



Expatriates in Latvia

Social networks and immigration related services

For soft departure and soft landing

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1. ROLES OF EXPATRIATES AND ECONOMICAL IMPACT

1.1. Definition of an expatriate

Expatriation is an important part of the globalization phenomenon, with more and more managers, workers and students living and operating outside the borders of the home country.¹ Expatriates are considered educated people who go to work or to study abroad not because they are motivated by basic needs, but rather by professional reasons or because they seek an experience abroad. In contrast to them, migrants are perceived as people who are obliged to leave their countries because of the tough life and work conditions in their homeland². Thus we can define *expatriates as highly skilled persons with at least tertiary education, who move to another country to live, work or study for at least six months*. Expatriation can take several manifestations: expatriate has been sent to work in another country; expatriate has moved to another country to find new job opportunities; or has moved to another country for educational purposes.

Expatriate 1: Employee who is sent to work overseas

As a result of global market expansion, the need for exchanging employees between the different geographical locations has increased and in this context expatriates have become extremely important for international companies. An expatriate is a highly skilled worker with unique expertise who is sent to work in another unit of the same company located in a foreign country, generally on a temporary basis. Usually, expatriate is an employee of relatively high hierarchical status, normally in a managerial role, acting as the link between a foreign subsidiary and head quarter³.

Expatriate 2: Individual who has found a new job opportunity abroad

There are highly skilled workers who want to be employed in the foreign country. These new expatriate profiles are often known as self-initiated expatriates⁴. They are well educated and possess outstanding professions, international experiences and local knowledge of their country of origin. In the global world they move from one country to another to pursue their ideal life styles

1 Stoyan Mitrev, and Robert Culpepper (April 2012). Expatriation in Europe: Factors and Insights. The Journal of International Management Studies, Volume 7, Number 1, Stephen F. Austin State University

2 Emanuele Gatti (2009). Defining the Expat: The Case of High-Skilled Migrants in Brussels. Brussels studies, issue 28, 31 August 2009. ISSN 2031-0293

3 J. Bonache, and J. Cervino (2006). Global integration without expatriates. Human Resource Management Journal, 7(3): 89-100

4 Ibid

and professional achievements⁵.

Expatriate 3: International student

There are students, who are willing to go abroad to study and to gain broader education. They are called international students; they travel to a country different from their own for the purpose of tertiary study⁶. International students utilize new educational and research opportunities in the global world.

1.2. Roles of expatriates

Theoretical literature study on expatriates from international management and human resource management perspectives suggest four main roles of expatriates in the host country. They are: (1) expatriates as skills providers; (2) expatriates as knowledge transferors; (3) expatriates as builders of global networks; and (4) expatriates as controllers.

Role 1: Skill providers

One of the main reasons why countries and companies are eager to attract expatriates is to fill the skill gap. Expatriates are welcomed to provide the skills which are in demand and shortage. IT competencies and skills are not the only ones in demand. Population ageing in most OECD countries and the related increase in health care requirements are increasing the demand for medical personnel as well. Doctors, nurses, nursing auxiliaries and care assistants are particularly sought after in several OECD countries. The same applies to teachers, translators, human resources in science and technology or in the biomedical or agro-food sectors⁷.

Role 2: Knowledge transferors

Internationalization of the companies provides opportunities for innovation and learning through the exposure of the company to new cultures, ideas, and experiences, which can be used to create new knowledge that complements and augments knowledge that it already possesses. A lot of knowledge transferred is not explicit yet and therefore is tacit as, for example, the capacities of employees to launch new products. Given tacit knowledge cannot be codified or contained in

5 Carl-Johan Åkerblom (2013). EXPAT: Inventory Report (MS1-MS3). Turku Science Park (Draft)

6 The Organisation for Economic Co-operation and Development (2011). Education at a Glance 2011: OECD Indicators

7 Jean-Christophe Dumont and Georges Lemaître (2005). Counting Immigrants and Expatriates: A New Perspective. OECD, Social, Employment and Migration Working papers

manuals and can only be observed through its application. Expatriates have become a basic mechanism to transfer tacit knowledge, especially among different regional units of multinational companies⁸.

