In Lithuania demographic trends differ significantly among the regions. Although fertility and mortality rates are quite similar in the regions, migration differs significantly. Net international emigration rate in 2012-2017 was 5.2 emigrants per 1,000 residents in Vilnius region and 8.5 emigrants – in other regions. Domestic migration (migration from one region to another) differed across regions even more. The number of persons arriving to major regions was higher than those departing, differing by 3.1 migrants per 1,000 residents. The situation in peripheral regions was opposite and the said indicator was -5.0 migrants. In 18 years, the differences of domestic migration among regions increased significantly; due to this, the peripheral regions currently lose more population than earlier (see Chart A).

The regions may be divided into three groups by the overall (international and domestic) net migration. The overall net migration rate was 0.5 emigrants per 1,000 residents in Vilnius region in 2012-2017. In Kaunas and Klaipėda regions it accounted for 7.0 migrants, whereas in peripheral regions – 13.7 migrants. Such migration developments largely impacted the number of young persons aged 25-39. Only in Vilnius region the number of such persons remained essentially stable. In Kaunas and Klaipėda regions, this number declined slightly more than by a fourth, whereas in other regions – by about a half (see Chart B).

Migration from peripheral regions to regions with large cities increased.

In 18 years, the number of young people fell by about a half in peripheral regions.

The above-mentioned differences in migration and the residents’ age structure also determine different regional labour market developments. For example, the higher share of relatively young age population contributes to higher employment and lower unemployment rate in the regions of large cities. However, these indicators are influenced not only by demographic changes, but also by the domestic economic development, for example, by declining significance of agriculture, expansion of the services sector, etc. Job trends differed significantly among the regions, especially after the economic crisis (see Chart C). During the crisis, the number of jobs both in the regions with large cities and peripheral regions declined by a fifth, however, it did not recover in peripheral regions after the crisis and remained the same as in 2010. The unemployment rate differed as well: it was nearly identical both in the regions of large cities and in peripheral regions prior to the crisis, however, after the crisis it constantly remained about twice larger in the latter (see Chart D).
The number of jobs has not increased in peripheral regions after the crisis.

Chart C. Number of jobs in full-time equivalents

Index: 2010 = 100

2001 2003 2005 2007 2009 2011 2013 2015 2017

Vilnius, Kaunas and Klaipėda regions
Peripheral regions

Sources: Statistics Lithuania and Bank of Lithuania calculations.

After the crisis, unemployment in peripheral regions was twice higher, compared to regions with large cities.

Chart D. Unemployment rate

Percentages

2001 2003 2005 2007 2009 2011 2013 2015 2017

Vilnius, Kaunas and Klaipėda regions
Peripheral regions

Sources: Statistics Lithuania and Bank of Lithuania calculations.

Demographic and labour market indicators have a significant impact on the structure of disposable income of households in the regions as well. When it comes to disposable income per one household member, it should be noted that a larger share of employed persons ensures relatively higher disposable income and demand for goods and services in the respective region. Poorer situation develops in the regions, where retirement age population comprises a relatively larger share of the total population. Since the average retirement pension is significantly lower than the average wage, this also determines relatively lower average disposable income of a certain region. The situation is even worse in the regions, where the share of unemployed persons or those that do not search for a job at all is relatively larger. The worst situation is in the regions, which have a relatively larger share of young population (aged 0-14), since this group does not generate any income.

Demographic and labour market differences among the regions may account for the deviation of disposable income per one household member of up to 10% from Lithuania’s average.

Chart E. Impact of regional demographic and labour market structure on the deviation of disposable income per one household member from the country’s average in 2017

Percentages

Lower disposable income due to unfavourable demographic and labour market structure

Vilnius region
Klaipėda region
Kaunas region
Tauragė region
Alytus region
Telšiai region
Panevėžys region
Šiauliai region
Utena region
Marijampolė region

Higher disposable income due to favourable demographic and labour market structure

0 1 2 3 4 5 6

Sources: Statistics Lithuania and Bank of Lithuania calculations.
Demographic and labour market differences among the regions may result in the deviation of disposable income per one household member of up to 10% from Lithuania’s average (see Chart E). The data of the annual statistical survey on income and living conditions allow assessing the amount and type of income received by the representatives of the above-mentioned resident groups.

According to this survey, average disposable income of one household member comprised €436 in 2017; however, income levels of the above resident groups differ significantly. The largest average disposable income is received by the employed persons aged 15-63 (€691 on average\(^8\)). The income of other groups is lower: persons aged 64 or older receive almost 60% (€392) of income of the employed aged 15-63, and unemployed and inactive persons aged 15-63 – only around 20% (€161 and €131, respectively\(^8\)) of that amount, whereas persons aged 0-14 do not receive any income. Income levels of these groups and differences of regional demographic and labour market structure allows to assess the extent to which disposable income per one household member deviates from Lithuania’s average. The calculations show that this difference may account for up to 10% due to the latter factor (it amounts to slightly more than €40)\(^9\). For example, in 2017, disposable income in Vilnius region exceed the country’s average by more than 5% due to favourable demographic and labour market structure, whereas in Marijampolė and Telšiai regions it was almost 10% lower.

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\(^8\) This income excludes social benefits for families and children, social benefits for housing maintenance, social benefits to counter social exclusion and other cases, income from property and rent, reimbursed income tax, monetary support for other households (and other income).

\(^9\) Demographic and labour market structure analysis usually uses resident and employment survey statistical data, which differ from the data of the annual statistical survey on income and living conditions used in this box. The latter was chosen, because one data source, which would include the data on resident income as well as demographic and labour market structure, was more preferable.