

LEVEL / STANDARD OF LIVING AND BRAIN DRAIN

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Summary

The migration of workers from one country to another has been known for a long time. In search of an acceptable job, people go abroad, in other regions for stay there for a long period. It is enough to recall the migratory flows of labor force from Portugal, Spain, Italy and Ireland, ex-socialist countries, CIS, etc. While in the European Union, labor migration has led to socially advantageous employment policies that have in turn facilitated the improvement and modernization of social security systems, by encouraging the free movement of persons, the migration of highly qualified labor force reduced economic capacity of countries and innovation and development processes. Migration has generated a number of issues related to the social rights of citizens abroad, such as the right to a social security and health insurance system, and jobs. The phenomenon of migration has social, economic and demographic implications at the national and international levels. It involves discrepancies in the demographic structure of society by age, gender and occupation. Low wages, stagnant economy and lack of confidence in tomorrow are just some of the basic premises of mass migration. Germany is not only one of the richest countries in Europe but also among the top five of the most prosperous countries with a high standard of living, being the target of the flows of migrant and refugees from Europe and the whole world. The life in Germany has significant advantages and disadvantages compared to other regions. The aim of the research is to investigate the dependence between countries' economic condition its standard of living and brain drain.

Key words: migration, living standard, pay, labor remuneration, income, pension level, labor market

JEL Classification: F23, J61; M21, O17, R12; R21

Introduction. Migration has seen a significant growth due to several factors. The facilitation of migration has become possible due to the liberalization of free movement of persons, human rights (Universal Declaration of Human Rights, adopted on 16 December 1948), differentiation of income levels by countries and regions, etc. The attitude of the local population towards foreign workers is ambiguous. The employers are willing to use cheap labor force, and local people gossip, complaining about the criminal situation. Such a pattern can be observed throughout the world - both in Europe and in other countries. But, regardless of our desires, labor migration continues to gain momentum and slowly change the face of the world, as shown by the statistics of people's migration on the Globe in 2019 [23].

The aim of the research is to investigate the dependence between countries' economic condition, standards of living and brain drain.

Results and analysis. Every day, thousands of citizens decide to leave their home place in search of a better life [7]. Poverty, lack of employment opportunities, low wages and the unstable economic situation - all these factors make the population leave their country year after year.

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Although Germany is among the leaders with a high standard of living, besides positive aspects, there are negative ones. The disadvantages of the fiscal system include a wide variety of taxes. The taxes have a fairly convenient and optimal structure. The entire tax system comprises more than forty different taxes paid by legal and physical persons. Most of the country's total budget is precisely due to the revenue from the tax system. In spite of high taxes covering all spheres of life, this approach allows Germany to maintain its socially developed sector. The taxes contribute to maintaining social guarantees and protecting all segments of the population.

Table 1. Standard of Living in Some Countries [1]

Nr.	Country	GDP (PPP) per capita, USD	
		2018	2023
1.	Qatar	128.702	158.117
2.	Macau	122.489	172.681
3.	Luxembourg	110.870	127.321
4.	Singapore	98.014	117.535
5.	Ireland	79.924	97.936
6.	Brunei	79.726	121.576
7.	Norway	74.065	84.736
8.	UAE	68.662	75.547
9.	Kuwait	66.673	76.465
10.	Hong Kong	64.533	79.770
11.	Switzerland	63.379	71.613
12.	USA	62.152	71.805
38.	Israel	37.673	43.932
	Globally	18.089	22.562

The state tries to distribute taxes in such a way as to equalize the difference between richer areas and the regions with a very low profitability. The tax system as a whole tries to avoid double taxation. For individuals, taxes may range from 19 to 53%, everything depends on the level of income. The maximum rate is used if a person gets an income from one hundred and fifty thousand euros and more. In addition, taxes can be withdrawn at a family rate on a special preferential basis. Thus, if a married couple has an income of up to sixteen thousand, it will in total pay no more than 23%.

