



Trends that may change international migration patterns in European Union: case study on Lithuania

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Objective of presentation

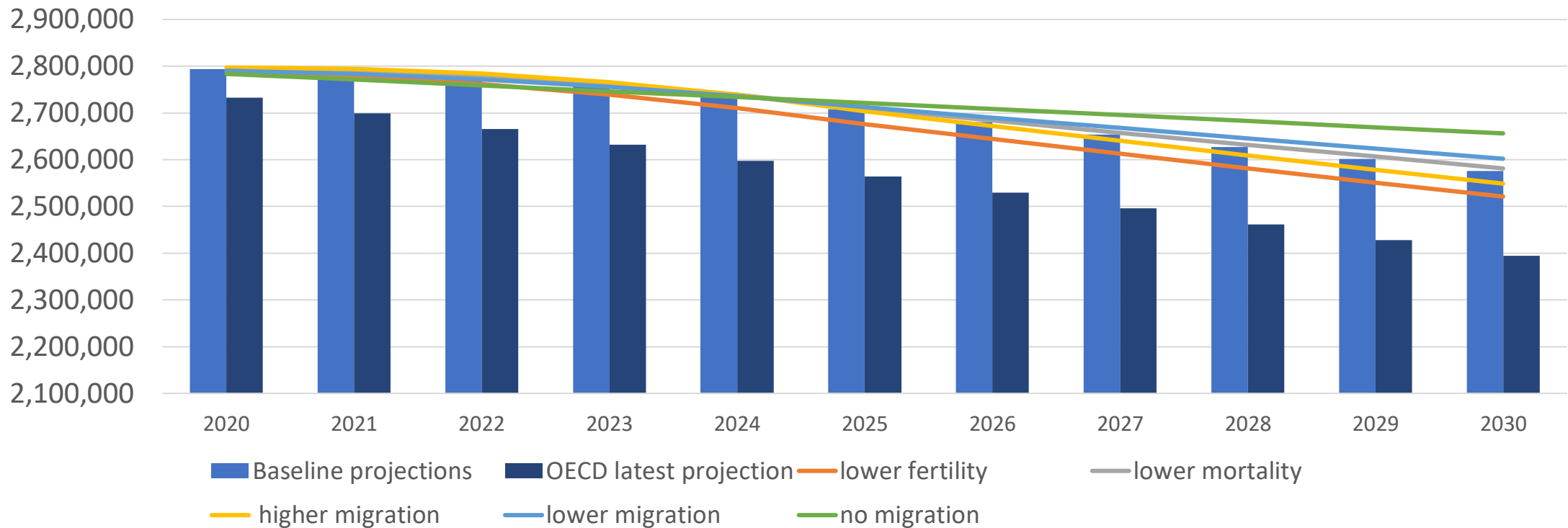
Using Lithuania as an example:

- To present mid-term forecasts (population, GDP, health spending);
- To indicate recent changes that may challenge official statistics;
- To articulate importance of debating assumptions about the mid-term future.

Lithuania witnessed depopulation since 1990. Emigration was the main reason. Forecasters are expecting continuation of the trend

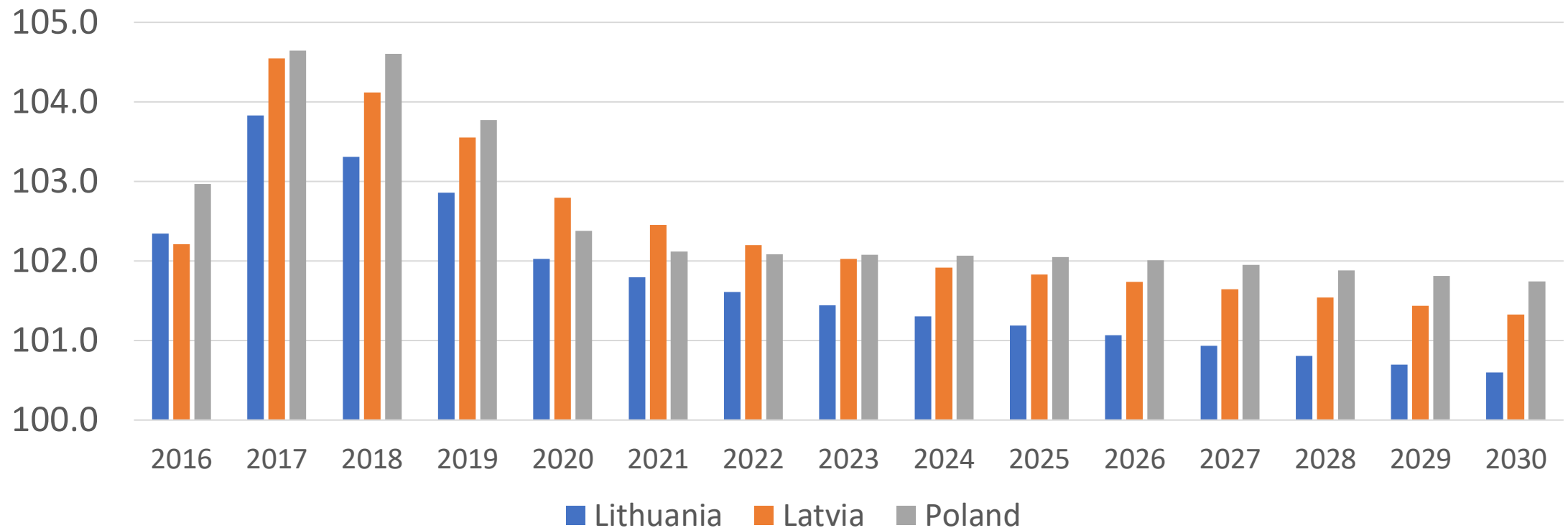
Sources: Eurostat; OECD, data extracted on 22 Jan 2021 from OECD.Stat

