

Talented in Rejecting Talents

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“Brain Drain and Brain Gain”

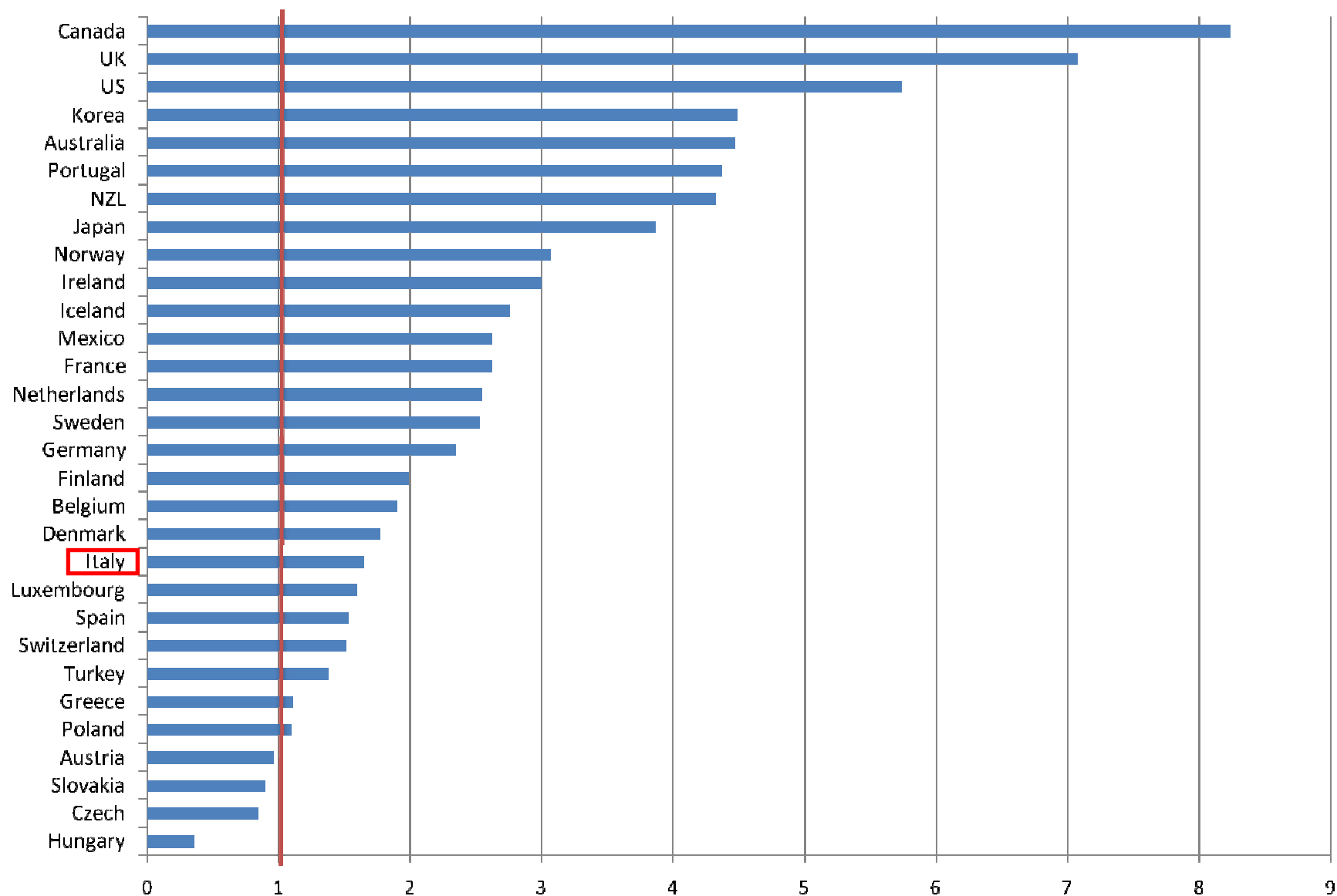
XI fRDB European Conference

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Skill content of migration and growth

- Migration increases incomes per capita in the destination country insofar as it increases in share of skilled workers in the workforce
- Effects not only on *levels*, but above all on *rates* of growth
- Human capital is the source of the *externalities* endogenously spurring growth

Share of people with attained tertiary education in immigrant population relative to the same share among natives



Source: Brucker et al. "The Battle for Brains: How to Attract Talent", fRDB (2009)

