

## Work Package 5 Political Strategies and Transfer

### Group of activities 5.1 Political strategies

#### Policy Strategy Program

# Annex IV Action Plan „Brain drain“

POLICY SUGGESTIONS FOR COUNTRIES IN THE BALTIC SEA REGION  
FOCUSING ON REMIGRANTS AS ENTREPRENEURS

2020



This document does not express official EU opinion.

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## INTRODUCTION

While migration of workers is not a new phenomenon, it has undoubtedly become easier and more popular since the EU has made free movement of labour one of the four economic freedoms for EU citizens, as described in Article 45 of the Treaty of Lisbon. At the same time, demographic challenges within the EU, namely population ageing and decreasing fertility rate have caused an overall decline of labour force and a notable competition for skilled workforce. Specifically, the lack of small and medium-sized enterprises (SME) successors has been addressed within the INBETS project. Skilled workforce who has emigrated abroad, what is commonly referred to as brain drain, represent a highly valuable target group in order to close the SME successors gap. Studies show, that returning migrant workers bring back a combination of human, financial, and social capital accumulated abroad (Wahba, 2015):

- Work experiences, knowledge and skills: Migrants are often more educated and have more work experience than people who have never lived abroad. Furthermore, returning migrants bring back new ideas, innovative technical abilities and working culture norms.
- Contacts and network: Returning migrants build up international connections and contacts abroad that can be highly beneficial for the business.
- Finances: Studies show that returning migrants are wealthier than people in their home countries as they usually earn more abroad and tend to accumulate savings. Hence, they are more likely to be able to set up a business when returning to their home country.
- Language skills: Migrants return multilingual, which is highly beneficial for working in an international context.
- Flexibility and ability: The experience of migrating entails several personal competencies such as the ability to adapt to new situations and challenges, tolerance, risk and open-mindedness.
- Social norms: When people migrate to another country, they are confronted with different cultures, social norms, and political ideologies. When migrants return they bring back new visions about the quality of live, of political institutions and political accountability.

It is for these reasons, that the return of migrant workers to their home country result in a valuable transmission of knowledge, ideas, contacts and social norms, which may be highly beneficial to SMEs. Furthermore, studies show that return migrants are more likely to set up small and medium-size businesses than non-migrants. However, return migrants have to deal with many hurdles when setting up their businesses, above all the many administrative and institutional barriers.

The purpose of this report is to examine the scale and nature of brain drain in the Baltic Sea Region (BSR) in order to suggest how emigrants could be attracted to return to their home countries as SME successors. In a wider frame: How can brain drain be turned into brain regain in the BSR? Naturally, the strategies and recommendations for remigrants as entrepreneurs partly overlap with other targeted entrepreneurs written about in the previous action plans, namely women entrepreneurs as well as immigrants as entrepreneurs. However, there are special aspects which have to be taken into account when focusing on bringing back emigrated professionals. The aim of this report is to propose recommendations based on these particularities.

In order to analyse the brain drain situation of the BSR countries, the methodology of this report consists of a threefold approach:

- Desk research: Examining scientific publications on migration, policy reports and existing policy recommendations published in recent years.
- Focus group discussion: Discussion with professionals from various fields such as migration and country branding experts.
- Country case studies: Outlining the current migration situation, solutions and policies as well as best case studies of remigration in the BSR countries.

In the first part, a contextual review based on the desk research will provide an outline of the current patterns, challenges and chances of migration in the BSR countries. Then, insights from the focus group discussion will be given. Finally, each country will be highlighted as a case study in specific. Based on the threefold methodological insights, recommendations and conclusions will be drawn in the last chapter. These recommendations can serve as guiding measures for policies in local and regional authorities.

## CONTEXTUAL REVIEW

Before outlining the complex topic of BSR brain drain in further detail, it is important to clarify the migration-related terms and concepts used in this report. For that purpose, the definitions provided in the study “Addressing brain drain: The local and regional dimension” written jointly by Simona Cavallini, Rossella Soldi, Lorenzo Di Matteo, Mihaela Alina Utma and Beatrice Errico can be consulted in Figure 1. The term “remigrant” should be added, referring to a returned emigrant.

**Figure 1. Definitions of migration-related terms and concepts**

**Brain drain:** a region’s loss of individuals with high skills and/or competencies (workers/students) due to permanent emigration.

**Brain gain:** a region’s gain of individuals with high skills and/or competencies (workers/students) due to permanent immigration.

**Brain regain:** a region’s reacquisition of the same high skills and/or competencies (workers/students) previously lost due to emigration which was supposed to be permanent.

**Brain circulation:** the continuous and simultaneous gain-loss of high skills and/or competencies (workers/students) in a region. Such high skills and/or competencies may relate to the same or different sectors/domains.

**Brain waste:** the loss of high skills and/or competencies (workers/students) due to emigration to regions where, for different reasons, such skills and/or competencies cannot be properly exploited (e.g. highly skilled workers remain unemployed or are employed in jobs not requiring their competencies)(Garcia Pires, 2015).

**Sending regions:** regions that are losing high skills and/or competencies (in one or more sectors/domains) as a result of permanent emigration over a specific time period.

**Receiving regions:** regions that are gaining high skills and/or competencies (in one or more sectors/domains) as a result of permanent immigration over a specific time period.

**Permanent emigration/immigration:** stable emigration/immigration which, nevertheless, is still reversible.

**EU28 movers:** EU citizens who reside in an EU country other than their country of citizenship (EC-DG EMPL, 2018).

**Intra-EU mobility:** the migration flows of EU28 movers within the EU borders.

Source: “Addressing brain drain: The local and regional dimension” by Simona Cavallini, Rossella Soldi, Lorenzo Di Matteo, Mihaela Alina Utma and Beatrice Errico (2018).

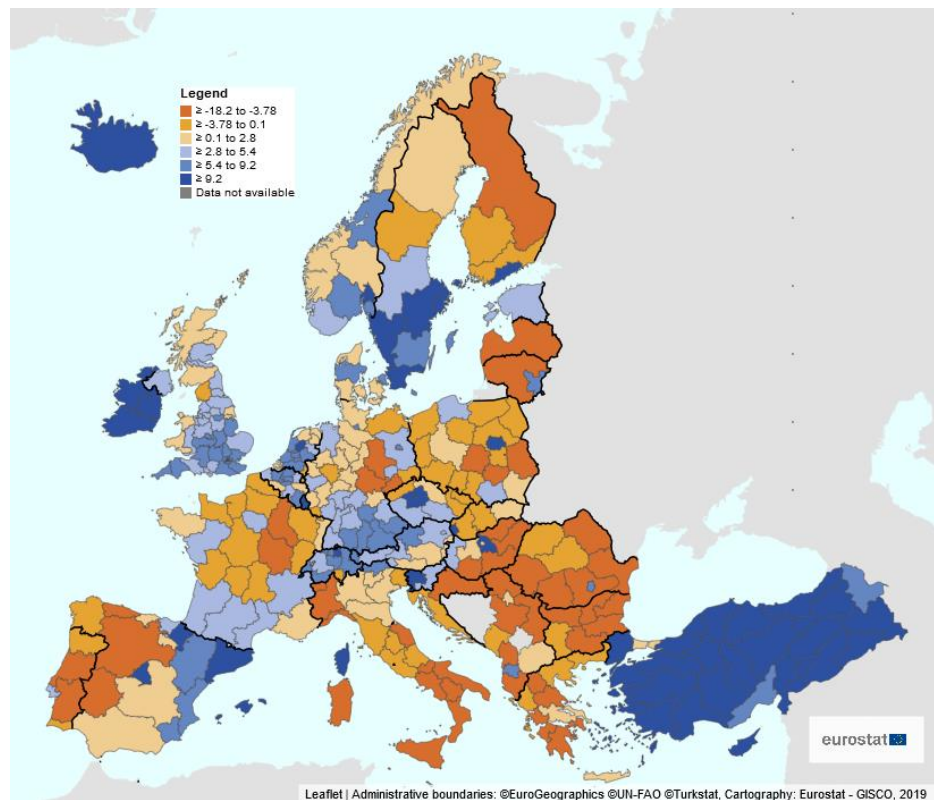
The aspects discussed in publications about migration and brain drain patterns can be grouped into five key subjects:

- statistical numbers of migration
- migration flow patterns
- reasons for migration
- occupation of migrated workers
- negative effects of brain drain
- existing strategies to meet challenges coming with brain drain

## Statistical numbers of migration

Based on the numbers given in the European Commission's annual Report on Intra-EU Labour Mobility, published in January 2020, 12.9 million people of working age (20-64 years) migrated within the EU in 2019. Compared to previous years, this number is slightly growing. Figure 2 shows the rate of the net migration, comprising both immigration and emigration. The figure shows that migration numbers vary within the countries significantly. In some countries the combination of a negative net migration rate and low fertility rate is leading to an overall population decline (Lithuania, Latvia and Estonia, though less radically than Lithuania and Latvia).

**Figure 2. Rate of net migration**



Source: Eurostat data "Regions and Cities illustrated". The indicator is defined as the ratio of net migration during the year of the average population in that year and is expressed per 1000 persons (EU Open Data Portal).

## Migration flow patterns

In broad terms, migration flows follow east-west, south-north and rural-urban schemes. Concerning the BSR, skilled workforce between 15 and 64 years is likely to move to northern BSR countries such as Sweden, Denmark, Finland and Germany (Cavallini, S. et al., 2018). According to the ESPON report 2017 sending BSR countries are mainly Lithuania, Latvia, Estonia and partly Poland. Furthermore, emigration outside of the EU and BSR countries include mainly the US, UK and Ireland.



## **Reasons for brain drain**

The reasons for brain drain are often a combination of so called pull and push factors. Undoubtedly, the biggest factor is of economical nature. Many skilled workers leave for higher wages, faster economic growth and high per capita wealth in foreign countries as well as better educational and professional opportunities. Moreover, easiness to access the labour market and overall higher employment rates are pull factors. Administrative barriers, economic depression (e.g. death of enterprises) can be push factors.

However, also socio-cultural factors and the quality of life play a big role for emigrants, according to the Eurobarometer. Cultural factors such as a gender-biased mentality and income inequality are push factors. Furthermore, adequate health care and social security as well as physical and technological infrastructures are listed as main factors. But also the overall political environment has become more and more prominent in the list of reasons.

Linguistic and cultural similarity play a decisive role when choosing where to go to.

Pull factors are for instance the affordability and availability of housing, cost of living, quality of the education system and the availability of infrastructure, leisure activities (e.g. culture), social life and a healthcare system.

