among the receiving countries, large drop is not observed in case of the younger age groups. There are two exceptions: Ireland and Spain, two EU15 countries, which are known of not only having large inflow of EU mobile citizens, but also large emigration of young people from there. In Ireland although the decline of the youngest age group reflects a continuous decrease, the large drop in the share of the next age group (20-24) is most likely to be attributed to the effects of the crisis: there was a continuous increase in their absolute number until 2008 (from 336 thousand to 373 thousand), in 2009 their number declined by almost 14 thousand, and during the whole period the decrease amounted to 73 thousand. Apart from the effects of possible natural demographic developments, the large drop can certainly be traced back to high emigration of native young people due to deteriorating labour market conditions in the wake of the crisis. The same seems to apply to the next age group (25-29 years) in Spain, the drop of which was similarly high as that of the previous age group in Ireland. Although the number of people of the age group did fluctuate between 2004 and 2007, from 2008 on, there has been a clear trend of an annual decrease of more than 100 thousand. Apparently, in none of these two countries could the inflow of EU mobile citizens compensate for the large decrease in share of the respective age groups (all the less so since this inflow slowed down precisely during this period, i.e. after 2008). From the above changes, similar developments seemed to happen in Italy, though to a lesser extent and in case of older age groups.

Despite these exceptions and the mixed picture, there seems to be a division between the EU15 and EU10 countries also in recent changes of prime working age composition of the population. Even if natural demographic developments (natural decrease/increase related to fertility and mortality rates, average life expectancy at birth within the respective countries) certainly influence the age composition, it can be assumed that large decline in the share of the younger age groups is due to high emigration of young people from these countries. This is reflected in the fact that the largest drops in share of the youngest age groups are experienced precisely mainly in those countries, from which the emigration is particularly high: Bulgaria, Latvia, Lithuania, Romania, Poland and Slovakia. For example in case of Latvia (where the drop of the share of the youngest age group is the highest being 3,17 percentage points), between the two last censuses (2000 and 2011) the country's population decreased by 13%, and out of this, 63% "was due to negative net migration over the last decade" (Eurofound, 2014, p. 26) Similarly, outflow from Lithuania was also high, experiencing negative net migration of more than 38 thousand and 21 thousand in 2011 and 2012, respectively (Statistics Lithuania, quoted in Eurofound, 2014.) – in country with a population of about 3 million people, this can be regarded as a considerable loss. Although in Bulgaria, a much lower share of the loss of its population was attributed to emigration than in Latvia, the loss itself between the two censuses (i.e. during the first decade of 2000s) was very large, being 564 thousand – out of this about one third is estimated to be due to emigration, whereas the rest, two thirds is attributed to natural decrease (ibid, p. 27). The latter is, however, obviously related to previous large emigration waves which accelerated aging of the population in the country. Undoubtedly, however, the two largest sending countries are Romania and Poland. According to the latest estimates, about 2,1 million Romanians work in other EU countries in 2013, whereas the number of Polish citizens staying abroad was about 2,06 million in 2011 (ibid, source for Polish data: OECD 2013).

Some key characteristics of the EU10 mobile citizens

Various findings from research on the main characteristics of EU10 mobile citizens in the destination countries confirm what table 3 suggests from the sending countries' perspectives, namely that those EU mobile citizens tend to be young and there is evidence for the strong presence (dominance) of the prime working age population. This is a common feature characterising the EU10 mobile citizens across all destination countries compared not only with natives, but also other migrant groups. In the UK for example, a research project, covering new arrivals during quite a long period (2000-2012), concluded that the average age of the EU10 mobile citizens stood at 30.4 years, whereas for the natives, this was much higher, being 40.8 and in case of the other EEA (European Economic Area¹⁶⁴) countries the difference was not as high but their average age was still higher: 31 years. As regards the non-EEA arrivals, their average age stood at 32,2 years (Frattini, 2014). Supposedly, even this finding underestimates the average age of more recent arrivals from EU10 (i.e. after the accession, 2004 and 2007), as evidenced by other research covering the period since the accession only and/or showing more recent data. They pointed to average even below 30 years.¹⁶⁵

Research covering the period of the first decade of the new Millennium revealed that the EU10 mobile citizens were well-educated and had no family (as yet). It was found that in fact, education level of the EU10 mobile

¹⁶⁴ They include the EU28 plus Iceland, Lichtenstein and Norway.

