

MASTER THESIS

**EMIGRATION POLICIES IN THE CONTEXT OF THE EUROPEAN UNION ENLARGEMENT:
THE CASE OF THE BALTIC STATES**



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Summary

In the light of the EU enlargement in 2004, this thesis looks into emigration policies in the New Member States. The main goal of the research was to find an explanation for the improvement of emigration policies, i.e. strategies that regulate international emigration flows or stimulate the return of emigrants to their home country. The three cases – Lithuania, Latvia and Estonia – are chosen and scrutinized. In order to explain ongoing emigration policies in these countries, the author, on the grounds of migration systems theory, has screened literature to find factors that hypothetically influence emigration policies: EU accession, socio-economic factors, emigration flows and emigration costs/benefits. In the course of the research, all these factors, as well as current global financial crisis, are found to be influential on framing emigration policies in the Baltic States.

The development of emigration policies in the three countries is seen from historical institutionalist perspective. With the help of extensive literature, relevant emigration policy documents and several interviews, similarities and differences between emigration policies in Lithuania, Latvia and Estonia are found. The research has shown that emigration policies do not attain enough attention from the policy-makers in all three Baltic States, particularly in Estonia. An effective strategies regulating emigration flows or stimulating the return of emigrants have not been established so far. Ineffective emigration strategies and increasing emigration flows only strengthen the importance of the main research question: *How can emigration policies after the EU accession in the New Member States be improved?* This cross-case comparison suggests what countries can learn from each other in order to improve their emigration policies; what is more, Ireland, an old EU Member State, is chosen as a benchmark. At the end, recommendations are drawn from the research and the design of the study is critically reflected.

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Abbreviations

Baltic States	Lithuania, Latvia, Estonia
CEEC	Central and East European countries
CIS	Common Wealth of Independent States (former Soviet Republics)
EHDR	Estonian Human Development Report
EMRS	Economic Migration Regulation Strategy
EU	European Union
EU-2	Romania, Bulgaria
EU-8	Czech Republic, Poland, Latvia, Slovakia, Estonia, Lithuania, Slovenia, Hungary
EU-15	Austria, Belgium, Denmark, Germany, Greece, France, Finland, Ireland, Italy, Luxembourg, Netherlands, Portugal, Spain, Sweden, United Kingdom
Eurostat	European Statistics
FDI	Foreign Direct Investment
FMOWs	Free Movement of Workers
GDP	Gross Domestic Product
IOM	International Organization for Migration
MST	Migration Systems Theory
NMS	New Member States
OMS	Old Member States
PPMI	Public Policy and Management Institute
UK	United Kingdom

1. Introduction

1.1 Problem analysis and research questions

The accession of the new European Union member states of Eastern Europe has highlighted ambivalence towards migration both within the older member states, but less frequently discussed, in the new. As the freedom of movement for workers is one of the core principles of the Union, people from the new member states (NMS) are allowed to migrate freely and work in every country of the EU. With the accession of 10 NMS to the EU in May 2004, the issue of geographical and labour market mobility within Europe has risen to the top of the EU policy agenda. Eastern enlargement has been one of the most important and difficult challenges facing the EU as it was unprecedented in terms of wave of mass emigration from the new to old member states (OMS).

Accession to the EU has presented the Central and East Europe with a new set of policy challenges as regards the issue of emigration. Most obviously, these countries had little previous experience of international migration, since communist governments suppressed free movement across borders within the Soviet bloc. Fundamental political and institutional change that goes along with the accession to the EU posed new challenges to emigration policy-makers. Currently, as migration trajectories are shifting, and the EU policy needs to be followed, emigration control and return process becomes more complicated and more difficult to influence directly within the country. It is now seven years since the Central and East European countries (CEEC) became the members of the EU, hence it is quite a long period for following up what has happened.

This research looks into emigration policies in the NMS after the EU enlargement in 2004, particularly concentrating on three countries (commonly referred as the Baltic States) – Lithuania, Latvia and Estonia. As a citizen of Lithuania, I am concerned about one of the main social as well as political challenges that my country faces. The negative consequences associated with increased emigration now largely rest upon Lithuania, as well as upon other Blatic States – Latvia and Estonia. Mass emigration from the Baltic countries is considered as one of the most serious threats to the countries' demographic, social, economic stability. Everything would be good with the free movement of persons if emigration was temporary; however, media announces that conditions in the Baltic States do not lead to that. At the moment, the departures of the whole family are noticed, and emigration of young high-skilled people is also gaining importance.

The above mentioned problems leads one to thinking about measures to decrease the extent of emigration as well as about the programs for promotion of return migration and turning emigration into positive results. It is interesting to analyse how to manage emigration flows and what impact the EU accession has had upon emigration policies in the NMS, particularly the Baltic countries. Due to the small size of the countries and not a large population, the migrant number from the Baltic States is well below the number of immigrants from other sending countries in the whole EU. This makes it unlikely that emigrants from Lithuania, Latvia or Estonia will have a considerable impact on receiving countries. Nevertheless, the intensity of emigration flows from the Baltic States can be rated as one of the highest in the entire EU. That is

why this thesis will not analyse the impact of emigrants on the receiving countries, and only focus on the causes, consequences and policies of emigration on the sending (Baltic) countries.

In this comparative case-study research on European integration in the field of emigration, the following central research question will be answered: *How can emigration policies after the EU accession in the New Member States be improved?*

This will be done by following a framework of sub questions. The sub questions serve as a guide and framework for doing the empirical research. On the basis of these sub questions the empirical data will be collected from the three selected case studies, the EU member states Lithuania, Latvia and Estonia. Firstly, the factors having a strong decisive impact on emigration policies have to be addressed:

1) Which factors determine emigration policies in the New Member States?

To answer this sub question, various theories concerning migration and the primary factors that encourage emigration will initially be reviewed. The EU accession and the principle of free movement of people needs to be addressed as one of the most influential. Also, in order to answer this sub-question, an analytical framework including hypotheses and variables will be introduced. Next, particular emigration policies conducted in the NMS need to be addressed:

2) What kind of emigration policies have been formulated and implemented in the New Member States before and after the EU accession?

It is necessary to survey the emigration pattern prior to the EU accession in order to understand the changing dynamics and explain how the relation between the EU and domestic emigration policies has evolved over time. The empirical data will be collected in order to provide a proper answer to the research question. When knowing how the Baltic countries formulated their emigration policies, an evaluative question can be given:

3) What can countries learn from each other in order to improve emigration policies?

The last sub question is formulated the following way in order to make a practical contribution with this research. This question will be answered not only by comparing emigration policies in the three Baltic countries, but also using Ireland as a benchmark country. Irish experience will be used as a lesson to be learned with respect to improving emigration policies of Lithuania, Latvia and Estonia and it will be focused on policy recommendations.

1.2 Aim and relevance

1.2.1 Theoretical relevance

It turned out that hardly any systematic and comprehensive studies on emigration have been carried out in the Baltic countries. Emigration has been a widely explored field of research; though, findings in the area of migration after the EU enlargement in 2004 are not very numerous in the academic literature. Literature on

migration from the Eastern Bloc countries to the EU-15 has been rather scarce; most studies tend to be very descriptive and reflects a more general situation, in terms of shortage of their empirical analysis into a broader analytical framework drawing on international migration theories. Moreover, mostly labour movement impact on the receiving countries (i.e. Western Europe) is analysed, not considering the effects on the sending countries. Thus comparatively new EU member states are going to be chosen as a plot for analysis. This thesis contributes to the academic literature as it is one of a few case studies concerning the Baltic States.

The aim of this paper is to describe and analyze the ongoing emigration policies taking place in the Baltic countries following the EU enlargement and to assess the usefulness of those policies by comparing it with each other. Such comparative approach is very often undoable. This research on emigration indicates into the body of knowledge in public administration by combining the different theoretical aspects of emigration and providing a comprehensive and comparative understanding of emigration policies. What is more, emigration policy learning is theorized by designing a broad theoretical framework embedding various possible factors that influence emigration and the core policy issues raised by emigration. Also, what the Baltic countries do similarly and differently regarding emigration policies is going to be found out – this aspect has not been touched upon in academic literature so far. Therefore, sophisticated policy analysis may close the research gap in the field of emigration policy-making. Accordingly, this research paper strives to contribute to the comparative research on New Member States, which has so far rarely been the subject in academic field.

It is interesting to look at how politicians from comparatively new EU member states solve the problem of emigration, especially economic emigration issue. The answer to the research question makes “a significant contribution to the accumulation of our understanding of and knowledge about political phenomena”; it is useful for practitioners and policymakers (Buttolph Johnson et al., 2008: 64). Thus, governments of the Baltic States are ‘potential clients’ of this study. This research analyses some important processes which can be used by the governments to manage emigration process. Also, this research seeks to find policy recommendations that would make emigration experience into a more positive situation not only in the Baltic States, but also for countries that will join the EU in the future.

1.2.2 Societal relevance

The answer to the posed research question that addresses real world problems can be characterized by significant societal relevance. The societal relevance of this research project first of all lies in the importance of the issue concerned. The question of emigration is of crucial importance for the citizens of the Baltic States as one of these countries’ most striking problem is excess emigration. The phenomenon of emigration affect many citizens in the Baltic countries. When the country has a high emigration rate, almost everybody has family members or friends that have emigrated abroad. Especially with the current financial crisis going on, the issue of international emigration gets more and more attention.

Second, the view of the government on emigration is important to citizens as international migration is sensitive to emigration policies and political developments. Effective or ineffective emigration policies might affect citizens' decision to emigrate or not as administrative policies can stimulate, enable, or restrict emigration.

1.3 Research design

The most appropriate design which seems capable to help answering the research question of this thesis is comparative (co-variational) case study. Co-variational approach compares observations of one case with observations in another case. Traditionally the co-variational style has often been used in 'area studies', that compare countries within a specific geographical area because those countries share certain historical, cultural and geographical characteristics (Blatter & Haverland, 2010). According to the fact that careful selection of most similar cases needs to be done, I have chosen the Baltic States' region and thus add Lithuania, Latvia and Estonia as units of analysis. Also, these countries joined the EU at the same date and it might be true that emigration flows from all of them also increased after the EU accession.

Having a few cases, small-n research can be designed. Small-n studies are commonly associated with cross-case comparison, prefer 'depth to breadth' and potentially lead to 'very precise causal stories' for a few cases (Gschwend & Schimmelfennig, 2007). Also, a small-n design is an important design "to use for developing and evaluating public policies as well as for developing explanations for and testing theories of political phenomena" (Buttolph Johnson et al., 2008: 151).

However, in order to assess the importance of emigration policy developments, a scale of emigration (and the fact that before the EU accession emigration flows from the Baltic States were considerably lower), as well as a few economic variables, has to be shown. Thus, an interrupted time series research design is considered to be the most appropriate to show that. According to Gschwend & Schimmelfennig (2007), this type of research is quasi-experiment and compares the same case before and after the treatment, evaluating the effectiveness of a policy or an organizational change. It can be expected that a time series model will generally reflect the fact that observations close together in time (for instance, after the EU enlargement in 2004) will be more closely related than observations further apart.

1.4 Methods of data collection

In order to conduct research and diminish some of the knowledge gaps on post-accession emigration in the Baltic States, a few general levels of grasping data on emigration will be used.

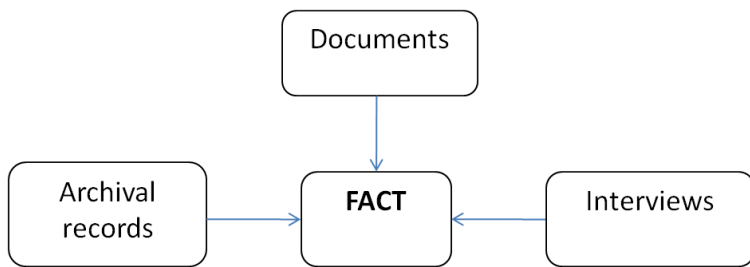
First, various documents – scholarly articles of social scientists, research papers, information from national government and European institutions websites, internal reports, media records - will be used for collecting empirical evidence. The documentary information is stable as it can be reviewed repeatedly and exact by containing exact names, references, details of an event; and it is likely to be relevant to every case study topic. Moreover, documentation is not created as a result of the case study and thus it is unobtrusive.

Although documentation can be biased of selectivity, reflect bias of author, contain the unmitigated truth or the access to it may be deliberately blocked, “documents play an explicit role in any data collection in doing case studies” because of their overall value (Yin, 2003: 87). By exploring documents with regard to emigration written on the account of the Lithuanian, Latvian and Estonian governments I will be able to do research with data which is comparable. The empirical data collected through content analysis need to be classified and analysed; and the data on the basis of the theory lets to draw up conclusions.

Second, archival records that are precise and quantitative will be also used in conducting this research. Organizational records and data from central agencies responsible for the production of official statistics will be collected. These and other archival records can be used in conjunction with other sources of information in producing a case study. However, most archival records were produced for a “specific purpose and a specific audience” (other than the case study investigation) (Yin, 2003: 89), and these conditions must be fully appreciated in interpreting the usefulness and accuracy of the records. The analysis of official statistical information is an essential starting point when examining the emigration trends and public policy developments (PPMI, 2008). In the case of this research, relevant statistical data provides a broad picture of the main emigration trends and factors that influence emigration. The trends and economic indicators have a noticeable influence on emigration policy-making.

The third method of data collection will be qualitative surveys with policy makers, using semi-structured interviews with guiding questions. Interviews are among the most important and most commonly used sources of evidence in doing case studies. According to Yin (2003: 89), case study interviews are appeared to be “guided conversations rather than structured queries” and have an open-ended nature, in which the key respondents can be asked about the facts of a matter as well as their opinions about particular sphere. Sometimes the respondents can even propose their own insights into certain occurrences, and that is the case in this research where interviewees give their opinions about improvements of emigration policy. In this research, public experts’ opinions are used in the absence of empirical evidence.

The strength of interviews is that they are targeted (focuses directly on case study topic) and insightful (provides perceived inferences). On the other hand, as the interviews are considered verbal reports only, they have common problems of response bias, poor recall, poor or accurate articulation and reflexivity because “interviewee gives what interviewer wants to hear” (Yin, 2003: 86). A reasonable approach of dealing with interpersonal influence pitfall is to corroborate interview data with other sources of evidence. The problems of establishing the construct validity and reliability of the case study evidence can also be dealt by using multiple sources of evidence. If any finding or conclusion is based on several different sources of information, it is likely to be much more convincing and accurate (ibid). In the research, facts and statistics are combined with appropriately weighed up opinions of experts and specialists.



Convergence of evidence (Source: Yin, 2003: 100)

1.5 Case selection

The three Baltic States – Lithuania, Latvia and Estonia – comprise a particular regional cluster, share similar history, have similar economic conditions and a small population size. All these countries were occupied by the Soviet Union, then won their independence in 1990-1991, and then they joined NATO and the EU in 2004. After the accession to the EU, migration patterns changed: Lithuania, Latvia, and Estonia, which used to be receiving countries for migrants, have become the sending countries. An analysis and comparison of the emigration policies in these three countries can help to do an in-depth investigation. This will help to achieve a strong internal validity in a research. Of all the 27 EU Member States, the case of Lithuania is distinctive as a country that has the largest net migration; continuously growing emigration is also appropriate for Latvia and Estonia. Also, due to the small size of population the labour migration experience from the Baltic States is not extremely relevant to the other EU-8 countries.

The Baltic States are immigration target countries mainly for the citizens of third countries (countries that are not EU member states) and asylum seekers. The majority of the countries of departure for immigration to Lithuania, Latvia and Estonia are the CIS countries, first and foremost the Russian Federation. Immigration to Lithuania, Latvia, Estonia from other EU countries is almost not happening due to low salaries, difficulties to integrate, etc. Therefore, as this thesis is about free movement of people among the EU members, an immigration aspect to the Baltic States will not be considered.

In order to provide recommendations how to set up and implement emigration policies successfully, not only emigration policies at the three Baltic States will be compared. Even though other Central and Eastern European countries are much more similar to the Baltic States in terms of history and socio-economic context than OMS, emigration policies in all of the EU-8 are relatively new subject. Therefore, one of the old EU Member States is chosen as a benchmark. The experience of Ireland, a country that underwent a massive emigration but then shifted to an immigration country in the 1990s, is a noteworthy case-study for the Baltic States in this phase of emigration. It will be attempted to learn from the experiences of Ireland in regard to emigration and see how this can lead to an effective emigration policies in the Baltic countries.

2. Theoretical framework

As stated in the introduction chapter, this research is about making and improving emigration policies in the Baltic States mainly post the EU enlargement. In order for the research to have scientific footing, a theoretical model which fits the conditions in the Baltic States needs to be established. To tell something about the actual situation and do the empirical part, a theory which explains the concept of emigration, the motives influencing emigration, and how emigration policies come into being is needed. The empirical application of international migration theories to emigration policy making is complicated by the fact that theoretical considerations typically apply to immigration and emigration together. There are no separate theories on immigration and emigration, thus theories analysing migration in general will be introduced. Theoretical assumptions can be used as a starting point for the analysis of emigration policies in the Baltic States.

Prior to the presentation of the particular theories that serve as the theoretical framework for the research, this chapter starts off with a paragraph on the most important migration theories in general. Subsequently, the chapter will be followed up with an explanation for the choice of using particular theories. Later on, the hypotheses drawn from those theories, variables, indicators and the way they are being measured will be presented. International migration consists of labour, return, family, ethnic and asylum migration. In this research, only labour and return migration will be analyzed, excluding family and asylum policies.

2.1 Theoretical approaches of migration

There are various theories concerning migration in scientific literature. According to Beets & Willekens (2009: 2), “an overarching migration theory does not exist” and “different migration theories emphasise different aspects of migration”. Fihel et. al (2006) also argue that there is no single theory widely accepted by scholars or researches which would be capable to explain the perpetuation of migration, would it be internal or international movements. Moreover, “migration theories are hardly compatible – they attempt to conceptualize migration processes at different levels of analysis (individual, household, national and international) and using different methodology” (Fihel et. al, 2006: 4).

Therefore, research into international migration lacks a commonly accepted theoretical framework, which would facilitate the accumulation of knowledge (Massey et al., 1993). There is no single and coherent theory of migration, but rather a fragmented set of disparate theories. Theories that attempt to explain migration processes include the neoclassical theory of migration, segmented labor market theory, world system theory, human capital theory, new economics of labor migration theory, dual labor market theory, gravity model approach, etc. These include political economy, micro and macro-economic approaches (human capital, rational choice, international trade, brain drain), sociological approaches, migration systems, migration networks and transnational studies, post-colonial studies, gender and migration, globalisation and migration, and theories on racism/nationalism.

2.2 Classification of migration theories

“Current patterns and trends in international migration suggest that a full understanding of contemporary migratory processes will not be achieved by relying on the tools of one discipline alone, or by focusing on a single level of analysis or one conceptual model” (Massey et al., 1998: 17).

Theories that attempt to explain migration can be distinguished into either micro, macro and meso level theories (Beets & Willekens, 2009), or into migration initiation and continuation theories (Massey et al., 1993, 1998; Jennissen, 2007). In this research, the second approach is chosen to be used. Therefore, theories of international migration can be distinguished into two categories: theoretical approaches explaining the initiation of migration and theoretical approaches explaining the continuation of migration. The initiation of migration is attempted to be explained by neoclassical economic theory, the new economics of labor migration, ‘push-pull’ theory and world systems theory. The continuation of international migration flows over time is explained by network theory, social capital theory and institutional theory.

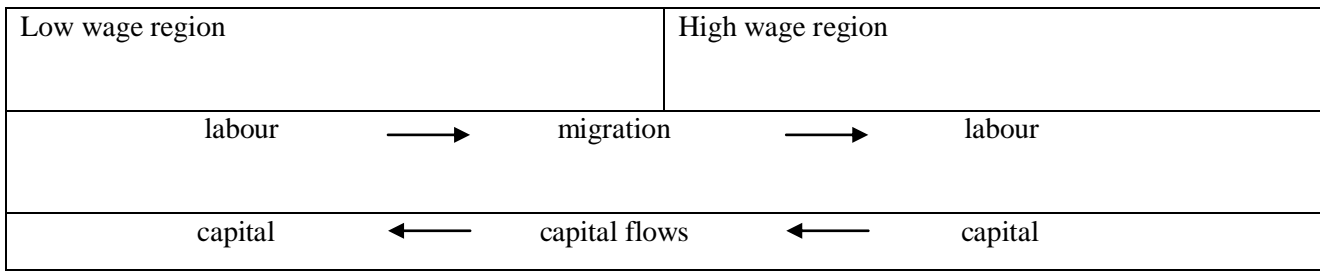
Although these theories are not linked directly to emigration policy-making, “for conducting an effective emigration policy, one has to take into account the determinants of emigration” (PPMI, 2008: 36). Therefore, a variety of well-known and established theoretical migration discourses taken from the economic, political, and social spheres should be used (MacDonald, 2010).

2.2.1 Theories explaining the initiation of international migration

The oldest theory of migration and the most influential approach to labour migration analysis is *neoclassical economic theory*. Within this theory migration is perceived purely instrumentally - wage differences between regions are the main reason for labour migration. As a consequence of these wage differences labour flows take place from low-wage to high-wage countries and equalize inequalities in wages and living conditions on the international level. Thus, a new international equilibrium is created in which real wages are of the same level in all countries (Fihel et. al, 2006; Jennissen, 2007).

According to this theory, phenomenon of international migration can be explained by potential migrant’s decision to migrate when their individual positive gains from the movement exceed the negative. In this perspective, “(...) individual rational actors decide to migrate because a cost-benefit calculation leads them to expect a positive net return, usually monetary, from movement. International migration is conceptualised as a form of investment in human capital” (Massey et al., 1993: 434). Neo-classical economic theory is used to explain migration flows between countries and can be applied in explaining international migration flows within the EU (Jennissen, 2007).

Neo-classical mechanisms leading to equilibrium:



Dual labour market theory sights away from decisions made by individuals and explains international migration by “intrinsic labour demands of modern industrial societies” (Massey et al., 1993: 440). According to this theory, migration is mainly caused by pull factors in the developed migrant-receiving countries. Segments in the labour markets in these countries may be distinguished as being primary or secondary: the primary segment is characterized by capital intensive production methods and high-skilled labour, while the secondary segment is characterized by labour intensive production methods and low-skilled labour. Dual labor market theory argues that international labour migration descends from general labour shortages and the need to fill the bottom positions in the job hierarchy in the labour intensive segment of receiving countries. Thus, as a result of labour shortages at the bottom of the job hierarchy, employers are compelled to recruit foreign workers. Eliminated labour shortages can contribute to economic growth in receiving countries (Massey et al., 1993; Jennissen, 2007).

Another theory explaining the initiation of migration is the *new economics of labour migration*. According to this theory, the decision to migrate is not an individual, but a group decision usually made within such social entity as a family. The determinants of emigration are not the differences in the wage systems, but such economic issues as the necessity to increase insufficient family income, handle household problems, etc. (Stark & Bloom, 1985; Bhattarai, 2005). Migration can also be a group decision due to the absence of social formations such as unemployment insurance or capital markets, thus labour movement levels cannot be managed by only raising salaries. Developing insurance and capital markets, amending income redistribution and changing other social conditions are among the solutions of managing migration (Bhattarai, 2005).

What is more, the theory of new economics of labour migration states that remittances have a positive effect on macro-economic development in sending countries. This perspective of the impact of remittances is called the ‘developmentalist’ perspective (Taylor, 1999). However, if labour outflow and consequently remittances experience ups and downs, the economy of sending countries faces considerable difficulties like inflation or ‘Dutch disease’ (Knerr, 1993). With respect to its explanatory value, new economics of labour migration constitutes relatively coherent and powerful theoretical framework for migration analysis. It is perceived as a more complex social process than neo-classical economic theory and analyzes the migration decision on the individual level taking also into account “the social context of decision-making process with main focus on the family or the household” (Fihel et. al, 2006: 9).

Contemporary views on migration depart from the earlier premise of the '*push-pull theory*'. The earliest migration theorist E. Ravenstein developed a theory based on the 'push-pull' process that conducts migration. According to this theory, people migrate either because unfavourable social and economic forces induce them to do so, or because they are attracted to places of destination by one or more favourable conditions there. Later on, E. Lee reformulated the 'push-pull' theory by giving more emphasis to internal (or push) factors and looking at both the supply and demand side of migration on an individual level. Positive and negative factors at the origin and destination countries push and pull migrants towards migration or non-migration. This process is hindered by intervening factors, such as migration laws or physical barriers, and affected by personal factors, for instance migrant's family status. These intervening obstacles may impede or even put an end to migration, while the ability to overcome the obstacles was in turn said to be a factor affecting the selectivity of the migration process (Lee, 1966; Hagen-Zanker, 2008).

According to 'push-pull' approach, migration is based on a decision-making process by the individual migrant or by the migrant's household. The decision-making elements are commonly referred to as 'push-pull' factors: while some factors 'pull' potential migrants toward another country, other circumstances 'push' them away from their place of residence. The push factors usually are domestic circumstances, such as home country unemployment, poverty, limited opportunity. On the contrary, pull factors are the international circumstances as employment opportunities, family resettlement abroad, educational pursuits, social opportunities in other countries. An individual is expected to migrate if the perceived benefits of these 'push-pull' factors outweigh the perceived cost (Haddal, 2009), in other words, people choose to migrate on the basis of gaining a possible positive economic return (Massey et al., 1993). Policy makers can actively modify a number of institutions to both deter some forms of migration and facilitate others, thereby mitigating the impact of 'push-pull' factors to the policy maker's advantage (Haddal, 2009).

Later variants of 'push-pull' theory include the *world systems theory* which tries to explain both the supply and demand sides of the labour movement. According to this theory, international migration is based on the structure of the world market that has developed and expanded over time. Also, this theory points on labour force movement from peripheries to the centres or from low income countries to high income countries (Massey et al., 1993), in other words, the inequitable relationship is set between the core capitalist and poor developing countries. The attention is driven away from the national labour markets and turned to the world market (Bhattarai, 2005). According to world systems theory, global processes are mutually dependent and the developments in one part of the world have an impact in another part of the world at the systemic level. Thus, the interaction of internal and external pressures as well as foreign investments and international flows of capital into the national economy has a big influence on global labour movement (ibid).

World systems theory stresses that international migration is a natural consequence of capitalism formation. In opposite to the neo-classical approach, international migration is not caused by wage differentials between countries, but it rather follows from the dynamic market and the political structure of the global economy (Fihel et. al, 2006). Also, world systems theory considers international migration from a global perspective: the interaction between societies is an important determinant of social change within

societies. Also, this theory may be seen as an explanation for the existence of differences in economic development that determine the scope of international migration directly or indirectly (Jennissen, 2004; Jennissen, 2007).

2.2.2 Theories explaining the continuation of international migration

The main theories that explain the continuation of migration are migrant networks theory, social capital theory and institutionalism. According to Jennissen (2004), these theories attempt to explain the course of international migration flows over time.

According to *network theory*, migrant networks are formed by the interconnection between the potential migrants, ex-migrants, present migrants as well as people with no intention to migrate both in the sending and receiving countries. These interconnections include kinship, ethnic bonds, friendship and shared community origin. Networks of family, friends and organisations assist in migration and settlement. Thus, the economic and political factors matter but the main decision on deciding to emigrate is made due to personal contacts and information (Massey et al., 1993; Beets & Willekens, 2009). Jennissen (2004: 54) gives a few examples of migrant networking: “contributing to financing the journey”, “helping to find a job or appropriate accommodation”, “giving information about education possibilities or access to social security”. Migrant networks lower the costs of migration and increase the probability of employment at the destination country. International migration is perceived as an ongoing phenomenon because emigrants change the ethnic composition in destination countries and hereby social networks may be formed (Jennissen, 2004).