Table 2. Level of Taxes in Some Countries [7; 12; 14]

Over 50%	%	40-50%	%	30-40%	%	15-30%	%
Belgium	56	France	49,2	Turkey	39,7	Japan	29,05
Hungary	54,2	Austria	48,8	Poland	39,7	Switzerland	29,5
Germany	52	Italy	46,5	Slovakia	38,9	Iceland	28,3

Over 50%	%	40-50%	%	30-40%	%	15-30%	%
		Holland	45	Spain	37,8	Australia	26,9
		Sweden	44,6	Norway	37,7	Ireland	22,9
		Finland	43,5	Portugal	37,6	New Zealand	21,3
		Czech Republic	43,4	Luxemburg	35,9	South Korea	20,3
		Greece	42,4	Great Britain	32,8	Mexico	15,1
		Denmark	41,2	Canada	31,3		
				USA	30,1		

The standard of living in Germany is high, but by estimating the income of the Germans, they are not the biggest compared to other countries in the Schengen area, although they are still high. The salary of a German depends largely on his/her profession and qualifications, the location of his job, etc.

Table 3. The Minimum Wage in Germany, 2019 [8; 12; 14]

Period, duration	Euro
1 hour	9,19
1 day (8 hours)	73,52
1 month (160 hours)	1470,40

Naturally, in more advanced and larger regions, income is much higher than in small provinces. The average income of an average German is about two and a half thousand euros a month. But this is not net income, this amount should still be taxed. In the first months of their work, immigrants can count on a thousand and a half euros. This is considered a normal minimum salary, slightly higher. On average, this is how much trade employees earn in Germany. The best paid job in Germany is that of a doctor, that receives, on average, up to fifteen thousand euros. Germany attracts nursing staff that are able to perform their work - for example, highly qualified nurses (Germany is in charge of attracting surgical nurses, medical staff to work with mentally ill citizens).

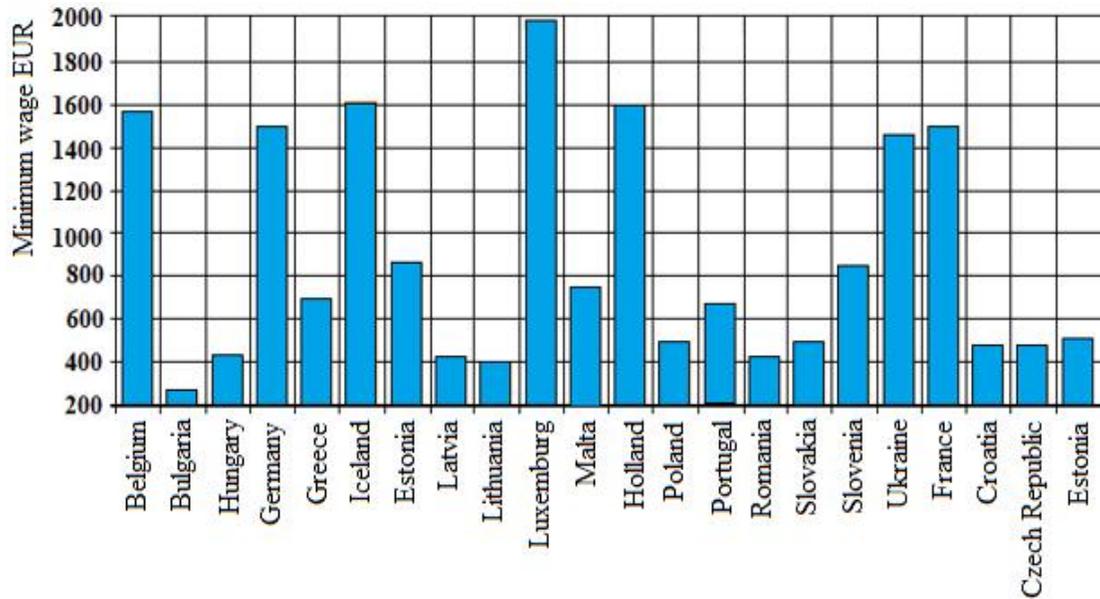


Fig. 1. Minimum Wage in Some Countries of Europe, 2018 [4; 8]

In Germany, a person whose job is a computer technician, can get more than an office clerk or economist. The teachers receive from six thousand euros, but these are not all categories, the majority have only 2500 EUR. Engineers in the construction and engineering industries are better paid compared to programmers or bus and taxi drivers; their salaries reach 1500-2000 USD. Life in Germany is measured taking into account only one job without perks and additional income.