Population of Lithuania on 1st January by type of projection



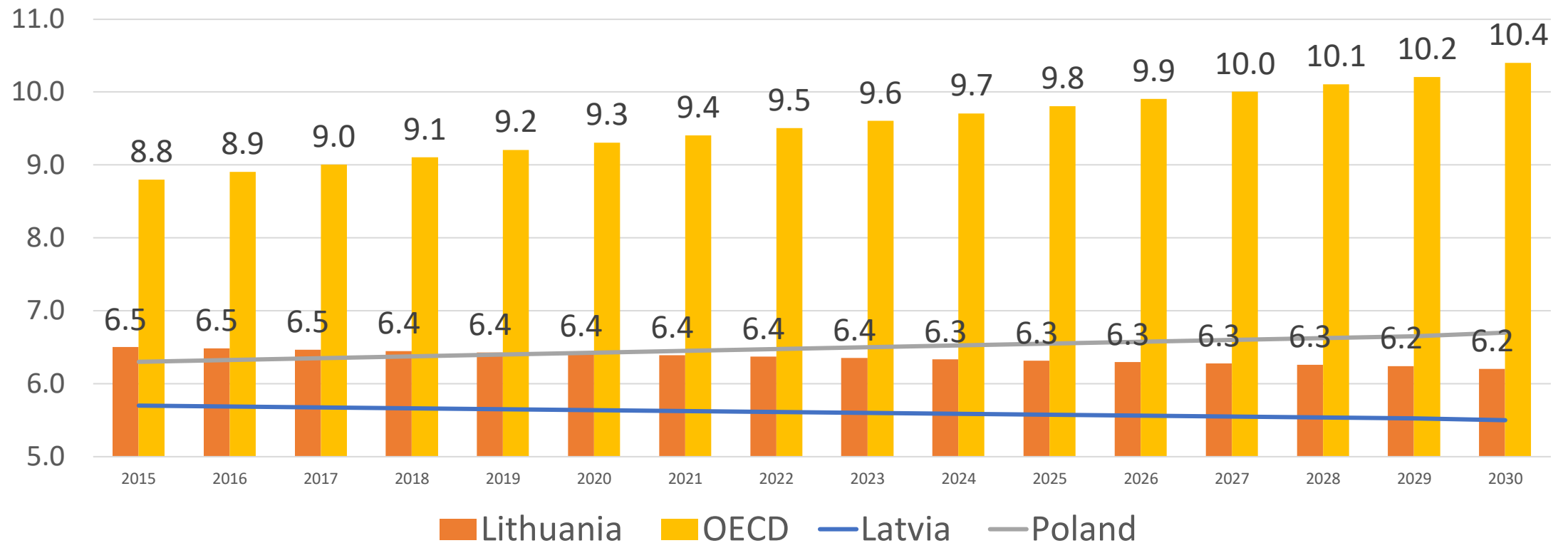
Economic growth is slowing in CEE countries because of slower productivity growth and depopulation?

Real GDP growth, OECD forecast of 2015



Depopulation may lead to reduction of health spending to GDP ratio in CEE in opposite to the general trend predicted to OECD countries.

