




SUMMARY

**EMIGRATION OF QUALIFIED PUBLIC
SECTOR EMPLOYEES: THE IMPACT OF
THE EU INTEGRATION**





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1. THE SCOPE OF THE STUDY

Levels of emigration

Emigration is considered as one of the key challenges to Lithuania's demographic development, growth of the economy and preservation of the national cultural identity. As the data indicates, more than 300 thousand Lithuanians have left the country over the past 16 years¹. This equals the loss of nearly 10 % of Lithuanian population. Emigration of highly qualified, working age persons comprises a very important part of the problem. It leads to the loss of the most valuable human capital (and loss of the investment to their education), constrains the development of knowledge economy, etc.

Limited understanding of the phenomenon

Despite the importance of the problem, our understanding regarding the structure and reasons of emigration remain limited. The work by the Department of Statistics² and the Eurobarometer³ surveys indicate the aggregate levels of emigration. However, these studies remain silent about the reasons of emigration and specific characteristics of emigrants. Other studies⁴ attempt to explore these issues. However, they suffer from the lack of representative data and the lack of comparisons between the levels of emigration from different sectors of the economy. Hence, their explanations are limited.

Key questions

This study does not attempt to explore all the problems related to the emigration. However, it seeks to fill the existing gap in the literature by answering two following questions. First, what is the level of emigration of the qualified public sector employees and what was the impact of the EU integration? Second, what are the main reasons of emigration?

Definitions

The public sector, as defined in this study, encompasses: 1) education; 2) health and social work; 3) administration of the State and the economic and social policy of the community (further – public administration sector). The qualified workers are defined according to the level of educational attainment. In this study the term 'qualified workers' is defined as follows: persons with a university degree.

Methods

The analysis is based on the results of the representative survey of the qualified public sector workers. Several interviews were also carried out with the key experts of the human resource policy in these sectors. The results of the interviews and the main findings of other studies are used to interpret the data generated by the survey. Combination of qualitative and quantitative methods allows achieving higher explanatory leverage of such a complex issue as emigration.

Roadmap of the summary

This summary focuses on the main findings of the study. Chapter two of the summary discusses the level of emigration of public sector workers and the impact of the EU integration. Chapter three focuses on the main push factors that lead to emigration. It also seeks to provide recommendations on how to manage the levels of emigration in the public sector.

2. THE LEVELS OF EMIGRATION OF THE PUBLIC SECTOR EMPLOYEES

Past emigration levels

The results of the analysis indicate that up to 4 %⁵ of qualified public sector employees have emigrated over the past 2 years. In absolute terms, this accounts for approx. 6 thousand employees. The biggest losses of the qualified human capital are reported in the education, health and social work sectors.

Contrary to the public perceptions, persons employed in the public administration sector exhibited comparatively low levels of geographical mobility. Moreover, employment of Lithuania's civil servants in the EU institutions is not a wide spread phenomenon. In January 2006 slightly more than 300 Lithuanians were employed in the EU institutions. It should be taken into consideration, that only part of these persons previously held a position in Lithuania's public management sector. On the other hand, the negative impact of emigration to the quality of public administration and public services could have been bigger, since the quantitative data does not reflect the qualities of the lost human capital. Anecdotal evidence indicates that the highest proportion of the geographically mobile public sector workers is composed of the most qualified and prominent employees.

Expected future emigration levels

In the future, within the next 3 years, 7.5 % of qualified public sector employees intend to move to another country. 5 % have a basic intention and 2.5 % have a firm intention. The highest proportion of qualified employees intending to move is comprised of persons employed in health and social work sector. The lowest proportion is employed in the public administration sector.

In comparison, the intentions of qualified public sector workers to emigrate are slightly more moderate than the intentions of Lithuania's population at large. The Eurobarometer survey (2005)⁶ indicates that 8.5 % of Lithuania's population has a general intention to migrate within the next 3 years and up to 4.2 % has a firm intention. Our interpretation of the different levels of emigration intentions in the public sector is that they result from the specific qualities of public sector employees.

Characteristics of geographically mobile group

The results of other studies⁷ as well as the findings of our survey indicate that there is a relationship between age, length of employment and intentions to emigrate. The younger public sector workers and those that have shorter employment record are more prone to geographical mobility than the elder ones, employed in the public sector for more 10 years. Hence, the fact that the average age of the public sector workers is above the average of all economically active persons explains, why the levels of public sector workers' migration intentions are slightly more moderate than the level of all Lithuania's population.