The cost of living and the prices of many products are high, labor productivity is high, but based on the quality of products and services, it is worth it. Prices in Germany vary according to the region and its significance (West and East). The amount of the pension in Western Germany is up to 950 USD / month, in the East - 700 USD / month. In order to live decent (paying for public utilities, food, using public transport, relaxing in the bar, excursions, daily expenses are 150 EUR. If food is to be served in fast food cafes, the expenses will be up to 60 USD a day. Fuel prices reach 2 EUR. The price for beer varies between 1 and 3 EUR [13].

Given the rapid growth of the population on the Earth (Fig. 2), the competitive struggle for agricultural land (foodstuffs), deposits and raw materials intensifies to migrate to other regions with a higher standard of living, with good pay, with services impeccable social, decent pensions, secured jobs, shelter, social-political and economic security. Under these conditions, there is the brain drain and the migration of high-skill specialists to the countries with better conditions than those of residence. Reception countries prefer intelligent people, qualified specialists, innovative and experienced people.

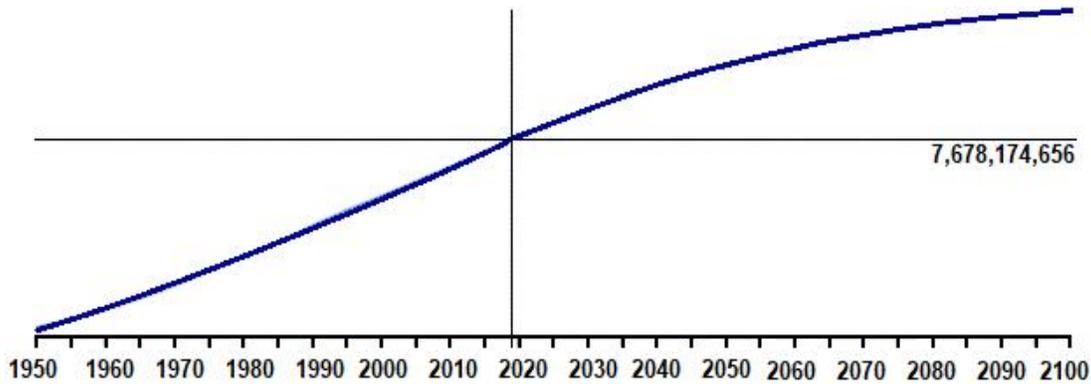


Fig. 2. The increase in population numbers on the Globe, a. 1950-2100 [3; 20]

Education in Germany takes place in kindergartens and schools. But the strong point in the education process is the performance and characteristics of the teacher. The cost of education for students, who are native citizens, consists of ancillary expenses (the cost of the home, rent, transport, etc.), because there is no tuition, they study for free.

Every citizen in Germany has to make deductions to the retirement fund, 19.5% of the monthly income. Half of the amount is paid by the employer. The retirement age is 67 years. One can retire until the retirement age if breaks have been made regularly in the last 5 years.

Table 4. The Amount of Pensions in Some Countries, 2018 [18; 21]

Country	Average amount of pensions, USD/month	Country	Average amount of pensions, USD/month
Denmark	2800	Hungary	400
Finland	1900	Poland	380
Norway	1542	Lithuania	298
Israel	1350	Russia	285
Germany	1200	Bulgaria	280
Spain	1190	Kazakhstan	210
USA	1164	Azerbaijan	202
Switzerland	874	Belarus	175
Sweden	833	Ukraine	142
Japan	717	Latvia	128
Great Britain	700	Argentine	96
France	700	Moldova	80
Canada	667	Uzbekistan	55
Italy	583	Georgia	40

One of the factors that attracts the migrants is the amount of the pension. For middle-aged people, this indicator is quite important. The author's research shows that in Russia in

families, where one of the members has higher education, the income is 20% higher than the average. If there are no people with higher education in their families, their well-being is $\frac{1}{4}$ below the average [5].

