

## THE ROLE OF MIGRATION FOR SUSTAINABLE DEVELOPING ECONOMY: LITHUANIA IN THE EU CONTEXT

Audronė Balkytė<sup>1</sup>, Manuela Tvaronavičienė<sup>2</sup>

<sup>1,2</sup>*Department of Economics and Management of Enterprises,  
Vilnius Gediminas Technical University, Saulėtekio al. 11, LT-10223 Vilnius, Lithuania*  
E-mails: <sup>1</sup>[audronebalkyte@gmail.com](mailto:audronebalkyte@gmail.com); <sup>2</sup>[manuela@vgtu.lt](mailto:manuela@vgtu.lt)

*Received 20 May 2011; accepted 18 January 2011*

**Abstract.** International migration has become a key challenge and concern in the European Union (EU) and most part of the world. On the one hand, the freedom to move to another Member State is the right guaranteed for all the EU citizens. On the other hand, emigration or immigration is a longstanding concern for policy makers in many countries. Generally, human capital is one of the future sustainable competitiveness resources. Moreover, now, as the Lisbon Strategy is being replaced by the new EU strategy Europe 2020 for smart, sustainable and inclusive growth (2010), there is evidence that mobility in the EU will increase. In order to achieve the goals of the strategy Europe 2020 (2010), especially employment target, the flagship initiative “Youth on the Move” places a lot of emphasis on mobility as in moving to another country to study, train or work. The perceptions of this research show that growing mobility can be followed with new migration trends in the future. Moreover, no single answer to the question what level of migration (emigration or immigration) should be tolerated in the context of sustainable developing economy could be provided. This research not only confirms this observation and theoretical problem of “sustainable migration” but goes much further by discussing the reasons why one of the highest emigration rates in the EU happened to be found in Lithuania.

**Keywords:** Migration, Emigration, Immigration, Mobility, Economic Growth, Sustainable Development, Employment, Human Capital, Competitiveness.

**Reference** to this paper should be made as follows: Balkytė, A.; Tvaronavičienė, M 2011. The Role of Migration for Sustainable Developing Economy: Lithuania in the EU Context, *Journal of Security and Sustainability Issues*, 1(2): 133–145. [http://dx.doi.org/10.9770/jssi.2011.1.2\(6\)](http://dx.doi.org/10.9770/jssi.2011.1.2(6))

**JEL classifications:** F24, F22, J11, J21, J24, J31

### 1. Introduction

The challenge of sustainable development leads to the mapping new future sustainable competitiveness resources (Balkytė & Tvaronavičienė 2010). Globalisation increases the need to evaluate the basic factors, such as land, capital and labour, with a new approach (Balkytė & Peleckis 2010).

Sustainable economic growth is impossible without sustainable developing of human capital. The inclusion of every person in the economy is particularly crucial in the context of globalization, knowledge-based economy and demographical changes.

Alas, the impact of the economic crisis has further deteriorated the employment possibilities in many European Union (EU) countries. The integration of people in the labour market is a major policy issue for the EU and many individual countries. High unemployment rate is seen as having negative impact not only on people’s financial and social situation but also for the economic growth and social cohesion at large as well as for sustainable development. Moreover, as a result, high unemployment levels in some EU Member States (especially the Baltic countries) as well as other reasons promote people to emigrate from the countries.

On the one hand, the freedom to migrate to another Member State is a right guaranteed for all EU citizens. From an economic point of view, there is a single market in the EU.

On the other hand, emigration or immigration is a longstanding concern for policy makers in many countries. Despite the fact that only 6.4 percent (in 2009) of people in the EU reside in Member States other than their own (Eurostat 2011), international migration plays an increasing role in most EU Member States. Some of them (for example, Spain, France, the United Kingdom) have challenges of the integration of immigrants, other (the Baltic States: Lithuania, Latvia) deal with growing emigration.

Generally, now, as the Lisbon Strategy process is being replaced by the Europe 2020 strategy (2010), there is evidence that the mobility in the EU will increase. A lot of emphasis is placed on mobility (as in moving to another country to study, train or work) in one of the flagship initiatives of the European Union strategy Europe 2020 for smart, sustainable and inclusive growth (2010) – “Youth on the Move” (Balkytė 2011).

Moreover, the new flagship initiative of the Strategy Europe 2020 (2010) “Youth on the Move” call for new research initiatives in the area of mobility issue and evaluation of its impact for the long-term economic growth for each individual country, especially for small populated countries with small economies like Lithuania.

The aim of this article is to focus on the role of migration for sustainable developing economy. This research looks at the Lithuanian case, in the EU context, specifically at the mobility and migration issues, providing a summary of recent findings about the last tendencies as well as new empirical evidence.

Despite the fact that mobility and unemployment is at the forefront of global policy debates and agendas, there is a lack of research initiatives of the role of migration for sustainable developing economy in some countries.

Due to the lack of research in Lithuania and perceptions in the context of migration, it is difficult to form a clear outlook of emigration extent as well as its impact on the future economic growth and sustainable development in Lithuania.

This research not only confirms this observation and existing problem, but goes much further by showing where the reasons of one of the highest emigration rate in the EU are to be found in Lithuania.

## **2. Migration in the Global Economy**

### **2.1. Theoretical Explanation and Research Focus**

Globalisation increases the need to evaluate the basic factors, such as land, capital and labour, with a new approach (Balkytė & Peleckis 2010). An economy's output of goods and services depends on the quantities of available inputs, such as capital and labour and the productivity of those inputs (Abel & Bernanke 1998: 182). The researchers introduce the growing role of natural resources (Balkytė & Peleckis 2010) for the future sustainable competitiveness, but sustainable economic growth is also impossible without sustainable developing of human capital.

Three different research levels can be pointed out concerning the migration issue: internal migration (at the EU level), international (external) migration (from the EU) and local migration in each Member State. Additionally, two types of research focus can be indicated depending on the migration issue: emigration and immigration.

Internal migration is human movement within the borders of a country, usually measured across regional, district or municipal boundaries (Human Development Report 2009: 15). From the EU point of view, migration inside the EU is a priority. There is a single market in the EU and the freedom to move to another Member State is a right guaranteed for all the EU citizens: “Every citizen of the Union has the freedom to seek employment, to work, to exercise the right of establishment and to provide services in any Member State” (Charter of Fundamental Rights of the European Union 2010).

Migration involves the movement of one's residence to another place. In some instances previous residence may be kept as a secondary residence (Nerb et al. 2009). International migration is human movement across international borders resulting in a change of a country of residence (Human Development Report, 2009: 15).

