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TAPPING INTO GLOBAL TALENT - Many returned home during the pandemic – can they be convinced to stay?

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European emigrants have been among those returning home during the pandemic. COVID-19 presents an important window of opportunity for origin countries to retain some of this returned talent.

When the COVID-19 pandemic broke out, stories abounded of city dwellers heading home or going elsewhere to ride out the event, with the aim of spending less on rent or being closer to family. Among those returning were a high number of emigrants, many of whom had been abroad for considerable periods of time. Some lost or quit their job, while others began teleworking across borders. However, estimates on the scale of returns are rarely accurate, due to the lack of data and the specific characteristics of the phenomenon (not least, in the current context, continued uncertainty regarding length of stay). According to official statistics, which likely underestimate the actual magnitude of movements, the number of Poles abroad dropped by 176 000 from 2019 to 2020. In Slovenia, the number of emigrants returning in 2020 was triple that seen in 2019, while in Finland, returns were up 12 per cent.

Amid emerging news of labour shortages, compounding the effects of a shrinking labour pool and forecasted demographic declines, COVID-19 offers an important window of opportunity to retain some of those who have returned. With most European countries looking to attract skilled workers from abroad as one method for meeting labour needs, encouraging the return of emigrants has been a component of several national talent, diaspora, and local development strategies, including those of Lithuania, Poland, and Spain. This drive to attract returnees has picked up further steam in the wake of the COVID-19 outbreak. The education and skills that emigrants gain abroad, combined with their local linguistic and cultural knowledge, make them an especially attractive group of global talent, including for countries that are more wary of relying on immigration or have experienced large outflows of citizens in the past. Given the need for skilled labour, not only to fill open positions but also to drive growth and innovation, returnees are an important source of tappable global talent.

Retention is key

The pandemic provided an opportunity to move home for some who had wanted to do so, or who had considered doing so in the past but were reluctant to make the move due to a lack of job opportunities or disadvantageous wage differentials. After all, many European emigrants left in the first place in pursuit of better career prospects. The rapid rise in remote work in many sectors has made moving home, whether within or across countries, a more

feasible option. For others, priorities may have shifted as a result of the pandemic, making returning home or reconnecting with their country of origin a newly attractive idea.

The initial decision to return home has always been a key target of talent attraction efforts. These include information provision, financial support, mentoring, and job search assistance to convince recent university graduates and other highly skilled diaspora members to start (or move) their career or launch a business in their home country. Indeed, by attracting emigrants home, the pandemic has in many ways done the government's work for them. The question now is whether these countries will be able to retain this returned talent.

This is no easy feat: Retention is a key challenge to tapping into global talent that pre-dates the pandemic, and is one that relates not only to returnees but also to global talent more broadly. ICMPD research in Lithuania and Poland, for instance, has found a plethora of challenges that may impede returnee retention, many of which are linked to (re)integration, including unclear and rigid bureaucratic procedures; negative narratives about emigrants and returnees; and the integration of children or partners, who may or may not have lived in the country before or speak the local language. Labour market opportunities and wage differentials have also been key obstacles to retention, although these may be of less concern for remote workers (in fact, the lower cost of living can be a selling point, especially for those keeping their bigger-city salaries). These persisting challenges all point to important areas for action to turn returnees' temporary stays into more permanent moves.

COVID-19 spurs new actions

Recognising the benefits that returnees could bring, some European countries have moved swiftly to seize this opportunity, with financial support the main new incentive offered to attract this group. Greece is offering a sizable tax incentive for those returning – a 50% exemption on income for the first 7 years for those meeting certain conditions. Portugal has extended its *Support the Return of Emigrants to Portugal* initiative, which offers financial support to returning emigrants through 2023, expanding the initiative to include emigrants and their family members who are self-employed or business owners. Croatians returning from other EU countries and ready to start their own business can now receive up to €26 000 in grants as part of the new *I choose Croatia* scheme. Meanwhile, Poland has combined its efforts to attract returnees with those to better understand COVID-19 and its impacts, launching a call for proposals to attract Polish scientists to return and conduct research on the pandemic at the country's universities and research institutes. To inform future actions, Finland is funding a research study exploring how the country can attract more returning emigrants and new immigrants.

NGOs have also stepped in to assist emigrants in their return and encourage them to stay, including groups formed by emigrants themselves, some with government assistance. In Italy, the Sicily-based organisation *South Working* is making moves to increase internet speed, create co-working spaces, bring young professionals together, and otherwise strengthen

infrastructure to support remote workers, with the ultimate aim of helping to reduce the North-South economic divide that has long marred the Italian economic landscape. Elsewhere in Southern Europe, the Serbian Returning Point initiative is helping returning emigrants to navigate the local bureaucracy and identify entrepreneurship opportunities.

Looking at the bigger picture

The COVID-19 pandemic has led to a situation that is unprecedented in recent times, and its long-term impacts remain to be seen. Unanswered questions that will help determine the ultimate success of returnee retention include: Will work remain remote after the pandemic truly subsides, and will this differ across sectors? Will teleworking returnees wish to stay working remotely, or will they opt to find a local job or re-migrate?

Those teleworking across borders might be able to have the best of both worlds: higher wages and lower costs of living. This group in particular may be ‘low-hanging fruit’ for governments seeking to boost returnee retention. Moreover, they may play an especially important role in the economies of countries with limited employment opportunities or less attractive offers. Many companies have already committed to a long-term shift to permanent telework, with surveys showing that 80% of European employers require or are considering requiring more employees to work remotely after the pandemic.

However, the question remains as to whether increased teleworking will spur changes in taxation schemes, and how might this shape returnee decision-making and local economies. Clearly, returnee policies overlap considerably with ‘digital nomad’ policies – a policy area that has also seen a flurry of activity during the pandemic given the spike in location-independent workers. Of course, not everyone can do their job remotely.

The majority of new initiatives targeting potential returnees have something in common: As in the past, they are relatively small in scope and limited in time – characteristics which tend to bring limited impact. Perhaps of most significance is the fact that these initiatives largely do not address the wider ecosystem in which returnee (and other talent) policies are situated. Nevertheless, the existence of a return policy retains a symbolic importance for emigrants, signalling that they are welcome to return.

To effectively reduce re-migration, assistance locating housing, support at school, and labour market access – in other words, reintegration services – are critical. The co-location of services in (digital and physical) ‘one-stop-shops’ is one way of helping to reduce returnee headaches. For their part, authorities and companies need to further invest in communication infrastructure and address legal and practical obstacles related to teleworking – elements of the ecosystem that are particularly important to address in light of the shift to remote work. Moreover, this ecosystem must also be addressed beyond solely larger cities, since returnees also go back to their home regions, which may not include the country’s capital or large cities that are more traditional destinations for global talent.

The pandemic provides an interesting and untested case for global talent policy – and time will tell how successful countries will be in tapping into returnee talent in the long run. Forward-thinking – and holistic – approaches are crucial for leveraging this (rare) silver lining of the pandemic, and policymakers would do well to act quickly before this window of opportunity closes. Nearly two years on, life in Europe is still on hold in many ways, but this situation will not last forever.

The commentary describes return migration and return-related policies in the context of legal migration in Europe. It does not refer to the return of irregular migrants.

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