

**HIGHLY - SKILLED WORKERS EMIGRATION
FROM LITHUANIA: THE REAL FACE OF
TODAY'S SITUATION**

Author:

**PhD student Jurgita Keršytė
Kaunas University of Technology
Institute of Europe
Lithuania**

2007

INTRODUCTION

Under the conditions of modern economy, knowledge development and its usage makes a great influence on labor productivity, competitiveness and development processes in the country. The evidence of this influence is the objectives described in the European Union strategic documents.¹ Despite the fact that these objectives are rather ambitious, Europe has no other way. The development of knowledge based² economy has to be ensured in whole European Union.

One of the main pillars of knowledge based economy is highly - skilled workers, which create knowledge, invent new innovative products or services. This workers category is highly welcome to every country, because they are responsible for sparking innovations, knowledge which directly determines the growth. In the global migratory flows it could be seen the significant increase of highly - skilled migrants.

After 2004 when Lithuania became the member of European Union, the openness to the global market strongly increased. This increase influenced many positive processes in economic, financial, cultural and social sectors. However, after this enlargement the emigration of highly - skilled people from Lithuania intensified. In this situation countries' investments for the preparation of highly - skilled professionals are being lost. Besides, the negative changes in the local labour market rised.

Purpose of research: to highlight the particularity of emigration of the highly - skilled workers from Lithuania and analyze the main tendencies of highly - skilled people emigration.

Object of research: emigration of the highly - skilled workers³.

Research methods: analysis of scientific literature, analysis of statistical data on migration, analysis of secondary sources.

I. HIGHLY - SKILLED WORKERS AS THE MAIN ASSUMPTION FOR THE DEVELOPMENT OF KNOWLEDGE BASED ECONOMY

Nowadays under the influence of *globalization* and *information technologies*, knowledge based activity becomes the necessity for the countries, which want to be the most competitive in the world market. Impact of knowledge to economic growth is evident and crucial. The few past centuries have witnessed several fundamental economic transformations and each of these transformations had fundamental implications for nature of society.

In the *agricultural society* the main factor of successful activity was land, which allows to grow more products. The *industrial revolution* laid the foundation of the transformation of agricultural economy to industrial. The life strongly changed in the industrial society in which the main task was to produce more and cheaper goods. The automation of productions' processes and cheap labor power became the main features of industrial economy.

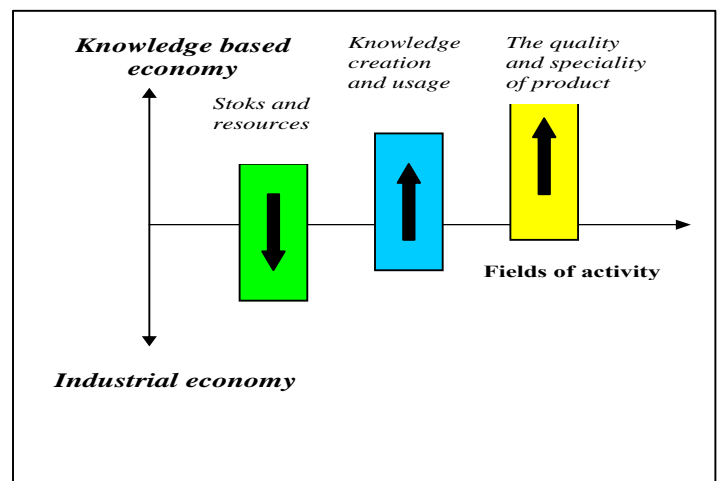


Fig. 1 . The variation of activity's character (Bielūnas, 2004)

¹ The main objective of the Lisbon Strategy is to make the EU the world's most dynamic and competitive economy by the 2010 deadline, in which harmonious economic development would be related with better employment of good quality and stronger social cohesion

² Knowledge economy is the economy of friendly environment to knowledge creation, acquirement, spread and usage. Besides, it is the unit of legal and managerial actions that can cause synergic effect only by operating all together.

