# OPPORTUNITIES FOR THE REGIONAL UNIVERSITY IN DECREASING EMIGRATION

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Abstract. The trend in the decreasing number of inhabitants is a very significant regional problem in Latvia. During recent years many people of Latvia have emigrated as economic refugees to Ireland, the United Kingdom, Germany and other countries. More than 30% of them are well-educated young people who gained higher education in Latvia. Most of them are employed as unskilled labourers there. The potential causes of emigration of well-educated young people are analysed in this research study. The aim of the research study is to reveal potential emigration problems of the young generation and to research some opportunities for the regional university in decreasing youth emigration. Potential emigration problems are identified by using findings of a survey of students, organized at Rezekne University of Applied Sciences. The suggestions about opportunities for the regional university in decreasing youth emigration were developed by taking into account the results of the survey and cooperation possibilities between the regional university and municipalities and by changing the approach to the study process.

Keywords: emigration, regional development, regional university

**IEL code**: R11, R23

#### Introduction

The trend in decreasing number of inhabitants in Latvia's regions and overall in Latvia is critical in the context of economic development in Latvia and in the context of existence of the Latvian nation in general. This fact raises concerns related to the simulataneous reduction of intellectual potential in Latvia because approximately one third of emigrants from Latvia are well-educated young people who gained higher education in Latvia. Many researchers have studied emigration problems in Latvia. They are as follows: Kaktiņš, Eglīte, Hazans, Krišjāne, Bauls, Indāns, Lulle, Philips, Bērziņš, Mežs, Dzenovska, etc.

Findings of the researchers about the emigration problems in Latvia before the economic crisis allowed defining the groups of inhabitants which, with higher probability, would be able to leave the country as economic refugees. These groups were young people at the age of 15 — 24. Findings of the research about emigration problems in Latvia after the economic crisis showed that 80% of the emigrants who had emigrated during the economic crisis were younger than 35 years and most of them were highly educated. Results of the survey of students,

conducted in 2011, indicated that 65% of the students planned to live and work abroad after their graduation (Hazans, 2011).

The aim of this research study is to reveal some potential emigration problems of the young generation, to research some opportunities for the regional university in decreasing youth emigration.

To achieve this aim, several objectives are defined:

- to interpret researchers' findings about emigration problems in Latvia;
- to carry out a survey of students about their attitude to emigration after their graduation;
- to analyse the role of regional universities in decreasing emigration processes;
- to develop proposals about opportunities for the regional university in decreasing emigration and reducing the leakage of intellectual potential from Latvia.

A hypothesis of this research is as follows: It is possible to reduce the leakage of intellectual potential from Latvia's regions by changing the strategic approach to opportunities for the regional universities, emphasizing the promotion of students' talents and abilities in a changing environment and promoting cooperation between the university and the municipality.

Research object: students.

Research subject: factors influencing the emigration of the young generation.

To achieve the objectives of this research, the following research methods were used: content analysis, analysis and synthesis, logical and abstract constructive methods, reference methods, analytic-synthetic classification, a questionnaire survey, a survey into students' opinions, the SPSS programme.

#### Research results and discussions

# Some aspects about researchers' findings related to emigration from Latvia

Robert Barro (Barro, 1997) underlined that Human capital is a relevant source of economic growth. International migration is a pending matter not only in the EU but all over the world. Many researchers have studied emigration problems in Latvia: Eglīte et al. (2002), Hazans (2003, 2011), Krišjāne, Bauls (2005, 2011), Indāns et al. (2006), Lulle (2007), Krišjāne et al. (2007), Krišjāne, Eglīte (2009), Hazans, Philips (2010), Bērziņš (2011), Mežs (2011), Dzenovska (2012) etc.

Before the economic crisis, a sociological research study was performed by SKDS (Kaktiņš, 2006). The main question of this research was: How do Latvian people perceive migration problems? The attitude of Latvian people to the fact of emigration was analyzed. The question: "How likely is it that you in the next 2 years could go to work in another country?" with a probability of 95%, was answered that 7.7 – 11.5% of Latvian residents, which comprised 138 000 to 207 000 people, in the next 2 years could go abroad. If considering how many are those who say "very important" or "rather large", then this amount could probably reach 350 000 to 450 000 people. The population groups more likely to leave the country to work elsewhere are people in the age group of 15-24 (45% of the respondents). They say that the probability is "very high", or "rather high". The study also showed that 2/3 of the whole population defined people emigration to work abroad as a national problem, which means this problem should be tackled at the state level.

Mežs (2006) predicted in his study the problems and perspectives in immigration policy: that by 2015 an economically active population of 200 000 would have emigrated from Latvia.

The findings of a study carried out by the Hazans (2011) show that 80% of the all migrants are under the age of 35 in 2009 – 2011. 27% out of all the migrants are highly educated and aged over 22 in 2010. The results of the survey (Hazans, 2011) showed that 65% of the surveyed students intend to live and work abroad after their graduation.

