



The EU is losing tech talent to the US

by Mikkel Barslund and Matthias Busse

Skills, labour mobility and Information technology (IT) all rank high on the European policy agenda and feature among the key priorities of the European Commission. Better skills promote employment and growth. Enhanced labour mobility expands employment and growth opportunities by fostering more efficient allocation of resources within the EU and by attracting and retaining talented individuals. And IT expertise enhances employment and growth prospects, since IT is a high-growth sector in its own right, the largest recipient of FDI inflows and an important driver of overall productivity increases. In sum, the EU's current and future prosperity depend on its ability to get its policies right in order to make progress towards meeting the Lisbon criteria and becoming "the most dynamic economy in the world".

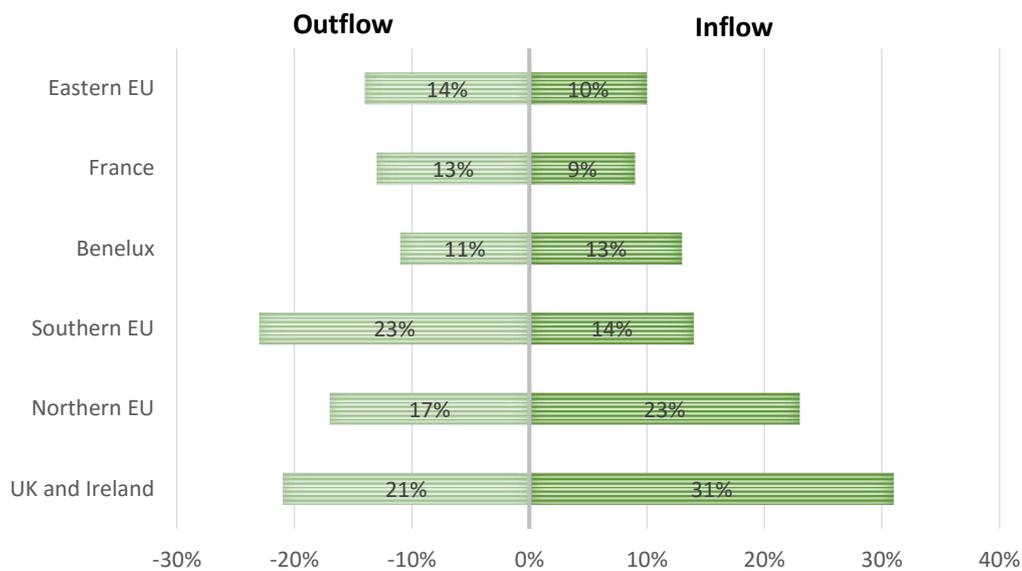
At the policy level the mobility of IT professionals is linked to the European Commission's policies via the (Digital) Skills Agenda, the Digital Agenda and the general focus on mobility.

In a [recent study](#) based on data from LinkedIn we produce new insights into how IT professionals move from one region to another within Europe and beyond. Such a study cannot be done using traditional data sources, such as the EU Labour Force Survey, which only captures intra-EU labour mobility at a highly aggregated level and does not capture mobility out of the Union at all. This also helps to explain why despite the many anecdotes one hears regularly these days about the loss of European talent,¹ very little is in fact actually known about this phenomenon.

Hence, we looked in detail at both the quantity and quality of the global interchange of IT professionals. It also investigates the behaviour of recent graduates and asks to what extent are they more likely to move – and where to. Thus, the study is also a first effort to gain insights into intra-EU mobility from large-scale non-traditional data sources such as LinkedIn.

¹ There is no clear definition of what constitutes talent or a consensus on how to measure it. In recent years, the term has often been overused as a synonym for "human capital". We apply a relatively broad definition with which we are comfortable seeing that we are focusing on IT workers (who nearly exclusively have at least a bachelor's degree), while keeping in mind that IT 'talent' in some cases may be disconnected to educational attainment.

Figure 1. Movements of IT professionals between EU regions, 2014



Source: [How mobile is tech talent? A case study of IT professionals based on data from LinkedIn](#), CEPS Special Report No. 140.

The key findings are summarised below:

- Intra-EU flows of IT professionals follow a general pattern of mobility: from East and South to West and North. Net flows are substantial and more so for recent graduates. In particular, the UK and Ireland are net recipients of IT professionals. The net inflow to the UK and Ireland is around 7,000 IT professionals, equivalent to roughly 1% of the employment in IT sectors in this region.
- The EU is losing tech skills to the US – especially those possessed by new graduates. A good estimate is that 10,000 more IT workers leave the EU for US than are coming in the other direction.
- The EU is also losing on quality – the best educated are more likely to leave. This is also the case for intra-EU flows. Furthermore, this is especially the case for recent graduates, where leavers are substantially better educated than IT people arriving.
- There is further potential for big data sources to inform the policy-making process – but obstacles remain on the path to achieving this potential.

Based on the findings in this study we call for the following policy measures to mitigate and make up for EU's net outflow of tech talent:

- easing the access to a visa for students who graduated from an EU university (automatic visa for, say, 6-9 months upon graduation across the EU). This would provide time for non-EU citizens to find a job after graduation.
- reforming the Blue Card Directive to allow non-EU citizens to view the EU as one common labour market;
- improving the standing and reputation of European universities in general to attract talent early on;
- paying attention to persistent net flows of talented people within the EU; and

- further experimentation with the use of big data sources for monitoring mobility trends, focussing on skills and return mobility.

See also [Barslund, M. and M. Busse, “Making the most of EU labour mobility”, CEPS Task Force report, October 2014](#) and Morehouse, C. and M. Busse, *How to keep a competitive edge in the talent game: Lessons for the EU from China and the US*, CEPS Task Force Report, London: Rowman and Littlefield International.

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