

# Brain drain in puerto rico



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PUERTO RICO BRAIN DRAIN CRISIS DANIEL VILLAFANE BUSN 5000 WEBSTER UNIVERSITY Abstract Brain drain refers to the large-scale emigration of a large group of talented, skilled and knowledgeable individuals. This situation is also commonly referred to as “ human capital flight. ” Globally, some general factors contribute to this situation. Puerto Rico has its own distinctive factors. Puerto Rico has a special relation, and a unique political status with United States that make it easier for islanders to find an opportunity in the greatest country of the world.

A concise timeline will show how and when “ Puerto Rico became an asset to United States. ” Remember, in financial accounting, assets are economic resources. Anything tangible or intangible that is capable of being owned or controlled to produce value and that is held to have positive economic value is considered an asset. While Puerto Rico suffers a “ brain drain” of human capital emigrating the host country enjoys a “ brain gain. ” Timeline of Puerto Rico and United States Relationship since the Spanish-American War 1898 - The Spanish-American War whereby Spain relinquished its sovereignty over Puerto Rico. 1900. The Foraker Act established the governing structure for the island of Puerto Rico. | 1917-The Jones Act granted U. S. citizenship to all residents of Puerto Rico. | 1947- Operation Bootstraps “ Operacion Manos a la Obra” based on an exemption for federal taxes, section 931 of the U. S. Internal Revenue Code. Provided for exemptions of federal taxes for corporations operating in P. R. Puerto Rico entered a period of rapid industrialization and strong economic growth. (Carrion, 2009)| 1952- Proclaimed the Commonwealth of Puerto Rico. | 1963-Industrial Incentive Act, Section 931, increased the period of exemptions for 17 years. Puerto Rico

became an important Center for the petro-chemicals and pharmaceutical industries. (Carrion, 2009)| 1976- Section 931 changes to a more financially attractive Section 936. In 1991 corporations accounted for 72 percent of manufacturing jobs in Puerto Rico. (Barbosa, 2010)| 1993-2000 Governor Pedro Rosello and Resident Commissioner Romero Barcelo lobbying in Washington against the Section 936 because they consider it as an obstacle to change the political status for the island and become the 51st State. 1993-President Bill Clinton proposed to eliminate Section 936 periodically during the next ten years. Economy start to decline and corporations stopped investing and start preparing to leave the island. Thousands of employees lost their jobs during this period. | 1994-North America Free Trade Agreement NAFTA makes Mexico and Canada more attractive to corporations. | 2005- Sections 936 and 30A expiration of the tax incentives. | 2006- The commonwealth's population had a steeper loss than any of the 50 states since 2006, according to the Census Bureau. Nasser, 2012)| General factors contributing to a brain drain situation globally There are some common denominators that provoke a large group of talented, skilled and knowledgeable individuals to emigrate. Some of these situations are well known as causes of Brain Drain. Many times high scholastic scores are recruited to study abroad. Upon concluding their studies, these individuals stay in the countries where they were educated. In several occasions individuals emigrate because the income is substantially higher.

Countries like United States and others well developed nations offer a great diversity of careers and major possibilities of advancement. Last but not least, there is another driving factor know as the standards of living. Factors

contributing to a brain drain in Puerto Rico Several factors identify causes of this emigration in Puerto Rico. First, the University of Puerto Rico's excellent programs of engineering, science and nursing. Recruiters for companies such as Boeing and Disney, NASA and other U. S. government agencies, school districts and hospitals from Texas to Florida flock to career fairs. Add that these students are bilingual; do not need a passport, visa or government permission to work stateside, and it's clear why they're a hot commodity, even in a down economy" (Nasser, 2012). Second, unemployment is still above 14%, compared with 8. 3% nationally (U. S. Bureau of Labor Statistics , 2013). Third, more than 20% of Hispanics in Puerto Rico have a bachelor's degree. " When you go to a job fair (in Puerto Rico), there are thousands of candidates" (Nasser, 2012). Finally, it is a reality that young people and families are leaving primarily for jobs, but also and sadly to get away from a spike in crime.