This idea is taken one step further by *social capital theory* which indicates that people tend to migrate to places where prior emigrants from the same country have concentrated and that these social ties further sparks international emigration. Emigration is continued due to the security and cost-saving benefits (MacDonald, 2010). The role of social networks serves as a source of social capital, and consequently social capital is seen as a basis for social cohesion. Also, migrants intending to return to their home country maintain ties and invest remittances in their places of origin (Beets & Willekens, 2009). Both social capital theory and networking theory are “prominent migration schools of thought within the social sphere” as they explain how family ties and previous patterns of migration make emigration to continue (MacDonald, 2010)

Institutionalist theory defines the institutions as government's action in the organizational fields. Institutions are considered as the rational actors to obtain the achievement of their objectives. Institutions can be outlines, norms or human devised regulations allowing and constraining the behaviour of the social actors. The notion of good government is centered in the formulation processes of public policies and creates regulations and mechanisms that allow the collective actors to act of surveillance on the public environment. In international sphere, institutionalism is seen as multilateral agreements when states regulate their relations with each other within a particular issue area (DiMaggio & Powell, 1991; Scott, 2001). Institutionalism is made up by the link between the human behaviour of individuals and the rules that govern them. Institutional

theory can be applied to the issue of migration as well. According to Jennissen (2007: 414), “(...) as international migration occurs on a large scale, it can become institutionalized”.

Limitations on migration occur in part because of the constraints placed on human behavior by institutions. However, both formal and informal institutions may not only constrain, but also facilitate behaviour. The migration policies conducted by institutions can be targeted at both inbound and outbound flows, and may vary depending on selection criteria, methodology, level of restriction, etc. What is more, policy makers can learn from both historical examples and changes implemented by other countries (Haddal, 2009). Migration may influence and serve the goals of national policies: both sending and receiving governments understand that migration may acquire a big importance in their bilateral dealings, serving varied roles as stakes or instruments in state-to-state interaction. Hereby, migration loses its traditional image as a sector of ‘low politics’, and may alter or advance other priorities in international competition (Mitchell, 1989). Therefore, emigration can occur only if allowed and not actively prevented by the administration involved (Goedings, 1999: 12).

2.3 Theories applied in a theoretical framework

The above presented overview of the main migration theories proves that there is no comprehensive and coherent theoretical approach which could explain the variety and complexity of migration and its policies. The existent theories provide only partial explanations, each of them stresses different concepts and can provide a part of possible explanation of the emigration policy-making in the Baltic states in one way or another.

However, for building up a theoretical framework for the research, the scope of theories has to be narrowed down. Thus, two theories that represent this case the best – migration systems theory and historical institutionalism – will be introduced. Migration systems theory combines several key aspects of the previous mentioned theories into one theoretical approach. With the help of this theory, determinants that influence international emigration flows (and consequently - emigration policy making) will be analyzed. The second theory is historical institutionalism – an integral part of the above mentioned theory of institutionalism. Historical institutionalism is chosen as a most appropriate approach letting to compare emigration policies in the Baltic countries at theoretical level and to assess what countries can learn from each other.

2.3.1 Migration systems theory

“The migration systems approach (...) emphasizes the importance of the dynamic exchanges of goods, services, information between national and regional entities, to which migration is linked in an economic and political context and which it facilitates” (Coleman, 1993: 231).

Migration systems theory (MST) is a useful approach to analyse migration as it focus on various factors and effects identified in the previous migration theories. If international migration systems were perfectly measurable, they might be identified “by examining the matrices of in-flows, out-flows, and net-flows between all countries as they evolved through time” (Zlotnik, 1992: 20). International migration is driven by a mix of social, economic, and political factors of interacting nation-states. All these factors are included in MST that is thought to provide a more cross-disciplinary and inclusive explanation for migration (Thaut, 2009). Rather than focusing on a particular theory, MST discussed by, among others, Kritz and Zlotnik (1992) tries to integrate the key aspects of the different migration theories (Jennissen, 2007). MST is a theoretically encompassing perspective that combines the elements of international migration provided by neoclassical economics, dual labour market theory, the new economics of migration, world systems theory, ‘push-pull’ theory, migrant networks and social capital theories.

The key issue of MST is identification and examination of stable migration flows between places of origin and destinations to explain initiation and perpetuation of migration, as migration systems encompass countries and communities of origin, destination and transit. An international migration system consists of a particular group of core receiving regions in countries of destination and set of core sending regions in countries of origin that are linked by relatively large flows and counterflows of migrants. The task of MST is to identify, examine and relate migration processes in sending and receiving areas. This theory takes account of both individual and household level decision making process (Kritz & Zlotnik, 1992; Massey et al., 1993; Beets & Willekens, 2009).

The central ideas of MST, according to Kritz and Zlotnik (1992), are:

- 1) migration takes place between regions that are connected through bilateral connections (such as economic cooperation, shared history or geographical proximity);
- 2) several structural frame elements (social, political, economic, demographic) in country of origin and country of destination are important for structuring the migratory system;
- 3) all those elements of the system are interconnected.

Therefore, changes in one part of the system induce processes of adjustment in other parts of the system. For instance, high inflow of migrants leads to the adjustment of immigration law, thus reshaping the flow or direction of migration (Kritz & Zlotnik, 1992).

One of the central ideas of MST is that the exchange of capital and people between certain countries takes place within a particular economic, social, political, and demographic context. In contrast to other migration approaches, MST takes feedback effects into account that it is applicable to all migration types, and for this reason migration systems approach has a surplus value (Lebhart, 2005). However, Jennissen (2007: 411) indicates a disadvantage of this approach by arguing that “hardly any causalities are distinguished” in MST, so by following Kritz and Zlotnik (1992), next to connection by people she adds historical, cultural, colonial and technological linkages between sending and receiving countries in a MST scheme (see Figure 1).

Also, migration system is situated within a particular context. Kritz and Zlotnik (1992) differentiate the social, political, demographic, and economic contexts. As political and economic conditions change,

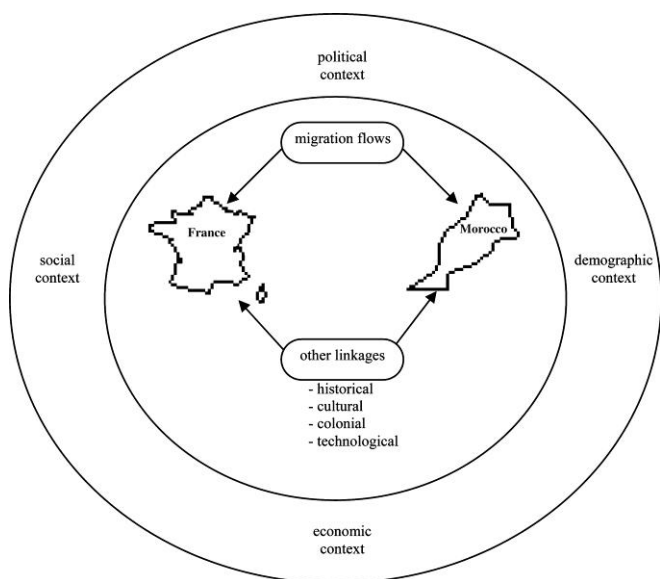
migration systems evolve, so stability does not imply a fixed structure. Countries may join or drop out of a system “in response to social change, economic fluctuations, or political upheaval” (Massey et al, 1993: 454).

One more feature of MST is that it has a spatial and a time dimension (Kritz & Zlotnik, 1992). The specific countries in the system form the spatial dimension. Previously, the most obvious material link between countries was geographical proximity and the ‘spatial gravitation’ tradition expressed the idea that the volume of migration is determined by distance. In a spatial gravitation model, the scope of migration between two countries is “determined by the population in both regions and by the squared distance between these two regions” (Jennissen, 2004: 42). In MST, countries in the same migration system do not necessarily have to be geographically close, as the role of historical and technological linkages is as significant as geographical distance. Furthermore, countries may belong to more than one migration system (Massey et al., 1993). If the context of a migration system changes, the linkages between countries form the time dimension of a migration system also changes and it has a big impact on migration flow dynamics.

In addition to external causes, as Jennissen (2007: 415) argues, “changes in the context of a migration system and changes in the linkages between countries may also be caused by international migration itself”. This is explained by the fact that a large proportion of migrants in the country’s population may influence the social, political, demographic, economic contexts and the linkages between countries (Jennissen, 2007). Zlotnik (1992) discusses the existence and properties of migration systems. The existence of a migration system is determined by specifying “threshold beyond which migration is considered to create a ‘strong’ link between nation states. (...) submatrix whose entries remained above the threshold during five or ten years would indicate the potential existence of a system” (Zlotnik, 1992:20).

Also, shared geographic region, comparable levels of development, cultural affinity and congruent migration policies are seen as essential features of migration systems. What is more, different hierarchies that may be operating within a system have to be established (Zlotnik, 1992).

Figure 1. Two countries in a systems framework of international migration



Source: Jennissen, 2004: 35.

Applying Migration Systems Theory to emigration policies in the EU enlargement context

As mentioned at the beginning of this chapter, different theories emphasize different aspects of migration. However, emigration policies are thought to be influenced by various factors, thus a theory including at least several aspects of migration is needed for this research. After deliberation, migration systems theory has been chosen as the most appropriate for analysing emigration policies and helping to set up a theoretical framework.

Judged on the characteristics of MST that are mentioned in the previous section, the EU have been deemed international migration system. MST argues that migration takes place between the regions that are connected through bilateral connections - accordingly it can be applied to the EU system. The EU-15 can be seen as a core receiving region in the countries of destination, while the EU-8 is a core sending region among the countries of origin. These regions are linked by relatively large flows and counterflows of migrants. Many countries in the EU share historic specifics, are geographically proximal and undoubtedly cooperate in economic sphere. The EU can be seen as some kind of hierarchy between economically strong destination countries and less developed origin countries or can even be considered as a 'threshold' beyond which migration flows link the EU Member States.

Kahanec & Zimmermann (2008) argue that conceptualizing the determinants of migration flows is crucial for the evaluation of their effects on the source and destination countries. What is more, analysing the causes and effects of migration in an enlarged EU is a precondition for designing effective migration policies in Europe and also a precondition for reaching the targets and key objectives of a Lisbon Treaty, European Employment Strategy and the Social Agenda.

There are various social, political, economic and demographic determinants of migration in the EU between sending and receiving countries, so EU migration can be fully integrated into MST by this aspect. As the achievement of the first-rate migration policies is not possible outside the framework of a better understanding of the determinants and effects of migration (Kahanec & Zimmermann, 2008), the theory introducing these determinants and effects of international migration flows in the EU is used in theoretical framework of this research. However, most of the post-enlargement East-West migration flows have been economic in nature, brought by the dissatisfaction with economic opportunities in the NMS and attracted by better labour market opportunities in the OMS (ibid), so more attention will be paid to economic side of emigration.

According to MST, another important determinant of international migration is political context, thus accession to the EU and FMOs is of great significance. The immigration policy in receiving countries is also relevant as migrations flows can be regulated by more restrictive policies and stricter entry requirements. In the context of the EU, this can be adjusted to the issue of transitional periods, which have been applied to NMS in some old MS.

2.3.2 Historical institutionalism

“Historical institutionalism examines interactions between institutions and other factors such as socioeconomic changes, ideological flows, and actors’ interests and strategies, thereby situating institutions in broader contexts” (Ma, 2007: 63).

There are three schools of thought: historical institutionalism, rational choice institutionalism, and sociological institutionalism. However, they all are quite different (Hall & Taylor, 1996), and only historical institutionalism is chosen as an appropriate theory in migration policies.

Historical institutionalism is a form of institutionalism theory where institutions are used to find sequences of social, political, economic behaviour and change over time. For explaining current politics and institutions, policies and institutions of the past are taken as a point of departure. According to Pierson (2000), historical institutionalism analyzes political developments over a longer period and envisions institutions as a basic element. Also, historical institutionalism is interested in how institutions shape the framework of politics and decision making and thereby influence outcomes (Steinmo & Thelen, 1992).

The concept *historical* means that political development must be understood as a process that unfolds over time, and *institutionalist* signifies that “many of the contemporary implications of these temporal processes are embedded in institutions” - whether these be formal rules, policy structures or norms (Pierson, 1996: 126). The distinctive feature of historical institutionalism is that it permits for the contingencies of history, emphasizes path dependency (but may also have unintended consequences), and thus tend to focus on the persistence of institutions. Path dependence is important in a way that new institutions are created or adopted in a world already replete with institutions, thus existing institutional templates to processes of institutional creation and reform are necessary (Hall & Taylor, 1996; Jönsson & Tallberg, 2001). According to Pierson (2000: 263), path-dependence analyses conception of ‘historical causes’, and thus justifies ‘a turn to history’.

A distinctive perspective on historical development is seen by historical institutionalists. They depict social causation as a ‘path dependent’ by rejecting the traditional postulate that the same operative forces generate the same results everywhere “in favour of the view that the effect of such forces will be mediated by the contextual features of a given situation often inherited from the past” (Hall & Taylor, 1996: 941). By following this perspective, many historical institutionalists divide the sequence of historical events into periods of continuity punctuated by ‘critical junctures’. These usually are the moments when fundamental institutional change occurs thereby creating a ‘branching point’ from which historical development moves onto a new path. The example of such critical juncture can be military conflict, economic crisis (Hall & Taylor, 1996), and even EU enlargement can be considered as this event.

Finally, although giving attention to the role of institutions in political life is its main feature, historical institutionalism often emphasizes that institutions are not the only causal force in politics. Institutions in a causal chain that accommodates a role for other factors are located, particularly socioeconomic development and the diffusion of ideas. Such institutional analysis focus on providing a perspective how different variables

are related to one another in a way that reflects the complexity of political phenomena (Hall & Taylor, 1996; Steinmo & Thelen, 1992).

Applying historical institutionalism to emigration policies in the EU enlargement context

According to Pierson (1996), historical institutionalism enables to analyse European integration as a process that unfolds over time. Integration should be viewed as a path-dependent process “producing a fragmented but still discernible multitiered European polity” (Pierson, 1996: 123). Shifts in the policy preferences of the Member States, due to shifts in government processes, result in arrangements that diverge from the intentions of the original policy makers (Jönsson & Tallberg, 2001). Therefore, the development of emigration policies in the Baltic States can be seen from historical institutionalist perspective.

Historical institutionalism can be used for explaining the intersection of domestic and international politics. Also, when formulating research programs, historical institutionalism approach tends to be driven by ‘big’ and ‘real-world’ questions (Ma, 2007: 63), and emigration can definitely be seen as one of them. Considering institutions in a wider sense, the entire systems approach to international migration may be seen as an institutional approach and historical institutionalist arguments applied to migration which is one aspect of European integration. Historical institutionalism theory tries to explain the course of international migration flows over time and represents the political and legal constraints and opportunities of international migration (Jenniseen, 2007).

Similar to network theory, institutional theory tries to explain why international migration is ongoing. Large international migration flows strengthen material linkages between countries. Jenniseen (2004) argues that institutional theory can be used with regard to comparing institutions of migration policy-making within the EU countries. When making migration policies, path-dependent nature of the reforms has to be considered. Also, political compromise resulting from national traditions, culture and interests and embedded in the existing legislation does matter (Franchino, 2009).

Historical institutionalism is a comparative approach to the study of all aspects of organizations and it relies on case studies. Many studies of international institutions have the character of single case studies. However, historical institutionalism has been especially helpful in revealing cross-national differences and the persistence of policies over time within individual countries. Cross-national studies mostly tend toward the study of comparative statistics: they can explain different policy outcomes in different countries with making no reference to their respective institutional configurations (Jönsson & Tallberg, 2001; Steinmo & Thelen, 1992). As historical institutionalism heavily relies on case study, it can be applied to the EU countries, more specifically – to Lithuania, Latvia and Estonia in this research . Emigration policies in different EU countries can be taken as a case study and analyzed in depth. Historical institutionalism is also a proper theory for comparative politics, so emigration policy making management and institutions in a few chosen EU countries, i.e. the Baltic States, can be compared.

Institutional analysis provides a perspective of how different variables, particularly socio-economic development, are related to each other (Hall & Taylor, 1996; Steinmo & Thelen, 1992), thus it can be applied to linking variables in a theoretical framework. Following path dependence, institutions, or as in the case of this research – emigration policies and strategies, are created in accordance with already existing templates. It can be assumed that these templates are taken as examples from the other countries.

2.4 Hypotheses

After a review of the theories concerning emigration and based on the theoretical considerations presented in the previous chapters, five specific hypotheses have been developed. The first two hypotheses are related to migration systems theory.

H1: The EU accession has had an impact on emigration policies in the New Member States.

H2: Increased emigration flows after the EU accession have had significantly influenced emigration policies in the New Member States.

Following Migration systems theory, the EU fits its description. Even though emigration policies are in a domestic sphere and decided by national governments, it is hypothesized that the scope of emigration is in large part caused by the EU accession and free movement of workers (FMOWs). The free movement of people induced by the accession to the EU is a principal cause that has facilitated migration from the Baltic states to old EU member states. Accordingly, increased volume of international labour migration emigration flows (which in turn could have negative consequences for the countries socio-economic development) are directly linked to the change of emigration policy-making. The EU accession and FMOWs became a challenge to emigration policy-making in the NMS and various public policy solutions should be contemplated to control emigration.

However, not only political, but also economic and social factors should be taken into account when considering the effectiveness of emigration policy-making:

H3: Emigration policies in the New Member States are highly influenced by socio-economic determinants.

Increasing labour emigration flows (and subsequently - responsive policies) between East and West is hypothetically determined by various socio-economic reasons. Such conditions as lower wages, higher unemployment or family living abroad increase the number of potential emigrants.

By combining these three hypotheses, it can be said that increasing labour migration flows between East and West, which is determined by various socio-economic and political reasons, is undoubtedly one of the possible consequences of the EU eastward enlargement processes. The deterioration of socio-economic conditions at home would make the migrant more likely to emigrate, and FMOWs let that happen. On the basis of this, the following hypothesis can be put forward:

H4: The higher are costs and benefits of emigration in the New Member States, the more attention emigration policies gain.

After the EU accession, the scope of emigration costs and benefits in the NMS are thought to be changed. Thus, the types of policies that are needed at the national level to maximize the benefits and minimize the costs of liberalized labour markets in the EU have to be formed and implemented.

The first four hypotheses derive from our discussion of migration systems theory. Historical institutionalism theory leads to the following proposition:

H5: Emigration policies in the New Member States can be improved by learning the lessons from emigration policies in other EU countries.

It can be hypothesized that post-soviet countries share similar social, economic, political situation and confront similar challenges, so although national governments set up their own emigration policy goals, their emigration policies also converge. This should facilitate learning from each other's, as well as from the OMS which had similar issues, experience while structuring the migratory system and conducting emigration policies after the EU accession. Lessons learned from the other countries can positively influence the effectiveness of emigration policy outcomes in NMS. Haddal (2009) also argues that policy makers can learn from both historical examples and changes implemented by other countries.

2.5 Operationalization

2.5.1 Selection of variables

This framework can be seen as an attempt to incorporate many aspects of emigration into one approach. The raised hypotheses contain important concepts that will be addressed in the analysis of emigration policies later in subsequent chapters. These concepts, influencing 'emigration policies', are: 'EU accession', 'socio-economic factors', 'emigration flows', 'emigration costs and benefits' and 'emigration policies in other countries'. These concepts serve as variables and they are presented in the full theoretical framework in Figure 2. This framework describes the hypothesized causal relations (derived from MST and historical institutionalism) between dependent and independent variables.

As explained in the previous chapters, the aim of this study is to analyze and compare emigration policies in the three Baltic countries. Thus, emigration policies is shown as a dependent variable of this research. According to Buttolph Johnson et al. (2008: 65), dependent variable is "thought to be caused, to depend upon, or to be a function of an independent variable".

In this research, emigration policies are thought to be influenced by a few independent variables. Independent variables help to explain the political characteristics or behaviour of interest. They "influence, affect or cause some other phenomenon" (Buttolph Johnson et al., 2008: 65). Emigration policies are influenced by the EU accession and socio-economic factors. Socio-economic factors are substantial in a theoretical framework as emigration policy goals cannot be achieved without a better understanding of the determinants and effects of migration (Kahanec & Zimmermann, 2008). In general, according to most migration theories, economic, social, and political factors have impacts in both sending and receiving

countries. Therefore, socio-economic factors and the EU accession (which can be considered as a political factor) are chosen as independent variables.

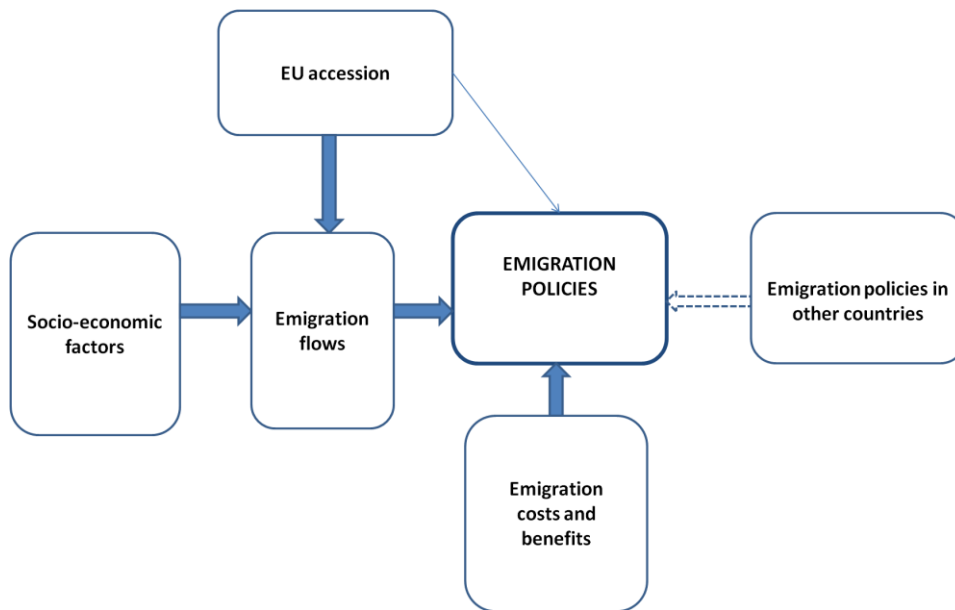
Free mobility of labour after the EU accession is one of the main reasons why people considerably migrate. Also, most theories emphasize the importance of economic aspects on migration as the main reasons behind the labour migration increase are economic. Poorer economic conditions than in developed Western European countries has a big influence on a decision to emigrate, this is directly linked to international migration flows, and consequently the scope of emigration flows influence emigration policies. However, according to Jennisen (2004) and Aptekar (2009), migration driven by other factors, such as family reunification and formation or return, are also important on emigration flows. Particularly migrant networks and organisations involved in international migration are of special importance. Emigration tends to continue when social networks form and strengthen their positions in receiving countries.

An intervening variable –‘emigration flows’ – links the ‘EU accession’ and ‘socio-economic factors’ with ‘emigration policies’. Understanding the determinants of migration flows is crucial for evaluation of their effects on the country’s development (Kadziauskas, 2007). Usually the larger the emigration flows are, the more important emigration policies become in a sending country. Therefore, international migration flows influence emigration policies directly.

The scope of ‘emigration costs and benefits’ also has a direct impact on emigration policies and is chosen as an independent variable. Like any other economic and social phenomena, emigration has both positive and negative effects on the economic development of the country. A better understanding of this variable is needed as it heightens the possibility to help optimise the benefits of emigration in making emigration policies. By contemplating consequences of increased emigration, more balanced policy options can be chosen.

The last independent variable, ‘emigration policies in other countries’, is based on Historical institutionalism theory and has indirect impact on emigration policy in particular country. This variable tries to capture the concept of path dependence and show the way in which previous emigration policies affect later ones. As stated in the fifth hypothesis, countries can learn from each others’ experience. However, that is not mandatory, so the link between ‘emigration policies’ and ‘emigration policies in other countries’ is a dotted arrow (see Figure 2).

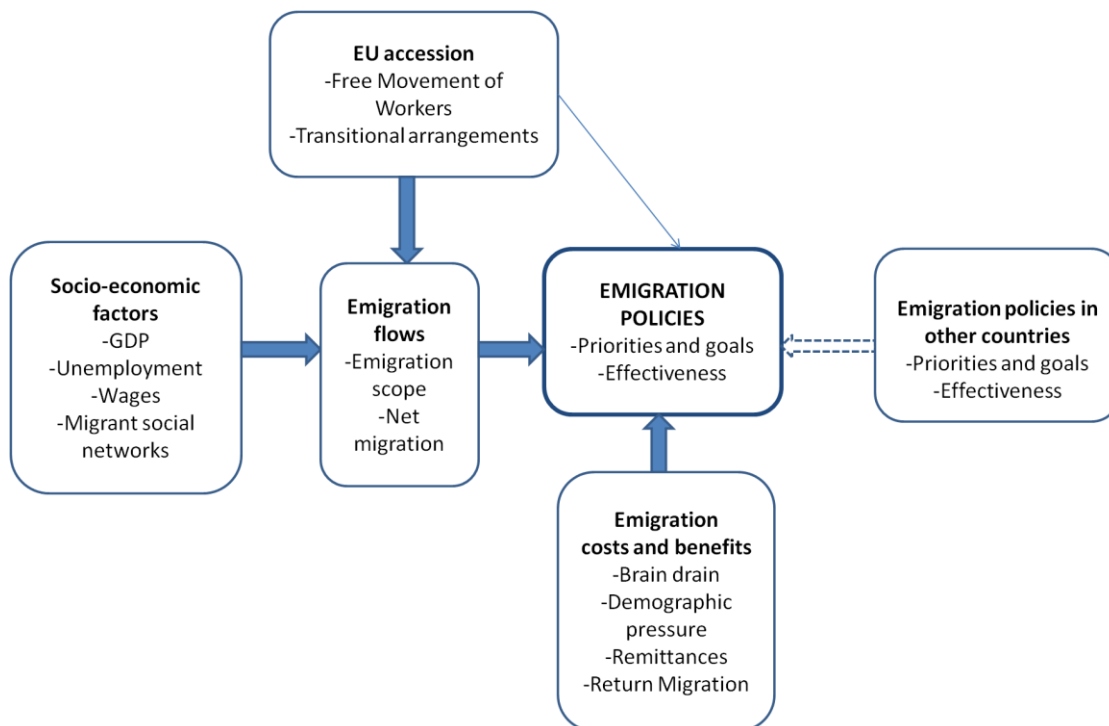
Figure 2. Theoretical framework



2.5.2 Indicators and measurement

After defining analytical framework, variables need to be measured. Accordingly, operational definitions and indicators for variables are presented. Refined theoretical framework with indicators is presented in Figure 3.

Figure 3. Analytical framework



In subsequent empirical part, each of four independent variables, dependent variable and intervening variable will be analyzed. A summary of all variables, indicators and their measurement is presented in Table 1. The amount of information available is not the same for each variable. What is more, some variables are more difficult to operationalize and measure than others.