Britain is one of the main destinations of labour from Latvia. Apsīte-Beriņa (2013) analysed the population groups which were involved in the migration to Britain from Latvia. It was noted that in the period from 2004 to 2012, around 120 thousand Latvian nationals were officially registered in Britain. The majority of migrants were up to the age of 30, who, according to the results of the analysis performed, burdened by debts are unlikely to return. The majority of Latvia's population in Britain, like other Eastern European migrants, can be characterized as business or economic migrants. Most of the workers are employed in Britain as unskilled labourers in spite of their high qualification and education.

"Those who talk about economic growth seem to be living in a different world than those who day after day are trying to survive. There is a mismatch between the visions of future and life experience, resulting in the loss of hope, therefore people are looking for a specific future elsewhere. Departure, no matter how difficult and heavy, however, offers some hope," said study author Dzenovska (2012). The author also stressed that emigration and diaspora life – behind the borders or in the territory of Latvia – is not merely negative and that contact with new

challenges is evaluated in the current action and creates a new relationship, which may include new ethical and political resources to help restore the links between the Latvian public and their political space.

# Empirical study on the students' attitude to emigration

The aim of this empirical study is to identify the students' view on their opportunities to remain in the native region after their graduation and to clarify the factors which influence their choice of workplace after their graduation.

# Methodology of the study

The method of a survey was used. The target group was students. The sampled respondents: 100 students. It meets the pilot project. The respondents were the bachelor and master study programmes' students who studied at the Economic and Management Department of Rezekne University of Applied Sciences. By the end of their studies, students obtained knowledge and skills to start a small business or to manage different departments.

The following research methods were used: analysis and synthesis, logical and abstract constructive methods, reference methods, a questionnaire survey, a survey into students' opinion, data processing capabilities of the SPSS program, correlations were defined by Pearson's coefficients.

The year of study period: 2014.

The hypothesis of the empirical study: regional universities have the potential to reduce the emigration of graduates by changing their accents during the study process.

# **Results**

The questionnaire covered questions concerning the attitude of the respondents to their future prospects in the native region, their desire to go abroad or stay in the native county / region, their desired wages in Latvia after graduation and other factors.

Table 1 includes responses to the question: 'If you decide to remain in the native county after your graduation, what wage do you desire?'

Data processing (Table 1) and their interpretation reflect that 73% of the respondents concede their future prospects in their native municipality and associate their future with the native municipality after – graduation. The respondents who associate their future with their native municipality modestly appraise the desired wage: 56% of the respondents desire wages less than EUR 590, 27% – desirewages from

EUR 600 to 790, 17% of the respondents desire wage of more than EUR 800.27% out of the respondents concede their future in Latvia outside their native municipality. These respondents appraise their desired wage very much alike to the respondents who associate their future with their native municipality: 52% of the respondents desire wages of less than 590 EUR, 22% desire wages from EUR 600 to 790, and 26% of the respondents desire wages of more than EUR 800.

Table 1 Responses of the respondents to the question about their future prospects in their native municipality and their desired wage (Source: compiled by the author)

	See prospects in the native municipality		Total	
		Yes	no	yes
Remain in the	wage EUR 320-590	41	14	55
native	wage EUR 600- 790	21	6	27
municipality	wage EUR 800-1000	7	2	9
	wage EUR 1100- 1500	4	4	8
	regardless of the salary	0	1	1
Total		73	27	100

Only 1% of the respondents did not associate the future with the native municipality and with the entire Latvia after graduation apart from the desired wage.

Table 2 Respondents' responses to the question about their fear of risk to start a business depending on their future prospects in the native municipality

(Source: compiled by the author)

		Fear of risk		Total	
		yes	no	yes	
See prospects in the native municipality	yes	26	47	73	
	no	11	16	27	
Total		37	63	100	

Already by definition, business is related to risk. Data of Table 2 show that 35.6% of those respondents who see their prospects in their native municipalities and 40.7% of those respondents who do not see their prospects in their native municipalities have a fear of risk in starting

a business. Overall, 37% respondents have the fear to start their own business. The fact that 37% of the students who chose a profession associated with business management have a fear of risk requires further research. This study investigates the factors influencing the attitude to risk. Is the regional university able to influence this process?

Table 3 Respondents' self-assessment of their leadership skills depending on their future prospects in the native municipality (Source: compiled by the author)

		Leadership missing	skills are	Total
		yes	no	yes
See prospects in the native municipality	yes	24	49	73
	no	9	18	27
Total		33	67	100

32.8% of the respondents who concede their prospects in the native municipality and 33.3 % of the respondents who do not see their prospects in the native municipality confirmed that they miss leadership skills. In total, 33% of the respondents confirmed that they miss leadership skills.