- Perception of the region from the outside (i.e. reputation and image).
- The existence of a marketing or branding strategy that highlights the information of interest to the talent targeted.
- Labour conditions intended as career opportunities and support for business development (e.g. start-up incubators and office facilities).
- Availability and accessibility of information on the above factors. This is particularly important for facilitating cross border labour mobility between neighbouring regions.
- Availability of 'welcoming services' aimed at facilitating the relocation of talent attracted to the region. A one-stop shop is usually the option preferred by international migrants.

## **Occupation of migrated workers**

According to the 2019 Annual Report on Intra-EU Labour Mobility, the main sectors of employment for emigrated workers are:

- Wholesale and retail trade, transportation and storage, accommodation and food service activities sectors (31%)
- Public administration, defence, education, human health and social work activities (18%)
- Professional, scientific, technical administrative and support service activities (17%)

## **Negative effects of brain drain**

Among the negative implications of brain drain is above all the resulting shortage of labour force and a reduction of the stock of human capital, which in turn leads to a limited capacity for innovation and technology development, reduction of wages, tax income and consumption. Hence, the result is an overall decreasing economic growth, higher costs of goods and reduced productivity. These effects can

be push factors for emigration leading to a vicious circle. For that reason, it is of paramount importance to implement successful return migration and brain drain prevention strategies.

### **Existing strategies to meet challenges coming with brain drain**

Sending countries struggle regaining talent and making students and workers stay in their home country in the first place. Local, regional and European policy makers and authorities have been addressing the challenges and socio-economic shifts coming along with labour force migration with different strategies. Accordingly, various BSR countries already have existing programs and developed infrastructures in place in order to promote the return of emigrants. These strategies will be highlighted in greater detail in the case study survey.

## FOCUS GROUP INSIGHTS

The focus group discussion took place June 3-4, 2019 in Hamburg with experts from various fields such as migration and country branding. One of the hypothesis raised was: If emigrants would have access to viable information about available business transfer opportunities in their home countries, they would be more likely to come back. Furthermore, during the focus group discussion, common challenges regarding brain drain in the BSR were identified and two main groups of migrants were classified. Finally, precise suggestions for implementation within public authorities (both national and regional) of the countries aiming to bring back emigrated talent were assembled.

The outcomes were the following:

### **Baltic Sea Region common challenges:**

- Some of the countries from the region have faced high emigration throughout the last 20 years.
- Main purpose of the emigration is a higher developed economy in other countries.
- Sending countries are willing to bring back emigrated workers because of several reasons:
  - Decreasing population in the country
  - Lack of labour force
  - In order to specifically attract open-minded talents, to facilitate process and technology innovations
  - With the goal to facilitate establishments of start-ups, to increase foreign trade and exports

Two main target groups for remigrants as SME successors resulted from the discussion with numerous reasons making them attractive.

High-skill migrants	Low-skill migrants
<ul style="list-style-type: none"> <li>○ International approach</li> <li>○ Gained skills</li> <li>○ Relevant experiences</li> <li>○ Support for export / import for home country companies</li> <li>○ International network</li> <li>○ Knowledge about international innovation measures</li> <li>○ Readiness to develop new companies in home country</li> </ul>	<ul style="list-style-type: none"> <li>○ Lack of low workforce</li> <li>○ Payers of taxes and contributors to social security system</li> <li>○ Increase the number of young people in the society as they can have an effect on the overall birth rate</li> </ul>
Common reasons	
<ul style="list-style-type: none"> <li>○ Demographic situation in home country</li> <li>○ Advanced working culture, more progressive than in home country</li> </ul>	

Furthermore, precise suggestions resulted from the focus group discussions regarding how to encourage remigration to the home countries:

➤ For both target groups.

**Program for family:**

- Due to the fact that emigrants often have partners from another country, there should be a support programme for the partner, who comes to live in the migraters home country.
- If the emigrant also returns to the home country comes with children, there should be an action plan for the kids' remigration/immigration (psychologists, language training, culture and tradition adaption, supportive school programs etc.).
- Governmental services and bureaucratic procedures should be adapted for English speaking persons.
- Remigration cost support.
- Easy and fast provision of residency permit as well as basic social services (health insurance, kindergarden/schools).
- Work/business start-up coaching and financial support for start-up and business takeovers.
- Public – private partnerships for implementation of the remigration programs.

➤ High-skill target group.

**Program for business:**

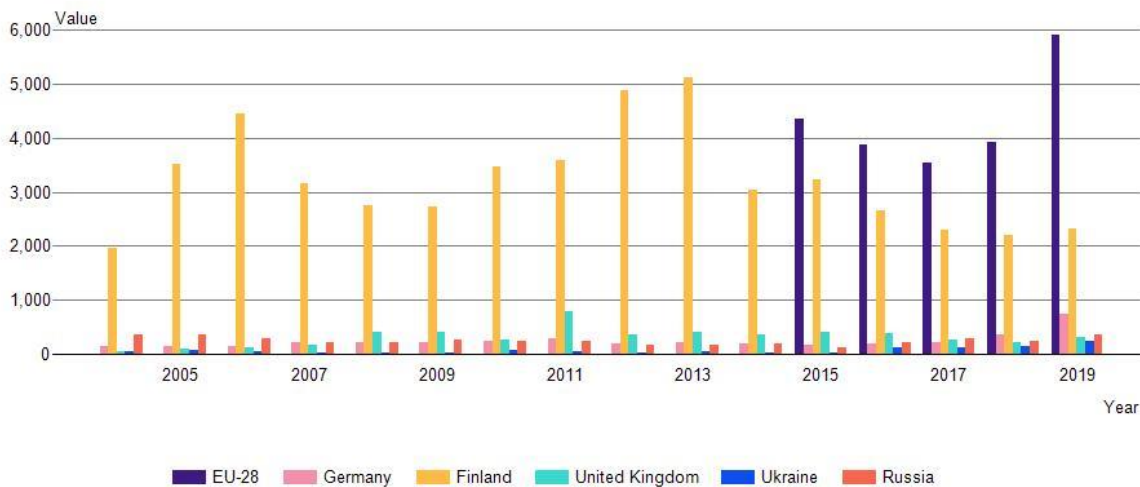
- Support grants for business development in the home country. This should be in parallel to other support programs for non-remigrant business creations and start-ups.
- Promotion of specific regions in the home countries that are growing and hold opportunities for potential remigrants.
- Salary psychology, meaning, that the salary amount has to be compared with the overall income = living cost balance.
- Creative business environments might increase the interest to develop business in home country.
- Improvement of international and digital business environment in the home country. Digitalisation makes it possible to work from anywhere for anyone in the world nowadays.
- Create a business network for remigration:
  - Data base with opportunities to buy existing companies
  - Business events about business transfer opportunities in the home country
  - Business consultation service
  - Exchange platform about the contemporary country image since emigrants often have outdated impressions about their home countries
  - Business events in embassies
  - News channels in English about the business environment in the home country

ESTONIA

CURRENT SITUATION

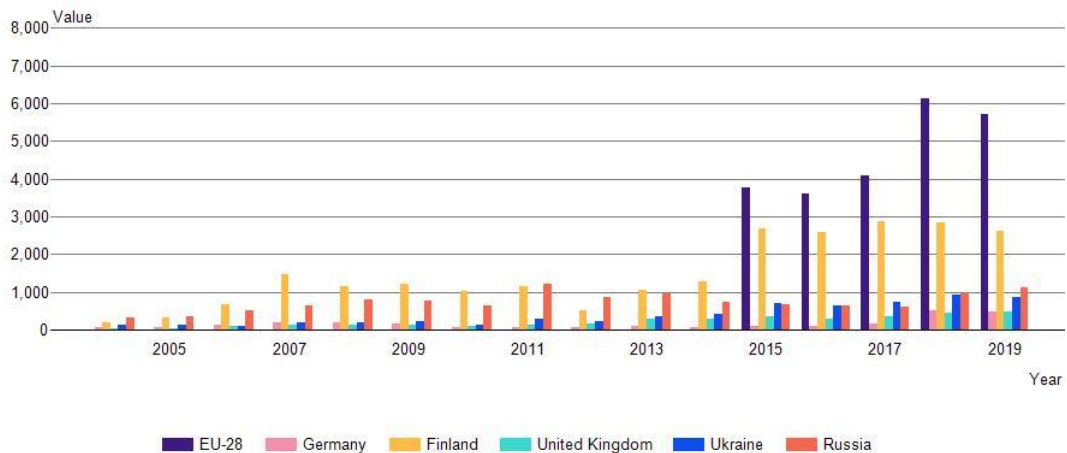
In 2019, 115,105 Estonians had registered their residential address abroad in the Estonian national population registry.<sup>1</sup> Almost half of them reside in Finland – the main contemporary migration destination. While most EU countries are a destination to more recent emigrants from Estonia, the UK, the USA, Canada, Sweden, Australia and Russia have been hosting Estonians from both the most recent as well as the historic emigration waves. Similar to Lithuania and Latvia, Estonia is dealing with decreasing population and labour force numbers caused by the combination of an ageing society, low birth rates and high rates of emigration. However, Estonia has taken considerable measures to mitigate emigration and to encourage immigration and return migration which have led to a slightly positive net migration rate in the recent years. Certainly, this also has to do with the recovery of the economy after the global financial crisis in the late 2000s. In fact, in 2018 around 6,000 more people have immigrated to Estonia than emigrated (Unt, 2018). An overall number of emigrating people is hard to estimate since many people going abroad do not necessarily give notice about them leaving.

RVR04: EXTERNAL MIGRATION by Country and Year. Males and females, Age groups total, Emigrants.



<sup>1</sup> Source: Statistics Estonia. The actual residence data can differ to an extent, as not all emigrants register their residence abroad.

RVR04: EXTERNAL MIGRATION by Country and Year. Males and females, Age groups total, Immigrants.



Remarkably is the fact that highly educated people are less likely to leave Estonia in comparison to those with a lower level of education, mostly of vocational and upper secondary nature.

As mentioned before, Finland is the main migration destination for Estonians due to the geographical and linguistic closeness. Moreover, many Estonians are commuting between the two countries since an affordable two-hour ferry ride is available.

There is an active Estonian diaspora with approximately 15 % of Estonians living abroad (150 000-200 000). According to the analysis of the emigration of skilled labour in Estonia from 2018, 89 % Estonians who emigrated are willing to return. However, finding work with the comparable standards of living abroad represents a major obstacle. In fact, the main motivational factors for working abroad are related to higher salary, the opportunity to develop language skills, acquire work experience as well as better work conditions.

## SOLUTIONS AND POLICIES IN THE COUNTRY

Generally speaking, the problem of high rate of emigration is recognised and addressed in Estonia. While several programs are in place in order to turn brain drain into brain gain, Estonia is still lacking a coherent strategy and policy.

