



ATTRACTING HIGHLY QUALIFIED AND QUALIFIED THIRD-COUNTRY NATIONALS IN LATVIA

FOCUSSED STUDY

Riga, June 2013

Aim of the focussed study *Attracting Highly Qualified and Qualified Third-Country Nationals to Latvia* is to provide a review of the policy implemented in Latvia and practical measures for attraction of highly qualified and qualified third-country nationals.

BACKGROUND INFORMATION

Although the regulatory enactments of Latvia do not provide definition of qualified and highly qualified third-country national, statistical data of Eurostat regarding the residence permits issued for the first time in Latvia in relation to employment category of highly qualified third-country nationals has been isolated. This category includes those third-country nationals who cannot qualify for acquisition of the Blue Card of the European Union (hereinafter – EU Blue Card) (Council Directive 2009/50/EC), but who have a higher education (level 5 - 6 of the International Standard Classification of Education - ISCED) and work in the profession complying with the education. Mostly all other third-country nationals employed in the Republic of Latvia shall be considered as employees of intermediate qualification. Admission of low qualified or non-qualified third-country nationals is possible, but employers apply it in practice infrequently, since the minimum wage criterion (average gross monthly work remuneration in Latvia of previous year) for third country nationals determined in Latvia makes admission of employees of such category unprofitable.

Although the number of residence permits issued for the first time in relation to employment is gradually increasing since the crisis of 2008 – from **464**¹ in 2009 to **909**² in 2012, Latvia does not attract intensive immigration flows of highly qualified third-country nationals. Every year 116 residence permits are issued on average for highly qualified third-country nationals. Primarily these highly qualified third-country

¹ Source of information: Eurostat.

² Source of information: Office of Citizenship and Migration Affairs.

nationals are nationals of Russia, the Ukraine, USA, Belarus, Turkey, Israel and South Korea.

There are negative demographical trends as well as high emigration level of residents, therefore in Latvia it is a political priority to attract at maximum level local labour force (for example, by retraining unemployed persons, encouraging the emigrated residents of Latvia to return) instead of immigrants from other countries. Migration policy protecting internal labour market is also illustrated by following rule: every time, when an entrepreneur wants to employ a third-country national, vacancy must be reported to the State Employment Agency, thus providing opportunity for the nationals and permanent residents of Latvia and the European Union to apply for this particular vacancy.

Consequently no special measures are implemented in Latvia for the purpose of attracting of highly qualified or qualified third-country nationals to the labour market. Highly qualified and qualified third-country nationals enter and stay in Latvia in accordance with the procedure defined in the Immigration Law (came into force on 01.05.2003) and the subordinate Regulations of the Cabinet of Ministers.

In recent years the researchers of migration and economic processes have repeatedly stressed that highly qualified labour force will have to be attracted from foreign countries for the development purposes of national economy of Latvia. Middle-term and long-term prognoses of labour market³ confirm that deficit of labour force is anticipated in the group of employees with higher education in the following fields: natural sciences, mathematics and information technologies. Entrepreneurs point out on regular basis that it becomes more and more difficult to find highly qualified employees in the local labour market. Taking into consideration the rather negative attitude of the residents of Latvia towards the immigrants acquired as a result of historical legacy it must be noted that it is being assessed in discussions of society and political community where this labour force should be attracted from (Asian countries, countries of the former USSR).

New concept of immigration policy is currently under development, and its goal is to establish system for entry of foreigners⁴ that is balanced and complies with the interests of Latvia, aimed at the economic growth. Developing this policy document attention to facilitation of conditions regarding attraction of highly qualified labour force in sectors with the largest anticipated deficit of labour force will be paid. The concept of immigration policy and the following new Immigration Law could provide facilitations for highly qualified third-country nationals in regard of submission of entry and employment documentation.

Although no special studies have been carried out that would allow to understand what factors affect the desire of highly qualified third-country nationals to work in Latvia, experts of the migration field indicate that obstructions primarily involve social economic situation of Latvia (level of work remuneration, social welfare).

³ Information message on middle-term and long-term prognoses of labour market. Available on: http://www.em.gov.lv/images/modules/items/tsdep/darba_tirgus/EMZino_260612_full.pdf [sk. 25.02.2013.]

⁴ Taking into consideration that term **foreigner** is used in the regulatory enactments of Latvia, and according to definition this term is related also to the nationals of the European Union, in this work the term „foreigner” shall be related to the **third-country nationals** only.

STATISTICS

The highest number of third-country nationals entered Latvia in relation to employment was reached in 2008 (see table 2.1.1). Significant decrease of the number of these employees followed in after years as a result of economic crisis, but as from 2011 there is an upward tendency.