Human capital externalities

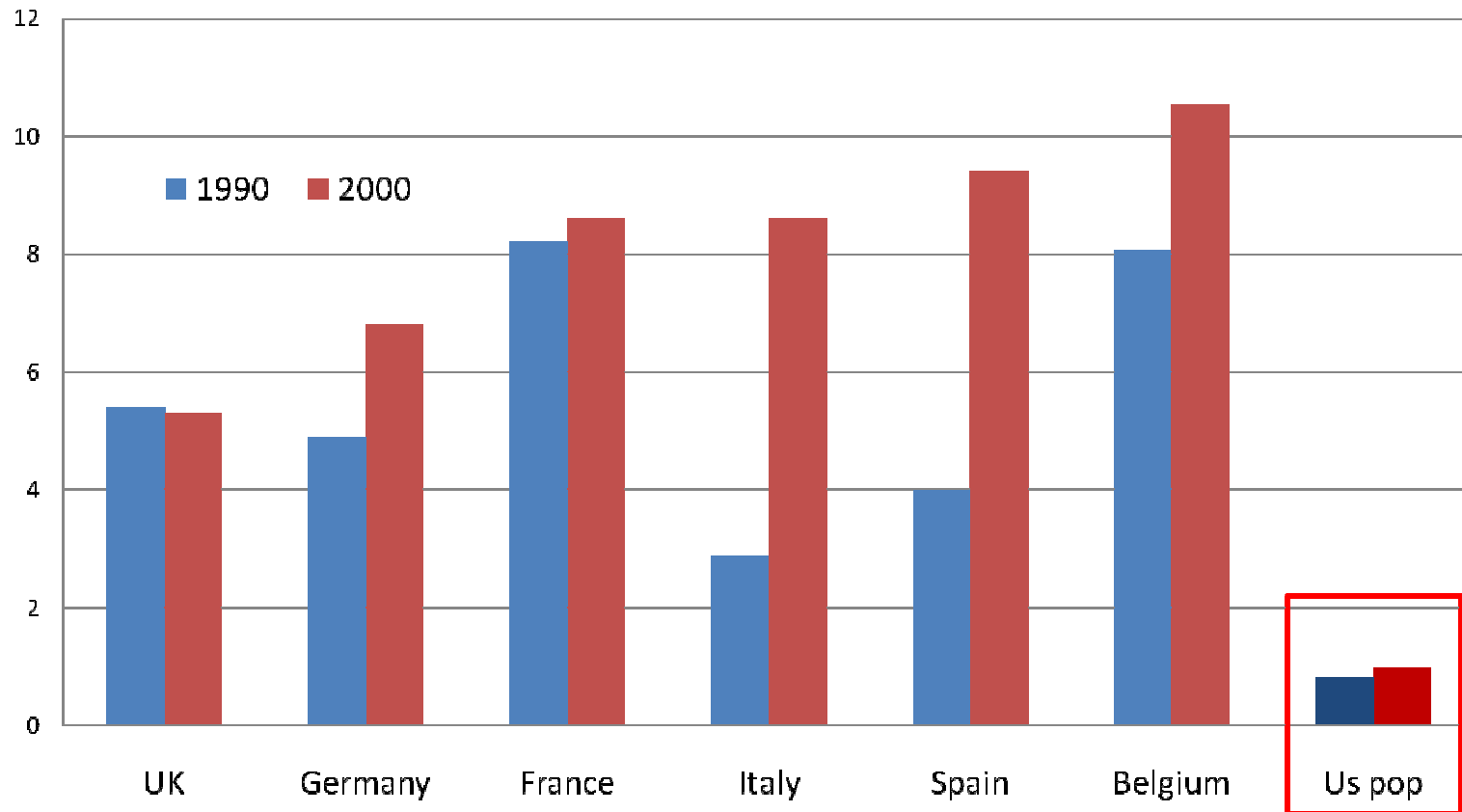
- Skilled migration like capital mobility.
- Spillovers of human capital. Migrants can:
 - transfer their human capital to natives
 - affect incentives of natives to accumulate human capital
 - acquire themselves more human capital via interactions with natives (e.g., on-the-job training)
- These externalities depend on the degree of *assimilation/dessimilation* of migrants

Top of the skill distribution and growth

- Since the mid-1990s Europe is no longer catching up the US in income per capita levels....and has been consistently losing tertiary educated and PhDs to the US
- Since 1995 Italy has entered an economic stagnation ... and has been losing talents not only to the US, but also to the rest of Europe

