

The Brain Drain Phenomenon in Developing Countries The Case of Albania

Lindita Kiri

Department of History and Geography Fan. S. Noli University, Albania

**(linditakiri@yahoo.com) Email of the corresponding author*

Abstract – In the globalization process, a phenomenon called "brain drain" is constantly in the center of attention of countries' development policies. Developing countries are more widely affected by this phenomenon, due to the negative consequences that can affect their economy. However, the first impact of this movement of human capital dates back to the 1960s, to describe the large-scale immigration of British scientists to the United States (Royal Society 1963). This article aims to analyze the negative impact that is generated on the economy of developing countries, in a worrying situation when two thirds of immigrants with high skills come from developing and transition countries. The data show that, on average, the level of brain drain that maximizes human capital accumulation in a developing country is about 10%. This level varies in different countries, depending on their size, country, language and public policies. The final results are expected to assess the fact that the brain drain brings an economic decline further reducing the welfare of the poorest nations. This phenomenon causes complex social problems that leave the country intellectually and technologically underdeveloped, and further deepens the gap between developed and developing countries.

Keywords – Economic Growth, Brain Drain, Migration, Low Technological And Intellectual Development

I. INTRODUCTION

The article aims to reflect an analysis of the "brain drain" phenomenon and the impact this phenomenon has on developing countries. "Brain drain" refers to the significant increase in migration of skilled intellectuals or well-educated human capital, professionals and skilled labor through the free movement of labor from developing countries to developed countries, for a salary or better living conditions. On the one hand the developed country (the host country) gains additional skills and human resources from migration as it continues to become richer. On the other hand, the developing country (sending country) loses highly skilled labor and human capital and inevitably becomes poor. This article will first examine the literature review, its origins and the arguments for and against the approach of the proponents of the new emigration economy. Afterwards, the balance between the losses and benefits that countries have from the

"brain drain" phenomenon will be examined and the case of Albania as a developing country affected by this phenomenon will be highlighted. At the end of the article, we will address the necessary policies to "mitigate" the negative impact of this phenomenon and the concluding conclusions of the article.

II. METHODOLOGY

The research work for this study is based on its analysis primary and secondary data. It consists of the review of literature on potential migration, as well as qualitative methods and mostly quantitative. The latter consist of a survey with families that contained 23 questions. (1). The survey was conducted with 1,421 units family. Along with them, semi-structured interviews were conducted with potential migrants, officials and experts from different regions of Albania. None of the families or individuals participated more than in one of the

research methods. For this, a cluster sample was used that was developed in three stages. In the first stage, the sample was divided according to the 12 counties of Albania, using the proportional distribution of the population aged 18 and over, according to data obtained from the 2011 Census.³⁸ Surveys were distributed to proportionally for each district. In each district, they were selected Primary Sampling Units (PSU) and, in each of them, in the third sampling stage, 14 were randomly selected family (4). The random selection of families was carried out by experts Institute of Statistics (INSTAT). Maps were provided to the research team that specified the location of the households to be surveyed. According to the designed methodology, the surveyor would visit the family of defined up to four times, on different days and at different times different of the day. The research team conducted 1,421 door-to-door surveys in all country circles. The potential migration survey was part of one wider survey conducted with families in the framework of European Value Study (EVS).³⁹ The potential migration module Had 23 questions about potential migration, including five questions that were specifically for returned migrants. In addition, from the EVS survey, all socio-demographic data of the respondents. These data they had information about age, gender, marital status, composition family background, ethnicity, highest level of education achieved, employment status, qualification level, family income, place of residence (city, village), trust in institutions, attitude against immigrants, etc. The research team conducted face-to-face interviews face-to-face, using a printed, one-person survey family, aged 18 or over. Respondents who had had previous migratory experiences answered five questions for the return. In this case, the person who had was considered returned lived and worked for at least a year abroad and was back in Albania at least three months before the survey. Completing the survey potential migration required about 12 minutes. Potential migration survey data were compared with it data from a similar survey on potential migration and for returned migrants carried out by QSES at the end of 2006 and the beginning of 2007, in the framework of a project financed by European Training Foundation (ETF).⁴⁰ Comparing data, for a time horizon of eleven years, he pointed out new trends regarding potential migration in Albania. Also, for this study, we used some surveys and other

