

# With financial incentives, Germany can tap into the potential of German professionals and students abroad to encourage their return

## Objective

**Bring back German workers and students from abroad with financial incentives**

## Implementation in China

- **Thousand Talents Program:** National policy for qualified overseas Chinese professionals with incentives like research funding, housing subsidies, and tax benefits to encourage their return
- Focus on fields of science, technology, and education
- **Young Thousand Talents:** Encourages return of Chinese students abroad with scholarships and incentives for post-study return
- **Personal motivations** for return: Professional advantages, domestic opportunities, economic optimism, family reconnection

## Outcome of Chinas measures

- Overall limited success with measures for return of Chinese workers
- **Increasing number of Chinese students** returning to China
- Challenges with **recognizing foreign degrees** and qualifications in contrast

## Germany's status

- At least **200,000 highly qualified Germans** are currently working **abroad**, and over 130,000 Germans study abroad.
- Current efforts on building a stronger bridge for German returnees, emphasizing **transparency** about opportunities, and providing increased **support** for their return and **reintegration**

## Policy recommendations for Germany

- Target highly qualified Germans abroad, especially in critical fields with similar **incentives as China**
- Facilitate **post-study return of students** abroad
- Welcome (back) culture and streamlining bureaucratic processes

## Possible Scenario

- **Objective:** 20% more skilled German workers return from abroad
- **Impact:** Yearly increase in the workforce by 40,000
- **Costs:** Accounted for financial incentives. Estimated in the low seven-figure range

# Background information about: Bring back German workers and students from abroad with financial incentives

Object	Additional information
Implemen- tation in China	<ul style="list-style-type: none"><li>• Personal motivations, including leveraging professional advantages and optimism about China's economic future, play a significant role</li><li>• Policies aim to address talent shortages and promote the country's development in strategic sectors</li></ul>
Outcome	<ul style="list-style-type: none"><li>• Initiatives to attract skilled Chinese nationals back to China have shown some success</li><li>• Impact is constrained when considering the broader population of educated returnees</li><li>• Growing trend of Chinese students returning post-study indicates positive strides in talent retention</li><li>• Challenges remain in the recognition of foreign qualifications</li><li>• Emphasizes the importance of ongoing policy enhancements to foster a more seamless integration of returning professionals</li></ul>
Germany 's status	<ul style="list-style-type: none"><li>• Estimation suggests at least 200,000 highly qualified Germans are actively employed abroad</li><li>• Growing initiative to harness the valuable experience of German professionals abroad</li><li>• Focus on strengthening the support system for German returnees and aim to foster transparency regarding available opportunities</li><li>• Provide enhanced assistance for their smooth return and successful reintegration into the domestic workforce</li><li>• Lack of concrete measures in place to capitalize on this pool of highly qualified Germans abroad</li><li>• Not prominently addressed in the Federal Government's skilled worker strategy, indicating a potential area for improvement in policy focus and implementation</li></ul>

## Background information about: Bring back German workers and students from abroad with financial incentives

Object	Additional information
Policy recommendations for Germany	<ul style="list-style-type: none"> <li>• Intensify efforts to establish a robust support system for German professionals returning home</li> <li>• Enhance transparency regarding career prospects and available support structures</li> <li>• Implement a comprehensive assistance program to address challenges faced during the transition back into the German workforce</li> <li>• Form foundational framework for a conducive environment for returning individuals</li> <li>• Develop a national-level return program, inspired by China's Thousand Talents Program</li> <li>• Offer enticing incentives, including research funding, housing subsidies, and tax benefits</li> <li>• Target highly qualified Germans currently working abroad, focusing on fields of critical need</li> <li>• Create tailored initiatives to encourage the return of German students studying abroad</li> <li>• Provide scholarships and incentives to facilitate their post-study return</li> <li>• Motivate students to contribute acquired knowledge and skills domestically</li> <li>• Streamline immigration procedures, simplifying bureaucratic barriers for a smoother return. Align with the approach adopted for foreign skilled professionals, inspired by the best practice in Canada</li> </ul>
Possible scenario	<ul style="list-style-type: none"> <li>• General emigration statistics indicate that approximately 78% of emigrants eventually return to Germany. It is important to note that this percentage might be lower for skilled professionals, given the assumption that they integrate better and establish themselves more successfully in other countries. Under this assumption, a realistic estimate suggests a return rate of around 58% for skilled professionals</li> <li>• If we aim to bridge this gap of 20% through financial incentives, it could potentially result in an impact of approximately 40,000 skilled professionals returning to Germany. If people emigrate and return annually, this figure is to be interpreted on a yearly basis</li> <li>• The associated costs primarily include tax losses and other expenses related to the financial incentives</li> <li>• Students were not considered in this calculation because of the assumption that most of them return to Germany after their studies</li> <li>• It's essential to carefully consider the financial implications and weigh them against the potential benefits of attracting skilled professionals back to Germany. The effectiveness of such measures would depend on various factors, including the attractiveness of the incentives and the broader economic and social conditions</li> </ul>