EU migrants: going home with skills, acumen and higher expectations

blogs.lse.ac.uk/brexit/2017/05/31/eu-migrants-going-home-with-skills-acumen-and-higher-expectations/

2017-5-31

Growing numbers of Central-Eastern Europeans are leaving the UK, while new arrivals are falling. This is what Leavers wanted – but it is a boon to the rest of the EU and a loss to the UK, writes **Simeon Djankov**. The returnees are bringing home skills, business acumen and – most importantly – experience of a society without systemic corruption.

The UK is no longer as attractive to European nationals thinking of coming to live and work here. The latest quarterly figures published by the Office for National Statistics show there is a 36% increase in the number of EU citizens leaving the UK to return home permanently (to



117,000) and a 14% decrease in first-time EU entrants to the UK job market (to 247,000) compared to 2015. This negative trend is particularly pronounced for Central Europeans, who have stopped relocating to the UK. The UK's loss is Europe's gain: students and workers will look for opportunities at home or in other European economies. This trend increases the long-term growth prospects for Europe, to the detriment of the United Kingdom.



Wrocław railway station, 2015. Photo: M M Czarnecki via a CC-BY-NC 2.0 licence

As economic indicators have been benign, the shift in EU citizens' attitudes towards the UK is primarily due to the result of the Brexit referendum. The British economy finished 2016 with economic growth of 1.8% of GDP, higher than any other G7 country. However, the British currency lost nearly 15% of its value relative to the euro after Brexit, reducing the expected wages for EU citizens who are contemplating a move from their home country. The second reason is an increase in hostility towards Central European workers.

Brexit has particularly affected the flow of Polish citizens, who for more than a decade accounted for the largest net migration. This is no longer the case, as Romania has overtaken Poland as the main source of net migration. Overall migration from Central Europe is at a standstill: only 5,000 more people from the eight Central European countries (the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia) have relocated to the UK than left for another EU country, the lowest net inflow since these countries joined the European Union in 2004. This is a tenth of the net inflow in 2015, and one percent of the net inflow a decade earlier.

The only Europeans still attracted to the UK are from the latest EU entrants: Bulgaria and Romania. Net migration

from Bulgaria and Romania continues to be positive in 2016 (54,000 people) but smaller than in 2015. A quarter of a million Bulgarians and Romanians legally registered for work in the UK between March 2016 and March 2017. On this score, Romania leads all countries, while Bulgaria is fifth behind Poland, Italy and Spain. With Romania's economy gathering speed and outperforming all other European economies in 2016, the flow of Romanian workers to the UK is dwindling as well. These workers, too, may prefer to explore opportunities at home.

The falling attractiveness of the UK for European citizens, particularly from Central Europe, may at first glance be interpreted as a success of the Tory government. After all, this is what Brexit was mostly about: keeping jobs for British nationals. A more-than-cursory look at the UK employment statistics shows reasons for worry. The construction, retail, hospitality, catering, home care and agricultural sectors critically depend on Central and East European workers. They will be hard to replace with domestic workers, who find such jobs unsatisfactory and frequently reject them out of a sense of entitlement. Less recognised is that Central Europeans also account for a non-negligible share of employment in some professional services such as healthcare (7%), information technology (5% of employed workers) and accounting and auditing (3% of employed workers).

Returning EU workers are a boon for their home economies. They have acquired language and professional skills in the UK, and have learnt better business practices. The new skills can be put to use to assist their economies in converging with Western Europe.

Perhaps most importantly, returning workers have grown accustomed to a system without significant corruption and neglect of the rule of law. Their support for such a governance system at home is the most important asset they bring when returning from the UK.

This post represents the views of the author and not those of the Brexit blog, nor the LSE.

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