interviews conducted by QSES during the last decade. ⁴¹ In the survey process, some shortcomings emerged. First, a number most of the respondents were over 40 years old. This is explained by the fact that, in many families, the people who were at home at the time of the survey and were willing to be interviewed belonged to this age group. Also, in some villages, there were many missing young people due to the high level of migration. As a result, the number the total number of respondents aged 18-40 was 575, or 40.5% of the total survey. A large part of our analysis the following is based on this age group. Another problem that was identified was the somewhat higher number of female respondents than men, which does not represent the real gender ratio of the population Albanian. Finally, in some big cities like Tirana, Durres, Vlora and Shkodra, cases of refusal to complete the survey, mainly due to lack of time, there were more.

III. LITERATURE REVIEW

For years there has been a wide discussion on the economic effects of skilled migration for countries of origin. This issue has been discussed for almost fifty years. During this period, most researchers (eg Bhagwati and Hamada 1974, Portes, 1976) concluded that skilled migration is detrimental to countries of origin, while host economies benefit from the inflow of skilled labor. Thus the notion of "brain drain" - harmful for developing economies and "brain gain" - profitable for developed countries was created and is still present even today. However, in the mid-1990s, a new strand of research on the migration of skilled human resources became apparent. Theorists of the new economics of labor migration argued that the brain drain should not be harmful to countries of origin. In certain circumstances, the migration of professionals from developing economies may actually be a "boon", and the potential gains may outweigh the costs. Economists (such as Mountford, 1997, Beine et al., 2001 and 2003, Stark, 2005) proponents of the new economics of emigration re-dimensioned the discussion on the economic consequences of skilled migration. However, their optimistic views on brain drain have often met with strong criticism. First, proponents of the neoclassical approach argued that skilled migration is advantageous at the international level: both for countries of origin and

for host countries. The main benefits from this process relate to advances in science and technology for developing and developed economies (Grubel and Scott, 1966). Second, researchers from the world systems approach asserted that brain drain is largely harmful, at least for sending countries. Proponents of the world system theory have perceived the migration of highly qualified individuals as a manifestation of the economic backwardness of developing countries (Portes, 1976) (5). The international flow of skilled labor has been a major factor in increasing economic imbalances and reducing the economic potential of low-income countries, especially when translated into productivity levels (Kannappan, 1968). This process is seen as controversial in the ethical aspect of the phenomenon that less developed countries (sending countries) bear the cost of education of potential immigrants, while receiving countries receive the benefits of these expenses since poor countries have largely financed the education of skilled immigrants. So the brain drain can be considered as a subsidy of the rich nations by the poor (Massey et al., 1998). The negative aspects of brain drain for developing countries were also described by Bhagwati and Hamada (1974), where the focus was on the social aspect (i.e. strong externalities in production provided by skilled workers) and fiscal costs (revenues from default taxes) of immigration. The brain drain also caused distortions in local labor markets, increasing unemployment and reducing potential GDP. To compensate for such losses to the country's economies, Bhagwati proposed to tax the income (ie "Bhagwati Tax") of skilled immigrants. The income from the "Bhagwati Tax" should be channeled back to the countries of emigration through United Nations development programs (Bhagwati, 1976). This discussion between the optimistic and pessimistic approach continued until the 1980s, when many analyzes of the brain drain phenomenon fell apart due to the lack of reliable and systematic data. So the analysis on the migration of qualified human resources and its economic effects were purely theoretical. Theoretical analysis on the migration of skilled human resources has been revitalized in the 1990s within the framework of endogenous growth. Miyagiwa (1991) highlighted the fact that brain drain increases national income and returns to education in host countries, but on the other hand decreases propensity to study and