According to Sarvutyte and Streimikienė (2010), there is no single coherent theory of international migration only a fragmented set of various theories. For example, Iranzo and Peri (2009) developed a model of international migration that combines technological differences across the countries, trade of differentiated goods and heterogeneous workers. They applied the model to East-West European economic integration.

Immigration means an action by which a person establishes his or her usual residence in the territory of a country for a period that is, or is expected to be, at least twelve months, having previously been a resi-

dent in another country (Eurostat 2011).

The aspects of immigration are the research objects of Fangen and Mohn (2010). From a historical point of view, the interpretation of terms concerning migration issue is different from one society to another. For example, in France an “immigrant” was formally considered a person in the process of moving. According to French law, one is considered an immigrant until one receives a residence permit, and foreigner until naturalized, while in political discourse, an immigrant is a person born abroad who entered France in order to settle in French territory in a durable way (Fangen & Mohn 2010, p238). There is also a tendency in Spain for the label “foreigner” to be associated with people coming from rich countries, whereas “immigrant” is associated with people coming from poor countries (Fangen & Mohn 2010, p239).

The aspects of return immigration were introduced by Sipavičienė, Gaidys, Dobrynina (2009). Remigration is the research object of Glinskienė and Petuškienė (2009); Butkus and Matuzevičiūtė (2009); Didžgalvytė and Pukelienė (2010).

Emigration means an action by which a person, having previously been a resident in the territory of a country, ceases to have his or her usual residence in that country for a period that is, or is expected to be, at least twelve months (Eurostat 2011).

The problem of brain drain in Lithuania was introduced by Glinskienė and Petuškienė (2009), Didžgalvytė and Pukelienė (2010). Daugėlienė and Marcinkevičienė (2009) have developed the model of factors which stimulate brain circulation (the mobility of highly qualified persons between motherland and foreign countries).

Roman and Voicu (2010) introduced some socio-economic effects of labour migration on sending countries (Romania).

The research tendencies show that the most productive approaches are multi-disciplinary. Coleman (2008) evaluates the effects of migration on the population dynamics of the European countries. The relationship between interregional mobility at the municipal level and the local housing structure was analysed by Bložė (2009). Jančaitytė et al. (2009: 11) introduced the relationship between migration and globalization (economic, political, information, social and cultural).

The term “mobility” is used in the new European Union (EU) strategy Europe 2020 for smart, sustainable and inclusive growth (2010). A lot of emphasis is placed

on mobility (as in moving to another country to study, train or work) in one of the flagship initiatives of the strategy – “Youth on the Move” (Europe 2020, 2010).

Despite the fact that mobility issues are at the forefront of high-level policy agendas and different aspects of migration are the research object of researchers, there is a lack of research initiatives of the role of migration for sustainable developing economy.

Generally, further research and theoretical perceptions are needed for the evaluation of the one of the sustainable competitiveness resources – migrating human capital – impact for future sustainable developing economy in the EU and each Member State, especially for small populated countries with small economies like Lithuania.

## **2.2. International Migration: a Comparative Overview of the Global Tendencies**

The share of international migrants in the world population has remained remarkably stable at around 3 percent over the past 50 years despite the factors that could have been expected to increase the flows. Every year, more than 5 million people cross international borders to go and live in a developed country (Human Development Report 2009).

According to Hatton and Williamson (2009), the European mass migrations before 1914 suggest that emigration typically traces out what is sometimes called the “migration hump” and what we call an “emigration life cycle”.

Four main groups of countries are usually distinguished in the OECD (Jean et al. 2010) based on their migration background. Firstly, traditional settlement countries (Australia, Canada, New Zealand and the United States of America) are nations essentially built as a result of immigration and continue to admit significant numbers of newcomers for permanent residence. The second group is formed from the European states with post-war labour recruitment (Austria, Denmark, Germany, Luxembourg, Norway, Sweden and Switzerland). Thirdly, in other Northern European states (Belgium, France, the Netherlands and the United Kingdom), most immigrants came from former colonies. Finally, new immigration countries (Italy, Greece, Portugal and Spain) which have only recently begun to experience net inflows of migrants.

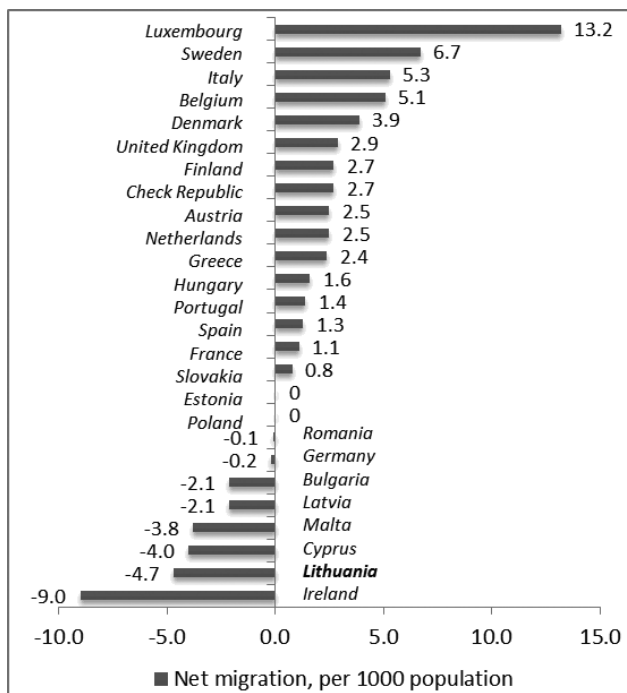
Currently, 6.4 percent (2009) of persons in the population of the EU are not citizens of their country of residence (Eurostat 2011). However, situations differ

across the countries (Table 1).

**Table 1.** Non-nationals among Residents  
 (Percentage of Population, 2009) (Source: Eurostat 2011)

Percent of population	EU Member States
≤ 2	Poland (0.10), Romania (0.10), Bulgaria (0.30), Slovakia (1.00), Lithuania (1.20), Hungary (1.90)
(2 – 5]	Finland (2.70), Slovenia (3.50), the Czech Republic (3.90), the Netherlands (3.90), Portugal (4.20), Malta (4.40), the United Kingdom (6.60 in 2008)
(5 – 10]	Denmark (5.80), France (5.80), Sweden (5.90), <b>European Union (27 countries) (6.40)</b> , Italy (6.50), Greece (8.30), Germany (8.80), Belgium (9.10 in 2008), Austria (10.30)
(10 –15]	Ireland (11.30), Spain (12.30)
(15 – 20]	Estonia (16.00), Cyprus (16.10), Latvia (17.19)
> 20	Luxembourg (43.50)

International migration plays an increasing role in most EU Member States. Net migration (Fig. 1) means the difference between immigration to and emigration from a given area during a year (net migration is positive when there are more immigrants than emigrants and negative when there are more emigrants than immigrants) (Eurostat 2011).



