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Crisis and Migration in Lithuania:
Expected developments and observed paradoxes

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Emigration trends

- Very intensive emigration since 1990s
- 769 thousand people (or approx. *one fifth* of total population of 1990) emigrated from Lithuania during 1990-2012 (2011 census data)

- Especially high emigration after joining EU (in contrast to expectations); decreased emigration during economic growth (2006-2008);
- Due to crisis increased again/ new emigration wave ("evacuation")
- Currently (2011, 2012) a downward trend (?)

- Return migration is symbolic and was diminishing during crisis; *now show signs of increase*

- Net migration per 1000 population – the highest in EU

Destination

- **Main destination – EU, with absolute majority moving to UK and Ireland (first opened labour markets)**

- **Since recently – Scandinavian countries, esp. Norway** *(10-fold increase over 2008 – 2011)*
  (less affected by crisis, better labour market situation, better social security system, even for the unemployed)

- **Decrease to non-secure countries**

- **Expected increase to Germany and Austria after 2011 did not follow** *(however, anxiety regarding selectivity remains)*

Reasons for emigration

- **Economic reasons remain dominant (salary differences, better employment chances in abroad, etc.) Under crisis in addition to macro-economic factors (response to economic deterioration), micro-economic reasons**
  - ***Bank loans and other financial commitments (not possible to repay even having job)***
  - ***Mass business bankrupts***
  - ***Emigration as a survival strategy***

- **Social insecurity, social injustice ("social serfdom")**
- **Informal networks (80% find job via this channel)**
- **Studies, professional ambitions, self-realization.**
- **Family reunion (children joining parents)**
- **Etc.**

  - **Emigration as one of economic activity strategies**

- **Instead of return - migration to next destination; return probability diminishes**

Who are emigrants? What is the Impact?

•**Age composition** of migrants: over 60 % form migrants are aged 15-34 ; proportion of youth is further increasing

•Emigration potential – over 58 % of youth under 30 (approx.. 30% of total population) would like to move abroad for 6+ months

- **Impact** – aging population; worsening demographic indicators; increasing demographic and social burden on working;
- **Paradox:** labour force was not decreasing (until 2011)

•**Education**: 70% of emigrants have secondary or higher education (survey data)

- **Impact** - brain drain; brain waist; reducing possibilities for economic development/ innovations
- **Paradox:** changes in composition of workforce – the highest decrease observed among low-skilled workers *(demand remains)*

Who are emigrants? What is the Impact? (2)

- **Occupation** of emigrants prior to departure: in 2011 82% (85% in 2010) were unemployed;
  - **Paradox:** – unemployment is not decreasing correspondingly
  - **Impact** – Missed opportunities? *(who leaves – active, business oriented, those who can and do want to work/ do not want to live on social benefits)*

- Impact on **social welfare system**:
  - **Expected:** decreased social tension; reduced pressure on social welfare system
  - **Paradox:** welfare recipiency increased in times, - both in terms of beneficiaries and expenditures