household income (8) Haque and Kim (1995) argued that brain drain slows the accumulation of human capital in the country's economies, thus contributing to the permanent reduction in the growth rate of the economy. But the main value of the theory of the new economy of emigration was the empirical analysis. Thanks to the pioneering work of Carrington and Detragiache (1998), and the follow-up efforts of Docquier and Marfouk (2005), Dumont and Lemaître (2005) and Beine et al. (2006), harmonized databases of skilled human resources migration rates were created, theoretical models were tested, and some of the positive effects of brain drain were verified (at least to some extent). Referring to the theory of the new emigration economy, many authors do not share optimistic views (10). The most important opponent of this approach is Maurice Schiff (2005). Hrs

LOSSES AND BENEFITS OF COUNTRIES FROM THE "BRAIN DRAIN" PHENOMENON

"Brain drain" is still very worrying, but the essential studies on this phenomenon date back to the 1960s, when there was a high number of permanent emigration of well-educated human capital and professionals such as scientists or researchers from developing countries, harming and hinder the economic development and growth of their countries. (7) The era of globalization has created new opportunities for human capital, where this capital can be financially rewarded better (higher wages) which translates into higher well-being, as well as being valued more in economically very powerful and developed countries. developed. Canada and the United States have historically been a preferred destination for skilled workers, with the latter in particular attracting a significant number of students from around the world. These countries have offered them further specialization opportunities and then their involvement in the state and private enterprises of these countries, contributing to their economic development. Referring to the negative effects of the "brain drain", we can list a number of essential effects that further deepen the problems of • the net decrease in the

stock of human capital, especially those with valuable professional experience;

- economic decline and productivity as a result of the low stock of human capital;
- fiscal losses of large investments made to subsidize education;
- remittances from the migration of qualified persons may decline after some time;
- the significant decline in the quality of services in the field of health and education;
- students funded by the government during the period of studies are a major part of the human capital left from their countries;
- opportunities for short-term movement are seriously limited by the immigration policies of developed countries;
- increasing income inequality in countries of origin.

After identifying a number of negative aspects, we posed a question: Does the phenomenon of "brain drain" have only negative effects, or can positive sides of this phenomenon be identified? Of course, placed in a balance, the negative effects are greater than the positive ones, but its positive sides can absolutely be identified. Here we can emphasize:

- the entry of remittances and foreign currencies;
- stimulus for encouraging investments in the education of the countries of origin and individual human capital investments;
- the return of qualified persons increases the local human capital, increases the transfer of skills and increases the connections with the foreign network;
- investments in the transfer of technology and venture capital;
- "brain circulation" promotes integration in the global market (9).

An example of this phenomenon is found in the countries of the European Union (EU), where due to the free movement of citizens within the EU countries, we have an increase in migratory movements and an increase in qualified human capital. However, in developing countries, the cost is even higher as it is difficult to find and replace qualified workers. However, in conclusion we can say that even though positive aspects of the

departure of the brain from the country of origin can be evidenced in the long term, in any case the loss of qualified and well-educated individuals affects the social-economic development of a country, as these individuals are its driving force. developing countries, where we can mention:

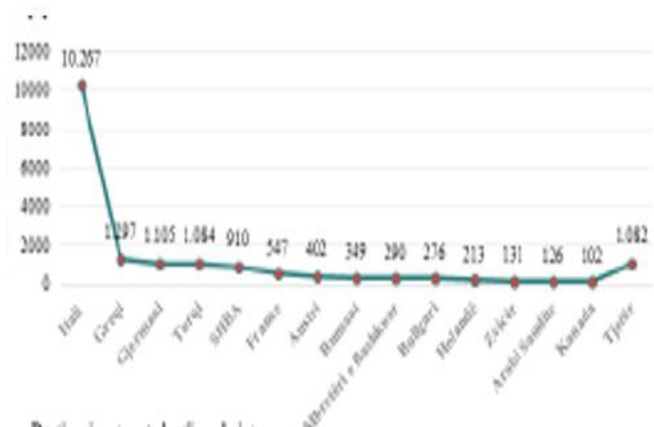
THE "BRAIN DRAIN" PHENOMENON IN DEVELOPING COUNTRIES: THE CASE OF ALBANIA

"Brain drain" is still very worrying, but the essential studies on this phenomenon date back to the 1960s, when there was a high number of permanent emigration of well-educated human capital and professionals such as scientists or researchers from developing countries, harming and hinder the economic development and growth of their countries.(10) The era of globalization has created new opportunities for human capital, where this capital can be financially rewarded better (higher wages) which translates into higher well-being, as well as being valued more in economically very powerful and developed countries. developed. Canada and the United States have historically been a preferred destination for skilled workers, with the latter in particular attracting a significant number of students from around the world. These countries have offered them further specialization opportunities and then their involvement in the state and private enterprises of these countries, contributing to their economic development. Referring to the negative effects of the "brain drain", we can list a number of essential effects that further deepen the problems of

- the net decrease in the stock of human capital, especially those with valuable professional experience;

The phenomenon of "brain drain" is now a real and measurable fact for developing countries as well. Globalization has made it possible to flatten the difference in professionalism and knowledge between different countries making it possible to exercise professions without any difficulty for people coming from developing countries. Thus, in recent years, a trend is increasingly observed where professionals in all

professions with a high level of qualification have the tendency to try to be employed in the countries of the European Union or in the United Kingdom, Canada or even in the United States of America. The fact that the aforementioned developed countries are facing the problem of population aging has influenced the facilitation of admission and application processes to become part of the labor force of developed countries. Making a comparative analysis with the countries of the region regarding the number of students studying abroad, it turns out that Albania ranks first with a number of 18,181 students, followed by Serbia with 15,749 students, then Bosnia/Herzegovina with 15,399. (12) The fact that the number of Albanian students studying abroad is the highest in the region compared and in relation to the population, should be seen on both sides of the coin. On the one hand, the high number of Albanian students who study abroad can be seen as a positive phenomenon for the part of acquiring knowledge in the respective fields where they study, but on the other hand, it can also be seen as a measuring indicator for the students' unreliability about the quality of Albanian universities. The fact that these students who study abroad have the desire and will to return to Albania should also be analyzed. Based on Unesco's latest publication for 2020, chart 2 shows some of the main destinations of Albanian students abroad. We see that the first destination of Albanian students is Italy followed by Greece, this as a result of the fact that they are border countries and therefore can be seen as good options due to the facilities they offer; such as prior knowledge of the language or culture, having any relatives or acquaintances.



(The destinations of Albanian students)

Figure 1: Main destinations of Albanian students¹

Germany ranks third, starting from the end of 2014 and until now we can say that the increase in the number of students who choose Germany as a destination to study comes from the foreign policy that this country follows by offering German language courses in Albania mainly for medical student. Other destinations are Turkey, USA, France, Austria, etc Albania in different historical periods has had waves of migration. If we analyze the period after the 90s until today, we have several time periods where the waves of migration have been massive. There are mainly several main periods when immigration has reached its highest points. With the political changes of the 90s, there was the first wave of migration, where this period left quite a mark on the demographic changes of the population of Albania. The period of war in Kosovo in the 1990s also influenced the increase in the number of people who left Albania, appearing in the countries where they moved as Kosovar citizens. With the liberalization of visas, the number of Albanian citizens who were leaving Albania was increasing more and more, continuing to this day. A measuring indicator for the "brain drain" part is the comparison of migratory flows. Comparing migratory flows helps to highlight net immigration. Net migration is expressed as the difference between the number of immigrants and the number of immigrants. Referring to INSTAT's latest publication, "Diaspora of Albania in Figures"

¹ Source: Authors' calculations, Unesco (2020)

(2020), graph 3 shows the net migration expressed by the number of immigrants and emigrants.