**Figure 1.** Net International Migration of the EU Member States (per 1000 Population), 2009 Source: Eurostat 2011

According to Eurostat (2011), Lithuania had one of the highest net negative migration (-4.7 in 2009) in the EU, and in 2009, net negative migration from Lithuania was three times the 2007 level. Lithuania is not a major destination for asylum seekers. In contrast, Spain, Germany and the United Kingdom received more than half of all immigrants in the EU.

Even in the current crisis astonishing number of job vacancies remain unfilled and intra-EU job mobility can help match better labour market needs and improve human capital deployment (Social Agenda 2010: 27). Eurobarometer survey found that 17 percent of the Europeans envisage working abroad in the future and 48 percent would consider looking for work in another country or region if they were to lose their job. The majority of mobile people in the EU are between 25 and 34 years (Youth on the Move 2010).

Moreover, it is clear that negative net-migration rate (higher emigration level) can be expected in countries with high unemployment level (Table 2).

**Table 2.** Total Unemployment Rate in the EU Member States, 2010 (Source: Eurostat 2011)

Total unemployment rate (percent)	EU Member States
≤ 5	Austria (4.2), the Netherlands (4.3), Luxembourg (4.6)
(5 – 10]	Germany (6.5), Malta (6.5), Cyprus (6.9), the Check Republic (7.2), Romania (7.4), Denmark (7.7), Belgium (7.8), Sweden (7.8), the United Kingdom (7.9), Slovenia (8.0), Finland (8.0), Italy (8.4), <b>European Union (27 countries) (9.6)</b> , France (9.6), Poland (9.7)
(10 –15]	Portugal (11.2), Hungary (11.3), Bulgaria (11.5), Slovakia (14.0), Greece (14.1), Estonia (14.3), Ireland (14.8)
(15 – 20]	Latvia (17.3), <b>Lithuania (17.3)</b>
> 20	Spain (20.4)

Any future mobility is likely to be a positive development in the countries (Germany and Austria) in particular those which have the lowest unemployment rates and high numbers of job vacancies. Workers from eight Member States that joined the EU in 2004 (the Czech Republic, Estonia, Latvia, Lithuania, Hungary, Poland, Slovenia and Slovakia) finally enjoy full rights. The restrictions on the right to work

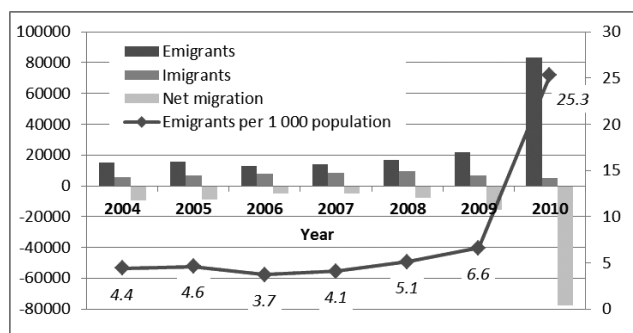
in any Member State for the citizens were removed since May 2011.

Generally, internal migration or mobility is seen as a positive phenomenon for the EU, but the additional research is needed to evaluate the possible impact of the growing number of mobile people for the future migration and the long-term effect for the individual country, especially with growing emigration trends (for example, Lithuania).

### 3. Emigration versus Immigration: Lithuania in the EU Context

#### 3.1. Migration Balance in Lithuania

Emigration continues to dominate migration in Lithuania (Fig. 2). International migration statistics accounts all persons who depart from the Republic of Lithuania to another state or arrive to the Republic of Lithuania from another state with the intention to stay in the new place for permanent residence for a period longer than 12 months based on the data of the declaration of the place of residence and the results of a survey on undeclared emigration (Demographic Yearbook 2009: 7).



**Figure 2.** Evolution of International Migration in Lithuania Sources: Lithuanian Statistics (2011)

Lithuania is a sending country and one of the labour resources for the European labour market.

According to the Lithuanian Statistics (2011), during the period of 2004–2010 (starting with the Lithuania’s membership in the EU), 179 333 people emigrated from Lithuania and 49 693 people immigrated. Net migration was negative (-129 640 people).

In 2010, Lithuania had on average 25.3 emigrants per 1000 population, i.e. about four times more than in 2009 (6.6 emigrants per 1000 population) (International Migration of the Lithuanian Population 2009: 60). According to the Lithuanian Statistics (2011), on average 227 people (in 2010) emigrated from Lithuania every day (Table 3).

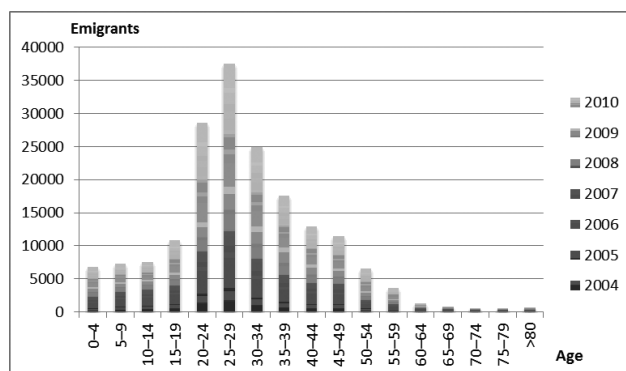
**Table 3.** Average Migration in Lithuania per Day (Lithuanian Statistics 2011)

	2004	2005	2006	2007	2008	2009	2010
<b>Emigrants</b>	42	43	35	38	47	60	227
<b>Immigrants</b>	15	19	21	24	25	18	14
<b>Net migration (per day)</b>	-27	-24	-14	-14	-22	-42	-213

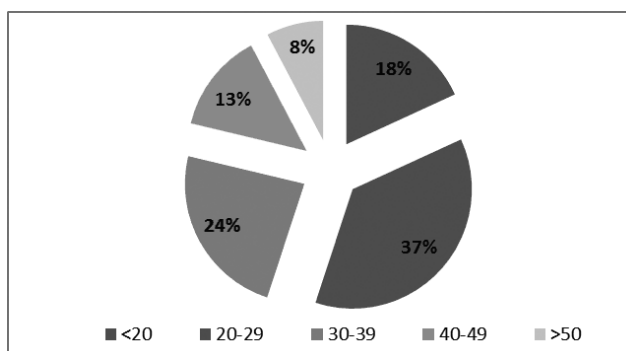
In 2010, net negative migration from Lithuania was four times the 2009 level. 83 157 people emigrated from Lithuania in 2010, i.e. about 61 thousands more than in 2009.

