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THE EFFORT OF THE ACADEMIC MOBILITY ON KNOWLEDGE ECONOMIC IN THE WORLD

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Abstract:
Since the beginning of the 21st century, conventional industry has changed to a small industry based on knowledge economy. Entire industries have been replaced by industries based on computer systems, and the development of human capital that operates the entire economy of knowledge has become a precious tool for every country. This paper analyzes the effects of academic mobility on the knowledge economy and examines the great contribution of mobility to developing countries and the world.

Keywords: academic mobility, knowledge economic, OECD, GDP, low tech

1. Introduction

The factor of the mobility trends of the higher academic students is for a lot of types in the economic knowledge, and also for the economic system in the country [8]. According to the OECD organization [5, 1], the factor on the economies are increasingly based on **knowledge and information**. Knowledge is now recognized as the **driver of productivity** and economic growth, leading to a new focus on the role of information, technology and learning in economic performance. The term knowledge- economy stems from this fuller recognition of the place of knowledge and technology in modern OECD economies. The factor from the mobility's of student can make the increase or unincreased in some indicators.

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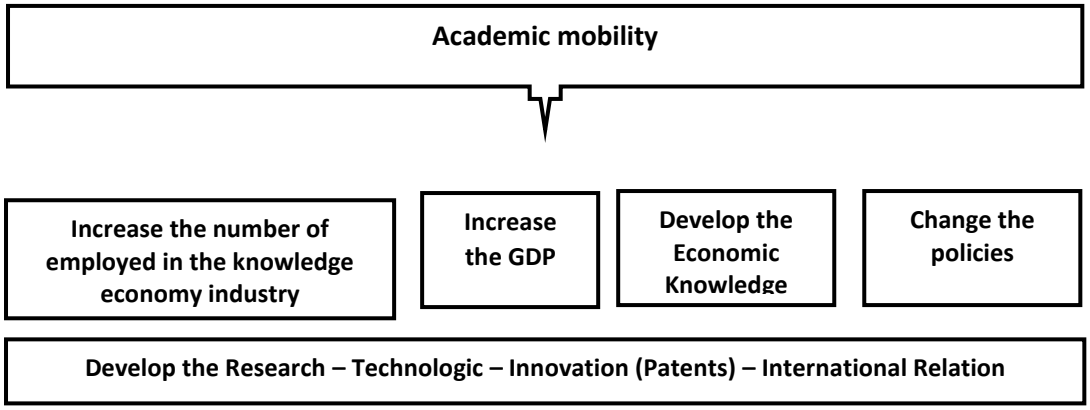
Figure 1.1: The factor of the academic mobility on Economic Knowledge



Source: Made by the Author from sources [12, 4].

2. Review of Findings and Effects

2.1 Increase the number of employed in the knowledge economy industry

From the mid-2007, with the high demand of academic mobility, there are signs that the EU began a process of catching up with the US in terms of employment growth. In the decade of the 2000, the EU saw an average growth in employment of 0.74% per annum, less than half the rate of US growth. The EU unemployment rate remained quite high and rose further during the first half of the 2000 (with a peak of 10.5% in 2004). In contrast, in the years 2001-10, the annual average percent growth in employment in the EU rose to an average rate of 1.35%, compared with 1.6% for the US, a much smaller gap than in previous periods. Thus in the second half of the 2010 European countries seem to have recovered a substantial capability of generating jobs and this have led researchers to speak about a "European job machine" [7]. The new economic knowledge which based on the factor of the academic mobility is marked by increasing labour market demand for more highly skilled workers, who are also enjoying wage premiums. Studies in some countries show that the more rapid the introduction of knowledge-intensive means of production, such as those based on information technologies, the greater the demand for highly skilled workers. In countries that change the policy for mobility of foreign students show that workers who use advanced technologies, or are employed in firms that have advanced technologies, are paid higher wages. This labour market preference for workers with general competencies in handling codified knowledge is having negative effects on the demand for less-skilled workers; there are concerns that these trends could exclude a large and growing proportion of the labour force from normal wage work [2].