Negative effects This crisis is bringing some negatives effects in the short run as well as in the long run. Puerto Rico's median age will much older, as young people are leaving. This human capital flying situation also means that the best and brightest of your country are building someone else's society. Confusion and skepticism are created when political leaders doubt the reliability of their own citizens and become frightened when valuable workers and capital fleas their country in huge numbers.

Eventually this country, Puerto Rico in this case, could lose all of its inner strength due to scarcity of skilled domestic workforce. An a multiplier effect Multi National companies probably will avoid coming to Puerto Rico due to lack of capable workforce. It also put detrimental impact on the development

of basic infrastructure. People in the affected country suffer due to unavailability of doctors and engineers. “ Basically, brain drain makes a county hollow from inside and it is curse for developing nations” (The Gemini Geek, 2013). Brain gain

The brain drain that can causes damages to the economy ad future of one country could be the gold opportunity to another host country to flourish. This phenomenon is known as brain gain and is considered for many as a key time for a few cities to get ahead (Dimick, 2012). According to an article in the Smart City Web Newspaper one of the city with more benefits for this brain gain is San Antonio, Texas. Unlike much of the rest of the country, San Antonio is rapidly gaining 25-plus-year-olds with college educations and it is happening fast.

The change began in 2008; prior to then, when looking at top metros for attracting college-educated talent, San Antonio was nowhere to be found. Of the top 100 metros in the U. S. , San Antonio ranks as number six in brain gain – those over the age of 25 with a bachelor’s degree or advanced degree who have moved to the city. To realize the full potential of a talent economy, as Pittsburgh has done, San Antonio will need to produce talent. It shows you how important our universities are and how the decades ahead are so important to rise to even greater promise. SCM, RSS 2013) These “ stolen” minds have flourished and become some of the most successful people in America: 1. Judge Sonia Sotomayor is the first Latina to sit on the United States Supreme Court. 2. Dr. Antonia Coello Novello is a pediatrician who served as the 14th Surgeon General of the United States from 1990 to 1993. 3. Dr. Edwin Muniz M. D. , Ph. D. and Ed. D. , was the first person of Hispanic

heritage to be named Aerospace Physiologist in the United States Air Force and NASA. 4. Angel Rivero Mendez (1856–1930) was a soldier and businessman who is credited with inventing the "Kola Champagne" a soft drink. . Joseph Michael "Joe" Acaba is a teacher, hydrogeologist, and the first Puerto Rican NASA astronaut. 6. Pierre Omidyar of France founded Ebay 7. Sergey Brin of Russia co-founded Google. 8. Jerry Yang of Taiwan co-founded Yahoo. FACTS From 2005-2012 more than 400, 000 people from Puerto Rico left for the U. S. During the same time, just over 160, 000 people came to Puerto Rico from the U. S. Finally, the people who left Puerto Rico had higher levels of education than the people who came back = brain drain.

The completely opposite is happening in San Antonio according to the following extract from the report *The Brain Gain: The Rise of San Antonio's Talent Economy*, Smart City Memphis (2013). the same situation in San Antonio. The trend of return migration began in the suburban rings around cities. As parents did well in their two-degree households, they sent their children away to the best college they could get into. Once they finished school, the children left for big cities like Chicago and New York and these children of educated homes didn't just go to big cities, they excelled. At some point, perhaps for family issues or a desire to start a family, these people came home," observed Russell. " I'm seeing this trend explode across the United States and there's a major migration shift going on. " When they move back, they don't move back to the suburbs, they have acquired a taste while away for urban neighborhoods. When they come back to San Antonio, shared Russell, they seek out the neighborhoods that remind them of D. C.

or Brooklyn. (SCM, RSS 2013) Achieving equality through a higher education should be the goal of every vanguardist government.

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