Lithuania is not a major destination for immigrants. In 2010, 5 213 immigrants were in Lithuania, i.e. 1 274 people less than in 2009. In 2010, on average, 1.6 immigrants were per 1000 population in Lithuania (in 2009 – 1.9 and in 2008 – 2.8). In 2010, about 78 thousand more people emigrated from Lithuania comparing to the number of immigrants.

The structure of the emigrants who have declared their departure from Lithuania by age groups confirms that Lithuania is losing young people mostly (Fig. 3 and Fig. 4).



**Figure 3.** Emigrants who Declared their Departure from Lithuania (by age), 2004-2010 Source: authors, Lithuanian Statistics (2011)



**Figure 4.** Structure of Emigrants who Declared their Departure from Lithuania (by Age), 2004-2010 Source: authors, Lithuanian Statistics (2011)

Most emigration flows are directed to the United Kingdom, Ireland, Germany, Spain, United States and other countries (Lithuanian Statistics 2011).

### 3.2. Reasons for Migration

From a policy point of view, it is important to know whether theories that are known are suitable for explaining emigration or immigration, which observed. There is a rather broad spectrum of explanations, provided by researchers of the field, e.g., Urbonavičienė and Tvaronavičienė (2008), Simanavičienė and Užkurytė (2009), Stulgienė and Daunorienė (2009), Jančaitytė *et al.* (2009: 14), Sarvutytė and Streimikienė (2010), Didžgalvytė and Pukelienė (2010), *etc.*

According to Lucas (2005), there seems to be a widespread agreement that differences in economic opportunities across countries do play a part in shaping migration patterns. There is less agreement about which components of these opportunities matter. A number of dimensions of the gap in economic opportunities between the sending and receiving countries were noted by Lucas (2005: 53).

Movement within and between nations is predominantly driven by the search for better opportunities. Most migrants, internal and international, reap gains in the form of higher incomes, better access to education and health, and improved prospects for their children (Human Development Report 2009). In the future, migrants could also move for ecological reasons, related, for example, to natural disasters due to the climate change (The World in 2025, 2009).

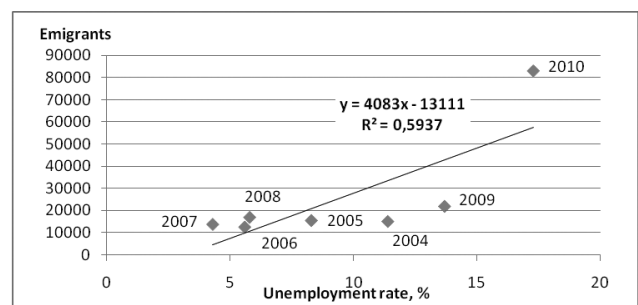
Potential migrants evaluate their possibilities in a country: current situation, future perspectives and their individual opportunities. Generally, migrants are driven primarily by economic reasons (in some countries by political instability).

First of all, the main reasons for emigration are related to labour and material well-being determined by the country's economic and financial situation. For example, emigration from Lithuania is particularly induced by the current situation in the labour market: high unemployment rate, decline in employment, long-term unemployment and low level of wages.

In terms of total unemployment, it increased dramatically from 4.3 percent (2007) to 17.3 percent (2010) in Lithuania (Eurostat 2011). The average unemployment rate in the EU was 9.6 in 2010 (Eurostat 2011). Among the Member States, the lowest

unemployment rates were recorded in Austria (4.2 percent), the Netherlands (4.3 percent) and Luxembourg (4.6 percent), and the highest unemployment rates were in Spain (20.4 percent), Lithuania (17.3 percent) and Latvia (17.3 percent) (Table 2).

The research findings confirm the relationship between the unemployment rate and emigration (Fig. 5). 85 percent of emigrants (aged over 15) in 2010 were unemployed longer than 1 year (in 2009 – 81 percent) (International Migration of the Lithuanian Population 2009: 60).



**Figure 5.** Relationship between Unemployment Rate and Emigration in Lithuania *Source:* authors, Lithuanian Statistics (2011), Eurostat (2011)

Youth (under 25 years) unemployment rates (21 percent in 2010 in the EU) are generally much higher than unemployment rates for the whole population. Moreover, youth unemployment rate in Lithuania is one of the highest in the EU, reaching 37.6 percent in 2010 (Eurostat 2011). As a result, it might be those who are at risk of leaving the country.

Lithuania has relatively few job vacancies and long-term unemployment and exclusion is increasing rapidly. Youth employment in Lithuania is relatively low (21.5 percent in 2010) compared to 35.2 percent (2010) in the EU (Eurostat 2011). The EU countries with the largest numbers of job finders are Germany, France, Spain, the United Kingdom, Italy, Poland and Sweden (European Vacancy Monitor 2010).

Additionally, the higher education reform has significantly restricted access to higher education in Lithuania. Youth is unwilling to take scholarship loans and often prefers studies abroad instead (Gruževskis & Blažienė 2010).

Youth unemployment rate is reduced by youth emigration to foreign countries. On the one side, in this context, the emigration might have a positive effect on the employment rate in Lithuania.

On the other side, a negative effect according to De-

mography Report 2008...(2009) is that the population in Lithuania is expected to shrink considerably and the old-age dependency ratio will increase in line with that of the EU as a whole. Moreover, the life expectancy in Lithuania is significantly lower than the EU average, particularly for men.

Secondly, socio-economic inequalities have increased in the EU. This increase happened during the period of economic growth. Economic modernization and labour market deregulation has resulted in the employment polarization and widening earning inequalities (Why Socio-Economic Inequalities...2010: 44).

Income is one of the dimensions of the status in society, but income inequality increased in Lithuania and is one of the highest in the EU (Skučienė 2008). Different national minimum wages and wage setting mechanisms exist in the most of the countries. For example, in Lithuania, average annual gross earnings in manufacturing, construction and service enterprises are lower than in other EU Member States (except for Romania and Bulgaria). In Denmark and Luxembourg they were 7 times, in the United Kingdom, the Netherlands and Germany – almost 6 times higher than in Lithuania (International Migration of the Lithuanian Population 2009, p60). Net minimum wage in Lithuania is equal to EUR 197 and approximately 20 percent of all the employees receive the minimum wage (Gruževskis & Blažienė 2010).

General well-being in the country plays an important role. The important factor is the general poverty level in a country. For example, in 2009, 20.6 percent of the Lithuanian population lived below the at-risk-of-poverty threshold. In urban areas, the at-risk-of-poverty rate was 14.7 percent, and in rural areas it constituted 32.7 percent.