Health spending as a share of GDP

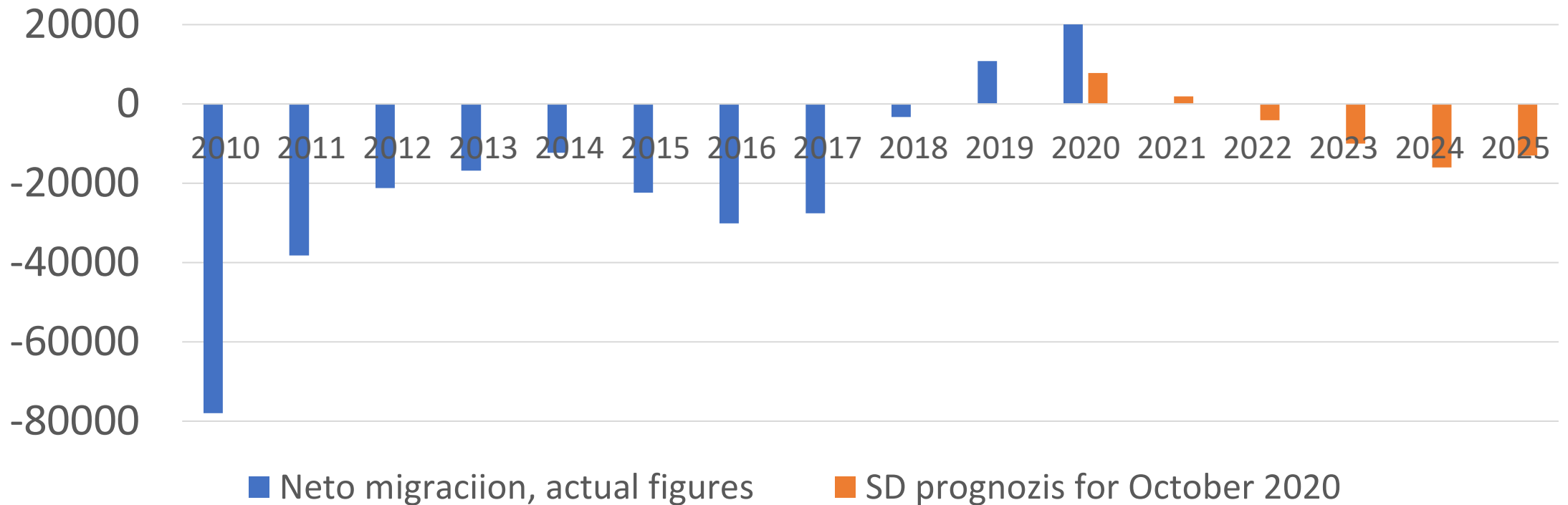


In case a forecast about depopulation and declining share of health in GDP will be correct

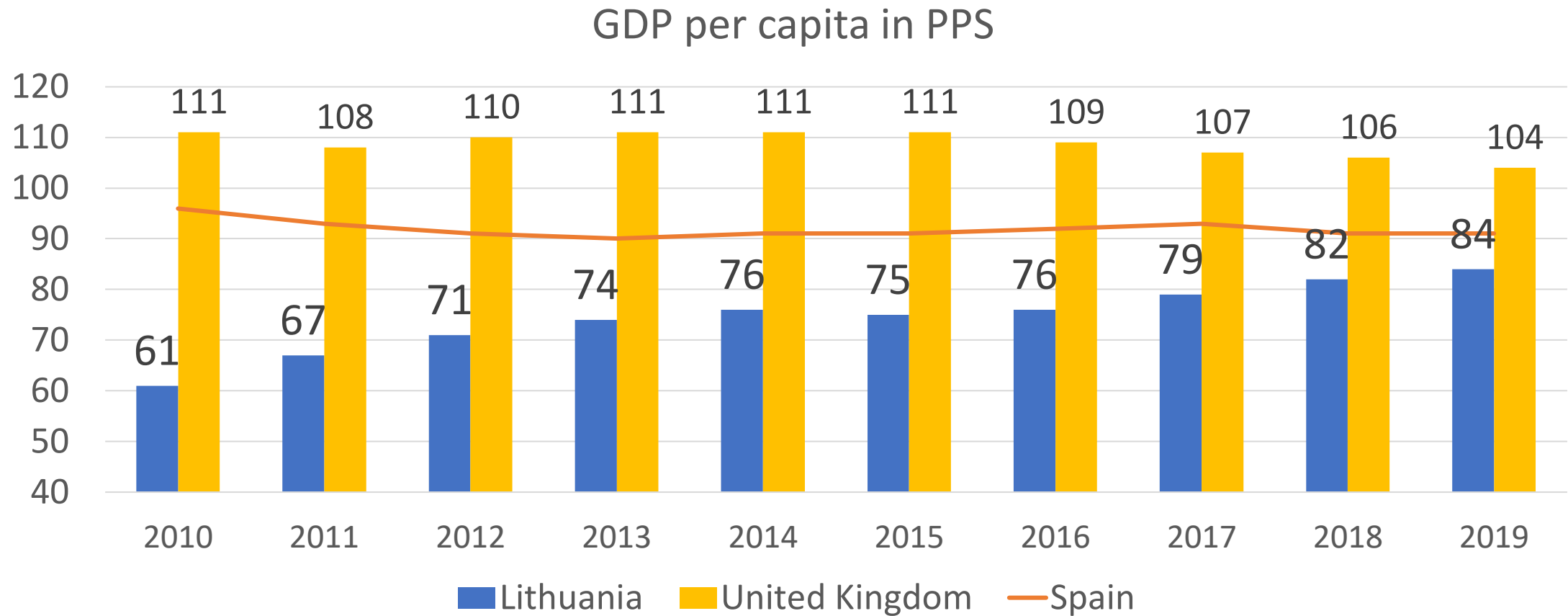
- Demand for healthcare labor force in CEE countries will decrease
- Outflow of medical personnel may be not a “brain drain” but a factor reducing “brain waist” caused by unemployment
- But....

