

LATVIA

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Migration Trends

Latvia is currently a country of emigration, and no substantial immigration from third countries has been observed (Table 1).¹⁵⁷ Immigration is also a politically sensitive issue, partly due to the perceived negative experience of massive immigration when Latvia was part of the USSR.

Table 1: Long-term registered migration in Latvia, 2000-2010

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010 (1)
Immigration	1,627	1,443	1,428	1,364	1,665	1,886	2,801	3,541	3,465	2,688	1,367
Emigration	7,131	6,602	3,262	2,210	2,744	2,450	5,252	4,183	6,007	7,388	6,274
Net migration	-5,504	-5,159	-1,834	-846	-1,079	-564	-2,451	-642	-2,542	-4,700	-4,907

(1) Data for 2010 refer to the first semester.

Source: Central Statistical Bureau of Latvia (CSB).

According to the official data from the Office of Citizenship and Migration Affairs (OCMA), 82 per cent of the Latvia's population of 2.2 million inhabitants are citizens of Latvia. A further 15 per cent are non-citizens – a special legal status given to permanent residents of Latvia who have neither become Latvian citizens, nor are citizens of another country.¹⁵⁸ Although Latvia's non-citizens are treated as long-term resident third-country nationals in accordance with the provisions of Directive

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¹⁵⁷ Central Statistical Bureau of Latvia (CSB), at <http://data.csb.gov.lv>.

¹⁵⁸ Most of them arrived in Latvia during the Soviet era and subsequently lost their Soviet Union citizenship in 1991 when Latvia regained independence.

2003/109/EC,¹⁵⁹ in the Latvian discourse they are not seen and portrayed as migrants but as minorities (Akule et al., 2009). The remaining two per cent of the population are foreigners, including third-country nationals.

The majority of foreigners residing in Latvia are Russian nationals – 1.4 per cent of Latvia's population, followed by citizens of Lithuania, Ukraine and Belarus (Table 2). Most of them however have lived in Latvia for a few decades, but only recently obtained their citizenship. Migrants come from these aforementioned Eastern European countries, in particular due to the geographic proximity and the possibility to use the Russian language when living and working in Latvia (Kazaks et al., 2007). Nevertheless, in the future this could create additional challenges to social cohesion if migrants integrate only with the Russian-speaking community, but not with the Latvian-speaking one.

Table 2: Residents of Latvia by nationality, percentage, 2000-2010

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010 (1)
Latvia	74.27	75.43	76.34	77.01	77.79	78.86	80.07	80.99	81.60	82.04	82.51
Non-citizens of Latvia	24.64	23.35	22.36	21.63	20.77	19.63	18.27	17.19	16.36	15.78	15.26
Russian Federation	0.81	0.89	0.95	0.93	0.97	1.01	1.11	1.20	1.28	1.34	1.40
Lithuania	0.06	0.07	0.07	0.08	0.09	0.10	0.12	0.13	0.15	0.16	0.17
Ukraine	0.06	0.08	0.09	0.08	0.10	0.11	0.11	0.12	0.13	0.15	0.14
Belarus	0.03	0.04	0.05	0.05	0.06	0.07	0.07	0.08	0.09	0.09	0.09
Germany	0.01	0.01	0.01	0.01	0.01	0.02	0.02	0.03	0.04	0.04	0.05
Estonia	0.02	0.02	0.02	0.02	0.03	0.03	0.03	0.04	0.04	0.04	0.04
Bulgaria	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.01	0.02	0.03
United States	0.01	0.02	0.02	0.01	0.02	0.02	0.02	0.02	0.03	0.03	0.02
Other countries	0.09	0.09	0.09	0.18	0.16	0.15	0.18	0.20	0.27	0.31	0.29

(1) Data at the beginning of each year.

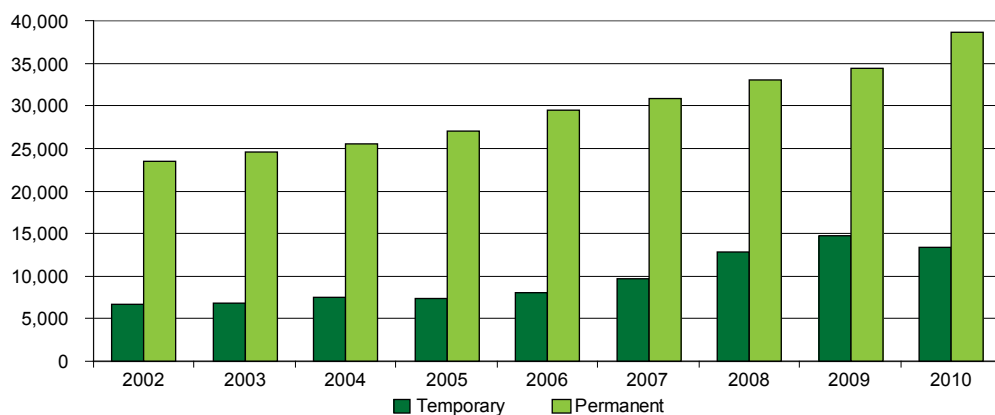
Source: OCMA.