Thirdly, general tendencies, policy context and economic outlook play an increasing role for the decisions of potential migrants.

Theories that emphasize purely economic factors fail to capture the broader social framework in which decisions to migrate are taken (Human Development Report 2009). The data of outlook formulate the expectations and increase the psychological reasons as driving forces for emigration from Lithuania, especially of youth.

According to Eurostat (2011), the Gross Domestic Product (GDP) per capita in Purchasing Power Standards (PPS) in Lithuania is 55 (2009), i. e. twice

lower than the average of the EU. In contrast, this value in the United States is 146 (2009), Norway – 178 (2009). The volume index of the GDP per capita in PPS is expressed in relation to the European Union (EU-27) average set to equal 100. If the index of a country is higher than 100, this country's level of the GDP per head is higher than the EU average and vice versa (Eurostat 2011).

Vasiliauskas (2010) analysed the double gap of Lithuania's GDP in PPS comparing to the average EU level and Lithuania's possibilities to reach the average level of the EU.

According to Vasiliauskas (2010), Lithuania could reach the average of the GDP in PPS of the EU (in a case of 2 percent GDP of the EU growth each year) with 3 percent of the GDP growth each year only in 71 year. It means that each year Lithuania should grow 1 percent more than the EU.

In order to implement the Europe 2020 Strategy, special new programme – Lithuania: National Reform Programme (2011) – was adopted by the Government of the Republic of Lithuania. Lithuania commits to reduce the number of individuals living at risk of poverty or social exclusion from the current 984 000 (in 2008) to 814 000 by 2020. This figure includes the population experiencing severe material deprivation and (or) the population whose equivalised disposable income is below 60 percent of the median equivalised disposable income and (or) people living in jobless households (Lithuania: National Reform Programme 2011). This long-term goal of Lithuania formulates the expectations and can create the new psychological reasons as driving forces for emigration, especially comparing this quantitative target to the total number of population (3 329 039 in 2010 (Eurostat2011) (Fig. 6), i.e. it is expected that over 20 percent of individuals will live at risk of poverty in 2020 in Lithuania after the implementation of the National Reform Programme (2011).

According to Marques (2010), the factors increasing migration inflows into the EU-15 are the average income level and the own migrant community in the destination country, the existence of common language and border, and the implementation of liberal immigration policies.

With regard to the economic theories of commuting, it has to be reasoned that “push factors”, (unfavourable economic indicators that cause an outflow of

workforce) have less importance in causing mobility trends than “pull effects” (the attraction of markets of destination). Thus, income advantages and better job profiles in the region of destination outweigh high unemployment rates and recession in the region of origin in explaining the clear majority of commuting streams – a large majority of which come from economically strong countries like France, Germany or Belgium. Nevertheless, cross-border commuting cannot be explained using economic indicators exclusively (Nerb *et al.* 2009).

Migration is influenced by a combination of economic, political and social factors, either in a migrant’s country of origin (“push factors”) or in the country of destination (“pull factors”); the relative economic prosperity and political stability of the EU are thought to exert a considerable pull effect on immigrants (Key Figures on Europe 2011: 44).

Infrastructural accessibility has been identified as an important factor of a region’s potential on cross-border mobility. Housing prices can exercise particular “pull-effects” by reason of considerable differences in the cross-national real estate and renting situation (Nerb *et al.* 2009).

Additionally, without economical and psychological reasons, various policy initiatives (for example, flagship initiative “Youth on the Move”) at the EU level stimulate migration by creating more possibilities for migration, especially for youth. Increased mobility is also due to increasingly open borders and more comparable education systems (Youth on the Move 2010). It is a positive phenomenon for the EU-27, but negative aspects are seen for some Member States, for example, Lithuania. Of course, it depends on the policy context and the final Lithuania role is seen at the EU level and global economy.

In the light of emigration trends, the Economic Migration Regulation Strategy (2007) was adopted by the Government of the Republic of Lithuania, aiming at reducing net migration to zero by 2012. Alas, the statistical data and current emigration trends in Lithuania emphasize that this strategy is not effective and the impact of this strategy is not enough. Without solving the main economic problems and reducing poverty level in Lithuania this kind of migration regulation strategies will stay only declarative.

Generally, different policy initiatives alone will have only limited success in regulating migration if they

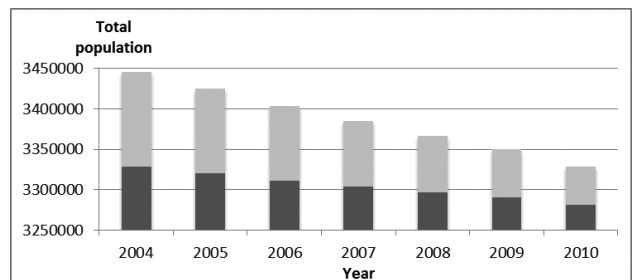
are not articulated with the policies that address wider economic and social inequalities.

It is always better to live in a more equal place (Wilkinson & Pickett 2010).

#### 4. Perceptions of Mobility Role in Economy Growth and Sustainable Development

International migration has become the key factor in the European population growth (EU Youth Report 2009) and dominant factor determining the size, rate of change, and composition of most European countries (Coleman 2008). In many western European countries population increase is driven primary by international migration not natural increase (the excess of births over deaths) (Coleman 2008).

Recent forecasts have predicted that without an important inflow of immigrants (The World in 2025...,2009), the European workforce will shrink significantly from as early as 2012. The decrease of active population has already begun in many regions of Europe (for example, Lithuania) (Fig.6, Table 4).



**Figure 6.** Total Population in Lithuania, 2004-2010  
 Source: Eurostat (2011)

According to the demographic projections of Eurostat (2011), at the beginning of 2060, the estimated population of Lithuania will amount to 2547.7 thousand persons.

**Table 4.** Population Statistics (per Day)  
 (Lithuanian Statistics 2011)

	2004	2005	2006	2007	2008	2009	2010
<b>Births</b>	83	84	86	89	96	100	97
<b>Deaths</b>	113	120	123	127	120	115	115
<b>Net migration</b>	-27	-24	-14	-14	-22	-42	-213

Looking towards 2025, the most fundamental and difficult problem in Europe will be low birth rate (in the world as a whole, currently there are 21 births per thousand each year; in the United States – 14; in Eu-



rope – 10) (The World in 2025...2007). With these twin trends, the working-age population in Europe will decline sharply, both in absolute and proportional terms (The World in 2025...2007). In 2025, the population of the European Union will account only for 6.5 percent of the world population. The Union will count the highest proportion of people older than 65 years old in the world (30 percent of the population) (The World in 2025...2009).