Table 4 Respondents self-assessment of their communication skills depending on their future prospects in their native municipality (Source: compiled by the author)

		Poor comi skills	nunication	Total
		yes	no	yes
See prospects in the native municipality	yes	5	68	73
	no	8	19	27
Total		13	87	100

6.8% of the respondents who see their prospects in their native municipality and 29.6 % of the respondents who do not see their prospects in the native municipality confirmed their lack of communication skills for starting a business. In total, 13% of the respondents confirmed their lack of communication skills, but 87% of the respondents confirmed that they have sufficient communication skills for starting a business after graduation.

Table 5 Respondents' self-assessment of their fear of the lack of skills and knowledge to start a business after graduation depending on their future prospects in their native municipality

(Source:	compil	ed by	the	autho	r)
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		Fear of the lack of skills and knowledge for starting a business		Total
-		yes	no	yes
See prospects in the native yes municipality		26	47	73
	no	13	14	27
Total		39	61	100

35.6% the respondents who see their prospects in their native municipality and 48.1 % of the respondents who do not see any prospects in their native municipality considered that they lack skills and knowledge to start a business after graduation. In total, 61% of the all respondents considered that they have sufficient skills and knowledge to start a business, but 39% of all the respondents considered that they lack skills and knowledge for starting a business after graduation (see Table 5).

Table 6 Respondents' self-assessment of feeling confident for starting a business successfully after graduation depending on their future prospects in the native municipality

(Source: compiled by the author)

		Confidence in starting a business successfully		Total
		yes	no	yes
See prospects in the native municipality	yes	37	36	73
	no	12	15	27
Total		49	51	100

Data processing (Table 6) and their interpretation reflect that 50.6% of the respondents who see prospects in their native municipality and 44.4 % of the respondents who do not see any prospects in the native municipality confirmed that they feel assured of starting a business successfully after their graduation. In total, 49% of the all respondents were convinced in starting a business successfully after their graduation.

Comparison of data in Table 5 and Table 6 allows concluding that the number of the respondents who were sure about starting a business successfully is smaller than that of the respondents who considered that the regional university gave sufficient skills and knowledge to start a business. This distinction is greater for the respondents who associate their future with their native municipality.

Table 7 Correlation among the factors influencing the students' choice to start a business

(Source: compiled by the author)

Factors		Fear of risk	Leader- ship skills are missing	Poor commu- nication skills	Poor skills and knowledge for starting a business	Confidence in successfully starting a business
Fear of risk	Pearson Correlation	1	.255(**)	.196(*)	103	088
	Sig. (1-tailed)		.005	.025	.153	.191
	N	100	100	100	100	100
Leadership skills are missing	Pearson Correlation	.255(**)	1	.235(**)	300(**)	007
	Sig. (1-tailed)	.005		.009	.001	.472
	N	100	100	100	100	100
Poor communi- cation skills	Pearson Correlation	.196(*)	.235(**)	1	126	022
	Sig. (1-tailed)	.025	.009		.105	.414
	N	100	100	100	100	100
Poor skills and knowledge for starting a business	Pearson Correlation	103	300(**)	126	1	087
	Sig. (1-tailed)	.153	.001	.105		.196
	N	100	100	100	100	100
Confidence in successfull y starting a business	Pearson Correlation	088	007	022	087	1
	Sig. (1-tailed)	.191	.472	.414	.196	
	N	100	100	100	100	100

<sup>\*\*</sup> Correlation is significant at the 0.01 level (1-tailed).

Data processing (Table 7) and their interpretation show that a significant correlation exists among the lack of leadership skills, the fear

<sup>\*</sup> Correlation is significant at the 0.05 level (1-tailed).

of risk, the lack of communication skills and the lack of skills and knowledge for starting a business after graduation.

The factors which influence the students' decision-making about opportunities to start a business are summarised in Table 8.

Table 8 Factors which influence starting a business (Source: compiled by the author)

Factors	Respondents vassociate their with their national municipality (Number	r future ive	Respondents who do not associate their future with their native municipality (27)  Number %		Total number
Poor	5	6.8	8	29.6	13
communication skills					
Leadership skills are missing	24	32.8	9	33.3	33
Fear of risk	26	35.6	11	42.3	37
Poor skills and knowledge for starting a business	26	35.6	13	48.1	39
Confidence in successfully starting a business	37	50.6	12	44.4	49
Lack of experience	61	83.5	20	74	81

These factors are aggregated in case the students associate their future with their native municipality and in case the students are going to look for a job out of their native municipality after their graduation. Every thirteenth student lacks communication skills. The regional university should pay serious attention to such issues as the development of leader skills in students who study business because every third respondent lacked leader skills. 37% of the respondents feel the fear of risk. It is high due to the fact that business is always associated with risk. Consequently, these issues should be given close attention in the learning process. Critical factors are the lack of experience and the lack of confidence about the ability to start a business. In students' point of view, the lack of conviction about their ability to start a business is about 10% lower than their lack of knowledge and skills for starting a business.