Positive net migration in 2019-2020 is a new normal or an exception because of Brexit and COVID-19?
Demographers think that it is exception

Net migration, Lithuania

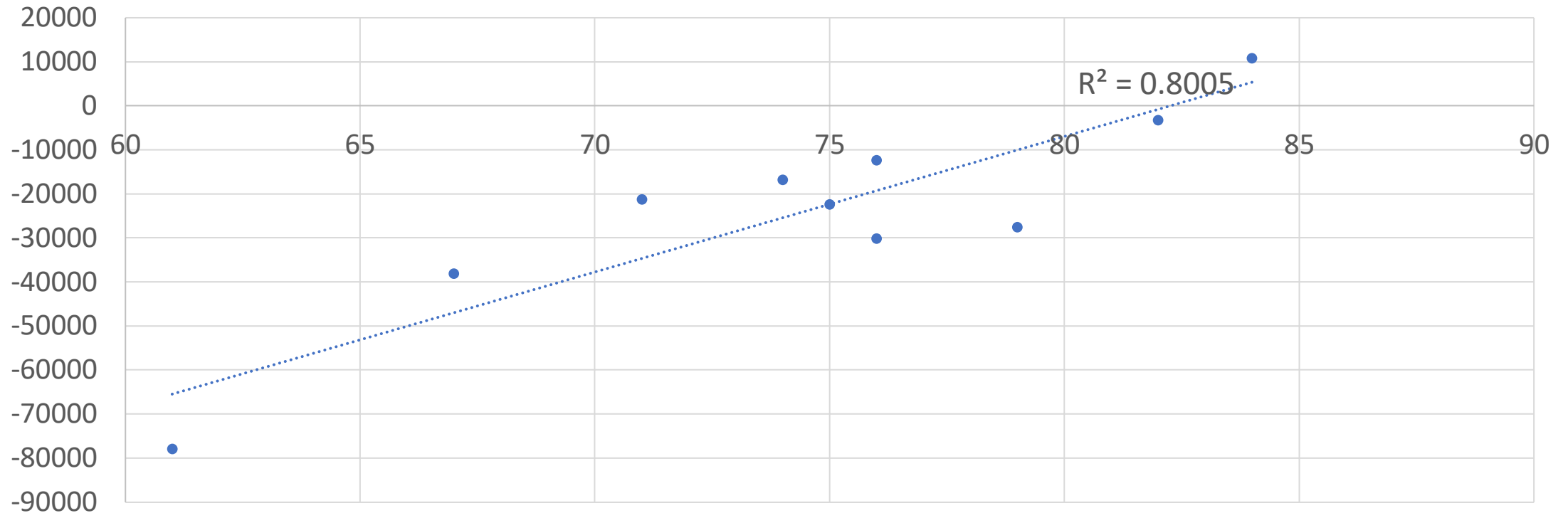


Convergence of Countries of the Central and Eastern Europe with the “Old” Europe is happening. It should reduce emigration from the former?



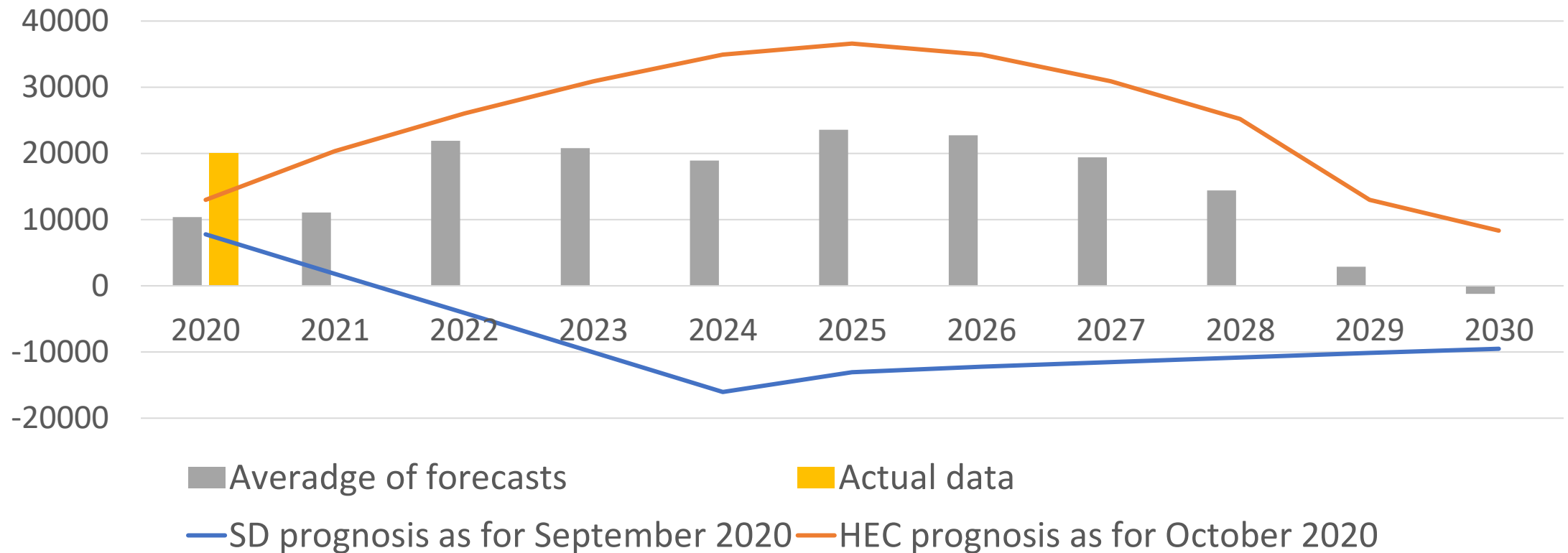
Statistics supports hypothesis that convergency leads to lower emigration