In 2010 two thirds of approximately 50,000 foreigners residing in the country possess permanent residence permits. Most of them (78%) are Russian citizens (Figure 1). Among those with temporary residence permits, 42 per cent come from EU/EEA countries such as Lithuania, Germany, Sweden, Bulgaria and Romania and other states (OCMA).

There are a very small number of asylum seekers and refugees in Latvia. Only 306 persons have applied for asylum since 1998, when the asylum procedure started. In total 22 persons were granted the refugee status in Latvia. In 2002-2009 alternative status was granted to 27 persons (OCMA).

¹⁵⁹ Council Directive 2003/109/EC of 25 November 2003 concerning the status of third-country nationals who are long-term residents.

Figure 1: Stock of migrants residing in Latvia on the basis of permanent and temporary residence permits, 2002-2010 (I)



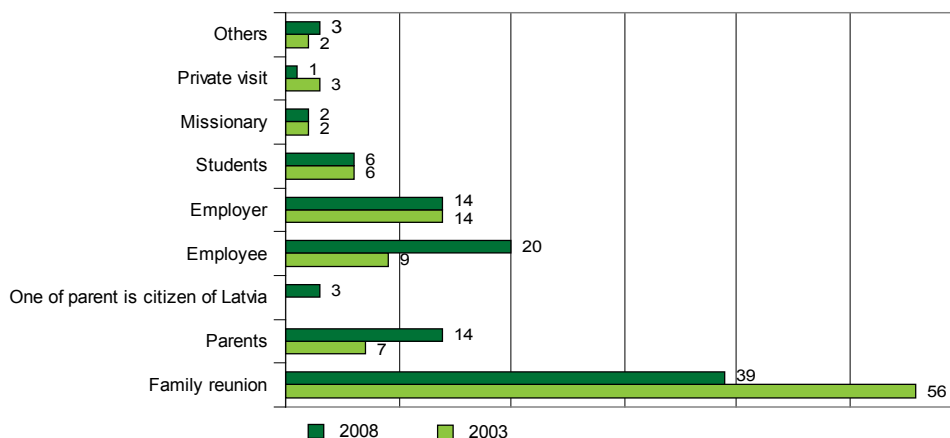
(I) Data until July 2010.

Source: OCMA.

As of 2002, foreign students constitute one per cent of the annual total number of university students, and their number rarely exceeded 2,000 per year. The majority are coming from the Russian Federation, Sri Lanka, Belarus, Ukraine, Georgia and Kazakhstan.¹⁶⁰

Looking at commonly declared purposes of stay in Latvia, most foreigners with a temporary residence permit have family ties, followed by employment and studies (Figure 2). Data for 2008 also shows that relatively few female migrants come to Latvia for work – only 21 per cent of temporary residents for the purpose of employment are women (Zepa, Šūpule, 2009).¹⁶¹

Figure 2: Reasons for entering Latvia, percentage, 2003 - 2008



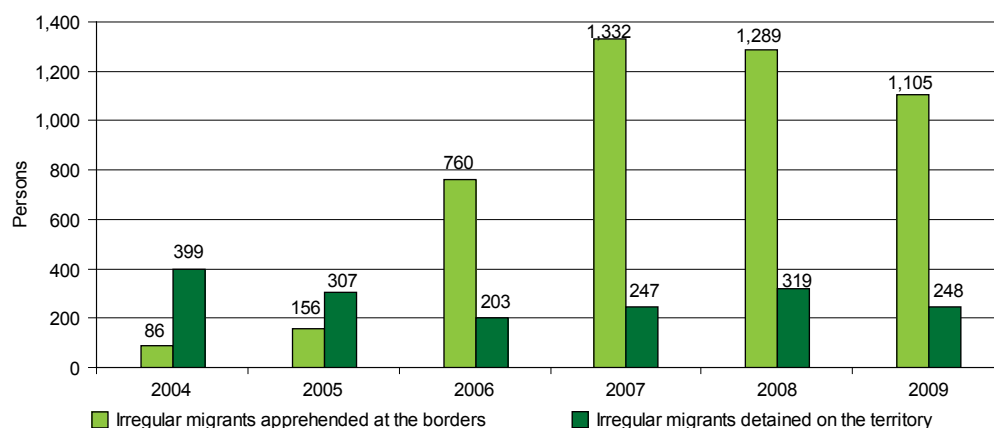
Source: CSB.