Role 3: Builders of global networks

Research studies suggest that the rising tendency to employ expatriates is due to internationalization of companies⁹. Expatriates are seen as instruments to boost companies at international level. They are used for their ability to provide international exposure to key personnel for developmental purposes or to develop international management skills. They increase company's capability in areas such as building broader networks through improved communication, developing a global perspective, improving cultural understanding, transferring knowledge, and developing new and fresh ideas¹⁰.

Role 4: Controllers

According to Steven J. Kobrin, one of the reasons why to include expatriates in local management is to increase control of a verbal exchange network that ties subsidiaries with corporate headquarters¹¹. Expatriates would help headquarters to understand better local conditions and to control subsidiary operations. The function of these employees is to represent the interests of the centre, to augment channels of communication, and to act as interpreters between the centre and the subsidiary. Particularly, they are valuable in situation when there is a political risk, high probability that a political event could alter the prospects of profitability of a given investment, or cultural risk, great cultural distance between the centre and the subsidiary¹².

1.3. Economic impacts from highly skilled migration flows

The economic impacts from highly skilled immigrants were identified by studying scientific articles on economics of migration. Four economic impacts on immigrants hosting country were identified: they are increasing (1) innovation rates; (2) social equality; (3) returns on capital; and (4) trade

8 Jaime Bonache, Chris Brewster, and Vesa Suutari (2001). Expatriation: A developing Research Agenda. *Thunderbird International Business Review*, volume 43, issue 1, 3–20, January/February 2001

9 Dayang Nailul Munna Abang Abdullah, and Cheam Sheue Jin (2011). Issues and Trends in Expatriation Management. *International Conference on Information Communication and Management. IPCSIT*, volume 16

10 Bente Juhl and Sarah C.S. Fuglsig (2009). A study on motivational factors influencing the expatriate through the expatriation cycle. Department of Management Aarhus School of Business, Aarhus University

11 Steven J. Kobrin (1988). Expatriate reduction and strategic control in American multinational corporations. *Human Resource Management*, volume 27, issue 1, 63-75

12 Jaime Bonache, Chris Brewster, and Vesa Suutari (2001). Expatriation: A Developing Research Agenda. *Thunderbird International Business Review*, volume 43, issue 1, 3–20, January/February 2001

volumes.

Economic impact 1: Increasing innovation rates

The economist Thomas Straubhaar argues that positive technological externalities of immigration arise by the additional human capital that is available to the host economy¹³. This theoretical idea is studied in World Bank research on the contribution of skilled immigration and international students to innovation rates of United States. Research results indicate that both international graduate students and skilled immigrants have a significant and positive impact on future patent applications as well as on future patents awarded to university and non-university institutions. It was estimated that a ten per cent increase in the number of foreign graduate students would raise patent applications by 4.7 per cent, university patent grants by 5.3 per cent and non-university patent grants by 6.7 per cent. Increases in skilled immigration also have a positive, but smaller impact on patenting¹⁴.

Economic impact 2: Increasing social equality

High skilled immigration is a benefit to low skilled native labour force as it tends to decrease earnings inequality in the host economy. According to Martin Kahanec and Klaus F. Zimmermann research, more high skilled professionals increase the productivity and hence the demand for the lower skilled workers who assist them in the production process. Thus it raises wages for low skilled workers. Raising the wages of low skilled workers has the effect of reducing income inequality and poverty and reducing the extent of government income transfers from the taxpayers to the recipient of welfare and unemployment compensation benefits¹⁵.