The study also examined the relationship between the wage level, the position and the emigration intentions. It was expected that persons occupying junior positions and receiving smaller wages are more likely to emigrate. However, the results of the survey of

qualified public sector employees indicate that there is no relationship between these characteristics and intentions to emigrate.

Impact of the EU integration

The analysis of the impact of the EU integration indicates that the rise in general levels of geographical mobility are closely associated with the membership in the EU. In the case of overall emigration trends, the opening of labour markets in the several Old Member States is the most important factor. However, in the case of the qualified public sector employees' the transferability of qualifications also played an important role. The main reason – majority of qualified public sector employees are not willing to take the jobs that do not match their present qualifications. Hence, the integration facilitated the transferability of qualifications and increased the potential for public sector workers to find a similar job in other EU Member States.

The impact of the EU integration, however, differs in the specific public sectors and to some extent correlates with the emigration intentions. The impact has been the greatest in the health and social work sector. This is mainly explained by the fact that the professions in this sector are most heavily regulated and the EU Commission has put substantial efforts in ensuring the transferability of the qualifications of employees in the health and social work sector. Hence, the EU integration played a substantial role in facilitating the geographical mobility.

The impact of integration to the mobility of education and public administration sector employees is less straightforward. The geographical mobility of teachers, lecturers and other persons employed in the education sector is subjected not only by the transferability of qualifications, but also by transferability of competences. Hence, the employees, whose knowledge is cultural specific (for instance, Lithuanian language teachers) exhibit lower mobility levels than the ones whose competences are less dependent on specific contexts (for instance, professors of natural sciences). Similar logic applies to the workers of public administration sector. Here the transferability of qualifications plays a smaller role than the capacity to transfer country (or organization) specific competences. Hence, the level of migration intentions of the qualified public administration sector employees is the lowest.

Importance of information

This study also analyzed the importance of information in taking the decisions to emigrate. It was expected to find that the availability of information reduces decision making costs and hence facilitates geographical mobility. The results of the survey indicate that the qualified public sector employees are well informed about employment opportunities in other EU Member States. However, this information does not lead to higher propensity to migrate. Hence, the findings do not confirm the relationship between the availability of information regarding employment opportunities and intentions to emigrate.

Emigration in the wider context

The policy makers should consider the reported levels of emigration intentions in the wider context of human resource management problems. Other than emigration, the most important problems include: a) high proportion of employees who are 55 years old or older, b) competition with the private sector in attracting and maintaining the most qualified employees, c)

inadequate geographical distribution of employees in the cities and rural areas. The ageing workforce of the public sector indicates the need to attract and maintain young university graduates. However, the latter are the most geographically and professionally mobile. Hence, they are the most likely to emigrate or take position in the private sector. In medium term this will result in considerable lack of human resources in the public sector. This will have a potentially negative impact on the quality of public services. Moreover, it is expected that the shortages of human resources in the rural areas will be the greatest.



3. THE REASONS OF EMIGRATION

The findings of this study are broadly in line with the conclusions of other research done in this field. It indicates that the main reasons of emigration of qualified public sector employees are related to unsatisfactory professional environment in general and low wage levels in particular. Whereas, other factors, related to the quality of life in Lithuania are less important. This section discusses these problems and provides some insights on the policy implications.

Wage level

The results of the survey indicate that low wage is the most important push factor, leading to a decision to migrate. Taking into account limited resources and the levels of emigration intentions in specific sectors, the policy implication is straightforward: the wage level should be increased first and foremost in the health and social services sector and education sector. Moreover, the increase of the wage levels should be targeted towards younger public sector employees. The main reasons are twofold: a) the age structure of the public sector employees stresses the need to attract younger workforce; b) younger, less experienced employees are most likely to emigrate or move to the private sector. Hence, actual or prospective wage increases could counterbalance the tendencies of the loss of human capital in the public sector.

Links between pay level and the results

The second most important push factor is weak relationship between performance results and the wage level. As the survey indicates, public sector employees consider that system of determination of wage level is far from being transparent and rational. Performance of specific functions is not rewarded and the results of performance are not measured. Hence, the policy implication: the system of wage determination should be re-evaluated and fine-tuned in order to increase transparency and strengthen the link between the results and the monetary benefits of employees.

Implementation of reforms

Other important push factors are related to the sector specific problems. The similarity between health, social work and education sectors is that they are undergoing radical reforms. This creates substantial uncertainty for the employees and the need to adjust to the changing environment. Hence, the spread of best practice regarding work organization in a new environment, clear and in time communication of the reforms' contents and impacts, strengthening of the managerial capacity and other factors are key to facilitating smooth implementation of reforms and reducing the uncertainty faced by the employees.