¹⁶⁰ Ministry of Education and Sciences in Latvia, available at http://izm.izm.gov.lv/upload_file/Registri_statistika/09Starpt-sadarb-2009.pdf.

¹⁶¹ Data on temporary residence permits in January 2009.

The numbers of apprehended undocumented migrants at the borders of Latvia were increasing up through 2008, reaching 1,332 in 2007 (Figure 3).

Figure 3: Irregular migrants detained at the borders and on the territory, 2004-2009



Source: Office of State Border Guards.

Labour Market Impact

Latvia's immigration policy is relatively strict and conservative, and has been formed with the aim of protecting the national labour market, despite the natural population growth being negative for many years (-5.0 percentage points in the first half of 2010, CSB data).

Several studies reveal that local worker emigration resulted in significant impact on the labour market (Hazans, 2009; Indans, Roze, 2005). In rapid economic growth conditions following EU accession, employers claimed that labour skills shortage had hampered business growth (Karnīte, 2006). Even if it were possible to halt the departure of Latvian workers, increase employment levels and raise productivity levels, it would evidently be impossible to meet the labour requirements of a growing economy due to alarming demographic trends.

A direct impact of immigrants on the local labour market is negligible due to the relatively low numbers of migrants residing in Latvia. However, experts are certain that Latvia would not face such deep recession, if greater migration from third countries had been allowed, thus protecting the economy from abnormally high wage increases (Karnite, 2010). Surveyed entrepreneurs¹⁶² stated that labour shortages in 2005-2008 coupled with expensive and time-consuming procedures for processing work permits negatively influenced labour market growth in the long term.

¹⁶² "Immigrants in Latvia. Possibilities and conditions for inclusion", Baltic Institute of Social Science, 2009. The research investigated the situation of migrants in Latvia via a survey of migrants and in-depth interviews with migrants, employers, service providers, state and local government officials.

Migrant workers are usually employed in sectors where local workers are not willing to work, or where specific qualifications are lacking in the local labour force. For example, many Ukrainians worked in shipbuilding because the Latvian educational system does not prepare professionals needed for this specific area (Akule et al., 2009). A survey of enterprises and associations carried out by Hansabanka in 2006, confirmed that most of the surveyed employers in sectors such as construction, IT, transport, and communications were concerned about labour shortages, and were attracting or planning to attract migrant workers from Commonwealth of Independent States (CIS) countries (Kazaks et al., 2006). Seventy-five per cent of surveyed employers claimed the shortage of low skilled workers, and 35 per cent the specific lack of highly-qualified specialists.

As a result of labour shortages, the number of issued work permits increased significantly from 2005 (505 permits) to 2007 (3,113 permits), being mostly provided to male migrants. Economic recession was the driving force behind the subsequent drop in the number of granted work permits (1,156 in 2009) (State Employment Agency).

Data shows that in the past few years the most popular sectors for migrant employment were manufacturing, transport and logistics, construction, as well as accommodation and catering (Table 3). The biggest drop in demand for migrant workers was in the construction sector (823 work invitations in 2008, only 62 in 2009) and manufacturing (1,146 in 2008, 475 in 2009).

Table 3: Issued work permits (with work invitation), by sector, 2005-2009

	2005	2006	2007	2008	2009
Manufacturing	201	222	384	993	530
Construction	23	255	1,362	547	48
Financial services	12	10	19	24	11
Education	6	8	5	7	8
Services (real estate, IT, science)	26	41	37	70	45
Public, social and individual services	23	16	33	44	25
Transport, storage and communications	32	51	176	235	131
Whole sale and retail, repair	22	38	54	119	67
Hotels and restaurants	52	98	149	198	138
TOTAL	423	797	2,296	2,317	1,045

Source: OCMA.

Third-country nationals that need a work invitation to receive a work permit constitute only approximately 30 per cent of all migrants who receive work permits in Latvia (Table 4).¹⁶³ No institution collects data on foreign nationals who do not need a work permit.