Economic impact 3: Increasing return on capital

High skilled workers are the driving force for innovations and inventions in technologies. Economist Barry Chiswick argues, that this leads to increased efficiency where resources are utilized and the speed of the dissemination of technological advances resulting in increased productivity of

13 Thomas Straubhaar (2000). International Mobility of the Highly Skilled: Brain Gain, Brain Drain or Brain Exchange. HWWA discussion paper 88, Hamburgisches Welt-Wirtschafts-Archiv (HWWA), Hamburg Institute of International Economics, ISSN 1432-4458

14 Gnanaraj Chellaraj and Keith E. Maskus, Aaditya Mattoo (2005). The Contribution of Skilled Immigration and International Graduate Students to U.S. Innovation. World Bank Policy Research Working Paper 3588

15 Martin Kahanec and Klaus F. Zimmermann (2004). Migration, the Quality of the Labour Force and Economic Inequality. Institute for the Study of Labor

capital¹⁶. The increased return to capital as a result of high-skilled immigration tends to attract more capital to the economy in the long run. This may arise from encouraging domestic savings, while discouraging natives from investing their capital elsewhere, and boosting foreigners to invest in the domestic economy.

Economic impact 4: Increasing trade volumes

Empirical studies at the macro level confirm the positive correlation between trade volume and migration flows¹⁷. Professor of University of Kassel Holger Bonin gives explanation to this observation. He argues that migrants may serve as middlemen linking businesses in the country of destination and country of origin. Navigating between both regions, they often function as major catalysts for expanding knowledge, businesses and venture initiatives, and as a consequence enhancing the cross-border knowledge transaction and trade in general¹⁸.

2. PESTEL ANALYSIS OF MIGRATION FLOWS

2.1. Top 10 global tendencies in highly skilled migration

Top 10 global trends in highly skilled migration were identified by a theoretical study on scientific articles that refers to OECD data on global migration and expatriations flows. The data was gathered by OECD within its latest global census project run from year 2000 till year 2002.

Trend 1: Increasing flow of skilled migrants

According to the latest OECD census data, one of the central migration stories of the 1990s was the substantial increase in the number of skilled migrants. Tertiary educated migrants were 30 per cent of all adult emigrants; from 1990 to 2000 they made up 35 per cent of the worldwide stock¹⁹. The foreign-born, tertiary-educated populations of the OECD countries were estimated to have increased by nearly 8 million between years 1990 and 2000²⁰. The numerical increases of the

16 Barry R. Chiswick (2005). High skilled immigration in the international arena. IZA Discussion Papers, No. 1782

17 P.J. Pedersen, M. Pytlikova and N. Smith (2004). Selection or Network Effects? IZA Discussion Paper No. 1104. IZA, NIRAS Consultants, AMS 148

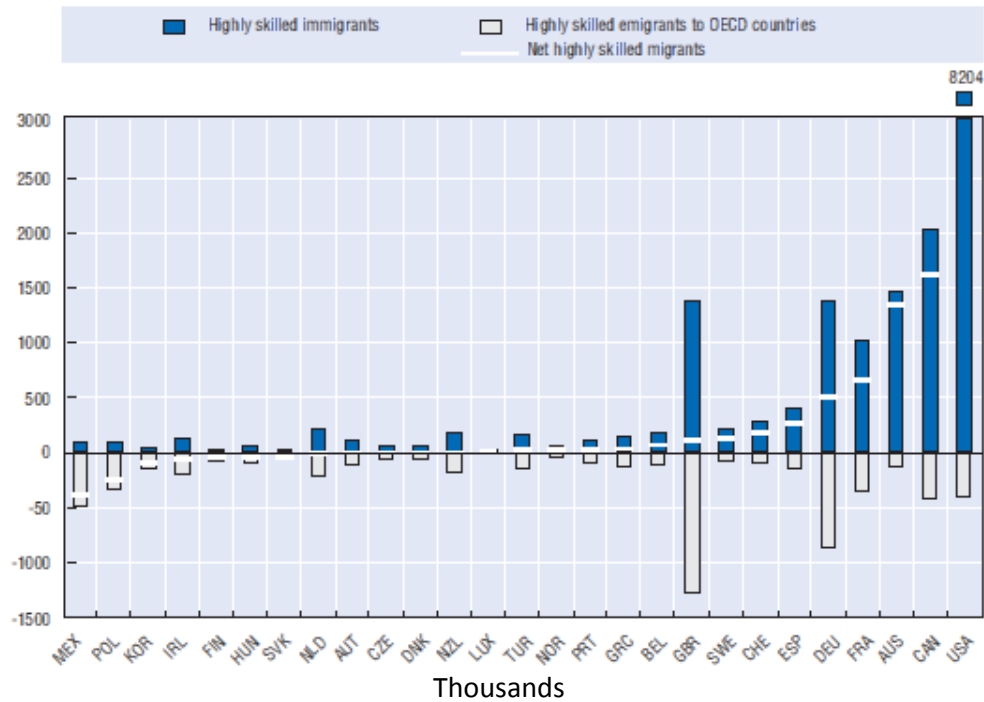
18 H. Bonin, W. Eichhorst, C. Florman, M. O. Hansen, L. Skiöld, J. Stuhler, K. Tatsiramos, H. Thomasen and K. F. Zimmermann (2008). Geographic Mobility in the European Union: Optimising its Economic and Social Benefits. IZA Research Report no. 19, Institute for the Study of Labor, Bonn