¹⁶⁵ Even the same research showed that, when later arrivals (2008-09) were examined, their average age stood at lower level, being 29,5. Although due to data problems, different immigrant groups could not be distinguished among them, it can be assumed that since EU10 migrants dominated the group of immigrants arriving to the UK at that time, this figure reflects their younger age. In addition, preliminary finding of a more recent research covering the latest data (also from 2013) also found an average of the EU10 citizens below 30 years (Eurofound, 2015, forthcoming).

citizens is higher than that of the host population in EU15: the share of EU10 migrants with high educational attainment stood at 26.9% in 2009 (whereas the respective share within the total EU10 population was 15.5% only, and the corresponding figure for the total EU15 population was also lower, 21.7% - Kahanec, 2012, p. 29). Despite this, however, the EU12 migrants work in less-skilled occupations than natives. (2010 Labour Force Survey-data, Kahanec, *ibid*, p. 22.)

Preliminary findings of a more recent research (Eurofound 2015, forthcoming) revealed that EU10 mobile citizens increasingly had families, though this change is very gradual. This is the case for example, in one of the host countries, in Denmark. Similarly, research in the UK found that among the various welfare benefits, EU10 citizens are mostly recipients of family related and child benefits. At the same time, in many destination countries related to younger age of EU10 mobile citizens, their share of unmarried persons is still higher than that of natives, although this is not everywhere the case.

When gender composition is examined, various research findings showed a balanced gender pattern, although the most recent research by Eurofound pointed out in case of some nationalities and in some host countries, women's share is higher (e.g. in Austria, that of Bulgarian and Romanian women), and they tend not to have families as yet.

Although more recent research confirmed previous findings of higher educational attainment of EU10 mobile citizens than natives, it also showed that for example in the UK, their qualification level is lower than that of the other immigrant groups: share of highly educated EU10 citizens was 37% (*vis-à-vis* 16% for natives), but this proportion stood at 49% for other EEA citizens and in the case of the non-EEA citizens it was higher, being 42% (Fratini 2014). Recent research by Eurofound (2015 – forthcoming) shows that educational attainment of the EU10 citizens seems to vary both by the destination countries and countries of origin.

As regards the occupational pattern, a more straightforward picture is shown: most EU10 citizens are occupied in low-skilled jobs: they “were far more likely to perform unskilled work {than other immigrant groups and natives – KF}: a full half of the 2009 cohort who were employed a year after arrival were in the lowest-skilled jobs...” (Bevelander et al. 2014). The study continued to conclude that EU10-origin “workers who entered after EU enlargement were more likely to be employed in elementary occupations than their compatriots who emigrated earlier, because these later cohorts were not subject to selection criteria.¹⁶⁶ *But over time, immigrants did appear able to move out of the lowest-skilled work. Those who arrived in 2001 saw their employment in the lowest-skilled jobs fall by almost 10% after a decade, although the share remained around 5 percent higher than natives. Post-enlargement cohorts also saw improvement over time, although from a much higher base.*”(Emphases – italics – are mines, KF – Bevelander et al., 2014)

In some countries agriculture as a recipient sector seems important, in others it is rather construction and services (such as tourism, catering, domestic help and cleaning) which are dominant. (Eurofound, 2014)

¹⁶⁶ This is certainly true from the demand side. But as regards labour supply (i.e. from the perspective of the EU10 citizens), as mentioned, one of their motivations for emigration to achieve higher income, which could be (even much) higher than if they were employed in a higher-skilled job in their home country. Many of them want to accumulate sufficient financial resources to start a business or buy/build/refurbish a property in their home countries when they return, or they hope to be able to get a better job over time in the host country, if they want to stay.