Comparing the number of residence permits issued in Latvia in relation to employment in 2011 and 2012, it can be concluded that there is a significant increase of employment of third-country nationals in 2012. Since no amendments in regulatory enactments regulating admittance of migrant workers have been made in 2012 it can be concluded that increase of the number of employed foreigners should be explained by improvement of economic situation in Latvia and accelerating economic growth.

In 2012 of all third-country nationals having been issued residence permit for the first time in relation to employment in 177 cases, it was issued to highly-qualified foreigners.

Advantages offered by the EU Blue Card have not been popular among the third-country nationals. In general EU Blue Card has been issued in 10 cases since 2010.

In recent years the highly qualified third-country nationals who entered Latvia are from Russia, the Ukraine, USA, Belarus, Turkey, Israel and South Korea.

Table 1
First time issued residence permits to highly qualified
third-country nationals aggregated by types, 2008-2012

	2008	2009	2010	2011	2012
Highly qualified employees	...	85	114	97	170*
EU Blue Card	0	3	7*
Total number of issued residence permits for remunerated activities	1 823	464	397	519	909*

Source: Eurostat.

*Source: Office of Citizenship and Migration Affairs.

Primarily males of the age group of 25 – 34 years entered Latvia from third-countries in relation to employment in 2011 and 2012 (see table 2.1.2). In 2012 there was increase of immigration in all age groups in comparison with 2011. Such a trend could remain also in 2013.

Table 2
First - time issued residence permits to third-country nationals for remunerated activities by age group and sex**, 2011-2012

Age group	2011			2012*		
	Males	Females	Total	Males	Females	Total
25-29	97	19	116	207	28	236
30-34	96	13	109	198	25	222
35-39	64	7	71	126	19	144
40-44	49	9	58	101	15	118
45-49	49	4	53	95	11	108
50-54	25	1	26	46	7	53
55-59	14	0	14	24	3	28
60-64	3	3	6	2	2	4

Source: Eurostat

* Source: Provisional data of the Office of Citizenship and Migration Affairs.

** Gender- and age-differentiated data were not aggregated in the previous accounting periods.

Eurostat data tables Employment of third country nationals by ISCO and ISCED classification include also Non-citizens, who are third-country nationals in the context of the legislation of the EU, but in the same time they are considered as permanent residents of Latvia without residence permits whose rights are similar to those of citizens of Latvia. They are not economic migrants who are the object of the study. Third-country migrants are the smallest proportion of the data provided by the Eurostat, therefore it is not possible to perform a useful employment analyses of third-country nationals'.

CHALLENGES AND BARRIERS

In consultation with the policy makers and implementers, as well as upon analysis of information available in media data regarding factors of negative or positive impact on desire of highly qualified third-country nationals to enter and stay in Latvia in relation with employment have been aggregated:

1. Average gross salary in the labour market of Latvia was 469 LVL in 2011, and this was significantly lower in comparison with other Member States of the European Union, where average gross **salary** was 1456 LVL in 2011. Amount of average gross salary has slightly increased reaching 481 LVL in 2012, but this increase is not significant enough to promote immigration of third-country nationals, especially highly qualified, to Latvia (necessary amount of work remuneration to receive the EU Blue Card was 704 LVL in 2011 and respectively 720 LVL in 2012).

2. Regulatory enactments precisely regulating the necessary acquisition level of the official language for persons working in each profession are in force in Latvia. Necessary acquisition level of the official language for persons employed in separate sectors, for example, involving execution of technological processes, bookkeeping

and accounting, is very high, and this, of course, does not facilitate attracting of third-country nationals, because acquisition of language takes time, and it is not a motivating factor to choose work in Latvia. Third-country nationals, especially from countries of the former USSR can use Russian language in social life, because this language is used by comparatively large part of society, in addition large part of service providers have good knowledge of this language. Statistical data also demonstrate that primarily nationals from countries of the former USSR immigrate to Latvia. It must be noted that third-country nationals willing to acquire the long-term resident status of the European Union or national residence permit are obliged to acquire the official language at certain level.

3. Results of the studies carried out in Latvia demonstrate that the local residents have **rather negative attitude** towards the entry of immigrants. One of the latest studies demonstrates that majority or 72% of the economically active residents of Latvia are worried about the possible inflow of immigrants in Latvia, and the society is not ready for the inflow of immigrants. Together with increase of the number of third-country nationals the level of negative attitude in society may also grow, thus reducing the desire of third-country nationals to choose Latvia as the new country of their residence.