In New Zealand, people with higher education receive 7 USD/hour more than school leavers [22]. In the USA, people with higher education receive 1.7 times more, with Master degree - 2.1, with Doctor degree in science - 3.1 times. [5].

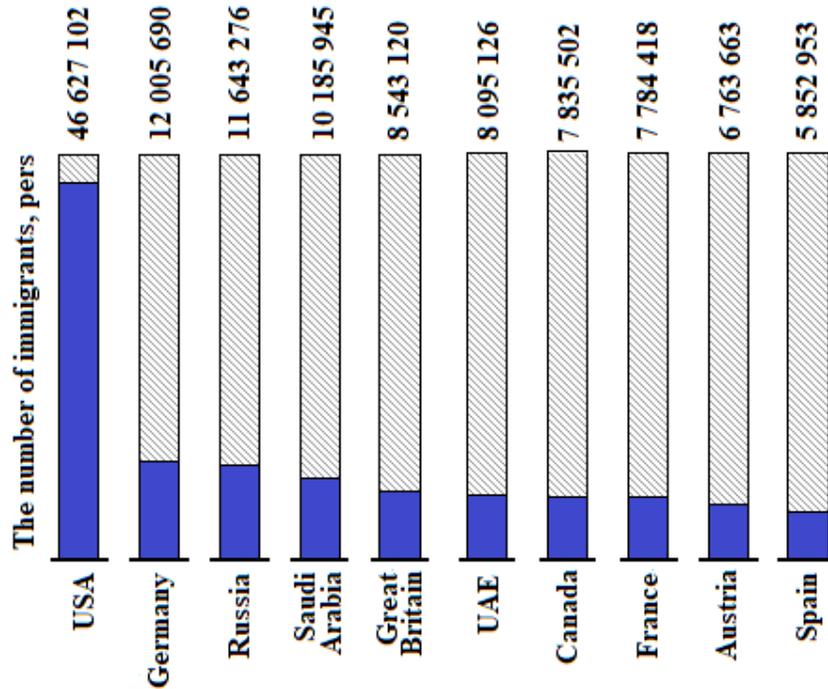


Fig. 3. Number of Immigrants from Some Developed Countries [2; 4; 22]

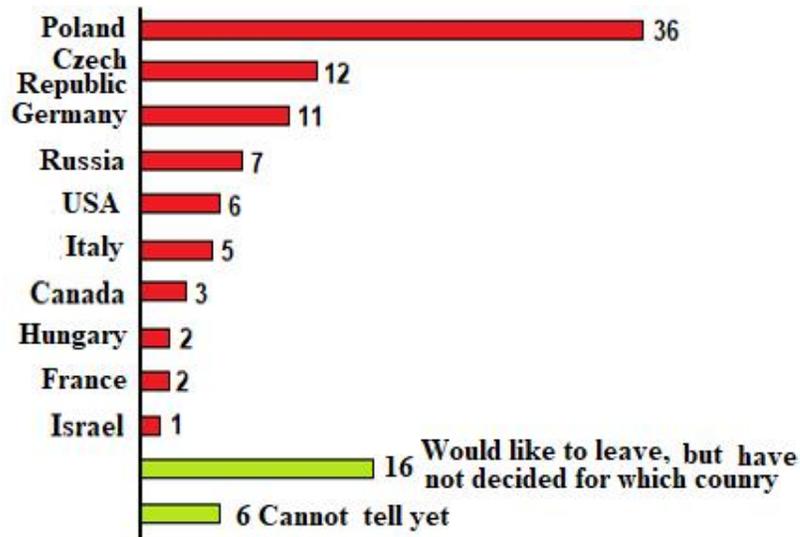


Fig. 4. Top Migration Destinations from Ukraine, 2018, % [13; 14]

The author would like to note that the population of some countries migrates to higher developed countries and migrants from other and poorer countries arrive instead. Most

respondents surveyed, 86% do not want to travel abroad in the next period for a long-term stay, and another 6% responded that they had not decided yet. The most popular country among potential immigrants is Poland (36%). 12% and 11% of the respondents chose the Czech Republic and Germany respectively. 7% of respondents chose Russia, and the US - 6%. 5% and 3% of respondents will go to Italy and Canada for a long stay. Those who chose Hungary and France made 2%. Israel [11; 12] is at the bottom of the list of the most preferred ten countries for emigration (1%).