Current trends in labour market performance of recent EU immigrants

It is well known that main motivation of EU10 mobile citizens behind their emigration is to achieve higher income level, therefore their main objective is to work in the destination country selected (apart from their age pattern mentioned above, this is reflected by their high participation rate in all destination countries, confirmed by evidence). After the crisis, however, due to their vulnerable labour market position (low-skilled jobs, high concentration in sectors which were particularly hard hit by the economic downturn, such as construction and manufacturing), many of them lost their jobs and it was either difficult to find a new permanent one, or others had to take up more than one part-time jobs in order to make ends meet. Within this context, trends in their employment rates vis-à-vis the natives are worthwhile to examine.

As can be seen from Table 3, at EU level (EU27/28), the average employment rate of the EU12 mobile citizens¹⁶⁷ was always the highest compared to the total and that of the natives. The effect of the crisis is very clear: employment rates of all the three groups (total, natives, and EU12 mobile citizens) started to fall in 2009. Whereas the decline, however, seems to have stopped in 2011 for the former two groups, this did not happen for the EU12 mobile workers. Moreover, as a consequence of the crisis, the employment rate of the EU12 mobile citizens decreased more dramatically than that of the other two groups, so the gap between that of the first group on the one hand and employment rates of the latter two groups narrowed down: whereas the employment rate of the EU12 mobile citizens was close to 7 percentage points higher than that of the total or the natives in 2007, the difference halved, having dropped to a bit more than 3 percentage points.

If the individual countries are considered, it is remarkable that despite the (seemingly still) favourable (although deteriorating) situation at EU level, the data reflect vulnerable labour market position of the EU12 mobile citizens in many of the individual destination countries. Even during the pre-crisis period (i.e. in 2007), in 6 out of the 10 key host countries examined (Austria, Belgium, Denmark, Germany, Sweden and the Netherlands), employment rate of the EU12 mobile citizens was lower than that of the natives. Although, not surprisingly, this situation has not changed since then in most destination countries, Belgium is the only exception where this turned reversed. However, in Spain, which is among the countries suffered most from the crisis and its labour market deteriorated to a considerable extent, employment rate of EU12 mobile citizens worsened even more, by their rate having dropped to a level below that of the natives by 2010 and a further deterioration occurred in 2011. It is interesting to see, however, that in Italy, where employment rate of natives is the lowest among all the countries examined in Table 3, this has not happened. Previous research results confirmed that in Italy the EU10 citizens did not suffer from such a huge job loss than in Spain, where the flourishing construction industry (due to previous property market bubble) all of a sudden collapsed. – This did not happen in Italy (or at least not to such an extent), instead, there was a higher demand there for those skills the new EU migrants could offer). Even if in some crisis-stricken countries (besides Italy also in Ireland) the employment rate of the EU10 mobile citizens remained higher, the difference diminished: this is most notable in the case of Ireland, where it declined from more than 15 percentage points to less than 7 percentage points.

Trends in employment rates obviously reflect the labour market and economic situation within a certain country. For example in Germany, which was not affected by the crisis seriously, the employment rate of the EU10 mobile workers increased and the difference diminished to some extent.

¹⁶⁷ Eurostat data contain not only the EU10 citizens but include those from Malta and Cyprus respectively, the two countries which joined the EU at the same time when EU8 did, i.e. in 2004.