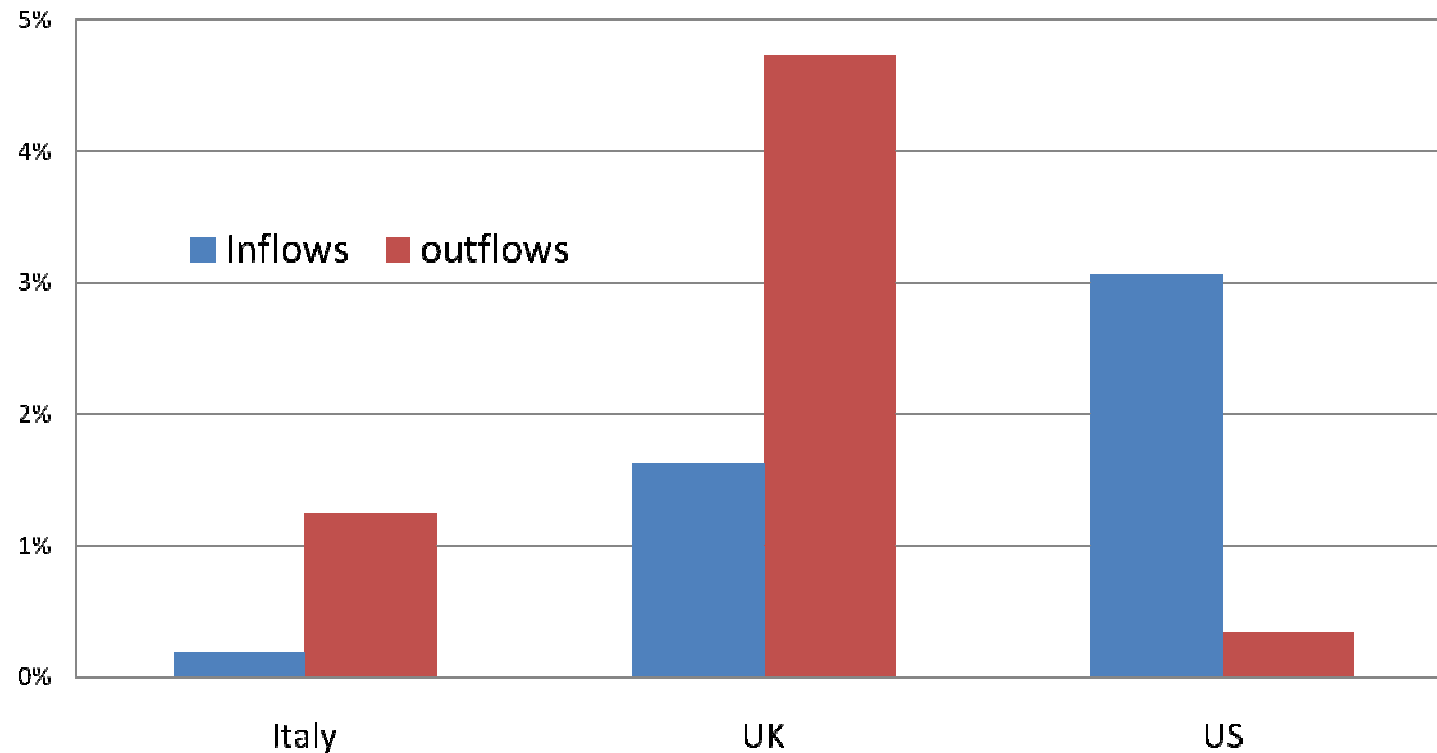
Exporting PhDs to the US

% of workers with Phds among newly arrived in the US



The problem for Italy is in the low inflow rate

Immigrants and emigrants with tertiary education in OECD countries as % of domestic pop.



Desperately seeking a “classe dirigente”

