The US case: Brain Drain or Brain Training?

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Throughout the 1990s and early 2000s, "brain drain" was one of the most discussed phenomena in social science. Proponents of both traditional, neoclassical economics as well as "new growth" models of development agreed that poor countries would be affected by the "negative externality" of their labor leaving for better life prospects elsewhere. In the context for "global competition," this phenomenon would deprive developing economies from one of its key development assets, its high-potential human capital, consequently stifling development. And since human capital remains one of the most widely accepted long-term determinants of indigenous growth, some authors even argued that "brain drain" would contribute to trapping developing economies in a negative feedback loop from which developing nations would find it very hard to emerge. In short, the promising labor of poor countries would sustain more developed countries at the expense of their homeland.

In terms of policy, however, what could poor emerging countries do? A government may try to restrict the freedom of mobility, like Soviet republics did historically and Cuba still does to this day. Yet such a "solution" is clearly incompatible with the ethos of modern representative democracies. And in any event, if a country were to succeed at restricting the freedom of mobility of their citizens, the net outcome for its frustrated emigrants would be lower income and level of education than what would otherwise have been (at the country where they would have otherwise moved) – and hence, their productivity would conceivably fall at home to reflect this very frustration.

It is conceivable that some of these negative effects could have materialized over time, depriving some developing countries from much needed talent to develop the economy indigenously. Yet the current process of globalization has opened other doors and, by and large, the dystopian possibilities of stifled development self-fulfilling prophecies have not materialized. What is more, there are some specific areas in which we can conceivably speak of the exact opposite of brain drain: "brain training." And that is precisely the case in academia.

From the perspective of someone at a center of learning of the caliber of Harvard University, it is clear to me that international students and faculty allow internationally-minded universities to thrive in the era of globalization. They provide diversity of experience and perspective at a crucial time for people's personal development. So internationalization enriches the academic community around the world through better exchange of ideas and perspectives. In this respect, Western universities and American universities in particular have been very successful over the past two decades.

The American higher education system faces many challenges; chief among them, spiraling costs have outpaced inflation in similar ways to what has happened with healthcare in the country. Yet the health of the higher education system, at least in terms of achievement, remains unparalleled. The United States attracts the best and brightest to study within its borders, often in spite of cost. This policy is no accident. It has advocated by leading research universities such as Harvard, but also New York University, Princeton, Stanford, and Yale, among others by far-sighted administrators and professors (many of who are themselves foreign), who consider international experience a key competitive asset in this era of new globalization.

But attracting the best and brightest is harder than it seems, not least – once again – due to the sheer cost of studying in the United States. Back in 2004, and thanks to efforts spearheaded by then-University President Lawrence Summers, Harvard became the first American university to offer "need blind" admissions to its international students; this means that in making admissions decisions, the country's most competitive college did not consider an applicant's financial resources. Through this policy, the University committed itself to providing full scholarships for students whose parents made less than $40,000 USD a year, a considerable amount in many developing countries. The figure has since been largely expanded, despite the Great Recession.

Few other universities have been able to match such a generous (and often expensive) policy, but both Princeton and Yale, among others, retain very generous international financial aid. This allows for a level of diversity and opportunity for international students – among them Italians – that would not be possible otherwise. And the international focus in US universities transcends this type of policies: many now require foreign language study of all their students and actively encourage semester-long international experiences. At the graduate level, furthermore, internationalization today is stronger than ever before. At the global stage, universities compete for talent like multinational companies, so foreign minds are some of the most coveted assets for success.

When it comes to academic staff, the US universities remain the most attractive destination, closely followed by select institutions in Europe. Although there are some signs of change in this arena, European universities by and large find it very hard to compete with the resources of their US competitors. Hence junior faculty are eager to move across the Atlantic for the research resources and allowance at top-tier American universities. Funding universities not only with public resources, but also through private endowments is at the core of this comparative advantage in terms of resources. This is followed distantly by how much students actually pay for their education.

The two phenomena above, in terms of students and their faculty, could potentially be described through the "brain drain" lens: it is a way for rich countries – and particularly the US – to "steal" high-potential labor from other countries around the world and keep it within its borders, contributing to their resources, infrastructure, and economy. Yet it is important to remember that this "human capital" is being trained and imparting training where it wants to be trained, meaning that people freely make the choice to emigrate. This could potentially be a temporary "drain" for the country from which they came, but that does not mean it is a "permanent equilibrium."

In fact, there is growing evidence that in academia we are witnessing one of the most successful instances of "brain circulation" in the context of globalizations. Foreigners go to the United States and Britain to study, but not all of them stay. Similarly, they conduct research and obtain graduate degrees there, but they also go back to their motherlands.

Many of them, it is true, may *want* to stay – but often they *cannot*. At least in the United States, the immigration scene very complicated due to a long-standing political stalemate between Republicans and Democrats. The latter, still guided by an immigration policy dating from the Kennedy era, have stifled many attempts Republican to introduce systems that would have favored high-skilled immigration over priorities of "family reunification." This is the kind of policy in place in other, more successful immigration systems, like that of Australia and Canada, as well as the new "blue card" system in the European Union and Britain's new points system. In the long run, it is the recipient country's loss to train this talent and then force it to leave.

Perhaps more importantly, graduates of the best universities flow toward the countries where their opportunities are highest. There is growing evidence that in the aftermath of the global financial crisis, more US-trained students are leaving for opportunities abroad. Even though foreigners were at the core of founding some of the most successful "new economy" companies (from Yahoo! to Google), research shows that most foreigners choose to leave – even when they could stay – because they overwhelmingly believe "America's best days are behind it."[1] Of course, this is affected by backward-looking data, including political disagreements, high unemployment, and others. But it is undeniable that countries from Singapore to Chile are struggling to attract the best talent by giving them incentives to start their businesses there. Future growth expectations from the developing world also encourage graduates to seek better opportunities abroad, reversing the "brain drain" trend toward developed countries.

Ultimately, in terms of academia, it is therefore possible to argue that the global circulation of the most talented brains leads to a phenomenon that we could call "brain training." Freer labor movement is not a one-way street toward developed countries, depriving developing countries of their best talent forever. Rather, if the developing countries implement the right open policies to encourage entrepreneurship and not stifle innovation under red tape, then both those committed to their motherland as well as those generally seeking opportunities will go. The success of Hong Kong and Singapore in attracting global talent should therefore be an inspiration to other developing countries seeking high-growth assets – but the regulatory framework needs to be encouraging, not discouraging.

[1] http://berkeley.edu/news/media/releases/2009/03/19_foreign.shtml

When it comes to academia itself, it would serve no purpose to want to prevent local talent from going abroad to be better trained. In fact, those who travel abroad often want to return despite the tough realities of their home environments – these are the people who, in the end, will bury the idea of "brain drain" forever, by using their foreign-found talent to better the lives and opportunities in their homelands.