³ Highly - skilled workers in this paper are the people who have higher education (Bachelor, MAster or Doctoral degree)

Industrial revolution of the 19th century and scientific revolution of the 20th century have established the conditions to rise of knowledge based economy. In this economy economic entities will nurture their innovative capacities by acquiring, applying and expanding new knowledge and contribute to further growth and development. The economies transformation is represented in figure 1.

The highly - qualified human resources are the main factor for knowledge based economy development which influences the competitiveness of countries economies. In knowledge based economy the human resource acts the main role. Abilities, skills and competence of human resources are the main factors for the development of knowledge based economy. It has to be noted, that one of the most important links between knowledge creation and acquirement, or in other words among creators of knowledge based economy, can be highly - skilled workers. According to the present situation in Europe⁴, it should be noted, that highly - qualified workers can transfer their knowledge rather simply and use it in order to successfully promote economic growth in other countries. Although Lithuanian membership in the European Union provides with many political, social, economic and cultural advantages, there is also a number of negative consequences. One of them is the danger to the stability of country's economic and social welfare caused by the emigration of highly- qualified workers from Lithuania.

Highly-skilled migration usually contains people with higher skills: managers, financial analysts, consultants of special services, scientists, engineers, computer specialists, biotechnologists, etc. (Castells, 1996). Highly- skilled workers have high degrees of expertise, education, or experience, and the primary purpose of their jobs involves the creation, disturbance or application of knowledge. They not only create new knowledge, but also use it in their work creating new products. New products based on the new knowledge become expensive good of market. The highest qualified workers in R&D create new products and in marketing package products and services in ways that appeal to customers. Without this category of workers there would not be new products and services based on new knowledge (Thomas H. Davenport, 2004).

II. HIGHLY - SKILLED WORKERS EMIGRATION: THEORETICAL APPROACH

Heisler M. O. and Layton - Hanry Z. stressed that migration is the large - scale movement and settlement of people from one country to another, is a phenomenon as old as human history. During history people migrate all the time from poorer states to much richer countries. Migration is not phenomenon of 20th century, but in this century its character changed, the flows intensified. It becomes one of the major global issues. According to International Organization of Migration nowadays about 185 billion of people live not in their native countries. European Union and European Free Trade Area's (EFTA) countries became one of the migration magnets.

According to the scientific literature which deals with the problems of migration, there are many theoretical approaches which attitudes and explanations of migration's processes are different. Below we will analyze some of them.

Neoclassical economic migration's models highlight that the main reason for migration is changes of labour market and differences of wages. According to this attitude, these reasons are the main important for the emigrants (Tedaro 1969, Jonanovich 1997, Kazlauskienė 2006, etc.)

For example *segmented labour market approach* stresses the demand of immigrants in the secondary sector of the receiving countries' labour market (Kazlauskienė, 2006). *The world theory* sees migration as natural consequence of unequal capital flows all over the world (Sassen, 1988, Kazlauskienė 2006).

Nowadays the big demand of highly - skilled immigrants in receiving countries could be noticed. Böhning, W. and Stalker P. (1994, 2000) maintain that highly - qualified people are very welcome in the new countries. Their demand is shown in Figure 2.

⁴ When Lithuania joined the EU and when the principle of the free movement of persons became operative.

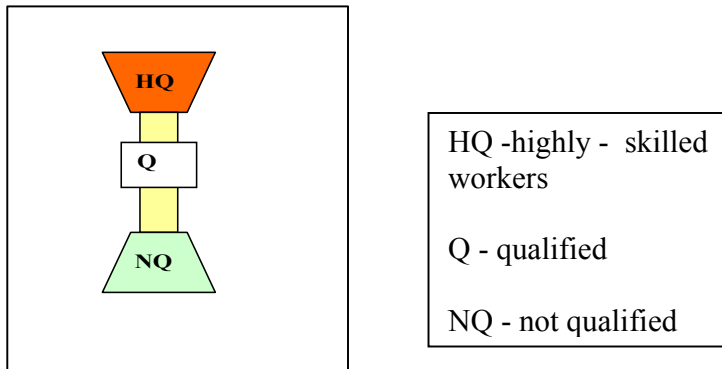


Fig. 2. Demand of highly - skilled workers in the countries

The phenomenon of highly - skilled workers movement is influenced by rapid progress of science and technology that generates a steady growth for highly - skilled labour force in the international labour market. Negative demographic changes with the ageing population in the advanced economies are other significant reasons to pull immigrant labour.