¹⁶³ Work permits without work invitation are issued to spouses of foreigners holding permanent residence permits, persons holding a long-term EC resident status from another EU country (for the 1st year of employment in Latvia), and skilled migrants (scientists, artists, sports coaches, pedagogues).

Table 4: Issued work permits (with and without work invitation), by sector, 2005-2009

	2005	2006	2007	2008	2009
Manufacturing	386	374	631	1,211	628
Construction	124	381	1,734	912	82
Financial services	51	75	77	75	53
Education	145	137	129	110	63
Services (real estate, IT, science)	298	283	359	373	234
Public, social and individual services	320	310	408	498	304
Transport, storage and communications	142	161	719	1,178	504
Whole sale and retail, repair	317	331	448	511	312
Hotels and restaurants	136	187	279	307	182
Unknown	2,293	2,811	3,400	3,750	3,682
TOTAL	4,370	5,205	8,341	9,127	6,125

Source: OCMA.

The majority of migrant workers come from the Russian Federation, Belarus, Ukraine, and Moldova, although the nationality-based dynamics change over the years (Table 5).

Table 5: Number of migrants with work permits (with and without work invitation), by citizenship, 2005-2009

Country	2005	2006	2007	2008	2009
Bulgaria	5	10	252	185	-
Lithuania	258	149	156	183	-
Romania	7	10	58	180	-
Estonia	129	62	71	76	-
Germany	106	81	60	53	-
Subtotal EU27	505	312	597	677	-
Russian Federation	1,565	1,958	2,712	3,116	2,645
Ukraine	613	755	1,391	1,763	1,286
Belarus	333	456	719	871	678
Israel	100	181	197	216	167
Moldova	35	166	729	509	141
USA	142	183	200	192	135
Armenia	73	92	210	129	97
India	80	95	107	117	92
Azerbaijan	42	69	98	113	86
Turkey	29	63	106	79	83
Georgia	32	29	96	121	71
Uzbekistan	24	98	289	240	60
Other countries	797	748	890	984	584
Subtotal for Third countries	3,865	4,893	7,744	8,450	6,125
Total	4,370	5,205	8,341	9,127	6,125

Source: OCMA.

Undeclared employment is widespread, as Latvia has a large informal economy (CSB).¹⁶⁴ A 2007 study suggests that 25 per cent of all workers (mostly local) are employed without a written labour contract or not paying taxes on all of their income (Šumilo, 2007). In the case of migrants, irregular employment also takes the form of being employed without possessing a work permit. The only reliable data on the number of irregular migrant workers is the number of individuals detained for working without a permit (Table 6).

Table 6: Registered irregular migrant workers (working without a work permit), 2005-2009

	2005	2006	2007	2008	2009
United States	5	4	7	13	3
Belarus	0	2	5	6	2
Bulgaria	0	79	0*	0*	0*
Israel	4	4	3	7	1
Russian Federation	10	13	17	48	8
Moldova	1	1	27	18	2
Ukraine	4	3	14	52	0
Others	4	25	21	30	11
Total:	28	131	101	174	27

Source: Office of State Border Guards.

* As of 2007, Bulgarian citizens have access to the Latvian labour market as EU citizens.

The actual number of irregular migrant workers is estimated to be higher due to frequent overstay (Akule et al., 2009) and migrant work in sectors that are prone to undeclared employment in Latvia, such as construction (38% of all informally employed persons), shipbuilding, forestry and agriculture (30%), as well as retail and services (especially, in hotels and restaurants) (Šumilo, 2007).

Due to existing legislation which sets a higher minimum wage for migrants than for locals, legal migrants often receive higher salaries than native workers in the same position. A recent survey reports that there are less migrant than native workers who receive salary lower than LVL 300 or approximately EUR 427 (30% in comparison with 50% for natives). In general the average monthly salary of native worker is LVL 241 (approximately EUR 343), while legal migrant workers on average are paid LVL 344 (EUR 489) (Zepa, Šūpule, 2009).

Nevertheless, individual cases of wage discrimination have been observed, and many migrant workers in Latvia follow the widespread local pattern of working legally for a minimum (or small) salary and receiving the rest of their pay unofficially. Unwritten employment agreements are practiced in sectors where salaries are frequently undeclared, as for example in the construction sector or domestic services (Akule et al., 2009).

¹⁶⁴ Estimates by Latvia's Central Statistical Bureau for 2008 put the size of informal economy at 10-12% of Latvia's GDP.