4. If the third-country national is from a country, where there is no diplomatic or consular mission of Latvia, he/she may face **substantial costs**, for example, travelling expenses related to processing of necessary documents. For example, if citizen of India would want to work in Latvia in the field of information technologies, where specialists are currently very demanded, he/she would have to travel to China, because there is the diplomatic mission of Latvia, where the third-country nationals residing in this area can require residence permits. In addition, they would have to travel several times, because documents processing consists of two steps in Latvia – separately submitting documents for the reception of residence permit and, after reception of positive decision – for the submission of long-term visa request. Consequently the comparatively high travel expenses would not necessarily pay off while working in Latvia, because salaries here are not as high as in other Member States of the European Union. It must be noted that separate categories of third-country nationals that are not obliged to hold visa for entry in Latvia or that enter with short-term visa have opportunities while staying in Latvia to request the residence permit, as well as that duty references are provided to the employers for invitation of third-country nationals to work in Latvia.⁵ In separate cases opportunity of short-term work is provided by receiving visa and work permit, as well as processing of residence permit is possible in these cases without leaving Latvia.

5. Several measures facilitating entry of highly qualified third-country nationals have been taken in Latvia. For example, for the purpose of **decrease of bureaucratic burdens** principle of one-stop agency has been introduced since 1 July 2010 determining that third-country nationals and their employers solve all matters regarding employment in the same institution – the Office of Citizenship and Migration Affairs, thus significantly shortening the time of document processing since no other institutions are involved. Examination terms for the documents necessary for the request of residence permit should also be assessed positively – from five business days (paying higher state fee) to 30 days that is short period for processing of documents in comparison with other member states. Request of the residence permit for the first time is the only exception, since mostly the documents have to be submitted in the diplomatic or consular missions of Latvia.

⁵ Third-country nationals requesting the work permits as: composers, musicians, singers, choreographers, dancers, movie directors, actors, circus artists, heads of cultural institutions financed from the state or municipal budget, sports coaches, assessors assessing, accrediting and supervising laboratories, institutions of certification and inspection – shall be exempted from the state fee.

6. Websites of the Ministry of Foreign Affairs and the Office of Citizenship and Migration Affairs provide complete information in English and Russian on **procedure of entry and residence and employment conditions** of the third-country nationals, necessary documentation and other. Information availability may facilitate the choice of third-country nationals to enter and work in Latvia, since they have been provided opportunity to get acquainted with entry and residence conditions of Latvia from a distance.

7. Negligible number of residence permits issued to scientists does not demonstrate attractiveness of the academic community of Latvia, and this might be explained with the insufficient financing assigned from the state budget for the development of science and different research projects.

CONCLUSIONS

No political document containing solutions of matters regarding attraction of third-country nationals to the labour market of Latvia has been developed in Latvia.

Although there is no national procedure for attraction of highly qualified labour force in Latvia, entry of highly qualified third-country nationals takes place in accordance with the introduced EU Blue Card directive.

Number of highly qualified third-country employees entering Latvia is not high, but taking into consideration the negative demographic forecasts and still high emigration level of the residents of Latvia, implementation of measures aimed at more active attraction of highly qualified employees at government level will be necessary in the future.

Provision of measures that could facilitate more the procedure of entry, stay and employment of highly qualified and qualified third-country nationals is planned in the immigration concept. There are increasing discussions and proposals in media that immigration policy must be such that would provide controlling immigration and would not expose the society of Latvia to danger.

Upon developing policy of attraction of highly qualified third-country nationals at national and social level immigration matters should be actualized, as well as sustainable integration measures of third-country nationals available to wide range of third-country nationals should be organized.

LIST OF LITERATURE AND SOURCES

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Pursuant to Council Decision No. 2008/381/EC of 14 May 2008, the European Migration Network was established, its objective shall be to meet the information needs of European Union institutions and of Member States' authorities and institutions, by providing up-to-date, objective, reliable and comparable information on migration and asylum, with a view to supporting policymaking in the European Union in these areas. The European Migration Network also serves to provide the general public with information on these subjects.

The Network is composed by the European Commission and the contact points designated by the Member States. Each contact point establishes a national migration network.

The contact point of each state prepares studies, whose topics have been set in the respective annual programme of activities. The topics of studies are related to the area of migration of third-country nationals.

The Latvian Contact Point of the European Migration Network is the Office of Citizenship and Migration Affairs.

Contacts:

Čiekurkalna 1. line 1, b-3,
Riga, Latvia, LV-1026
Telephone: +371 67219492
Fax: +371 67219431
E-mail: emn@pmlp.gov.lv
Web page: www.emn.lv

Authors of the Study:

Ilze Siliņa-Osmāne, Expert of the Latvian Contact Point of the European Migration Network
Kristīne Bērziņa, Expert of the Latvian Contact Point of the European Migration Network

Experts of the Study:

Ilze Briede, Head of the Migration Division of the Office of Citizenship and Migration Affairs
Jānis Eihmanis, Senior Desk Officer of the Migration Division of the Office of Citizenship and Migration Affairs

Reviewed by:

Maira Roze, Deputy Head of the Office of Citizenship and Migration Affairs