#### **Conclusions**

The results of the survey show that the majority of the students see their future prospects in their native municipality and they associate their future with their native municipality after their graduation. The job opportunities for the well-educated youth in their native regions are closely associated with the ability to develop business and the creation of new jobs in their native regions. The results of the survey of students showed the main obstacles associated with starting a business after graduation. They are as follows: lack of experience, lack of business abilities, lack of knowledge and skills after graduation, fear of risk, lack of leader abilities and lack of communication skills.

It is possible to reduce the leakage of intellectual potential from Latvia's regions by changing the strategic approach to opportunities for the regional universities, emphasizing the promotion of talents and abilities of students in a changing environment and promoting cooperation between the university and the municipality. In this context, structural changes in management and entrepreneurship study programmes should be made. Learning outcomes of these study programmes should be changed by emphasizing development of necessary skills and knowledge.

It is necessary to develop the contents of the study courses which will ensure required skills and knowledge.

The admission rules for the management and entrepreneurship study programmes should include a test which can evaluate leadership abilities of entrants.

It is necessary to strengthen cooperation between regional universities and municipalities with the aim to make students interested in their region's specialization and to involve the students who live in these municipalities in the research projects related to the interests of these municipalities.

This cooperation will allow young people to link their future with their native regions after graduation and actively participate in development processes of their native regions. It will not only reduce the emigration but will also increase the intellectual potential of the region and development of the native region as a whole.

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# REĢIONĀLĀS AUGSTSKOLAS IESPĒJAS EMIGRĀCIJAS SAMAZINĀŠANĀ

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#### Kopsavilkums

Iedzīvotāju skaita samazināšanās tendence ir ļoti būtiska problēma ne tikai reģionos bet arī visā Latvijā. Pēdējos gados daudzi cilvēki no Latvijas emigrēja kā ekonomiskie bēgļi uz Īriju, Apvienoto Karalisti, Vāciju un citām valstīm. Vairāk nekā 30% no tiem bija labi izglītoti jaunieši, kuri bija ieguvuši augstāko izglītību Latvijā. Lielākā daļa no viņiem emigrācijā nodarbināti neatbilstoši kvalifikācijai. Šajā pētījumā tiek analizēta jauniešu attieksme pret iespēju pēc augstskolas beigšanas savu nākotni saistīt ar dzimto reģionu/valsti. Pētījuma mērķis bija atklāt iespējamās jauniešu emigrācijas problēmas, kā arī reģionālās augstskolas iespējas emigrācijas samazināšanā. Potenciālās emigrācijas problēmas tika noteiktas, analizējot studentu viedokļu aptaujas, kas tika organizēta Rēzeknes Augstskolā, rezultātus. Piedāvāti priekšlikumi par reģionālās augstskolas iespējām samazināt jauniešu emigrāciju. Tie tika izstrādāti, ņemot vērā aptauju rezultātus, kā arī sadarbības iespējas starp reģionālo augstskolu un pašvaldību. Tiek ieteikts uzņēmējdarbības un vadības studiju programmās ieviest izmaiņas nodefinētajos studiju rezultātos un atbilstošajos studiju

kursos, tādā veidā nodrošinot trūkstošās iemaņas un zināšanas, kas attiecas uz uzņēmējdarbības uzsākšanas un attīstības iespējām, kā arī uzņemšanas noteikumos šajās studiju programmās būtu jāparedz tests, kas nosaka līdera dotību esamību. Reģionālajai augstskolai tiek ieteikts attīstīt sadarbību ar novadiem/pilsētām, lai risinātu sekojošus jautājumus, kas attiecas uz novadā/pilsētā dzīvojošajiem studentiem, t.sk. arī topošajiem:

- intereses radīšana par novada speciālizācijām vēl pirms iestāšanās augstskolā;
- pašvaldības ieinteresētība studiju procesā, sadarbojoties ar tās teritorijā dzīvojošajiem studentiem dažādu pētījumu un izstrāžu veikšanā pašvaldības interesēs;
- prakses vietu nodrošināšana un atbalsts studiju procesā pašvaldības teritorijā dzīvojošajiem studentiem.

Šī sadarbība ļautu jauniešiem pēc augstskolas beigšanas saistīt savu nākotni ar dzimto novadu un aktīvi iekļauties sava reģiona attīstībā. Tas, savukārt, ne tikai mazinātu emigrāciju, bet arī paaugstinātu reģiona intelektuālo potenciālu un attīstību kopumā, kā arī lielā mērā nodrošinātu jauniešu dzīves līmeņa kvalitāti.

Atslēgas vārdi: emigrācija, reģionālā attīstība, reģionālā augstskola.