

Migration of academic youth: assessment of the economic impact on the region

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Abstract The article examines economic impact of academic youth on the region as one of the factors enhancing the competitive ability, the empowerment of which remains problematic due to the ever-increasing economic migration of students. The research of causes of economic migration of Lithuanian higher school students and their impact upon the region revealed that salary is the most significant factor motivating the students to go to work in another city and/or district of Lithuania, whereas a small number of those working and the constantly increasing number of those emigrating reduce the economic impact on the region.

Key words – students of higher schools, migration, economic migration, economic impact on the region.

I. INTRODUCTION

The liberalization of migration policy, increased demand for international labour, rapid development of science and technology all this encourage people to migrate. Migration of Lithuania's residents is fast becoming one of the most serious threats to social-demographic situation not only in the country but in regions as well, business development, innovations, competitiveness, preservation of cultural identity and national intellect.

Migration is a complicated process that is difficult to define and measure; its description, therefore, is often based on classic definitions of migration [1, 2].

From another point of view, migration is perceived as a dynamic phenomenon, analyzed in different spheres of science and revealed as a multi-dimensional social process, miscellaneous and complex phenomenon, gaining an ever-increasing proportion [2, 3]. In this case, due to the absence of a universal migration theory that could explain its nature, formation of flows and factors [2, 4, 5], migration is approached from the standpoints of different theories (neoclassical, two labour markets, social capital and migration network) and on different levels (individual, national, global).

Two migration directions come up: internal migration, including movement of population within a country (between different regions, administrative units, towns) and external or international migration, meaning movement of population to and from a foreign country [4].

The decision of individuals to migrate is affected by economic, social, demographic, political as well as cultural, psychological and geographical factors [3, 6, 7]; however, the biggest influence to all groups interested in migration is nonetheless made by economic factors.

The assessment of the determinants of migration is an important domain of economic migration studies. Unemployment, differences of salaries and standard of living as well as opportunities on the labour market are among the most prominent economic factors causing migration [8, 9].

The increasing flows of migration to economically strong countries and/or regions endorse the idea that migration of the labour force is formed by the disbalance between the labour force supply and demand in countries and/or regions with unequal economic development level. Unemployment and salary differences are emphasized as some of the most significant economic factors cause migration and including increasingly more young people, academic youth in particular, into this process [10], posing a potential threat of the loss of urban/regional/national intellectual capital and skilled work force.

Dynamic labour market of the nowadays demands for qualified specialists able to think freely and critically, to adapt to the changing market conditions and to be active participants of the market; this context, therefore, distinguishes an important role of higher schools – carrying out research and using scientific potential to implement innovation and develop the capacity of future professionals to adapt to ever-changing labour market conditions. Empirical research [11-13] has proved that higher schools often contribute to the development of the competitive advantage of cities not only by training qualified professionals, installing information technologies and adapting them to practical needs, but also by disseminating good practice.

The effect of a group of individuals on a city and/or region is most often defined by economic, social and physical criteria, while the latter may be supplemented by demographic and genetic criteria [14]. Nonetheless, taking into account that lately knowledge has been acquiring the form of value in the economy and reflecting its development and competitive ability in global environment, it can be stated that the spheres of economic impact are possibly gaining the highest significance. Consequently, the article focuses on the assessment of economic impact of academic youth upon the region.

In the theory of economic growth, human capital plays an important role, because the economic development of the region as a part of the country is closely associated with the

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investments in human capital. Number of the higher school students is named as one of the key factors of urban economy growth. Factors economically impacting a city and/or region also include future income of higher school students that is linked with the future stability of purchasing power, decrease of unemployment, growth of productiveness and quality of living, hence, the lower expenditures of law enforcement and health care institutions as well as employee rotation [15-17]. Furthermore, there are emphasized such economic factors that are important to the city and/or region as the structure of economy, local tax system, level of salaries, capital accessibility, number of research and development institutions and industrial clusters [18].

Other authors [19, 20] analyse the effect of higher school students on urban and/or regional economic growth exclusively assessing the expenses of students, their teachers and the higher school itself, treating such expenses as factors with direct effects on economic benefit. It is advised to evaluate the economic benefit to the region using a revenue and cost method.

