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Circular migration of Lithuanians: the case of brain gain?

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Introduction

Since 1990s many Central East European (CEE) countries from the former Soviet block (Poland, Slovakia, Lithuania, Latvia, Bulgaria) experienced high levels of emigration. People went abroad looking for a job, higher salary, better living conditions as well as to study and experience new cultures. During the process of EU accession and EU membership (2004 and 2007) many barriers to the free movement of people were dropped and labour markets became much more accessible[1]; initially this caused a further increase of emigration[2], however it also facilitated return and circular migration[3]. At the time of writing (2009-2010) migration has been invigorated by the global economic downturn, which hit the CEE region particularly hard[4].

While immigration has been a big concern in the destination countries (West Europe, USA)[5], in the popular and academic discussion of the sending countries this trend has also

[1] The barriers to mobility were not dropped altogether as most of the EU countries initiated transition periods to prevent the risk (real or imaginary) of overly high immigration of labour.
[2] Martin Kahanec and Klaus F. Zimmermann. "Migration in an Enlarged EU: A Challenging Solution". *Economic Papers 363* (March 2009).
[3] Pollard, Naomi, Maria Lattore and Dhananjayan Sriskandarajah. *Floodgates or Turnstiles? Post-EU Enlargement Migration Flows to (and from) UK*. London: Institute for Public Policy Research, 2008.
[4] Fix, Michael et al. "Migration and the Global Recession". Migration Policy Institute, a Report Commissioned by the BBC World Service (September, 2009).
[5] Typical arguments against immigration are presented in Browne, Anthony. *Do We Need Mass Immigration?: The Economic, Demographic, Environmental, Social and Developmental Arguments Against Large-scale Net*

received many negative assessments. The arguments used are reminiscent of the debate on migration from the developing to the developed countries (South – North migration)[6]. It has been argued that emigration has detrimental effect on growth and aggregate welfare of the emigration countries[7]. Significant share of emigration has been categorised as brain drain as many emigrants are highly educated, have important skills or entrepreneurial mindset which is very much needed in their home countries[8]. Emigration has negative effects on public finance as tax-paying work force is more mobile than those who need social support from the state[9]. The sending countries loose returns on the public expenditure devoted to the education of migrants; moreover, many of the highly qualified migrants (teachers, medical doctors) take unqualified jobs and in this sense their qualification is wasted[10].

The more recent migration theories devoted a lot of attention to arguments concerning some positive effects of emigration. The migrants send significant remittances to their home countries, thus improving the economic situation of many people and taking some strain off the public social security net[11]. The emigrants create social and economic links to their home countries, which may foster FDI, subcontracting and home-country exports[12]. Emigration may create incentives to invest in education as people exploit opportunities to take the jobs that the emigrants leave behind or are motivated by the expectation of better emigration

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Immigration to Britain. Civitas: Institute for the Study of Civil Society, 2002. An opposite approach is provided in Legrain, Philippe. *Immigrants: Your Country Needs Them.* Abacus, 2009.

[6] For an overview if development impacts of migration in the sending countries see Chapell, Laura and Dhananjayan Sriskandarajah. "Mapping the Development Impacts of Migration". *Development on the Move: Working Paper 1*. London: Institute for Public Policy Research, 2007.

[7] For the CEE context see Marek Okolski. "Costs and benefits of migration for Central European Countries" CMR Working papers, No. 7/65 (2006); Balaz, Vladimir, Allan M. Williams and Daniel Kolar. "Temporary versus Permanent Youth Brain Drain: Economic Implications". *International Migration* 42(4) (2004); for the South-North migration context see: Bhawati, Jagdish, and Koichi Hamada. "The Brain, International Integration of Markets for Professionals and Unemployment: A Theoretical Analysis" *Journal of Development Economics*, 1. (1974).

[8] For the CEE context see: Wallace, Claire and Dariusz Stola (eds.). *Patterns of Migration in Central Europe*. Basingtoke & New York: Palgrave, 2001; a more global perspective is provided in: Stalker, Peter. *The Work of Strangers. A Survey of International Labor Migration*. Geneva: International Labour Office, 1994; Carrington, William J. and Enrica Detragiache. "How Big is the Brain Drain". *IMF Working Paper* No. 98/102 (July 1998).

[9] For the CEE context see: Rangelova, Rossitsa and Katya Vladimirova. "Migration from Central and Eastern Europe: the Case of Bulgaria". *SouthEast Europe Review for Labour and Social Affairs* 03 (2004): p. 730.; for a more theoretical discussion of fiscal effects see; Bhawati, Jagdish. "The International Brain Drain and Taxation. A Survey of the Issues". In *The Brain Drain and Taxation. Theory and Empirical Analysis*, edited by Jagdish Bhawati. Amsterdam: North Holland, 1976; Egger, Hartmut, Jozef Falkinger and Volker Grosmann. "Brain Drain, Fiscal Competition, and Public Education Expenditure." *IZA, Discussion Paper* No. 2747 (April 2007).

[10] For CEE context see: Brzozowski, Jan. *Brain Waste, Educational Investments and Growth in Transitional Countries* (June 1, 2007); Iglicka, Krystyna. *Poland's Post-War Dynamic of Migration*. Aldershot: Ashgate, 2001; for a destination country perspective see Lianos, Theodore P. "Brain Drain and Brain Loss: Immigrants to Greece". *Journal of Ethic and Migration Studies* 33(1) (January 2007): 129-140.

[11] Stark, Oded. "Reasons for Remitting". *World Economics* 10(3) (2009): 147-158.

[12] Saxenian, Annalee. *Local and Global Networks of Immigrants Professionals in Sillican Valey*. Public Policy Institute of California, 2002.

prospects[13]. Migration is becoming more temporary, short term and "multi-stage"[14] and the return migration is on the increase[15]. This benefits the countries of origin as returning migrants bring along not only their savings but also the knowledge and skills they gained while abroad, which in fact constitutes a brain gain effect of emigration. The potential of the return migration may be even higher in the CEE countries as the membership in the EU not only made it easier to find work abroad but also decreased the costs of return.

This article contributes to the discussion on the brain gain effects of emigration and return migration[16]. It follows the argument that migration contributes strongly to the development of human capital of migrants. A significant part of migrants enrol to study for a formal qualification and many more gain important skills and competences (ability to speak foreign language, work in a multi-cultural environment, self-confidence) through their work and social experiences. From this perspective the loss associated with the brain waste may have to be reconsidered as even the less qualified jobs help to develop important skills which could improve one's position in the labour market, especially upon return. Provided the scale of return migration is sufficiently high, in the longer term this may increase aggregate growth in the sending countries and convergence between the more and the less developed countries.

In this article we will apply these arguments analyse the case of Lithuania. This case is interesting as the country has consistently had the highest level of economic emigration (on per capita basis) in the CEE[17]. Meanwhile in 2003-2008 the country experienced one of the highest growth rates in the EU (before the economic crisis struck in late 2008) and in 2006-2008 the return migration was increasing steadily. Based on the empirical evidence generated from surveys of emigrants and return migrants we analyse (a) what human capital was gained

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[13] Stark, Oded. "The Economics of the Brain Drain Turned on its Head". *Paper Presented to ABCDE Europe Conference*. The World Bank, 2002; Sriskandarajah, Dhananjayan. "Reassessing the Impacts of Brain Drain on Developing Countries". *Migration Information Source* (August 2005); For critique of this approach see Faini, Riccardo. "The Brain Drain: An Unmitigated Blessing?". *Centro Studi Luca D'Agliano Development Studies Working Papers*, No. 173 (September 2003).