(thousand)



- in green – immigrants
- in red – emigrants
- in black - net migration

Figure 2 : Number of immigrants, emigrants and net migration²

Table 1: Distribution of Albanian immigrants according to main destinations, 1995 – 2019 ³

YEAR	1995	2000	2005	2010	2015	2019
Itali	31.9 %	33.3 %	37.4 %	39.3 %	39.6 %	39.4 %
Greqi	45.9 %	48.6 %	43.6 %	41.5 %	38.7 %	35.3 %
SH.B.A	4,5%	4,8%	5,7%	6,4%	8,1%	8,2%
Gjermani	1,7%	1,4%	1,4%	1,3%	1,3%	4,2%
Kanada	0,7%	0,8%	1,2%	1,4%	1,4%	1,4%
Mbreteria Bashkuar	0,2%	0,3%	0,8%	0,7%	0,9%	0,9%
Belgjike	0,4%	0,3%	0,3%	0,5%	0,8%	0,9%
Vendet tjera	4,8%	10,7 %	9,7%	9,0%	9,2%	9,7%

The information in table 1 sheds light on the main destinations of Albanian immigrants over the years, the trend of the early years of democracy was mainly towards border countries such as Greece and Italy. We can say that this trend has faded in recent

years, where Albanian immigrants have chosen other destinations besides these countries, such as USA, Germany or Canada. The choice of countries with economic and social welfare comes as a result of the facilitating policies regarding emigration to these countries. (12) The percentage of immigrants with a high educational level is 47.1%, a high figure compared to the percentage distribution of people who immigrate with 28.3% and those within the country with 24.6%. The total number of the population left Albania by age group and by gender is: In total there are 1,684,135 individuals outside the territory of Albania, where 884,719 individuals are males and 799,416 are females. Also, within the migration theme, INSTAT and the International Organization for Migration (IOM) conducted a family migration survey, the main objective of which was to provide information on the rate of net migration for the period 2011-2019 and the characteristics of the population included. In this survey, data were collected on the educational level and employment status, in the group of people aged 15 and over. Persons with a high level of education among immigrants and emigrants were 13.9% and 11.9%, respectively.

POLICIES TO "MITIGATE" THE PHENOMENON OF "BRAIN DRAIN"

Since the phenomenon of "brain drain" is a Europe phenomenon derived from globalization, we can say that efforts to avoid it are practically impossible, however efforts can be made to "mitigate" the negative effect of this phenomenon, mainly in countries in progress (11). The most important method is to undertake a series of policies that include important aspects of a country's development, such as economic, social, educational and environmental. First and foremost, we must recognize that continued immigration is usually the symptom, not the cause, of an underlying problem. For the long term, governments must address fundamental issues with policies aimed at improving governance, strengthening institutions and improving the delivery of public services.

² Source Diaspora of Albania in figures (INSTAT 2020)

³ Burimi: Stoku i emigrantëve 2019 (OKB)

Increasing productivity in highly skilled occupations, many of which are in the public sector, and making wages more competitive, would "encourage" workers to stay. At the same time, private sector development and job creation must be complemented by public sector reforms, without which, skilled professionals will continue to emigrate. Expanding and improving higher and postgraduate education is another key policy to undertake, despite concerns that this approach could cause even more immigration, leading to further losses. Some countries, including Romania and Croatia, have already followed this policy to keep more students in their country who aspired to go abroad in search of higher quality education. Discrimination against women in the labor market is also a critical issue. Highly skilled female migrants currently represent the fastest growing group among all migrants in the and Central Asia region. Providing more opportunities for women would naturally lead to less emigration of highly skilled women and help countries slow down the "brain drain". An important part of the work is addressed to the diaspora. A large diaspora can generate economic benefits for countries of origin. Immigrants who stay actively engaged with their countries of origin can have a positive impact on their communities through remittances, investment and technology transfer. There are also policies that can successfully encourage the return of their highly skilled diaspora by providing tax incentives for returning migrants. The return of migrants can support economic development, especially when they bring capital and knowledge, and when their countries provide the right conditions for them to fully apply their skills and experience. And in closing on this issue we can point out that the most effective long-term approach for countries to stop the brain drain is to discourage citizens from leaving their country in the first place, giving them a reason to stay - this will mean providing countries with better working conditions, more opportunities and a higher standard of living