The dependent variable – emigration policies - is measured by policy priorities and goals and the effectiveness of those goals. In this research, the term ‘emigration policies’ refers to labour migration policies. According to Indans (2007), emigration processes are linked with the factors of modern global economy and conditions dictated by free labour movement in the European Union. Thus, the government’s possibilities to affect the processes of labour drain in an administrative way are rather limited. Looking to a labour migration from a public policy point of view, migration management can be seen only as an instrument of public policy. Labour migration policies differ from other migration policies (such as refugee and family reunification) directed at migration flows that may also have an impact on labour markets in the sense that they apply economic criteria with a view to responding to labour market needs instead of humanitarian objectives (Weiss, 2006). With the help of documentation and interviews, this research will examine if emigration policy strategies in the Baltic States are effective.

Emigration policies gain attention from policy-makers only if emigration flows from the country are significant. Thus, emigration flows is an intervening variable directly influencing emigration policies; and this variable is measured by emigration scope and net migration. Emigration scope is measured by annual numbers of emigrants within the country. However, this indicator needs to be interpreted with caution because only official emigration rates are presented, and unregistered emigration should be also considered. Despite of the indicator not being very reliable, comparing the data on international level makes it possible to get more or less reliable estimates on the emigration flows. Net migration is defined as the difference between immigration and emigration. If the number of emigrants exceeds the number of immigrants, net migration is therefore negative (Eurostat, 2010: 170).

Emigration flows are thought to be influenced by EU accession. This variable has two indicators: free movement of workers and transitional arrangements. Indans (2007) argues that so called effect of opened doors, when more and more member states open their labour markets for workers from the NMS, are among the main reasons for emigration. However, transitional arrangements restrict FMOWs and thus number of countries applying or not applying transitional periods to NMS will be introduced.

According to one aspect of the migration systems theory, unfavourable conditions in the country of origin push people out of it. When searching for explanations for migration into the NMS, a country’s economic situation appears to dominate in the migratory ‘pull’ factors (Drbohlav, 2005). Therefore, it is essential to understand how much the socio-economic factors have worked as push factors and influenced emigration flows that accordingly influence emigration policies. These factors are indicated as GDP, unemployment, wages and migrant social networks.

International migration is often explained by economic conditions, and GDP is a key macroeconomic driver in a country which measures the overall size of an economy. GDP, in particular GDP growth, is one of

the main indicators used for general economic analysis, as well as for comparisons (Eurostat, 2010). Unemployment, which in short term perspective can be solved by the help of emigration (Indans, 2010), may by large part influence a decision to emigrate. Therefore, unemployment is measured by annual unemployment rates within individual countries and unemployment differentials on the EU level. Furthermore, Indans et. al (2007) and Ivlevs (2007) argue that the difference in wages is undoubtedly among the the most important drivers for emigration from the 'new' to the 'old' EU States. This will be verified by comparing minimum hourly wages and minimum monthly wage differentials between the EU countries.

Not only economic, but also social determinants influence emigration flows. Such 'pull' factors as cultural proximity, social networks and informal links also play a role (Drbohlav, 2005: 11). According to Martin et al. (2006: 11), "differences encourage migration, but it takes networks or links to persuade people to move". Thus, an exceptional role is played by social migrant networks that are chosen as an indicator is in this research. Migration networks "alleviate the costs of adapting to an unfamiliar environment", in such way that "the costs from migration are expected to decline with the stock of migrants already existing in the destination country" (Brucker et al., 2009: 11). Social migrant networks will be measured by looking for evidence of migrants interpersonal ties that link families, friends or community members in their places of origin and destination.

To conduct the policies of emigration, costs and benefits of emigration also need to be dealt with. Labour emigration is an increasingly important aspect of globalization which poses new challenges and opportunities for policy makers. The management of migratory flows requires a careful analysis of its costs and benefits (Weiss, 2006). In this research, emigration costs and benefits are each measured by two indicators. 'Brain drain' and demographic pressure are considered as the costs having negative influence on a country's development, while remittances and return migration are among the main benefits. Both costs and benefits influence emigration policies, as politicians seek to minimize costs and maximize benefits, for instance turn the 'brain drain' into 'brain gain'.

The skill levels of the workforce are usually measured by the educational attainment. 'Brain drain' is a term used to describe the selective migration of highly skilled personnel from less developed to more developed countries. If significant part of these high-educated people emigrate, a sending country may face an economic downturn due to labour shortages, pressure on wages, etc. On the other hand, if the sending country experiences net benefits (e.g. in terms of welfare or eventual decline in unemployment) from the emigration of the skilled, a phenomena of 'brain gain' occurs (Fihel et al., 2009). 'Brain drain' can be measured by a number of high-skilled emigrants within a country, especially compared to the total amount of emigrants. However, Kaczmarczyk (2006: 11) claims that "due to the limited availability and problematic quality of migration data", the analysis of international mobility of people is a "complex and difficult task". It is specifically true when analysing the situation of particular groups, such as highly skilled persons. Also, the brain drain effect is hard to assess in general, due to the different scales of qualification mismatches in countries and specific sectors. What is more, additional complications appear when attempting to assess the most recent migration trends, like mobility since the accession of CEEC to the EU. The 'brain drain' or

reverse 'brain gain' effect is hard to assess primarily because the duration available for analysis is too short. Therefore, despite the fact that a trend of the growth of the popularity of education may be observed, it is impossible to determine whether this is partly a result of the EU accession. Thus, the available data only let to draw conclusions about general tendencies rather than a detailed picture of the phenomenon (Kaczmarczyk: 2006: 11; Fihel et al., 2009).

Another negative aspect of emigration is demographic pressure. Emigration and deficit fertility rates result in a shrinking and ageing population. Maintaining the age structure of the population is important, because it has implications for the ability of the sending countries to maintain pension and other social welfare arrangements. Fewer future workers with possibly lower productivity and growth rates leads to disruption of the social welfare model (Indans, 2007). Also, shrinking population typically is not helpful in attaining a goal "to catch up the average EU levels of per capita GDP and living standard" (King & Muravska, 2007: 33).

Looking at the positive side of emigration for countries of origin, in addition to the possibility to provide relief from unemployment and absorb an increase in the labour force, some form of development support can be provided through remittances (Weiss, 2006). Remittances include earnings paid to migrant employees who are not residents in the host country, transfers abroad by resident workers and cash and goods transferred by re-migrating individuals (Boeri et al., 2009). The countries of origin benefit from the money that many migrants send back to their families and support national household consumption, thus remittances have a positive impact on long-term economic growth (Indans, 2007; Mansoor & Quillin, 2006). What is more, remittances can exert a positive impact on macroeconomic growth and also represent an important source of foreign exchange. However, it is difficult to get a reliable picture about the size of these remittance flows, because at least some part of these flows avoid the official channels of money transfer due to high transaction costs (Heinz & Ward-Warmedinger, 2006: 29). In this research, remittances will be measured by workers' remittances and compensation of employees received in their country of origin.

Another important aspect having an impact on emigration policies is return migration. Here, the scope of return migrants in the source country is analysed, i.e. those people who emigrated but then decided to return to participate in the labour market of their country of origin. Return of emigrants can influence economic growth of the country, as they not only diminish the lack of workforce, but also may bring back capital, skills, contacts, foreign work experience and new ideas that can be effectively used in the country of origin. Thus, a very important task for government in the aspect of reemigration is reintegration of people in the domestic labour force (Indans et al, 2007).

Table 1. Selection of indicators for the measurement of variables.

Variable	Type of variable	Indicators	Measurement
Emigration policies	Dependent	Policy priorities and goals	-List of emigration policy priorities and goals from policy documents
		Effectiveness	-Compliance with policy goals (documentation, expert opinions)
EU accession	Independent	Free movement of workers	-Scope of emigration flows from NMS to OMS
		Transitional arrangements	-Number of countries applying/not applying transitional periods to NMS
Socio-economic factors	Independent	GDP	-Annual GDP growth (%) -GDP differentials between EU countries
		Unemployment	-Annual unemployment rate within the country (the number of unemployed persons as a percent of the economic active population of working age) -Unemployment rate differentials between EU countries
		Wages	-Minimum hourly wages between EU countries -Minimum wage differentials between EU countries
		Migrant social networks	-Evidence of migrants interpersonal ties linking families, friends or community members in their places of origin and destination
Emigration flows	Intervening	Emigration scope	-Annual numbers of emigrants
		Net migration	-The annual difference of immigrants and emigrants
Emigration costs and benefits	Independent	Brain drain	-The number of high-skilled emigrants
		Demographic pressure	-Annual numbers of population -Forecast for future population
		Remittances	-Workers' remittances and compensation of employees received in their country of origin (% of GDP)
		Return migration	-Number of migrants returned to their country of origin

3. General remarks

3.1 European integration in the field of migration

The EU has been concerned with migration policy ever since its inception. European cooperation, as it started in the 1950s, gradually led to the development of a common market and the disappearance of internal borders between member states of the European Community. European governments agreed upon treaties and regulations that aimed at establishing an area for free movement of capital, goods, services and labour. The Schengen Agreement of 1985 can be taken as the starting point of integration in the field of migration policy. This association of western and southern European countries expanded again as the CEEC started to implement the Schengen rules (Zimmermann, 1996; Tholen, 2009). The governments of the EU countries realized rather early that they have to coordinate their migration policies. Therefore “*Schengen* was a first step, *Maastricht* the next and the *Treaty of Amsterdam* is a useful framework for a further elaboration of a practical and economically efficient policy” (Straubhaar, 2000: 18).

In recent years, migration issues are becoming more and more important on the EU agenda. The EU’s role in the context of migration has significantly changed regarding challenges of globalisation, pressures of external economic environment and large communities of migrants (Indans et. al, 2007). Migration regulation has shifted to a considerable extent to the European level and European cooperation in the field of migration policy has been welcomed. Such multilevel structures as national and European parliaments, agencies and courts are formally involved in decision making, implementation and judicial review of migration regulation (Tholen, 2009). The dynamics of this policy transfer can be seen as Europeanization where “the conditionality for membership gives the Union significant leverage in transferring to the applicant countries its principles, norms and rules, as well as in shaping their institutional and administrative structures” (Lavenex & UçArer, 2004: 431). What is more, the EU legislation is seen to be compatible with international legal standards, thereby helping the CEECs to move towards liberal juridical and democratic systems. External effects of European policies run from fully voluntary to more constrained forms of adaptation (Lavenex & UçArer, 2004).

Various migration patterns - ethnically based migration, return migration, labour migration, transit migration – were quickened during the 1990s throughout the region of the former Soviet bloc. International conventions, including important guarantees for the rights and protection of migrants and their families, were ratified (Tonelli, 2003). When the Council of Ministers agreed to consider enlargement of the EU to include CEEC at the Amsterdam summit in 1997, it opened the door to the extension of all the EU provisions to the applying CEEC, amongst them the free movement of workers (Goedings, 1999). In May 2004, eight of those countries (Poland, Czech Republic, Hungary, Slovakia, Slovenia, Lithuania, Latvia, Estonia) joined the EU and after a transitional period became integral parts of the internal labour market with their populations using the full freedom of movement rights of the EC law.

The framework of the EU is very important in a discussed area when talking about immigration/asylum policies and migrants coming from outside the EU. Immigration policies within the country have to be developed so that they are comparable to the EU policies. However, in emigration policy sphere which is analysed in this research, individual countries set policies for implementation and mostly national sovereign emigration policies are conducted. As employment and social policies are not in a competence of the EU, it is impossible to come up with reasonable proposals for common European labour migration policy (Weinar, 2011). Notwithstanding, the EU enlargement and free movement of workers has a considerable impact on emigration policies within countries.

3.1.1 Free movement in the EU

Emigration processes are linked with the factors of modern global economy and conditions dictated by free labour movement in the EU (Indans, 2010). Migration has become one of the central issues to the future of Europe. At the heart of its economic dynamics, the EU integration process has put the international mobility of persons called the free movement of workers (hereinafter - FMOWs) (Favell & Hansen, 2002). FMOWs is a ‘fundamental precondition’ of the common market and an ‘essential element’ of European citizenship (Eurofound, 2009). In 1968, the Regulation on free workforce movement was adopted and it became one of the core liberties in the EU. However, it referred only to the citizens of the EU member states (Pabriks, 2007). Favourable conditions to move freely from one country to another are created for the population of NMS after the EU enlargement, so FMOWs policy establishes the right for the nationals of any EU Member State to reside in and take up work in any other EU country (Gruzevskis, 2006; Thaut, 2009).

The last two enlargements of the EU to the East in 2004 and 2007 have significantly expanded the geography of free-movement area. The EU has admitted 12 new member states since 2004: eight CEEC, plus Cyprus and Malta, joined in 2004, followed by Bulgaria and Romania in 2007 – bringing the EU’s membership to 27. Nationals from these newly joined countries have been given rights of movement through the EU and partner states (e.g. EFTA countries) that are broader than those available to other groups of migrants in Eastern Europe (Kancs & Kielyte, 2010a). Many East Europeans in any case were able to move and work in the Western countries before 2004; official enlargement simply regularised “a situation well established in practice on the ground” (Favell, 2008: 704). The European Employment Services, EURES, provides services for those workers, employers and citizens who wish to benefit from the principle of free movement. The task is “to identify the main barriers to the development of these labour markets, particularly in the area of skills and mobility” (Eurofound, 2009).

3.1.2 Transitional periods

The right to free movement does not automatically entail the right to work in another Member State. An important determinant of international migration is the immigration policy of potential receiving countries

(Martin, 1994), as restrictive immigration policies make immigration levels drop. In 1986, when Spain and Portugal joined the EU, the accession documents envisaged fully free workforce movement of citizens of these two countries only seven years later. According to Pabriks (2007), research showed that introduction of transition regulations actually had not justified itself, but similar practice was applied for the enlargement period in 2004.

In order to avoid possible negative short-term labour migration consequences (such as local wages, unemployment and 'social dumping') made by huge influx of 'cheaper' labour from CEEC into the old EU-15 Member States, the EU Accession Treaties allow for transitional arrangements restricting the FMOWs from EU-8. This new clause about transitional periods of up to seven years was inserted in the Accession Treaty in 2003. According to the new clause, a '2+3+2 year arrangement' let each OMS to decide which restrictions will be applied. Thereby, the EU-15 Member States were given the option to restrict access to their labour markets to workers from the EU-8 countries of CEEC. These transition periods to full mobility of workers have been one of the most controversial issues regarding the accession of the NMS in 2004 and 2007 (Gruzevskis, 2006; Kancs & Kielyte, 2010; Eurofound, 2009). However, each Member State of the EU regulates migration because an inflow or outflow of workers is only feasible in accordance with the policy goals of the governments (Zimmermann, 1996).

The EU has occupied rather flexible position in these transitional agreements, for instance the OMS may "conclude bilateral agreements with the new ones on liberalisation of free labour immigration from these countries" (Gruzevskis, 2006). FMOWs was subject to a three-stage series of transitional arrangements that could postpone their full extension to all current MS until the end of 2011. The OMS could apply the provisions on the FMOWs fully to nationals of all of the NMS. Where OMS applied the provisional arrangements, these had substantially come to an end after five years, and could only be prolonged until the end of 2011 in the event of serious disturbances to the national labour market of OMS (Tonelli, 2003). Transitional periods of up to seven years were implemented and it restricted access of citizens from the NMS to the labour markets in the OMS (Kahanec & Zimmerman, 2009; Kancs & Kielyte, 2010).

Only three OMS opened their labour markets with no or short transitional measures for workers of NMS from the date of accession: Ireland, Sweden and the United Kingdom (Fihel et. al, 2006; Favell, 2008). At the end of the first two-year period, in 2006, four more OMS -Spain, Finland, Greece and Portugal - opened their labour markets, later followed by Italy, the Netherlands, Luxembourg, and France. Some restrictions were still applied by Belgium and Denmark until April 2009, while Austria and Germany regulated the inflows of workers from NMS that joined the EU in 2004 until May 2011 (see Appendix I). However, all these countries made some exemptions and opened their labour markets for number high skilled workers and specific categories (Kancs & Kielyte, 2010). At the moment, the 7-year period for applying restrictions on workers from those countries that joined the EU in 2004 is over, so transitional period only concerns workers from Bulgaria and Romania that joined in 2007.

Due to the the selective application of the transitional arrangements and immigration restrictions, the diversion of EU-8 migrants from Austria and Germany (the traditional destination countries that border the

NMS) to other EU-15 countries with more liberal immigration policies was observed. Additional immigration flows to Austria and Germany were certainly triggered by transitional periods. However, relatively little impact of EU enlargement on immigration into Sweden and other Scandinavian countries was noticed, particularly in comparison to the two English speaking countries: the UK and Ireland (Barrell et al., 2007; Brucker et al., 2009). According to Drbohlav (2005), the current trends in migration demonstrate that the provisional ban on FMOWs applied by many of the OMS was unnecessary. On the other hand, economic necessity also shapes a more restrictive policy on migration, as labour market gaps and ageing and declining populations lead to more selective recruitment programmes that target skilled labour from abroad (Drbohlav, 2005: 12).

3.2 The main trends of international migration in the new EU Member States

The emergence of emigration in the Central and Eastern European Countries and its gradual increase can be understood only in the context of its development in a broader area, mainly the former Soviet Union. To understand the changing dynamic of emigration, it is first necessary to survey the pattern prior to the EU accession. The Baltic States have experienced political and socio-economic changes over the last 20 years, and the migration flows have been reactive to such change. The history of contemporary migration in the Baltic countries has began around 1990. Throughout the period from the late 1940s until 1990 when the countries had been a constituent part of Soviet Union, the issue of international migration was ignored. Only migration within Soviet Union was allowed, while international movements of people were highly restricted and regulated for political and doctrinal reasons. Immigration was close to 'nil', and the "outflow (even in the form of international tourism) was negligible" (Okolski, 2006: 1; European Migration Network, 2008).

A new set of policy challenges as regards the issue of migration was presented in the CEEC (Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovakia and Slovenia) after their accession to the EU on May 1, 2004. These countries had little previous experience of international migration because communist governments suppressed free movement across borders within the Soviet Union (Drbohlav, 2005). It might be the reason why CEEC are lagging behind in the transformation from net emigration to net immigration area in comparison to other parts of the continent (Okolski, 2007).

Before the EU enlargement, official immigrants from CEEC consisted only a small part among all foreign residents in the West. In 2000, the share of migrants from the EU-8 was much below 5% among immigrant population in the EU-15. Evidently, the flows from EU-8 countries increased substantially after the EU accession in 2004 (Okolski, 2007).

It appears that the largest migrations from the NMS, in comparison to the population of the sending country, have occurred from Latvia, Lithuania, Poland, and Slovakia. For instance, at the end of 2006, 1.9% of the Lithuanian population of working age and 1.2 % of the Polish population of working age were residing in the EU-15 due to the EU enlargement (Barrell et al., 2007). Since the beginning of Eastern enlargement,

almost 70% of the immigrants from the EU-8 have been attracted by two countries: the UK and Ireland. Thus, former main destinations for migrants from the NMS, Austria and Germany, have been replaced (Brucker & Damelang, 2009). However, numbers of the NMS workers are still high in Austria and Germany, whether legal or not (Favell, 2008).

One of the main reasons of increased labour migration from CEEC after the EU enlargement was the 'pull' factors in OMS, such as much higher wages and lower unemployment rates. Some East to West migration was anticipated as a consequence of the EU enlargement due to the income gap between most EU-15 and NMS countries. The average level of hourly gross wages salaries in the EU-8 was 25% of that in the EU-15 in 2006 (see Appendix V) (Brucker & Damelang, 2009; Barrell et al, 2007). In January 2011, 20 of the EU's 27 Member States (Belgium, Bulgaria, the Czech Republic, Estonia, Ireland, Greece, Spain, France, Latvia, Lithuania, Luxembourg, Hungary, Malta, the Netherlands, Poland, Portugal, Romania, Slovenia, Slovakia, and the United Kingdom) had national legislation setting a minimum wage by statute or by national intersectoral agreement. As Appendix VI shows, monthly minimum wages vary widely among the countries, from 123 EUR in Bulgaria to 1758 EUR in Luxembourg.

Nevertheless, the labour market conditions between the EU-15 and the NMS have been converging during the time of transitional periods. Before the global financial recession, unemployment rates both in the EU-8 and the EU-2 matched the average unemployment rates in the EU-15 (see Appendix IV) (Brucker & Damelang, 2009).

It is not easy to estimate the phenomenon of 'brain-drain', as there is no official statistics on it in the national statistics offices. Before the EU enlargement, a mass outflow of high-class specialists was observed in the NMS, particularly in the Baltic countries. This was a direct consequence of the collapse of the Soviet Union (Kaczmarczyk: 2006: 18). Fihel et al. (2009) rely on the Labour Force Survey conducted in the NMS after the EU enlargement to estimate the skill structure of the resident native population and to use it as a benchmark against which the corresponding composition of the migrant population from each country can be compared (see Appendix VII). The migrant workforce from the NMS is better qualified compared to the native population which stayed behind in the NMS. In general, a moderate 'brain drain' in the sending countries can be observed (Brucker & Damelang, 2009). On the contrary, Fihel et. al (2009: 49) make a conclusion that "the scale of the brain drain from the NMS in the post-accession period has been exaggerated". However, at the national level, the 'drain' effect is hardly visible except in some specific cases such as medical professionals. The outflow may have far larger impact, but statistical evidence is still missing. This is particularly true in the Baltic States (Fihel et al., 2009). Hazans & Philps (2011: 2) argue that "although brain drain was not a feature of post-accession Baltic migration, brain waste was": according to the authors, during 2006-2007 the proportion of overqualified among high educated movers was around one fifth among high-educated stayers in all three countries.

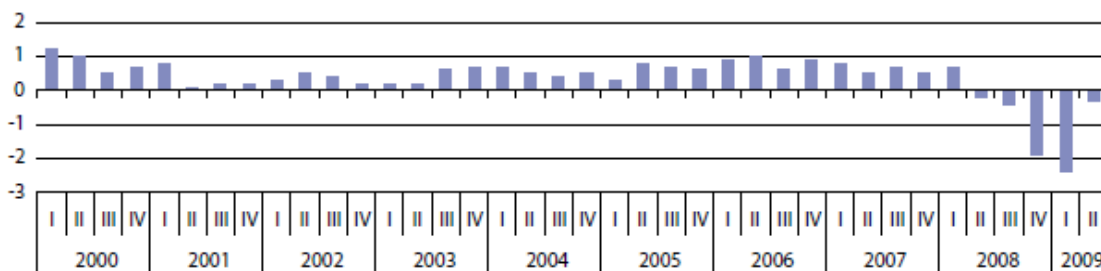
The Baltic Assembly conference acknowledges that free movement of labour from the NMS, including the Baltic States, is an issue related to EU's basic freedoms and also a social, economic and political issue. FMOWs changes the structure of the national labour force, causes the drain of highly qualified workers,

reduces the labour force in national economy and facilitates the growth of salaries in certain sectors. What is more, it creates social tensions and threatens the sustainability of the social welfare system in the Baltic countries (Indans et al, 2007).

3.3 The impact of global economic crisis

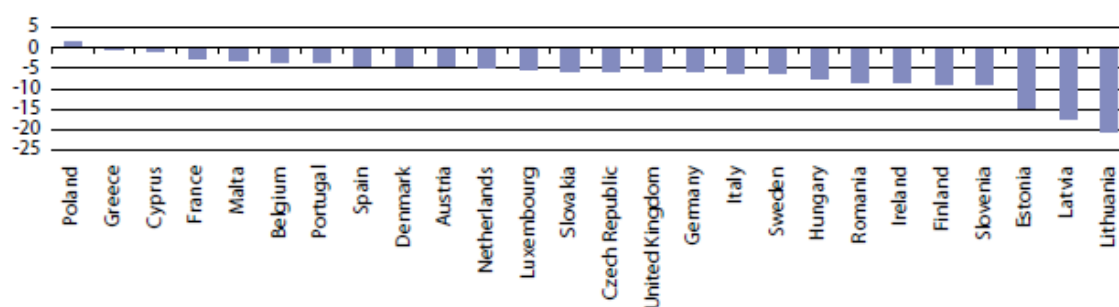
The severity of the global financial crisis in the EU was underlied by the negative growth rates of GDP (see Figure 4). However, the economic downturn was not homogeneous across the EU. Looking at the changes in GDP compared with one year earlier, Figure 5 shows the great diversity of the economic downturn between the Member States. For instance, while Poland still continued to record economic growth and was less affected by the decline in GDP growth even than the old EU-15 countries, the Baltic States experienced particularly strong negative rates of change (Eurostat, 2010; Brucker et al., 2009: 28).

Figure 4. GDP change on previous quarter (%) in the EU



Source: Eurostat, 2010.

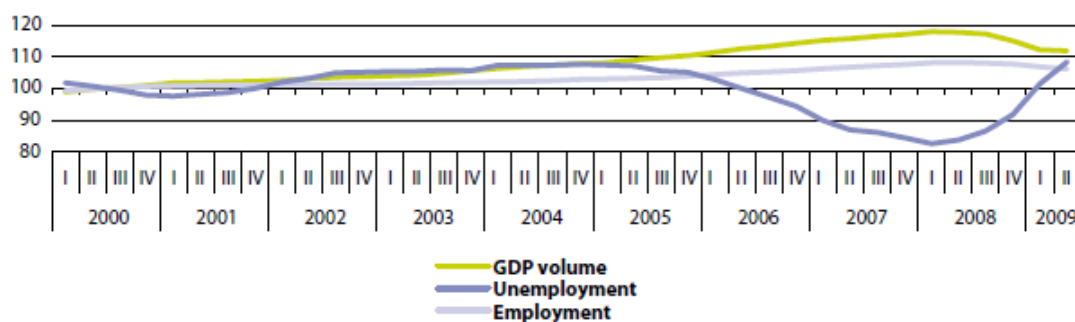
Figure 5. GDP change on same quarter of previous year (%), second quarter 2009



Source: Eurostat, 2010.

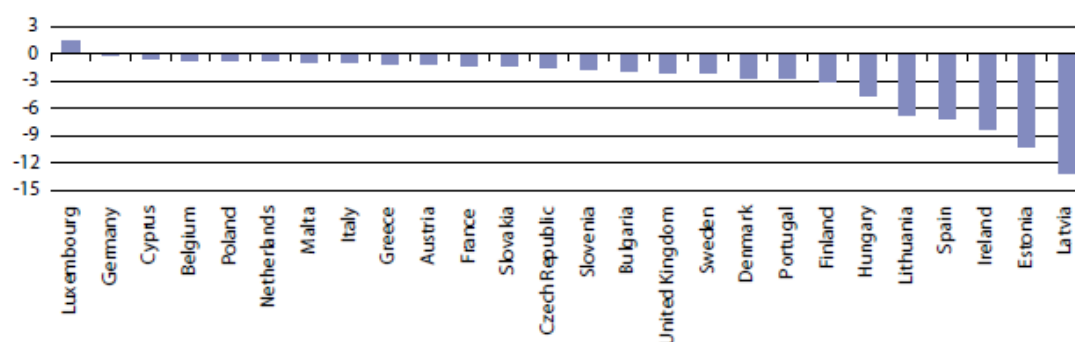
As mentioned in the previous chapters, unemployment rate also has an impact on emigration flows. Figure 6 shows that unemployment in the EU started to increase in the second half of 2008 and it rose strongly during 2008 and 2009. However, the situation varied across Member States. It can be clearly seen in Figure 7 and Figure 8 that the economic crisis affected the labour market most severely in the Baltic countries, Spain and Ireland (Eurostat, 2010).