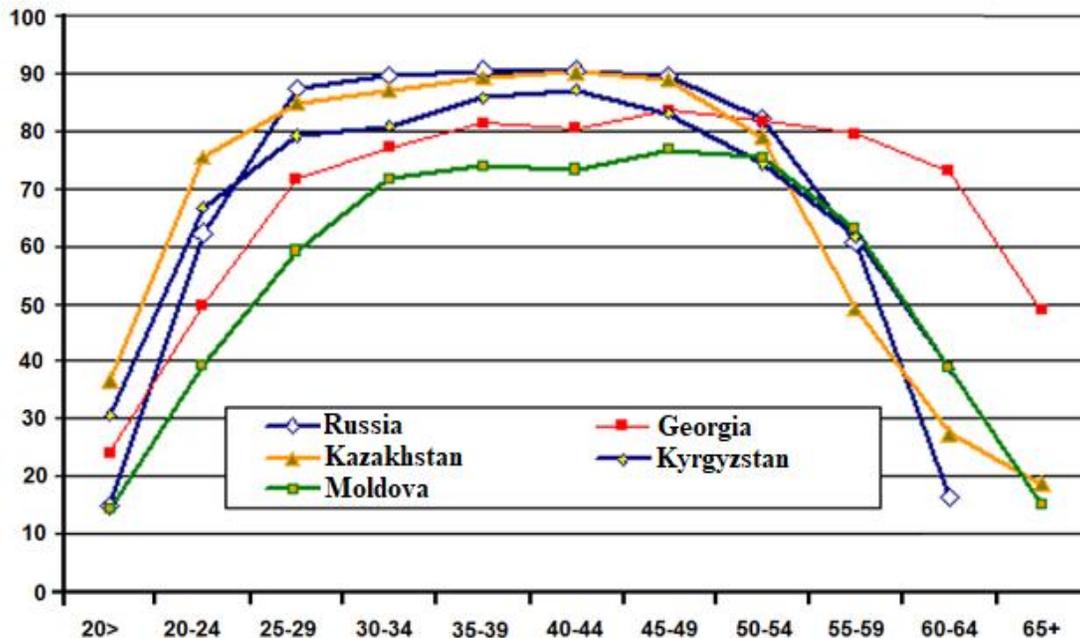


Fig. 5. Age Profile of Economic Activity of the Population in Some CIS Countries [4]

According to the statistics [10; 15], the extremely low levels of economic activity and employment (lower than the values of these indicators in many CIS countries) in the Republic of Moldova are characteristic only for young and middle-aged people. The peak of the level of economic activity and employment among Moldovans is in working age (over 45 and up to retirement age). The values of these indicators, calculated for the age of 50-54 years, show the smallest differences compared to the values of similar indicators in other CIS countries. Of course, the levels of economic activity and employment of retirement-age people diminish (but not as fast for Moldovans as for residents of other CIS countries).

As a result, for the retirees, the levels of economic activity and employment are "in the middle" compared to other CIS countries. Higher (or equal) indices are characteristic for the countries with low living standards and significant employment problems of population, while lower indicator values are typical for countries that have experienced economic growth in recent years and the situation on the labor market is not critical. For example, Kyrgyzstan and Georgia have higher and equal levels of economic activity with the Republic of Moldova, while Kazakhstan and Russia have lower levels.

The authorities have a negative reaction to labor migration, because instead of working actively in the country, applying their knowledge (in which much has been invested) in

practice, contributing to the GDP and the welfare of the country, migrants acquire knowledge and skills in other countries.

