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Social Impact of Emigration and Rural-Urban Migration in Central and Eastern Europe

Executive Summary

Latvia

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Since Latvia's accession to the European Union, the nation's migration patterns have been characterized by extensive emigration and a population concentration in the central part of the country. The 2004 accession broadened possibilities for free movement, leading to rapid increases in migrant outflows. This trend was intensified by a period of economic collapse beginning in late 2008, which led to a GDP drop of 18% and a major increase in unemployment. The national unemployment rate reached as high as 22.3% in late 2010, while the share of people at risk of poverty climbed to 25.7% in 2009. Wages remain low today; in 2012, average gross income in Latvia was just € 7,789, compared to € 37,611 in the United Kingdom. While surveys show that the dominant motivation for emigration continues to be the desire to earn more money or to save for a specific goal, an increasing share of migrants report being unable to find work in Latvia.

According to provisional 2011 census data, more than 220,000 persons emigrated from Latvia between 2000 and 2010, the equivalent of about 10% of the country's 2011 population. The most common destinations during this time were the United Kingdom (34%) and Ireland (21%), followed by Germany (11%), Russia (8%), Norway (3%), Sweden (2%), the Netherlands, Spain and Denmark. The majority of out-migrants are relatively young, with 37.5% of men working abroad and 39% of women working abroad between 20 and 29 years of age. Agriculture accounted for the largest share of jobs held outside the country for both men and women, while the second-highest category was construction for men and care or *au pair* positions for women. By 2008, the proportion of people who had held jobs in Latvia before emigrating had fallen to 58.6%, a lower rate than in previous years.

Since the second half of the 1990s, internal migration has played a strong role in population redistribution. Between 1991 and 2009, an average of 2% of Latvia's residents moved within the country each year. Riga, the country's capital city, dominates economic life, and with seven times the population of its nearest rival, concentrates the nation's population and other resources. About half of the country's young people, for whom education is the biggest motive move to Riga. However, suburban areas are the only areas to have shown a positive net migration trend in recent years, with 60% of this net gain coming from Riga itself. Riga's surrounding metropolitan area of Pierīga is the only area in the country to have shown a net population gain since 1999, with some of Riga's neighbouring municipalities growing by as much as 40% in the last decade. However, many people from rural or smaller locales who once would have sought employment in major towns or Riga itself are today going directly abroad.

Particularly since EU accession, migration patterns have led to a number of societal challenges. Most critical has been the departure of a significant share of highly skilled individuals of working age, including families with children. While exact statistics are not available, local media publications and other observers have intermittently raised fears of a brain drain, with highly skilled workers in sectors such as information technology, health care and scientific research seeking employment in other countries. In late 2011, a number of media articles focused on the departure of doctors and nurses; again, while exact statistics are unavailable, 477 requests were made in 2009 – 2011 for certificates enabling physicians educated in Riga to work elsewhere. Associated problems such as depopulation and societal ageing have also been aggravated. The emigration of young working-age people reduces the likelihood of population regeneration, which raises the spectre of further labour supply problems in the future. Moreover, as emigration reduces the number of tax payers and the volume of tax revenues, it may become difficult to maintain social security pension and benefit amounts, or to expand current social security and social guarantees.

Some studies note that pre-2008 emigration, which was generally characterized by a single family member going abroad, often helped to improve family economic situations within Latvia. The total amount of remittances sent from abroad rose from € 183 million in 2004 to € 460 million in 2010, reaching a peak of 2.4% of GDP in 2006 (falling back again to 2.2% by 2010). Several studies have also indicated that since 2008, the incidence of whole families going abroad has risen, though no comprehensive data on the subject is available.

Regional differences, already strong, have been exacerbated by emigration and the effects of crisis. The Latgale region, which is diverse both in terms of population and language groups (with many Russian speakers who do not speak Latvian fluently), has long had comparatively high registered unemployment rates, reaching 21.8% in 2010 compared to Riga's 13.7%. Rates of material deprivation have declined more slowly in Latgale than in Latvia as a whole – from 74.0% to 62.5% within the country's population as a whole between 2006 and 2008, compared to a decline from 78.7% to 73.1% of the population in Latgale in the same period. Centralization within the health care and education sectors has led to a concentration of critical services in cities, helping to drive internal migration from rural areas to cities. Because social services for the low income population are largely provided by local governments, social assistance services are substantially more extensive in Riga than in rural or other less affluent areas.

There is little data showing the effects of migration on vulnerable populations. While the departure of a parent can lead to significant stress on families, the number of children whose parents have left to work abroad is unknown. Net migration loss regions, particularly in rural areas, have seen an ageing of the population as working-age people and families migrate. No statistics on the number of the elderly who lack family support exist, but experts note that rural areas increasingly dominated by pensioners have skewed services and economic activities toward providing for an aging population rather than economic development.

Latvia does not have any bilateral agreements with migration host countries aimed at encouraging return migration. However, support for the Latvian diaspora has been a part of the political agenda since 1995, with financial support (about € 527,000) offered to diaspora NGOs between 2004 and 2009. A 2006 program aimed at encouraging return migration progressed as far as the formulation of priorities, but the plan was never fully developed.

As the country comes to deal more squarely with issues related to migration, the formulation and definition of migration policy and priorities must be squarely addressed, as previous initiatives have largely collapsed due to a lack of finances or political will. Among other issues, a system to monitor migration flows and collect reliable data should be established. Return migration could be encouraged by enabling dual citizenship for children born abroad, thus providing additional motivation for their parents to return.

Cooperation and the maintenance of regular contact with emigrants, as well as the display of national political interest in diaspora issues, could serve as a motivating factor for some return migration. However, because coordination between the various stakeholders addressing migration issues has to date been weak, the establishment of a special agency to promote return migration would be useful. The agency could encompass regional and local branches to support effective re-integration following emigrants' return.

Regional policy should be reconfigured to focus on the reduction of regional differences. This could help reduce the negative impact of internal migration and emigration within lagging regions such as Latgale. EU support should be better targeted toward developing infrastructure and helping regional and local governments to promote employment, particularly in rural areas. Because problems caused by migration manifest themselves most acutely at the local government level, cooperation among local government social services and the institutions involved, as well as between other stakeholders, should be promoted.