Specific push factors in the health and social work sector

Representatives of **health and social work sector** highlighted these specific push factors (in order of importance):

- unproportional workload. This is caused by two factors. On the one hand, in rural areas work load is high due to the lack of personnel. On the other hand, this is also a result of unproductive system of work organization and inadequate division of functions. There is a lack of clear divisions between administrative and professional functions. Hence highly

qualified doctors and social workers (in addition to their direct functions) tend to be overwhelmed by paperwork;

- excessive red-tape, poor organization of work. There is a need to improve the managerial capacity of the sector's organizations, to re-evaluate some of the formal procedures and pay more attention to the process innovation, which could allow for substantial work efficiency;
- lack of equipment, disposables and/or their poor quality.
- poor organizational culture and atmosphere at work. Again, this indicates the need to improve personnel management capacities in the health and social work sector.

Education

Representatives of **education** sector stressed the following specific push factors (in the order of importance):

- unproportional workload. In the general education subsector (the biggest one in the education sector) this is associated with the restructuring of schools, which aimed at improving the financial viability of schools and thus resulted in higher student/teacher ratios. In addition, internal and external auditing was introduced, which increased the amount of paperwork. Hence, there is a need for additional research, focusing on the optimal teacher's workload.
- excessive red-tape, poor organization of work. On the one hand, this is caused by the above mentioned reforms, which created need to adjust to the work in the changing environment. On the other hand, representatives of education sector stressed the need to increase transparency and to democratize the management of schools, universities, etc.
- in comparison to others, representatives of education sector stressed the poor quality of infrastructure, lack of equipment. This problem is relevant in all subsectors, but specific attention should be paid to professional training and higher education.

Public administration

Representatives of the **public administration** sector identified the following problems as the most important:

- excessive red-tape, poor organization of work. In contrary to other sectors, this is not due to the lack of guidance or regulation. Quite the opposite – representatives of the public administration sector stressed that they are too constrained by the regulations and this hinders the effective implementation of their functions.
- unproportional workload. The representatives of this sector suggested that the establishment of new departments and upgrades in the administrative capacity should be prioritized in tackling this problem.
- lack of career opportunities. This factor is explained by the rigid reclamation of employment, and horizontal and vertical career opportunities in the public administration sector. Moreover, career opportunities are hindered by the weaknesses in the civil servants' training system. This is closely related to the lack of motivation system in this sector.

The complex set of factors leading to emigration also encompasses the perceived quality of life in Lithuania. As the results of the survey indicate, the main negative aspect of the quality of life in Lithuania is associated with the high levels of corruption and crime. The poor quality of health care is also considered important. Therefore, more efforts are needed to improve the transparency of the public administration and to consolidate the initiatives in improving the quality of health care services.

¹ Lietuvos statistikos departamentas, 2006.

² "Lietuvos gyventojų tarptautinė migracija, 2005", Lietuvos statistikos departamentas, Vilnius, 2005.

³ Tom Vandenbrande et al., *Mobility in Europe, Analysis of the 2005 Eurobarometer survey on geographical and labour market mobility*, Dublin, 2006.

⁴ Labanauskas L., "Protų nutekėjimo problema Lietuvoje: medikų emigracija", *Filosofija, Sociologija* Nr. 2, Vilnius: 2006; Jucevičienė, P., Viržintaitė, R., Jucevičius, G. „Protų nutekėjimo reiškinys ir jo atspindžio Lietuvos intelektiniame kapitale bruožai: žvalgomasis tyrimas." Vilnius: 2002; *Ekonominių migrantų skatinimo grįžti į tėvynę priemonės*, Viešosios politikos ir vadybos institutas Vilnius, 2005; *Lietuvių emigracija: problema ir galimi sprendimo būdai*. Pilietinės visuomenės institutas ir LR Seimo informacijos analizės skyrius, Vilnius: 2005.

⁵ The calculations are based on several assumptions, which hinder the accuracy of these results.

⁶ Tom Vandenbrande et al., *Mobility in Europe, Analysis of the 2005 Eurobarometer survey on geographical and labour market mobility*. Dublin, 2006.

⁷ "Lietuvos gyventojų tarptautinė migracija, 2005." Lietuvos statistikos departamentas, Vilnius, 2005 and Tom Vandenbrande et al., *Mobility in Europe, Analysis of the 2005 Eurobarometer survey on geographical and labour market mobility*. Dublin, 2006.