19 B. Lindsay Lowell (2007). Trends in International Migration Flows and Stocks, 1975-2005. OECD, ELSA/ELSA/WD/SEM(2007)13

20 Louka T. Katseli, Robert E.B. Lucas and Theodora Xenogiani (2006). Effects of Migration on Sending Countries: What Do We Know? OECD Development centre Working Paper No. 250

tertiary emigrant stock were greatest from regions of the developing world such as Latin America and the Caribbean (97 per cent), Asia (84 per cent), Oceania, (69 per cent), and Africa (113 per cent)²¹. The increasing rate of highly skilled migrants could be explained by the development of information technology and the growing role of human capital in economic growth. It contributed to significantly increasing demand for skilled labour in most OECD countries during the 1990s²².

Figure 2.1. Immigrant and emigrant population 15+ with tertiary education in OECD countries



Source: OECD (2004). Trends in International Migration

Trend 2: Developed countries benefit from highly skilled immigration flows

Most OECD countries benefit from the international mobility of the highly skilled labour. The difference between the number of highly skilled emigrants to OECD countries and highly skilled immigrants from all countries was largely positive in the United States (+8.2 million), Canada and Australia, as well as in France and Germany (see Figure 2.1.). Positive surplus of migration flows also were observed in Spain, Switzerland, Sweden, Belgium, Greece, Turkey, Portugal, Norway, Luxembourg, Austria, Denmark, New Zealand, Czech Republic, Netherlands, and Japan. Negative surplus of highly skilled migration flow were in Mexico, Poland, Korea, Ireland, Italy, Finland,

21 B. Lindsay Lowell (2007). Trends in International Migration Flows and Stocks, 1975-2005. OECD

22 Jean-Christophe Dumont and Georges Lemaître (2005). Counting Immigrants and Expatriates: A New Perspective. OECD, Social, Employment and Migration Working papers

Slovakia and Hungary²³. In 2000, almost a third of the highly skilled adults in the OECD originated outside the OECD came from East Asia. Nearly 80 per cent of these East Asians resided in North America. The next three largest groups were from South Asia, the Caribbean and South America, and again more than 70 per cent of each group resided in North America. Even from Sub-Saharan Africa, a slightly larger fraction of the brain drain resided in North America than Europe²⁴.

Trend 3: Brain circulation among the advanced economies

Brain circulation among the advanced economies is common. Data from latest OECD global census project, run from 2000 till year 2002, shows, that more than 40 per cent of highly skilled migrants are actually transfers from one OECD country to another. Within the OECD area, only the United States, Australia, Canada, Switzerland, Spain, Sweden, Luxembourg and Norway (in this order) are net beneficiaries of highly skilled migration from other OECD countries. The United Kingdom has 700 000 more highly skilled expatriates in OECD countries than it has highly skilled immigrants from other OECD countries. Comparable figures exceed 500 000 for Germany, 400 000 for Mexico and 300 000 for Poland. France and Belgium have almost as many highly skilled immigrants from, as expatriates, to OECD countries²⁵.