III. HIGHLY - SKILLED WORKERS MIGRATION FROM LITHUANIA

Recent Lithuanian international migration features continuously growing labour emigration. During 2001 - 2005 the emigration flows from Lithuania increased significantly. Contrarily, the flows of immigration to Lithuania increased low (see figure 3).

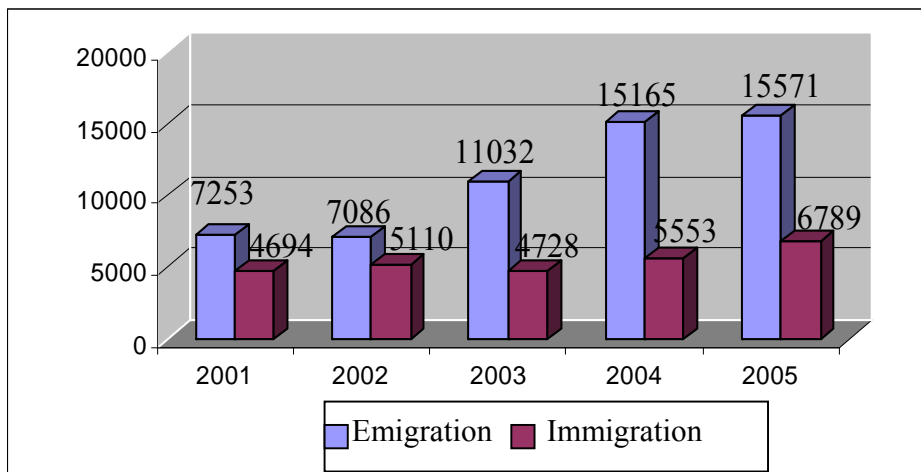


Fig. 3. International migration's flows in Lithuania

Data: Department of Statistics to the Government of the Republic of Lithuania (Statistics Lithuania),2006.

It should be noted that the main popular destination countries are USA, Canada, some Western European countries and some new migratory destinations as UK, Spain. Considering Lithuania's integration to the West structures, its migratory flows are likely to grow even more in the near future.

Lithuanian highly - skilled emigration has been analyzed by Lithuanian authors since the last decade of the 20th century (see Stankūnienė et al, 1996). First big migratory flows after 1990 were interpreted mainly as ethnic migration or repatriation of Russian, Byelorussia, Ukrainian, Jewish, and other people to their home countries and was mainly related to the political changes in the territory of Lithuania. Later with the opening boundaries to the West countries, big emigration of Lithuanians

directed to the West countries arose though it could be traced only by some facts provided by foreign immigration offices and unofficial papers (Kazlauskaitė A., Rinkevičius L., 2006). After the European Union enlargement the measure of this kind migration strongly increased. The enlargement of the European Union creates favorable conditions for the population of new member states to move freely from one country to another and find jobs in any country of the European Union. Better work conditions and higher income are the main stimuli inducing people to move from one country to another. Changes of social – economical and political conditions in Lithuania raise problems which were not actual earlier. Now Lithuania becomes emigrant producing country - the country which produces “brain”.

Highly qualified specialists, especially researchers, have always been relatively mobile workers. But now in Lithuania is the situation that the flows of this category of people are only one - way. During the period 2001 - 2005 years from Lithuania to other countries migrated about 12 thousands of people who have higher education (see figure 4). The figure below shows the importance of analyzed problem for Lithuania.