Figure 6. GDP, employment and unemployment in the EU



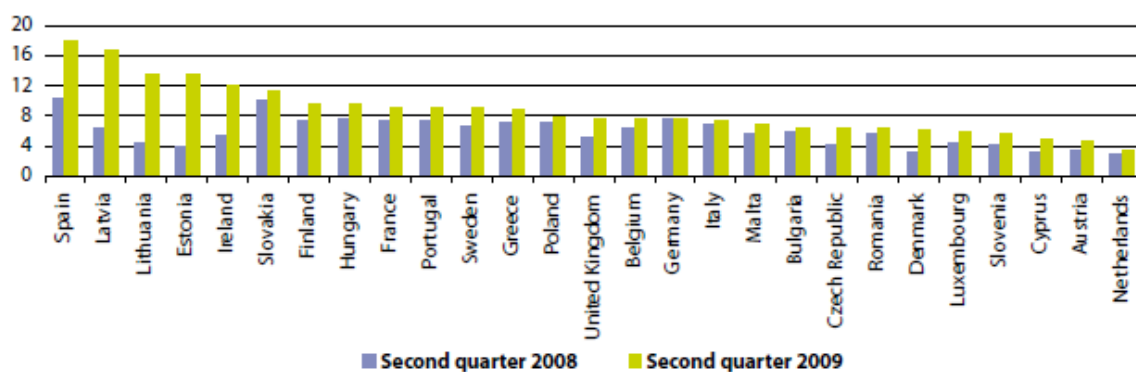
Source: Eurostat, 2010.

Figure 7. Employment, change on same period of previous year, second quarter of 2009 (%)



Source: Eurostat, 2010.

Figure 8. Unemployment rate (% of the labour force)



Source: Eurostat, 2010.

The sharp global economic downturn, which began in 2008, resulted in increase in emigration flows in the EU. This trend also continued in the successive years (Berzina, 2010). As the crisis has deepened, evidence began to emerge of a gathering ‘second surge’ of migration. Labour market conditions deteriorated in 2010, and emigration might exceed that accompanying the EU enlargement in 2004 (Woolfson, 2010). In 2010, the focus of attention was national accounts as a key instrument for analysing the current state of the economic situation in the EU and “deriving appropriate national and European policy responses to the worst global financial and economic crisis since the 1930’s” (Eurostat, 2010: 29).

4. Lithuania

4.1 Emigration policies

“We always repeat that the migration processes are endless and highly important, (...) we are facing public discussions, various opinions or announcements of different experts on this theme daily, and the number of comments on the articles in internet news portals beats all the records” (Migration Yearbook, 2010).

Lithuanian policy makers have to be able to “properly balance international and domestic affairs” in order to cope with “something that can be perceived as a domestic crisis” (Interview 3). Assessing the extent of emigration, and the potential effect of it on Lithuania, emigration can even be called “the largest non-military threat to Lithuania” (Interview 2).

There is no segregation between institutions that separately form and implement emigration policies and immigration policies in Lithuania. There is only a term ‘migration policy’ in general. The main institution developing a comprehensive migration policy in the Republic of Lithuania is the Migration Department under the Ministry of Internal Affairs which was established in 2007 (Indans et al., 2007; SOPEMI country notes, 2009). There also are a few other institutions involved in the migration management. However, migration institutions in Lithuania are basically concentrated on immigration, and the issue of emigration lacks attention. Nevertheless, government policy-makers and research institutes are conducting studies on the emigration issue so as to come up with concrete policy alternatives (Thaut, 2009). The role of the Lithuanian Government’s response and migration management policies need to be taken into account as part of the formula of Lithuanian international movement: Lithuanian state is an ‘important mediator’ in the emigration and return migration processes. Attempts at information management includes such initiatives as the opening of an information center for migrants or potential migrants at the IOM Vilnius office, informative publications regarding migration choices, and information fairs for Lithuanian emigrants held abroad. Information management and dissemination is an important and needed aspect in overall migration management (MacDonald, 2010).

Policy priorities and goals

The first legal act regulating migration in the independent Lithuania was The *Emigration Law* adopted in 1992. The Law regulated the procedure for emigration of Lithuanian citizens as well as foreigners legally residing in Lithuania. The competent authorities had to issue a special permit for people who wanted to emigrate. This Law was valid in Lithuania until 6 June 2000 and since abolishing it, Lithuanian citizen or foreigners legally residing in the country do not require a permission to leave Lithuania anymore. However, after abolishment of this Law, there are no longer precise numbers on emigration from Lithuania because only persons who officially registered their leave could be counted (Indans et. al, 2007).

After joining the EU in 2004, as a result of the adjustment of national legislation to the European requirements Lithuanian migration policy was gradually transformed from highly restrictive (Lithuanian citizens willing to leave the country were required to register, immigration quotas were imposed on foreigners who came to Lithuania for permanent residence) to a more liberal. Immigration quotas (and also employment quotas later on) for foreigners were abolished. The application of the EU acquis relating to the spheres of migration and asylum in Lithuania was started to apply, and at the end of 2007 the application of the Schengen acquis fully came into effect (European Migration Network, 2008).

Massive emigration flows compelled the Government to implement policies that would lessen the negative effects of this phenomena. Both labour market shortages and public opinion affect the Lithuanian government's attempts to limit migration flows and promote return migration. However, free movement of labour within the EU remains a primary goal of the current political administration and thus most strategies and guidelines introducing new policy measures are developed in the sphere of immigration and asylum policy. It reduces the Lithuanian government's ability to manage westward emigration (European Migration Network, 2008; Kadziauskas, 2007).

Since 2004 Lithuanian migration policy, as a common social policy, has become an integral part of the EU's common policies. While the role of the EU institutions in shaping and implementation of social policy in the EU single market is not very large, the general policy guidelines to all 27 EU member states have to be followed. Therefore, the economic problems of migration in all 27 countries should be solved by joint efforts.

The main legal acts of the Republic of Lithuania regulating management of migration processes are dedicated to immigration, third countries nationals and asylum seekers. There is no single document which would only be aimed at emigration (Interview 3). What is more, even talking about migration in general, Lithuania did not have a single document which would define economic migration policy goals, objectives and performance measures, for a long time (Interview 2). Migration policy was based on a number of documents: the Long-Term Development Strategy, the National Demographic (population) policy strategy, etc.

In the Immigration policy guidelines, prepared in 2008, it is foreseen that the employment of aliens in Lithuania can only be an auxiliary instrument for addressing the problem of labour shortage. Instead, the emphasis is placed on utilization of internal resources (increasing work efficiency and mobility of Lithuanian citizens, including in the labour market groups that are currently not yet included, such as handicapped persons, students, older people, etc.), and encouragement of return migration (that is encouragement of short-term economic migrants from Lithuania to return home and encourage other Lithuanian citizens to return) (European Migration Network, 2008).

Public policies can affect only some of the general factors influencing migration. Policy makers should move cautiously to avoid creating distortions in the labour market. The study "*Research on Measures to Promote Return Migration*", commissioned by the Lithuanian Ministry of Social Security and Labour, stresses that long-term public policy should be oriented towards the improvement of the quality of human capital, the creation of a favourable business environment and the achievement of macroeconomic stability.

The accomplishment of these goals would provide the best incentive for return-migration in the long-term (Kadziauskas, 2007).

Not only policy makers make incentives for emigrants' return. Agencies such as IOM (which is involved in technical cooperation with governments in the area of policy and migration management in the context of the EU enlargement) are also trying to put efforts in convincing emigrants to come back home. For instance, IOM Vilnius (Lithuania) established "Independent Migration Information Center" website for providing information about emigration options and return to the home country options (the situation of labour market etc.) (Interview 2).

Emigration strategies

According to PPMI, the key legislation related to economic migration and the promotion of migrants' return can be divided into the following groups:

1) *Lithuania's long-term strategic planning documents* (the State Long-term Development Strategy of the Lithuanian economy (economic) development by 2015, the National Sustainable Development Strategy);

2) *medium-term cross-sectoral strategic planning documents* (Economic migration regulation strategy, the National demographic (population) policy strategy and its implementation plan for 2005-2007, the National Implementation Programme of Lisbon Strategy, Single Programming Document of Lithuania for 2004-2006, a strategy of using EU structural assistance for 2007-2013, the Human Resources Action Programme for 2007 -2013, the strategy of State's relations with Lithuanians living abroad for 2008-2020);

3) *the most important laws and legislation, programs, regulations, inventories* (Law of Republic of Lithuania on the Declaration of residence, the programme of Lithuanian Consulate development for 2006-2008; the list of key measures promoting Lithuanian foreign organizations, a key list of indicators monitoring the state of Lithuanian foreign organizations), and others (PPMI, 2008: 10).

Economic Migration Regulation Strategy

In 2007, *Economic Migration Regulation Strategy (EMRS)* was approved by the Lithuanian government in order to manage migration processes. The migration management policy goals, objectives, and the criteria of achieving results were designed. The key elements of this strategy are in line with the EU common migration policy challenges: the legal regulation of economic migration in the EU, illegal migration, the prevention of dissemination of information among the countries of origin and transit, labour supply and labour demand conformity and close interagency cooperation. Also, the plan of implementing EMRS for 2007-2008 was developed and launched (PPMI, 2008).

The proposed draft on economic migration regulation strategy involved the following goals:

- to draft long-term measures for regulating economic migration (a methodology for monitoring, analyzing, and forecasting the economic migration process and conditions of the Lithuanians abroad);
- to regulate factors promoting economic migration in order to ensure balance between supply and demand in the job market;

- to maintain close links with Lithuanian economic migrants and to cooperate with Lithuanian organizations operating abroad;
- to employ workers from third countries, while taking into consideration flows of national workforce returning from emigration, and, at the same time, giving priority to the EU citizens;
- to ensure an effective inter-institutional cooperation in the sphere of economic migration.

The strategy measures were planned to be prepared and implemented by almost all ministries as well as many other public institutions and bodies (Indans et. al, 2007: 45-46).

In short, the strategy seeks to ensure that, with rapid economic growth, Lithuania has sufficient workforce and that negative migration effects would be avoided, thus economic migrants being encouraged to return (Interview 3). In order to avoid the negative consequences of migration processes, one of the main goals in EMRS has been “to draft and implement measures encouraging economic migrants to come back to the homeland” (EMRS, 2007: 10). The criteria of assessing this goal is to achieve that in 2012 the target value of Lithuanian citizen net migration is equal to zero, i.e. “the status when emigration and immigration flows compensate for each other” (ibid: 21).

EMRS plan was foreseen to be updated every two years because of two important reasons. First, both economic and social policies in Lithuania and migration trends are constantly changing. Thus economic regulation of migration policy must be flexible and adaptive to changing circumstances. Secondly, it is impossible to provide all the policy implications in advance, thus constant policy preview and evaluation is necessary. Ideally, based on the evaluation results, policy means are developed in order to implement them better, more efficiently, and more effectively (PPMI, 2008).

Under this EMRS, a number of projects were formed whose aims included building up a positive image of Lithuania to encourage return migration, along with reversing brain drain, and also a project aimed at establishing and retaining long term relations with Lithuanian emigrants abroad in hopes that they might preserve their culture and language (MacDonald, 2010) .

Policy effectiveness

After introducing policy priorities and goals, the effectiveness of the strategy should be evaluated. To this end, it is first necessary to assess the migration and return trends and assess the effectiveness of implemented measures (PPMI, 2008).

In 2008, Public Policy and Management Institute (PPMI) conducted the evaluation of EMRS according to agreement with the Ministry of Labour and Social Affairs. However, the PPMI study evaluated not all the objects of the strategy, but only the efficiency of the objects that aim at return migration (PPMI, 2008). During the evaluation, the main purpose was preserving the second (tactical) *goal of EMRS: to promote economic migrants to return to the homeland*. Another tactical goal of the strategy - to meet the Lithuanian labour needs of the market – was not evaluated because it is only indirectly related to promotion of return migration. All other criteria were formulated and information for measuring them has been generated by

conducting the PPMI report (Interview 3). The three objectives of the main goal were assessed in the study (see Table 2).

Table 2. PPMI assessment of effectiveness of the main EMRS goal

Objective	Effectiveness
1) to maintain close ties with the emigrants living abroad and cooperate with the Lithuanian organizations.	The information to emigrants was provided and the supporting of community was continued. However, the EMRS did not substantially increase the volume of the measures that have been carried out before; and did not improve their quality. Mostly, emigrants thought the government simply did not give enough attention to emigration issues.
2) to provide information to emigrants that intend to return.	The most important achievements in providing information were consultations and job fairs in the countries where the largest proportion of Lithuanian emigrants resided. However, an important measure (creating internet portal) was not implemented. Also, EMRS had not improved the quality or volume of ongoing measures. What is more, focus groups were not distinguished when providing information, and the measures were overlapping.
3) to provide financial support for returning migrants.	Relatively low part of emigrants knew about these State aid programs. On the other hand, this support program was very specific, designed to relatively small groups of people: those holding doctorate degree (PhD or are studying), young farmers or those who have children under the age of 18 (assistance to help their children to integrate into Lithuanian education system would be provided).

Source: PPMI, 2008.

EMRS goal attainment level was supposed to be measured, and its objective was to promote economic migrants to return to the homeland. In 2005-2007, a feedback of return migratory trends was positive. However, the EMRS contribution in promoting return migration was not high (PPMI, 2008).

The only key towards achieving this target rate was the Lithuanian citizens in net migration: target value of 2012 was equal to 0. Looking at the current statistics and high negative net migration rate, there is ‘very little chance’ that EMRS goal for returning migrants would be achieved (Interview 1), or, strictly speaking, ‘impossible’ (Interview 2, Interview 3).

However, the strategy was supposed to be implemented during 2007-2012, so the process would still be on-going. In addition to the economic efficiency of migration control policy, it is important that expatriates

were well informed about the EMRS and measures being implemented. In this context, PPMI undertook to draw up a public awareness campaign plan of economic migration regulation (PPMI, 2008; Interview 3).

In general, the EMRS had been implemented for a short period of time, therefore, the lessons can only be learned by taking into account the results of the evaluation measures and direct it in a way that would produce a greater effect. What is more, the current economic and political situation is very different from that which was taken when preparing strategy. Thus, the evaluation of the implementation now makes it possible to take into account the developments of the situation and select appropriate measures (PPMI, 2008).

Also, the Ministry of Foreign Affairs is performing a strategy '*Global Lithuania*' which will embrace the majority of the measures envisaged in the EMRS. Bearing this in mind and seeking to avoid duplication between the aforementioned strategy and the EMRS, the development of the implementation plan for 2010-2012 of the EMRS was postponed (Ministry of Social Security and Labour, 2010).

According to Thaut (2009), Lithuania does have policy alternatives as a sending-country that will help to mitigate the costs of emigration and maximize the benefits for the country's long-term development. However, migration experts (Interviews 2, 3) mention that Lithuanian government is not doing enough in the sphere of emigration policy-making and even 'some kind of inaction' can be observed. Lithuania has a few documents which regulate economic migration. Priorities for Lithuania and the EU are basically the same: the legal regulation, prevention, cooperation, as well as an attempt to return the citizens back, or at least maintain close relations with those that emigrated already. But the real solutions, how it should be done up, does not exist so far (for example, returnees are granted tax incentives, etc.).

Realistic action plan with the exception of the EMRS (which funding has been stopped) also does not exist. There remains hope that Lithuania will have economic and migration prevention plan for approval and implementation (Interview 2). However, in 2009 and 2010 Lithuanian government work programs did not include the question of emigration (Interview 1). Also, Economic Migration Commission, which was established in 2007 by Government resolution, formally exists only in documents, but not in reality. What is more, there is no general emigration strategy, only the guidelines made during the economic boom (Interview 2). This means that all problems and arising consequences of emigration are left with no attention.

4.2 EU accession

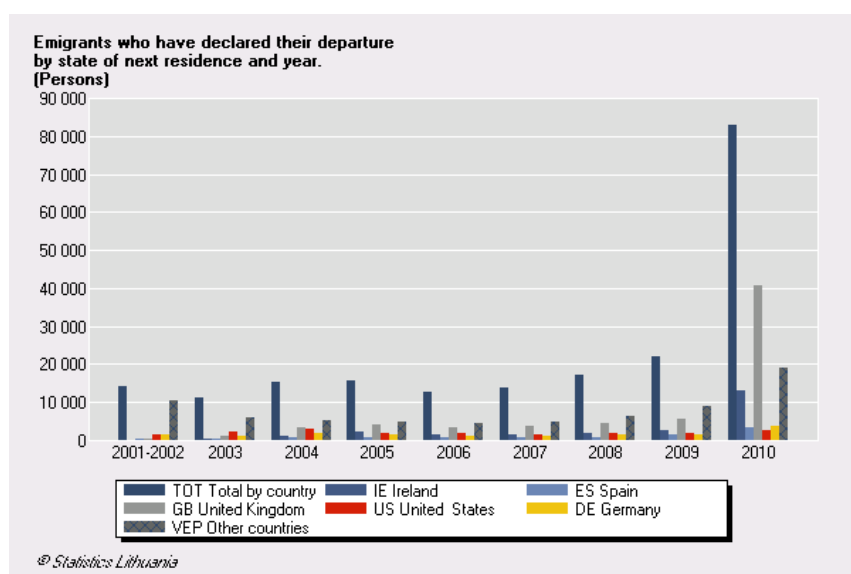
Free movemet of workers

After the collapse of the Soviet Union and the consequent independence of Lithuania in 1990, new migration patterns arose. Exiled Lithuanians returned home and resettled ethnic groups began to depart (Okolski, 2006). The flow of Lithuanian emigrants in the early 1990s was mostly directed towards Poland, the United States, Germany, and Israel. Later on, destinations of labour emigrants included the United Kingdom, Denmark, Sweden, France, the Czech Republic, and Ireland (Thaut, 2009). Hence, even before the EU enlargement Lithuanians were emigrating westward.

In 2004 Lithuania joined the EU, an event which brought about even more newfound freedoms of mobility and rights within the European context. Lithuania during the first few years of EU accession again witnessed mass movements of its people abroad (MacDonald, 2010). After the EU accession, by country of destination, Lithuanian emigration to the EU countries increased from 25.4 % of the total flow in 2001 to 59.3 % in 2004 and 67.2 % in 2005 (Thaut, 2009). Until 2006, Lithuanian emigration trends to the targeted country has been assessed only by the declared data migration. In 2007, even one-third of all emigrants consisted of those who departed for the United Kingdom (PPMI, 2008: 23). Large and growing Lithuanian and Latvian diasporas have emerged in Ireland, where they are among the top five groups of foreign nationals (Hazans & Philips, 2011).

Thus, the UK and Ireland are the countries to which the majority of Lithuanian emigrants are leaving. The importance of these states acting as destination countries rose dramatically after the EU membership. In 2009, more than one third of emigrants went to the UK, in 2010 - every second. 14 percent and 15.7 per cent of all emigrants in 2010 went to Ireland in 2009 and 2010 respectively (Statistics Lithuania, 2011). Other popular EU destination countries among Lithuanians are Spain and Germany (see Figure 9). In general, Lithuanians have been the most mobile nation among NMS which joined the EU in 2004 (Hazans & Philips, 2011).

Figure 9. Destination countries among Lithuanian emigrants



Source: Statistics Lithuania.

Transitional arrangements

Lithuanians make considerable use of the opportunities that the free movement of people gives to the EU citizens. As only the United Kingdom, Sweden and Ireland opened their employment markets fully in the first phase of the transitional arrangements (May 2004 to May 2006), labour migration within this legal framework was concentrated primarily to these three countries and the number of Lithuanians working or studying abroad

has increased further (Brake, 2007). Historically, emigration to the UK and Ireland is a relatively new phenomenon, which occurred due to the political-economic circumstances: they did not apply the restrictions on workers from the countries that had joined the EU in 2004 (PPMI, 2008). Among all the EU-8 citizens that applied to the Workers Registration Scheme in UK between 1 May 2004 and 31 March 2006, 12 % were Lithuanians. Compared to the size of the country's population, the share of emigrants from Lithuania to Sweden has also been fairly high making up 13% of the total migration flows from EU-8 to Sweden in 2005, and here geographical proximity may have played a role (Heinz & Ward-Warmedinger, 2006).

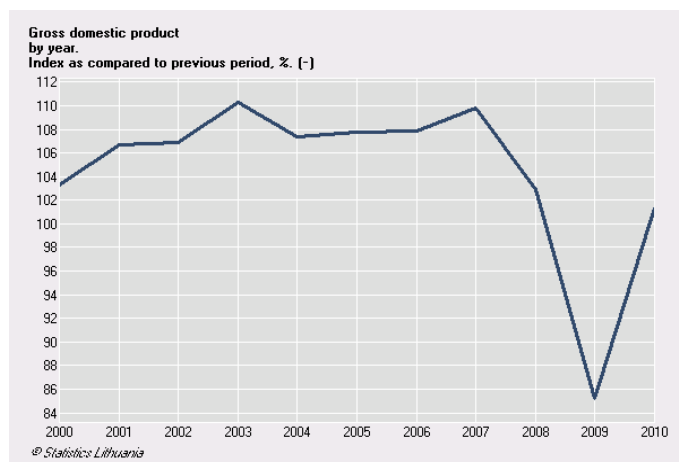
The last countries that opened their labour markets to Lithuanians from May 2011 are Germany and Austria. Germany was popular enough among Lithuanian emigrants even before the official opening of the labour market, but the interest in emigrating and working legally in Germany can now already be noticed considerably among potential emigrants (Interview 1).

4.3 Socio-economic factors

GDP

GDP is one of the most important economic indicators in a country. Decrease in GDP growth shows worsening economic situation, so people might be more likely to emigrate. Although Lithuania was an EU leader in GDP growth in post accession years, the country had seen a dramatic decrease in GDP from 2008 (see Figure 10) . According to the data from the Lithuanian Statistical Department, GDP growth began to slow down in 2008, and in 2009 it dropped by -17.3%. Furthermore, data for the first quarter of 2010 implicated a furthered downturn with an 11% decrease from 2009 (MacDonald, 2010).

Figure 10. GDP growth in Lithuania



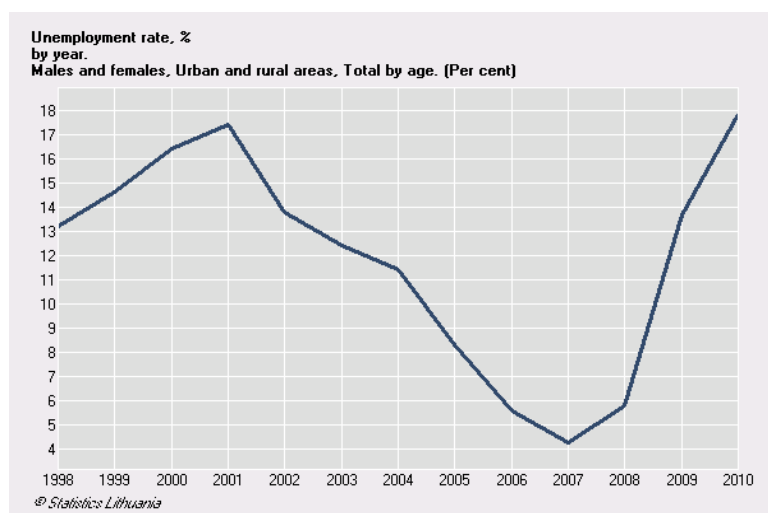
Source: Statistics Lithuania.

The newest data on GDP in all EU Member States is shown in Appendix II and Appendix III. It can be estimated that Lithuania has average results in both GDP growth rate (Appendix II) and various other GDP indicators (Appendix III) among all EU Member States.

Unemployment differentials

Unemployment rate was consistently decreasing in Lithuania from 2001, but had a significant increase since 2008 onwards (see Figure 11). Lithuania is among the EU countries which have been affected most by financial crisis since 2008, with the unemployment rate nearly tripling. This can affect people's decision to emigrate. What is more, the unemployment differentials between Lithuania and the wider EU (see Appendix IV) may also be functioning for labour emigration. These differentials between Lithuania and the EU-15 represent an important factor in emigration decisions as Lithuanians take advantage of the employment opportunities abroad (Thaut, 2009).

Figure 11. Annual unemployment rate in Lithuania



Source: Statistics Lithuania.

Wage differentials

One of the main reasons of uncontrolled emigration has been “low incomes that do not meet the needs of the majority of citizens“ (Interview 1). Thus, the wage differential between Lithuania and the EU-15 is one factor propelling recent Lithuanian emigration (Thaut, 2009). Wage differentials are significant, as in 2007 Lithuanian hourly gross wage was 2.95 EUR and it comprised 20% of the EU average (see Appendix V). Monthly minimum wage in Lithuania has been 232 EUR in 2011 and a country faces noticeable income gap compared to the OMS (see Appendix VI).

Migrant social networks

Ireland is taken an example for this indicator as it is one of the main destination countries for Lithuanians. In the survey of the Immigrant Council of Ireland it was found that amongst Lithuanian participants more than 60% had friends or family help them find their current job in Ireland. Furthermore, 17% of Lithuanian participants had moved in with friends, and 33% had moved in with family. From this it can be seen that at

least half of all Lithuanian emigrants who had come to Ireland had established connections and accommodations within Lithuanian community even before arrival (MacDonald, 2010).

Also, there is evidence to suggest that Lithuanian social migrant networks have now been formed in the UK and Ireland: weekly newspapers published in Lithuanian, Sunday schools in Lithuanian language, regular schools in Ireland, language courses, sports teams, concerts and other activities; NGOs, professional networks, meetings of Lithuanians, websites for emigrants (such as www.lietuvauzsienyje.com, www.lietuvlis.ie, www.saloje.lt, www.nyderlandai.eu, etc.) can be observed. Also, in each country of destination, Lithuanians (as well as Latvians and Estonians) interact with other East Europeans, using Russian to communicate (Hazans & Philips, 2011).

Emigrants can remain connected with their home country by integrating into already existing communities of Lithuanian emigrants abroad. These migrant communities, particularly the ones in the UK, Ireland, and Sweden, “lessen concerns about leaving the familiar culture of the home country”, and “decrease feelings of dislocation upon arrival in the destination country” (Thaut, 2009: 205). Consequently, these migrant networks may be expanding to include more people as more and more Lithuanians emigrate (ibid.)

4.4 Emigration flows

Emigration scope

Migration, particularly emigration, issue is very relevant in Lithuania, as the ‘unconscionable degree’ of emigration from the country can be observed. The general number of emigrants composes 14% in Lithuania, meanwhile it constitutes only 3% on average in the rest of Europe. In the course of time, the resurgent economy and labour market in Lithuania will need an ‘injection’ from the third countries. Thus decisions meeting both economic and demographic demands of the country’s population have to be made (Migration Yearbook, 2010; Interview 1).

The numbers describing emigration from Lithuania provided in Table 10 are relatively small and not reflecting the real situation in full. Regarding per year emigration since the EU accession, the data does not comprise unregistered emigration (Thaut, 2009). The Statistics Department accounts (except for inter-census period 1990-2000) only those emigrants who depart from Lithuania for a period longer than one year, fill out the necessary form, and notify their departure to territorial migration office. Few people bother to inform the migration office on their departures. Therefore, real migration scope remains significantly bigger than officially fixed numbers (European Migration Network, 2008). It can be illustrated by the example of the year 2007. According to Statistics Lithuania (see Table 3), total number of emigrants in Lithuania was 13853. However, Nationality of approved applicants in Worker Registration Scheme in the UK account 14265 immigrants from Lithuania (see Table 4). Thus, this number already overpasses declared number of emigrants in a country of origin.

However, official annual number of emigrants increased dramatically in 2010. According to the Department of Statistics, more than 83 thousand people emigrated, and it is 61 thousand more than in 2009.