GDP per capita in PPS in percent to EU27 average and net international migration, Lithuania 2010-2019



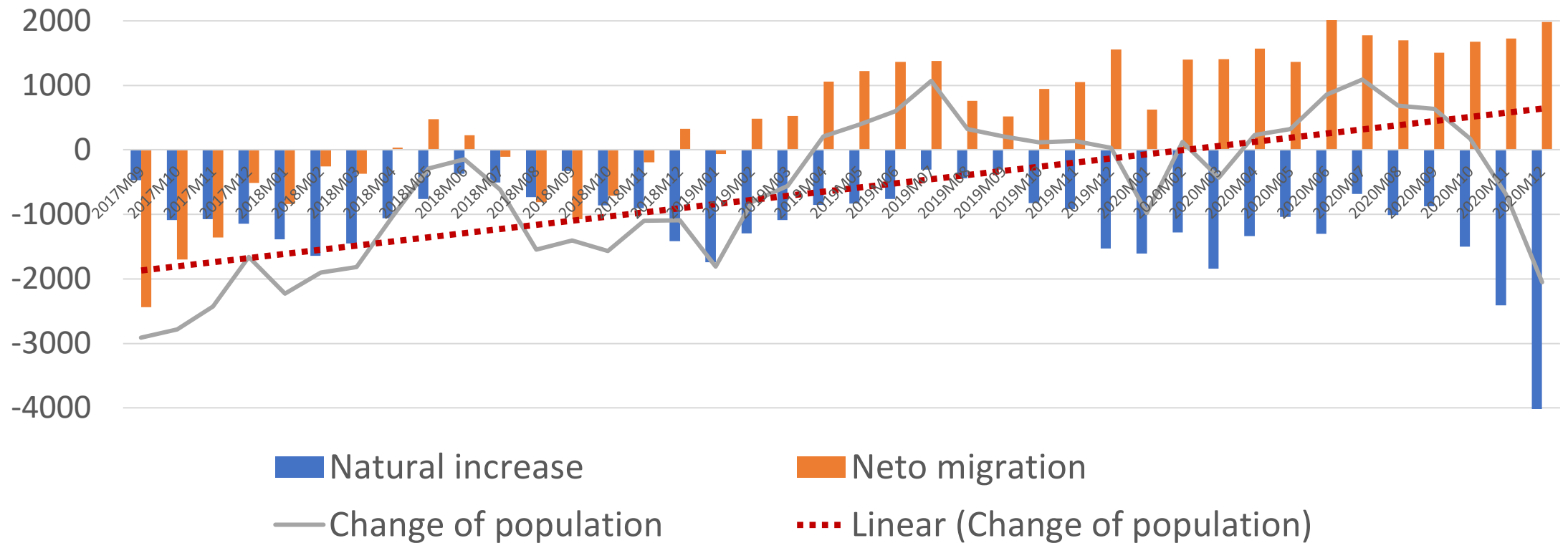
Department of Statistics is predicting net emigration, MoH – net immigration. What if the answer is in-between these forecasts