The Compatriots Program, for instance, targeted at Estonians living abroad runs since 2004. It is jointly managed by Ministries of Education and Culture. The main focus of this program is to provide the Estonian diaspora with language instruction and culture preservation support in order to sustain a sense of belonging to Estonia.

Moreover, returning Estonians can apply for a marginal state support of EUR 2 000 from the Integration and Migration Foundation's Our People program.

The programme "Talents back home" from 2010 to 2012 was initiated by the private sector and was funded by the European Social Fund with 120 000 EUR in 2010. By 2012, 27 people have returned related

to this project, indicating a marginal role for returning migration. Although the project proved low in numbers, it gave policy makers valuable inputs on how to target the returning talent issues in the future. It was one of the main findings of the programme that inhibitions to return was the fact that foreigner spouses and wives had real challenges to find a job in Estonia. In 2015 Ministry of Economic Affairs and Communication released the first ever action plan on talent attraction for Estonia and the year before Work in Estonia programme was initiated. The aim of the project was to attract foreigner talent to Estonia providing viable work opportunities over here. Alongside with emerging start-ups who were in deep need for tech talent, this programme took off with lots of enthusiasm and under the great leadership of the project manager has enlarged its scope and impact yearly. Now, the project tackles the challenge with wives and spouses and runs the special programme for spouses. This has proved handy for attracting back local talent with a partner from another culture and background.

Another initiative which has born from Work in Estonia success is International House Estonia, a one-stop agency helping immigrants settling in Estonia. The Career Hunt programme is another initiative by Work in Estonia team which offers an all-expense paid trip to Estonia particularly for IT specialists considering moving to Estonia.

There's one more initiative by State which can help the foreigners to get enthusiastic about Estonia and has made Estonia to stand out internationally due to Estonia being the first country to offer it. It's called e-Residency. E-Residency is a government-issued digital identity and status that provides access to Estonia's transparent digital business environment. E-Residency (<https://e-resident.gov.ee/>) allows digital entrepreneurs to manage business from anywhere, entirely online. So, it may be of a little help to returning talent, but because the partner of this person may ran the business seamlessly via Estonia, the couples are more inclined to return to Estonia (see the story of Chocolala later on).

In the frame of the European Capital of Culture award, Tallinn has developed a project focusing on creative industries in 2011. The creation of a Creative Hub was one of the activities within this successful project. Creative Industries have been heavily funded and supported with sectorial development centres since 2007 and has been in the focus up until now. This has definitely made the cultural fields to bloom and is another strong supporting factor for returning talent.

Besides these specific programmes, Estonia has focused on rebranding itself as a leading country in digitalization and innovation. In that respect, Estonia was the first country to offer digital identification cards and e-Residency which facilitates entrepreneurs to set up, manage and invest in businesses in Estonia from anywhere in the world.

Up until recently the political leadership has been proactive and liberal which has been one of the critical factors for returning talents from minorities. Diversity Charter Estonia is active network of companies who share best case practices on implementing diversity initiatives inside organizations. Employer branding rankings and research which is conducted on a yearly basis can only assure that diversity related issues are more and more in the focus for Generation Z employees and will be one of the topics to tackle while making brain drain into brain gain.

Surprisingly, the COVID19 global pandemic has worked wonders for returning talent in Estonia. Because Estonia managed to handle the first wave of pandemic rather well and the self-isolation rules were not

prominent for a long-haul, several highly qualified talents decided to return to homeland. Be it the Estonian working for Brazilian start-up, professional singer otherwise residing in the Netherlands or designer based in London. Suddenly, when everyone could work from home office, all the benefits of a small country with lots of fresh air and opportunities for social distancing were highlighted.

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## CONCRETE EXAMPLE OF REMIGRATION

Chocolala Lmtd ( <https://chocolala.ee/>)

There's an Estonian lady called Kristi who dreamed about becoming a lawyer. So, she studied in Estonia and abroad and got a job abroad. She was great at what she did and got several promotions and was working not only in the UK, but also Middle-East. While working long hours for the company she met her future husband. Once they got married, Kristi realized that continuing working as a lawyer won't be a healthy option. Together with her husband they decided to return to Estonia and build up their own company. The company was far from the career path Kristi had prior the marriage and children. She decided to try out making hand-made chocolate. And her husband, former banker, was there to help her. See their story on video from here.

By now, the company called Chocolala has won several international chocolate world awards, is currently employing 17 employees and sells hand-made chocolate products to Estonians and foreigners alike. They excel in product development and have made excellent taste available for many.

Kristi has admitted that she never considered to continue living in the Middle East and wanted her children to grow up in Estonia. She also admits that she has benefited from many support measures dedicated to companies. There's none special for returning talent, but the measures are available for all. Several times she has had to apply several times. First or second time the application has been rejected, but third time has been approved. This has helped them to diversify the products, invest in product machinery and boost the sales.

Kristi concludes that being successful in one field is a great basis for success in another field. Why? Because most of the traits needed to succeed in business, are the same. Grit, continuous effort and coming up with new ideas, getting a great team and leading it with vision.



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## LATVIA

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### CURRENT SITUATION

Latvia is one of the countries with the highest net emigration rate in Europe. The country has witnessed a significant crisis-driven emigration between 2009 and 2013 of around 9.1 percent outflows of the overall population. In the past years, the negative net migration number has slightly slowed down but is still nowhere near to anticipate labour shortages. While the overall immigration rates in Latvia are lower than in the neighbouring Baltic countries, approximately half of all immigrants are actually returning Latvians.

Among the main factors for emigration are economic reasons, above all, the desire to earn a competitive salary and the improvement of the quality of life.

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### SOLUTIONS AND POLICIES IN THE COUNTRY

The new diaspora law installed on January 1, 2019, in continuation of the first Latvian Diaspora Support Programme from 2004, proves that Latvian authorities are caring about their emigrated citizens. The programme involves supporting diaspora organizations by specifically fostering Latvian language and culture abroad. Moreover, the new diaspora law aims to encourage return migration and to facilitate business developments. Diaspora engagement is further facilitated by dual citizenship for Latvian descendants which can be granted, unlike Lithuania and Estonia.

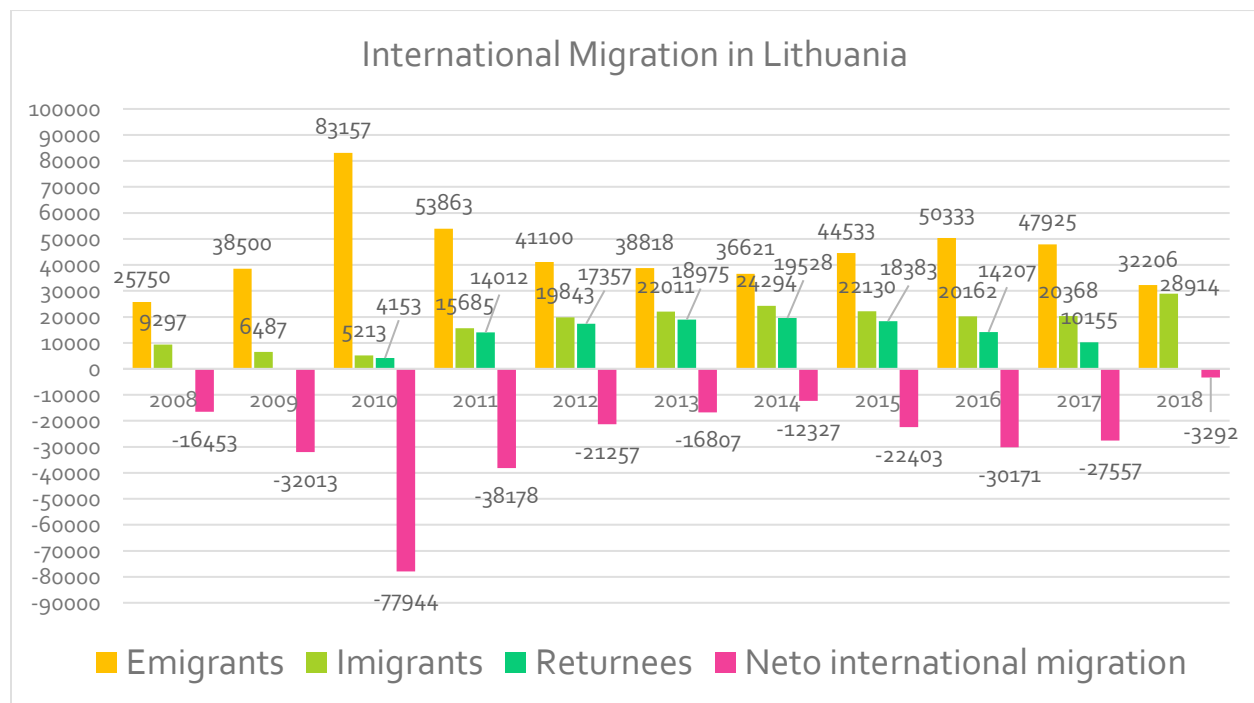
In 2018, the Ministry of Environmental Protection and Regional Development installed a pilot project on return migration. Five regional coordinators assist families with employment opportunities, housing, childcare and financial support funds in order to start a business. In 2018 alone, 185 families have returned with the help of this programme and 217 families have expressed the intent to return in the future.

Despite all the efforts, researcher Ieva Birka claims that “Latvia still lacks an easily accessible information platform that promotes the country’s opportunities, the prospects of return, or the benefits for third-country nationals who migrate there” (Birka, 2019).

## LITHUANIA

### CURRENT SITUATION

In Lithuania emigration is a huge problem since more people leave than come to the country. There were several major waves of emigration in the past.<sup>2</sup> The first wave of emigration started just after the restoration of Lithuanian independence, when the State borders opened. The second wave was related to Lithuania joining the EU in 2004. In 2008, the third and the most recent emigration wave was caused by two events, firstly Lithuania joining the Schengen Area and secondly, the global economic crisis, which contributed to unemployment and financial instability. In the past two decades, the number of Lithuanian residents has dropped by over 700 thousand because of a high emigration rate. For many years, most immigrants were returning Lithuanian citizens (eighty percent on average). In 2017, this trend had changed: the proportion of returning Lithuanians fell to fifty percent, while the share of EU citizens remained the same, but the share of non-EU citizens increased to forty-seven percent (mostly Ukrainian and Belarussian immigrants).<sup>3</sup>



The majority of emigrants are young and educated and have no family. However, the amount of families going abroad is increasing. Parents going abroad are mostly taking their children with them. Such emigration trends significantly reduce the likelihood of return migration in the future.