[14] King, R. "Towards a New Map of European Migration". *International Journal of Population Geography* 8(2) (2002): 89-106; for CEE context see Wallace, Claire and Dariusz Stola (eds.). *Patterns of Migration in Central Europe*. Basingtoke & New York: Palgrave, 2001.

[15] Finch, Tim, Maria Lattore, Naomi Pollard and Jill Rutter. *Shall We Stay or Shall We Go? Re-emigration Trends among Britain's Immigrants*. London: Institute for Public Policy Research, 2009.

[16] Mayr, Karin and Giovanni Peri, "Return Migration as a Channel of Brain Gain". *National Bureu of Economic Research Working Paper* 14039 (May 2008). [http://www.nber.org/papers/w14039]; Williams, Allan M. and Balaz Vladimir. "What Human Capital, Which Migrants? Returned Skilled Migration to Slovakia From the UK". *International Migration Review* 39(2) (Summer 2005): 439-468; Williams, Allan M. "International Labor Migration and Tacit Knowledge Transactions: A Multi-level Perspective". *Global Networks* 7 (2007): 29-50; Williams, Allan and Vladimir Balaz. *International Migration and Knowledge*. London: Routledge, 2008; Straubhaar, Thomas. "International Mobility of the Highly Skilled: Brain Gain, Brain Drain or Brain Exchange". *HWWA Disccussion Paper* 88. 2000.

[17] Eurostat data show that in 2005, 2007 and 2008 the net emigration rate from Lithuania was the highest in the EU.

in emigration and (b) to what extent this human capital was relevant for the return migrants. This case will also contribute to the understanting of migration from the CEE after the collapse of Soviet block, which has not been studied extensively in the academic literature as it is a relatively recent phenomena, there is a lack of statistical data and some important measurement challenges.

The paper is organised as follows. In the first section we present a short overview of the relevant theoretical arguments and formulate the questions for analysis. In the next section we describe the methodology. Then we discuss shortly the context of emigration from Lithuania. The final section analyses the empirical data and provides conclusions.

1. 'Total human capital' and brain distribution between countries: the theoretical argument

The migration literature devoted a lot of attention to the detrimental effects of emigration on human capital in the sending countries (especially due to the brain drain of qualified labour force)[18]. Starting from 1980s the new growth theories (endogenous growth approach) postulate direct links between the quality of human capital and economic and social development[19]. Many among the richer countries instigated selective migration programmes to encourage the immigration of skilled workers[20], to the disadvantage of the sending countries.

However the debate on the costs and benefits of migration so far has been overly focused on the calculation of aggregate welfare outcomes for countries while little attention was given to the benefits that accrue to individual migrants[21]. The analysis has been 'static' in the sense that the level of qualification of emigrant population was assumed to be fixed and little consideration was given for the development of skills and knowledge in emigration. To the extent this was discussed, the focus was more on the migrants studying for a formal

[18] Bhawati, Jagdish, and Koichi Hamada. "The Brain, International Integration of Markets for Professionals and Unemployment: A Theoretical Analysis" *Journal of Development Economics*, 1 (1974); for a more recent argument see Beine, Michel, Frederic Docquier and Hillel Rapoport. "Brain Drain and Economic Growth: Theory and Evidence". *Journal of Development Economics* 64 (2001).

[19] Krueger, Alan B and Mikael Lindahl. "Education for growth: why and for whom?" *Journal of Economic Literature*, 39 (2001): 1101-1136; Barro, Robert J. and Xavier Sala-I-Martin. *Economic Growth*. New York: McGraw-Hill, 1995; Lucas, Robert E. "On the Mechanics of Economic Development". *Journal of Monetary Economics* 22 (1988).

[20] OECD. *The Global Competition for Talent: Mobility of the Highly Skilled,* 2008; Devesh Kapur and John McHale. *Give Us Your Best and Brightest: The Global Hunt for Talent and Its Impact on the Developing World.* Washington, DC: Center for Global Development, 2005.

[21] Williams, Allan M., and Balaz Vladimir. "What Human Capital, Which Migrants? Returned Skilled Migration to Slovakia From the UK". *International Migration Review* 39(2) (Summer 2005): 439.

qualification (e.g. the mobility of students) and less attention was devoted to the informal, social or on-the-job learning.

Williams, Balaz and other authors draw on the idea of "total human capital"[22] to argue for a more dynamic approach which would take into consideration both the development of qualification through formal studies and training as well as competence gains through work experience and social interaction. Obviously, there are significant methodological challenges in identifying, classifying and analysing the competence gains as they are more tacit and difficult to measure systematically[23]. However, it can be reasonably expected that trough their work experience the migrants learn useful skills and get acquainted with new work methods. Moreover, social interaction helps to develop foreign language competences, networking capacity and inter-personal communication skills, ability to work in multi-cultural settings, self confidence, openness to new views and ideas, and provides useful contacts. Importantly, is not only the highly skilled "brains" but also workers with lower qualification who can reap such benefits of mobility[24].

The notion of the "total human capital" is especially relevant given the current trend of migration becoming more temporary, short term and circular; during their career path people may migrate several times[25]. For a significant number of people especially in the countries that are catching-up economically with the West, mobility has become important part of personal carrier development and CV building. There is evidence of "steep learning curves among migrants" and that "short term migration enhances human capital significantly"[26]. By implication, the return migrants could be expected to capitalise on their newly-gained qualification and competence in the labour market of their home countries. It may well be that

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[22] Li, Lin F. N., Allan M. Findlay, John A. Jowett and Ronald Skeldon. "Migration to Learn and Learning to Migrate". International Journal of Population Geography 2 (1996): 51-67; quoted in Williams, Allan M. and Balaz Vladimir. "What Human Capital, Which Migrants? Returned Skilled Migration to Slovakia From the UK". *International Migration Review* 39(2) (Summer 2005).

[23] Evans, Karen. "The Challenges of 'Making Learning Visible': Problems and Issues in Recognising Tacit Skills and Key Competences". In *Working to Learn: Transformative Learning in the Workplace*, edited by Karen Evans, Phil Hodkinson, Lorna Unwin. London: Stylus Publishing, 2002.

[24] Williams and Balaz apply this argument in analysing the mobility of "au-pairs", see Williams, Allan M. and Balaz Vladimir. "What Human Capital, Which Migrants? Returned Skilled Migration to Slovakia From the UK". *International Migration Review* 39(2) (Summer 2005). For a similar but somewhat qualified argument see Charlotte Bedford, Richard Bedford and Elsie Ho. *The Social Impacts of Short-term Migration for Employmnet: A Review of Recent Literature.* Population Studies Centre, August 2009: 29.

[25] King, R. "Towards a New Map of European Migration". *International Journal of Population Geography* 8(2) (2002): 89-106; Vertovec, Steven. "Circular Migration: the way forward in global policy". International Migration Institute, Working papers, 2007; Finch, Tim, Maria Lattore, Naomi Pollard and Jill Rutter. *Shall We Stay or Shall We Go? Re-emigration Trends among Britain's Immigrants*. London: Institute for Public Policy Research, 2009.

[26] Balaz, Vladimir, Allan M. Williams and Daniel Kolar. "Temporary versus Permanent Youth Brain Drain: Economic Implications". *International Migration* 42(4) (2004): 21.

after returning the migrants would move upwards in terms of job complexity, professional hierarchy and income (e.g., as compared to what they used to get before migrating). Ideally, such prospects would increase the willingness of migrants to return and provided the return migration is sufficiently large it may add-up to an aggregate effect of brain gain for the home country's economy.