Net migration, Lithuania



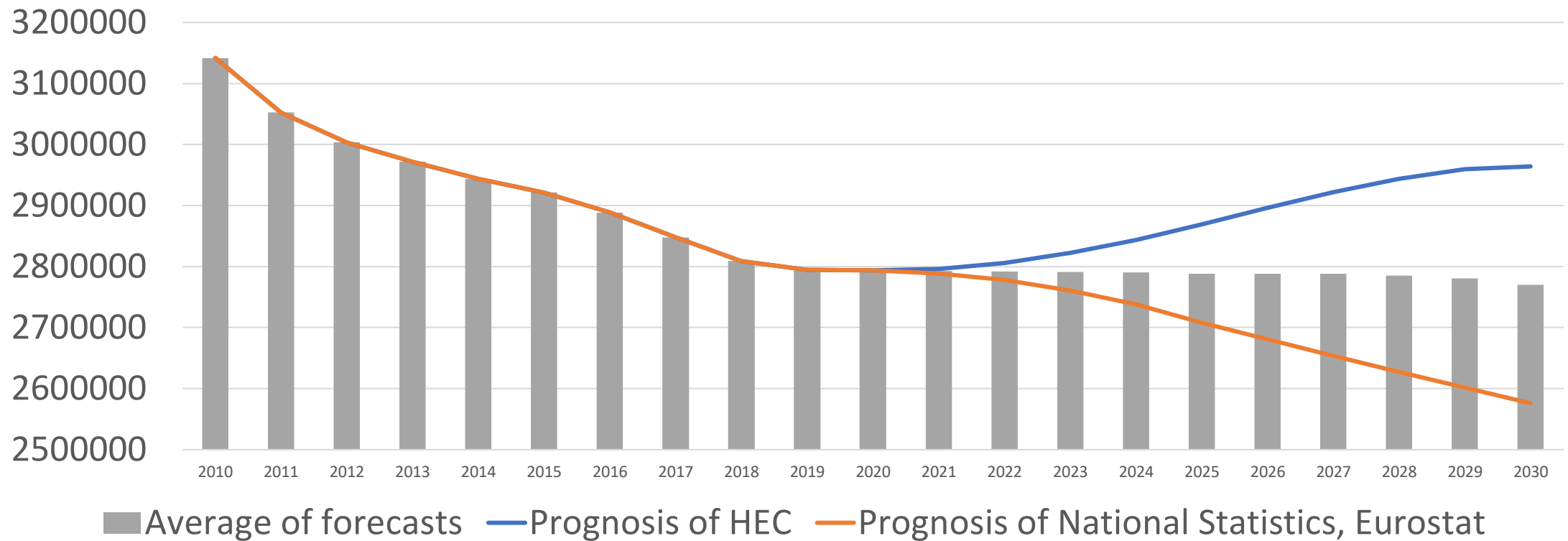
Monthly statistics are indicating a likelihood of positive growth of Lithuanian population

Monthly demographic data, Lithuania



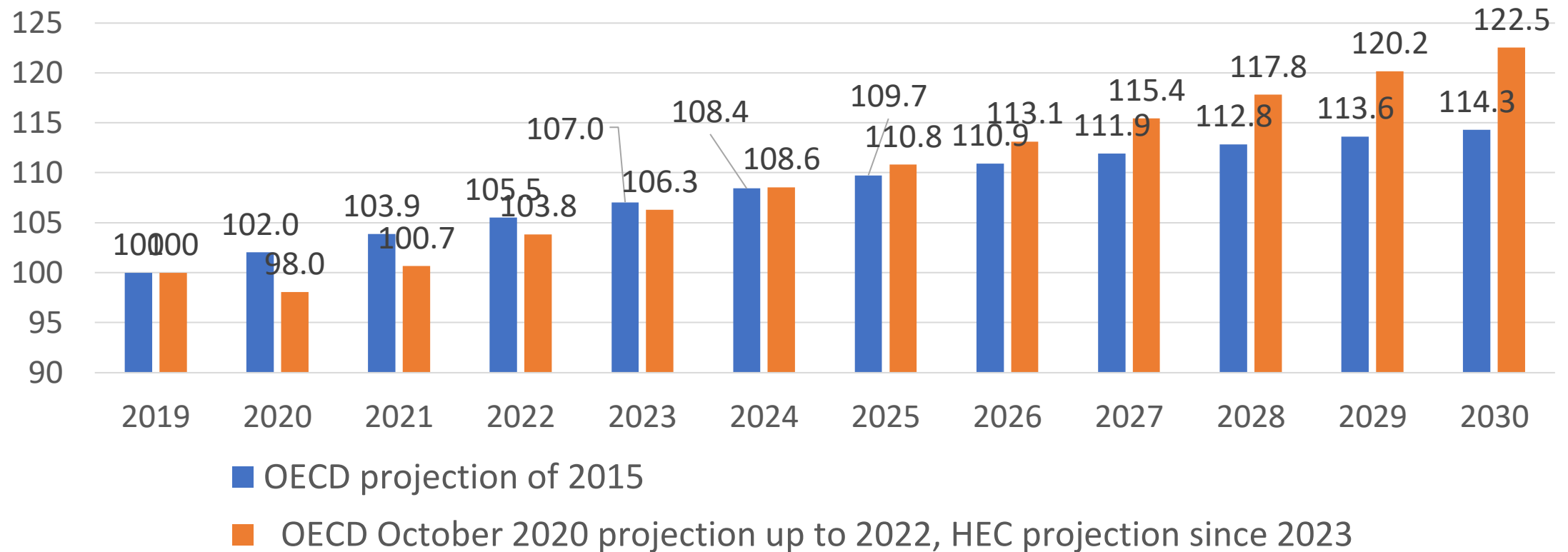
What about alternatives to forecasts stamped by Lithuanian statistics and renown international institutions?

