



## **Policy Paper**

# **Brain Gain Policies and Their Impact on the European Integration Process of Albania**

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European Movement in Albania (EMA) is a think tank devoted to improving the quality of the debate on the European Integration process. It is a forum for exchange of views on political, legal, economic and social challenges facing Albania in its path toward European Integration. By analyzing different aspects of European Integration process, EMA therefore aims to promote new ideas for improving this process.

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## 1. What are “brain drain” and “brain gain”?

Migration of high skilled workers, known as brain drain<sup>1</sup>, is a relatively spread phenomena in both developed and developing countries. Brain drain is usually understood as the permanent loss of a vital driving force of any country. More specifically, the mass emigration of highly skilled persons from a country or region implies the weakening of the human potential necessary for social changes and development. In most cases, this potential is difficult to replace in one generation and several generations of qualified persons are needed to compensate the loss. Brain drain has severe negative and damaging effects particularly on fragile transition economies, because highly educated people are a rare resource.

The brain drain phenomena of the countries of the South-East Europe is determined to a large extent by common “push factors’ such as troubled economies, political instability, severe unemployment, and lack of respect of human rights, including the right to work<sup>2</sup>. All these are especially true for post-communist societies, which are faced with the challenge of including the educated elite in the transition reforms that must take place to intensify bonds with the European Union.

The brain drain phenomena concerns many developed countries as well. The fact that different Western European countries continuously suffer from brain drain of science and technology experts (mainly immigrating to USA or Japan) stands to prove that it is not simply a matter of guaranteeing good basic conditions, but also a competitive and visionary environment<sup>3</sup>.

The reverse effect of brain drain is brain gain. Brain gain consists of those “pull factors”, policies and strategies which create the conditions for encouraging the return of qualified nationals. Measures mainly concern increasing investment in science and education, developing contacts with Diaspora and perhaps even initiating short-term positive discrimination in employment, tax and housing facilities.

In particular, the strengthening and use of Diaspora networks, is becoming one of the most appropriate policies for the use of human capital present abroad in support of

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<sup>1</sup> Expression used for the first time in UK during 1960’, when a great number of engineers and scientist aimed to immigrate to the USA attracted from higher salaries and more favorable conditions.

<sup>2</sup> Horvat, V., “Brain drain. Threat to successful transition in South East”, Southeast policies June 2004.

<sup>3</sup>Brain Drain – Emigration Flows for Qualified Scientists’ for the European Commission, MERIT, October 2003.

internal development. Qualified persons may be involved in the development of the country at a lower cost, using the knowledge gained, without being obliged to live in their home country. This is not just a solution for countries which may not provide optimal conditions for certain categories within the country, but an efficient policy to keep pace with the rapid developments in technology and information.

Having mentioned the role of the human capital in the socio-economic development of a country, as well as in the European integration process, this policy brief brings back to the debate among different actors a sensitive issue yet to be addressed. As Albania strives to strengthen its democracy, open up to EU level competitiveness in many sectors and citizens are freer to travel, an analysis of the policies undertaken so far to encourage the return and involvement of the numerous qualified persons abroad in the development of Albania is needed.

This policy brief presents a short summary of the brain drain phenomena in Albania, the main policy actions taken to reduce the negative effect of brain drain by inducing brain gain. It provides a short analysis of the results of different policies in this aspect and strives to discuss the challenges ahead in support of human capital accumulation aiming at attracting highly skilled and innovative minds.

## **2. The Albanian case**

### ***2.1 The brain drain phenomena in Albania***

Migration of high skilled workers is not a new phenomenon for Albania. It has accompanied the country during the transition period and it still goes on. After the fall of the communist regime, the country faced a massive migration wave of the population to Western Europe countries, but also to the United States, Canada and other developed countries.

From a point of view of duration, degree and impact on the development of the country, Albania constitutes the most striking example of brain drain in South East Europe. Indeed, Albania has one of the highest emigration rates in the world: during the 1990s almost 40% of lecturers and researchers left the country. Among these, 66%

hold a PHD title. There are many examples of experts and students who study in Italy, Greece, Canada and Germany, and it is estimated that only 5% of them will return<sup>4</sup>.

Several reasons may explain the massive migration of high skilled workers from Albania. So far, migration of the people has occurred both legally and illegally.