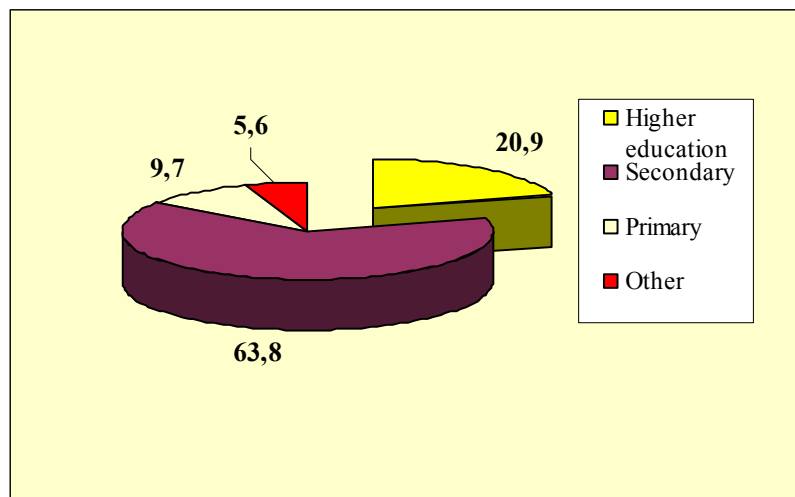


Fig. 4. Emigrants from Lithuania by the education (thousands) (2001 – 2005)

Data: Department of Statistics to the Government of the Republic of Lithuania (Statistics Lithuania),2006.

Lithuania in its industry and R&D sector needs more and adequately skilled workers, especially researchers. Such workers will be need in Lithuania in order to attain the targeted increase of investment in research by 2010. In is evident, that increased investments in research will raise the demand for workers who are able to make research. Although the number of students in Lithuanian university is rising (see figure 1), the problem is their emigration to other countries.

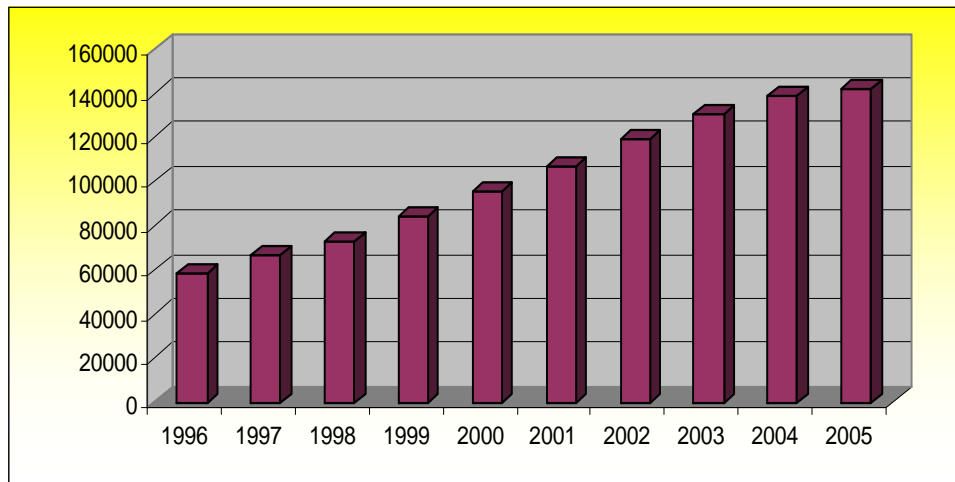


Figure 1. Students number in Lithuanian universities (1996 – 2005)

Data: Department of Statistics to the Government of the Republic of Lithuania (Statistics Lithuania), 2006.

The demand of highly - skilled category's workers in the labour markets are really high. Lithuania lose the highly - qualified workers in the main important sectors - IT, R&D, health security and etc. For this reason it is evident the decreasing potential of Lithuanian economics competitiveness.

Why Lithuanian "brains" emigrate? According to empirical researches and other statistical data, it could be crystallized out these main factors for emigration of highly - skilled people:

- better salary (salary which is relevant to results);
- better infrastructure/environment for living;
- wish to work with the specialist from the same field, which have more experience and have better equipment;
- to work to work with highest qualified workers in their environment;
- wish to travel and work in other societies and cultures.

It should be said that the highly - qualified worker's decision to migrate to other country is conscious and purposeful choice. The analysis shows that the main reasons of Lithuania's highly-skilled migration are professional attraction in foreign countries, socioeconomic conditions having mostly push effects, state academic system and collaboration manifesting itself both in push and pull effects, and state macroeconomic conditions and governmental policy showing mostly migrants' discontent with the general situation of Lithuania. Other factors such as ecological conditions and family reunification play much lesser role in this phenomenon of the highest skilled workers migration.

