

The Influence of Emigration Assumptions for Human Resources Development in Lithuania

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Abstract

Free movement of work force, although somewhat limited during transitional periods, provided freedom to choose both a place for work and living not only in the home country but also in the whole of the European Union. Increasing work force demand due to economic growth and aging of the local labour force in Western European countries promotes labour mobility. With regards to a considerably lower employment level, differences in income, career opportunities and migration, this context of technological and global market growth is characterized by a clear growth of labour force movement, as the main manufacturing and service factor. Soon after integration large numbers of Lithuanian citizens in their turn used these opportunities.

Key words: emigration, tendencies, reasons, human resource development.

Introduction

Unfavourable number of emigrants influences the growth of human resources; the overall and employable number of people is decreasing, while in the contemporary world human resources are considered one of the main assets and the most important factor in economic growth. Under the conditions of growing economy and demand for work force, the shortage of qualified work force is becoming one of the main issues slowing the economy of Lithuania. Having in mind the fact that often young, well-educated people (researchers, doctors, etc.) are emigrating, this problem is becoming even more relevant. The economic activity of human resources is related to work, work pay, taxation incentives.

Since times unmemorable people cannot be characterized as the ones settled in one place. Prehistoric migration is a gradual response to environmental and climatic changes, therefore earlier emigrations were mostly forced ones, while in this case we can observe a voluntary, sometimes motivated emigration in search of prospective future.

Migration, a powerful changing force of socie-

ty, is one of the results of global changes. This power solves and creates various economic, social and demographic issues. Migration provides the population opportunities to improve their living conditions while changing the residential and work places; it is a source of new labour force for countries. Economy is the first to feel its impact.

In the economy labour force migration is related to labour market conditions: people's employment, unemployment, income levels, social benefits, also general social and economic conditions of the country, living standards, etc. The final aim of an individual is to satisfy his/her personal aspirations, therefore the reasons for emigration do not necessarily carry only economic factors. Social, political demographic, cultural and historical factors are also worth mentioning. All these factors are interrelated and function together.

The problem of the research: the process of migration is supported (or at least should be supported) by migration policy, which usually depends on various factors. One of them (and by no means the only one) is economic one, as the migration policy is based upon economic interests, more exactly the situation in the labour market. Economical migrants undoubtedly contribute to the growth of a country's economy, while at the same time Lithuania in the process of losing its labour force experiences more loss than receives any benefits, therefore it is forced to look for means trying to reinstate the "lost ones".

It is necessary to admit that the present scope of emigration is dangerous to Lithuania. Large and economically strong Western countries compensate their emigration losses by Eastern European immigrants. Lithuania, unfortunately, still cannot compensate its emigration by anything.

Upon opening of the EU borders, emigration from Lithuania has reached an unprecedented level, which is regulated by not only Lithuanian, but also receiving countries' policies and labour market. Therefore, even if more favourable conditions are created it is not always possible to expect to keep the leaving ones. No matter how convincing the improvement of economic conditions might appear in order to reins-

tate immigrants, the latter find it relevant other than economic situation.

Psychological factor is also important, which goes in parallel with the economic one. Part of the people who left the country feel a certain amount of disappointment with Lithuania; while others, no matter how paradoxical it might appear, have the feeling of inequality (although it should be normal in a market economy); there are some who are afraid of taxes or poor social/health care; there are still others who do not find opportunities for self-expression. The latter factor is probably the most important, as an individual having left due to economic reasons is likely to return back, however, somebody who is unable to find a place under the Lithuanian sky may make a decision to never return. If the situation in Lithuania remains the same and the political elite do not change their attitude to staying in power, it would be naïve to expect to slow emigration or reinstate the émigrés (Žibas, 2006).

Regardless of these problems, the process of emigration can also be used positively. Firstly, the migration policy can be influenced by the distribution of benefit and loss of the migration process, which can be affected by several factors. In this case, Lithuania experiences losses caused by the emigration process, such as shortage of qualified (and unqualified) work force and decreasing and aging population. The number of taxpayers is also decreasing; therefore, one of the ways to positively use the process of emigration is attracting cash flows. This proves the problematic nature of the issue under discussion. The problem discussed in the article could be formulated as follows: what are the main assumptions that influence the increasing number of emigrants in Lithuania?