The main reason for emigration is of economic nature, namely the high unemployment rate in Lithuania and higher wages in foreign countries. Most people emigrate because of lost work and because they cannot find a new job quickly. Moreover, wages in foreign countries can be five or six times higher than

<sup>2</sup> <https://osp.stat.gov.lt/informacini-ai-pranesimai?eventId=199693>

<sup>3</sup> <https://osp.stat.gov.lt/statistiniu-rodikliu-analize?hash=7ae84706-e252-4ode-85d8-35baecbbb038#/>

in Lithuania, although this difference is compensated to two or three times when measured with the purchasing power. Emigration is also encouraged by a well-developed network of Lithuanian communities in the foreign countries. An increasing part of emigrants name social reasons as motives for leaving the country (for example personal and/or professional development possibilities, more tolerant society in chosen country, wish for a societal change). This is especially the case among young people, who have already been born in independent Lithuania and have different worldviews and attitudes. Gaps in educational system can be considered as a reason of emigration as well. The fact that a considerable percentage of emigrants are University graduates, leads to the assumption that the value of diplomas is not adequate and the market for graduates is too small.

Even though in and of itself emigration is not a negative phenomenon, the immense emigration and unproportionally low immigration rates present an array of challenges in Lithuania: the demographic structure is changing – the population is rapidly ageing, the country is starting to lack workforce and brain drain is occurring – there is a decrease in unemployment rate of high-skill and low-skill labour, increase in gross wages of unskilled people and decrease in gross wages of skilled workers.<sup>4</sup> Furthermore, greater inequalities in regional economic development emerge since great numbers of people from certain regions are leaving their towns.

Migration experts predict that the number of returnees will increase as the economic conditions in Lithuania improve. Although, the economy of the country has been growing steadily in recent years, the number of returnees to Lithuania has been decreasing annually.

Hence, it is paramount to provide people with easily accessible information regarding opportunities for retraining, employment and consolidation upon return. Support for young families is also needed and provided in regions, as in the last two years most of the returnees are in their thirties. Many foreign investors are coming to Lithuania looking for both qualified and non-qualified workforce so the state must make it possible for returnees to be retrained so that businesses do not have to look for workforce from abroad.

It is important to mention that remigrants face complex challenges, such as having to build a new network, re-integrating into society, and figuring out administrative tasks. Naturally, experiences abroad influence the expectations about salary, lifestyle and attitudes to corruption. As a result, many returnees leave their home countries again. Moreover, it was found that remigrant entrepreneurs can face prejudices from employers. The employers' perception was that the returnees' expectations and experiences did not match up. Employers also find it difficult to account for the diverse experiences of the returnee.<sup>5</sup>

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## SOLUTIONS AND POLICIES IN THE COUNTRY

Emigration is a well-recognized problem in Lithuania. Return migration and immigration from third countries is leading to a mitigation of the net migration rate. This has certainly to do with the fact that

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<sup>4</sup> <https://www.lb.lt/uploads/documents/docs/publications/karpavicius.pdf>

<sup>5</sup> [http://www.baltic-course.com/eng/direct\\_speech/?doc=149675&output=d](http://www.baltic-course.com/eng/direct_speech/?doc=149675&output=d)

the average salary level has increased in the past years to more than 1200 Eur/month brutto or more than 800 Eur/month net.

Several programmes are in place to promote return migration. Since 2011 the Ministry of Foreign Affairs' Department of Lithuanians Living Abroad is coordinating the global Lithuanian diaspora programme. Furthermore, the Lithuanian Parliament has adopted a demographic, migration and integration policy programme in 2018, which assures one-stop-shop counselling for returnees. The government manages a website, called "I Choose Lithuania", dedicated to promoting (re-)immigration. The platform presents several good examples of people returning to Lithuania, finding jobs or starting their own businesses. These remigrants claim that their experience of emigration opened their horizons, allowed them to gain different know-hows, to get acquainted with different cultures, which helped them a lot when they returned to Lithuania.<sup>6</sup>

Another programme is the nongovernmental organization Global Lithuanian Leaders which aims to encourage young professionals to return and work in Lithuania and to share their knowledge and expertise. The network comprises 1,700 Lithuanian professionals based in 49 countries.

Other programmes encouraging young people in general to work and invest in Lithuania are "Invest Lithuania" (Investuok Lietuvoje) and "Create Lithuania" (Kurk Lietuvą).

The complex nature of migration and brain drain specifically makes it impossible to measure the results of such initiatives immediately. Under any circumstances, migration is influenced by many factors – socio-political, economic, personal etc. The results of migration policies can only be evaluated in a long-term perspective.

While there are several initiatives to promote return migration in place, the efforts of the state to retrieve their people remain fragmented. There are no specific financial instruments to support remigrants exclusively. However, there is a wide range of different instruments to support unemployed persons (subsidies <15 000 EUR to a start business, provided by the Employment Agency) or business start-ups (guarantees, soft loans, interest subsidies, seed capital investments, subsidies for innovative business), which remigrants can also apply for. In fact, remigrants establish their own small family businesses quite often as the taxation system in Lithuania is rather beneficial for business start-ups.

However, it is not common for remigrants to buy existing businesses as they can often not afford that. There is one example where a company from the UK established a mats' production branch in Lithuania together with a Lithuanian who returned from the UK to his home country. The company received a bank loan with INVEGA's guarantee and interest subsidies.

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## CONCRETE EXAMPLE OF REMIGRATION

Another concrete example of remigration is Mr. Karolis Atkočiūnas who returned to his home country and established a business driven by personal interest rather than economic factors. Instead of continuing the life he had built up in Norway, he chose to start an exclusive e-bike business called ZBIKE in Lithuania. The electrical bikes can reach 100 km/h speed and comprise innovations such as liquid

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<sup>6</sup> <https://www.renkuosilietuva.lt/en/success-stories/>

cooled electric engine and tailor made carbon frames which are produced by the family owned company UAB Elektrociklas. To finance his company, Karolis received a microcredit that was eligible for wage subsidies under specific measures.<sup>7</sup>

A different remigration story can be told by Ms. Rasa Mikoliūnė and her husband who decided to return to Lithuania after 4 years of living abroad. She recalls that her first salary back in Lithuania was spent at once for groceries. Rasa had started with a low-paid cashier's job after remigration. In the UK, she had worked a hard manual job with a much higher salary. For a woman returning from emigration, the main difficulty was not only finding a well-paid job and integrating into the labour market, but also finding a place for a child in the kindergarten. The family experienced major difficulties as remigrants in Lithuania and even started to talk about returning to the UK. However, the love for the native country prevailed and Rasa pursued her dream of establishing a dog hairdressing business in Lithuania. In order to raise enough money to start the business, Rasa had to go back to the UK for two months later. She claims that the difficult experience of emigration had taught her to fight for her dreams. Although the reintegration into the labour market was extremely difficult for her, Rasa says she feels happy to have returned to Lithuania and having her business here.<sup>8</sup>

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<sup>7</sup> <http://invega.lt/lt/versla-verta-pradeti-tik-meiles-pasirinktai-veiklai/>

<sup>8</sup> <https://www.ve.lt/naujienos/visuomene/zmones/grizusieji-gerai-gyventi-galima-ir-lietuvoje-1675434/>

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## POLAND

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### CURRENT SITUATION

According to the results of the Polish Statistical Office's estimate (GUS 2018), at the end of 2017, about 2,540,000 inhabitants of Poland have emigrated abroad, with the majority going to other EU countries. Most Polish people emigrated to Great Britain (793,000), Germany (703,000), the Netherlands (120,000) and Ireland (112,000). The number of emigrants increased between 2007-2017 by 45,1 % ( from 1750000 to 2,540,000), leading to a negative rate of net migration. It is hard to estimate the amount of return migration but it is likely that about 40,000 Poles return to their home country every year.

According to the research of Work Service Poland (2017), the most important reasons for emigration are the following:

1. Higher earnings than in Poland - 77.8 percent
2. Higher standard of living - 58.9 percent
3. Possibility to travel and explore the world - 44.0 percent
4. Better social conditions - 37.3 percent
5. Better prospects for professional development - 35.7 percent
6. Lack of proper work in Poland -31.4 percent
7. A more favourable tax system - 15.6%
8. A more friendly public administration - 11.7 percent
9. Safer geopolitical location - 11.4 percent
10. Family (close relatives living or planning to live abroad) - 8.0%

Hence, the factors for emigration are mainly economic, but a high percentage of Polish people who consider emigration due to the possibility of traveling around the world proves an overall change of the labour market. Young Poles are not afraid to compete with employees around the world, and they also recognize that thanks to their profession they can fulfil their dreams.

Emigration is widely discussed in Poland since it brings positive and simultaneously negative impacts for the Polish economy and society. Positive effects for Poland comprise the reduction of unemployment rates (especially in 2000-2010), the reduction of poverty rate, the transfer of funds (many Polish emigrants invest in Poland), the development of the service sector, e.g. transport companies and tourist agencies organizing international transport, the increasing demand for local construction companies (the transfer of earnings is mainly intended for the construction of houses, renovations). But the high emigration rate also entails negative effects: Above all, a problematic lack of workforce, a mismatch in labour demand and supply, the outflow of well-educated people and loss of human capital (brain drain). Furthermore, emigration causes the separation of families, breakup in families, changes in the age and sex structure of the population (since emigrants are mostly young people).

When migrants return, the skills, experiences and networks they bring back constitute net human capital gains (brain gain). Remigrants often return with work and study experience in a different environment, foreign language skills, knowledge on innovation, advanced technology skills, foreign contacts, entrepreneurial aspirations and financial resources that can be invested in business ventures. The hope is that remigration will stop the depopulation rate in Poland.

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## SOLUTIONS AND POLICIES IN THE COUNTRY

In recent years, the topic of re-emigration has increasingly gained attention in migration policy and public debate. In the context of labour shortage and the unfavourable demographic situation, one of the actions formulated in the document "Poland migration policy" is to create a system of incentives bring back Poles to work and settle in their home country. Yet, salary differences and social benefits, despite some progress in Poland, are still huge push factors for emigration.

On January 31, 2018, the Polish Radio held a debate about return migration (<https://www.polskieradio.pl/10/218/Artykul/2001363>). Several incentives for re-emigration were discussed (the decision to return due to economic factors, e.g. job loss in Ireland, Great Britain and the problem of finding a new job; in some cases longing; sometimes a sense of professional stagnation and seeking new challenges, problems with reintegration after return: for adults, but also the children's problems were emphasized - language and cultural problems, differences in curricula, teaching methods; returning to Poland easier if children are small, for teenagers the move can cause big problems, including depression, drugs), the differences in work standards (not always favourable), safety of work (in Poland the largest percentage of people employed are on fixed contracts), standard of living. Employers usually do not use the potential of remigrants who can offer additional skills and share good ideas. On the other hand, emigrants often work below their qualifications or not in their profession. Returning from emigration is easier if you have something to return to (home, family) or the work you do is not related to where you live (e.g. programmer). Newsweek also wrote about the problems of return migration (<https://www.newsweek.pl/polska/spoleczenstwo/trudne-powroty-do-domu-jak-wyglada-zycie-polakow-po-emigracji/hhqcppr>).