Population of Lithuania on the 1st January



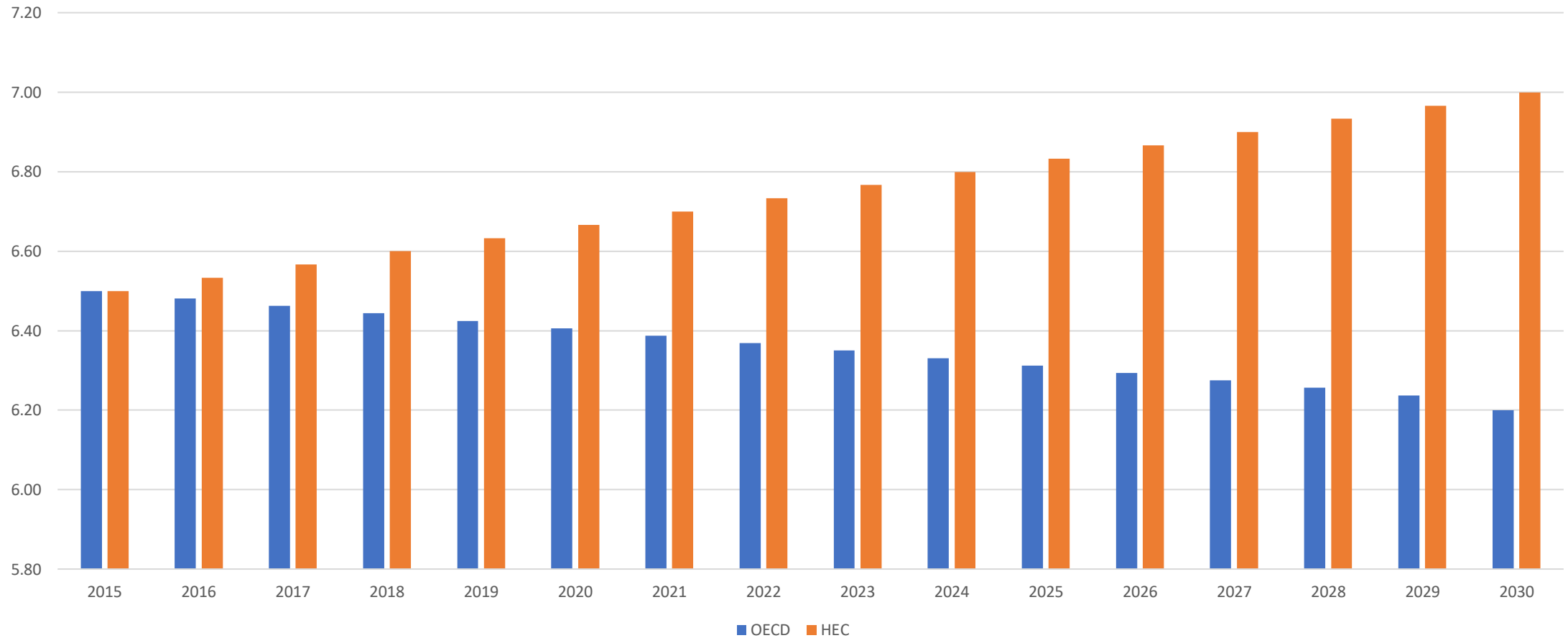
Mid term forecasts for small economies are rare. Historically they are quite pessimistic for Lithuania. What about some upgrade?

Forecast of GDP growth, Lithuania, 2019 = 100



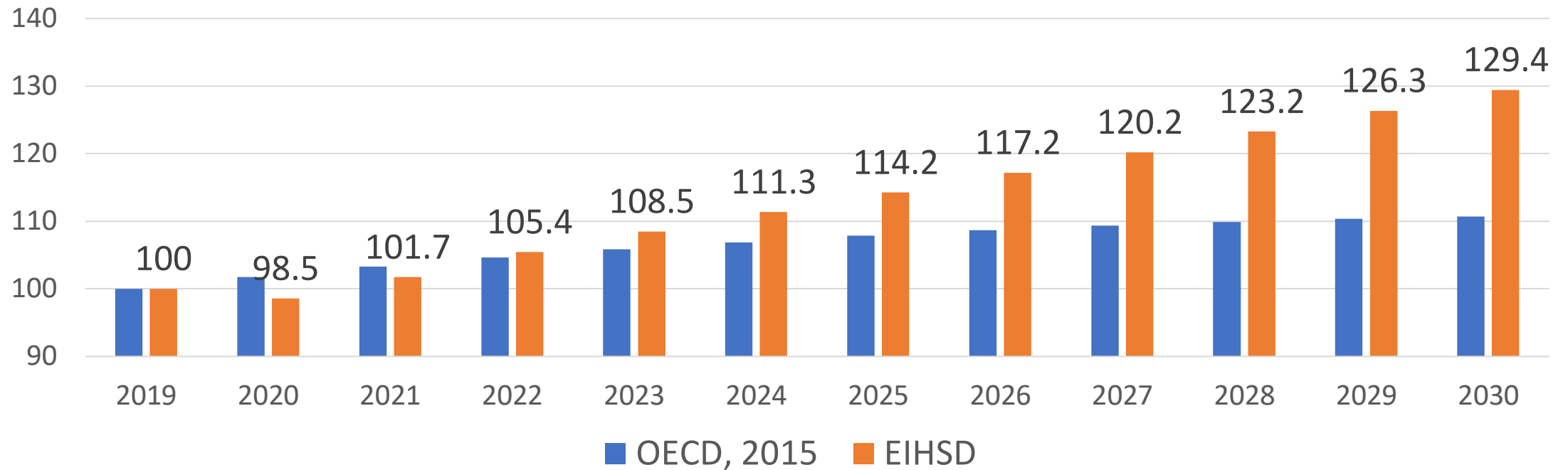
There is a probability that population in Lithuania and in all New Europe will grow contrary to shrinking according to most official forecasts. Population growth and aging likely will lead to a increase of THCE in GDP.

