



Brain Drain vs. Brain Gain

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The freedom of movement is one of the fundamental rights enjoyed by citizens of the European Union and allows EU citizens to work in other Member States without the need of a specific work permit. This has led to massive movements within the EU, and while some countries have been EU worker targets, others have experienced mass emigration, including highly educated and skilled people. Brain drain refers to the loss of these highly skilled individuals due to *permanent* emigration. Regions and local authorities, as the level closest to its citizens, are working hard to prevent and mitigate brain drain by making territories more attractive. This challenge however cannot be addressed just at regional level but a coordinated action at European level is needed to lower the disproportionate burden currently born by regions.

As the President of the AER Committee on Education, Culture and Youth, this is debate that I would like to open. What are some initiatives in your region that facilitate brain gain or brain regain?

Background of Croatia

In South-East Europe, where Croatia is located, as a consequence of emigration, the number of inhabitants has decreased by 16% compared to the 1990s. Croatia is a country of emigration, although historically, there were periods of immigration as well. Behind Romania and Lithuania, according to Eurostat, Croatia is third according to the share of their workforce in foreign countries.

Although many experts predicted a smaller impact, the accession of Croatia to the EU, opened new employment opportunities, thus causing many Croats to leave their country in search of a better life. The European Commission estimates that around 10% of the labour force lives in other EU member state, and 62% of emigrants are aged between 15 and 34 years. New Croatian emigrants have mostly high-school diploma, but what is concerning is that more highly educated people choose to leave the country. At least 10% of Croatian emigrants are doctors, IT experts, engineers, etc., which of course has huge negative consequences on the national economy, i.e. economic and technological development of the country.

Estimations of direct damage, based on investments in the education of persons who emigrated -to more developed EU countries (5 years of higher education) is 446,4 million euro. If the costs of earlier education (primary and secondary) are added to this amount, the costs rise up to a billion euro. According to the data of the Croatian Ministry of Science and Education, an average annual cost for a student, which, besides the education fee, includes the costs of a student standard (accommodation and food subsidized by the state), is 3.720 euro. With the added costs of vocational training, the total loss of emigration measured in costs of education is around two billion euro.

After the 2008 crisis, the number of Croats who left the country increased again with similar situations in all Croatian counties - NUTS 3 level (with the exception of the County of Istria and the City of

Zagreb, which have a positive migration balance). Varaždin County has also a negative balance, although here it is much lower compared to the counties in the eastern part of Croatia. Although Varaždin County shares a direct border with Slovenia, and is in close proximity to Austria and Bayern, and in comparison have lower salaries because of the economic sectors (textile, leather and metal processing), Varaždin County has not registered mass emigration like many other eastern counties in Croatia, which proves there are certain reasons for that.

Brain Drain

Like many other European countries, Croatia is facing a loss of doctors, nurses and other highly skilled workers. Indeed, studies indicate that more than 50% of medical school students in Croatia intend to emigrate following their studies. This is why Varaždin County has recognized this problem and has introduced subvention of housing bank loans, and financing of education and training of doctors (PhD doctorates) and other encouraging measures, in order to motivate them to stay in the country. Encouraging measures and a structured system are crucial for keeping people and enabling their return, regardless of their educational background. And for that, we need a vision.

Role of Regions

What can a region do in order to prevent or at least diminish brain drain and emigration of students and pupils can be presented in the case of Varaždin County. As regions and local authorities are the level closest to its citizens, we have an important role to play in order to diminish brain drain.

The fact that we have one of the lowest emigration rates per inhabitant in Croatia is the result of **measures which the County implements in education and health care**. We left a network of schools in rural areas, whereby we also try to prevent depopulation of rural areas, a challenge faced by many European regions. Namely, during my first mandate as a County prefect in 2005, we started with very concrete projects, offering equal opportunities for all students and pupils. We have achieved that by ensuring infrastructural, social and programme preconditions.

Firstly, we upgraded the infrastructure of our school system. 32 schools were built or renovated with the help of the public-private partnership model, which enabled schooling in one shift so that today 94% of pupils go to school in one shift, which gives them more free time and time for extracurricular activities.

The social competency was fulfilled by offering free transport and free textbooks, as well as by providing extended classes, free meals, student loans and scholarship. We also introduced the project of free meals for pupils at risk of poverty, who go to schools whose founder and owner is Varaždin County.

By ensuring the basic preconditions, we were able to concentrate on **the quality of programmes** and on the **work with highly motivated pupils**. This is why there are 10 centres of excellence in different subjects such as mathematics, physics, entrepreneurship, etc., in which pupils, by working in an inspiring environment, achieve great results. The centres of excellence of Varaždin County became the European Talent Centre in 2019, which is the title provided by the European Council for High Ability founded in 1988 with the aim to develop a network and support for those included in the work with youngsters with high abilities (teachers, researchers, psychologists, parents, highly motivated pupils, etc.). Thereby we became a part of the family, which consist mostly of educational institutions and organisations, where we are the only regional government which is a European Talent Centre. This clearly proves the importance education has for Varaždin County.



All these are examples of how regional governments can intervene, in the scope of their competences. Of course, on the other side, a positive investor-friendly atmosphere should be created.

Final remarks

Regional disparities are one of the main causes of brain drain and the emigration of highly skilled workers to other countries/regions. As the negotiations for the next Multiannual Financial Framework (MFF) are underway, a strong, fair renewed Cohesion Policy is necessary as it is a key instrument in reducing these inequalities.

It must be kept in mind that brain drain is a de facto transfer of wealth. The cost of training these highly skilled professionals who then permanently emigrate and provide benefit to the receiving countries (often wealthier Western EU Member States) does not appear in the spreadsheets of the negotiators of the MFF. In some countries, emigration costs almost $\frac{1}{4}$ of the budget that is allocated to help regions & countries “catch up”.

Cohesion Policy ensures an inclusive and sustainable growth that reduces disparities between EU regions and delivers for the EU and its citizens. An effective cohesion policy will be essential if the EU is to successfully address the challenges confronting Europe today and deliver the results for a greater economic, social and territorial cohesion beyond 2020. This will be necessary to ensure continued growth in all of our Member States.