It is no surprise that wealthy countries actively attract high-skilled and innovative migrants (ready-made people), while in the country of residence there is a shortage of personnel. There are some programs applied in Australia, the USA and Canada, whereby visa applicants need to accumulate points. The candidate needs to know English perfectly.

Knowledge of the language is necessary to make sure you can communicate with local people and authorities. Furthermore, the authorities want to make sure you can communicate with them - for example, so that in court proceedings you do not need to look for a translator from an exotic language or dialect. It is not surprising that immigration involves a certain level of knowledge of the state language. The candidate must find a job with a salary three times as much as the average in the region. The age plays an important role: people of 18-21 years of age - receive 6 points; 22-25 years - receive 8 points; 26-30 years - receive 10 points; 31-35 years - receive 8 points; 36-40 years - receive 6 points; 41-45 years - receive 4 points; 46-50 years - receive 2 points; Candidates under 18 and over 50 years do not receive any points.

Studies are also important: the average school leaver gets 1 point, a person with a bachelor degree - 5 points (for the US diploma - 6 points), a person a master's degree in science - 7 points (US diploma - 8 points) – a person with a doctor’s degree -10 points (US diploma - 13 points). People whose knowledge of the language is at the level of 60% do not get points, 60-80% - 6 points, 80-90% - 10, more than 90% - 11 points, 100% - 12 points. If there is a job offer with the wage of 150% from the average salary per family in the area, a person gets 5 points. If the wage offer is 200%, a person gets 10 points, 300% - 13 points. For outstanding performances, international awards, the Nobel Prize a person receives 25 points, for the Olympic Games medalists 15 points are given. The investors in the economy with 1.35 million USD get 6 points, 1.8 million USD - 12 points [9].

In Canada, the following professions are in demand, specialists being accepted without confirmatory qualifications, only with job experience: waiters, drivers, vendors, etc.; low-skilled jobs: housemaids, field workers, road-harvesters, etc.

Table 5. In 2019 Canada Requires Employees [17]

Sphere	Category	Profession
Management	Type 0	Public top-level civil servants
		Top managers (in all spheres)
		Managers (in all spheres)
		Management in enterprises and organizations (in many spheres)
	Level A	Human Resources Specialists
	Level B	Administrative Workers
Finance	Level A	Accountants and audit specialists

Sphere	Category	Profession
		Analysts (on financial investments)
		Investment agents and brokers
		Professional consultants
	Level B	Accounting assistants
Education	Type 0	Administrators in professional institutions
		School headmasters (in primary and secondary schools)
	Level A	Teachers and university lecturers
		Professional Educational Assistants
		Teachers of professional schools
		Secondary school teachers
		primary school teachers and kindergarten educators
	Consultants in the field of education	
Level B	Teachers for children of the young age group	
Medicine	Level A	Nurses
		Therapists
		Psychologists
		General practitioners and family doctors
		Nutritionists
		Veterinarians
		Dentists
		Pharmacists
		Physiotherapists
		Managers in healthcare
	Level B	Specialists (technicians) in special medicine
		Dental protectors
		Dentists
		Eye specialist
		Specialists in traditional medicine
		Nurses (licensed)
		Medical workers on the ambulance
Masseurs		
Social and municipal sphere	Type 0	Heads of agricultural organizations
		Heads of housing companies
	Level A	Specialists in agriculture
		Social workers

Sphere	Category	Profession
		Workers on conditional release
		Consultants in the sphere of employment
		Marriage consultants
		Specialists in urban planning
		Specialists in social policy development
	Level B	Employees of social and municipal services
	Instructors for people with disabilities	
Culture	Type 0	Heads of museums, libraries, archives and art galleries
	Level A	Librarians
		Archivist
		Authors of literary works
		Literary editors
		Translators
		Producers (directors, choreographers, etc.)
		Actors
		Musicians and singers
		Conductors and composers
		Dancers
		Painters and sculptors
	Level B	Technical experts and specialists in archives and public libraries
		Officials in charge of keeping records of archives and libraries
		Photographers
		Operators
		Specialists in TV and Radio
		Announcers
		Designers
Tradespeople		
Fashion designers		
Sport and recreation	Type 0	Heads of organizations related to sports, rest, recreation and fitness
	Level B	Athletes
		Coaches
	Workers of sports organizations, referees	

Sphere	Category	Profession
		Instructors and managers of sports, leisure and fitness programs
		Tourism, travel and hospitality inspectors
		Organizers and creators of wedding ceremonies

According to the author's research based on Knight Frank's Wealth Report, in the years 2014-2016, 6,000 millionaires left Russia (in USD) [24].