The first massive migration of 1990-1993 occurred mainly for economic reasons; while the second surge of 1997-1999 occurred mainly due to political instability of the country<sup>5</sup>.

Besides periods of clear political and order instability, other circumstances served as push factors. Among these, we could mention high unemployment resulting from the dismantling of the socialist model of economy. Attempts to replace it with a market economy resulted in a poor market, with few employment alternatives, which had an immediate effect on skilled workers. To this, we must add the misbalanced financial treatment in the country, if compared to countries of the region or western countries. Furthermore, the perspective of professional growth of many individuals used to be (and in many ways still remains) closely dependant on political links, which exposes it to continuous risks due to changes of the governing party.

Some external factors have also played a role in the decision of many skilled persons to immigrate to western countries. Albania is the country in the Western Balkans with the highest percentage of family members living abroad (32%)<sup>6</sup>. Family networks established abroad have served as pull factors towards western countries.

Finally, while for many of Albanian high skilled emigrants, migration was a matter of survival, for others it was the answer to the need for a better acknowledgment of their scientific and academic work, especially if we bear in mind the budget cut for research in Albania, as well as weak private sector which lacks the capacity or willingness to finance scientific research or even employ highly-qualified managers<sup>7</sup>.

The dynamics of brain drain from universities and research institutions in Albania marked a decline after year 2000. This was due to the improvement of the economic and social situation in Albania, structural changes in universities and research institutions of the country introduced to accommodate young experts and the

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<sup>4</sup> Tafaj, M., Consideration about Massive Brain Drain from Albania and Strategies attracting high-qualified scientists, Tirana, 2005

<sup>5</sup> Gedeshi, I. and Germenji, E., Highly Skilled Migration from Albania: An Assessment of Current Trends and the Ways Ahead, Working Paper T-25, Katholieke Universities Leuven, Belgium, Center for Economic and Social Studies in Tirana, Albania January 2008

<sup>6</sup> See Gallup Balkan Monitor, Insights and Perceptions: Voices of the Balkans, 2009, pages 33-34.

<sup>7</sup> Op.Cit , Gedeshi, I.

increasing difficulty to immigrate to Western Europe. However, each year, around 2000 students leave the country to study abroad<sup>8</sup>. There is still a potential of permanent migration, unless good incentives are provided for them to return to Albania after their studies. The chances for Albanians to explore new opportunities in western countries might as well increase when country will achieve the visa-free regime with EU. Having the opportunity to visit countries and specific institutions personally increases the chances of establishing links and planning a future abroad. This could be especially the case of highly educated people, often speakers of several languages who suffer less problems of being integrated in international environments.

Just as the causes, the consequences of brain drain can be summarized in several key areas. Firstly, as a result of migration of skilled people, especially of academics and researchers, education received in Albania constitutes an investment with no return for the country. Secondly, it also has a negative impact on the accumulation of human capital, producing gaps in the generation of academics able to provide for the education of younger ones. From most perspectives, brain drain has a negative impact on the sustainable development of the country. It makes the democratization process slower and even more problematic and diminishes the hope for a better future of the country in the public opinion.

Despite their importance, the brain drain phenomena are not systematically monitored in Albania and this is partly because of the lack of reliable data on migration flows and on the return of people. However, the general concern for reversing the brain drain tendencies to a brain gain has been into the attention of state institutions in Albania. The general perception that the return of emigrants is important for the economic growth of Albania, as they may bring back capital, foreign work experience and new ideas has encouraged the Albanian governments to take measures in order to address the problem.

## ***2.2 Brain Gain policies: An Assessment***

The first initiatives taken in the framework of brain gain policies were limited to the encouragement of those who had studied abroad to return and work for the public administration. In 1997 George Soros donated 1 million dollars to be used as supplementary salaries for those who had studied abroad and were working for the

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<sup>8</sup> Zeneli. B., Brain Gain Programme Diaspora engagement in the Albanian 'development. Tirana 2010.

public administration. Around 150 people benefited from such a donation. In the same spirit, in 2004, the government approved a Strategy for “Encouraging the employment of the students that have studied abroad in public administration”.