According to the information by the „Poland migration policy”, support for Polish emigrants abroad is implemented through information activities, teaching Polish to children of migrant workers, funding scholarships, implementing support programs on the labour market, granting subsidies for setting up a business and supporting reintegration in local environments.

The Ministry of National Education runs programmes with focus on the Polish diaspora and Poles abroad in accordance with the directions of state policy and in cooperation with the Ministry of Foreign Affairs. In the 2017/18 school year, a total of 18,300 students attended schools and 573 teachers were employed. The Ministry of National Education also directs teachers to work in European schools and supports teaching Polish and in Polish among Poles and Poles living abroad as well as children of migrant workers. The National Agency for Academic Exchange is implementing the "Polonia" scholarship program, the purpose of which is to enable Polish diaspora youth to study in Poland. Scholarship holders study for free and receive a monthly scholarship to cover the costs of living in Poland. About 2,500 people, mainly from post-Soviet countries, but also from South America, use this form of support.

It is also planned to introduce the following measures to support immigrants and re-emigrants: 1. Development of new forms of support for Polishness that respond to contemporary challenges in the world; 2. Preparation of the consular service for the return of new emigration from European Union countries and coordination of its activities with social services in the country responsible for assistance for newcomers in gaining independence and identity with Polish society; 3. providing consular assistance in cases of activities of local authorities directed towards Polish emigrants violating applicable law or

discriminating against Polish citizens; 4. adapting the personnel and organization of the consular service to the priorities of migration policy; 5. Promoting among return migrants new instruments in the field of family and social policy; 6. Providing Polonia and Poles living abroad and children of Polish migrant workers with learning opportunities Polish, history, geography, Polish culture and other subjects taught in Polish, and continuing education after returning to Poland (see: " Poland migration policy ").

One of the reasons for emigration is the social condition in the home country. Last year social benefits for families were introduced in Poland:

- Benefit 500 - in accordance with the Act, it could be received for a child under 18 years of age. Additional support in the amount of PLN 500 is also granted to children staying in orphanages or childcare facilities.
- Benefit 300 - a one-time (once a year) benefit intended for learning children up to the age of 20 - provided that education was started before the age of 18 and is continued, for example, in technical secondary school. For disabled children, the program covers students up to the age of 24.

However, attention should be paid to adaptation problems after returning. Many people returning from emigration are called return culture shock. It can apply to both adults (e.g. differences in work culture) and children (including problems finding the right words, differences in approaches in pre-school or early school education). The reason for this phenomenon is not only the changes taking place in the country, but also the personality changes taking place in the emigrants themselves.

The "Returns" program is being implemented in Poland, offering rather information with elements of consulting. There is no institution that would offer in-depth counseling or help in dealing with psychological and social problems.

For people who want to start their own business after coming back from emigration, the option of obtaining a low-interest loan has been introduced (e.g. <https://mambiznes.pl/finansowanie/85-tys-zl-na-wlasny-biznes-dla-powracajacych-do-polski-z-emigracji-85799>). In addition, every citizen has the right to submit an application and obtain funding for the company under European funds. (see for example: <https://www.funduszeuropejskie.gov.pl/strony/fundusze-dla-firm/>)

For re- emigrants a website with basic information was prepared:

<https://powroty.gov.pl>

On this page a guide for people returning from abroad could be also downloaded.

[https://powroty.gov.pl/documents/32315/2341031/Informator\\_dla\\_Polakow\\_powracajacych\\_z\\_zagranicy.pdf](https://powroty.gov.pl/documents/32315/2341031/Informator_dla_Polakow_powracajacych_z_zagranicy.pdf)

There are also blogs run by people who have returned from emigration, struggled with various problems and want to share their experiences with other re-emigrants.

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## CONCRETE EXAMPLE OF REMIGRATION



<https://www.polskieradio.pl/399/8096/Artykul/2337270>

Katarzyna Arczewska went to Norway for a scientific contract for almost 5 years. At that time it was a good solution. The decision to return was taken under the influence of several factors: the contract ended and there were little chances of finding a job (due to the lack of Norwegian citizenship), fatigue due to state guardianship (or rather the nuisance associated with the incompetence of officials performing the functions of a welfare state, in addition - longing for loved ones. The successful return was primarily due to the fact that they had nowhere to return (the apartment was rented). After returning - her husband quickly found a job, but for a short time, then he tried with his own business and currently works casual. Ms. Arczewska found a job after a long time, by order. It has now found itself in new conditions, although the level of people management is disappointing.

**Sources:**

„Polityka migracyjna Polski” (Poland migration policy”), projekt z dn. 10.06.2019, Zespół ds. Migracji, MSWiA <https://interwencjaprawna.pl/wp-content/uploads/2019/06/Polityka-migracyjna-Polski-wersja-ostateczna.pdf>

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## DENMARK

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### CURRENT SITUATION

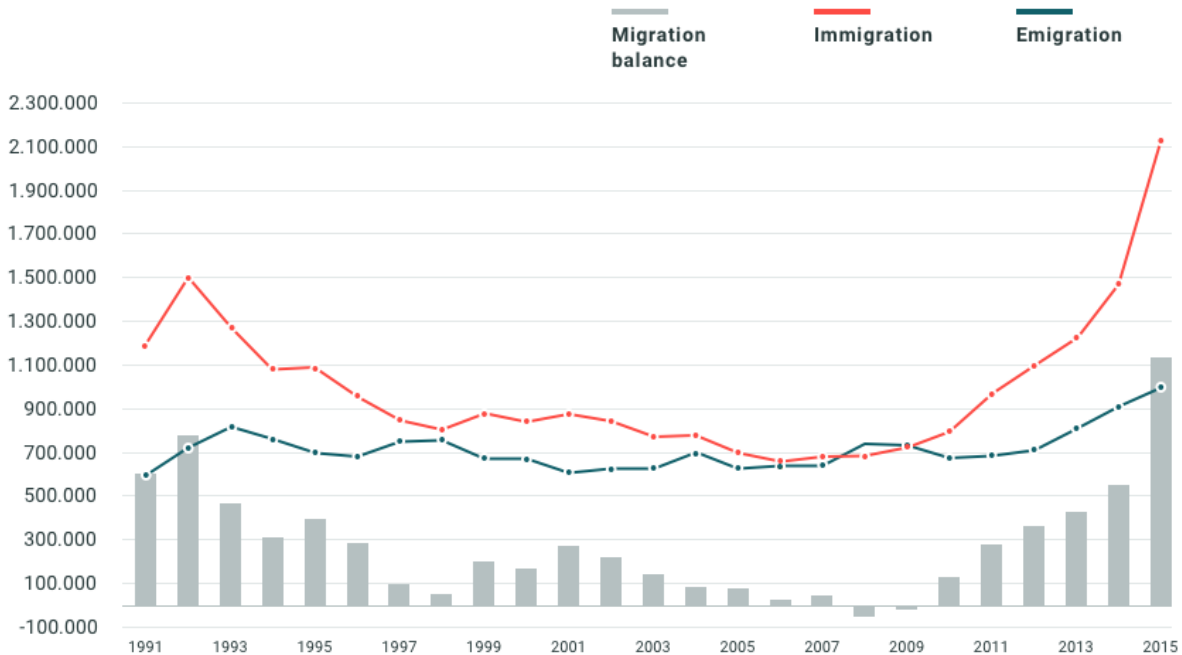
Denmark belongs to the receiving countries with an overall positive net migration rate. Especially, during the refugees crisis in 2015 many people immigrated to Denmark. Moreover, not many Danes seem to emigrate, so brain drain does not present a problem for Denmark. However, there are specific programmes in place to secure brain gain and to prevent brain drain. The 'We will give you a key to our culture' initiative, for instance, offers the 'Copenhagen Seasonal Pass' to international talents, which is a low-priced pass for joining regional sports clubs and cultural activities. Moreover, the Job Search Academy was installed to ensure that students, also from abroad, graduating in Denmark find work and stay in Denmark.

## GERMANY

### CURRENT SITUATION

Similar to Denmark, Germany belongs to the receiving countries. However, Germany is subject to an overall population decline and therefore actively promoting immigration.

#### ■ Migration across Germany's Borders btw. 1991 - 2015



Source: Authors' own graph based on data from the Federal Statistics Office: Statistisches Bundesamt (2017): Bevölkerung und Erwerbstätigkeit. Wanderungen 2015. Fachserie 1 Reihe 1.2. Wiesbaden.  
Licence: Creative Commons by-nc-nd/3.0/de  
Bundeszentrale für politische Bildung, 2018, [www.bpb.de](http://www.bpb.de)



### SOLUTIONS AND POLICIES IN THE COUNTRY

Several programmes to promote immigration and business ventures are in place. Public financing programs providing loans and non-repayable grants, bank-loans, private sponsors and company investments with dormant holdings have existed for many years.

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## SWEDEN

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### CURRENT SITUATION

By the end of 2018 the Swedish population was over 10.2 million (49.7% females; 50.3% males). In 2018, 132 602 (62 154 females; 70 448 males) people immigrated to Sweden. About 10% (12 805; 6 157 females, 6 648 males) of these people were Swedes returning back to their home country.

During the last 10 years about 50 000 Swedes have emigrated annually. Notably, the number of Swedes emigrating is expected to be higher due to Swedes not reporting to the tax agency that they have moved. According to Statistics Sweden, which is responsible for official statistics, Sweden hit the peak of emigration since the 19<sup>th</sup> century during 2015. Over 55 000 citizens left the country. Remarkably, the emigration has decreased the last 3 years, about 45 000 Swedes are leaving Sweden yearly. In 2018, 46 981 (21 828 females; 25 153 males) persons emigrated Sweden. The majority of Swedish citizens that emigrated were born in Sweden (35%; 7997 females, 8658 males), followed by citizens that were born in Finland (4.4 %), Poland (3.9%), India (3.7%) and Denmark (3.2%). The most common country to emigrate to in 2018 was Denmark followed by Norway, UK, Northern Ireland, Finland, US, and Germany.