The main reason for highly increased number of emigrants who declared emigration is the validation of the Health Insurance Law which established the obligation for permanent residents of the country to pay compulsory health insurance contributions. The domicile change from Lithuania to a foreign country could also be declared by those who have lived abroad before (Statistics Lithuania, 2011). Therefore, Figure 12 claims that all Lithuanian emigrants declared their emigration in 2010.

Table 3. Annual number of emigrants in Lithuania

Year	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Emigrants	23592	22503	31972	26840	25859	25688	26394	24957	24828	23418	21816

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
7253	7086	11032	15165	15571	12602	13853	17015	21970	83157

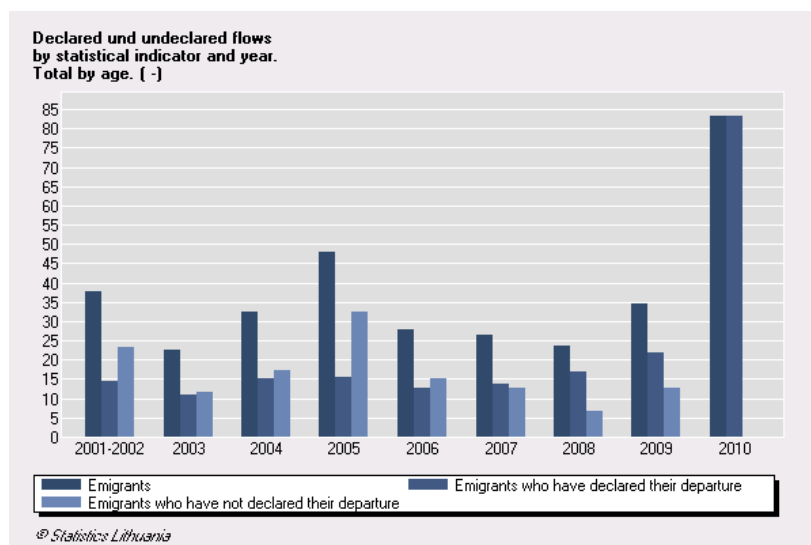
Source: Statistics Lithuania.

Table 4. Nationality of approved applicants in Worker Registration Scheme in the United Kingdom

Country	2004	2005	2006	2007	2008	Total
Lithuania	19275	22990	17065	14265	11535	85130

Source: www.ukba.homeoffice.gov.uk

Figure 12. Annual declared and undeclared emigration in Lithuania



Source: Statistics Lithuania.

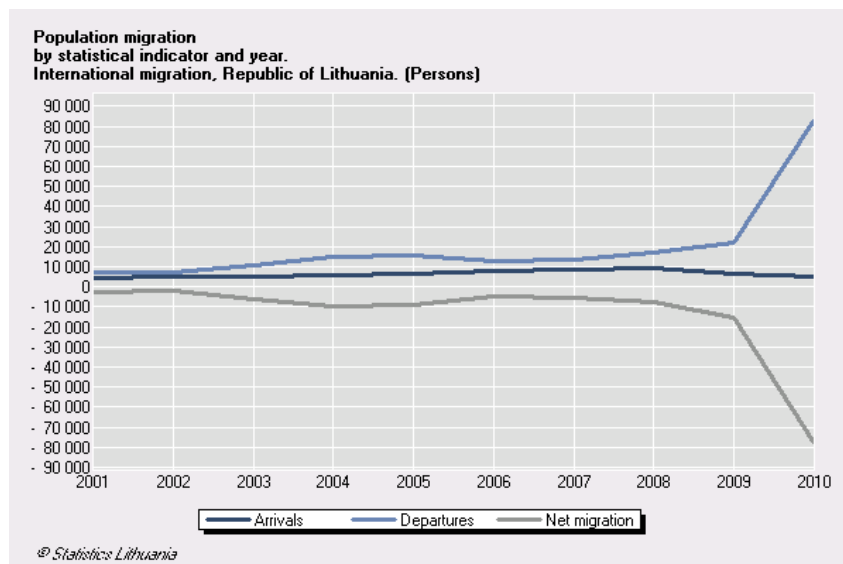
Net migration

As OECD (2003) report states, until the EU accession, all migration data available in the Baltic States only covered the part of migration which was officially recorded as ‘permanent’. Thus, ‘temporary’ (less than a year) and unreported emigration was not included into databases. The scope of unrecorded migration remains unknown, however, with the help of the census results it was indicated that net emigration from the Baltic States was ‘greatly under-estimated’.

In general, there are two factors responsible for emigration processes: ejective (such as decrease of living standard) and attractive (potential higher income or living standard). During the processes of external migration in 1990-2003, both ejective and attractive factors were not very intensive to cause mass emigration in Lithuania as well as in other Baltic states (Gruzevskis, 2004). Lithuania witnessed mass emigration only in the early 1990s; later on in the late 1990s and the early 2000s emigration flows decreased to a certain degree and remained relatively stable until 2004 (MacDonald, 2010).

The trend up until 2008 was that emigration started to decrease and immigration started to increase (see Figure 13). However, “due the financial crisis everything changed again” (Interview 2). Lithuania is a country with the largest emigration rate among the NMS (Kahanec & Zimmermann, 2008). Net migration has been consistently negative since the regaining of independence in 1990. Emigration continues to dominate migration movements in Lithuania, despite some increase in immigration flows since the EU accession. In conjunction with the declining birth rate, net migration intensifies the country’s overall demographic problem.

Figure 13. Net migration in Lithuania



4.5 Emigration costs and benefits

Brain drain

One of the largest costs of emigration is a human capital loss, or brain drain. After the collapse of Soviet Union, over 5,000 university graduates left Lithuania in 1992, but in the later years this number dropped radically and was not more than 600 in 1996 and slightly over 400 in 2000 (Kaczmarczyk, 2006). According to Thaut (2009), while data and empirical research on emigration of high-skilled after the EU enlargement are incomplete, it is likely that a significant portion of the recent Lithuanian labour emigrants are skilled, well-educated, and younger persons who comprise the more mobile portion of the population that is better able to take advantage of the FMOWs policy. Analysis with general conclusions about migrant characteristics leads to concerns of a brain drain potential from Lithuania. Recent emigration from Lithuania to other EU countries is mainly composed of younger and more highly-educated Lithuanians (Thaut, 2009). Taking a medical sector as an example, in 2004 almost 26% of Lithuanian doctors and nurses planned to seek employment abroad (Kaczmarczyk, 2006).

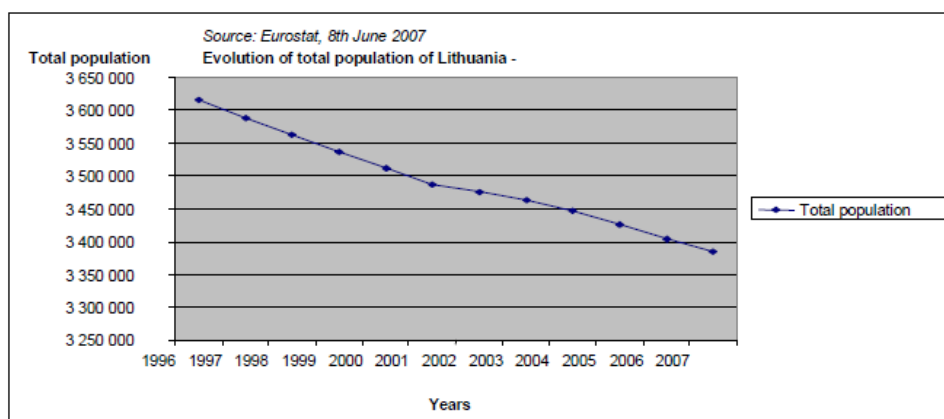
Unfortunately, for the less economically developed countries, such as Lithuania, the extent of ‘brain drain’ is greater than that of ‘brain gain’ (Daugeliene & Marcinkeviciene, 2009). In 2006, 38.7% of Lithuanian people emigrating to the EU-15 were medium skilled, and 35.4% – highly skilled. It was one of the highest results among the EU-8 (see Appendix VII). The country has lost the skilled employees in health and education sector, academics, and this affects both the current public service (and therefore - the quality of life) and reduces the country’s long-term development potential. According to PPMI (2008), almost half of the interviewed people residing abroad has a higher education, mostly – bachelor degree.

Demographic pressure

Assessing also illegal migration, before the EU accession in 1990-2002 Lithuania had lost about 230 thousand people due to emigration (Kaminskiene, 2009). Thaut (2009) estimates that the number of emigrants since Lithuania’s independence in 1991 until 2009 ranged anywhere from 200,000 to 300,000 persons. The numbers describing emigration from Lithuania after the EU accession provided in official statistics are relatively small and not reflecting the real situation in full. As previously mentioned, regarding per year emigration since the EU accession the data does not comprise unregistered emigration. However, Figure 14 shows that population in Lithuania is constantly decreasing. According to Eurostat, in the period between 2004 and 2050, Lithuania is expected to experience one of the the largest decline in population among the EU countries (-16.4%) (Indans et al., 2007). Total population and population projections in Lithuania can be seen in Table 5.

Emigration and deficit fertility rates result in a shrinking and ageing population. Ageing is further exacerbated by the current rise in life expectancy. Maintaining the age structure of the population is important, because it has implications for the ability of the government to maintain pension and other social welfare arrangements.

Figure 14. Population in Lithuania



Source: King & Muravska, 2007: 35

Table 5. Total population (millions) and population projections in Lithuania

Year	1960	1970	1980	1990	2000	2008	2010	2020	2030	2040	2050	2060
	2.8	3.1	3.4	3.7	3.5	3.4	3.3	3.2	3.1	2.9	2.7	2.5

Source: Eurostat, 2010.

Remittances

One of the benefits that country gains from emigration is money received through remittances. Highlighting the impact of the EU accession, the data reveal that remittance flows to Lithuania have increased substantially and become an important source of foreign exchange. The Bank of Lithuania estimates that their balance of payments data on remittances, which is used by the World Bank and IMF, captures 80% of the total transfers (Thaut, 2009). The total remittances for 2005 are more than 8 times larger than in 2003 (see Table 6). This substantial increase coincides with Lithuania's EU accession. According to the Global Economic Prospects 2006 report, remittances comprised 1.4% of Lithuania's GDP (Kadziauskas, 2007; Thaut, 2009). In 2010, emigrants' remittances were equal nearly one quarter of wages bill in Lithuania: a record sum of 4.1 billion litas (1.188 billion euros). It is likely that in the upcoming years the amounts of remittances will break new records because of increasing wave of emigration and improving economic situation in foreign countries (Pavilieniene, 2011).

Table 6. Workers' remittances and compensation of employees received in Lithuania (US \$)

Country Name	2001	2002	2003	2004	2005
Lithuania	79.150.000,00	109.248.000,00	114.834.000,00	324.496.700,00	534.305.100,00

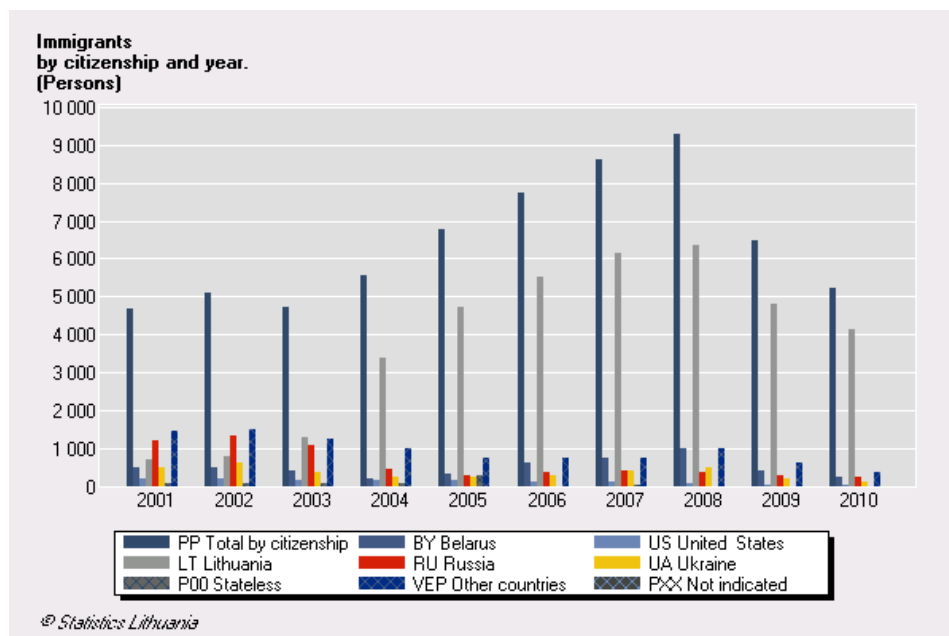
2006	2007	2008	2009
994.085.100,00	1.432.638.000,00	1.467.535.000,00	1.169.199.000,00

Source: World Bank staff estimates based on IMF balance of payments data.

Return migration

After the EU accession, return migration emerged as a consequence of the growing labour shortages and of the improvement in wage levels that Lithuania experienced in the post-accession period. The economic recession and the sharp increase in unemployment that the country faced starting in the third quarter of 2008 interrupted this trend, despite government efforts to attract Lithuanian workers back. Around 6140 out of the 8600 immigrants recorded in 2007 were Lithuanian nationals returning from abroad, mostly from the UK and Ireland. In 2009, 4.8 thousands Lithuanian citizens returned to Lithuania, in 2010 - 4.1 thousands (see Figure 15) (OECD, 2009; Statistics Lithuania, 2011), thus the scope of reemigration is decreasing. However, these figures underestimate return migration, since many Lithuanian migrants declared neither their departure nor their subsequent return (OECD, 2009).

Figure 15. Annual amount of immigrants by citizenship in Lithuania



Source: Statistics Lithuania.

5. Latvia

5.1 Emigration policies

The main institution dedicated for migration issues in Latvia is the Office of Citizenship and Migration Affairs under the supervision of the Ministry of Interior of Republic of Latvia. One of its main functions is the implementation of state migration policy. However, this institution only implements, but does not create migration policies. What is more, it mostly deals with citizenship, repatriation, asylum etc., but does not have any measures for stopping the ‘flood’ of Latvian emigrants (Interview 5). Latvian Welfare and Integration Ministries have been carrying out special programmes to promote return migration. The Ministry of Welfare is responsible for programs for support to unemployed and jobseekers, also for programs for diminishing of poverty and social exclusion (Fihel & Krisanje, 2009).

Policy priorities and goals

The main policy documents regulating management of migration processes in Latvia are dedicated to immigration, third countries nationals and asylum seekers. However, a few policy strategies are dedicated solely to return migration of Latvian nationals (Interview 4).

Latvia faced significant emigration not only after joining the EU: it started immediately after Latvia regained its independence. The reasons for emigration were mainly political, economical, social (family reunification) and educational. After the collapse of the Soviet Union and just right before Latvia’s independence, a key legal act - Regulations 1989 – was passed in order to prevent inward migration. As a result of this legal act, and dismantling of borders of the former Soviet Union, since 1990 migration flows have changed: negative migration balance could be observed. What is more, the large part of emigrants was living abroad illegally or with irregular status. According to the Repatriation Act, those who want to repatriate in Latvia, if they left the country after declaring its independence on 4 May 1990, have no right to state assistance for repatriates (Lulle, 2009).

Latvian policy-makers started paying attention to emigration phenomena in the time of rapid economic growth in 2002-2007, when labour shortages were noticed. Consequently, measures preventing further emigration flows had to be considered (Lulle, 2009). After a study of reasons why Latvia’s residents leave the country, and why they want to return, the Commission of Strategic Analysis was established by President Vaira Vike-Freiberga in 2004. According to conclusions of the study of the Commission of Strategic Analysis, Latvia “should consider its economic and social development, strive to improve welfare, business environment and education system, strengthen links with Latvian emigrants, introduce changes in laws that regulate naturalization, and others to ensure that Latvians who have left the country return” (Indans et al, 2007: 35).

Among Latvian citizens, the emigration debate has been used as a tool in protesting against various government policies. For instance, teachers, policemen and health care workers in their protests in 2006 and

2007 deployed such slogans as ‘Teachers, let’s go to Ireland’ and ‘Mushroom pickers in Ireland are paid more than teachers in Latvia’ (Lulle, 2009).

Emigration strategies

Below, an overview of policy planning documents and initiatives on the issue of emigration in Latvia will be reviewed.

Statement of Intent on Promoting Return Migration (2006) was prepared by Ministry of Integration. This statement was signed by civil society groups representing Latvian emigrants abroad and aimed to develop a state and private partnership model which would encourage the return of Latvian emigrants to their home country (Lulle, 2009).

Consequently, *Information Report to Promote Return Migration (2007)* was also prepared by Ministry of Integration. The document outlined policy priorities and goals that would promote return migration. Among the main long-term policy priorities for stimulating return of emigrants were the following: support in housing policy for return migrants, permanent monitoring of the labour mobility process, broad regional development (starting with job creation), higher standards of employer-employee relations, easing of bureaucratic obstacles to launching a small business, improvement of tax and social benefit systems supporting the families of return migrants, child care provision, promoting information exchange and communication with Latvians abroad, etc. (Lulle, 2009; Indans, 2010).

Return Migration Action Plan (2007) supplemented the previously mentioned information report. This plan included proposals to establish an effective monitoring system of emigration and return migration. Also, concrete actions involving different governmental, business and civil society partners were proposed to promote the return of emigrants to Latvia. What is more, the help to returnees seeking to reintegrate in society and find their place in labour market was planned. An important suggestion in this plan was the introduction of dual citizenship, because at the moment Latvian Citizenship Act allows holding dual citizenship only to those emigrants (and their descendants) who left Latvia during the Second World War. This situation constitutes a significant obstacle to families with children born abroad (and having the citizenship of foreign country), wishing to return to Latvia (Lulle, 2009).

For launching effective policies that regulate emigration, economic conditions in the country have to be good. That is why, *Latvia’s National Development Plan for 2007-2013* is based on the need for economic development. In contrast to the current labour-intensive economy, a knowledge-based economy is attempted to be put into practice (Interview 5). By *National Development Plan*, confirmed by Ministry of Regional Development and Local Government (2007), and its relevant employment and regional policies, a set of direct and indirect methods for regulating migration has been developed. It includes the following goals:

-Improving working conditions throughout the country by increasing the level of education among young people and expanding lifelong learning as a guarantee for being appropriate for work in the demanded positions;

- Ensuring more complete employment of existing labour resources, attracting economically passive and retirement age residents;
- Simplifying the method for launching new businesses.

Therefore, this macro level policy planning paper also touches upon migration issues by stressing the importance of more equal regional development. The lack of work opportunities and low wages in Riga, the capital city of Latvia, are one of the main reasons of emigration. Thus, balanced regional development in Latvia as a major national policy can prevent emigration flows (Lulle, 2009).

One more strategy based on economic conditions is *Economy Stabilization Plan*, introduced by Ministry of Economics and confirmed by the government also in 2007. This plan recommends that one of the long-term goals of Latvian economic development is setting up balanced policy of economic migration which is able to control recruitment of labour and reduce labour emigration flows (ibid).

All the initiatives shown to achieve gradual improvements in preventing emigration through economic and regional development policies imply that economic development and migration are gradually reducing wage differences between outflow and inflow countries. However, Lulle (2009: 299) argues that Latvian government would be “ill-advised to rely on a long-term prospect of economic growth”. Due to economic crisis, the situation has changed and labour demand has been decreased. This could be a reason of a new emigration wave.

Effectiveness

There are a number of policy planning initiatives addressing the consequences of emigration and possible return migration in Latvia. However, these programmes concerning the issue of emigration mostly remain only statements of intent or in a planning stage, and concrete steps have not been adopted so far (Interview 4).

The report of Commission of Strategic Analysis did not bring any noticeable results, as its recommendations were ‘too general’ and only ‘in the format of proposals’. In 2007, Governmental Task Force introduced Report on proposals for re-emigration policy, but this document also was only in a form of propositions. No real goals were introduced, thus effectiveness of this document can not be evaluated (Interview 4). Lulle (2009) and Indans (2010) also argue that the government have not yet introduced concrete measures helping economic migrants to return to Latvia and that overall goal seeking to promote the return of Latvian migrant workers has not been achieved.

A few reasons of the failure might be limited resources of national government for ‘this scale of events’ and ‘too general elements’ of the emigration policy. Overall, these policies were ‘meant for local Latvian audience’ (Indans, 2010: 6). Furthermore, the author argues that the initial mistake of Latvian government was not paying any attention to the labour migration right after joining the EU. Latvian government response to the emigration problem was ‘confusing’ and ‘contradictive’. Some politicians tried to stop emigration process by their statements, while others did not pay any attention. As such a massive

emigration was unexpected, the government was not able to set political interest and to create national policy dealing with the emigration issue (Indans, 2010).

Thereby, the question of reintegration of return migrants is still unclear. So far, Latvia still has not created conditions based towards the return of labour. Likewise, measures that would retain working age population in Latvia have not been implemented (Berzina, 2010). There is still no established mechanism for facilitation of re-emigration to Latvia. Those returning to their home country have not been considered as a separate group, thus there is a lack of statistical information. Additionally, emigrants declare their departure from the country more and more often, so elaboration and implementation of return migration programs may be hindered (Indans et al, 2007; Berzina, 2010). Latvia lacks the guidance not only in return migration policies. In general, the country “has no lawful basis for restricting the outflow of highly qualified workforce and the emigration as a whole” (Berzina, 2010a: 10).

Latvia's *National Development Plan* also did not have any measurement for its goals. Thus, it is difficult to evaluate whether it has been effective. It is clear though that the global financial crisis has hindered economic development in a country and slowed it down significantly. As a consequence, effective emigration policy could not be implemented (Interview 5). Indans (2010: 16) claims that re-emigration policy has failed “because of globalization”, but limited governmental resources also play a role.

However, despite the criticism on the absence of concrete policy actions to promote return migration, all these initiatives have given a rise to public debate on emigration including its consequences and induced to think about concrete actions. The institutions of Latvian government, especially the ministry of Integration, have organized information and assistance campaigns both in Latvia and abroad to maintain ties with Latvian emigrants. Every two years Latvians from abroad discuss the most acute issues among their communities in a conference organized by the Ministry of Integration. Information about Latvia has been distributed through embassies and migrants' organizations (Lulle, 2009).

Community activities have also been prompted in order to promote return migration. However, concrete government measures have been limited, and mostly activities and actions that support potential returnees are provided by civil society bodies and social networks. In the main receiving countries – the UK and Ireland – financial support has been allocated for various organizations and schools for newly established communities. What is more, the maintenance of Latvian internet websites and various publications for Latvians abroad have been subsidized. There are also minor activities, such as an intensive Latvian language course to return migrants who wish to improve it, an annual invitation of Latvian youth living abroad to apply for summer internships in Latvia, summer schools for Latvian children in Latvia and other countries, etc. (ibid).

All these above mentioned activities have encouraged emigrants to rethink their future plans and come back to the home country or advice others to follow their example. Such factors as improvements in Latvian wages and labour shortages in rapidly growing sectors have encouraged many migrants to return to Latvia since the EU enlargement (Lulle, 2009). However, financial economic crisis has changed this tendency (Interview 5).

5.2 EU accession

Free movement of workers

At the beginning of the 1990s after the collapse of Soviet Union, a massive outflow of long-term and ethnically driven migration took place from Latvia mostly to the CIS countries and Germany. In the mid of 1990s, this ethnic migration potential ceased to exist, the scope of emigration lowered and only short-lasting and mainly unregistered flows of migrant workers were observed.

Nowadays, emigration of the workforce is one of the most important issues in Latvia. Although people started to leave the country already in the 1990s, “the biggest wave of emigration happened soon after joining the EU”, when the new legal opportunities of FMOWs became available (Indans et al., 2007: 63). Since May 1 in 2004, Latvian citizens could (with some restrictions) go to other Member States for work. As a consequence, this increased the labour emigration processes considerably. In all, about 5% of Latvia’s active workforce have left the country until 2007, which was considered ‘typical’ of the NMS (Berzina, 2010a; Indans et al., 2007). According to statistical data (see Table 14), emigration from Latvia to other EU countries is increasing each year. 1723 people officially emigrated from Latvia to the EU countries in 2007, 3422 people in 2008 and even 7048 – in 2010.

However, data compiled by *Eurostat* provides much bigger numbers on emigration from Latvia. According to *Eurostat*, 3891 Latvian citizens have been registered in other Member States of the EU as immigrants in 2007, and 13 595 – in 2008. Such a large number of Latvian citizens registered in other Member States of the EU suggest that “they most probably do not plan to return to Latvia in the nearest future” (Berzina, 2010: 15) due to the opportunities that the FMOWs provides. Inadequacy between the data of national Latvian statistics on emigration and *Eurostat* data on numbers of Latvian immigrants in other EU countries shows the problem of unregistered emigration. As previously mentioned in the case of Lithuania, many people leaving the country simply do not unregister themselves.

Taking in consideration the scale of the crisis in Ireland, Indans (2010) forecasts that the new destinations for migrants from Latvia, as well as from the Baltic States, will be the UK, Norway, Finland, the Netherlands, Germany and Cyprus.

Table 7. Emigration from Latvia to the EU countries

	Emigration											
	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
.EU - 27	1,723	3,422	4,114	7,048

Source: Central Statistical Bureau Latvia.

Transitional arrangements

The UK, Ireland and Sweden were the first countries which opened their labour markets for the newcomers of NMS. According to the data of the Ministry of Economics of Latvia, during the period of 2004-2006 most Latvian guest workers abroad were working in Ireland, UK and Germany (Indans et al, 2007). Among all the EU-8 citizens that applied to the Workers Registry Scheme in UK between 1 May 2004 and 31 March 2006, 5-6 % were Latvians. That is quite a large number regarding the small population of the country (Heinz & Ward-Warmedinger, 2006). From 13 595 people that emigrated from Latvia in 2008, 7786 persons were registered in the United Kingdom, 2066 – in Germany, and 1471 – in Ireland. Such a large number of Latvian citizens registered in other Member States of the EU suggest that they most probably do not plan to return to Latvia in the nearest future (Berzina, 2010a).

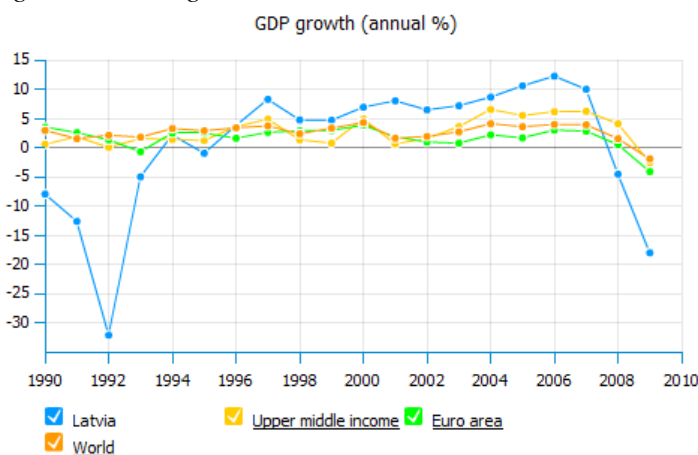
Large emigration flows to Ireland and UK can be explained by the fact that these countries opened their employment markets fully for Latvians as well as for other EU-8 migrants in the first phase of the transitional arrangements (see Appendix I). On the contrary, Germany only officially opened its labour market to immigrants from NMS in the last transitional phase from May 2011, but it did not stop people from emigrating there earlier.