2.2 Increase the GDP

The most important measure of economic activity in a country, the Gross Domestic Product is the crossing point of three sides of the economy: expenditure, output, and income. As a measure of well-being of a country for international and temporal comparisons, it provides a good first approximation [3]. Still, it ignores many crucial elements of general well-being, like environment conservation, safety, life expectance, and population literacy. In this respect, one should rather look at the Human Development Index. The three sides of GDP interact to determine the aggregate. An increase of effective demand (consumption, investment, public expenditure, exports) will increase GDP, provided national producers can meet the quality/price requirements of buyers. If not, imports will grow instead. If national production cannot grow for physical reasons, firms producing already at full capacity probably will decide to raise prices, vanishing effective demand with inflation. Some skilled emigration from developing countries can stimulate economic growth, but significant outflows create concern about a "brain drain." Those estimates find losses of ten to thirty percent and much more of the highly educated workforce from a few developing countries. There is little doubt that blanket statements are not warranted, but there is equally little doubt that skilled emigration creates challenges for some developing countries. Like most social processes, the net impact of skilled emigration from developing countries is a balance of direct and indirect effects. The most direct effect of skilled emigration is to reduce the number of educated workers who are critical to productivity and a developing country's economic growth, but it also sets in play a number of forces that can increase economic growth. For example, there are three major feedback effects of skilled emigration.

Return students, in particular, bring back their skills and work experience from abroad boosting productivity. Expatriates who remain abroad contribute money via worker remittances; and many observers claim that their transfer of knowledge or technology to developing countries can increase productivity and economic development. Neoclassical models find that a high level of skilled emigration slows economic growth and "new growth" models find an even greater reduction of economic growth and increases in poverty. Yet, the possibility of emigration for higher wages can stimulate persons to pursue education and domestic enrollments may increase. Average workforce skill is thereby increased and economic growth stimulated—there may be an "optimal level" of skilled students/emigration.

Finally, "brain exchanges" which become from the academic mobility (inbound & outbound) between countries characterize all advanced economies, forming one component of the flow of goods and information in a globalizing economy. A central challenge for developing countries can be to engage appropriately in the exchange of

skills taking place in the global labor market. Ready examples exist of developing countries engaging in and benefiting from the international migration for the trade in services.

According to Abramowitz [10], the macro-economic effects on value creation and employment depend on the amounts international students have to spend to cover their living expenses. In Switzerland, due to the high living costs there, students spend around 19,500 euros p.a. The cost of living is lowest in Poland, where student expenditure amounts to 4,800 euros. In the other researched countries, the money students spend on accommodation and consumption ranges from 9,000 euros in Spain, to 11,400 euros in the Netherlands. The value added calculated for international students in Germany amounts to around 8,000 euros per head [9]. The effect per individual is similar in the Netherlands, Austria, and Spain [8]. In Switzerland the gross value added per student amounts to 17,500 euros, and in Poland it is 3,900 euros. The aggregate value added contribution of international students in a host country is calculated by multiplying the above amounts by the number of international students. The aggregate amount is highest in Germany, at 1.28 billion euros. Connected with the gross value added effects are the employment effects. This is because beside additional capital, production of the additionally demanded goods and services also entails job creation. In 2011, in Germany this accounted for a total of almost 22,000 jobs. An examination of the relation between international students and jobs reveals that each international student in Germany leads to the creation of approx. 0.14 jobs. In Poland the relation is as much as 0.23 (5,700 in aggregate). For the Netherlands and Austria, the relation is 0.15 (totaling 5,000 and 8,800 jobs respectively), in Spain 0,16 (in aggregate 11,500), and in Switzerland the relation is 0.18 (or 4,100 jobs) [11].

3. Conclusion

The findings indicate that academic mobility, which reaches 4.3 million students a year, has a great impact on the world economy, and especially on the knowledge economy that is developing in many countries. We find a great difference between successful countries to increase demand for economic knowledge, and countries that do not give an answer to the brain drain (such as Greece).

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