The above-listed arguments present a virtuous-cycle scenario. However, the qualifications and competences gained abroad can also help migrants to integrate in the professional and social networks (including the emigrant community) of receiving countries and make emigration long-term and even permanent even though this was not originally intended[27]. For the increased human capital to become an important argument when considering return the migrants have to feel that the mobility experience is recognised and valued in their home countries. Then there is a question to what extent the returnees are indeed successful in the labour market of their countries. If they find such integration difficult, they are likely to re-emigrate again as the networks they established while working abroad would decrease the information and adaptation costs of migration.

This leads to the question of who is more likely to return or to engage in the more short term or circular migration. Two lines of argument are possible here. The virtual-cycle argument as discussed above would presume that the experiences (and perhaps monetary resources) gained abroad create good basis for return migration. An alternative argument would say that the migrants who found it difficult to adapt and integrate (professionally, socially) abroad are more likely to return. By implication these returnees gained relatively little in terms of their professional and social competences. In such a case the positive effects of emigration in terms of human capital development and brain gain would be minimal.

This line of argument has direct links to the classical discussion on the push and pool drivers of migration[28]. If push factors dominate the migrants will impelled to leave due to the difficult economic situation (joblessness or low wages) and overall higher proportion of lower-skilled emigrate (the negative selection of migrants). If pool factors are more important, people may have jobs and sufficient salaries in their home countries, but find motivation in the possibility of even higher earnings, better carriers, possibility to study, experience new cultures and meet new people (usually such migrants are more qualified; positive selection of migrants). This also holds for the return migration. The negative selection dominates if the

[27] "...there are indications that temporary migration may be a significant platform for permanent migration in Slovakia", see Balaz, Vladimir, Allan M. Williams and Daniel Kolar. "Temporary versus Permanent Youth Brain Drain: Economic Implications". *International Migration* 42(4) (2004): 20.
[28] Lee, Everett. "A Theory of Migration". *Demography* 3 (1966): 47-57.

returnees are relatively unqualified and come back due to negative experiences; alternatively the returnees are positively selected if they are more skilled and come back looking for opportunities.

There is considerable body of academic literature showing evidence that much of the return migration to the developing countries has been negatively selected[29]. However, there are cases of positive selection of return migrants; importantly these may the cases where the differences of the development levels are less prominent or catching-up countries (as it is the case of CEE as compared to West European countries). Geographical proximity may play a role too[30].

The discussion above leads to the questions that we will analyse in this article using the empirical evidence of the case of Lithuania:

a) what have been the motives and "brain" profile of emigrants; was the emigration positively or negatively selected;
b) what qualifications and competences were gained abroad? To what extent the increase in human capital, knowledge and skills helped to take a decision considering return?
c) to what extent the return migrants capitalised on their human capital in integrating back into the society and labour market?

2. Overview of data sources and methods

There are significant challenges to generate empirical evidence for the examination of the theoretical arguments introduced in the previous section. Gathering reliable data is difficult since one has to survey both the emigrants (in order to understand what qualifications and competences if any they gained while working abroad) which is complicated given not only the distances involved but also the fact that the socio-economic characteristics of the target group are not clear (many migrants do not register the fact of emigration). The return migrants also have to be surveyed so that their motives and experiences could be assessed. Furthermore, it would be important to understand whether the society and employers of the sending countries do consider mobility experience as an advantage rather than an indication of loss of touch with the local reality.

[29] For an overview see Faini, Riccardo. "The Brain Drain: An Unmitigated Blessing?". *Centro Studi Luca D'Agliano Development Studies Working Papers*, No. 173 (September 2003).
[30] Mayr, Karin and Giovanni Peri, "Return Migration as a Channel of Brain Gain". *National Bureu of Economic Research Working Paper* 14039 [http://www.nber.org/papers/w14039].

Most of the data for this article was provided by two surveys conducted in 2008[31]. The respondents of the first survey were return migrants (N=800, a representative survey, face-to-face interviews)[32]. The second survey was Internet-based and targeted Lithuanians living abroad (N=2916) (the survey targeted five countries which received the highest number of emigrants from Lithuania: UK, Ireland, USA, Germany and Spain). Of course, this survey was subject to challenges inherent to such type of surveys (representativeness and reliability). In order to improve the reliability of answers and prevent the same respondent from answering the questionnaire twice or more, all the potential respondents had to register first by e-mail and a unique link to the survey was generated. The IP addresses of answers were checked to make sure that they come from countries that respondents claim to be their countries of residence. In order to improve representativeness, quotas of respondents were used to ensure a balance between countries and some socio-economic characteristics.

In the article we use data from the two surveys to analyse relevant categories of respondents among emigrants and return migrants. Caution is necessary in comparing data coming from the two surveys since it was generated using different methods. However there are few methods which would provide more accurate data since any survey of emigrants would face the same problem: the characteristics of target group can only approximately guessed and it is too dispersed to make a "classical" face-to-face survey possible. The field work was carried out in late 2008 and admittedly the findings for 2009 could be different (because the economic crisis could have changed the perceptions significantly). On the other hand, the surveys are indicative of certain socio-economic context (a lot of people emigrate, however economic situation in the home country is improving and thus the return rates are on the increase). This context is likely to reemerge once economic difficulties fade away.

We used also official data form Lithuanian Department of Statistics and Eurostat for context analysis. Since mid-2000s Lithuanian Department of Statistics estimates not only declared but also undeclared migration (based on labor market surveys). Furthermore, in 2008

[31] The surveys were initiated by Public Policy and Management Institute (PPMI) (working under contract to provide research and evaluation services to the Ministry of Social Affairs and Labour of Lithuania) and carried out in co-operation with market research companies "Baltijos tyrimai" and "TNS-Gallup". The surveys were a part of a larger study devoted to measure the effects of state policies aimed to encourage the return migration. See Barcevičius, E., Žvalionytė, D. et. al.: *Ekonominės migracijos reguliavimo strategijos įgyvendinimo efektyvumo įvertinimas*. Viešosios politikos ir vadybos institutas, galutinė tyrimo ataskaita, 2009. (http://www.socmin.lt/index.php?1606775163) [In Lithuanian, "Evaluation of Effectiveness of the Economic Migration Regulation Strategy"].

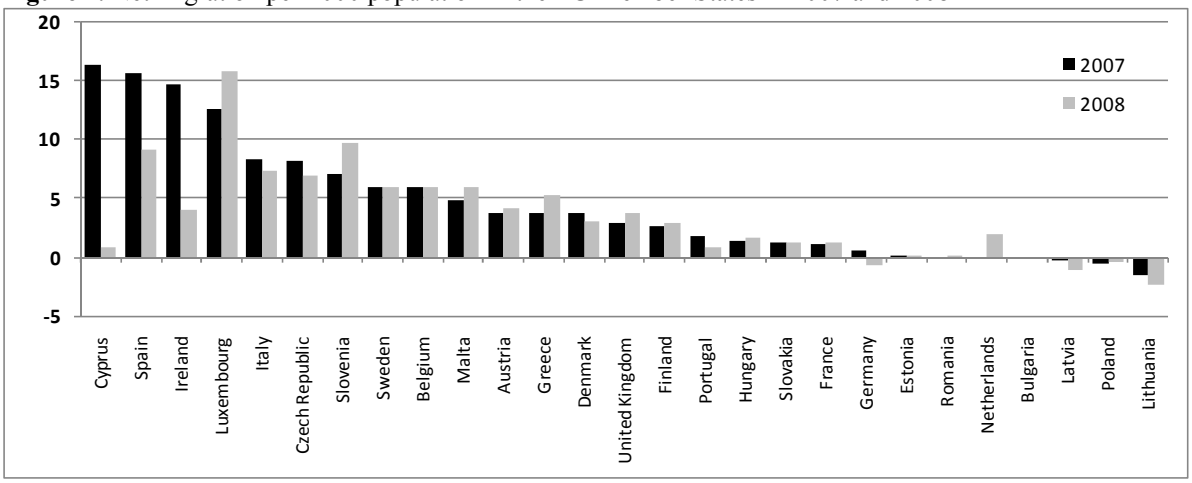
[32] In the Lithuanian legal context a migrant is a person who was out of the country for at least 6 months. This definition is applied in national statistics (although in 2008 steps have been taken increase the time spent abroad to 1 year).

there was a useful representative public opinion survey concerning the image of emigrants in Lithuania[33]. Other studies also provide some useful data[34].