5.3 Socio-economic factors

GDP

GDP in Latvia was constantly growing and reached its peak in 2006 (see Figure 16), but it decreased in latter years due to the financial crisis (Interview 5). Currently Latvia is experiencing economic and financial downturn of unexpected scale. During 2009, GDP has dropped by 18% which was the highest among all the EU Member States (see Appendix F) (Indans, 2010). The Bank of Latvia estimates that the lowest GDP level observed in the third quarter of 2009 have started to increase slowly in 2010, and average quarterly growth in 2010 was 0.7% (Latvijas Banka, 2011).

Figure 16. GDP growth in Latvia



Source: World Bank.

Compared to the EU-15, GDP growth rate in Latvia was rather high, at least before financial crisis (Appendix II). However, in terms of various other GDP indicators Latvia is still among the countries that lag behind (Appendix III).

Unemployment differentials

After the EU accession, unemployment rate had been significantly declining since mid 2004, in particular the youth unemployment rate. At the end of 2007, unemployment level in Latvia reached 5.3%, while youth unemployment level – 5.4%. Such low unemployment rates were registered only in the Baltic States and Slovenia out of all the EU-8 NMS (Fihel & Krisjane, 2009).

In the second half of 2008, the Latvian economy was hit by the global financial crisis. As a consequence, unemployment level in Latvia increased rapidly: from 7.5% in 2008 to 16.9% in 2009. In 2010, unemployment reached 18.7% of the active population (see Table 15). Later on, the slight economic recovery stimulated a gradual decline in unemployment, by 0.3–0.6 percentage point every month (Latvijas Banka, 2011). Even though unemployment rate is currently starting to decrease, it is still one of the highest in the EU with 17.2% at the first quarter of 2011 (see Appendix IV).

Table 8. Unemployment rate in Latvia (%)

Share of unemployed to the active population															
TOTAL															
	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
TOTAL	20.7	15.1	14.1	14.3	14.4	13.1	12.0	10.6	10.4	8.7	6.8	6.0	7.5	16.9	18.7

Source: Central Statistical Bureau of Latvia.

According to Indans (2010: 4), “it is not the low salaries but the increasing unemployment level that would be the main reason for people to choose to leave Latvia”. Emigration is considered as a reliable solution to deal with unemployment. Even if job opportunities in EU-15 are lower and more complicated than before due to the recession, people assume that it is still easier to find a job abroad than in the Baltic States (Indans, 2010).

In the current economic situation, “no-one at the political level is ready to implement measures for promoting immigration in the context of employment” (Berzina, 2010a: 10). As returning Latvian migrants are also considered as immigrants, “it may be even more difficult for government to pull its citizens back to the country later if they do not take the issue of emigration and return migration seriously now” (Interview 4).

Wage differentials

The wage gap between accession countries and the EU-15 is an important stimulus for emigration. The gap was especially wide before the EU enlargement, when Latvia had an average wage level of 1/20 in 1999 and 1/8 of of the EU-15 average in 2003 and was the poorest country among the EU-8. Thus the fears of mass

emigration if free movement of labour was permitted were justified: as being the poorest nation, Latvians have actively used the right of FMOWs within the EU (Lulle, 2009; Indans, 2010).

In 2007, Latvian hourly gross wage was 2.92 EUR and it comprised 20% of the EU average (see Appendix V). In the same 2007, the minimum wage in Latvia was the third lowest among the EU countries: only EUR 172. Although in the beginning of 2011 it was EUR 282, this wage was still very low compared to the ones in Western European countries (see Appendix VI) (Indans, 2010).

Although low wages are one of the main reasons for workforce migration, Latvia's residents are also concerned about the quality of life and relationships in society in general (Indans et al., 2007: 35)

Social migrant networks

Latvian emigrants have left their home country at different times and came from different social, educational, cultural backgrounds. Thus, various communities and groups of emigrants have been formed. Also, chains of migration can be observed: "friends, relatives and acquaintances have followed those who have left earlier from a particular area of Latvia" (Indans, 2010: 5; Lulle, 2009). In this way, emigrants get necessary information and practical support; thus strong social networks are developing.

In 2005, 8,87% of Latvian respondents described their probability of emigration as 'very high' and 11,89% as 'rather high'. In compliance with neo-classical and network theories of migration, it can be seen that emigration intentions are stronger for those who already have worked abroad before or whose relatives and friends are working in other country (Ivlevs, 2007). According to surveys analyzed by Hazans & Philips (2011), many Latvian emigrants have family member, relative, a friend or neighbour working abroad, and more than 44% of emigrants live together with relative or friend. International social networks can also function as mechanisms that promote further migration or can be used as a way of finding employment in the previous or new destination country (Lulle, 2009).

Media and case studies gives an evidence about 'rich social infrastructure within migrant diasporas' in Ireland and UK: weekly newspapers published in Latvian, Sunday schools and regular Latvian schools in Ireland, sport teams, discos, concerts, NGOs, religious communities; professional Latvian networks with informal meetings, websites for Latvian emigrants (such as www.labrit.co.uk, www.Baltic-ireland.eu, www.latviesi.com, www.sveiks.ie) are established (Hazans & Philips, 2011). Also, despite the lack of policy encouragement and financial support, emigrants actively form communities and groups via the popular website www.draugiem.lv. On these websites, emigrants discuss everyday practicalities, publish job seeking and job advertisements, share information and maintain ties with friends and acquaintances in Latvia. Such 'cyberspace' ties can also become real social ties (Lulle, 2009).

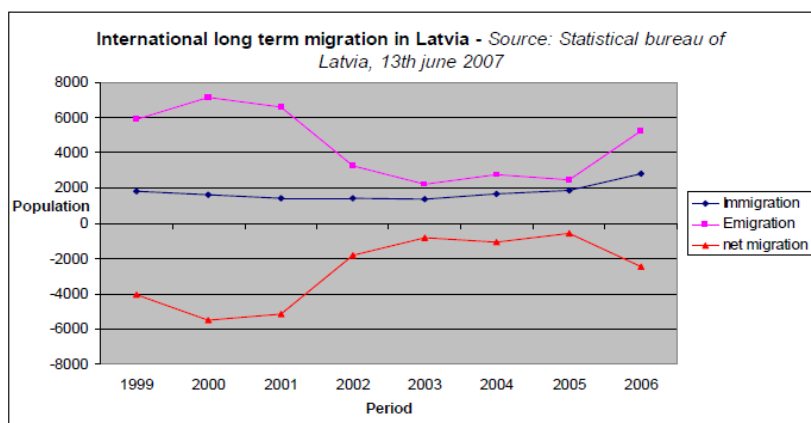
Moreover, information to emigrants has been distributed through local newspapers: for instance, *Sveiks* and *Nasha Gazeta* in Ireland, *Brīvā Latvija* in the UK and Germany. Besides relatively active Latvian migrants communities in the UK, Ireland and Finland, Latvian networks also are in Germany, Sweden, Denmark, Norway, France, Belgium and the Netherlands (ibid.)

5.4 Emigration flows

Emigration scope

Just before the EU accession, in 2001-2003, emigration scope was decreasing in Latvia (see Figure 17). However, after joining the EU, the scope of emigration started to increase significantly.

Figure 17. International migration in Latvia



Source: King & Muravska, 2007: 36

The number of Latvian migrants who left the country after the EU enlargement have not been officially elevated in comparison to other sending countries, but the ‘intensity of the postaccession outflow’ could be rated as one of the highest among other NMS (Fihel & Krisjane, 2009). According to the Central Statistical Bureau’s data, 7500 residents of Latvia emigrated in 2007, which is by 25% more than in 2008 (Indans, 2010). In 2009 the emigration flows have increased almost twice or by 44%. What is more, like in the previous years, a big part of the emigrants have not declared their departure (Berzina, 2010). The official statistics do not give a precise picture of the emigration scope due to a large amount of unregistered labour migrants who choose to work abroad illegally without paying taxes or move just as short-term or seasonal workers (Interview 4).

Net migration

Only five of the EU Member States reported a negative net migration in 2008, and Latvia, with more than -2500 persons, was one of them (Eurostat, 2010). This negative net migration in 2008 has been the lowest since 2001 (see Table 9). During those few years, the number of persons who have informed the institutions declaring the place of residence about their migration to another country has substantially increased. The reason of official declaration of leaving the home country may be emigrants’ decision to reside abroad permanently with ‘minimal possibility’ of ever returning to Latvia (Berzina, 2010a).

Table 9. Net migration in Latvia

	Net migration											
	1995	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Total	-13,713	-5,504	-5,159	-1,834	-846	-1,079	-564	-2,451	-642	-2,542	-4,700	-7,912

Source: Central Statistical Bureau of Latvia.

5.5 Emigration costs and benefits

Brain drain

Before the EU enlargement, in 2003, 37.4 % of the 54 153 Latvian expatriates residing in OECD countries were highly skilled (Thaut, 2009). In 2006, the worries about emigrants got more attention and Latvian government expressed concerns about increasing scope of ‘brain drain’ process. The labour situation was made even worse by the emigration of young people and ageing of the population (Indans, 2010).

Now it is becoming apparent that more and more young Latvians are seeking education (particularly master’s degrees) and jobs abroad. This trend is especially dominant after Latvia’s accession to the EU. The reason for workforce’s transformation from low-skilled to highly-skilled (doctors, scientists, etc.) could have also been due to the global financial crisis. Such a large wave of emigration, especially of highly-skilled people, “could have negative consequences on Latvia’s economy and overall development”. University graduates and young professionals are the most mobile group of people (especially if they cannot find jobs or their salary has gone down), therefore, they are also “the most sorely missed” (Interview 5).

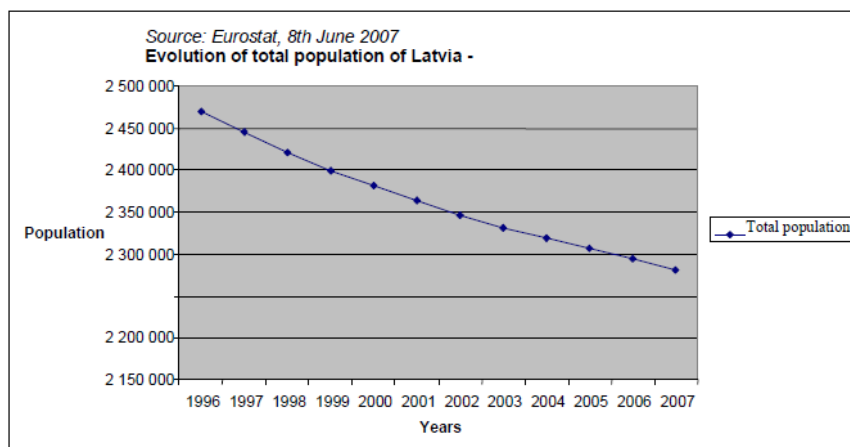
Compared to the low or average educated persons in the EU overall, highly educated have a high level of mobility: they are twice as mobile as lower educated citizens. However, numbers of having a propensity to emigrate vary even among the NMS. According to surveys of the potential emigration, better-educated young people (aged 25–34) from Latvia were reported as four times more likely to emigrate to another EU member state, compared to the equally well-educated youth from the Czech Republic, Hungary, Slovakia and Slovenia. Together with Poland, Estonia and Lithuania, Latvia was classified as a ‘high mobility’ new EU member state (Krieger & Fernandez, 2006).

Demographic pressure

With 2.2 million inhabitants, Latvia is already one of Europe’s least populous countries, but every year a noticeable amount of people emigrate. During one decade, the number of population in Latvia has decreased from 2.47 million in 1996 to 2.28 million in 2007 (see Figure 18). The decline of 188 thousand people during such a period of time may not look like a large amount, but it had constituted 8% of the entire Latvian population in 2007 (King & Muravska, 2007). Thus, Latvia has “the second most discouraging fall in the number of population in the EU” (Pabriks, 2007: 11), and it is expected that by 2020 the total number of Latvian population might be 2.06 million (11% less than in 2004). Among all the EU countries, the largest

decline in percentages is expected to be observed in Latvia: the population of the country is considered to be decreased from 2.3 million in 2004 to 1.8 million in 2050 (by 19.2% in total) (see Table 10) (Indans et al., 2007).

Figure 18. Population in Latvia



Source: King & Muravska, 2007: 34.

Table 10. Total population and population projections in Latvia (1) (at 1 January, million)

Year	1960	1970	1980	1990	2000	2008	2010	2020	2030	2040	2050	2060
	2.1	2.4	2.5	2.7	2.4	2.3	2.2	2.2	2.0	1.9	1.8	1.7

(1) From 2010 onwards the data refer to projections (EUROPOP2008 convergence scenario).

Source: Eurostat, 2010.

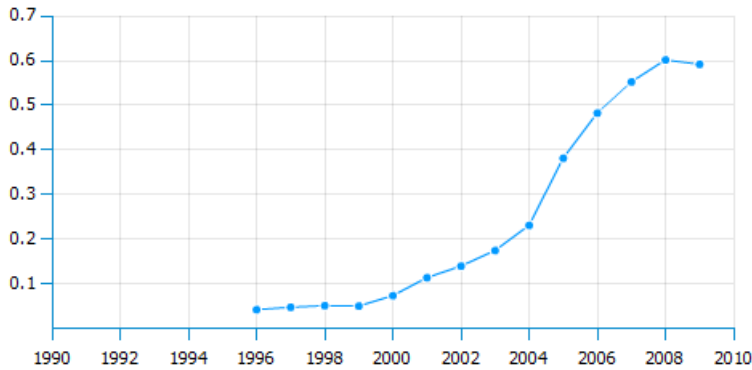
It is worth mentioning that the decrease in the number of population may be explained not only by emigration, but also by the negative demographic indicators, such as low birth rates and high mortality. However, increasing emigration rate could create a demographic gap ‘in just a single generation’ (Pabriks, 2007; Indans, 2010). In Latvia, as in other CEEC, ageing population, depopulation and especially the departure of young people exacerbates the problem of population’s age structure. Depopulation is mostly caused by low fertility rates, but also by emigration and negative net migration. The outflow of the young persons, called the ‘youth drain’, just exacerbates the problem of depopulation by no longer ensuring natural movement and ‘regeneration of generations’ (replacing those who had emigrated) (Fihel & Krisanje, 2009).

Remittances

Since the outflow of people from Latvia is mostly constituted by labour migration, it is important to measure the scale of remittances that emigrants send back home home, and assess their role in economic development. In the period of 2000-2006, the remittances sent to Latvia increased six times (see Figure 19), from approximately 75 million USD to approximately 475 million USD. The EU enlargement in 2004 had a large impact on the sharp increase of remittances in Latvia. For instance, in the EU accession year 2004 the the

share of remittances in the GDP was 2.5%, which was “higher than in Poland (1.5%) and comparable to Lithuania (3%)” (Fihel & Krasanje, 2009: 27). According to the Annual Report of National Bank of Latvia, 268 million lats (or 526 million USD) were sent to Latvia as remittances in 2006, this amount of money consisted 2,4% of the GDP. Annual Report emphasizes that remittances are among the main factors influencing economic growth (Latvijas Banka, 2008). Indans (2010) signifies that Latvians send home an estimated EUR 300 million in remittances from abroad each year.

Figure 19. Workers remittances and compensation of employees in Latvia, received (current US\$, billions)



Source: World Bank.

Return migration

Since there has not been comprehensive research on return migration trends in Latvia, unfortunately it is not possible to capture the phenomenon in terms of quantitative data (Lulle, 2009). It is very important to promote return migration in Latvia, because the country approaches previously mentioned ‘demographic pit’ (Indans et al., 2007). Not only high-skilled return migrants can bring benefits to the country. Emigrants who work in construction and other industries have obtained new knowledge, and they can be very valuable employees when they return to Latvia, but “only if the government works with businesspeople to promote that return” (Indans et al., 2007: 32).

6. Estonia

6.1 Emigration policies

Policy priorities and goals

After the collapse of the Soviet Union, in 1993, Estonia signed a treaty with Russia. This treaty regulated repatriation and resettlement and has been offering financial assistance to those who wish to resettle in Russia (Interview 6).

In Estonia, the area of responsibility of the Ministry of Interior includes dealing with citizenship and migration issues. The main policy documents regulating management of migration processes in Estonia are about the issue of immigration, third countries nationals and asylum seekers. Meanwhile, emigration from the country almost does not get any attention from policy-makers at all. Therefore, immigration phenomena gets much more importance in Estonia than emigration or return migration (Interview 7). The issues related to labour immigration, integration and employment of immigrants is important because many Russians live in Estonia (Interview 6). Such documents as “Integration in Estonian Society 2000-2007” and the following “Estonian Integration Strategy 2008-2013” are the action plans for governmental and other institutions in the area of integration of immigrants (Interview 6).

Just before the EU accession, it was noted that “the outflow of Estonian citizens is not a problem for Estonia at this stage and there is probably no need to restrain the migration after joining the EU” (Kallaste et. al, 2003: 36). Emigration flows were predicted to be quite low, and their impact on Estonian economy and labour market was also predicted to be low.

What is more, emigration has been seen as having positive aspects in Estonia. According to Kallaste et.al. (2003), the majority of emigration was predicted to be temporary and short-term or seasonal. While living abroad, people can gain new knowledge, skills and thus increase the value of human capital which can be applied in Estonia after return. This is very appropriate to young people (particularly because unemployment of young has been high in Estonia), who can get work experience abroad after graduating and they “do not have to start their working career with a frustrating unemployment period” (Kallaste et. al, 2003: 36-37). It is also beneficial for Estonian social security system that does not have to support youth unemployment or non-activity period.

On the other hand, young people have the weakest propensity to come back compared to other age-groups of emigrants. Therefore, the problems of an ageing population and insufficient workforce might occur. Maintaining a sufficient labour force and diminishing the emigration potential can be achieved by reducing the unemployment rate, increasing the participation rate, supporting the job creation process and self-employment initiatives in Estonia. Also, income differential between Estonia and OMS have to be decreased in order to reduce emigration potential. This might be a policy option if there are “severe consequences of free movement of workers in some occupations (e.g. medical doctors)” (Kallaste et. al, 2003: 37).

The only document touching upon emigration and return migration is *Principles and actions of Estonian population policy 2009-2013*. One of the main goals of the migration policy in Estonia is ensuring the demographic and economic sustainability. According to *Principles and actions of Estonian population policy 2009-2013*, the state favours the return of the people of Estonian origin, therefore “return migration is among the main tasks in Estonian emigration policy” (Interview 6). To encourage the return migration of people who reside outside Estonia, the goals are to inform those people about the opportunities of studying in Estonia, highlight the possibilities to return, receive or restore Estonian citizenship, give advices to those returning as well as provide material support and favour adaptation (ibid).

When establishing specific measures and activities of migration policy, reliable and adequate statistics and surveys are important background materials. Recording migration is important in both the cases of immigration and emigration. Therefore, a goal of the Estonian state is the development of accurate migration and integration data (Principles and actions of Estonian population policy 2009-2013).

However, even after 7 years of membership in the EU and increased flows of emigrants, Estonian Minister of Social Affairs still does not consider emigration as a problem. In the article of Tere (2010), the words of Minister from his press conference in December 2010 are cited: “*It is true that some people who have gone abroad and have become settled have found a new home but many of them want to come back, too, (...) there’s nothing strange in going 'outside' and coming back later. It is completely positive*” (Tere, 2010). Nevertheless, the expert from the International Organisation for Migration Tallinn Office (Interview 7) thinks that The Government should seek to attract as many as possible Estonians who gained some experience in the Western Europe to come back home. Also, the interviewee has agreed that the strategy for managing economic migration should be prepared.

Policy effectiveness

Under the guidance of the minister responsible for population affairs and approval by the Government, the constant monitoring and analysis of the *Estonian Integration Strategy 2008-2013* is organised. Also, a feedback to the partners that implement the development plan and to the public is provided (Principles and actions of Estonian population policy 2009-2013). However, Integration strategy is aimed at immigrants, thus Estonian government should apply similar monitoring and analysis for the strategy created for emigration/return migration issues, as soon as such document is created (Interview 7).

By trying to reach the goal of accurate migration data, Estonian government makes efforts to develop and create registers and other systems that allow for gaining a reliable overview of the movement of people (Principles and actions of Estonian population policy 2009-2013).

To fulfill the task of promoting return migration of Estonian citizens to their home country, the government firstly tries to retain the national identity by preserving Estonian language and culture among Estonians living abroad. Thus Estonian schools, teaching Estonian language and various cultural missions are supported. What is more, the return of Estonian citizens is supported through an active information policy: people are informed about the opportunities of studying in Estonia, also about returning and receiving

Estonian citizenship (Principles and actions of Estonian population policy 2009-2013). The financial support for return migrants is available already since 1992. In 2010, a specialised website, which aim is to connect Estonians living abroad with possible employers in Estonia, was established (OECD, 2011).

6.2 EU accession

Free movement of workers

At the first half of the 1990s, the main reason for emigration was returning to ethnic homelands after the collapse of the Soviet Union. In the second half of the 1990s and the beginning of the 2000s, returning to ethnic homelands started to decrease. Instead of that, going to work and study to the countries with higher economic levels increased (EHDR, 2008). However, since the beginning of the 1990s, emigration from Estonia to the current EU had been consistently low. For instance, in 2001, only around 16,700 Estonian citizens lived outside Estonia in total: mainly in Finland, Germany and Sweden (Philips & Kallaste, 2004).

The number of Estonian residents in the EU member countries was insignificant mostly due to work and resident's permits - Estonian people had to apply to emigrate into the EU-15. This number was negligible both to the Estonian population (1% in 2001) and even more to the whole EU. The highest percentage of Estonian emigrants was in Finland, Germany and Sweden (Kallaste et. al, 2003).

At the EU accession stage, the outflow of Estonians was still not seen as a problem. However, the fact that emigration might bring some problems in the context of population ageing was considered (Kallaste et. al, 2007). During the first four years after the EU accession, over 17,000 people (which was more than 1% of the total population) left Estonia for other countries. Estonians have been mostly looking for employment in neighbouring countries, but also in those EU Member States that allowed the free movement for the NMS. Therefore, Estonian emigrants have mostly gone to Finland, Sweden, Ireland and the UK (Indans et al., 2007; EHDR, 2008). As can be seen in Table 11, emigration to the EU-15 made the largest part compared to the total number of emigrants.

Table 11. Emigration from Estonia after the EU accession

Year	Emigrants	
	Total	EU-15
2004	2927	2314
2005	4610	3967
2006	5527	4992
2007	4384	3889
2008	4406	3831
2009	4658	3510
2010	5294	4498

Source: Statistics Estonia.

Finland, which is close to Estonia by distance and language, is a dominant emigration destination among Estonians – for instance, in 2009, 59% emigrants from Estonia have chosen this country (OECD, 2011). According to Estonian social ministry, it is likely that the number of Estonians who have gone to work to Finland after May 1 in 2004 has increased and the number of working permits issued has dropped due to the possibilities of FMOWs in the EU. Many employees have been sent to work in Finland as part of Estonian companies doing subcontract work for Finnish companies (Indans et al., 2007). Emigration to Finland was followed most importantly by Russia and Germany (see Table 12). In 2010, the vast majority of those who left Estonia were headed to Finland again (3475 people). The UK was the second most popular destination for outward migration in 2010, though official number of Estonian emigrants to this country was only 260 (Roman, 2011).

The data on emigration to Finland is more reliable than that of other countries, because data exchange has occurred between the Estonian and Finnish population registers. In the case of the other countries, this data was lacking, thus emigration flows could have been higher than in official statistics (EHDR, 2008: 16; Interview 7).

Table 12. Primary emigration destination countries from Estonia in 2004-2007.

	Emigration year				Total
	2004	2005	2006	2007	
Finland	1960	3513	4451	3163	13 087
Russia	350	353	276	221	1200
Germany	136	148	145	206	635
United Kingdom	45	87	125	164	421
Sweden	70	59	78	108	315
USA	61	60	81	57	259
Ukraine	46	82	38	32	198
Other countries	259	308	333	433	1333
Total	2927	4610	5527	4834	17448

Source: EHDR, 2008: 16.

Transitional arrangements

As could be seen in Table 12 (above), mostly Estonian emigrants have been going to Finland. Official emigration flows to the countries that opened their markets in the first period (Appendix I) were not very significant. Among all the EU-8 citizens that applied to the Workers Registration Scheme in UK between 1 May 2004 and 31 March 2006, Estonians accounted only 1 % (Heinz & Ward-Warmedinger, 2006). During the first four years after the EU accession, 421 Estonians emigrated to the UK, 315 – to Sweden, however Ireland, in contrast to the cases of Lithuania and Latvia, is not even mentioned among the primary destination countries among Estonians (see Table 12).

Compared to the size of its population, the share of migration from Estonia appeared to be high enough by making 7% of the total migration flows from EU-8 to Sweden in 2005. In this case, geographical

proximity played its role (Heinz & Ward-Warmedinger, 2006). However, the scope of emigration to Sweden can hardly be compared with the one to Finland. The previous 'scores very high' among Estonian emigrants due to geographical proximity, much higher wages and quite a similar language that is not very hard to learn for Estonians (Interview 7).

6.3 Socio-economic factors

GDP

At the beginning of the 2000s, Estonia together with Latvia and Lithuania was called the 'Baltic Tiger'. These countries had economic boom in 2000-2007 with one of the most rapidly growing economies in the whole EU (Interview 6). However, the severe economic crisis has hit Estonia particularly hard: GDP declined by 5.1% in 2008 and further dropped by 13.9% in 2009 (OECD, 2011) (see Table 13). Compared to other countries, Estonia had similar GDP growth rate as the EU-15 and lower than most of other NMS (Appendix II). In comparison with the EU-15 in terms of various other GDP indicators, Estonia still yields to them quite significantly (Appendix III).

Table 13. GDP growth in Estonia

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Estonia	6.7	-0.3	10.0	7.5	7.9	7.6	7.2	9.4	10.6	6.9	-5.1	-13.9	3.1

Source: Eurostat.

Unemployment differentials

The push side of emigration 'brings to the fore the divergent standards', such as unemployment and wage differentials, between Estonia and the EU-15. Unemployment differentials between the NMS and the OMS may be playing a primary role in encouraging the outflow of Estonian workers (Interview 7). As can be seen in Table 14, unemployment rate in Estonia was gradually decreasing after the accession to the EU, but it increased steadily in 2009 reaching 13.8%, and even 16.9% in 2010. Compared to the OMS, the unemployment rate in Estonia has also been very high since 2009 (see Appendix IV).

Table 14. Unemployment rate in Estonia (%)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Total	13.6	12.6	10.3	10.0	9.7	7.9	5.9	4.7	5.5	13.8	16.9

Source: Eurostat.

Wage differentials

Wage differentials between Estonia and the EU-15 are significant, as in 2007 Estonian hourly gross wage was 3.51 EUR and it comprised 24% of the EU average (see Appendix V). Monthly minimum wage in Estonia has been 278 EUR in 2011, and thus a country faces noticeable income gap compared to the OMS (see Appendix VI).

Due to the low salaries, Estonian workers (especially public officials like policemen, firemen or border guards) are quitting and looking for employment in the neighbouring countries and also in those EU Member States that allowed the FMOWs for the NMS. Higher salaries are the obvious pull factors of the emigration. For instance, when the average salary of a policeman is around 500 Euros and he can get at least 2000 Euros in Finland on the construction work, he would probably choose the latter option. What is more, Estonian workers can come home easily for the weekend, as it only takes 1,5 hour by fast boat to Helsinki (Indans et al., 2007).

Social migrant networks

Unquestionably, Finland is the primary destination among Estonian people for working abroad. It is preferred not only because of its geographic and cultural closeness and a relatively low language barrier. There is quite large proportion of Estonians who already live in Finland and it simplifies the process of moving there for emigrants. Estonian community in Finland constitute a social network which decreases the expenses related to moving abroad and facilitates adaptation to the new environment (Philps & Kallaste, 2004).