The reform on civil service, reflected in the Civil Servant Law was drafted with the intention to create a career system and to provide more possibilities for those who have studied abroad ranging from the recruitment procedures to better financial treatment policies. The 2004 strategy was welcomed as a step in the right direction towards providing an accommodating environment in certain spheres of the society. The strategy equated the seniority criteria applying for a position in public administration with the master degree. However, these innovative changes were applicable only for the low levels of the public administration and the government at that time did not transform these strategic ideas into legal provisions<sup>9</sup>. As made clear by a study of Flagler and Shapo of 2006<sup>10</sup>, these initiatives looked like an “isolated island” and they were not combined with other interrelated policies. In general, people asked at that time were reluctant to come back and work for the public administration because there were neither administrative nor legal changes which could facilitate the process of recognition of diplomas. Facilitation for loans for buying houses lacked and salaries remained low. Furthermore, an uncompetitive environment, an unclear career system and above all, a lack of information on job opportunities dominated<sup>11</sup>.

### ***2.3 Brain gain policies after 2006***

Since 2005, the Government of Albania saw the issue of human capital as a high priority. Directly related to this priority is the process of reversing the phenomenon of brain drain. The return of qualified migrants has been identified as a key policy in the government’s Strategy for Migration to achieve an effective engagement of the Albanian Diaspora created in the development processes. Following a request of the Government, the UNDP facilitated the preparation of a programme for greater engagement of the Diaspora in Albania’s socio-economic development, partly based on the lessons learned and experience of other countries.

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<sup>9</sup> Flagler, M., and Shapo, Zh. Nxitja e punësimit të të diplomuarve jashtë shtetit në administratën publike shqiptare (Studim sasior dhe cilesor mbi faktoret që ndikojnë në nxitjen dhe punësimin e të diplomuarve jashtë shtetit në administratën publike), Tirana, OSFA 2006.

<sup>10</sup> *Ibid.*

<sup>11</sup> *Ibid.*

The Brain Drain Program was designed to integrate highly educated Albanians in the public administration and in the political economic development of the country<sup>12</sup>. It was a result of an agreement signed between the government of Albania and UNDP in 2006 and it constitutes the focal actor dealing with the phenomena and also coordinating other actors. The program is supposed to be running for the period 2006-2010. It has two main purposes: firstly, to establish a welcoming atmosphere for those who have returned in Albania in order to encourage them to contribute to the social, political and economic development of the country; secondly, to create the legal framework for the full integration of these persons in the public administration. The involvement of the program in the establishment of the so called Diaspora network is somehow missing, although certain activities included in the brain gain action plan contribute to that purpose. The program and especially the mid term action plan foreseen under the implementation of the program served as good basis for reviewing the necessary administrative and legislative measures to encourage brain gain policies<sup>13</sup>. Hence, different laws and Council of Ministers decisions were amended.

With regard to the involvement in public administration some steps can be noticed in the following directions:

- **Financial support:** bonus in the salary, home loan at a lower interest rate for those who returned after obtaining a master or PhD degree and went through the brain gain program, incentive grant allocated for those who work in public administration and have studied abroad to participate in at least two conference per year.
- **Facilities in being recruited in the public administration:** Due to the changes made in the Council of Ministers decisions, everyone who has completed master or PhD studies abroad is entitled to bonus points when competing for civil servants position in the public administration (20 points for those who hold a master degree and 30 for those who hold a PhD). The brain gain program hosts a web page which serves not only for the registration of those who wish to benefit

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<sup>12</sup> See Decision 1100 dated 30.07.2008 on approval of Mid Term action plan of the Brain Gain Programme, for period 2008-2009.

<sup>13</sup> Decision 1100, The Mid term action plan of the brain gain program for a period of 200-2009

from the program, but also for the announcement of vacancies in the public administration.

- **Research institutes and academia:** In 2008 the Albanian government opened more than 400 positions in the universities. The brain gain program supported the recruitment for the position of teachers and scientific researchers qualified abroad. A new law on higher education favouring the employment of individuals that hold a master degree or PhD and their involvement in excellence programs or in scientific cooperation programs (e.g. Seventh Framework Programme, SF7) was adopted. Moreover, Aleksander Moisiu University in Durres was recently established through a pilot scheme of investment in the academic sector, encouraging young researchers to apply for leading positions.