If maintained, such trends will have deep-seated effects on all the aspects of the European life including pensions, transport, housing, etc. Actions will have to be taken to make Europe attractive compared to the rest of the world in order to attract and retain skilled workers and to reverse the brain-drain (The World in 2025...2007).

Calculations by the OECD (2011) demonstrate that on average, in the absence of migration, there will be 30 percent more exits than entries to the working-age population of high-income OECD countries in the year 2020. In German and Poland, this figure will exceed 70 percent (Liebig 2011).

A problem common to all the Member States is formulated as “labour market mismatch”. The mismatches reflect the difference between the supply and demand for jobs, the existing skills of those willing and able to work, and the business needs. A possible way to deal with this is to encourage labour mobility between the countries and regions (European Job Mobility Bulletin 2010).

From the economic perspective, unemployment in Lithuania may be viewed as unused labour capacity. Lithuania is in the 47 place according to the Global Competitiveness Index (2010–2011), provided by the World Economic Forum, covering 139 countries (Schwab 2010), or in the 43 place (2010) according to the annual World Competitiveness Yearbook (2010) published by the Institute for Management Developments (IMD), with the coverage of 58 economies (Garelli 2010).

At general level, job mobility helps to make labour markets in Europe more adaptable, creating more job opportunities and better matching people with jobs (Social Agenda 2010: 9). In the European single market, the availability of highly qualified individuals with the experience of living in different Member States is vital for smart and sustainable growth. Intra-EU job mobility can help match better labour mar-

ket needs and improve human capital deployment (Social Agenda 2010: 9).

On the one hand, as pointed out by Jean *et al.* (2010), the existing studies suggest that the employment impact of immigration is relatively small. According to Jean *et al.* (2010), at aggregate level, an increase in the share of immigrants in the labour force increases unemployment of natives, but this impact is temporary and vanishes between four and nine years after the shock. Beyond this transitory period, the level of the share of immigrants in the labour force does not influence significantly the natives' unemployment.

On the other hand, according to Iranzo and Peri (2009), from the world perspective international restrictions on labour mobility are of the most costly economic distortions. As argued by Iranzo and Peri (2009), the lower barriers to migration would result in significant migration of skilled workers from the Eastern European countries. The migration of skilled workers from these countries would not only benefit the migrants and most Western European workers but, via trade, it would also benefit the workers remaining in Eastern Europe. As for immigration, it brings both economic and social opportunities and challenges to the countries receiving immigrants.

Now, as the Lisbon Process is being replaced by the new EU strategy Europe 2020 of smart, sustainable and inclusive growth (2010), there is evidence that the mobility in the EU will increase. The EU ambition is to reach the employment target of 75 percent. In order to achieve the goals of the new EU strategy Europe 2020 (2010), especially employment target, the flagship initiative “Youth on the Move” places a lot of emphasis on mobility, as in moving to another country to study, train or work.

Migrants can bring broader economic benefits, including higher rates of innovation (Human Development Report 2009). For example, the US attempts to promote skilled migration.

Despite the fact that growing mobility should have positive effect on the EU labour market, at the same time, the impact of migration for the individual countries can be different.

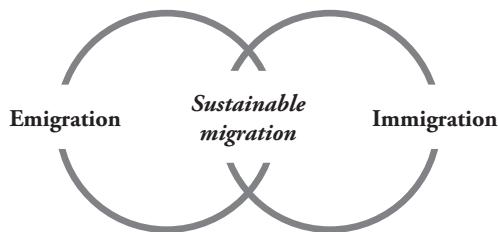
Iranzo and Peri (2009) acknowledge that the cost of losing the best educated workers is considered to be high for the sending countries. Highly skilled migrants normally make a large fiscal contribution, whereas unskilled migrants are likely to impose a

cost on native taxpayers if they settle in the receiving country (Rowthorn 2008).

According to Čekanavičius and Kasnauskienė (2009), the real task is not to prevent migration but to promote and strengthen its positive impact for both sending and receiving country. Optimal emigration would be achieved at the point when its marginal benefit equals marginal cost.

The research area of Carling (2008) includes the determinants of migrant remittances. Sipavičienė, Gaidys and Dobrynina (2009) propose to pay attention to another type of migration – “virtual return“, that is migrants’ participation in social, economical, cultural and other lives of original country while physically remaining abroad. Although such returns do not affect the size of population, their economic and social benefits can be significant.

Recent research work confirms the finding that the acceptable level of migration in the EU could be understood as “sustainable migration” (Fig. 7).



**Figure 7.** Principal Scheme of “Sustainable migration” *Source:* authors

Finally, as already mentioned, there exists no single answer to the question, what level of emigration or immigration should be tolerated. Moreover, even in the case of intra-EU mobility, there is no outlook for individual EU Member States’ long-term economic growth in the context of sustainable development. Future research areas should cover these issues in order to develop the model of “sustainable migration”.

## 5. Conclusions

The findings of the research point us towards the conclusion, that sustainable economic growth is impossible without sustainable developing of human capital.

Despite the fact that there is a single market in the EU and the freedom to move to another Member State is the right guaranteed for all the EU citizens, the perceptions of this research show that there exist no simple answer to the question what level of migra-

tion (emigration or immigration) should be tolerated in the context of sustainable developing economy.

There is evidence that the mobility in the EU will increase. Moreover, growing mobility can be followed by the new migration trends in the future. Short-term mobility has potential to become a long-term migration.

Generally, internal mobility or migration is seen as a positive phenomenon for the EU, but there is no outlook for individual EU Member States’ long-term economic growth in the context of sustainable development. The additional research is needed to evaluate the possible impact of the growing number of mobile people for the future migration and the long-term effect for the individual country, especially for sparsely populated countries with small economies and growing emigration trends (for example, Lithuania).

Lithuania is a sending country and is not a major destination for immigrants (Lithuania had one of the highest net negative migration (-4.7 in 2009) in the EU). The decrease of active population has already begun in Lithuania.

The emigration trends in Lithuania reveal that Economic Migration Regulation Strategy (2007), adopted by the Government of the Republic of Lithuania, has limited impact on the migration regulation.

The research findings confirm the relationship between unemployment rate and emigration. Negative net-migration rate (higher emigration level) can be expected in the countries with high unemployment level. Intra-EU job mobility can help better match labour market needs, but the cost of losing the best educated workers is considered to be high for the sending countries.

Reducing high unemployment, especially of youth, should be the centrepiece of the policy in Lithuania. Moreover, the reasons for migration are economic and psychological. Socio-economic inequalities have increased in the EU. Policy makers and future researchers should take into account the fact that “it is always better to live in more equal place” (Wilkinson & Pickett 2010).

