

CALL FOR EVIDENCE FOR AN INITIATIVE (without an impact assessment)

This document aims to inform the public and stakeholders about the Commission's work, so they can provide feedback and participate effectively in consultation activities.

We ask these groups to provide views on the Commission's understanding of the problem and possible solutions, and to give us any relevant information they may have.

TITLE OF THE INITIATIVE	Brain drain – mitigating challenges associated with population decline (communication)
LEAD DG – RESPONSIBLE UNIT	DG REGIO – B1
LIKELY TYPE OF INITIATIVE	Commission Communication
INDICATIVE TIMING	Q4 - 2022
ADDITIONAL INFORMATION	-

This document is for information purposes only. It does not prejudice the final decision of the Commission on whether this initiative will be pursued or on its final content. All elements of the initiative described by this document, including its timing, are subject to change.

A. Political context, problem definition and subsidiarity check

Political context

Several Member States and regions are facing population decline, caused by factors such as low fertility rates and net emigration. The emigration of skilled workers, referred to as 'brain drain', undermines the growth potential of the concerned regions.

An ageing population also plays a part in depopulation. It affects all regions, and rural regions in particular. Over the next decade, the population aged 65+ is projected to grow by more than 25% in 1 in 5 EU regions, while the working age population is projected to shrink by 4% at EU level and by more than 10% in 1 in 5 regions.

Depopulation and ageing are intertwined, exacerbating each other in the regions affected.

These demographic trends will continue to affect growth potential, skills development and access to services, in particular in the most affected regions. The reduction of the active labour force is expected to trigger a shortage in the labour market, impacting different sectors unevenly. This will in turn generate inflationary pressure on production factors and hinder the competitiveness and attractiveness of the regions concerned.

Brain drain will in particular undermine the underlying growth potential of the regions affected and reduce their attractiveness as places worthy of high added-value investments.

Therefore, the Commission's 2022 work programme (COM(2021) 645 final) includes plans to table an initiative on brain drain and on mitigating the challenges associated with population decline. This initiative will analyse the various drivers and long-term consequences of brain drain, and potential solutions to stop or even reverse it.

The initiative complements previous Commission initiatives to address demographic change as set out in the 2020 report on the impact of demographic change (COM(2020)241 final), the green paper on ageing (COM(2021) 50 final) and - on the specific vulnerability of rural areas - the long-term vision for the EU's rural areas (COM(2021) 345 final).

It will be underpinned by data already collected at EU level and on reports, such as annual reports on intra-EU labour mobility (<https://ec.europa.eu/social/main.jsp?catId=1154&langId=en>).

Problem the initiative aims to tackle

Eurostat projects a steady increase in the number of EU regions whose populations are declining. At national level, populations will decline significantly by 2040 compared to 2020 in the following countries: Romania by 2.7 million (-14%), Poland by 2.3 million (-6%), Bulgaria by 0.9 million (-13%), Lithuania by 0.5 million (-16%) and Latvia by 0.4 million (-19%).

The 8th cohesion report highlighted regional demographic patterns, making a distinction between urban, intermediate and rural regions. Whereas the natural change is negative or close to zero in the three geographic regions, apart from the EU's north-western urban regions, the magnitude of migration varies, with net inward migration offsetting a negative natural change in north-western rural regions, southern intermediate regions and eastern urban regions. Only eastern intermediate and rural regions had net outward migration, which further added to the natural reduction in population structures.

Overall, the population is shrinking the most in rural areas, where the population dropped by 0.8 million in 2014-2019. Population decline is also steeper in southern and eastern regions, notably the less-developed ones, due to a combination of negative natural growth and emigration. Emigration is particularly high in Member States like Romania, Bulgaria and the Baltic States

The working age population (the 20-64 age group) is projected to shrink by 4% over the next decade. This is likely to affect most regions, with many facing reductions of more than 12.5%.

This reduction is exacerbated by 'brain drain' (the emigration of skilled workers, i.e. those with tertiary education). Member States such as Romania, Croatia, Poland, Italy, and Portugal have been especially affected by brain drain, and the phenomenon is of particular concern in Romania, Bulgaria and Croatia where in recent years almost 1 in 5 qualified graduates have emigrated. Some sectors and countries are more affected than others. For example, eastern European countries have been particularly affected by 'care drain' (the emigration of health and care workers). These emigration flows exist both within the EU and between the EU and the rest of the world, including the UK.

As highlighted in a recent opinion of the Committee of the Regions (Opinion No. CDR 4645/2019 'Brain drain in the EU: addressing the challenge at all levels' of February 2020), this situation creates a vicious circle in affected regions, which undermines the transition to a sustainable and competitive economic model based on the knowledge economy and high added-value products.

Overall, market demand for skilled labour attracts workers with tertiary education and makes it easier for them to find a job matching their skills. Similarly, firms are more likely to find the skills they need in areas with a high concentration of qualified workers. This self-reinforcing loop means that in most Member States, university graduates are concentrated in and around capital cities and their regions.