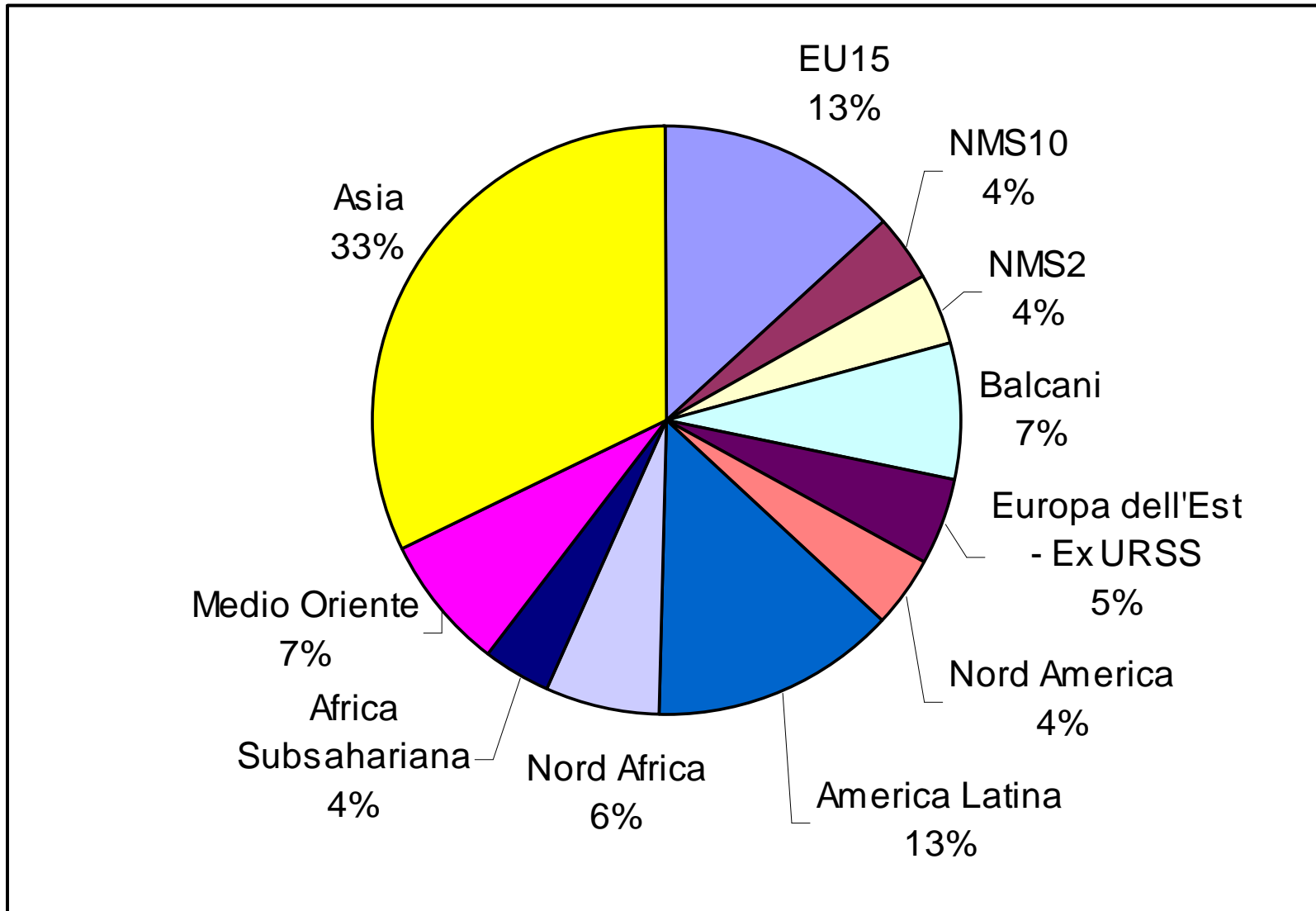
- Last year conference: Italy needs a more internationally minded, ruling class. Much less foreign managers than in the rest of Europe. Performance-related managerial style is minoritarian
- Less and less politicians with tertiary education. A very very few having received tertiary education abroad.
- 2/3 of the Heads of State in 1990 had been studying abroad. Almost 1/3 of the current Heads of State has received education in the US. (Spilimbergo, 2007)

A Survey of Foreign Ph.Ds in Italy

- The survey was carried out between April and May 2009.
- 41 Italian universities, accounting for about 91% of PhD students in Italy. 421 responses (roughly 20%)
- Mostly non-EU (77%), average age 29, women 44%, 95% have no relatives in Italy.
- Questions concerning:
 - Compliance with immigration rules: costs, time invested, problems faced.
 - Interactions with the university system

Where do they come from?

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Ph.D programs

- 73% of the students are enrolled in scientific programs of which 31% are pursuing PhDs in engineering.
- 61% of the respondents follow courses taught in English.
- The majority of the students have been granted a fellowship (85%) usually given by Italian public institutions (85%). Only 7% of the students receive scholarships from their own country's institutions.

Why did they choose Italy?

- The main reason seems to be access to financial aid (48%) and the good reputation of the research institution (41%)
- Other factors, such as proximity to the home country and the knowledge of Italian are not relevant.
- The key factor in the decision to study abroad is careers prospects and quality of the research