Emigration of highly - skilled people fro Lithuania is more affected by the attractive conditions in the foreign countries than unsatisfactory circumstances in Lithuania. Emigrants find the better conditions for their realization. Bigger salaries are the best motivation source.

It should be highlighted that now it is the big lack of highly qualified specialists in some brands of industry, but it is no attempts to retrieve them to Lithuania.

In Lithuania there should be consider how to prevent highest qualified human resources emigration from Lithuania and retain in the country those skilled and experienced specialists who fail to find their place in their area of their competence and leave the country. It is evident that it should be draw on experience of other countries and change the principles of financing education and

research and development if it is wanted to make Lithuania attractive place to its best brains. To this end it is needed to ensure a possibility for Lithuanian specialist educated and working abroad to take part in open tenders based on objective criteria. Financing system which would promote healthy and fair competition and help retain in Lithuania the best scientists. The salary system, which is related to the results, is the most effective motivation for employees. An attitude change toward those Lithuanian scientists who work abroad is needed. Some "brains" who left Lithuania did so in order to preserve the quality of their research.

- Lithuania should retain contact with scientists who have left and stay informed about where they are working. Scientists who are abroad should keep in touch with one another via the Internet. It is very important to develop
- Lithuania should inform its scientists working abroad about employment opportunities in Lithuania, e.g., by providing information about European Union grants for scientists.
- Lithuanian companies and the Lithuanian government should promote employment in Lithuania for Lithuanians who work abroad.
- Lithuanian scientists abroad should support one another and inform one another about opportunities of returning to Lithuania. A few who return could influence many others if they attract major funding, do quality research in Lithuania, and contribute to the economy.

Based on the findings of the research and considering the reality of growing problem of Lithuanian highly - skilled people emigration some recommendation should be given.

- At first, the salaries should be normalized and they should be relevant to the results. The main barrier for the development of Lithuanian science's potential is inadequately low salaries for research, lecturers and scientists. The salary of Lithuanian researcher is ten times less than in European Union. For example in Estonia the salaries for researchers is 2 - 3 times bigger than in Lithuania. They are too low and comparing with the salaries of public sector employees.
- Secondly, the financing of studies and research should be improved. Research is a key component of the "knowledge triangle"⁵ along with education and innovation, and is at the core of the EU strategy to deliver growth, competitiveness and employment while maintaining social and environmental sustainability. To become the "most dynamic and competitive knowledge-based economy in the world", Europe must increase its research effort to 3% of EU GDP and better exploit its capacities in this field, transforming scientific results into new products, processes and services. In Lithuania investment to R&D are extremely low in EU and other members states. Taking in account expenditure for R&D, Lithuania is lagging from USA, Japan and others countries. Expenditure on R&D is increasing but not enough. If in 1995 it made 0.46 % of GDP⁶ and in 2000 - 0.56 % of GDP, in 2005 it reached as much as 0.76 % of GDP.⁷
- The centers of studies and science should be created;
- The "brain" mobility between academic and public sectors should be ensured;
- The information's and communication's technologies "clusters" should be created and developed;
- The system of labour mobility should be simplified;

⁵ Phenomenon of triangle of knowledge includes three main elements of knowledge based economy - education, research and innovation. All these elements are very important for the development of knowledge based economy and knowledge based society as well. It should be emphasized, that the essential actors in all three angles of knowledge triangle are universities. Regarding to this, countries authority, industry and business as well as society at large should concentrate their power on the universities strengthening process. The task of Lisbon strategy will be reached only when the role of universities will be strengthened.

⁶ GDP - Gross domestic product

⁷ Data: Department of Statistics to the Government of the Republic of Lithuania (Statistics Lithuania),2006.

- The mobility between public, academic and private sectors should be ensured and promoted all the time;
- The networks of partnership of highly - skilled specialists and scientists should be created;
- The highly - skilled labour power should be used for countries economical development;
- The purposive grants should be ensured;
- The scientists from other countries, which research Lithuania and their social , political and economical processes should be supported.