The acceptable level of migration in the EU could be understood as “sustainable migration”. There exists a need to evaluate the relationships between mobility and migration as well as to develop the new models of “sustainable migration”.

## References

- Abel, BA & Bernanke, BS 1998, *Macroeconomics*, 3rd edn. Addison-Wesley Publishing Company, United States of America, p. 643.
- Balkytė, A 2011, 'Youth on the Move: new opportunities for young people', European Commission, *European Stagiaire's Journal. Winter Stage 2010–2011*, pp. 24–25.
- Balkytė, A & Peleckis, K 2010, 'Mapping the Future Sustainable Competitiveness Resources: Aspects of Forests Ownership', *Journal of Business Economics and Management*, vol. 11, no. 4, pp. 630–651.
- Balkytė, A & Tvaronavičienė, M 2010, 'Perception of competitiveness in the context of sustainable development: facets of "Sustainable competitiveness"', *Journal of Business Economics and Management*, vol. 11, no. 2, pp. 341–365.
- Bložė, G 2009, 'Interregional migration and housing structure in an East European transition country: A view of Lithuania 2001–2008', *Baltic Journal of Economics*, vol. 9, no. 2, pp. 47–66.
- Butkus, M & Matuzevičiūtė, K 2009, 'Emigracijos ir reemigracijos situacija Lietuvoje [Emigration and remigration situation in Lithuania]', *Journal of Management*, vol. 14, no. 1, pp. 27–32.
- Carling, J 2008, 'The determinants of migrant remittances', *Oxford Review of Economic Policy*, vol. 24, no. 3, pp. 582–599.
- Čekanavičius, L & Kasnauskienė, G 2009, 'Too High or Just Right? Cost-Benefit Approach to Emigration Question', *Inžinerinė ekonomika = Engineering Economics*, vol. 1, no. 61, pp. 28–36.
- Charter of Fundamental rights of the European Union, 2010, *Official Journal of the European Union*, no. 2010/C83/02.
- Coleman, D 2008, 'The demographic effects of international migration in Europe', *Oxford Review of Economic Policy*, vol. 24, no. 3, pp. 453–477.
- Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. Strengthening the global approach to migration: increasing coordination, coherence and synergies*, 2008, European Commission, Brussels, no. COM(2008) 611.
- Daugėlienė, R & Marcinkevičienė, R 2009, 'Brain Circulation: Theoretical Considerations', *Inžinerinė ekonomika = Engineering Economics*, vol. 3, pp. 49–57.
- Demographic Yearbook 2009*, 2010, Vilnius: Statistical publication, p. 220 Available from: <[http://web.stat.gov.lt/en/catalog/pages\\_list/?id=1589&PHPSESSID=c7b292e0b481736ef06587ab08a1b1ef](http://web.stat.gov.lt/en/catalog/pages_list/?id=1589&PHPSESSID=c7b292e0b481736ef06587ab08a1b1ef)>. [1 May 2011].
- Demography Report 2008: Meeting Social Needs in an Ageing Society*, 2009, European Commission, Office for Official Publications of the European Communities, Luxembourg, p. 254.
- Didžgalvytė, M & Pukelienė, V 2010, 'Protų nutekėjimas: užsienyje magistrantūros ar doktorantūros studijas baigusiujų reemigracijos analizė ir vertinimas [Reemigration Analysis and Evaluation of Lithuanian Students Studying Master or Doctorate Abroad]', *Taikomoji ekonomika: sisteminiai tyrimai = Applied Economics: Systematic Research*, vol. 4, no. 1, pp. 123–138.
- Employment in Europe 2010, 2010, European Commission, Publications Office of the European Union, Luxembourg, p. 197.
- EU Youth Report*, 2009, Office for Official Publications of the European Communities, Luxembourg, p. 112.
- Europe 2020. A European strategy for smart, sustainable and inclusive growth*, Communication from the Commission, 2010, European Commission, Brussels, no. COM(2010) 2020 final, p. 32. Available from: <[http://europa.eu/press\\_room/pdf/complet\\_en\\_barroso\\_\\_\\_007\\_-\\_europa\\_2020\\_-\\_en\\_version.pdf](http://europa.eu/press_room/pdf/complet_en_barroso___007_-_europa_2020_-_en_version.pdf)>. [27 December 2010].
- European Job Mobility Bulletin*, 2010, European Commission, November 2010, no. 1, p. 15. Available from: <<http://ec.europa.eu/social/main.jsp?langId=en&catId=81>>. [27 December 2010].
- European Vacancy Monitor*, 2010, European Commission, November 2010, no. 1, p. 30. Available from Internet: <<http://ec.europa.eu/social/main.jsp?langId=en&catId=81>>. [27 December 2010].
- EUROSTAT (The Statistical Office of the European Communities), 2011. Available from: <<http://epp.eurostat.ec.europa.eu>>. [26 March 2011].
- Fangen, K & Mohn, FA 2010, 'Assessing the Situation: Cross-National Comparison' in Fangen, K, Fossan, K & Mohn, FA 2010, Inclusion and Ex-

clusion of Young Adult Migrants in Europe: Barriers and Bridges, MPG Books Group, Great Britain, pp. 237–266.

Garelli, S 2011, *IMD World Competitiveness Yearbook 2010*, International Institute for Management Development, Lausanne. Available from: <<http://www.imd.org/research/publications/wcy/World-Competitiveness-Yearbook-Results/#/wcc-products/>>. [2 May 2011].

Glinskienė, R & Petuškienė, E 2009, 'Pasaulinės ekonominės krizės poveikis lietuvių reemigracijos ir protų nutekėjimo procesams [The global economical crisis impact on the processes of Lithuanian reemigration and "Brain Drain"]', *Ekonomika ir vadyba = Economics & Management*, vol. 14, pp. 763–771.

Grundey, D & Sarvutytė, M 2007, 'The implications of financing higher education in the context of labour force migration: the case of Lithuania', *Ūkio technologinis ir ekonominis vystymas = Technological and economic development of economy*, vol. 13, no. 3, pp. 208–213.

Gruževskis, B & Blažienė, I 2010, EEO Review: Youth Employment Measures, *European Employment Observatory*, p. 16. Available from: <<http://www.eu-employment-observatory.net/resources/reviews/NationalArticles/Lithuania-YMRvw2010.pdf>>. [30 April 2011].

Hatton, TJ & Williamson, JG. 2009, 'Emigration in the long run: evidence from two global centuries', *Asian-Pacific Economic Literature*, Crawford School of Economics and Government, The Australian National University and Blackwell Publishing Asia Pty Ltd., pp.17–28.