#### References

Emigration: <https://www.scb.se/hitta-statistik/sverige-i-siffror/manniskorna-i-sverige/utvandring-fran-sverige/>

Remigration: <https://www.scb.se/hitta-statistik/sverige-i-siffror/manniskorna-i-sverige/invandring-till-sverige/>

Nowadays Swedes tend to emigrate and remigrate several times throughout their lives, mostly due to studies and working opportunities, traveling, family or love. Recently a nomadic lifestyle has become attractive for Swedes. Experience summer all year round, cheaper cost of living and lower taxes are other reasons to leave Sweden, especially for pensioners. Spain, Portugal, Malta and Thailand are popular new homes. Furthermore, a new common reason for Swedes to move is dissatisfying politics and government which creates a displeasing and insecure life in Sweden.

#### References:

- [chrome-extension://oemmndcbldboiebfnladdacbfmadadm/https://www.sviv.se/wp-content/uploads/2015/06/Kartlaggningen\\_2015\\_uppdaterad151007.pdf](chrome-extension://oemmndcbldboiebfnladdacbfmadadm/https://www.sviv.se/wp-content/uploads/2015/06/Kartlaggningen_2015_uppdaterad151007.pdf)
- <https://www.svt.se/nyheter/utrikes/rekordmanga-svenskar-flyttar-utomlands>
- <https://www.ingridochmaria.se/2019/02/07/kronika-allt-fler-svenskar-planerar-landsflykt/>

Emigration was an important issue during the 70's and 80's when a lot of entrepreneurs and family businesses left Sweden due to dissatisfaction with the development of the society. The loss of businesses and innovators resulted in reduced taxes and neoliberalism reforms. Today's political situation in Sweden might increase the emigration the coming years. Consequently, this topic will be more urgent to address again. As of today, the focus is mainly on immigration.

#### References:

- <https://tino.us/2018/12/risken-for-talangutvandring-foretagarflykt-fran-sverige/>

<https://www.ingridochmaria.se/2019/02/07/kronika-allt-fler-svenskar-planerar-landsflykt/>

Emigration and remigration are currently not priorities on the political agenda in Sweden. The focus is on challenges and opportunities of immigration, especially on how Sweden should handle the large increase of immigrants from the Middle East and Africa since 2015. However, the nonprofit organization [Svenskar i världen](#) (Swedes in the world), who helps Swedes that are emigrating and remigrating, is doing their best to address this topic. Among other they suggest that Sweden should have a policy and program for how to utilize the gained competence, experience and networks of the remigrants. Today a minority of companies in Sweden are viewing the experience and networks abroad as an asset and rather hiring candidates that have lived in Sweden who have local and national networks.

References:

- <chrome-extension://oemmndcblldboiebfnladdacbfmadadm/https://www.sviv.se/wp-content/uploads/2017/09/ArtikelPersonal.pdf>

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## SOLUTIONS AND POLICIES IN THE COUNTRY

Emigration in Sweden is defined as living abroad for one year or longer. As a Swedish citizen you should notify the Swedish tax agency when you emigrate. The Swedish tax agency will remove you from the national register. The citizenship and social security number remains. You may also need to continue to pay Swedish taxes. Notably, a lot of Swedes forget to notify the tax agency or do not notify on purpose because they want to keep the benefits you have (e.g. subsidized health care, free education, child-benefit, unemployment fund, vote in municipal and county councils elections, and less confusion with taxes) when you are registered. Swedes can also notify the ministry for foreign affairs in Sweden when they emigrate, who contact Swedes in case of a crisis in their new residency. The notification is valid for one year at the time. When Swedish citizens remigrate they should notify the tax agency that they have moved back and the tax agency will register them in the national register and they can now utilize the resident benefits again.

References:

- <https://skatteverket.se/privat/folkbokforing/flyttautomlands.4.18e1b10334ebe8bc80001591.html>
- <https://www.swedenabroad.se/sv/svensklistan/>

The notification to the Swedish tax agency when a citizen emigrates or remigrates helps Sweden to keep track of their population. The challenge is to make sure that all Swedes are notifying the tax agency, hence the lack of complete statistics. It is also arguable that Swedes that do not notify the tax agency when emigrating are taking advantage of the system for their own benefits which is affecting the Swedish economy.

Currently there are no practical activities in the country. However, there is one nonprofit organization [Svenskar i världen](#) (Swedes in the world) who helps Swedes that are emigrating and remigrating. The organization has several partners among others the Confederation of Swedish Enterprise. Swedes that are emigrating can become members and get access to useful information, contacts and networks. They also arrange different activities and events for the members across the world and for Swedes that have moved back to their home country. [Swea International](#) is a similar initiative as [Svenskar i Världen](#), but only for Swedish women. In addition, the embassy of Sweden across the world are helping Swedes with different issues.

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## CONCRETE EXAMPLE OF REMIGRATION

2010 Jeanette Henningsson and her family moved to US because her husband got an IT job in New York. Three years later when Jeanette visited Sweden her previous employer contacted her and asked her to come back and work for them again immediately as a Senior Facility Manager in Stockholm. This was an offer Jeanette could not refuse; she could set her own working conditions and on top of that the company also offered her a moving back to Sweden package. It was easy for Jeanette to feel included in the Swedish society again, because her employer helped her with practical issues and her friends still lived in Stockholm. However, it felt strange for her to be treated as an immigrant and be registered in the national registration again. Since her husband still worked in US, they also had some complications with taxes. The long distance and different time zones were as well hard to adjust to until her family finally moved back to Sweden. Jeanette's best tip to have an easier remigration is to be proactive, for example she remained in the housing queue in Stockholm during the time they lived in US.

Cecilia Malmström is currently moving back to Sweden after 20 years in Brussels working for the European Parliament. She is satisfied with her political career and feels like it is time for something new. She and her family are remigrating to her hometown, Gothenburg. It feels gloomy to leave her friends, work and life in Brussels but she is also excited to spend more time with her friends and family in Gothenburg. Cecilia believes it is valuable to live abroad and to get to know a different culture, history and point of views. According to her your preceptive changes and you get humbler about who you are and what you have. During her time in Brussels, Cecilia experienced that being a Swede has benefited her in a lot of situations since Sweden has a good reputation abroad. She strongly recommends that others should take the opportunity to live abroad for some time. She does not know what she will do next in Sweden and is open to emigrate again if the right opportunity arises.

References:

Jeanette: <https://www.sviv.se/blog/2017/06/det-behover-inte-vara-svart-att-flytta-hem/>

Cecilia: <https://www.sviv.se/blog/2019/08/pa-vag-hem-men-lamnar-dorren-mot-utlandet-pa-glant/>

## CURRENT SITUATION

Finnish citizens have during the centuries moved abroad to search for better life. The main directions of emigration has varied depending to the era. The common goals have been for example Sweden (16<sup>th</sup> and 17<sup>th</sup> century and in 1950s and 1960s), Russia (17<sup>th</sup>, 18<sup>th</sup> and 19<sup>th</sup> century and 1920s and 1930s), USA and Canada in the beginning of 20<sup>th</sup> century and in 1950s). It must be noted, that emigration to Sweden in 16<sup>th</sup> and 17<sup>th</sup> century (Mostly to Dalecarlia) and to Russia in 17<sup>th</sup> and 18<sup>th</sup> century (Ingria) can not be considered as real migration but as movement inside the Great Sweden. The emigration to Ingria in 19<sup>th</sup> century was movement inside the Russia. The contemporary discussion concerning the remigration has during the past decades dealt mostly with Ingrian remigrants. The window for return for descendants of those emigrated to Ingria during the Swedish and Russian reign was closed 2016. The reasons for emigration during the past centuries were passion for better life, escape from hungry and death, and of course, there were also those seeking for adventures, escaping the long arm of law or avoiding the maintenance liability. The reasons for contemporary emigration are more diversified. In addition to jobs and better life, people are seeking experiences, practicing languages, getting known with other cultures, creating new contacts and so on, without forgetting those founding family with a foreigner.

The Finnish Immigration Service defines remigration as follows: Remigration means a move to Finland by persons who have Finnish roots or a close connection to Finland in some other way. Remigration conditions are classified as former Finnish citizen, descendants of native Finnish citizen and those evacuated from Ingria or served in the Finnish army 1939 – 1945. Unfortunately, the Statistics Finland does not collect reasons for emigration / remigration, thus the information presented above is based to history and stories told by those left their country. The Figure 1 below is based to material presented by Statistic Finland. Due to the fact that those leaving from Finland are not divided to those returning to their origin countries and those who are emigrants according to definition, the emigration is counted from Finnish citizens leaving the country, and remigration is counted as Finnish citizens arriving to the country after having lived at least for a while in some other country.

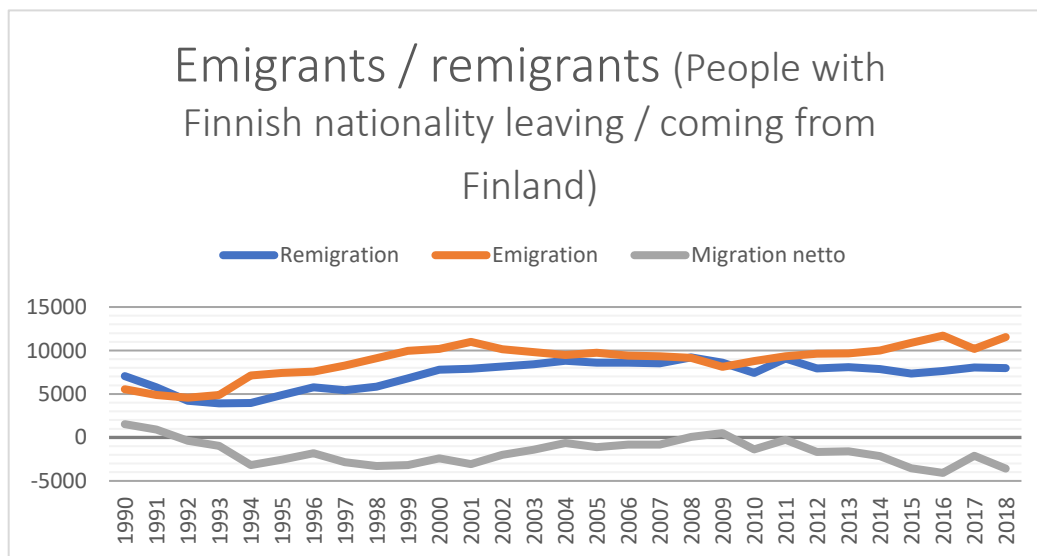


Figure 1: Emigrants / emigrants 1990-2018

In general, Finland needs migrants to address the labour shortage in different sectors, to improve the weakening of the dependency ratio caused by ageing of the population, and to attract more international talent and entrepreneurs to Finland.