Object of the research: emigration.

Aim of the article: overview the main tendencies of emigration in Lithuania.

Methods of research: systematic analysis of scientific literature and statistical data.

The main assumptions for emigration in Lithuania

Emigration of today is a dynamic process of international migration, as Europe does not stand apart from globalization processes. An example could be current Lithuanian emigration assumptions, which are not new and have formed under the influence of different factors: political, demographic, social-economic, geographical and cultural.

Speaking of the ties with the Lithuanian communities abroad, several factors should be considered. First of all, it is impossible to ask an individual “out of the country” so easily, especially when he/she

has spent quite a few years trying to build wellbeing. Secondly, he/she will have to start everything from the beginning, especially when work nature-related specific skills are required. Thirdly, as Lithuanians abroad are characterized as hard-working ones, upon employment in another country they likely acquire better working conditions. The fourth reason is that most emigrants leave seeking the “dream”, therefore regardless of their status in another country, they still believe that Lithuania is a worse place to be, as the reason for leaving the country was purely to escape poor living. Five: a lot of emigrants are kept back by good social benefits, mortgages, loans on a car, etc. A number of other reasons exist, due to which the emigrants have no intentions to return to Lithuania.

So, retrieval of emigrants is a very complicated process, which is not only based on purely economic factors. First of all, it is important not only know the reasons for emigrations, but also the realistic migration situation in Lithuania and the countries receiving them: is contemporary emigration from Lithuania a long or a short-term phenomenon? Both, emigration and immigration strategies should depend on that, also paying attention to the Lithuanian labour market.

It is also essential to define emigrants’ social characteristics and only then create the retrieval strategy. A general impression is that relatively little is known about emigrants: in the recent 16 years the numbers vary from 200 to 500 thousand. Also little is known about their education level: on the one hand it is often written that the most capable and most educated are leaving and feared that Lithuania experiences a “brain drain”; on the other hand, it is often stated that people with secondary education are leaving.

Although the Overseas Lithuanian Support Centre’s initiative to start a new project helping to at least partially reduce the consequences of emigration and prepare a “brain retrieval” programme is welcome, it is obvious that without essential educational reforms doing that would be extremely difficult, as young researchers find it important not only have financial conditions, but also self-expression ones, which Lithuania is lacking today.

No doubt, assessing the real migration situation in Lithuania is very complicated, and after a few surveys conclusions are impossible to draw. Without emigrants’ social characteristics, defining an exact emigration situation in the country and emigrants’ status in the receiving countries it is difficult to guess the motivation of coming back and build a link between Lithuania and the Lithuanian communities abroad. Emigrants tend to organize communities based on their social status. The fact that fast mobilization of Lithuanian emigrants is generally impossible because of their different and unclear status, but also

by hostility among themselves should also be considered.

Upon arrival, an emigrant tries to adapt: majority try learning a local language if he/does not know one, getting to know the new society and lifestyle, takes care of personal wellbeing and status in the receiving society. Getting settled in the new country is not simple, this may take several years (more for some, less for others), that is why there is little time (and wish) for community activities and retaining Lithuanian identity. That is why even ties from the Lithuanian side with the Lithuanian communities abroad do not always give results.

It goes without saying that retaining emigrants is very complicated, often it is impossible, that is why

at first it is necessary to think whether it is worth to give the “brain drain” attitude and try creating such communities abroad which would integrate emigrants into the network of rights and commitments, and the centre for these commitments would be Lithuania (Žibas, 2006).

Data on real migration flows since 1990 differ due to their source and calculation methods. After the Census Lithuanian Statistics Department corrected earlier figures, this demonstrated that since 1990 the migration balance is negative and made up over 20,000 emigrants a year (Kasnauskienė, 2006).