Health spending as a share of GDP



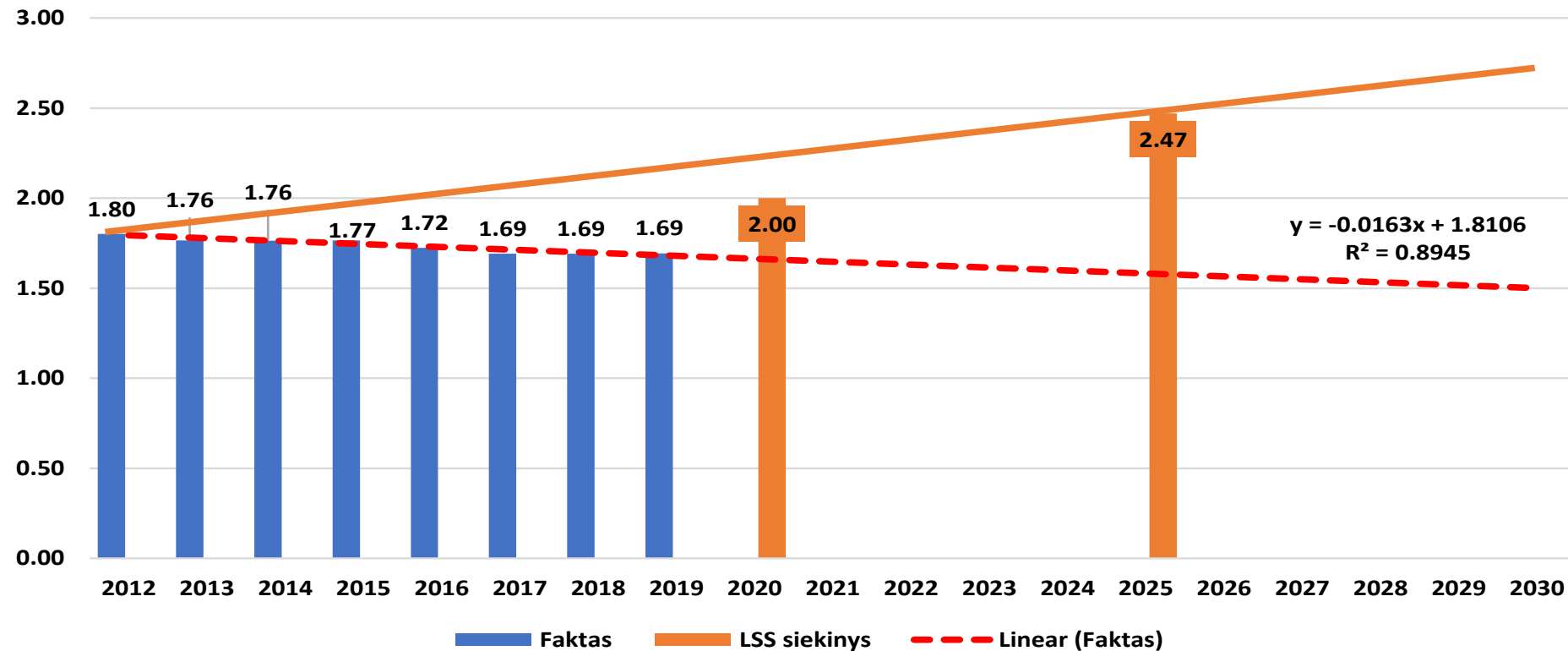
Growing share of growing GDP for THCE means more health care expenditures, stronger demand for healthcare labor force

Lithuanian THCE, 2019= 100



Not always dreams come true (expectation to increase nurse to doctor ratio enshrined in Lithuanian Health Strategy for 2014-2025 are not materialized) but there is little progress with ought the dreams

Praktikuojančių slaugytojų, tenkančių vienam gydytojui, skaičius. Faktas, prognozė ir siekinys



New normal?

- Countries of „new“ Europe may gradually transform themselves from donors to recipients of workforce from third countries.
- Motives of East-West migration in between EU countries from mainly economic reasons (search for higher salary abroad) may converge with those common to Western Europe.
- Management of medical deserts may be prioritised in the EU while problems of „brain drain“ and „brain waste“ will constitute one of main issues of global policy.
- Should we talk about “Old” and “New” Europe 15 years after the enlargement?



THANK YOU!