Similarly as in Lithuania and Latvia, Estonian migrant networks are formed in those EU-15 countries where most Estonians emigrate. There are Sunday schools in Estonian language in Ireland and UK, Estonian schools in Finland and Sweden, language courses, sport teams, discos, concerts, NGOs, professional networks (Hazans & Philips, 2011).

6.4 Emigration flows

Emigration scope

Before the EU accession, a survey examining the perceptions of Estonian people about working in the OMS and assessing their potential to migrate to these countries was conducted in late 2003 and 2004. This survey found out that the proportion of people who wanted to leave Estonia was not very great, and that those interested in working in the OMS generally wanted to do so for only a short period (Philips & Kallaste, 2004).

Later on, the plans and motivations of people who emigrated or were likely to emigrate to a foreign country have received the most attention. Until 2009, estimates have ranged from 10,000 to 20,000 people, although more reliable estimates are 15,000 to 20,000. The precise number of the emigrants has often been unclear due to the changes in residence or temporary changes in jobs. However, when comparing the statistics

of Estonia and foreign countries, one can say that foreign emigration from Estonia is underestimated (EHDR, 2009: 16)

Net migration

Estonian economic and social environment is affected by the number of native born people who wish to emigrate and the number of people from abroad wishing to come to live in Estonia (EHDR, 2009).

After the EU enlargement, ten times more Estonians went to officially work abroad than came to Estonia from the expanded EU in 2004, and the similar results could be observed in 2006 (Indans et al., 2007). However, in general reliable migration data does not exist, especially when the migration is within the EU. The state institutions cannot estimate the total number of Estonians who went to work to the EU since a part of people work there unofficially, without having registered themselves (EHDR, 2009; Indans et al., 2007).

After Estonia's accession to the EU, both immigration and emigration increased. Some stabilisation can be observed in 2007, when the number of emigrants decreased (see Table 15). However, in general, more people left Estonia than arrived throughout the whole period after the EU accession (EHDR, 2009). During the period of 2007-2009, in the context of the economic crisis, net migration in Estonia was fairly low compared to the previous years. However, according to Statistics Estonia (Table 15), net migration has considerably increased in 2010: it was -2824, while in 2009 it was only -774 (OECD, 2011).

Table 15. Net migration in Estonia

	Immigration	Emigration	Net migration
2003	967	3 073	-2 106
2004	1 097	2 927	-1 830
2005	1 436	4 610	-3 174
2006	2 234	5 527	-3 293
2007	3 741	4 384	-643
2008	3 671	4 406	-735
2009	3 884	4 658	-774
2010	2 810	5 294	-2 484

Source: Statistics Estonia.

6.5 Emigration costs and benefits

Brain drain

At the beginning of the 2000s, migrants from Eastern countries have been mainly of the high-skill type (Kallaste et. al, 2003). Before the EU accession, in 2003, 32% of the 35,077 Estonian expatriates in OECD countries were highly skilled (Thaut, 2009).

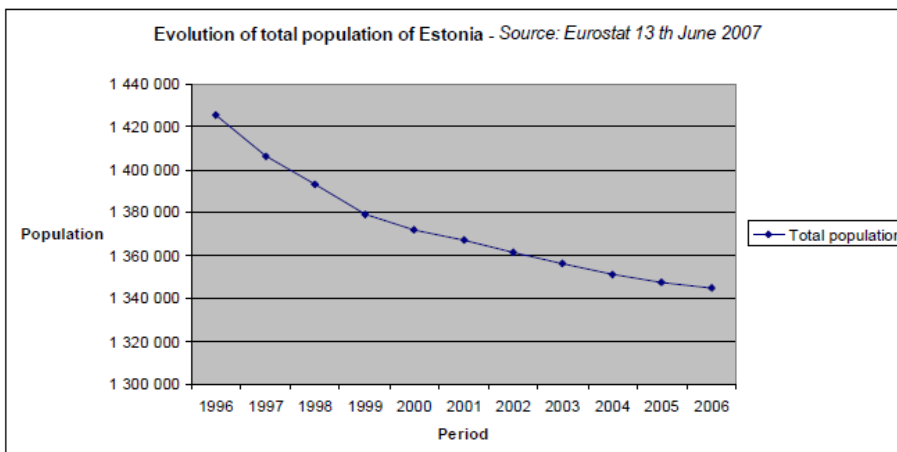
The average educational level in Estonia has been high and before the EU accession, an increase of highly skilled labour force movement between to the West was predicted. Therefore, the ‘brain drain’, leading to a large shortage of qualified workforce in the future could also be anticipated. In particular, as one of the possible problems due to emigration was seen youth migration. Larger European labour market is seen as great opportunity, and therefore going abroad of youth “is bringing about a highly qualified, internationally mobile group of people, who are linguistically, technically and culturally flexible and who, with high probability, *do not have incentives to return to their home country*” (Kallaste et. al., 2003: 33).

In 2006, 49.4% of Estonians emigrating to the EU-15 were medium skilled, and 14.8% – highly skilled. Compared to the other EU-8 countries, a number of highly-skilled emigrants was one of the lowest in Estonia (see Appendix VII). However, a concrete example of the brain drain is the one from a medical sector. Since Estonia’s accession to the EU in 2004, a number of Estonian medics working in another EU countries, particularly Finland (which suffers from a scarcity of doctors) increased. According to Estonia’s Health Care Board, at the first years after the EU accession 437 doctors (8% of all the doctors registered in the country) applied for and received the Certificate of Acquired Rights - the document allowing to practice in other EU member states. Although there are no reliable statistics on the number of Estonian doctors actually working abroad, “applying for the certificate is a strong indicator of intent” (Roman, 2006).

Demographic pressure

The population of Estonia has been gradually decreasing ever since the 1990s (see Figure 20). In the second half of the 1990s, mostly as a result of negative natural growth, the population in Estonia decreased by almost 0.5% annually. Negative net migration also had an impact on decreasing population. Thus, the population decreased by more than 12 % between the 1989 and 2000 (EHDR, 2008). Later on “(...) the EU enlargement and Estonia joining the EU in 2004 has changed the demographic situation of the working age population” (Indans et al., 2007: 50).

Figure 20. Estonian population



Source: King & Muravska, 2007: 34.

In the period between 2004 and 2050, the largest population declines are expected to be observed in most of the NMS. Estonia is among them, as population figure is expected to fall by 17% until the year 2050 (see Table 16). The population forecast expects Estonia to have 1.1 million inhabitants in the year 2060, which is by 200 000 less than now (Indans et al., 2007; Eurostat, 2010).

The Eurostat report noted that the population will be decreasing in the EU as a whole, especially sharp decrease in the number of residents is expected to happen in other CEEC as well. However, the only EU country that will have a faster decrease in population figures than Estonia is its neighbour Latvia. The prognosis is based on the assumption that the decrease will be mostly due to the negative birth rate, but emigration also has its role (Indans et al., 2007).

The current negative emigration balance in Estonia is worrying, as the greatest risk for this country compared to other NMS is its small population. Negative population growth often has less impact on the total population than migration. Emigration may affect the fertility and mortality, because young people (and people old enough to have families) are most likely to emigrate. Thus, their arrival or departure from a country has a significant impact on other population processes (EHDR, 2008).

Table 16. Total population and population projections in Estonia (1) (at 1 January, million)

Year	1960	1970	1980	1990	2000	2008	2010	2020	2030	2040	2050	2060
	1.2	1.4	1.5	1.6	1.4	1.3	1.3	1.3	1.3	1.2	1.2	1.1

(1) From 2010 onwards the data refer to projections (EUROPOP2008 convergence scenario).

Source: Eurostat, 2010.

Remittances

There has been a sharp increase in remittance flows after the EU accession in all three Baltic States, but especially in Estonia. Starting from 2004, remittances to Estonia exceed remittances to Latvia and Lithuania in per capita terms; the difference in 2006-2007 was even as large as 40% to 70% (Hazans & Philips, 2011).

As can be seen in Table 17, the amount of remittances in Estonia has been considerably increasing since the EU accession. However, in 2008 and 2009, implicitly due to the financial crisis, remittances decreased.

Table 17. Workers' remittances and compensation of employees in Estonia, received (current US\$)

Year (before EU accession)	Value	% of GDP		Year (after EU accession)	Value	% of GDP
1994	\$2,905,015.00	0.07		2004	\$166,878,300.00	1.39
1995	\$1,283,825.00	0.03		2005	\$264,098,300.00	1.90
1996	\$1,684,442.00	0.04		2006	\$401,872,400.00	2.42
1997	\$1,737,374.00	0.03		2007	\$426,002,600.00	1.99
1998	\$2,644,206.00	0.05		2008	\$397,910,000.00	1.69
1999	\$2,314,639.00	0.04		2009	\$324,556,200.00	1.70
2000	\$4,052,634.00	0.07				
2001	\$11,020,700.00	0.18				
2002	\$19,148,980.00	0.26				
2003	\$51,207,280.00	0.52				

Source: Trading economics.

Return migration

Ever since Estonia's accession to the EU, the return migration has consisted a large proportion of immigration to the country. For instance, in 2009, returning Estonian citizens made up about 43% of all immigrants (OECD, 2011). However, most Estonian emigrants showed relatively low interest to return and wanted to stay longer periods in the host countries (Hazans & Philips, 2011). In 2010, quite a large part of Estonians returning from Finland – 1020 people - consisted the vast majority of immigrants to Estonia (Roman, 2011). However, there has not been comprehensive research on return migration trends in Estonia, thus comprehensive quantitative data from Statistics Estonia is not available.

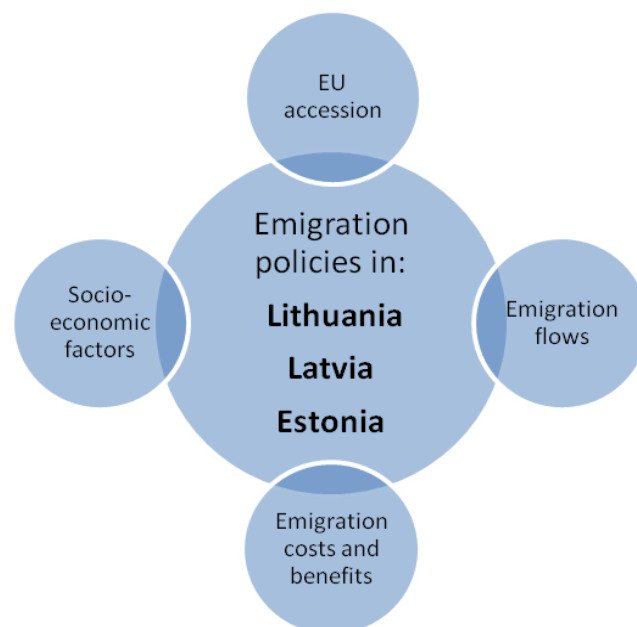
7. Comparison

7.1 Lessons from each other, similarities and differences between emigration policies in the Baltic States

In Figure 21, key variables used for cross-national comparison among the Baltic States on emigration and its policies are shown. The similarities and differences are revealed by referring on the ground of research articles, policy documents, interviews with public officials and statistical data.

One of the independent variables of this research, ‘emigration policies in other EU countries’, is used as a main departure point for comparing emigrations policies between the Baltic States and letting to point out what countries can learn from each other.

Figure 21. Key variables of comparison



Firstly, the dependent variable of this research, ‘emigration policies’, is compared between the three Baltic States. Unexpectedly, this research has shown that there is no steady base for effective emigration policies in the Baltic countries so far. The main institution responsible for migration policies in all three Baltic States is Ministry of Interior or its departments. However, migration institutions in the Baltic countries are basically concentrated on immigration, and the issue of emigration lacks attention. Even though the problem of emigration is one of the most important in the current agenda of the countries, not that many incentives have been shown to establish the policies that would control emigration scope or induce return migration. The policy-makers in Lithuania and Latvia have been at least trying to make proposals and create strategies that would regulate migration and stimulate return migration, while such strategies are not very relevant in Estonia. A lesson for Estonia from other two Baltic States would be to take emigration phenomena seriously

and try to create such policy documents as *Economic migration regulation strategy* in Lithuania or *Return Migration regulation plan* in Latvia.

From the three Baltic countries only Lithuania has had an official emigration strategy (*Economic migration regulation strategy*) with concrete goals and measurement to achieve these goals. Meanwhile, policy documents in Latvia were only in a format of proposals and recommendations, and Estonia has not had such proposals or strategies at all. In Estonia, the issue of return migration was only shortly mentioned as a goal in Principles and actions of Estonian population policy 2009-2013. What is more, only Lithuania had an assessment of migration regulation strategy. The other two Baltic States lack assessment of their emigration policy goals. A lesson from Lithuania for both Latvia and Estonia could be creating and implementing such strategies that measure the effectiveness of the policy.

After briefly comparing the dependant variable of this research, independent variables: 'EU accession', 'socio-economic factors', 'emigration flows', 'emigration costs and benefits' are also going to be compared between the Baltic States.

First, the impact of the EU accession to the Baltic States is looked at. The EU accession has had similar consequences for all three Baltic States. Emigration from Lithuania, Latvia and Estonia was quite intensive in the beginning of the 1990s after the collapse of the Soviet Union, when ethnic migrants were returning to their home countries. At the second half of the 1990s, emigration flows had been more or less stabilized and it only increased significantly after the EU accession in 2004. The largest proportions of emigrants in all three Baltic States have chosen the OMS as their destination. Thus, the main destination countries for Lithuanians and Latvians have been the UK and Ireland, while Estonians have been mostly migrating to its neighbour Finland. Transitional arrangements in the OMS also played its role by shaping migrants flows to particular countries. As only the UK, Sweden and Ireland opened their employment markets fully in the first phase of the transitional arrangements (May 2004 to May 2006), labour migration to these countries increased further, particularly to the UK and Ireland. However, although Germany was one of the two countries applying the maximum transitional phase for 7 years, it has been quite popular among migrants from the Baltic States even before an official opening of the labour market.

Second, the Baltic States are compared in terms of socio-economic factors. In general, these factors are very similar in Lithuania, Latvia and Estonia. GDP growth rate in Lithuania during 2005-2009 was the highest compared with Latvia and Estonia, but all three countries were experiencing economic boom. However, in the previous years, all three countries have just been trying to recover after the global economic crisis which had a very large impact on economy. This crisis has also affected unemployment rates within the Baltic countries; especially Latvia which had the highest unemployment rate in the whole EU in the third quarter of 2010. Though Lithuania and Estonia had lower unemployment rates, these were still significantly higher than in most of the OMS. Even bigger gaps between NMS and OMS can be seen in terms of wages, but while comparing the wages in the Baltic States, it can be estimated that they are similar. The wages in Lithuania, Latvia and Estonia are really low compared with those in the OMS. Not only economic factors, but also social migrant networks have to be taken into account when evaluating the importance of emigration determinants.

Lithuanians, Latvians and Estonians have all had formed similar migrant networks in their countries of destination; the difference is that Lithuanians and Latvians mainly operate in the UK and Ireland, while Estonians – in Finland.

Indicators of this variable have been quite difficult to compare, as national statistics of all three Baltic countries provide different kind of indicators. For instance, national statistics of Latvia and Estonia do not provide information about the numbers and composition of return migrants. Statistics Lithuania seems to have the largest variety of data and indicators in terms of migration, even information about declared and undeclared migration flows has been started to provide. That is what the other two Baltic States could learn from Lithuania – improve their statistical databases and include more comprehensive information about migration. However, Statistics Lithuania also still needs to elaborate on its data, for instance information about the emigrants' educational level is still missing.

Next, one more variable which is not very easy to compare is 'emigration flows'. A big part of emigrants do not declare their departure, thus emigration scope is underestimated and a real number of emigrants in Lithuania, Latvia and Estonia remains unknown. However, according to national statistics, emigration flows from all three Baltic States increased significantly after the EU enlargement in 2004. Also, throughout the whole period after the EU accession, more people left Lithuania, Latvia and Estonia than arrived (despite some increase in immigration flows) and thus net migration in these countries has been negative. Net migration in all three Baltic States significantly increased in the previous year, even not taking the fact of underestimation into account.

Finally, the fourth variable compared is 'emigration costs and benefits'. Looking at the costs of emigration, 'brain drain' is one of the most important ones. Brain drain was very intensive in the Baltic countries after the collapse of Soviet Union, later on it was not very significant, but emigration of highly-skilled increased again after the EU accession. However, the data on emigration of highly-skilled after the EU enlargement is incomplete, thus estimations are mostly taken from the scholarly researches. It is likely that a significant part of the recent emigrants from Lithuania, Latvia and Estonia are highly-skilled and well-educated, as these countries are classified as a 'high mobility' NMS, and more and more young people emigrate. Among the Baltic countries, in 2006 the percentage of high-skilled Lithuanians was more than double compared to Estonians, while Latvia did not provide such data at all.

Another relevant problem for the Baltic States in terms of emigration is demographic pressure, especially taking into account the small populations of these countries. According to Eurostat forecast, the Baltic States are expected to experience one of the the largest decline in population among the EU countries until 2050. Nowadays, Lithuanian population is 3.3 million and in 2050 it is forecasted to be 2.7 million, while Latvia and Estonia have even smaller numbers: 2.2 million Latvian population is forecasted to shrink to 1.8 million until 2050, and Estonia will face a decrease of its citizens from 1.3 million now to 1.2 million until the middle of this century. Thus, being among the least populous countries in the EU, current negative emigration balance and rapidly shrinking population is worrying, in particular for Estonia which only has more than 1 million citizens.

Remittances are concerned to be among the main benefits of emigration. The EU accession has had the significant impact on highly increased remittance flows to all three Baltic States. This was especially seen in Estonia, where, starting from the EU accession, remittances to this country exceed remittances to Latvia and Lithuania in per capita terms.

Return migration is another benefit that the Baltic countries gain from emigration, as citizens returning from abroad bring back capital, foreign work experience, skills, and new ideas. However, the return migrants flows between the Baltic States is not possible to compare, as only Lithuanian statistics provides data about it. Thus, Estonia and Latvia should take this example from Lithuania and pay more attention on counting how many people from the whole number of immigrants are returnees to their home country, i.e. Latvia or Estonia.

Since migration regulation and return migration strategies in Lithuania and Latvia have not have a noticeable effect, and Estonia has not even tried to create such strategy, there is not much to learn from each other so far. In order to improve emigration policies, an example of the country which had effective emigration policy will be introduced in the following chapter.

7.2 Lessons from other sending countries: The Irish experience

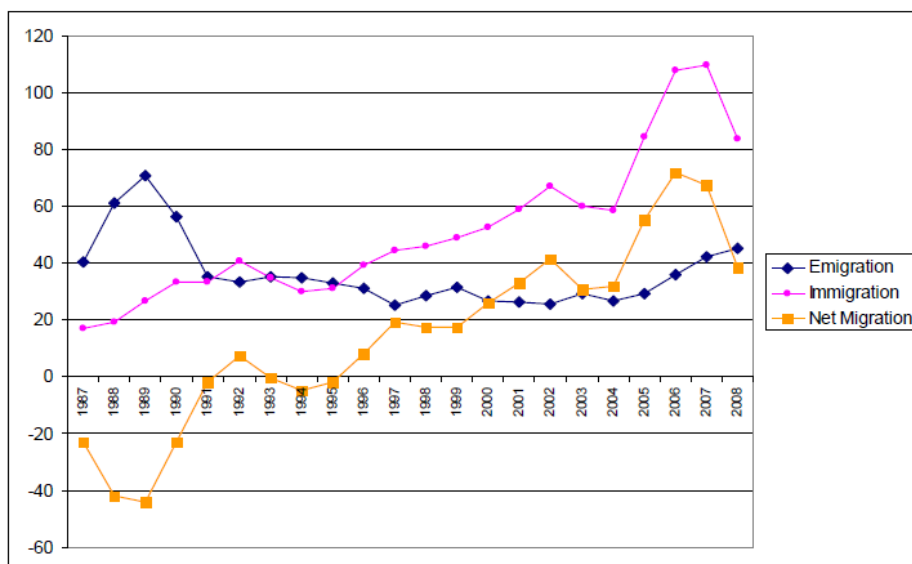
While the Baltic States can try to learn lessons from each other, the experience of other EU Member States should also be taken into account. Researchers (Barry, 2002, Pabriks, 2007, Thaut, 2009) have offered Ireland, a country that conducted right emigration policy during the 1990s, as a best example for the Baltic States. However, now Ireland strives with hard financial crisis, faces huge emigration flows and has to find new means for stopping emigration. Many countries face the problem of financial crisis now and it would be difficult to assess emigration policies only in the context of this phenomena. Thus, the example of Irish emigration policies that is given below analyses the past period. Historical institutionalism here serves as a theory that helps countries to learn from each other.

According to Thaut (2009), both emigrants and ongoing socio-economic and political development in a country are critical for each other. Emigrants invest in their home countries, while socio-economic and political development offer the right conditions for those investments, starting up business and finally returning to the home country. This happened in Ireland during the 1990s: the country benefited from the investment of its diaspora during the 1990s transformation and due to economic boom shifted from massive emigration to immigration of people (Thaut, 2009). Thus, the experience of Ireland is a noteworthy example for the Baltic States in this phase of emigration.

Historically, Ireland had been a country of emigration. In the early 1990s, emigration and immigration flows were more or less balanced, but from the middle of the 1990s the country experienced significant increases in immigration flows. The transformation of Ireland from emigration to immigration country can be seen in Figure 22. In the 1990s, around half of the immigrants each year were returning Irish emigrants, thus a phenomena of return migration could be observed. After Eastern EU enlargement, in the period of 2005-2007, more than 40% of the immigration flows to Ireland were made up of nationals of the NMS. Eastern and

Central Europeans could reside, work and move freely without permission in Ireland due to the FMOWs within the EU (Quinn, 2009). What is more, Ireland was one of the few countries that did not apply any restrictions for migrants of the NMS (see Appendix I).

Figure 22. Immigration, emigration and net migration in Ireland



Source: Quinn, 2009.

There is a strong relationship between economic performance and migration. In his research paper, Barry (2002) asks whether CEEC could successfully adopt a similar strategy to Ireland's and achieve rapid convergence with OMS. The EU accession is seen as an absolute requirement for these possibilities to be put into practice (ibid). However, it is worth mentioning that it took nearly two decades for Ireland to transform economically after its accession to the EU in 1973 (Thaut, 2009).

In his study, Barry (2002) disputes a question of similarities between Ireland (at the start of its transformation phase) and CEEC; and concludes that CEEC can learn important lessons from Ireland after the EU accession. The three most important factors that have lead Ireland to economic success in the 1990s, according to Barry (2002), are the following: strong Foreign Direct Investment (FDI) inflows, the stabilization of public finances (and, consequently, an increase in competitiveness) and the increase in EU structural funds. A critical aspect of Irish Government policy was its FDI-based strategy which became a crucial element in economic recovery and convergence with the OMS. Multinational companies established their facilities in Ireland, and almost 50% of the country's manufacturing employment is in foreign-owned firms. In 2001, there were about 1200 foreign manufacturing and internationally traded services companies operating in Ireland, which employed approximately 135 000 people. Such a large inward investment by foreigners has brought considerable benefits to Irish economy: increased employment rate and the rapid growth in national productivity. What is more, Ireland could develop the of technological change which was the reason of enhanced capacity to compete in international markets (Gunnigle & McGuire, 2001).

The EU accession might lead to similar changes in the type of FDI going to the CEEC economies due to attractiveness of the Single Market for foreign investors. Also, the EU membership is quite a strong guarantee of a transparent legal and business environment. What is more, if ‘necessary policy elements’ are put into place, FDI inflows can influence income convergence between CEEC and the EU-15 (Barry, 2002).

However, there are differences between the economies of retrospective Ireland and current CEEC. Ireland’s FDI differs from the ones in CEEC in three aspects: ‘the degree of export orientation’, ‘the country or region from which it originates’ (most inbound FDI to Ireland originated from the United States), and ‘the technological characteristics’ (high-technologies in Ireland compared to low-technology in CEEC) of the sectors into which it flows (Barry, 2002: 4). Also, such factors as the English-language environment, cost competitiveness, the skill levels of the workforce, macro-economic stability, and last but not least the efficiency of public administration (Barry, 2002) might be considered as more developed in Ireland than CEEC. For instance, aside from Government incentives, the economy in Ireland could offer a supply of scientific-technical labour at an affordable cost to satisfy the needs of US corporations that were looking for access to the European market (Gunnigle & McGuire, 2001). Yet, despite all these differences, Barry (2002: 11) guessed that “accession is likely to represent as dramatic a change in the CEE climate for foreign investment as it did for Ireland in 1973”.

Thaut (2009), appealing to the facts of Barry’s (2002) study, excludes three important lessons to Lithuania from the Irish experience. These lessons can be adjusted to other Baltic States as well. First, policies creating a more attractive FDI environment and thus causing positive economic change, need to be adopted. The low rate of corporation tax for manufacturing was obviously of huge significance in Ireland. By attempting to institute a zero corporate tax rate, Estonia might have started this change already. Second, the EU structural funds have to be put into best practice to maximize the benefits of the transition into developed economy. Third, successful economic policies change the country’s socio-economic environment and thus emigration countries can be turned into immigration countries (Thaut, 2009). However, the Baltic countries did not take all the economical benefits that they could from becoming the part of the EU. Also, it might be difficult to the Baltic States to achieve rapid convergence with the economies of the OMS (Interview 1). Pabriks (2007) in his study also argues that in order to motivate people not to emigrate to other EU countries or return back to them, payment in the Baltic States on average should be threefold compared to the existing one.

Ireland’s experience in emigration sphere can be considered not only as pure economical. According to Pabriks (2007), a return migration programme in the Baltic States could be prepared regarding the one in Ireland. For such a programme, the audience would be “medium-qualified labour force that would return with the ‘Western style’ experience, contacts, higher motivation and knowledge of both the mother tongue and a foreign language” (Pabriks, 2007: 14). A re-migration programme could include recruitment and information campaigns for the compatriots of the Baltic States, a special actively popularised internet portal, and an active involvement of entrepreneurs’ in recruitment. However, the main reason for Irish re-emigration was the

country's economic prosperity and a rise of the quality of life, thus massive re-migration to the Baltic States should not be expected (Pabriks, 2007). It is especially relevant in the context of the economic crisis.

However, all these considerations were in the past, as now Ireland has faced severe financial crisis again due to the global financial crisis. Irish emigration is a pressing issue at the moment as Ireland currently has the highest level of net outward migration since the late 1980s. In the twelve months until April 2010, 65 300 people left the country, while the number of immigrants into Ireland over the same period fell sharply: from 57 300 to 30 800 (Central Statistics Office Ireland, 2010). In response to the current economic downturn, policy changes in relation to economic migration in Ireland have been made. In the context of the economic recession and high unemployment, labour shortages do not exist in Ireland now. Irish labour migration policy is currently focussed on trying to attract only small numbers of highly skilled, 'niche' workers. Thus, new arrangements restricting the allocation of stamps issued in respect of lower-paid jobs were introduced in April 2010. Also, policy changes favouring employment permit holders that are already in Ireland were made. However, managed economic migration policy only refers to workers from non-EEA countries and from the two latest EU accession countries: Romania and Bulgaria (Quinn, 2010), while migrants from EU-8 can move and work in Ireland freely.