There are two most widespread methodological approaches in economic value studies: cost-benefit analysis or return on investment and valuation. It is noteworthy that the process of determining value is more important than the result itself, since it requires a thorough assessment of all circumstances and interests of different groups of stakeholders. Regardless of the variety of factors affecting the urban and/or regional economy listed by the examined authors, two major *methodological approaches* for the assessment of this phenomenon emerge – *revenues and costs*. Following this approach, economic impact on the region of higher school students may be expressed in revenues received or costs sustained.

Thus, human capital is one of the key factors determining the regional competitive ability, which may be ensured through the effective use of the academic youth potential. However, the discussions appearing lately in Lithuania on the increasing migration flows stress upon the issue causing great concern - the migration of the young people, in particular – academic youth. *The mentioned aspects determine the scientific problem, which can be elaborated in detail through the following questions: what are the factors determining the economic migration of academic youth? How do the students of higher schools affect the changing of regional economic characteristics?*

Students of Lithuanian higher schools were chosen as the *object of research*. While seeking to evaluate the causes of economic migration of this target group and its impact upon the region, a research of domestic migration experience of Lithuanian higher school students was carried out.

The *purpose of research* is to evaluate the causes of economic migration of academic youth and their impact upon the region.

Methods of research: scientific literature analysis, questionnaire survey, statistical data analysis.

II. EMPIRICAL RESEARCH DESIGN

In order to identify the causes of economic migration of Lithuanian higher school students and their impact upon the region, *methods* were prepared for the evaluation of domestic migration experience of academic youth, comprising two diagnostic blocks (causes of domestic economic migration and economic impact of the students upon the region). The research criteria selected in the first diagnostic block included the factors determining the economic migration (salary, unemployment, future employment opportunities and material conditions of living), while those selected in the second block included factors of students' economic impact upon the region (expenses and their types, financing, employment).

The main method used to collect the research data was *written survey*; *survey tool* – questionnaire to the students of Lithuanian higher schools was prepared in line with the studies carried out by scientists and the published findings [10, 21, 22].

The article is based upon the findings of the pilot empirical study “Research of attitudes of higher school students representing the migration experience” conducted in March – April 2011. The study involved students of Lithuanian higher schools having international and/or domestic migration experience. A probabilistic method for selection of surveyed groups was chosen – *random selection*. Study sample N = 1187.

Quantitative mathematical statistical analysis of questionnaire survey data was carried out using SPSS 19 for Windows (Statistical Package for Social Sciences). When analyzing the findings of quantitative survey, *descriptive statistics* were applied.

Social – demographic characteristics of students. The research included 69 % of women and 31 % of men. The majority of respondents (80 %) were students aged 22-27, 12 % – aged 17-21. It was determined that the majority were single (80%), had no children (87 %). Only a small number of students (11 %) described their marital status as ‘married and having children’ (13 %).

Familial (or personal) material status is an important social indicator explaining the migration activity of the majority of students. It was determined that monthly income of the majority of students (41 %) was low, up to LTL 800 (EU currency equivalent of 230 €), moreover, the majority (64 %) were unemployed.

Research findings revealed that men had more experience of migrating than women, and their purpose was getting a job.

When analyzing the students' age it was determined that older students (aged 22-27 and 28-32), who had been working in descent country or region in service (sales, education, construction, hotels and restaurants) sector, tended more to go working to another Lithuanian city and/or district. According to the information of Statistics Lithuania of 2010, minimal monthly salary is paid in these sectors (LTL 800, equivalent in EU currency of 230 €), and the predominant low salary acts as economic incentive for students to go to another Lithuanian city and/or region.

III. EMPIRICAL RESEARCH FINDINGS

Causes of economic migration of the academic youth. When examining the experience associated with the participation of Lithuanian higher school students in domestic migration processes, it turned out that 52 % of students had left to work in other cities and/or districts of Lithuania. After assessing the choice of the academic youth to go to work in another city and/or district of Lithuania it was determined that this choice was mostly determined by economic causes, whereas the factors causing economic migration (salary, unemployment, future employment opportunities and material conditions of living) 'strongly' or 'very strongly' affected such a choice of the majority of respondents.