Trend 4: North America is the dominant attraction of highly skilled people

By the turn of the millennium, there were over 20 million such highly skilled people in the OECD. North America was clearly the dominant attraction of highly skilled people. Almost two thirds of the foreign-born, tertiary-educated population, living in the OECD countries was in North America in 2000. Most of these were in the US. The OECD countries of Europe attracted about a quarter of the highly skilled migrants, while the remaining 10 per cent were to be found in Australia, New Zealand, Japan and Korea²⁶.

Trend 5: Europe becoming more attractive place

The migration flows in the last decade of 20th century shows that Europe has become more attractive place for highly skilled migrants. There was 3.3 per cent increase in the concentration of movement of tertiary-educated migrants toward Europe over the decade. The shift was primarily

23 Ibid

24 Louka T. Katseli, Robert E.B. Lucas and Theodora Xenogiani (2006). Effects of Migration on Sending Countries: What Do We Know? OECD Development centre Working Paper No. 250

25 Ibid

26 Louka T. Katseli, Robert E.B. Lucas and Theodora Xenogiani (2006). Effects of Migration on Sending Countries: What Do We Know? OECD Development centre Working Paper No. 250

due to an increased movement of highly skilled workers from European origins to European destinations; and away from North America (and Oceania). Mobility within Europe might have increased by strengthening of the European Union, while the attraction of migrants from North America and other world's regions is linked to a strong demand for highly skilled immigrants in EU countries. Concurrently, there was a lesser increase in the mobility of Asian and Latin American migrants to North American destinations²⁷.

Trend 6: EU attracts highly skilled workers from Africa, Asia, and the wider Europe

Comparing the highly skilled to the low skilled foreign born European residents, it is interesting to note that the main sending region in period from 2000 till year 2002 was Africa (13.5 per cent of all highly skilled foreign born living in the EU), followed by Asia (9 per cent) and the Wider Europe (8.6 per cent). Country wise, first in ranking is Algeria (13.5 per cent), followed by Morocco (3.1 per cent) and India (2.7 per cent). Surprisingly, Turkey contributed only 1.4 per cent of the EU's high skilled foreign born residents. Among the low skilled foreign born residents living in the EU, Asia exhibited the highest share among low skilled foreign born residents living in the EU (24.4 per cent), followed by the Wider Europe region (21 per cent)²⁸.

Trend 7: East Europeans choose North American countries

Despite the much greater distance, in period from 2000 till year 2002 North America proved to be the largest destination for the brain drain from most of East Europe and of the new European states of the former USSR. For example, 69.2 per cent of tertiary educated expatriates from Russia had occurred in the North America; 68.4 per cent from Latvia; 67.0 per cent from Moldova; 62.8 per cent from Ukraine; 59.7 per cent from Hungary. But from Slovakia, Belarus, Lithuania, and to a lesser extent the Czech Republic, a brain drain had occurred to other non-EU-15, OECD, European states. Only four states - Albania, Slovenia, Estonia, and Macedonia – had more than a half of their tertiary educated OECD expatriates living and working in the EU-15²⁹.