Fig. 1 shows the Lithuanian Statistics Department’s data evaluation according to residence declaration and emigration surveys:

Number of emigrants (thousand)

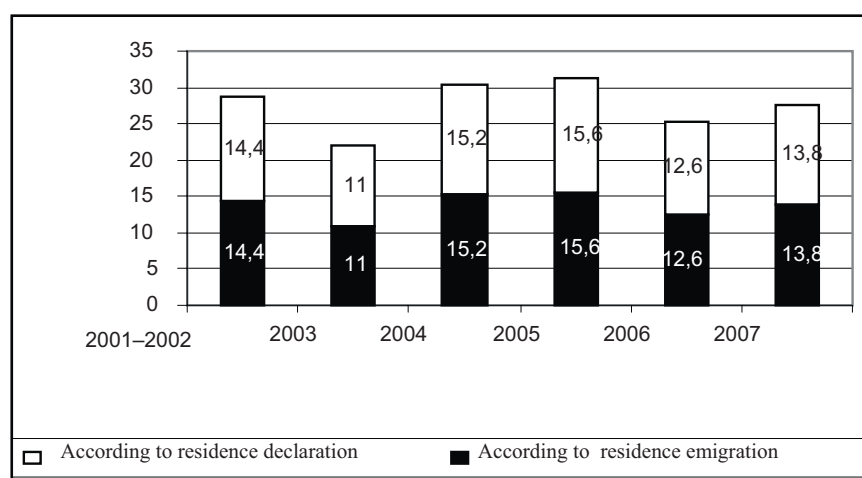


Fig. 1 Emigration in 2001–2007 per 1 thousand of population (Lithuanian Statistics Department)

Fig. 1 demonstrates that the largest number of emigrants in Lithuania was in 2005 and reached 31.2 thousand of population. Compared with 2005 it is clear that the number of emigrants decreased by 3.6 thousand. While comparing the period of 2001 to 2007, the lowest flows of emigrants are noticed in 2003 and 2006.

The main work force receiving countries are the USA, Germany, Poland, Ireland, Great Britain, Denmark and Sweden. According to various data of Lithuanian Statistics Department, in 1998–2000 almost 50% of all the migrants moved to Poland (19,1%), Germany (17%), (Great Britain (8,7%), Denmark (6,2%), etc. Official statistics shows that in 2004–2005 about 15,000, and in 2006 12,600 people left Lithuania. It is important to note that these data are registered migration, when people informed about the change of address. Although this duty provided by the law, citizens moving freely within the EU often ignore it. According to surveys carried out by Lithuanian Society Institute, the number of Lithua-

nian emigrants is 250,000; around 50,000 of them are in Great Britain, 30,000 in Spain, 30,000 in Ireland, 10,000 in Germany, 5,000 in Norway, in Andalusia, Spain alone around 35,000 Lithuanians declared their place of residence.

Based on the Lithuanian Statistics Department data it is possible to state that the proportion of educated emigrants is increasing. In 2006 one out five had a college of higher education, while in 2003 it was one out of seven. In 2006 the number of emigrants with secondary, vocational and basic education decreased, i.e. 2.6 times fewer than in 2005 and 10% fewer than in 2003. In the period of 2003–2006 more than half of this age group emigrants had secondary and vocational education.

The reasons why people go to other countries are many. These are economical, social, political, demographic, psychological and others. However, most often people leave the country due to economical reasons: seeking better paid employment, more definite social benefits, attempting a better self-realization in

the professional field or simply unable to find employment in their own country. It is believed that around 90% of Lithuanian citizens left their country due to economical reasons.

In 2006 over a half (63%) left with a purpose to work in another country. A year ago percentage of such individuals was 82%. The numbers of goers due to family reasons are growing, i.e. people leave to reunite with their family members who had left earlier, or having married a foreign citizen. In 2006 one out seven left due to this reason, while in 2003 it was one out of nine. The proportion of individuals leaving to study is growing as well – 4% in 2003, 14% in 2006 (Lithuanian Free Market Institute, 2006).