IV. CONCLUSION

At the end of this article, we emphasize that the phenomenon of "brain drain" is a consequence of globalization and is necessarily inevitable. This phenomenon should not be seen only on its "darker" side, but the other side of the coin can be seen, turning it into an advantage. Turning the "brain drain" phenomenon into a competitive advantage can be done through appropriate incentive policies. This phenomenon directly affects the socio-economic development of a country and is a key factor in economic growth mainly in developing countries, where there have always been several migratory waves in different historical periods. However, basically the decision to emigrate is a very personal decision of individuals, who are One of the conclusions reached in this article is that the number of Albanian students who study abroad compared to other countries in the region is the highest. This fact leads to the other fact that the phenomenon of "brain drain" compared to other countries in the region is more evident in Albania and this situation requires immediate, very visionary policies for well-educated Albanian students to return and contribute in the further development of our country (13). A safer environment, with a competitive labor market, with higher wages, a country with strong bases of meritocracy, with a quality education level and competitive with other European countries, with a technological development suitable for the time we live in and equal opportunities for all will ensure not only the reduction of the level of migration and the return of students to their country of origin, but above all they will ensure a higher standard of living and an economy with continuous positive growth, fulfilling the goal main thing that should have a place for increasing the well-being of its citizens. in search of new opportunities and a higher standard of living.

REFERENCES

- [1] Brzozowski, J. (2008), "Brain Drain or Brain Gain? The New Economics of Brain Drain Reconsidered", Cracow University of Economics.
<file:///C:/Users/User/Downloads/SSRN-id1288043.pdf>
- [2] *Diaspora of Albania in Figures*, INSTAT 2020
- [3] Gëdeshi, I. and King, R. (2018), "New Trends in Potential Migration from Albania", CESS and Friedrich Ebert Foundation. <http://library.fes.de/pdf/files/bueros/albanien/15272.pdf>
- [4] Giannoccolo, P. (2004), "The Brain Drain. A Survey of the Literature", Department of Economics, University of Bologna, Italy <http://amsacta.unibo.it/1577/1/526.pdf>
- [5] Gibson, J and McKenzie, D. (2010), "The Economic Consequences of 'Brain Drain' of the Best and Brightest: Microeconomic Evidence from Five Countries", World Bank Policy Research Working Paper No. 5394.
- [6] Groizard, J.L. (2007), "Skilled migration and sending economies. Testing brain drain and brain gain theories", Universitat de les Illes Balears, Department of Applied Economics.
- [7] Inayati, T. (2012), "Simulation analysis of brain drain phenomena from Indonesia using system dynamics", *International Journal of BRIC Business Research (IJBBR)*.
- [8] Johnson, N. (2008-2009), "Analysis and Assessment of the 'Brain Drain', Florida Atlantic Comparative Studies Journal Vol.
- [9] Nedeljkovic, V. (2014), "Brain Drain in the European Union: Facts and Figures", *BridgingEurope Rethink Education Working Paper, No.4*.
- [10] Ngjela, J. (2019), "European migration in the framework of modernization processes (The case of Albania after the 1990s - 2015)", PhD, University of Tirana, Institute of European Studies.
<http://www.doktoratura.unitir.edu.al/wpcontent/uploads/2019/04/Doktoratura-Juventina-Ngjela-PDF.pdf>
- [11] United Nations Organization (2019), "International migrant stock 2019".
<https://www.un.org/en/development/desa/population/migration/data/estimates2/estimates19.asp>
- [12] International Organization for Migration and INSTAT (2020), "National Household Migration Survey in Albania", p. 43
- [13] Pănescu, C. U. (2004), "Brain Drain and Brain Gain: A New Perspective on Highly Skilled Migration", Diplomatic Academy, Ministry of Foreign Affairs, Bucharest.