8. Conclusions and recommendations

8.1 Conclusions

This research project has analyzed the phenomena of emigration and its policies by studying determinants, causes and consequences of emigration as well as the existence of policies regulating migration scope and stimulating the return of migrants to their home countries. The EU enlargement and the free movement of workers within EU has taken an important part in this research. After setting up a theoretical framework, emigration policies in three chosen countries have been studied in depth. On the basis of that, the issue on the means of improving emigration policies has been explored. The main research question of this thesis has been: *How can the emigration policies after the EU accession in the New Member States be improved?*

In order to answer this question, three sub questions have been given, and each of them will be addressed bellow.

The first sub-question addressed in this research has been: *Which factors determine emigration policies in the New Member States?* After introducing various theories concerning migration, two of them have been chosen as the most appropriate theories that can help to prosecute the research: migration systems theory and historical institutionalism. Migration systems theory has been used as a searchlight in this research, therefore the main variables – factors determining emigration policies - have been chosen on the basis of this theory. The theory of historical institutionalism has helped to compare the countries and decide what policy makers of each country can learn from each other.

Before finding an answer to this sub-question, the first hypothesis has been introduced. **H1**: The EU accession has had an impact on emigration policies in the New Member States.

In the course of the research, it has been found out that the EU accession and its principle of Free Movement of People has been addressed as an influential factor determining emigration policies. The EU accession has been a principal cause facilitating migration from the Baltic States to the EU-15, therefore various policy plans and strategies had been started to create only after joining the EU in 2004. Although most strategies and guidelines introducing new policy measures in the Baltic countries are developed in the sphere of immigration and asylum policy, the documents concerning emigration have also been formed. The examples of these policy documents include *Economic migration regulation strategy* (2007) and evaluation study of the effectiveness of this strategy (2008) in Lithuania, the *Strategy of State's relations with Lithuanians living abroad* for 2008-2020, *Return Migration Action Plan* (2007) in Latvia, *Principles and actions of Estonian population policy* for 2009-2013, that favours the return of the people of Estonian origin, etc. Return migration is among the main tasks in emigration policies among all three Baltic States, but this goal has been raised only after the EU accession. Therefore, the first hypothesis can be confirmed.

Next, for answering the first research question the second hypothesis has been raised. **H2**: Increased emigration flows after the EU accession have had significantly influenced emigration policies in the New Member States.

The EU accession has had a significant impact on increased emigration flows that influence emigration policies in the New Member States. In the course of the research, it has been found out that the EU accession and its principle of Free Movement of People has been addressed as one of the most influential factor determining emigration flows. The Free Movement of People following the accession to the EU has been a principal cause facilitating migration from the Baltic States to the EU-15 and increasing the volume of international labour migration flows. In turn, significantly increased outflows from the country have negative consequences (such as brain drain and demographic pressure) for its development, and thus shaping of various migration plans and strategies are composed by governments in order to cope with this challenge. Thus, the second hypothesis can be also confirmed.

However, the EU accession and increased emigration flows are not the only factors determining emigration policies. The third hypothesis (**H3**) in this research has been the following: Emigration policies in the New Member States are highly influenced by socio-economic determinants.

This research has clearly proven that not only political, but also economic and social factors should be taken into account when considering the effectiveness of emigration policy-making. The empirical data revealed that such conditions as general economic situation, which has been chosen to be measured by GDP growth, and especially the wage and unemployment rate differences between New Member States and Old Member States, have a big impact on a decision to migrate. Social migrant networks have been also proved to be a factor influencing emigration. Worse socio-economic conditions at home make people more likely to emigrate, and Free Movement Of People let that happen without obstructions. Therefore, policy makers try to shape emigration policies in harmonizing it with economic wealth and better conditions in a home country. On the basis of this, the third hypothesis can be confirmed.

The second sub-question of the research sought to find out *what kind of emigration policies have been formulated and implemented in the New Member States before and after the EU accession*.

It emerged that in the time when the Baltic countries have been occupied by the Soviet Union, international migration was not possible. After gaining the independence at the beginning of the 1900s, large migration flows occurred, but it was mostly ethnic migration - people were returning to their homelands. Later on, emigration decreased and thus no significant emigration policies were conducted. However, after joining the EU, emigration flows from the New Member States increased significantly. Therefore, the governments started to think about the ways which would reduce migrant outflows and stimulate their citizens living and working abroad to come home. Such policy documents as *Economic migration regulation strategy* in Lithuania or *Return Migration regulation plan* in Latvia have been introduced. However, the implementation of the goals shaped in these strategies has not been successful, or it has not even been started to implement and remained only 'on paper'.

The fourth hypothesis (**H4**) of this research predicted that the higher are costs and benefits of emigration in New Member States, the more attention emigration policies gain.

This hypothesis can be confirmed only partly. After the EU accession, the scope of emigration costs and benefits in NMS are thought to be changed. Thus, the types of policies needed at the national level to maximize the benefits and minimize the costs of liberalized labour markets in the EU have to be formed and implemented. Emigration gives some benefits, such as return migrants that bring new and useful knowledge from abroad to their home countries. All three Baltic States emphasize that return migration is one of the main goals in their migration policies, therefore H4 can be partly proved as correct. However, even though emigration is gaining more and more importance in the Baltic States as the scope of emigration is increasing significantly each year, no real solutions for coping with this phenomena and reducing its costs have been introduced. Lithuania has faced the highest emigration flows among the Baltic States, both in terms of the number of emigrants and share of population. It might be the reason why Lithuania has been the only Baltic country having evaluation of the return migration strategy. Lithuanian policy makers at least tried to set particular goals for migration regulation strategy and the measurment for effectiveness has been decided. However, at the moment the strategy is not implemented. In Latvia, particular measurment has not been decided and mostly remain in a form of plans, while Estonia does not even have any plans for regulation of migration. Emigration is seen as positive by some Estonian policy makers, however decreasing population for a country that has only 1.3 million people should be an alert.

Finally, the last sub-question has sought to find *what countries can learn from each other in order to improve emigration policies*. This question was answered by comparing emigration policies in the three Baltic countries, and also using Ireland as a benchmark country. The last, fifth hypothesis (**H5**) has claimed that emigration policies in the New Member States can be improved by learning the lessons from emigration policies in other EU countries.

It was hypothesized that even though post-soviet countries set up their own emigration policy goals, they share similar social, economic, political situation and confront similar challenges, so their emigration policies might be also converging. It is difficult enough to conclude if this hypothesis is correct, as the research has shown that basically New Member States are at the initial stage in shaping their emigration policies and there is no reference wether or not they take something from other countries' experience. However, one of the chapters in this research briefly compared emigration policies among the Baltic States and a few basic lessons for one another have been suggested, such as measuring policy goals or improving statistical migration data. More lessons can be learned from the countries that already have had successful emigration policies, such as Ireland in the 1990s. These policies include an active involvement of native entrepreneurs' in the recruitment of return migrants, creating a more attractive environment for Foreign Direct Investment, taking an advantage of the EU structural funds and trying to reach economic prosperity, as bad economic conditions are considered to be the main 'push' factor from a country.

After reviewing the sub-questions and on the basis of the conclusions, the main research question can be answered: *How can the emigration policies after the EU accession in the New Member States be improved?*

In order to improve emigration policies, firstly various political, social and economical factors should be taken into account. It is nearly impossible to stop labour mobility by administrative means if ‘push’ and ‘pull’ factors are strong enough. A particular attention should be paid on various emigration determinants, socio-economic determinants of which have a very large influence on a decision to emigrate. Thus, emigration policies should firstly be aimed at suppressing the impact of these socio-economic factors, e.g. reducing unemployment rate and wage difference gap compared to the EU-15, so that potential migrants would not choose to leave abroad. The reasons keeping young people in their home countries should be provided, and, what is more, tens of thousands that have left already should be encouraged to be back.

However, it may not be easy to do it, thus examples from other countries can be taken while shaping or improving emigration policy. Lessons from the countries that have conducted successful policies in regulating emigration or stimulating return of migrants, should be learned in order to facilitate migration policy making and also positively influence the effectiveness of emigration policy outcomes in the New Member States. Economic, social, geographical and other conditions may vary greatly among the countries and this should be taken into account, but the best examples of structuring the migratory systems and conducting emigration policies after the EU accession can always be applied.

One more important thing that has to be done is setting up general emigration strategy with particular policy priorities, goals, steps to achieve it and measurement to verify the effectiveness of the strategy. This research has shown that basically there is no effective emigration strategy in the countries analyzed. There are intentions, guidelines, but they were made during the economic boom and there are no real plans to implement them in the near future. Even when a country faces difficult economic situation, it should have a plan how to deal with it and not postpone the problem of emigration for ‘better times’. People are the foundation of the country’s economic growth, so instead of focusing on macroeconomic indicators only, more attention should be paid on the means that motivate people not to leave their home countries.

8.2 Recommendations

On the ground of the in-depth investigation on emigration policies in the Baltic States and following the research conclusions, a few recommendations are made for both the policy makers of the New Member States and especially the future accession countries.

First, analysing the situation of labour outflows from the country and shaping adequate policies has to be started right after joining the EU, while the costs of emigration are not high yet. The earlier effective strategies regulating the scope of emigration are made, the easier it should be to cope with this phenomena in the future. Migration regulation and return migration strategies need to be created with clear definition of policy priorities and goals. What is more, the measurement of achievement of these goals should necessarily

be pointed out. This needs to be done due to the responsibility to translate policy objectives into policy outcomes, i.e. managing the process through policies that ultimately curb the emigration rate and encourage return-migration. Due to the number of variables that drive emigration, the outflows cannot simply be ‘turned off’. However, the ways to prevent excessive emigration, which results in ‘brain drain’ of young and highly-skilled labour, has to be found. The most realistic way to do it is a setting back the socio-economic development of the country and give an opportunity to people to pursue a stable future in their home country.

Second, as has been mentioned in the conclusions already, good policy examples of the other countries – especially the ones having similar history, socio-economic conditions, geographical proximity, etc. – are recommended to be taken into account while shaping economic migration regulation or return migration policies.

Third, in order to realize the scope of this phenomena, emigration data with a variety of indicators has to be conducted and reliable statistical database created. For instance, those returning to their home country need to be considered as a separate group of immigrants, thus more reliable conclusions about return migration can be made.

8.3 Reflection

In the final chapter of the research, its shortcomings and potential improvements will be briefly highlighted. This research is limited in scope as it includes just three countries. High internal validity has been achieved, as only three cases were chosen and analysed in-depth by a few different methods. Therefore, it is not possible to claim that the findings are relevant for all the New Member States. However, as can be seen in Appendices, Central and Eastern European Countries all share similar economic indicators, so emigration flows due to insufficient economic conditions are assumed to be familiar to these countries as well. Thus, at least the conclusions and recommendations concerning socio-economic determinants can be applied to all EU-8. Nevertheless, there is a possibility that for other New Member States the issue of emigration is not so important due to much larger populations compared to the Baltic States. Thus, if similar research is conducted in the future, more cases could be chosen. There is a great chance that different emigration policies have been shaped and different problems faced in other New Member States. By including more cases in the study, both validity and reliability of the research would also increase.

However, the conclusions of this research could not be applied outside Europe, as the differences between emigration from the EU countries and countries in other continents are too apparent. Outside Europe, the main outflows are of the third country nationals or those seeking asylum; thus conditions of residing and working legally in destination countries are different than the ones for the EU-nationals. Also, socio-economic determinants in those countries have even bigger influence than those in the Baltic States. Finally, it might be that the governments of the countries outside the EU are not concerned about the return migration of their citizens. Under consideration of all these circumstances, it can be concluded that external validity of this

research is not very high. However, it would be practicable to see what kind of emigration policies are conducted outside Europe and compare them with the ones in the New Member States.

If similar research was conducted again, a design of the study could be left out the same. However, this research included only most important variables influencing emigration policies and a few sample indicators have been chosen for each of them. More variables and indicators could be included if the scope of this research was larger.

For the methodological part, the same methods of inquiry could be left, as a few general levels of grasping data provide more reliability. Documentary analysis together with statistical data from national statistical databases and interviews with policy experts or officials make conclusions of the research much more reliable than they would be using only one method of inquiry. However, the reliability of statistical data, particularly the one on emigration scope, can be considered as a shortcoming. Official statistics does not reveal the actual flows of migrants, as many of them simply do not declare emigration. Also, more expert interviews could have been used in the research to reach higher reliability. On the other hand, interviews are based on subjectivity, thus reliability can be arguable.

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9. Appendices

Appendix I. Transitional periods for the EU-8 countries

Period	Overview	EU-15 countries that applied this phase
First period: two years (May 2004 – April 2006)	In the first two years after accession, the FMOWs did not apply to workers from the EU-8 wishing to work in EU-15 countries and bilateral agreements were continued to apply. However, individual member states could choose to introduce national laws that allow greater freedom of movement.	United Kingdom, Ireland, Sweden At the end of the period: Finland, Spain, Greece, Portugal
Second period: two years (May 2006 – April 2009)	Before the end of the first period, NMS that wanted to continue applying restrictions to EU-8 had to notify European Commission. During the second period, any member state could decide to abandon the restrictions and allow full FMOWs at any time.	Italy, the Netherlands, Luxembourg, France, Belgium, Denmark
Third period: two years (May 2009 – April 2011)	EU-15 countries could continue applying national measures restricting the access of EU-8 workers if there was a serious disturbance or a threat to their labour markets. Those countries that chose to FMOWs during this period had a right to resort to a 'safeguard clause' in the transitional agreement in order to suspend this free movement, if necessary. From May 2011 onwards, full freedom of movement is applied.	Germany, Austria

Source: own collaboration.

Appendix II. GDP growth rates in Old Member States and New Member States

EU-15 GDP growth rates								New Member States GDP growth rates									
Member State	% GDP Growth							2005 -2009	Member State	% GDP Growth							2005 -2009
	2005	2006	2007	2008	2009	2010	2005			2006	2007	2008	2009	2010			
Austria	2.5	3.6	3.7	2.2	-3.9	2.1	8,2	Bulgaria	6.4	6.5	6.4	6.2	-5.5	0.2	21,8		
Belgium	1.7	2.7	2.9	1.0	-2.8	2.2	5,5	Cyprus	3.9	4.1	5.1	3.6	-1.7	1.0	15,8		
Denmark	2.4	3.4	1.6	-1.1	-5.2	1.7	0,9	Czech Republic	6.3	6.8	6.1	2.5	-4.1	2.3	18,4		
Finland	2.9	4.4	5.3	0.9	-8.2	3.1	5,0	Estonia	9.4	10.6	6.9	-5.1	-13.9	3.1	5,7		
France	1.8	2.5	2.3	-0.1	-2.7	1.5	4,1	Hungary	3.2	3.6	0.8	0.8	-6.7	1.2	1,4		
Germany	0.8	3.4	2.7	1.0	-4.7	3.6	3,0	Latvia	10.6	12.2	10.0	-4.2	-18.0	-0.3	7,2		
Greece	2.3	5.2	4.3	1.0	-2.0	-4.5	10,4	Lithuania	7.8	7.8	9.8	2.9	-14.7	1.3	12,0		
Ireland	6.0	5.3	5.6	-3.5	-7.6	-1.0	5,1	Malta	4.2	1.9	4.6	5.4	-3.3	3.2	14,9		
Italy	0.7	2.0	1.5	-1.3	-5.2	1.3	-2,2	Poland	3.6	6.2	6.8	5.1	1.7	3.8	25,6		
Luxembourg	5.4	5.0	6.6	1.4	-3.6	3.5	15,2	Romania	4.2	7.9	6.3	7.3	-7.1	-1.3	19,1		
Netherlands	2.0	3.4	3.9	1.9	-3.9	1.8	7,3	Slovakia	6.7	8.5	10.5	5.8	-4.8	4.0	28,8		
Portugal	0.8	1.4	2.4	0.0	-2.5	1.3	1,9	Slovenia	4.5	5.9	6.9	3.7	-8.1	1.2	12,7		
Spain	3.6	4.0	3.6	0.9	-3.7	-0.1	8,5										
Sweden	3.2	4.3	3.3	-0.6	-5.3	5.7	5,1	European Union	2.0	3.2	3.0	0.5	-4.2	1.8	4,4		
United Kingdom	2.2	2.8	2.7	-0.1	-4.9	1.4	2,4										

Source: Eurostat.

Appendix III. Various GDP indicators in the EU countries

Member State	GDP 2009 millions of euro	GDP (PPP) per capita 2010 euro	GDP (Nominal) per capita 2010 euro	GDP (PPP) per capita 2010 perc. EU27	GDP in billions of US\$ (2010)	GDP % of EU (2010)	Annual change % of GDP (2010)	GDP per capita in PPP US\$ (2010)
European Union	11,808,717	24,500	24,500	100.0%	16,228.2	100.0	1.76	30,388
Germany	2,409,100	29,000	30,600	119%	3,315.6	20.4%	3.50	36,033
France	1,907,145	26,100	29,800	107%	2,582.5	15.9%	1.48	34,077
United Kingdom	1,566,741	27,700	27,200	113%	2,247.4	13.8%	1.25	34,919
Italy	1,520,870	24,300	25,600	100%	2,055.1	12.7%	1.29	29,392
Spain	1,051,151	24,700	23,100	101%	1,409.9	8.7%	-0.15	29,741
Netherlands	570,208	32,800	35,600	134%	783.3	4.8%	1.75	40,764
Poland	310,075	15,200	9,300	62%	468.5	2.9%	3.82	18,936
Belgium	337,284	28,900	32,400	116%	465.7	2.9%	1.97	36,100
Sweden	292,680	30,100	37,000	123%	455.8	2.6%	5.54	38,031
Austria	277,074	30,700	33,900	125%	376.8	2.3%	1.96	39,634
Greece	237,494(p)	21,700(p)	20,400(p)	89%	310.8	1.9%	2.07	36,449
Denmark	222,893	30,500	42,300	125%	305.4	1.9%	-4.5	28,433
Ireland	163,543	30,700	34,400	125%	239.2	1.5%	3.12	34,585
Finland	170,971	28,300	33,600	116%	229.3	1.4%	1.39	23,222
Portugal	167,633	19,800	16,200(p)	81%	204.3	1.2%	-1.04	38,549
Czech Republic	137,246	19,500	13,100(2009)	80%	192.1	1.2%	2.32	24,869
Romania	115,869	11,000	5,700	45%	161.6	1.0%	-1.27	11,860
Hungary	93,086	15,700	9,800	64%	128.9	0.8%	1.21	18,738
Slovakia	63,332	18,100	12,100	74%	87.4	0.5%	4.02	22,128
Luxembourg	37,755	69,100	82,100	283%	54.9	0.3%	3.39	81,383
Slovenia	34,894	21,300	17,600(p)	87%	47.8	0.3%	1.20	28,030
Bulgaria	33,877	10,600	4,600(2009)	43%	47.7	0.3%	0.15	12,851
Lithuania	26,650	14,200	8,300	58%	36.4	0.2%	1.33	17,185
Latvia	18,539	12,600	8,000	52%	24.0	0.1%	-0.34	14,460
Cyprus	16,947	24,000	21,700	98%	23.1	0.1%	1.04	28,255
Estonia	13,730	15,900	10,800	65%	19.8	0.1%	3.10	18,518
Malta	5,720	20,400	15,100	83%	8.3	0.1%	3.65	24,792

Source: Eurostat

Appendix IV. Unemployment rates within the EU countries

Unemployment	2005-03	2006-03	2007-03	2008-03	2009-03	2010-03	2011-03 *(Q4 2010) **(January 2011) *** (February 2011)
Austria	5.1	5.1	4.5	4.1	4.5	4.9	4.4
Belgium	8.4	8.2	7.7	6.9	7.3	8.1	7.7
Denmark	5.4	4.3	4.1	3.0	5.7	7.6	7.5
Finland	8.5	7.9	7.0	6.3	7.4	9.0	8.0
France	9.7	9.1	8.6	7.6	8.8	10.1	9.5
Germany	9.8	8.7	8.6	7.4	7.6	7.3	6.2
Greece	9.9	9.6	8.6	7.8	7.8	10.2	13.8
Ireland	4.5	4.2	4.6	5.6	10.6	13.2	14.7
Italy	7.8	7.7	6.1	6.6	6.9	8.8	8.3
Luxembourg	4.3	4.8	4.9	4.4	6.1	5.6	4.3
Netherlands	4.9	4.0	3.4	2.8	2.8	4.1	4.2
Portugal	7.4	7.6	8.2	7.6	8.5	10.5	12.6
Spain	9.9	8.7	8.1	9.5	17.4	19.1	20.7
Sweden	6.3	7.2	6.6	5.8	8.0	8.7	7.7
United Kingdom	4.6	5.0	5.5	5.2	6.6	7.9	7.6***
Bulgaria			7.5	6.1	5.9	8.7	11.4
Cyprus	5.1	5.2	4.1	3.7	4.9	6.7	7.3
Czech Republic	8.0	7.7	5.6	4.4	5.5	7.9	6.9
Estonia	8.8	5.3	4.9	4.0	11.1	15.5	14.3
Hungary	6.8	7.4	7.3	7.6	9.2	11.0	11.8
Latvia	9.1	7.6	6.4	6.1	16.1	22.3	17.2*
Lithuania	9.2	6.4	4.6	4.3	15.1	15.8	17.3*
Malta	7.2	8.1	6.6	5.8	6.7	6.9	6.3
Poland	18.0	16.8	10.3	7.4	7.7	9.1	9.3
Romania			6.6	6.2	5.8	7.6	7.4*
Slovakia	16.7	15.7	11.3	9.9	10.5	14.1	14.0
Slovenia	6.4	6.2	5.2	4.5	5.0	6.2	8.1
European Union	8.9	8.4	7.3	6.7	8.3	9.6	9.5

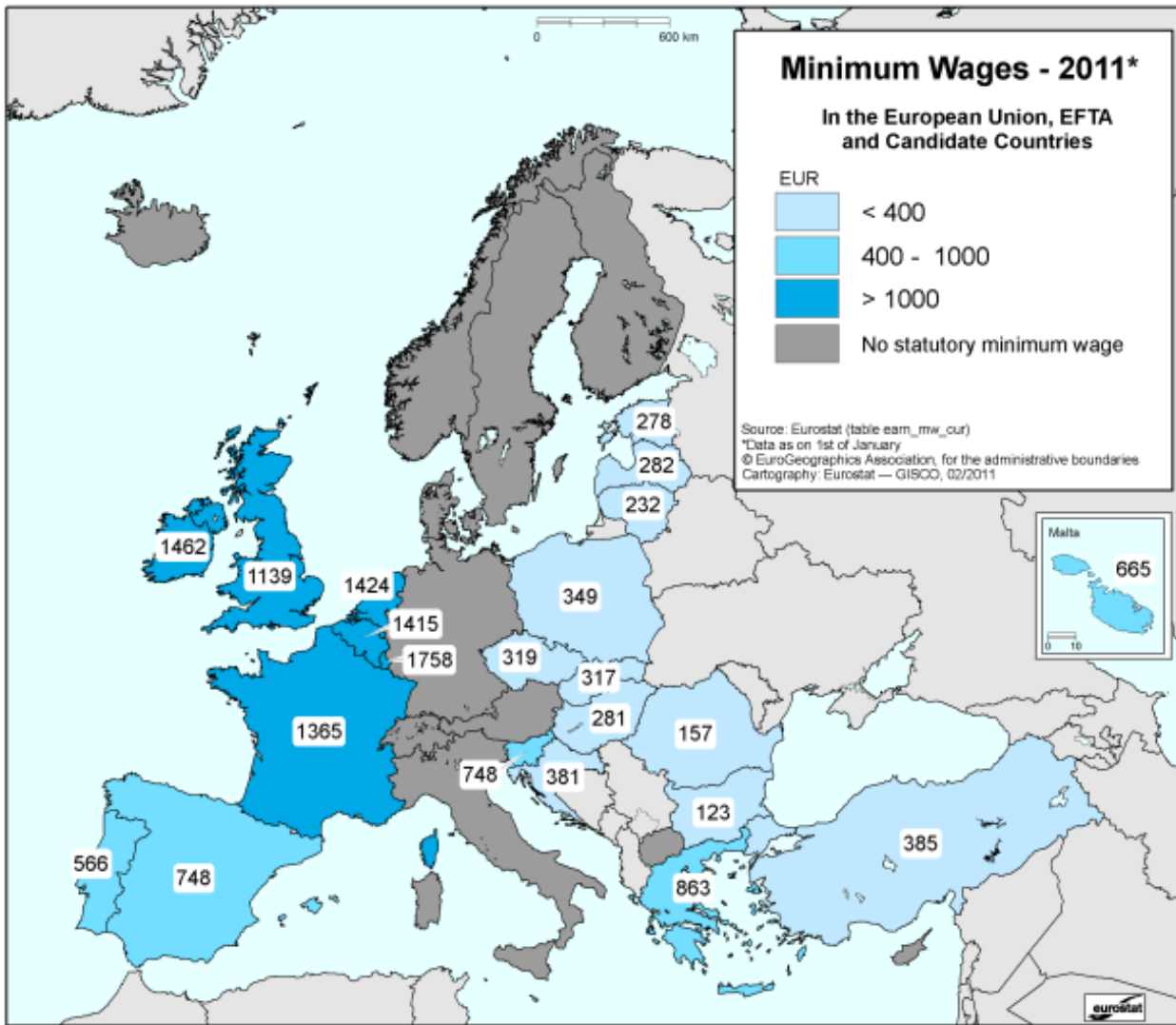
Source: Eurostat.

Appendix V. Hourly gross wages and salaries in the EU in 2007

	In EUR	In % of the EU-15
EU-15	14.56	100
Austria	15.00	103
Belgium	17.53	120
Denmark	24.23	166
France	17.58	121
Finland	15.46	106
Germany	16.56	114
Greece	5.71	39
Ireland	17.55	121
Italy	9.86	68
Luxembourg	25.25	173
Netherlands	17.71	122
Portugal	6.72	46
Spain	10.88	75
Sweden	17.68	121
United Kingdom	16.84	116
EU-8	3.65	25
Cyprus	8.28	57
Malta	7.27	50
Czech Republic	3.71	25
Estonia	3.51	24
Hungary	4.16	29
Latvia	2.92	20
Lithuania	2.95	20
Poland	3.34	23
Slovak Republic	3.42	24
Slovenia	8.31	57
EU-2	1.60	11
Bulgaria	1.11	8
Romania	1.76	12

Source: Brucker & Damelang, 2009.

Appendix VI. Minimum wages in the EU countries



Source: Eurostat.

Appendix VII. Skill composition of native population and of emigrants from the EU-8 and the EU-2 to the EU-15 countries in 2006

Country	Resident population, natives			Migrant population			Migrant population, age adjusted		
	low	medium	high	low	medium	high	low	medium	high
Bulgaria	31.3	50.8	17.9	24.0	48.5	30.2	24.2	45.9	29.1
Czech Republic	16.7	72.1	11.2	14.8	48.8	36.4	19.3	48.3	34.9
Estonia	22.7	49.8	27.5	35.8	49.4	14.8	26.8	43.1	19.2
Hungary	27.6	57.4	15.0	9.0	38.7	35.4	9.3	66.2	23.9
Lithuania	21.3	56.1	22.6	25.9	38.7	35.4	22.1	39.3	39.8
Latvia	25.4	56.8	17.8	-	-	-	-	-	-
Poland	21.3	64.1	14.7	26.1	48.2	25.7	21.5	47.6	26.8
Romania	33.0	57.5	9.6	33.2	53.3	13.5	33.2	53.1	13.6
Slovenia	23.4	58.8	17.8	34.4	59.2	6.4	33.2	60.0	6.6
Slovak Republic	19.2	69.1	11.7	18.2	62.6	19.2	17.3	63.3	21.3

Source: Fihel et al., 2009.