3. Emigration and return to Lithuania: the trends

During the last 20 years the emigration from Lithuania was very intensive as the economic situation in the country has been difficult and people exploited opportunities to earn better income abroad. Official statistics[35] show that nearly 500 thousand Lithuanian citizens[36] (10-15 percent of the population) experienced emigration in 1990-2008. According to Eurostat, in 2007-2008 the level of net migration from Lithuania was the highest in the EU.

Figure 1. Net migration per 1000 population in the EU Member States in 2007 and 2008



Sources: Eurostat database, 22 September 2009

The emigration from Lithuania peaked after Lithuania joined the EU in 2004; more than 43 thousand people left the country in 2005[37]. In the following years the emigration rate has declined and in 2008 it came down to 23,7 thousand. However, due to the recent and ongoing economic crisis the unemployment has increased and so did the emigration. Nearly

[33] Tarptautinės migracijos organizacijos Vilniaus biuras ir Vilmorus. Tyrimas „Požiūris į emigraciją ir emigrantus“, 2008. [In Lithuanian, “Attitudes towards emigration and emigrants”]

[34] Demokratinės politikos institutas. „*Globalios Lietuvos“ plėtros koncepcija*, 2008. [In Lithuanian; “The Concept of the Development of ‘Global Lithuania’ Strategy”]; Viešosios politikos ir vadybos institutas, *Lietuvos integracijos į ES poveikis kvalifikuotų Lietuvos viešojo sektoriaus darbuotojų išvykimui dirbti į užsienį,* 2006 [In Lithuanian; “Impact of Lithuania’s integration in the EU on Lithuania’s skilled public sector workers’ leaving for working in foreign countries“].

[35] The official data is produced by the Lithuanian Department Statistics, which pulish annual reports on International Migration of the Lithuanian Population, see www.stat.gov.lt

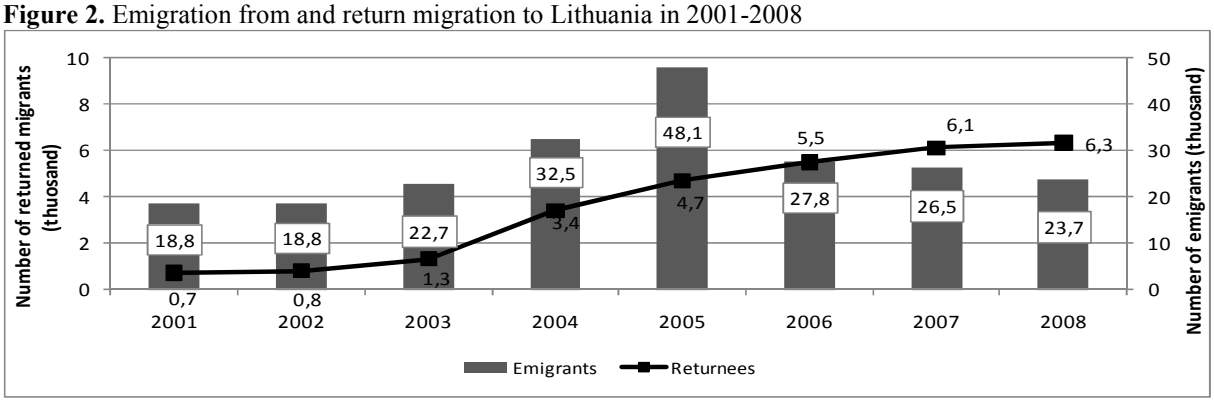
[36] This article uses the term Lithuanians not in the ethnic but in the political sense. I.e., among the emigrants from Lithuania there are many who are of ethnic Russian, Ukrainian, Polish or other origin

[37] Including both declared as well as undeclared emigration.

20 thousand Lithuanians declared emigration in 2009, compared to 17 thousand in 2008 and 14 thousand in 2007[38].

Return migration gained pace since 2006 as the emigrants started coming back to exploit the opportunities provided by the rapidly growing economy (see Figure 2). In 2008, 6,3 thousand emigrants declared their return as compared to 1,3 thousand in 2003; the actual scale of return was even higher due to the undeclared return (however official data on this is not available). Significant number of those who experienced emigration (about 29-55%[39]) had done this multiple times (e.g. emigrated, returned, emigrated again and then returned). Overall, we estimate that in 1990-2008 around 200 thousand economic migrants did return to live and work in Lithuania, therefore we expect that the level of net emigration from Lithuania during that period was about 250 thousand[40].

Figure 2. Emigration from and return migration to Lithuania in 2001-2008



Source: Lithuanian Department of Statistics
The data on emigration include declared as well as undeclared emigration while the data on return migration is based only on declared return.

It can be reasonably argued that Lithuania is a case of circular migration. On the one hand, the propensity to emigrate is high since Lithuanians find it appropriate to use migration as a way to solve their economic problems. The high rates of emigration have been explained using the "historical memory" or "culture of emigration" arguments as emigration was quite typical choice to escape economic and political turmoil during various periods of XIXth and XXth centuries. On the other hand, our survey of emigrants show that at least one third of them expect to return home, first and foremost as they want to reunite with their families and friends, while economic considerations are also relevant to some extent. Our research shows

[38] The data for undeclared migration will only be available by mid-2010; see International migration statistics of the Lithuanian Department of Statistics at www.stat.gov.lt
[39] Data from, respectively, the survey of emigrants and return migrants.
[40] Barcevičius, E., Žvalionytė, D. et. al., (2009a): *Ekonominės migracijos reguliavimo strategijos efektyvumo įvertinimas*. Viešosios politikos ir vadybos institutas, galutinė tyrimo ataskaita, p. 29. (http://www.socmin.lt/index.php?1606775163).

that about 60-70 percent Lithuanians who have experienced emigration retained close links to the country while living abroad[41]. Therefore it seems that the potential for return migration is considerable[42].

In the public discourse of Lithuania emigration is usually treated as a negative phenomenon. Such an approach is based on the assumption that emigration is one-off decision. Therefore, once a decision to emigrate has been taken, there is no way back – an emigrant is "a loss" to the country. The increasing return or circular migration and the maintenance of close links to the country provides some potential for human capital gain from emigration. Admittedly, the net level of emigration is still to high to expect any meaningful net brain gain on an aggregate level. However an overall trend of who returns (in terms of qualification and competence) and how the returnees integrate in the labour market back home offer useful important insights on the current and prospective costs and benefits of migration.