All above mentioned facts are the concrete recommendations for the state's governments in order to preserve the flows of highly - skilled people from Lithuania. First of all, it is necessary direct state's efforts especially in the fields, which creates the great added value (IT, R&D and etc.). It goes without says, that it is necessary to promote the collaborations between academics. These relations are very important and play very big role. It should be mentioned, that all bureaucratic mechanisms, which are barriers for the implementation of new, innovative ideas should be eliminated.

However, these anecdotal tales mask a lack of data on highest qualified workers mobility which makes it very hard to analyze the full picture. Nevertheless, while many details remain obscure, it is clear that there is a net movement of researchers from developing to developed countries,

Conclusions

1. After the European Union enlargement (2004) when Lithuania became member of this organization, the emigration flows of highly -skilled workers from Lithuania strongly increased.
2. Attractive opportunities abroad have bigger effect on the highly -skilled people migration than unsatisfactory situation in Lithuania. The higher is emigrant's education the greater importance is given to the motives of professional realization.
3. The potential emigrants from Lithuania may be characterized by the same features as emigrants from other countries: emigrating persons are of younger age, they are better educated, more active and less dependent on other persons. The analysis shows that the reasons of migration of highest qualified people to other countries are economical and social.
4. Lithuanian government and other bodies of authority have two options. They can either support specialists within its borders or create suitable policies to bring specialists from abroad.
4. Reemigration of highly - skilled migrants are mainly influenced by their expectation of better work conditions and professional realization In Lithuania, however these are not the main reasons of the decision not to return.

References:

1. „Brain Drain – Emigration Flows for Qualified Scientists.“ MERIT, October, 2003.
2. Böhning W. R. and Schloeter-Paredes M. L. (1994). Aid in place of migration?. ILO.
3. Davenport T.H. Thinking for a Living, Harvard Business School Press, 2005
4. Johan W. Some Thoughts About Migration and Development [interaktyvus]. Available on - line: <<http://www.kbsfrb.be/files/db/EN/Migration%20and%20Development%20%20Issue%20Paper%20%2027012004.pdf>>
5. Immigration rules for highly skilled migrants. Available on - line: <http://www.tradeangles.fsbusiness.co.uk/articles/skilled_migration.htm>
6. Kazlauskienė A., Rinkevičius R. The Role of social Capital in the Highly - Skilled Migration from Lithuania/ Engineering Economics, No. 4 (49), 2006. ISSN 1392 - 2785.
7. Kazlauskienė Aušra, Leonardas Rinkevičius, „Lithuanian „Brain Drain“ Causes: Push and Pull Factors.“ Engineering Economics, 1 (46). Kaunas, 2006.
8. Knowledge Migrants The Motivations and Experiences of Professionals in the UK on Work Permits . Available on -line: <<http://www.dti.gov.uk/migrantworkers/km1.pdf>>

9. Labanauskas L. „Protų nutekėjimo“ problema Lietuvoje: medikų emigracija/ Filosofija, sociologija, 2006.
10. “Lietuvos gyventojų tarptautinė migracija, 2005.” Lietuvos statistikos departamentas. Vilnius, 2005
11. Lowell L.B., Findlay M.A. migration of highly skilled persons from developing countries: impact and policy responses [interaktyvus]. Available on- line: <<http://www.ilo.org/public/english/protection/migrant/download/skmig-sr.pdf>>
12. Skills development in the knowledge-based economy. Conference summary report. Available on - line. : <dsp-psd.pwgsc.gc.ca/Collection/C89-4-68-1999E.pdf>
13. Stankūnienė, V. Mobility of Scientists in Lithuania: Internal and External Brain Drain / V.Stankūnienė, P.Adlys, R.Sližys, A.Sipavičienė ir kt. Vilnius: Lithuanian Institute of Philosophy and Sociology, 1996, p. 111.
14. Stalker P. (2000), Workers without Frontiers. The Impact of Globalisation on International Migration, Lynne Rienner/ILO, Boulder, Colorado/London
15. Vavrečkova Jana et al, „Skilled Labour Migration and the Need for Qualified Labour.“ The Research Institute for Labour and Social Affairs Prague. Prague, 2006.