Declining population growth and ageing of the population are primarily a challenge for the Finnish economy. After the year 2035, the population would go into a steep decline and by the 2050s the population of Finland would already be below the current number. This declining trend in population growth means great challenges. The number of those who are of working age has already fallen since 2010. Companies will face big challenges when searching for members of the workforce to fill open jobs and assignments. A shortage of jobs will eventually turn into a shortage in the workforce, if the decline in the Finnish population will continue further during next decades. When it comes to Finland's workforce, it gets even more necessary to attract workers from abroad. Especially trained specialists and high-skilled workers are needed to strengthen the domestic labour markets. The current level of work-based immigration is not enough to complete the need of employees in Finnish companies.

The contemporary challenges are

- **The high tax rates in Finland:** The relatively high social security is financed by taxes, and although remigrants often say that it is just the welfare society, which attracts them, they are not willing to pay taxes to finance it.
- **Changing work life:** The old jobs requiring less education and lower skills are decreasing. The new tasks require more and more specialized competence and in many cases saving the competence and qualifications needed requires continuous learning and training. Those who are not surviving will become marginalized and found a good base for extreme leftist, rightist and racist movements. This, on its part, feeds aggressions against people that are considered foreigners.
- **Entrepreneurship in Finland** is regulated by laws and controlled by authorities. Although the freedom of occupation is acknowledged in Finland, there are many formalities to be taken care of before the business can go on. Certain businesses require specific permissions, certain, like selling the wine and strong alcohol, are monopolized. Those coming from more liberal country have difficulties to understand the Finnish system, and those coming from more restricted culture seems often believe that everything is free.

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## SOLUTIONS AND POLICIES IN THE COUNTRY

Finnish migration policy is based on Government objectives, EU legislation and international agreements. Migration policy promotes immigration that Finland needs in order to offset its ageing population, for example. Labour migration is supported by a functioning and efficient permit system that takes account of the needs of employers and companies.

The main act regulating immigration in Finland is The Aliens Act (301/2004) (see <https://www.finlex.fi/fi/laki/kaannokset/2004/en20040301.pdf>). Other acts related to immigration are Act on the Conditions of Entry and Residence of Third-Country Nationals in the Framework of an Intra-Corporate Transfer (908/2017) (see <https://www.finlex.fi/en/laki/kaannokset/2017/20170908>) and Act on the Conditions of Entry and Stay of Third-Country Nationals for the purpose of employment as seasonal workers (currently only in Finnish Laki kolmansien maiden kansalaisten maahantulon ja oleskelun



edellytyksistä kausityöntekijöinä työskentelyä varten (907/2017) (see <https://www.finlex.fi/fi/laki/ajantasa/2017/20170907>)

The Migration Policy Programme “Work in Finland – Government Migration Policy Programme to Strengthen Labour Migration “ is based on the Government Resolution on the Future of Migration 2020 Strategy, adopted in 2013. The purpose of the policy is to support migration that strengthens employment and public finances, improves the dependency ratio and enhances internationalisation of the economy. The Programme lays down Finland’s migration policy guidelines that promote particularly labour migration, integration to support this, and good relations between people from different groups. The Programme was prepared in conjunction with the action plan titled “Talent Boost – International talents boosting growth”. (see <http://julkaisut.valtioneuvosto.fi/handle/10024/160518> and <https://tem.fi/en/talent-boost-en>)

The Finnish Startup Permit, launched in April 2018, makes it possible for international growth entrepreneurs to build a start-up company in Finland and to become part of Finland's vibrant start-up ecosystem. The permit is meant for innovative start-up founders coming from countries outside the European Union. Before start-up entrepreneur sends Startup Permit application to the Finnish Immigration Service, he/she must get a favourable assessment from Business Finland. Business Finland evaluates whether your business model, team and resources show potential for rapid international growth. After the assessment entrepreneur will receive an Eligibility Statement to be attached to the Startup Permit application. The permit can initially be issued for max. two years, after which it can be renewed. (see <https://www.businessfinland.fi/en/do-business-with-finland/work-in-finland/startup-permit/>)

A special programme with integration actions for Ingrian remigrants was implemented in 1990 – 2016. The programme ended because there were no more need for that kind of special service, i.e. all possible remigrants were returned to Finland.

### **The results of initiatives**

The Ministry of the Interior’s Migration Department compiles annually The Migration Review, which brings together issues related to migration from the perspective of policy formulation and legislation. However, the type of remigration explained in the beginning of this questionnaire is not separately considered in the reviews.

The results of the Ingrian remigrant programme were good. The Finnish Immigration Service (Migri) estimated that 30 – 35 00 Ingrian Finnish returned to Finland through the programme. The programme has been researched a lot (see for example <https://blogs.helsinki.fi/inpres-project/>, [https://www.hel.fi/hel2/Tietokeskus/julkaisut/pdf/16\\_06\\_06\\_Tutkimuskatsauksia\\_7\\_Yijala.pdf](https://www.hel.fi/hel2/Tietokeskus/julkaisut/pdf/16_06_06_Tutkimuskatsauksia_7_Yijala.pdf) (in Finnish))

### **Practical activities in the country**

The latest government, legislative amendments were introduced to make it easier for entrepreneurs and experts to move to Finland, and thereby to promote economic growth and employment. Measures have also been taken to facilitate immigration of students and researchers. Current legislation sets rules for controlling and coordinating employment-based immigration. (see <https://intermin.fi/en/areas-of-expertise/migration>)

**The Finnish Immigration Service (Migri)** is a decision-making organisation in matters related to immigration, asylum, refugee status and citizenship and maintains the reception system. The agency implements the Finnish immigration policy and promotes controlled immigration, good administration and human and basic rights. The tasks of the Finnish Immigration Service: matters related to foreign nationals' entry into Finland, residence in the country, refugee status and citizenship register of foreign nationals, produces information for authorities and international organisations. (see <https://migri.fi/en/home>)

**InfoFinland** platform and services gives basic information about Finland, moving to Finland and living in Finland. The information is available in 12 languages (see <https://www.infofinland.fi/en/frontpage>)

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### CONCRETE EXAMPLE OF REMIGRATION

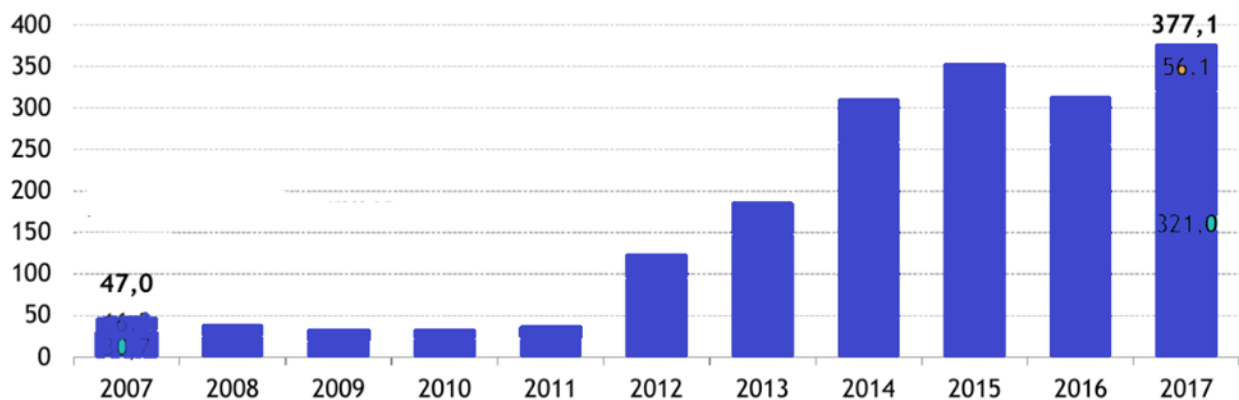
One example of a company established by a Finnish remigrant, who returned back to Finland from Germany together with his German wife and children, and established a new business branch in 3D printing company producing prototyping, spare parts and small series casting. (see <https://www.uusyrittyskeskus.fi/yrittajatarinat/paluumuuttaja-toi-uuden-tuotantoalan-suomeen/> (in Finnish) <https://hetitec.com/>)

## RUSSIA

### CURRENT SITUATION

In the last five years there has been a sharp increase in the number emigrants, 2018 was a record year. In 2018, more than 400 thousand people left Russia. A sharp increase began in 2012 at around 122.7 thousand people, in 2017 the figure became 377.1 thousand people, an increase of 3 times. The number of emigrants increased both to the countries of the former Soviet Union and in other states. One of the reasons for the formation of this trend was a steady increase in the dollar and the weakening of the ruble in the period under review.

Statistics of emigration and remigration, Russian Federation (thousand people), 2007–2017.



Social research highlights the main causes of emigration:

- economic instability (41%);
- low standard of living (42%);
- the inability to secure the future of children (28%);
- lack of legal protection (17%);
- poor-quality medicine (14%);

From country left mainly specialists of medium and high qualifications aged 20-34. Emigrants choose countries with a stable economic situation, a high standard of living and wide opportunities for implementation in the professional sphere.

At the same time, the depreciation of the ruble restrained the number of people entering the country from abroad in the analyzed period. This led to the excess of the number of emigrants from the country over the number of migrants and forced the government to take measures to correct the imbalance.

The regulation of population migration in Russia is carried out through legal, informational, financial, economic, organizational and other instruments. To solve the problem, the Russian government adopted the Concept of demographic policy of the Russian Federation for the period until 2025. Concept provides for a number of measures aimed at increasing the flow of migrants and the number of re-emigrants. As a goal it indicates an increase in migration growth by 2025 at the level of more than 300 thousand people annually.

As for measures to return citizens to the country, the State Program was adopted to facilitate the resettlement of compatriots living abroad to the Russian Federation (June 6, 2006 No. 637, hereinafter referred to as the State Program for the Relocation of Compatriots). Program has implemented in 59 constituent entities of the Russian Federation. To date, there is no single quantitative data on the participants in this program due to the fact that state authorities use various indicators to evaluate. The program allows taking into account not only quantitative, but also qualitative parameters of interstate migration (demographic, social, etc.). Among the participants in the program, people with a vocational education prevail. The state program of resettlement of compatriots is aimed at combining the potential of compatriots living abroad with the needs of the development of Russian regions. This program allows has returned specialists ready to develop, including those with high entrepreneurial potential.