Table 2: Total employment rates, those of natives (N) and EU12 mobile citizens in the EU and selected key destination countries (%)

| | 2007 | | | 2008 | | | 2009 | | | 2010 | | | 2011 | | |
|------|-------|------|------|-------|------|------|-------|------|------|-------|------|------|-------|------|------|
| | Total | N | EU12 | Total | N | EU12 | Total | N | EU12 | Total | N | EU12 | Total | N | EU12 |
| EU28 | 65.3 | 65.5 | 72.1 | 65.7 | 65.9 | 71.1 | 64.5 | 64.8 | 68.5 | 64.0 | 64.4 | 68.1 | 64.1 | 64.5 | 67.6 |
| EU27 | 65.3 | 65.5 | 72.1 | 65.8 | 66.0 | 71.1 | 64.5 | 64.9 | 68.5 | 64.1 | 64.5 | 68.1 | 64.2 | 64.6 | 67.6 |
| EU15 | 66.8 | 67.3 | 72.0 | 67.1 | 67.5 | 71.0 | 65.8 | 66.3 | 68.3 | 65.4 | 66.0 | 67.9 | 65.5 | 66.1 | 67.5 |
| BE | 62.0 | 62.9 | 61.9 | 62.4 | 63.1 | 60.9 | 61.6 | 62.5 | 63.1 | 62.0 | 62.8 | 66.2 | 61.9 | 63.0 | 66.1 |
| DK | 77.0 | 78.1 | 72.2 | 77.9 | 78.7 | 77.5 | 75.3 | 76.0 | 78.8 | 73.3 | 74.1 | 71.3 | 73.1 | 74.1 | 66.9 |
| DE | 69.0 | 70.5 | 61.8 | 70.1 | 71.7 | 64.0 | 70.3 | 71.9 | 65.9 | 71.1 | 72.7 | 65.1 | 72.5 | 74.0 | 68.4 |
| IE | 69.2 | 68.3 | 83.9 | 67.6 | 66.9 | 79.3 | 61.9 | 61.7 | 67.4 | 59.6 | 59.6 | 63.8 | 58.9 | 58.7 | 65.0 |
| ES | 65.6 | 65.1 | 72.7 | 64.3 | 64.2 | 68.1 | 59.8 | 60.3 | 61.3 | 58.6 | 59.0 | 58.8 | 57.7 | 58.4 | 54.8 |
| IT | 58.7 | 58.1 | 71.7 | 58.7 | 58.1 | 70.1 | 57.5 | 56.9 | 69.5 | 56.9 | 56.3 | 69.2 | 56.9 | 56.4 | 66.9 |
| NL | 76.0 | 76.7 | 67.3 | 77.2 | 77.8 | 76.2 | 77.0 | 77.6 | 66.1 | 74.7 | 75.3 | 68.0 | 74.9 | 75.6 | 72.0 |
| AT | 71.4 | 72.4 | 70.0 | 72.1 | 73.2 | 67.4 | 71.6 | 72.8 | 63.5 | 71.7 | 72.8 | 64.9 | 72.1 | 73.2 | 66.9 |
| SE | 74.2 | 75.0 | 60.8 | 74.3 | 75.1 | 68.4 | 72.2 | 73.0 | 67.3 | 72.1 | 73.1 | 65.2 | 73.6 | 74.8 | 65.0 |
| UK | 71.5 | 71.9 | 80.9 | 71.5 | 71.8 | 81.7 | 69.9 | 70.2 | 81.0 | 69.5 | 69.8 | 80.6 | 69.5 | 69.7 | 80.3 |

Source: Own calculations, based on Eurostat data.

Of course, the average employment rate masks the differences of that of various nationalities. In Sweden labour market outcomes of earlier arrivals (in 1993-97) were examined. It was found that by 2011, employment rate of Polish citizens has reached almost the same level, as that of citizens from the other Scandinavian countries (Denmark, Finland and Norway). It's interesting to see that even the trend was similar, especially between 2002 and 2011 (in 1997 the Poles' employment rate was much lower, being just above 20%, although even then this was higher than those of other immigrants (e.g. Bosnia, rest of former Yugoslavia, Turkey, Iraq and Iran, but whereas immigrants from the former two managed to exceed the native employment rate of 81% by 2011, other citizens from third countries could not catch up - Bevelander et al., 2014, p. 12)