4. The empirical evidence: the brain is gained but prefers to stay abroad

4.1. Human capital gained in emigration

We use the level of formal education of migrants and return migrants as the reference point for our analysis. Based on this classification we discuss if additional formal qualifications or less formal competences have been gained in emigration and how do they influence the situation of migrants in labour markets abroad or in their home country (if the decision to return has been made).

While there are many levels of formal education (from primary education to a doctoral degree), we identified three groups for our analysis as the answers of respondents within these groups tended to cluster together. The migrants within the first group fall into the low education category (graduates of primary or secondary level of education or VET training[43]).

[41] Barcevičius, E., Žvalionytė, D. et. al., (2009a): *Ekonominės migracijos reguliavimo strategijos efektyvumo įvertinimas*. Viešosios politikos ir vadybos institutas, galutinė tyrimo ataskaita, p. 38-39. (http://www.socmin.lt/index.php?1606775163).

[42] The population projections prepared by the Eurostat give the indirect evidence of the possible return migration to Lithuania, It is forecasted that the net migration rate will increase constantly in Lithuania utill 2024. See Lithuanian Department of Statistics. *Demographic yearbook 2008*. Vilnius 2009.

[43] While in many countries VET training does not necessarily mean low level of education, in Lithuanian context (as well as in many other post-Soviet countries), this level of education has been suffering from inter-related problems of underinvestment, low esteem in the society, poor quality of students and poor quality of training. The governments in the region undertake efforts to improve the situation, but change has been slow.

The next group consist of college graduates and university graduates who were awarded a bachelors degree[44]. The last group is made of migrants with the highest level of education (master and doctor degrees). In contrast to formal education, we do not classify the levels of competence since this may entail many combinations of skills and knowledge that are unique for each migrant. Thus we use some proxy indicators (such as salary levels and subjective opinions of migrants) to understand the competence gain and its pay-off in the labour market.

Table 1 shows the distribution of respondents according to the level of education in our two surveys[45]. The initial conclusion is that significant share (at least half) of all the emigrants are or will be working in highly qualified jobs (thus, they are "brains" in terms of brain drain and brain gain discourse). On the one hand, there may be even more such migrants if we take not only formal education but also competence and job experience into consideration. On the other hand, the share of emigrants with at least high education degree is somewhat smaller. The Lithuanian Department of Statistics put this number at 25,6% (2007 data), however it measured only undeclared migration (based on labour market surveys) while migrants with high education are more likely to declare the fact of emigration. The comparison of the two surveys shows a significant trend of negative selection in return migration[46] (Section 4.2 discusses this in more detail).

Table 1. The education levels of emigrants and return migrants

Migrant category	**Low education** (primary, secondary education, VET training)	**High education** (college graduates and bachelor degrees from universities)	**Highest education** (master and doctoral degrees)	**Total** (row)
Emigrants	52,8%	30,9%	16,3%	100% N=2659
Return migrants	73,5%	21,8%	4,7%	100% N=795

What were the motives for leaving Lithuania in the first place? Our survey (Table 2) showed that the economic reasons (unemployment, insufficient income) were the most important for the low education group. However all the three groups emphasised strongly the motivation of meeting new people, exploring new countries or work methods (the most

[44] In Lithuanian context colleges can award the so-called non-university degree of high education.

[45] Unless stated otherwise all the data concerning emigrants are from the PPMI 2008 survey of emigrants (Internet-based). Unless stated otherwise all the data concerning return migrants are from the PPMI 2008 survey of return migrants.

[46] Yet there are methodological limitations of comparing the two surveys as discussed in the methodology section.

important factor of the high and highest education groups, second most important factor for the low education group). This means that people went abroad looking not only for higher income, but also for new experience, which among other things leads to new knowledge and skills. This is positive from the perspective of human capital development argument.

Table 2. The weight of various factors of emigration (on the scale from 1 to 5, where 1 means that a factor did not influence emigration decision while 5 – the determining factor in taking the decision to emigrate)

Emigration motives	**Low education** (primary, secondary education, VET training)	**High education** (college graduates and bachelor degrees from universities)	**Highest education** (Master and doctoral degrees)	**Total** (row average)
Survey of emigrants				
Was unemployed in Lithuania	2,26	1,97	1,56	2,06
Insufficient income in Lithuania	3,55	3,04	2,67	3,26
Wanted to stay with my wife/ husband (girlfriend/ boyfriend)	1,67	1,71	1,83	1,71
Went abroad together with my parents (or joined my parents abroad)	1,49	1,33	1,13	1,38
Wanted to meet new people, to explore new countries or work methods	3,31	3,81	3,86	3,55
Went abroad to study or to do academic job	1,68	2,12	2,66	1,98

The next question is what human capital has actually been gained while in emigration? As discussed in the theory overview, the human capital consists of formal qualification (or education) and more experience and social interaction-based competences. Firstly, what concerns the gains in formal qualification, Table 3 shows that for a significant part of emigrants (20-29%) studying was the main purpose of going abroad. Official statistics indicate a steady increase of the number of Lithuanian nationals studying abroad (33% increase in 2005-2007, up to 6,9 thousand students)[47].

Overall, the more educated migrants are more likely to enroll to study for a formal degree[48]. However studying was quite an important activity even in the low education group. Interestingly, in the low education group among the return migrants there were very few former students. This probably means that for this segment of population enrolling in educational abroad means opportunity to integrate better in the new country and to stay longer or even permanently. Meanwhile, among the return migrants with the highest level of

[47] Lithuanian Department of Statistics. *International Migration of the Lithuanian Population 2008*. see www.stat.gov.lt.

[48] There is a positive correlation between studying aboroad and the level of education (for return migrants Kendall – tau b correlation coefficient is 0,35; significant at 0,01 level).

education there were many who studied abroad. Most probably they participated in international exchange programmes (students, researchers, mobility within multinational companies) and returned back after achieving the objectives of their stay abroad.

Table 3: The proportion of migrants who studied abroad for a formal degree

The main purpose of going abroad	**Low education** (primary, secondary education, VET training)	**High education** (college graduates and bachelor degrees from universities)	**Highest education** (master and doctoral degrees)	**Total**
Survey of emigrants				
Studying	20,4%	28,9%	22%	23,2%
Not studying	79,6%	71,1%	78%	76,8%
Total	100% (N=1567)	100% (N=866)	100% (N=459)	100% (N=2892)
Survey of return migrants				
Studying	4,3%	23,6%	48,6%	
Not studying	95,7%	76,4%	51,4%	
Total	100% (N=584)	100% (N=174)	100% (N=37)	100% (N=795)

Next we address the question of informal qualification or competences gained in emigration. The answers concerning professions showed a familiar pattern with the more educated respondents undertaking jobs in the service sector (financial, business and public services) while the lower educated would work in construction, manufacturing, agriculture or provide catering, accommodation and transport services. Of course, following the total human capital gain argument, in all professions more or less qualified jobs are possible and migrants with lower levels of education can still undertake jobs with high level of complexity and responsibility (e.g. they could have accumulated necessary qualification through work experience and social interaction). We took the pay level as a proxy for the level of qualification and assumed that lower qualification jobs pay less than 2000 EUR (net) a month while higher qualification would be rewarded at least 2000 EUR a month or more (net). Table 4 shows that there is a link between the pay levels and the level of formal education. Yet about 1/3 in the low education group are remunerated more than 2000 EUR; it is probable that many of them would be undertaking high qualification jobs.