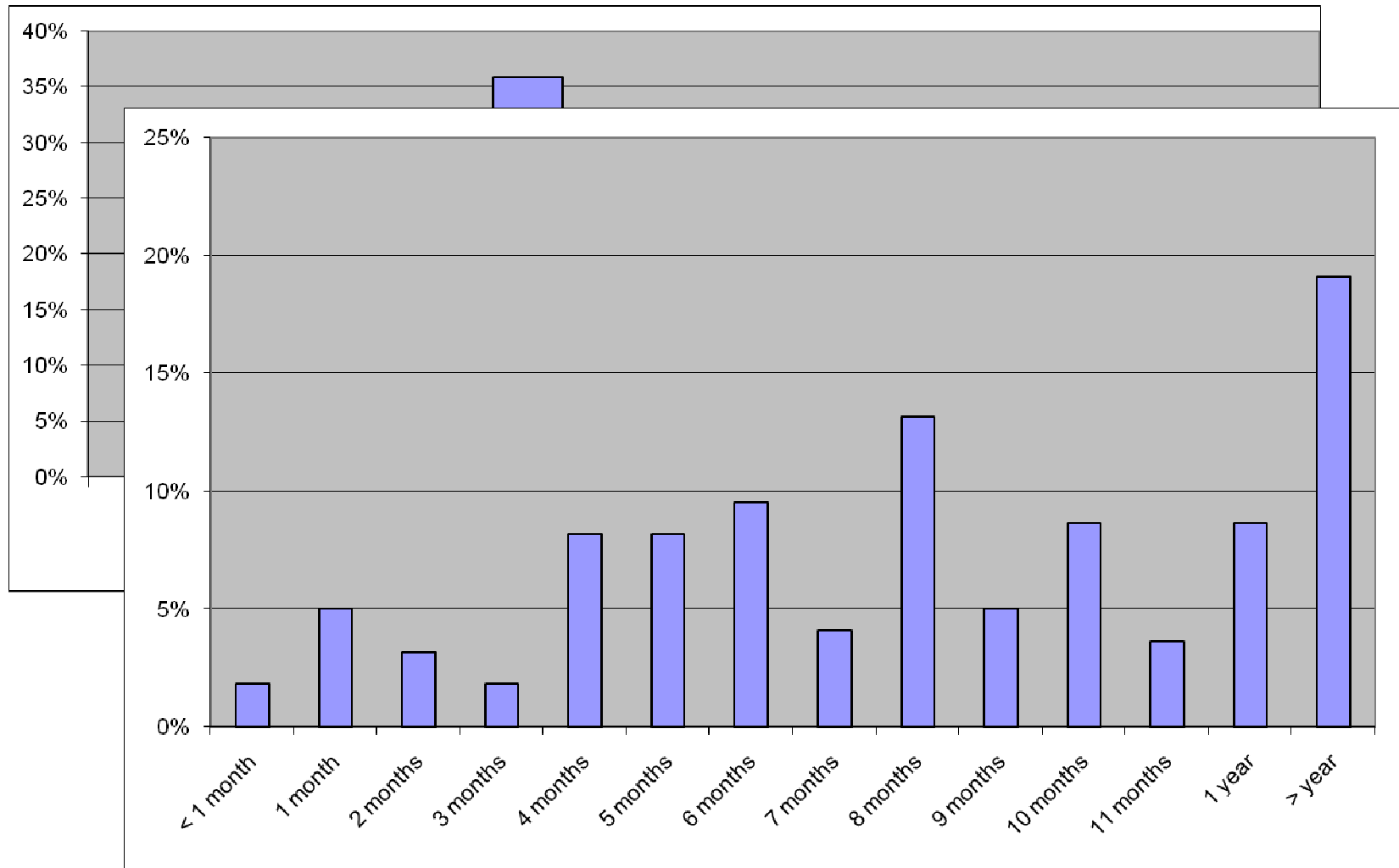
Problems

- Bureaucracy (“bureau-*crazy*”) is the main source of concerns
- Two thirds of the students (62%) experienced delays in the release/renewal of residence permits. Some of them had it when it had already expired!
- 2/3 complain about language skills of civil servants (do not speak English).

Non-EU students: residence permit

- Procedures to obtain all the certificates are expensive in terms of money and time wasted.
- 77% of the respondents had to wait more than one month to get an appointment at the local police (Questura). Once there, 61% of them had to wait for more than 3 hours.

Monetary and time costs of the residence permit



Conferences and Travels abroad

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- Due to delay in having a residence permit :
 - 23% of non-EU students experienced problems to travel abroad for conferences or job-market seminars.
 - 38% of the respondents had troubles while leaving Italy for holidays.
 - Some quotations?

Plans for the future

- The quality of teaching is considered rather good (63%). However 4 out of 10 believe that career opportunities are limited
- 87% of those who have decided what to do after the PhD (46%) plan to leave Italy after completing their studies. Potentially waste of about 90 million (estimating 50,000 per student)

Our Plans for the Future

- This *morning*: which countries are competing in the battle for brains and how. The inflow side
- This *afternoon*: should we worry about outflows of brains?
- *Panel session*: how to attract talents to Italian universities
- This *evening* ...