According to the Internet daily „Bernardinai“ (25-09-2005, www.bernardinai.lt), one of the main reasons for emigration, as stated by theoreticians and named by emigrants themselves, is increase of potential personal income. Comparative numbers for wages Lithuania and the EU countries demonstrate impressive differences. Minimum wages set by the Lithuanian government was 145 Euros, or 10-times lower than that in, for instance, Luxembourg (1,467 Euros), 8 times lower than in Ireland (1,183 Euros), Great Britain (1,197 Euros), etc. According to “Eurostat” data, twenty European Union countries have set minimum wages. According to its size, Lithuania was the fourth country from the bottom (minimum wages at that time was 600 Lt. or 174 Euros); alongside with Latvia, where the minimum wages was just a couple of Euros lower, we were only ahead of Bulgaria (92 Euros) and Romania (114 Euros). The highest minimum wages set by the government is in Luxembourg (1570 Euros), and Ireland 1403 Euros). The Government programme for 2004-2008 states that the minimum monthly wages reaches 800 Lt. According to Minister V. Blinkevičiūtė (2007), increase of the minimum monthly wages would accelerate further growth of Lithuanian commerce, average monthly wages, and reduce work pay differences between Lithuania and other European Union countries. However, in comparison with the old member states, this gap remains quite big and seems to remain for a long time ahead.

It is obvious that the main reason for work force emigration is much lower work pay compared to what is paid outside the country. Although motivation of the ones remaining in Lithuania shows that there are more reasons apart from the size of work pay.

Analyzing various survey data it would be possible to state that the second most important reason the citizens of Lithuania indicate is unemployment. According to the Lithuanian Labour Exchange data as of January 2006, the registered unemployed accounted for 4.1% of the total work force. Unemplo-

ment in September this year was 2.8%. Compared with September 2006, unemployment in this country dropped by another 0.5%, although alongside with decreasing unemployment the problem of structural unemployment still remains. Decrease of structural unemployment is set back by the increased minimum wages; however, such decision further limits the demand for unskilled labour, which constitutes the largest part of all the unemployed.

According to the Lithuanian Free Market Institute data (2006), one of the factors for emigration is drawbacks in the education system. An inflexible education system more weakly reacts to the market changes, what sort and what quality professionals are required by the labour market, therefore incompatibility between the needs of the market and newly trained professionals appears. The gap between the needs of the labour market means that extremely many “professionals” are unable to find employment according to their training and get into the market. Due to the centrally passed decisions, overproduction occurs, when certain aspects of education get too much attention, while the others remain out of reach.

According to data of the European Education Fund, Lithuania is at the top by the number of professionals with higher education. Such a situation does not satisfy employers, who have to buy a more expensive employee than it is necessary; nor it satisfies the employee, who expects a better, higher education corresponding job (accessed: 03-12-2007 www.delfi.lt). This also may be the reason for structural unemployment.

Another reason promoting labour force migration is the labour force demand in Western European countries due to growing economies in some and especially aging labour force in others. European countries experience society aging, therefore the old EU members clearly lack qualified employees in various fields – health care, IT, etc., what forces to look for employees in the new member states.

Another influential factor is the EU and the member state employment agencies and employee mobility promotion programmes. The EURES website alone presents around 900 thousand job offers in the EU countries. The governments of the European countries carry out campaigns of attracting employees into their labour markets. Language courses in Norwegian, Danish, Dutch, etc. are organized in order to attract more qualified employees into the vacant places.

Personal strategies which become the reason for emigration should also be mentioned:

- Seeking better education. As the education system is unable to compete for a part of potential students or researchers, therefore they emigrate to

seek better education or research work.

- Skills use and career strategy: migration in order to use opportunities offered by the receiving country.
- Family reunion strategy: migration in order to live together with the family.
- Capital concentration for stable adaptation under the market economy conditions. Emigrants seek to accumulate a certain amount of capital to start their own business or for other important expenditure, e.g. purchasing home, etc. As one of the reasons for the real estate boom realtors name the increasing demand for real estate due to the growing amount of money acquired in the West.
- The “new start” strategy: an opportunity to change social and economical environment and start everything from the beginning (Lithuanian Free Market Institute, 2006).

Most analysts, discussing the increasing number of individuals leaving the country, stress the economical aspect, which is, according to them, the main factor of such a phenomenon. However, neither the improving economical indicators (1998 and 2004), nor the new generation having grown up in the independent country, stop people from leaving the country, it even promotes this phenomenon.