Table 4. The monthly pay of emigrants and the monthly pay that the return migrants received when they were staying abroad

Income range	**Low education** (primary, secondary education, VET training)	**High education** (college graduates and bachelor degrees from universities)	**Highest education** (Master and doctoral degrees)	**Total** (row average)
Survey of emigrants				
Up to 2000 EUR	70,9%	63,1%	43,9%	64%
2001 EUR and more	29,1%	36,9%	56,1%	36%
Total	100% (N=1216)	100% (N=719)	100% (N=380)	100% (N=2315)
Survey of return migrants				
Up to 2000 EUR	78,4%	76,8	64%	77,6%
2001 EUR and more	21,6%	23,2	36%	22,4%
Total	100% (N=519)	100% (N=138)	100% (N=25)	100% N=682

The higher pay levels are clearly related to the time spent in emigration (our emigrant survey shows small but statistically significant correlation here[49]). This is in line with the human capital gain argument: job experience generates competence and this is reflected in higher pay. Table 5 shows that this trend holds true for all the groups of education and is confirmed by both surveys.

Table 5. Distribution of income within each education category and according to time spent in emigration

Time spent in emigration	**Income range**	**Low education** (primary, secondary education, VET training)	**High education** (college graduates and bachelor degrees from universities)	**Highest education** (Master and doctoral degrees)	**Total** (row average)
Survey of emigrants					
Up to 2 years	Up to 2000 EUR	88,1%	80,7%	58,3%	81,9%*
	2001 EUR and more	11,9%	19,3%	41,7%	18,1%
2-7 years	Up to 2000 EUR	71,9%	65,1%	49,3%	66,4%
	2001 EUR and more	28,1%	34,9%	50,7%	33,6%
More than 7 years	Up to 2000 EUR	57%	45,1%	31,4%	47,7%
	2001 EUR and more	43%	54,9%	68,8%	52,3%
Total		(N=1180)	(N=708)	(N=378)	(N=2266)
Survey of return migrants					
Up to 2 years	Up to 2000 EUR	79%	81,8%	92,3%	80,1%
	2001 EUR and more	21%	18,2%	7,7%	19,9%
2-7 years	Up to 2000 EUR	79,4%	71,4%	36,4%	75,9%
	2001 EUR and more	20,9%	28,6%	63,6%	24,1%
More than 7 years					

[49] There is a positive correlation between the time spent in emigration and the pay level (for emigrants Kendall – tau b correlation coefficient is 0,257, significant at 0,01 level; for retur migrants Kendall – tau b correlation coefficient is 0,167; significant at 0,01 level).

	Up to 2000 EUR	61,1%	60%**	0%***	58,3%
	2001 EUR and more	38,9%	40%	100%	41,7%
Total		(N=519)	(N=138)	(N=25)	(N=682)

* There are slight differences in decimals between tables as only valid percent counted, while no of missing values was slightly different
** N of this category very small (5)
*** N of this category very small (1)

As mentioned above, the level of competence is very difficult to classify as various combinations of skills and knowledge are possible for each respondent. It also has a strong subjective aspect; i.e. the self-assessment of the respondent whether she or he gained competence while being abroad is important. Meanwhile, such self-assessment also demonstrates self-confidence which itself can be an important competence.

We asked the respondents whether their abroad job was adequate taking their level of education and qualification into consideration. Table 6 shows that significant part of the respondents indicated that lower qualification than theirs would have been sufficient to do the job (46,2%). While objectively this may or may not be so, this shows how the emigrants felt with regard to their occupation. Most probably the persons saying that they were doing less qualified jobs are less satisfied with their situation and would identify few benefits in terms of their human capital development. Meanwhile, the higher the level of education of respondents, the more frequent were the answers that their occupation correspond to the level of qualification. This means both more realistic expectations before leaving as well as higher satisfaction with the quality of employment.

There is a tendency similar to that observed in relation to the pay levels: those who arrived relatively recently (up to 2 years in emigration) would be taking less qualified jobs (62,6%) than the persons who stayed in emigration for 2-7 years and more. Furthermore, there is a small positive but statistically significant correlation between pay levels and qualification/ education requirements of the job[50]. This trend is somewhat twisted by the 17% of the lower educated say that higher qualification than theirs would usually be expected in their job. Half of them earn more than 2000 EUR (which is higher than the overall pay level in this group, see Table 4). Those who are remunerated less but still think that their job requires high level of qualification most probably signal high complexity and responsibility requirements of their job.

[50] For emigrant survey Kendall – tau b correlation coefficient is 0,287; significant at 0,01 level.

Table 6. The opinion of migrants concerning the qualification/ education requirements of their emigration job

Qualification/ education requirements of the job	**Low education** (primary, secondary education, VET training)	**High education** (college graduates and bachelor degrees from universities)	**Highest education** (Master and doctoral degrees)	**Total** (row average)
Survey of emigrants				
Lower qualification/ education (than I actually have) would have been sufficient to do my job	47,1%	52,2%	32,7%	46,2%
My job correspond (-ed) to my level of qualification/ education	35,1%	40,4%	64,9%	41,8%
Usually for this type of job higher level of qualification/ education (than mine) would be required	17,9%	7,4%	2,4%	12%
Total	100% (N=1120)	100% (N=676)	100% (N=370)	100% (N=2166)
Survey of return migrants				
Lower qualification/ education (than I actually have) would have been sufficient to do my job	58,3%	73,2%	66,7%	61,7%
My job correspond (-ed) to my level of qualification/ education	36,4%	21,8%	33,3%	33,3%
Usually for this type of job higher level of qualification/ education (than mine) would be required	5,3%	4,9%	0%	5%
Total	100% (N=528)	100% (N=142)	100% (N=27)	100% (N=697)

Another test of subjective assessment of competence gains is the question whether the migrants feel that their skills and knowledge is valued and respected in Lithuania. The virtuous cycle argument as discussed in the theoretical overview would assume that migrants know that their skills and knowledge are valued in Lithuania, this would give them confidence and perhaps even encourage return migration. Yet the evidence does not support this assumption. Table 7 shows that emigrants are very skeptical with regard to whether their experiences and skills will be valued in Lithuania. Importantly, the low education group is evidently more worried. This shows that formal education gives more self-assurance and probably also more competence that any additional informal qualifications and competences will be recognized in the labor market.

Table 7. The opinion of migrants whether their migration experiences are valued in Lithuania (the respondents were asked to rate statements on the scale from 1 to 5, where 1 means "completely disagree" and 5 – "agree fully")

Statement	**Low education** (primary, secondary education, VET training)	**High education** (college graduates and bachelor degrees from universities)	**Highest education** (Master and doctoral degrees)	**Total** (row average)
Survey of emigrants				
The qualification, competence or education gained in emigration will not be recognised	2,78 (mean) (N= 1475)	2,52 (mean) (N=840)	2,1 (mean) (N=443)	2,59 (mean) (N=2758)
The experience and knowledge I gained while in emigration would not be valued and will not be very useful	3,22 (mean) (N=1480)	3,01 (mean) (N=820)	2,98 (mean) (N=429)	3,12 (mean) (N=2729)
The emigrants are viewed negatively in Lithuania	3,23 (mean) (N=1409)	3,32 (mean) (N=791)	3,19 (mean) (N=412)	3,25 (mean) (N=2612)
Survey of return migrants				
The experience and knowledge I gained while in emigration is not be valued in Lithuania and is not very useful	2,01 (mean) (N=487)	2,03 (mean) (N=144)	1,85 (mean) (N=34)	2,01 (mean) (N=665)
The emigrants are viewed negatively in Lithuania	1,76 (mean) (N=500)	1,69 (mean) (N=135)	1,75 (mean) (N=32)	1,75 (mean) (N=667)

Table 7 demonstrates that there is an overall strong belief among migrants that Lithuania's public opinion on them is negative. There is a statistically significant correlation between answers that "the experience gained in emigration would not be valued in Lithuania" and "the emigrants are viewed negatively in Lithuania"[51]. The migrants who do not believe that their experiences will be valued are less likely to return (the average response concerning value of experience in Lithuania was 2,91 for planning to return group and 3,17 for not returning group). Yet even the potential returnees are more sceptical than not about the perspective of their knowledge being valuable in Lithuania. This contradicts the virtuous cycle argument as discussed in the theoretical overview.