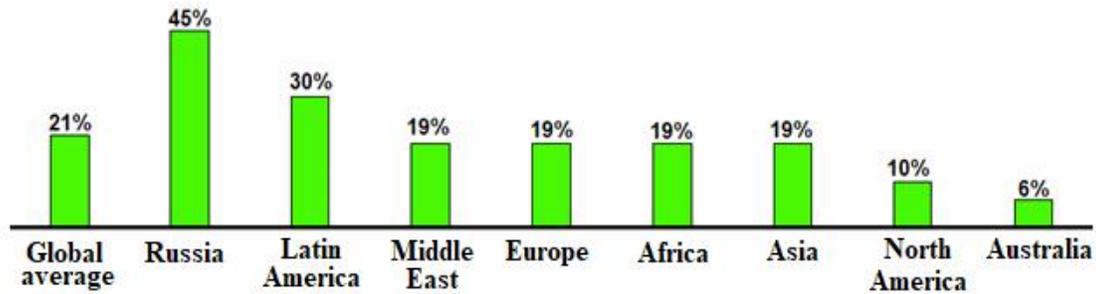


Fig. 6. The Share of Ultra-rich Millionaires Who Plan to Live Abroad [24]

The value of scientists or researchers is appreciated by the number of publications in Anglo-Linguistic journals, category A. Peter Ware Higgs, who received the Wolf Prize in 2004 and the Nobel Prize in Physics in 2013, told The Guardian: I think nobody would consider me productive enough if I started to look for a job in science. (Peter Higgs, the British physicist who gave his name to the Higgs boson, believes no university would employ him in today's academic system because he would not be considered "productive" enough. The emeritus professor at Edinburgh University, who says he has never sent an email, browsed the internet or even made a mobile phone call, published fewer than 10 papers after his groundbreaking work, which identified the mechanism by which subatomic material acquires mass, was published in 1964) [19]. Following his findings of 1964, Higgs published less than ten articles, so today, in his opinion, no university would employ him [16]. The scientific world is full of journals (mostly) in the United States, so no one has to move anywhere to become a participant in this process of brain drain. Research priorities, problems, and methods used by scientists are dictated by the dominant positivist epistemology at the expense of all other alternatives.

Conclusion

The problem of "brain drain" in the country is gaining momentum. In the context of globalization, when the importance of scientific potential, advanced technologies for national development and enhancement of global competitiveness increases, this issue becomes more and more urgent. Scientific migration directly affects national security in its new intellectual component. In these circumstances, the government and society should focus on the problem. The position and status of the country in the world in the near future will directly depend on

this policy. However, only a comprehensive tackling of the problem can lead to a positive result.

The migration of the skilled labor force is often called brain drain. It is no wonder that qualified innovators in developing countries leave their homeland and go to work in richer countries. The number of migrant workers, as it is stated in the official documents, exceeded 214 million people in 2018. If they lived in one country, then it would be fifth most populated country in the world, yielding only to China, India, the US and Indonesia.

These people differ not only by nationality, religion, but also by profession, skills and experience. Highly qualified specialists, of course, are a minority, but a very important one. Most people of this minority group come from other developed countries. Of course, not only people in developing countries are looking for a job in in other regions, although naturally there are more migrant workers in poor countries than in developed ones.

The mass exodus of specialists, qualified professionals, scholars, scientists and businessmen is a serious problem for the development of any country because it is precisely these resources that the country needs to become "a great power from an economic point of view".

The rate of brain drain has accelerated significantly in recent years. We believe that this issue will eventually become the number one threat for countries with aspirations for economic growth.

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