Free movement of individuals

Free movement of labour force is one of the freedoms constituting the basis of the common market. It is a huge achievement to provide EU citizens with opportunities to seek better living and employment conditions within the EU; promote opportunities to improve the individual's living standard, at the same time reduce social tension and improve living conditions of the labour force remaining in the poorest EU countries.

EURES (*European Employment Services*) is a communication network uniting governmental employment institutions and their partners (trade unions and employers' associations) in all EU member states and Switzerland, Norway and Island. EURES cooperation is coordinated by the European Commission. EURES office aims at ensuring cooperation and information exchange among the member states and presenting the potential users this information, in this way promoting mobility in the European labour market. EURES – Lithuania network activity is financed by the European Commission (accessed: 02-11-2007 www.ldb.lt/).

Based on the European Community Agreement Article 39 (formerly 49), an employee is provided an opportunity to freely choose a place for employment in the whole of the EU territory. The right to move

freely in order to seek residence and employment abroad is one of the main European citizens' rights established in the Rome Agreement. Europe presents a huge employment opportunity. Individuals seeking employment get an opportunity to expand their skills and experience, also improve long term career prospects. Employers get better possibilities to choose employees, what is especially useful when an employer is looking for the specific qualification employees, the supply of which would be extremely limited.

The European Community Agreement Article 39 Part 1 states that employees can use the right of free movement; according to Part 2 it means that any discrimination of citizens regarding employment, remuneration and other work conditions is abolished; and Article 39 Part 3 states that the freedom of movement provides the right:

- Employ upon applying for a job;
- Move freely on this purpose in the territory of the member states;
- Get settled in the member state while seeking employment;
- Remain in the country's territory upon expiry of employment;

The most important act dedicated to employees is Regulation No. 1612/68, the main purpose of which is to make the movement of employees and their family members easier and ensure their integration into the community. This Regulation is described in three aspects: the right to get a job under non-discriminative conditions, the right to equal opportunities while at work and the rights provided to the family members (Barnard, 2006).

Migration supplies the wealthiest member states and regions with labour force, having influence on the economic growth of those countries. Economic liberalization of work force movement is based on the presumption that after obstacles to move freely are removed, citizens will move to the place with labour force demand, therefore work pay offered gets higher. This will promote work efficiency and more efficient resource distribution in the common market (Manual for Business in EU Common Market, 2002).

Conclusions

In summary we can state that an unfavourable number of emigrants makes a negative influence on the growth of human resources and this becomes one of the issues slowing the economy of Lithuania.

Having made an overview of emigration tendencies in Lithuania it is possible to conclude that payment received is the main factor increasing the potential of migration (according to data of 2007, 90% of respondents named this reason as the main

for emigration). The second most important reason promoting emigration is unemployment. Another reason is a growing demand for labour force in Western European countries, due to growing economy in some and aging society in others. The EU and member state employment agencies and mobility promotion programmes also contribute to that.

Speaking of emigration, most authors stress the idea that the most essential drawback of the legal documents (both EU and Lithuanian) is that problems related to free movement within the EU member states are solved only in the receiving country, without going into the reasons why an individual has left his/her country. One of opinions why there is no attempt to pass efficient political decisions in the receiving countries is that employees from abroad help improve the receiving country's demographic and economical situation, in this way impoverishing the donor country. It means that migration policy carried out by the receiving and the donor countries directly affect migration flows and ways.

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Emigracijos prielaidų įtaka žmogiškųjų išteklių plėtrai Lietuvoje