Table 7 also show a curious level of miscommunication between the Lithuanian community inside the country and abroad since the returnees do not think that migrants are viewed negatively in Lithuania. In addition, a public opinion survey in 2008 showed that about 74% of respondents in Lithuania have a positive attitude with regard to emigrants[52]. This means that upon return the migrants change their attitude on how Lithuanian society views migrants and migration experience. Does this provide an indication of a relatively

[51] Emigrant survey, Kendall – tau b correlation coefficient is 0,322; significant at 0,01 level).
[52] Tarptautinės migracijos organizacijos Vilniaus biuras ir Vilmorus. Tyrimas „Požiūris į emigraciją ir emigrantus", 2008 [In Lithuanian, "Attitudes towards emigration and emigrants"].

successful integration returnees in the society and labour market back home? This question is discussed in the next section.

4.2. Return migration and re-emigration

Section 4.1 shows an overall evidence of human capital gain for emigrants, be it from studying for formal qualification or from work experience and social interaction. The analysis also showed that the extent of the gain is related to the level of education, yet it is not insignificant even for the low education group. The next question to consider is to what extent these who were most successful in gaining the human capital return back to Lithuania.

Our surveys showed that return migration is characterised by negative selection, i.e. the migrants who gained less in terms of human capital are more likely to return. Caution is necessary in undertaking any direct comparisons between the two surveys, we consider that the data is indicative of the overall trend[53]. What concerns the formal education, the level of education of returnees is lower (Table 1), fewer of them studied for a formal degree (Table 3). This is also true for proxy indicators that we used to measure the more informal competence gains. The salary levels of returnees were lower (Table 4) and more of them worked in jobs which required lower qualification/ education that they actual have (Table 6). All the returnees (independent on their level of education) cited the family circumstances, willingness to reunite with families and friends, willingness to live in the familiar cultural environment as the main reasons for return[54]. However, for the low education group the push factors (difficulties finding job, adapting to the foreign cultural environment) were relatively more important.

Yet even if the return migration is characterised by negative selection, the returnees still bring back important competences and experiences. Therefore the next question is if the returnees took advantage of these competences and experiences. Our survey shows that most migrants (around 60-70%) did not find it very difficult to adapt upon return to Lithuania

[53] See the more detailed explanation in the section on methodology. Admittedly, it is likely that overall the respondents to the first survey will be better educated as it was Internet-based. However, it could be reasonably expected that among the persons who have migration experience (both emigrants and return migrants) Internet literacy will be high, independent on their level of formal education. Most emigrants find it much cheaper to use the Internet for communicating with their friends and relatives in Lithuania. In the popular media one could find articles claiming that a significant number of people (especially the older ones) learned how to use computers and the Internet due to emigration.

[54] The single most important reason was willingness to reunite with family and friends. On the scale from 1 to 5 (where 1 means "completely disagree" and 5 – "agree fully") the answer average for the three groups was, correspondingly 4,35-4,17-4,30).

(Table 8), yet a significant minority experienced difficulties, especially in the low education group. Given that this group dominates among the returnees, the aggregate level of adaptation difficulties is around 40%.

Table 8. Adaptation to life in Lithuania after the return (the respondents were asked to rate statements on the scale from 1 to 5, where 1 means "completely disagree" and 5 – "agree fully")

Was it difficult to adapt upon return Lithuania?	**Low education** (primary, secondary education, VET training)	**High education** (college graduates and bachelor degrees from universities)	**Highest education** (master and doctoral degrees)	**Total** (row average)
Survey of return migrants				
Difficult	41,3%	29,4%	27,8%	38,1%
Not difficult	58,7%	70,6%	72,2%	61,9%
	100% (N=576)	100% (N=170)	100% (N=36)	100% (N=782)

Our survey showed that the single most important reason complicating the adaptation for all the groups was difficulties finding a job (77%-80%-50% of respondents who experienced adaptation difficulties choose this answer within each group respectively[55]). Table 9 shows that a significant part of all the returnees were unemployed (12% while the average unemployment rate in Lithuania at the end of 2008 was 7,9%[56]); yet the most plausible reason for this is that many returnees simply did not have enough time to find a job. An absolute majority among the unemployed return migrants came back recently (60% in 2008) and also had to look for a job in the context of economic pressures of the global economic downturn).

Table 9. The current occupation of return migrants in Lithuania

The current occupation	**Low education** (primary, secondary education, VET training)	**High education** (college graduates and bachelor degrees from universities)	**Highest education** (Master and doctoral degrees)	**Total** (row average)
Survey of return migrants				
Studying (various level of education)	5,4%	8%	2,7%	5,8%
Work and study	5,8%	16,7%	5,4%	8,2%
Work	70%	58,6%	78,4%	67,9%
Unemployed	12,5%	10,9%	8,1%	12%
Unpaid family work (taking care of	6,3%	5,7%	5,4%	6,2%

[55] Note that the N for the highest education group was very small as very few of them said that they experience adaptation difficulties.
[56] Data from the Lithuanian Department of Statistics.

children)				
Total	100% (N=583)	100% (N=174)	100% (N=37)	100% (N=794)

Table 9 also demonstrates that many among the high education returnees are studying (around 25%). Most probably they either (a) took abroad some temporary and unqualified jobs to earn some income (this also confirmed in Table 10) or (b) took part in student exchange programmes. However our emigrant survey does not show that those who are studying abroad are more or less likely to come back. "Yes" and "no" answers make up around 1/3 of all the answers while another 1/3 of respondents does not know.

Very many of the employed respondents indicated that they claimed up the qualification ladder upon return to Lithuania (Table 10). For example, among the respondents in the low education group 58,3% said that lower qualification/ education would have been sufficient to do their emigration job while only 7,8% said their current job is less qualified than the one they held abroad. These answers would support the human capital gain argument even in the context of the overall negative selection among the return migrants. However it is very likely that that the returnees simply return to their earlier positions which they consider more qualified as compared to what they used to do abroad. In fact 82,9% of respondents who said that they current work in more highly qualified also indicated that their work abroad was under qualified compared to their level of education. The respondents saying that they current work in more highly qualified also signal satisfaction with their situation: 67,6% of respondents in this group said that they did not difficulties to adapt upon return; they are also less likely to re-emigrate (32,6% indicate willingness to re-emigrate; compared to the average of 46,9%, see Table 11).