Conclusions: possible future perspectives

Considering the current situation, it is difficult to give a clear answer to the question formulated in the title. The reason is that ongoing developments do not reflect in a straightforward way whether there is a brain drain, brain gain or brain waste. According to the available data, the majority of East-European mobile citizens are overqualified for the job they have in the host countries. Therefore at present signs of brain waste seem to prevail. A well-known Polish migration expert, Pawel Kaczmarczyk, asks whether brain waste is something which cannot be avoided.¹⁶⁸ From his research, he concluded that return to human capital is generally low for EU8 citizens, especially for Poles, where it is very low (his research pointed out a wage penalty in their case). As assumed reasons, he identified the shortcomings of skill transferability, lack of language knowledge and possible cohort effects Kaczmarczyk (2014). He quotes some researchers (Mattoo et al.), who conclude that there is a "common brain waste", which is likely to persist because as a consequence of the aforementioned low return,

¹⁶⁸ This was asked also in his presentation, entitled 'Well-educated migrants on the European labour market: between brain gain and brain waste', which was held in Brussels, September 2014.

there are “low incentives to invest in human capital”. The fact that “many migrants do not get a good return on their education in the local labor market” is confirmed also by Benton et al., 2014.

Previous research on long-term labour market perspectives of immigrants has, however, provided evidence of many foreign workers being able to “climb up the occupational ladder” over time (see for example: Bevelander et al, 2014). There are even some signs of this happening also in the case of the EU10 mobile citizens. According to these experiences, migrants could have strong incentive to invest in host country-specific human capital, such as learning the language and attending such training courses which enable them to get the jobs they aspire for.

As regards brain drain, its definition, as provided by Kaczmarczyk (2014), is a “selective outflow of highly skilled persons”. Within the context of post-enlargement migration of the EU10 citizens, he and Okolski (Kaczmarczyk and Okolski, 2008) introduced the term “brain overflow” – (as an alternative to brain drain). Indeed, if the gap between educational attainment of EU10 citizens and their labour market outcomes (in terms of not only their employment level but their occupation as well) is considered, this seems to be a more appropriate term for describing the current situation than that of the brain drain. The phenomenon of “brain overflow”, however, could provide a good base for their better labour market performance.

The aforementioned Polish experts seem quite pessimistic when they attempt to draw a balance between the costs and benefits of mobility. They say¹⁶⁹ that “while countries of destination, on average, benefit from immigration, countries of origin tend to bear relatively high costs of the outflow”. Indeed, it seems that the intra-EU mobility has substantial social consequences on the sending countries, which are apparent not only in changes of demographic pattern in these countries (e.g. age composition of the population), but also in lives of individual families. This could have far-reaching consequences also for some social services in the future in these countries as well.¹⁷⁰ For example, impacts on family members left behind, or the effects of outflow on regions/small areas/villages, impacts are already significant. This situation may result in an expansion of long-term care services in the future, not only due to demographic changes but also due to more (payable) demand for these from the part of EU mobile citizens (in the form of remittances to their family members left behind).

Even nowadays, however, an increased circularity (circular movement) can be observed in intra-EU mobility. This is likely to persist and expand in the future. If, as part of circularity, return migration will occur on a larger scale than today, the issue of brain drain and brain gain may not be as high on the agenda as today.

¹⁶⁹ See Kaczmarczyk’s presentation, mentioned before

¹⁷⁰ Let alone those long-term psycho-social consequences the children who are left behind, would suffer from the absence of their parents. This should be considered when possible perspectives are assessed, even if there is no hard evidence on this as yet, and detailed analysis of the topic is beyond the scope of this study.