Santrauka

Laisvas darbuotojų judėjimas, nors ir suvaržytas pereinamųjų laikotarpių, suteikė laisvę pasirinkti gyvenimo ir darbo vietą ne tik gimtosiose šalyse, bet ir visoje Europos Sąjungoje. Darbo jėgos mobilumą skatina Vakarų Europos valstybėse dėl augančios ekonomikos ir senėjančios vietinės darbo jėgos didėjanti darbuotojų paklausa. Atsižvelgus į gerokai žemesnį užimtumo lygį, pajamų skirtumus, kvalifikacijos galimybes Rytų ir Vidurio Europos valstybėse, migracija šiame technologijų ir globalinio rinkos augimo kontekste gali būti siejama su akivaizdžiu pagrindinio gamybos ir paslaugų veiksnio, t. y. darbo jėgos, judėjimo augimu. Po integracijos į ES tokia situacija pasinaudojo ir daug Lietuvos gyventojų. *Tyrimo problema*: migracijos procesas yra (ar bent jau turėtų būti) paremtas migracijos politika, kuri paprastai priklauso nuo daugelio veiksnių, turinčių įtakos migrantus priimančiai ir siunčiančiai valstybėms Vienas svarbiausių (tačiau toli gražu ne vienintelis) veiksnių yra ekonominis, nes migracijos politika yra paremta ekonominiais interesais, tiksliau, situacija darbo rinkoje. Ekonominiai migrantai neabejotinai prisideda prie valstybės ekonomikos augimo, tačiau Lietuva, kuri praranda darbo jėgą, patiria daugiau nuostolių, o ne

gauna naudos, todėl yra priversta imtis priemonių, kad susigražintų „prarastuosius“.

Ekonomikoje darbo jėgos migracija siejama su darbo rinkos būkle – gyventojų užimtumo, nedarbo, pajamų lygiu, socialinėmis garantijomis, taip pat bendra šalies ūkio ir socialine būkle, žmonių gyvenimo lygiu ir kt. Galutinis žmogaus veikimo tikslas yra patenkinti savo asmeninius troškimus, tad migracijos priežastys nėra nulemtos vien tik ekonominių veiksnių. Paminėtini ir socialiniai, politiniai, demografiniai, kultūriniai, istoriniai. Visi jie veikia kartu ir yra susiję. Straipsnyje nagrinėjama problema galima suformuluoti klausimu: kokios pagrindinės prielaidos Lietuvoje turi įtakos emigrantų skaičiaus didėjimui?

Tyrimo objektas: emigracija. *Straipsnio tikslas*: apžvelgti pagrindines emigracijos tendencijas Lietuvoje. *Tyrimo metodai*: sisteminė mokslinės literatūros analizė, statistikos duomenų analizė.

Lietuvai nepalankus emigrantų skaičius turi įtakos ir žmogiškųjų išteklių augimui, mažėja tiek apskritai visų šalies gyventojų, tiek darbingo amžiaus žmonių skaičius. Šiuolaikiniame pasaulyje, atsižvelgiant į darbo rinkos sąlygas, žmogiškieji ištekliai yra vadinami pagrindine verty-

be bei svarbiausiu ekonomikos augimo veiksnium. Augant ekonomikai ir darbo jėgos paklausai, kvalifikuotos darbo jėgos trūkumas tampa viena pagrindinių Lietuvos ekonomiką stabdančių problemų. Ši problema dar aktualesnė turint omenyje tai, kad emigruoja daugiausia jauni, gerą išsilavinimą įgiję asmenys (mokslininkai, gydytojai ir t. t.).

Žmogiškųjų išteklių ekonominis aktyvumas susijęs su paskatomis dirbti, t. y. atlyginimų lygiu, darbo jėgos apmokestinimu ir panašiai.

Apžvelgus emigracijos tendencijas Lietuvoje daroma išvada, kad gaunamos pajamos yra pagrindinis veiksnys, didinantis migravimo potencialą mūsų šalyje (2007

metų duomenimis žemą atlyginimą emigracijos priežastimi laiko 90 proc. gyventojų (www.lrinka.lt). Antra pagal svarbą priežastis, skatinanti emigruoti, yra nedarbas. Darbo jėgos migraciją lemia ir didesnė jos paklausa Vakarų Europos valstybėse, dėl kai kuriose jų augančios ekonomikos, taip pat dėl visuomenės senėjimo. Prie to prisideda ES ir valstybių narių įdarbinimo agentūros, darbuotojų mobilumo skatinimo programos.

Apibendrinant teigtina, kad nepalankus emigrantų skaičius turi įtakos žmogiškųjų išteklių augimui Lietuvoje, tai galima laikyti viena pagrindinių Lietuvos ekonomiką stabdančių problemų.