Table 10. The opinion of employed migrants concerning the qualification/ education requirements of their abroad job and current job

Qualification/ education requirements of the current job	**Low education** (primary, secondary education, VET training)	**High education** (college graduates and bachelor degrees from universities)	**Highest education** (Master and doctoral degrees)	**Total** (row average)
Survey of return migrants				
Qualification/ education requirements of the emigration job				
Lower qualification/ education (than I actually have) would have been sufficient to do my job	58,3%	73,2%	66,7%	61,7%

My job correspond (-ed) to my level of qualification/ education	36,4%	21,8%	33,3%	33,3%
Usually for this type of job higher level of qualification/ education (than mine) would be required	5,3%	4,9%	0%	5%
Total	100% (N=528)	100% (N=142)	100% (N=27)	100% (N=697)
Qualification/ education requirements of the current job				
My current job requires lower qualification/ education than the (last) job that I held in emigration	7,8%	8,0%	12,5%	8,1%
The same qualification/ education requirements for the current and emigration job	49%	29,5%	20,8%	43,8%
My current job requires higher qualification/ education than the (last) job that I held in emigration	43,2%	62,5%	66,7%	48,2%
Total	100% (N=410)	100% (N=112)	100% (N=24)	100% (N=546)

Around half of the return migrants planned to re-emigrate again. this did not vary significantly among the three education groups (46,5%, 47,7% and 48,2% of answers "yes" or "rather yes" for the three groups respectively) (Table 11). Given that the push factors dominate among the potential re-emigrants, this means that they were not successful in taking advantage of the human capital gained abroad. The unemployed were very likely to consider re-emigration (77,4% of those who said that they are unemployed indicated that they are inclined to leave), answers "yes" or "rather yes"), however, the percentage of potential re-emigrants was also significant among the employed people (40,8%). On the more positive side 16,6% of the potential re-emigrants were planning to leave for to study.

Table 11. Return migrants planning to re-emigrate

Planning to re-emigrate	**Low education** (primary, secondary education, VET training)	**High education** (college graduates and bachelor degrees from universities)	**Highest education** (Master and doctoral degrees)	**Total** (row average)
Survey of return migrants				
Yes	21%	18,2%	31%	20,9%
Rather yes	25,5%	29,5%	17,2%	26%
No	28,8%	32,6%	41,4%	30,1%
Rather no	24,7%	19,7%	10,3%	23%
Totalp	(N=466)	(N=132)	(N=29)	(N=627)

The most important personal motive to emigrate per lack of employment of sufficient quality (in terms of pay and work conditions) (Table 12). Yet all the three education groups also emphasized strongly that they are disappointed with the situation in Lithuania, work of government etc. and how people are treated in Lithuania.

Table 12. The weight of various factors of re-emigration (on the scale from 1 to 5, where 1 means that a factor has no influence while 5 – a very important factor)

Re-emigration motives	**Low education** (primary, secondary education, VET training)	**High education** (college graduates and bachelor degrees from universities)	**Highest education** (master and doctoral degrees)	**Total** (row average)
Survey of emigrants				
Was unsuccessful in finding employment of sufficient quality	3,52	3,43	3,69	3,51
Financial difficulties in Lithuania	4,20	3,98	4,00	4,14
Unsatisfied with working conditions in Lithuania	4,06	3,88	4,62	4,05
Planning to study abroad	1,84	2,06	2,20	1,90
Want to reunite with wife/ husband or girlfriend/ boyfriend	1,52	1,80	2,50	1,62
Disappointed with how people are treated in Lithuania	3,85	3,88	4,21	3,88
Disappointed with the perspectives of Lithuania and the work of government	4,33	4,46	4,43	4,37

Conclusions

In this article we analysed the argument that emigration can be beneficial not only for the receiving but also for the sending countries. Specifically we elaborated on the idea that the experience of working and living abroad contributes significantly to increase the human capital of emigrants. Provided that contemporary migration is more temporary and circular, the migrants then bring the knowledge and skills gained to their home country. This may be especially relevant for CEE countries like Lithuania that are part of the EU common market, which decreases the costs of both leaving and returning within the area. The human capital gained abroad then could help the migrants to integrate in the society and labour markets of their home countries and in the longer term contribute to aggregate growth and prosperity. Yet other scenarios are also possible if the return migration is characterised by negative selection and among returnees there are many who simply did not succeed abroad. Then the argument of brain drain and brain waste is more plausible both because the more qualified migrants stay

abroad while those who gained the least from the emigration experience are more likely to return.

The analysis of the case of Lithuania provides evidence that firstly there is a significant emigration of brains as it could be estimated that around 30-40% of emigrants hold at least high education degree. Secondly, there is human capital gain for people in emigration and this is true not only for the brains, but also for lower qualification migrants. Thirdly, those who gain the most in terms of human capital are less likely to return at least in the socio-economic context that was dominant at the end of 2008. Finally, the evidence concerning integration of the return migrants is mixed, with the proportion of 50%-50% between the more and the less successful. However there is no compelling evidence that those who gained relatively more in terms of human capital abroad have integrated better and are less likely to return.

Data shows that there is significant human capital gain for emigrants both in terms of formal qualification as well as more informal competences that come from work experience and social interaction. A substantial number of the migrants go abroad to study and even in the low education group (i.e. people without the high education degree) studying was the main reason for mobility for about 20% of all the migrants. However, the students of the low education group are the least likely to return as compared to students in the more educated groups. Overall, the likelihood of return among students is 1/3 with another 1/3 being unsure of the future plans.

We used some proxy indicators to assess the level of the more informal competences gained abroad, based on the following assumptions (a) if the pay levels increase over time (especially for those who did not undertake formal education), this is an indication of higher productivity which in turn means increased competence and (b) if the emigrants feel subjectively that they work in jobs that are adequate in terms of their qualification, this also signals that they learn something in their job. The evidence showed that the pay levels did increase over time for all groups, though the increase was more significant for higher education groups. A substantial group of the emigrants (half for the low education and high education group) undertook jobs that they considered to be under qualified considering their level of qualification. However, this also depends on the duration of emigration experience: the more time spent abroad, the more likely that a person will be working in a job that it adequate in terms of his/ her qualification.

The evidence does not support the theoretical argument of virtuous cycle of circular migration. In fact the migrants who gained relatively less in terms of human capital while

being abroad are more likely to return (i.e. the lower education group, whose pay levels were relatively lower and who worked more in underqualified jobs). An important factor could be that more successful migrants integrate better in the society and labour market and migration becomes longer or more prolonged than it was originally intended to be. Another plausible argument as demonstrated by the survey results is that migrants do not expect that they value and experience will be valued very much in Lithuania. Indeed, there is a rather strong belief among all the education groups that emigrants are viewed negatively in Lithuania. This means that knowledge and competence gain is not likely an important argument encouraging return; people are more likely to return for social and family reasons. Interestingly, while the highest education (masters, doctors) group is relatively less likely to return, in this group the most likely to return back are those who went abroad to study or to do research work. This is probably because these people took part in temporary mobility and exchange programmes and now came back as their mission abroad has come to an end.

The negative selection among the return migrants suggests that integration in the labour market back home is likely to be quite complicated. The actual evidence is mixed; in fact all the return migrants split into two groups 50% of migrants each. In the first group there are migrants who encountered difficulties finding a job or finding quality employment (in terms of pay and working conditions) in Lithuania. The overall disappointment with economic situation and prospects of the country in the group of potential re-emigrants is very strong.

Among the return migrants 67,9% indicated that they have a job with another 8,2% divide their time between working and studying. Among them there are 48,2% percent who say that in Lithuania they undertook job that requires higher education and qualification level that the last job they held in emigration. While it is plausible that this happened simply because in emigration they were undertaking unqualified jobs (thus, an indication of brain waste and limited development of human resources while in emigration), this category of returnees is less likely to experience adaptation difficulties and is less willing to re-emigrate.