**Table 1. Long-term international migration flows in Russia in 2008–2017, thousands**

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Arrivals	281.6	279.9	191.7	356.5	417.7	482.2	578.5	598.6	575.2	589.0
Departures	39.5	32.5	33.6	36.8	122.8	186.4	308.5	353.2	313.2	377.2
Net migration	242.1	247.4	158.1	319.8	294.9	295.9	270.0	245.4	261.9	211.9

Source: Rosstat<sup>7</sup>

[http://www.gks.ru/wps/wcm/connect/rosstat\\_main/rosstat/ru/statistics/population/demography/#](http://www.gks.ru/wps/wcm/connect/rosstat_main/rosstat/ru/statistics/population/demography/#)

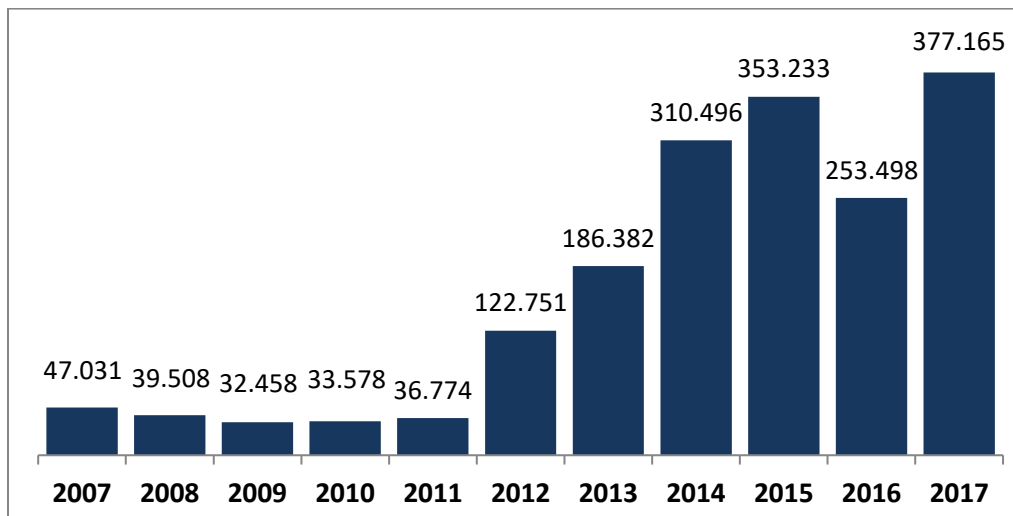


Figure 1 - Statistics of emigration from Russia<sup>9</sup>

According to a Higher School of Economics's Institute of Demography study, approximately 2.7 million natives of Russia currently live abroad, 1.5 million of them still keep Russian citizenship and not included

<sup>9</sup>

[http://www.gks.ru/wps/wcm/connect/rosstat\\_main/rosstat/ru/statistics/publications/catalog/doc\\_114\\_0096034906](http://www.gks.ru/wps/wcm/connect/rosstat_main/rosstat/ru/statistics/publications/catalog/doc_114_0096034906)

in statistics data<sup>10</sup>. This leads to the difference between Russian Federal State Statistics Service (Rosstat) and Eurostat data:

Table 1 - The number of Russians who left Russia and received a residence permit in the EU in 2017<sup>11</sup>

Country	Eurostat data	Rosstat data
Germany	10 155	4 372
Great Britain	8 212	300
Czech	6 852	249
Spain	5 582	427
France	5 104	327
Poland	4 568	188
Italy	2 924	418
Finland	2 374	593
Other	17 303	7 456

Foreign statistics data and the results of interviews with emigrants show that Russia encounters increase in qualified (intellectual) emigration in last decade. According to RANEPА Academy and the Gaidar Institute study, 40% of emigrants from Russia have higher education<sup>12</sup>.

The main reasons for the emigration are difficulties in the labor market, lower salaries, reduction of opportunities for career development, the possibility of obtaining a higher education that meets international standards and experience of work or life abroad<sup>13</sup>.

The Federal State Statistics Service do not have actual data about remigration, however Russian authorities are creating measures to return "brainpower" back in Russia in recent years. As a rule, such group of emigrants still keep Russian citizenship, have friends and relatives in the country. But they do not intend to move back to Russia, maintaining close contacts with their places of work in the West. 3 main groups of factors prevent their return:

- Socio-economic factors: the instability of the economic situation;
- Academic factors: low level technical and material support of scientific research as well as social protection of scientists;
- Political factors.

Today the "brain drain" is a hot issue in Russia. In previous years special preferences were introduced for highly qualified foreign specialists who are going to work in Russia and Federal Law No. 115-FZ "On the legal position of foreign citizens in the Russian Federation" was amended. But most changes in Federal Law focused mainly on strengthening over migrant legislation. However, in 2018 New Concept of State Migration Policy was signed by President. The new concept includes additional preferences for voluntary resettlement Russians who live abroad, simplified procedures for acquiring Russian citizenship of

<sup>10</sup> <https://www.hse.ru/mirror/pubs/share/218427665>

<sup>11</sup> <https://www.proekt.media/research/statistika-emigration/>

<sup>12</sup> <https://www.eg-online.ru/news/364542/><https://www.eg-online.ru/news/364542/>

<sup>13</sup> <https://www.eg-online.ru/news/364542/>

foreigners who are native Russian speakers, investors, entrepreneurs or graduates of Russian educational organizations.

There are also several public organizations and communities in Russia that help emigrants return in the country.

With regard to business remigration support, from 2015 Russian authorities have adopted import substitution policy. It means that companies which operate in strategically important for the country industries and have production in Russia will receive state support. Adoption of the relevant government decree allowed to attract not only Russian companies back but also such foreign firms as Kverneland, Claas, Same Deutz-Fahr, etc.

## CONCLUSIONS AND RECOMMENDATIONS

The analysis has shown that BSR countries differ immensely regarding migration dimensions and types of migration as well as policies in place in order to promote return migration. While in Germany, Denmark, Finland and Sweden brain drain is not a big issue, Lithuania, Latvia and Poland urgently need to deal with the fact that a considerable number of skilled workers is constantly leaving the country. In fact, the Baltic countries have witnessed several massive emigration waves during certain periods – the Nazi and Soviet occupation, the collapse of the Soviet Union in 1990, the entry into the EU in 2004 and the 2009 global financial crisis. The United Nations estimates that the Baltic country population number will keep shrinking so that by 2050 Latvia's population could decrease by 22 percent, Lithuania's population by 17 percent and Estonia's population by 13 percent. Certainly, strategies to bring back emigrants as SME successors could be one way to anticipate the negative effects of brain drain. While no specific programs for remigrants as SME successors exist, different programs encouraging return migration, diaspora engagement and the prevention of brain drain are in place. While salaries in the new EU countries have been rising steadily, the income disparity and the job opportunities abroad remain to be the main driving forces for emigration. However, also cultural, socio-political and personal reasons make people leave their countries of origin.

In all circumstances, the huge potential of remigrants as SME successors should be acknowledged and invested in. Returning workers bring back highly valuable qualities and assets such as financial capital, international work experience, contacts, the grit needed as well as new ideas and norms on professional but also on social and cultural level. These qualities can benefit the home countries immensely and hence, the following recommendations in order to attract emigrated workers to return to their home countries as SME successors should be taken into account.

### **Recommendations based on the previous analysis are the following:**

- The starting point for taking measures and forming strategies should be the awareness for brain gain.
- Deep quantitative and qualitative investigation and research, for instance in form of a SWOT analysis, surveys and interviews with emigrants and already remigrated people, of the particular region/city/country should be the foundation for every policy strategy. It is paramount to map out the multifaceted difficulties and to get in dialogue with the people leaving and willing to leave in order to understand the reasons and needs as well as the challenges when returning to their home country.
- Labour market analyses and forecasts should be conducted and publicly made available.
- In order to prevent brain drain in the first place, students and vocational trainees should be approached in order to hear about their needs and expectations. Career events and job fairs should specifically provide information on business transfers.
- A comprehensive online platform/search engine/ consulting network specifically for business transfers should be installed. Local information technology students could be involved in the development of this platform ("bottom-up" approach).

→ The programs and resources on return migration should be coordinated, organized and promoted coherently. Physical and virtual platforms should be easy to find and to access. It could be helpful if one entity would be responsible for coordinating and clustering the different programs (“all under one roof” approach). These programs should be advertised through different media outputs: television, radio, social media, newspapers, diaspora magazines, events in embassies, etc.

→ (Virtual) events abroad and in the sending countries should take place where emigrants and remigrants can share experiences with each other (see e.g. the Lithuanian *Pasaulio lietuvių jaunimo susitikimas*). For that purpose, cooperating with the sizeable diasporas is evident (since approximately 20 percent of Latvians, 17 percent of Lithuanians and 15 percent of Estonians live outside their country of birth).

→ Regional, bi-lateral and transnational migration strategies should not be in competition but seek systematically cooperative solutions, without neglecting the individual needs in the countries and regions. This includes sharing best practices and experiences. The cooperation between academical and educational institutions and the business sector should be encouraged. Moreover, both municipal agents and the private sector should be approached for the implementation of programs focussing on remigrants as SME successors.

→ Bureaucratical barriers should be removed. This includes ensuring the full recognition of diplomas and qualifications acquired abroad.

→ Similar as with the other target groups: Remigrants should have the possibility to receive trainings, studies or mentoring in preparation of becoming a SME successor comprising introduction to entrepreneurship, business model and plan generation, financing, commercial law, employment, accounting, marketing, sales, ICT, networking and social entrepreneurship. Support should be provided during the different SME transfer phases. This support should include a reliable contact person, whom the remigrant can contact anytime. A mentoring programme could be established in which remigrants are paired with experienced entrepreneurs from the region.

→ Monetary support in form of loans and subsidies need to be provided. Furthermore, the remigrant should be consulted on entrepreneurial competences, should be provided with a realistic picture of the SMEs capabilities and competencies that need to be acquired.

→ Support should be provided for the whole family of the emigrant. This might comprise assisting with finding child care, international schools, language classes, etc. The support should not only comprise administrative help but also take into account the cultural differences and integration challenges the family faces. Creating “welcome services” and events could help the returnees reintegrate, get acquainted with the city and its leisure activities.

→ Potential SME successors should possibly have the opportunity to have a paid business visit to the company before the final decision-making process.

→ Team building workshops could be held in order to establish a positive work environment, since remigrants sometimes are regarded as traitors having left their home country.



→ In order to prevent brain drain, young locals should be involved as much as possible in the activities of the municipality and regional decision-making processes (shift from a vertical and hierarchical approach to a bottom-up and horizontal approach).

→ The overall reputation and living experience in cities should be improved by investing in public spaces and cultural industries. The establishment of networking spaces in form of talent hubs, co-working spaces and incubators, for instance, should be encouraged. Affordable working and housing spaces for young professionals with an opportunity to network with other locals can be a fruitful initiative.

→ While the strategies should be implemented in a long-term nature, they should be flexible enough to be able to respond to current developments in the world. Given uncertain surroundings such as Brexit, the corona pandemic and political instability in various countries could be factors for emigrants to return to their home countries.

→ Feedback on how to improve return migration strategies should be obtained on a regular basis.

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