The total employment rate in Latvia fell from 62.6 per cent in 2008 to 55.2 per cent in 2009 (Central Statistical Office).¹⁶⁵ Migrants and nationals do not display greatly divergent employment rates (51% for migrants¹⁶⁶, 53.4% for locals¹⁶⁷). Sixty-one per cent of male migrants are employed, which is five percentage points higher than the rate for local male workers. At the same time, 51 per cent of Latvian female citizens and non-citizens are employed, while only 37 per cent of female foreign nationals have a job (Zepa, Šūpule, 2009).

Recently registered unemployment rates in Latvia rose significantly – from 5 per cent in 2007 to 16.5 per cent in January 2010. Low-skilled workers were the first to be affected by redundancies. Unemployment data from the State Employment Agency is available only on migrants who are eligible for the state unemployment support, which is an estimated one third of the total migrant population.¹⁶⁸ Most unemployed permanent residents come from either the Russian Federation, Lithuania, Ukraine or Belarus (Figure 4). Other groups of third-country nationals with temporary residence permits have no right to receive unemployment benefits.

Rising unemployment has made it is far more difficult for a migrant worker to find a job, and in 2009 many natives and migrants were taking up jobs the same sectors, such as industry, energy, construction, trade, catering, tourism, transport and logistics. However, many entrepreneurs are certain that Latvia will soon need migrant labour again, and forecast an even higher demand for labour than in 2007 with persistent conditions of continuously emigrating¹⁶⁹ Latvian nationals (Zepa, Šūpule, 2009).

¹⁶⁵ Working population of 15-74.

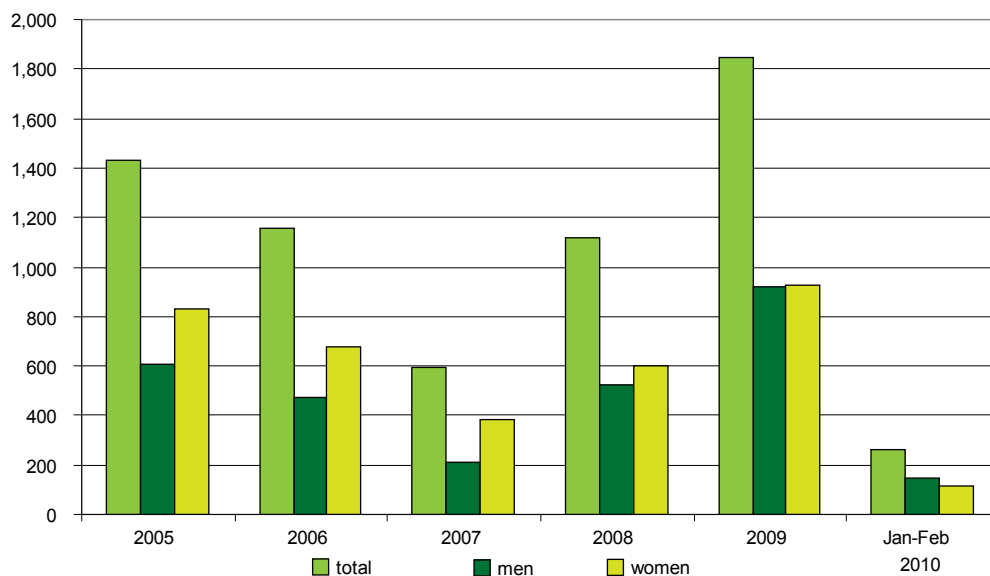
¹⁶⁶ Results of the survey conducted in October-December 2009, from Zepa, Šūpule, 2009.

¹⁶⁷ Third quarter of 2009, CBS.

¹⁶⁸ (1) Spouses of Latvian citizens, non-citizens and persons with permanent residence permits who themselves have temporary residence permits; (2) persons who have temporary residence permits due to performing scientific work in Latvia; (3) persons who have temporary residence permits due to having been granted the status of human trafficking victim in Latvia; (4) persons who have temporary residence permits due to the alternative status or refugee status awarded in Latvia or a family member of such a person who has a temporary residence permit in Latvia; (5) persons who have permanent residence permits in the European Community due to awarding the status of EU permanent resident in Latvia or a spouse of such a person who has a temporary residence permit in Latvia. These foreigners are eligible to receive unemployment benefit if unemployment insurance was paid or was required to have been paid in Latvia for no less than 12 months out of the 18 months prior to the day of gaining unemployment status.

¹⁶⁹ According to CSB, 7,388 people have emigrated from Latvia in 2009, but it is only a small registered part of the actual numbers of emigrants.

Figure 4: Registered unemployed persons with permanent resident permits, by gender, 2005-2010



Source: Unpublished SEA data.

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