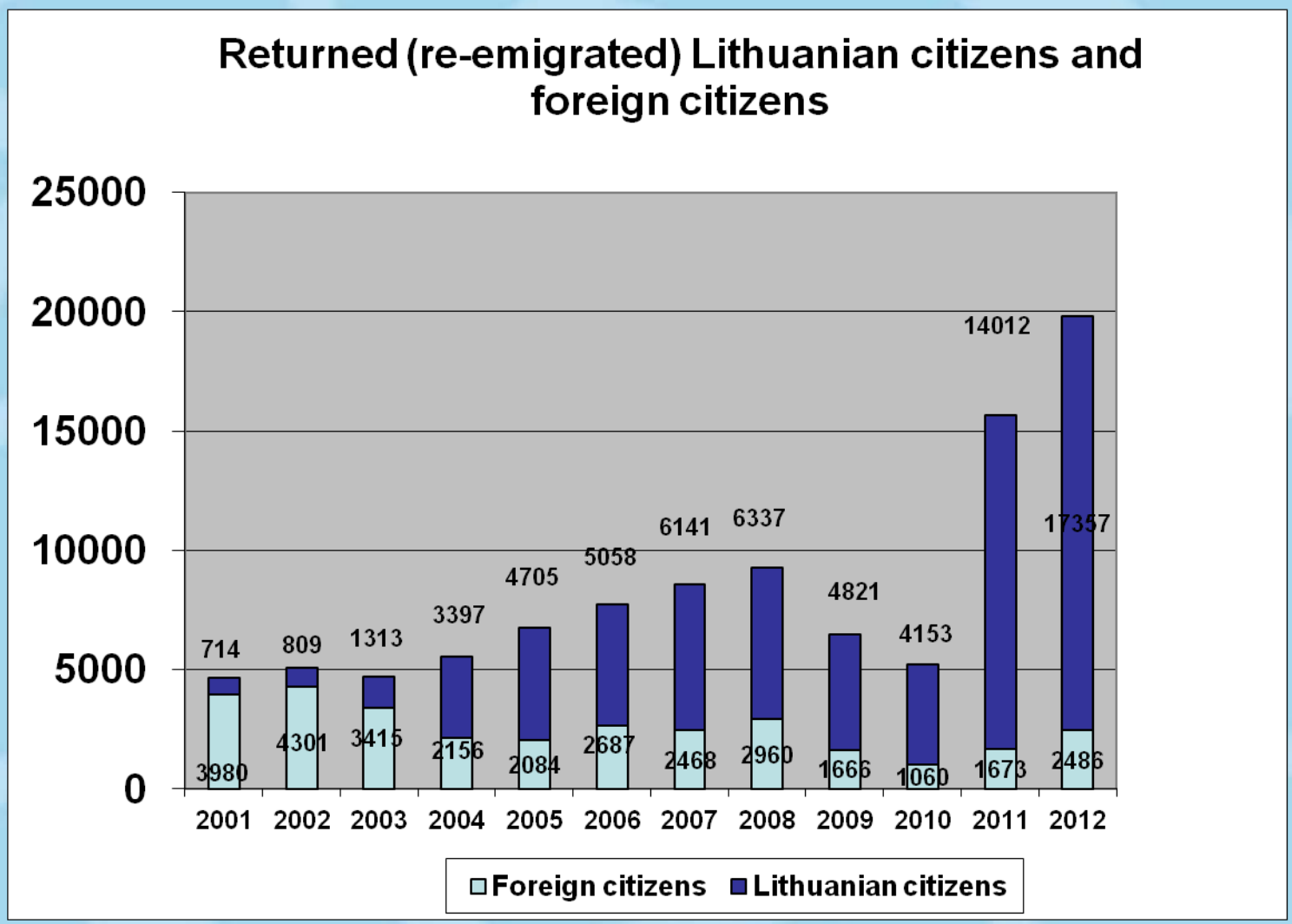
- Social consequences **at family level** – separated families, children left behind, etc. Long term consequences not known, not even evaluated

Remittances

- Remittances (financial): considerable support to the economy, families, lessening social tension, but...
  - Consumption, not investment
  - Remittance "addict"
  - Money flows in opposite direction not considered *(e.g. for UK – over 75 %)*

- Social remittances/ Impact of Returns: too small to make an impact; non-investigated

Immigration and Return migration



Foreign workers in Lithuania

Instead of Conclusion

- **EU position – encourage mobility/ aim – by 2020 to reach 20%**
  If we talk about emigration - Lithuania is already there (in 2020)

- **But…, mobility ≠ emigration**

  - **Mobility as free choice/ temporary/ returning with new expertise, etc.**
    Consequences: win – win – win

  - **Mobility as economic necessity/ survival strategy/ turning into de facto emigration (irreversible)**
    Consequences: win – win? – loss

- **The problem – how to turn**
  - **Win? -> win!**
  - **Loss -> win**

Government response

- ***No unambiguous Government statement/* position regarding emigration;**

- **All strategic documents on immigration or return migration come from pre-crisis period:**
  - **Economic Migration strategy** (implementation stopped in 2008-2009)
  - **Immigration strategic guidelines** (2007) – non-binding political document; no further practical steps related to conversion of this political document into Action plan
  - **Strategy "Global Lithuania"** (main goal – maintaining ties with diaspora; introduced a new approach to emigrant citizens/ they may be useful when residing not only in Lithuania, but also abroad; limited measures to encourage return)
  - Little to **no revision of immigration policy**, priorities; Immigration policy does not reflect imminent demographic and labour market problems and needs

<u>Most recent developments:</u>

Implementing Lithuanian Government 2012 – 2016 Program, 2013.03.18 LT Prime Minister's office established special Interagency working group/ commission aimed to develop **Migration policy guidelines;** to be prepared by the end of 2013..

Thank you!

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