Several drivers have been identified in the academic literature and in EU reports and studies¹. These drivers (or 'push' factors) vary depending on whether the brain drain is regional (i.e. movement of skilled workers between regions of the same Member State), or national (i.e. movement of skilled workers to another Member State or a non-EU country). Drivers can include salary gaps, political climate, network effects, employment or education opportunities, and the availability of health and social services.

EU action could help address the problem, notably by designing and implementing tailored policies to increase the attractiveness of impacted regions and to tackle the specific push factors. Action will build on the EU's cohesion policy instruments, notably EU funds. It will need to complement and support Member State initiatives - both national and regional, such as initiatives introduced in the Baltic States to retain healthcare and long-term care workers.

Legal basis

The Communication will be based on Article 174 of the Treaty on the Functioning of the EU (TFEU).

Practical need for EU action

The movement of skilled workers out of regions already suffering from lower economic development further undermines the growth and development potential of these regions. Brain drain therefore contributes to widening territorial disparities, going against the objective of territorial cohesion set out in Article 174 TFEU.

¹ E.g. the EU labour mobility annual report or a dedicated study as part of the EU Skills Agenda on intra EU movements of skilled labour.

Given the cross-border impact of brain drain, action at EU level is necessary in view of the subsidiarity principle. It is necessary to deepen EU-wide analysis on the drivers of the phenomenon, for each of its components (interregional and international), and to identify, promote and steer actions undertaken by and within Member States. It will in particular enable the EU to introduce initiatives to support the affected regions and equip them with the necessary knowledge to design and implement strategies and policies to retain and attract qualified workers.

B. What does the initiative aim to achieve and how

The Communication will aim to take stock of the scale and dynamics of brain drain. It will include a territorial analysis identifying the impacted regions and an assessment of the sectors and professional activities most exposed to brain drain (such as health professionals, scientists and researchers).

In particular, the Communication will examine the factors driving demand and supply of qualified workers (including returns to the place of origin) and the long-term socio-economic consequences, including on entrepreneurship and job creation. This assessment will make a distinction between the emigration of skilled workers between regions in the same Member State, and the emigration of skilled workers to another Member or non-EU country, as the drivers for demand may differ.

It will also examine which policy levers can be activated, at European, national or regional level to reduce brain drain and mitigate the challenges associated with population decline.

In particular, tailored policies to raise the socio-economic dynamism of affected territories and promote economic, employment and educational opportunities will be explored, building in particular on the territorial and regional governance mechanisms developed as part of the cohesion policy and taking account of regional experiences.

The Communication may also explore EU-level initiatives that aim to provide the impacted regions with support and knowledge. This includes consolidating and extending good practices and success stories from European regions, in order to design and implement strategies and policies on attracting and retaining qualified workers.

Likely impacts

By enabling the regions affected by brain drain to retain and attract the qualified workforce necessary for their development, the Communication is expected to contribute to reducing regional disparities to increase cohesion between regions across the EU. It should also contribute to fairer, better-functioning and more inclusive labour markets and societies, consistent with the European Pillar of Social Rights initiative.

It will directly benefit the regions affected by brain drain - notably the rural areas that will be identified in the Communication - and the most affected Member States.

Future monitoring

No monitoring system is needed for the Communication.

Possible follow-up operational or policy measures which would be initiated through the Communication will be accompanied by their own monitoring system, as required. In particular, initiatives supported through the EU cohesion policy could be monitored and reported through the corresponding mechanisms

C. Better regulation

Impact assessment

The initiative takes the form of a Commission Communication. As a Communication does not introduce legislative options, no impact assessment is required.

The Communication will mainly use official Eurostat statistics and JRC data. This information will be combined with an economic analysis of the push and pull factors of brain drain and regional analyses. A public consultation is planned in parallel to collect evidence and information on successful regional practices to tackle brain drain.

Consultation strategy

An open public consultation will be conducted to gather evidence and information on successful regional practices to tackle brain drain. The outcome is expected to corroborate the Commission's analysis on the most impacted regions, to better target the forthcoming Commission initiatives that will be announced in the Communication. The consultation will take the form of a targeted questionnaire, addressing two groups: individuals and institutional stakeholders (such as regional and local authorities, youth organisations, universities, chambers of commerce, trade unions and professional organisations). Cohesion attachés will be informed when the online consultation has been launched, and encouraged to participate and to inform their national authorities and relevant stakeholders. Academic experts will also be consulted to enrich the economic analysis on the consequences of brain drain on social and territorial cohesion and the deepening of territorial divides, with focus on impacted geographical areas (Mediterranean and Eastern and Southern Europe)

Why we are consulting?

The purpose of the consultation is to get feedback on the scale and dynamics of brain drain, and the areas affected. Another aim is to gather successful practices and regional strategies and policies to tackle the emigration of qualified workers.

Target audience

The target audience is broad, encompassing individuals, regional authorities, academics, civil society and professional organisations.