It was determined that economic migration of students was mostly caused by salary (78 %), which was the most significant motivator to search for jobs in another city and/or district of Lithuania. For 48 % of students, salary had 'very strong' significance when making the decision to leave the native city and/or district, for 22 % - 'strong' significance. This shows that the striving of academic youth to provide better for them materially is the major factor causing emigration, and the salary may be, therefore, interpreted as the primary motive of domestic economic migration.

Tempting conditions of work and professional realization manifest in the structure of causes of economic migration; the influence of these conditions to emigration strengthens as the education of individuals' increases. Highly qualified labour force is in higher demand and skilled and educated young specialists, therefore, are more prone to migrate. The decision of Lithuanian higher school students to leave to work in another city and/or district of Lithuania was also affected by future employment opportunities (58 %). It was determined that for 46 % of respondents this factor causing economic migration 'very strongly' influenced their decision to leave to work in another city and/or district of Lithuania, and it was not significant altogether only for 4 % of respondents.

Unemployment is another equally significant economic factor driving the individuals to migrate. Losing the job deprives the individuals of income source; they experience the deterioration of the standard of living and psychological discomfort and, therefore, make the decision to emigrate much faster. The level of youth unemployment in Lithuania is among the highest in the European Union, while the assessments of this problem emphasize the inability of a number of young people to establish themselves in the labour market due to low qualification and insignificant working experience. Research findings revealed that 57 % of respondents were driven to work in another city and/or district of Lithuania by unemployment. Among those, as many as 82 % of students have evaluated unemployment as a 'very strong' factor determining such a decision.

When analyzing the experience of domestic migration of the academic youth, another factor causing economic migration became apparent, namely – material conditions of living (41 %). For 22 % of respondents, material conditions of living had 'very strong' importance, for 16 % – 'strong' importance, when making the decision to leave the native city and/or district.

Economic characteristics of the impact of academic youth on the region. Analysis of the characteristics of economic impact of Lithuanian higher school students on the region showed that the majority of respondents by age were young and this determined the distribution of their income by types of expenses.

It was determined that the majority of respondents (64 %) had the following distribution of monthly expenses: the major share of their income (37 % on average) was spent by the students to purchase the basic commodities; clothing and footwear – 17 % on average, transport – 14 %, leisure services – 11 %, housing – 6 %, health care – 9 %, books, stationery and other miscellaneous expenses – 3 % of monthly income respectively.

When assessing the economic impact of academic youth on the city and/or region in terms of financing, research findings revealed that monthly income of 41 % of those surveyed did not exceed LTL 800 per month. Monthly income of 33 % of respondents varied from LTL 801 to 1800 and only 10 % of students had monthly income in excess of LTL 1801. Higher school students are supported by the state and/or municipality, thus reducing the expenses sustained by them. For 47 % of those surveyed, study fee costs were covered by the state, while 8 % of students lived in dormitories, thus cutting down their housing costs.

Employment of higher school students, reflecting their impact on the city and simultaneously on the region, is yet another factor having economic impact even in cases when the student works for at least one hour per week. Research findings showed that only 36 % of the surveyed were employed. The majority of students work in sales (33 %), education (23 %), catering and accommodation (19 %) and finance and construction (9 %) sectors. Moreover, the impact of higher school students' employment on the city or region may be also approached from a social perspective, if they work according to their future speciality, thus providing the synergetic benefit of theoretical and practical knowledge.

IV. CONCLUSIONS

The research of domestic migration experience of Lithuanian higher school students revealed that the decision of the majority of academic youth to leave to work in another city and/or district of Lithuania was determined by economic motives, i.e., unemployment, better and more stable conditions of living, work and professional realization; however, this process was mostly driven by salary, which is the most significant factor motivating to search for employment in another city and/or district of Lithuania.

Although the economic impact of academic youth on the city and/or region is becoming one of the main factors



enhancing the competitive ability, a small number of employed students and the ever-increasing number of emigrating students do not allow ensuring the social - economic welfare for themselves or for the city and/or region. This confirms the idea that optimization of the higher school network is becoming one of the priority tasks of the national regional policy when striving to create competitive cities and/or regions.

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