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Appendix

Table A1: Total fertility rates in EU27/28, EU10 plus Croatia and in some key destination countries

| | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 |
|-------------------------------|------|------|------|------|-------|------|------|------|-------|-------|
| European Union (28 countries) | 1.47 | 1.50 | 1.51 | 1.54 | 1.56* | 1.61 | 1.60 | 1.61 | 1.58* | 1.58* |
| European Union (27 countries) | 1.47 | 1.50 | 1.51 | 1.54 | 1.56* | 1.61 | 1.60 | 1.61 | 1.58* | 1.58* |
| Belgium | 1.67 | 1.72 | 1.76 | 1.80 | 1.82 | 1.85 | 1.84 | 1.86 | 1.81* | 1.79 |
| Bulgaria | 1.23 | 1.29 | 1.32 | 1.38 | 1.49* | 1.56 | 1.66 | 1.57 | 1.51 | 1.50 |
| Czech Republic | 1.18 | 1.23 | 1.29 | 1.34 | 1.45 | 1.51 | 1.51 | 1.51 | 1.43 | 1.45 |
| Denmark | 1.76 | 1.78 | 1.80 | 1.85 | 1.84 | 1.89 | 1.84 | 1.87 | 1.75 | 1.73 |
| Germany | 1.34 | 1.36 | 1.34 | 1.33 | 1.37 | 1.38 | 1.36 | 1.39 | 1.36 | 1.38 |
| Estonia | 1.37 | 1.47 | 1.52 | 1.58 | 1.69 | 1.72 | 1.70 | 1.72 | 1.61 | 1.56 |
| Ireland | 1.96 | 1.93 | 1.86 | 1.91 | 2.01 | 2.06 | 2.06 | 2.05 | 2.03 | 2.01 |
| Spain | 1.30 | 1.31 | 1.33 | 1.36 | 1.38 | 1.45 | 1.38 | 1.37 | 1.34 | 1.32 |
| France | 1.89 | 1.92 | 1.94 | 2.00 | 1.98 | 2.01 | 2.00 | 2.03 | 2.01 | 2.01 |
| Croatia | 1.41 | 1.43 | 1.50 | 1.47 | 1.48 | 1.55 | 1.58 | 1.55 | 1.48 | 1.51 |
| Italy | 1.29 | 1.34 | 1.34 | 1.37 | 1.40 | 1.45 | 1.45 | 1.46 | 1.44 | 1.43 |
| Latvia | 1.32 | 1.29 | 1.39 | 1.46 | 1.54 | 1.58 | 1.46 | 1.36 | 1.33 | 1.44 |
| Lithuania | 1.26 | 1.27 | 1.29 | 1.33 | 1.36 | 1.45 | 1.50 | 1.50 | 1.55 | 1.60 |
| Hungary | 1.27 | 1.28 | 1.31 | 1.34 | 1.32 | 1.35 | 1.32 | 1.25 | 1.26 | 1.34 |
| Netherlands | 1.75 | 1.72 | 1.71 | 1.72 | 1.72 | 1.77 | 1.79 | 1.79 | 1.76 | 1.72 |
| Austria | 1.38 | 1.42 | 1.41 | 1.41 | 1.38 | 1.42 | 1.39 | 1.44 | 1.43 | 1.44 |
| Poland | 1.22 | 1.23 | 1.24 | 1.27 | 1.31 | 1.39 | 1.40 | 1.38 | 1.30* | 1.30 |
| Romania | 1.31 | 1.35 | 1.39 | 1.40 | 1.42 | 1.53 | 1.57 | 1.54 | 1.46 | 1.53 |
| Slovenia | 1.20 | 1.25 | 1.26 | 1.31 | 1.38 | 1.53 | 1.53 | 1.57 | 1.56 | 1.58 |
| Slovakia | 1.20 | 1.25 | 1.27 | 1.25 | 1.27 | 1.34 | 1.44 | 1.43 | 1.45 | 1.34 |
| Sweden | 1.71 | 1.75 | 1.77 | 1.85 | 1.88 | 1.91 | 1.94 | 1.98 | 1.90 | 1.91 |
| United Kingdom | 1.70 | 1.75 | 1.76 | 1.82 | 1.86 | 1.91 | 1.89 | 1.92 | 1.91 | 1.92 |

Note: *Break in series

Source: Eurostat