During 2009, 526 civil servants benefited from the supportive package of the Brain Gain Programme. However, there are little evidences of the evolvement of this programme in the private sector. Hardly any links of coordination on human resources between state institutions and the private sector aiming to foster brain gain are structured in Albania. However, the private sector can be more attractive and in the terms of technology and infrastructure, if compared to the public sector. It may offer a more competitive and meritocratic environment. The Brain Gain Programme is engaged in some small activities such as the creation of long term strategy for the employment of returned high skilled people in the private sector, but so far, these activities have produced little impact.

Moreover, the Brain Grain Programme has carried out some activities with regard to Diaspora Networking. Currently, the activities are manly concentrated on organisation of conferences and the conduction of a comprehensive study for mapping the geographical distribution of all the Albanian students studying abroad.

### **3. Conclusions and recommendations: Brain Gain, not Brain Waste!**

Despite having known a decrease in brain drain in the last years, the Albanian society is far from producing a welcoming environment and an attractive labour market with the necessary competitiveness to encourage the brightest minds to live in and contribute to the development of their home country. Although basic living conditions

have significantly improved, they may not be enough to serve as pull factors for some more ambitious skilled workers. Thus, effective strategic actions will continue to be needed to foster the slow trend of return of people qualified abroad.

Policies set in place so far suffer different limitations in efficiency. Firstly, the Brain Gain Programme constitutes a “quasi stable” structure, but yet not a consolidated institution with clearly attributed powers to foster the difficult process of brain gain, destined to remain a major challenge for the full exploitation of the development potential of the country in the coming years. Secondly, so far brain gain policies only cover the public sector. Hardly any cases of strategic coordination with the private sector in order to maximize its role as pull actor can be registered. This is regrettable, especially if we consider the significant potential this sector disposes of in offering a competitive, meritocratic and financially competitive environment to highly skilled workers.

Furthermore, where brain gain policies have been applied to positions in the public administration, they have often constituted a mere “brain waste” as qualified persons have been placed in inadequate positions (either lower positions or requiring stronger experience) or positions created ad hoc, beyond the specific needs of the institutions and potential of employees.

Financial bonuses offered remain standard and are not differentiated in order to meet the necessities of professionals benefiting from them. To this, we must add some long, inconsistent and costly procedures of recognition of foreign diplomas.

Another factor limiting the impact of brain gain policies is related to the fact the programme has failed to mobilize and empower research institutions and universities to serve as a determinant pull factor through investment in research, development and innovation.

Efforts to successfully create a network of Diaspora members who could effectively contribute in distance to the development of the country have not produced the desirable results yet. Again, this is regrettable if we bear in mind the huge portion of bright minds that have decided to live abroad despite some positive developments in the country.

On a general note, Albania lacks a competitive environment. Job offers remain limited and not always satisfactory for qualified persons. Many citizens returning to the country still face non-transparent and non-meritocratic procedures to succeed professionally in the society. Beyond the rhetoric that can be found on websites of the

institutions, the truth is that still many elements of the public life remain “too closed” to be able to genuinely appreciate the contribution that people qualified abroad may bring to the country. Overall, these elements go to build the hostile environment for high skilled workers who are often perceived as a threat from the “old generation”.

On a positive note, due to pull factors present in Albania or other external factors such as minimal chances to be integrated with full rights in the labour market of many western countries, the fact is that Albanian qualified persons are coming back at a modest, but continuous pace. Finding instruments to accommodate them and make use of their potential, especially in view of the need to increase capacities and performance of the public administration as we go along with the EU integration process will be the biggest challenge and opportunity offered to the country.

In order to minimize frustrations of returnees, especially qualified persons, in their attempts to be integrated in the Albanian society, institutions and other actors should proceed with a strategic evaluation and revision of policies. New policies should specifically focus on the maximization of the contribution from highly qualified returnees as a way to enhance the capacities of the administration in order to speed up the EU integration process. Furthermore, particular attention should be paid to the developments in the private sector with which closer cooperation should be developed in order to produce effective results in engaging human capital in the democratisation of the society.

Besides being the guarantee for a prosperous future of the country, investment on research and innovation should be seen as a pull factor for brain gain. Albania has the luck of having “unintentionally” accumulated a treasure of experts qualified in the best institutions world-wide. This Diaspora could serve a precious source of information and expertise for the development of the country.