*Human Development Report 2009. Overcoming Barriers: Human mobility and development*, 2009, Publisher for the United Nations Development Programme, New York, p. 229.

International Migration of the Lithuanian Population 2009, Vilnius: *Statistics Lithuanian*, p. 60.

Iranzo, S & Peri, G 2009, 'Migration and trade: Theory with an application to the Eastern-Western European integration', *Journal of International Economics*, vol. 79, pp. 1–19.

Jančaitytė, R, Valavičienė, N & Augutienė, R 2009, Tarpkultūrinės kompetencijos didinimas bei įvairovės valdymo gebėjimų stiprinimas: projektas "Supratimo link", Tarptautinės migracijos organizacija, Vilnius,

p. 130.

Jean, S, Causa, O & Jimenez, M 2010, 'Migration and Labour Market Outcomes in OECD Countries', *OECD Journal: Economic Studies*, pp. 1–34.

*Key Figures on Europe 2011*, European Commission, Publications Office of the European Union, Luxembourg, p. 173.

Liebig, T 2011, 'Views on Immigration. The impact of Public Opinion on Global Migration', *Harvard International Review*, p. 80.

*Lithuania: National Reform Programme*, 2011, The Ministry of Economy of the Republic of Lithuania, Vilnius, p. 38. Available from: <<http://www.ukmin.lt/lt/strategija/2020Europa/>>. [2 May 2011].

Lithuanian Statistics, 2011. Available from: <<http://www.stat.gov.lt>>. [1 May 2011].

Lucas, R E B 2005, *International Migration and Economic Development. Lessons from Low-Income Countries*. Expert Group on Development Issues, MPG Books Ltd, Great Britain, p. 371.

Marques, H 2010, 'Migration and Diversion in the European Union: Is Central and Eastern Europe a "Natural" Member of the Single Market for Labour?', *Journal of Common Market Studies (JCMS)*, vol. 48, no. 2, pp. 265–291.

Roman, M & Voicu, C 2010, 'Some Socio-Economic Effects of Labor Migration on Sending Countries. Evidence from Romania', *Theoretical and Applied Economics*, vol. 7, no. 548, pp. 61–76.

Rowthorn, R 2008, 'The fiscal impact to immigration on the advanced economies', *Oxford Review of Economic Policy*, vol. 24, no. 3, pp. 561–581.

Sarvutytė, M & Streimikienė, D 2010, 'New concepts and approaches of migration', *Ekonomika ir vadyba = Economics and Management*, vol. 15, pp. 226–233.

Nerb, G, Hitzelsberger, F, Woidich, A, Pommer, S, Hemmer, S & Heczko, P 2009, Scientific Report on the Mobility of Cross-Border Workers within the EU-27/EEA/EFTA Countries. Final Report. MKW Wirtschaftsforschung GmbH, Munich, p. 86. Available from: <<http://ec.europa.eu/social/main.jsp?langId=en&catId=81>>. [20 June 2011].

Schwab, K 2010, *The Global Competitiveness Report 2010–2011*, Geneva: World Economic Forum, p. 501. Available from: <<http://www.weforum.org/is->

sues/global-competitiveness>. [1 September 2010].

Simanavičienė, A & Užkurytė, L 2009, 'Pokyčiai darbo rinkoje ekonominio nuosmukio metu: Lietuvos atvejis [Changes of Labour Market during the Recession: in Case of Lithuanian]', *Ekonomika ir vadyba = Economics and Management*, vol. 14, pp. 940–946.

Sipavičienė, A, Gaidys, V & Dobrynina, M 2009, 'Grįžtamoji migracija: teorinės išvalgos ir situacija Lietuvoje [Return migration: theoretical insights and situation in Lithuania]', *Tarptautinė migracijos organizacija / Socialinių tyrimų institutas*, Vilnius, p. 60.

Skučienė, D 2008, 'Pajamų nelygė Lietuvoje [Income inequality in Lithuania]', *Filosofija. Sociologija*, vol. 19, no. 4, pp. 22–33.

*Social Agenda. The European Commission's Magazine on Employment and Social Affairs*, 2010, InfoCentre, European Commission, Brussels, 25 November, p. 27.

Stulgienė, A & Daunorienė, A 2009, 'Migracijos poveikis darbo jėgos rinkos pusiausvyrai [Influence of migration on equilibrium of labour force market]', *Ekonomika ir vadyba = Economics and Management*, vol. 14, pp. 984–992.

*The World in 2025 – Rising Asia and Socio-ecological transition*, 2009, European Commission, Office for Official Publications of the European Communities, Luxembourg, p. 28. Available from: <[http://ec.europa.eu/research/social-sciences/pdf/theworld-in-2025-report\\_en.pdf](http://ec.europa.eu/research/social-sciences/pdf/theworld-in-2025-report_en.pdf)>. [26 December 2010].

*The World in 2025: How the European Union will need to respond*, 2007, European Ideas Network, Brussels, p. 47. Available from: <[http://ec.europa.eu/research/social-sciences/pdf/the-world-in-2025-report\\_en.pdf](http://ec.europa.eu/research/social-sciences/pdf/the-world-in-2025-report_en.pdf)>. [26 December 2010].

Urbonavičienė, I & Tvaronavičienė, M 2008, 'Polinkis emigruoti: priežasčių paieškos [Propensity to emigrate: driving forces' search]', *Verslas: teorija ir praktika = Business: Theory and Practice*, vol. 9, no. 4, pp. 253–260.

Vasiliauskas, A 2010, *Europos Sąjungos 2020 m. strategijos įgyvendinimo nacionalinių rodiklių tarpusavio suderinamumas ir atitikimas nacionaliniams strateginiams tikslams [The compliance of national targets, the European Union strategy Europe 2020 and strategic national goals]*, p. 20. Available from: <[http://www.lrv.lt/bylos/LESSED%20projektas/Dokumentai/Vasiliausko%20tyrimo%20ataskaita\\_final.pdf](http://www.lrv.lt/bylos/LESSED%20projektas/Dokumentai/Vasiliausko%20tyrimo%20ataskaita_final.pdf)>. [1 May 2011].

Why socio-economic inequalities increase? Facts and policy responses in Europe, 2010, *Publications Office of the European Union*, Luxembourg, p. 50.

Wilkinson, R & Pickett, K 2010, *The Spirit level. Why Equality is Better for Everyone*, Penguin Group, London, p. 346.

Youth on the Move. An initiative to unleash the potential of young people to achieve smart, sustainable and inclusive growth in the European Union, 2010, European Commission, *Publications Office of the European Union*, Luxembourg, p. 24.