Trend 8: International migration is quite selective towards highly skilled migrants

The countries which practice a selective immigration policy based on human capital criteria are

27 B. Lindsay Lowell (2007). Trends in International Migration Flows and Stocks, 1975-2005. OECD, ELSA/ELSA/WD/SEM(2007)13

28 Louka T. Katseli, Robert E.B. Lucas and Theodora Xenogiani (2006). Effects of Migration on Sending Countries: What Do We Know? OECD Development centre Working Paper No. 250

29 Ibid

countries with the highest percentages of highly qualified immigrants. This is the case, for example, in Australia, Canada and to a lesser extent the United Kingdom, Ireland, Korea, Norway and New Zealand, where 30 to 42 per cent of immigrants have a higher education degree the turn of the millennium. Additionally, there are many countries, where foreign-born persons with a doctoral degree account for a high proportion of all persons holding such degrees in the host country. For example, the proportion of foreign-born doctorates in Sweden is approximately 25 per cent and in Australia and Canada it stands even higher, at 45 per cent and 54 per cent, respectively. The situation in Austria, Finland, France, the Netherlands, Portugal, Spain or Turkey differs significantly. In these countries, at least 50 per cent of the foreign-born have less than upper-secondary education³⁰.

Trend 9: Competition for highly skilled talents is increasing

Competition is keen among OECD countries to attract human resources they lack and to retain those who may emigrate. Many countries amended their legislation in the late 1990s to facilitate the entry of skilled foreign workers and to allow foreign students to access their labour markets upon graduation³¹. As well there is likely to be increasing international competition from the developing nations, particularly for highly skilled workers. In 2005, the United Nations included a question to governments about their current policy perspective on highly skilled workers. Perhaps unsurprisingly, 15 of 46 more developed nations reported that they planned to increase the number of highly skilled workers that they admit. At the same time, 14 of 98 less developed nations reported planning to increase their intake of highly skilled workers which is a smaller percentage of these nations, but equal to the number of more developed nations with the same intention³².

Trend 10: International student mobility is an important channel of highly skilled immigration

Study abroad has become one of the prime mechanisms through which overseas recruitment of the highly skilled proceeds. In 2005, 27 per cent of foreign higher education students from European Union member states were employed in the UK six months after graduating. In Norway 18 per cent of students studying between 1991 and 2005 stayed in the country. The US has been

30 Jean-Christophe Dumont and Georges Lemaître (2005). Counting Immigrants and Expatriates: A New Perspective. OECD, Social, Employment and Migration Working papers

31 Ibid

32 DELSA/ELSA/WD/SEM(2007)13 B. Lindsay Lowell (2007). Trends in International Migration Flows and Stocks, 1975-2005. OECD, ELSA/ELSA/WD/SEM(2007)13

the dominant destination for foreign students for some time. The competition is broadening. Not only European universities have expanded foreign student enrolments, but also the universities in Australia and even in Japan. According to OECD (2011), more than a half of the students (53.9 per cent) studying abroad are found in six countries: the US (18 per cent), the UK (9.9 per cent), Australia (7 per cent), Germany (7 per cent), France (6.8 per cent) and Canada (5.2 per cent). Other countries which have begun to attract foreign students in greater numbers include: the Russian Federation (3.7 per cent), Japan (3.6 per cent) and Spain (2.3 per cent)³³.

2.2. Factors attracting highly skilled immigrants

The macro level factors, that attract skilled migration flows among countries, were identified in scientific articles that analysed latest OECD data on migration patterns. They were categorized by applying PESTEL model (see Table 2.1).

Table 2.1. Attractors of highly skilled migration flows

Type	Factors
Political	Freedom on political, civil and human rights Quality of health and educational systems
Economic	Low unemployment High income levels
Social	Historical ties Common or English language
Technological	High level of technological innovations
Environmental	-
Legal	Openness of migration policy

Political factors: Political, civil and human rights and quality of health and education institutions

Study on OECD migration data by Louka T. Katseli, Robert E.B. Lucas and Theodora Xenogianiata shows, that political governance influence highly skilled migration flows. They found strong correlation between highly skilled immigrant concentration and performance of countries in World Bank governance indicator on voice and accountability, which measures political, civil and human rights. This means, that the countries, where political, civil and human rights are more respected, attracts more highly skilled immigrants.³⁴ The quality of health and educational institutions are attractors of skilled migration flows. The same study discovers significant correlation between

33 Martin Kahanec, and Renáta Králiková (2012). Ifo Institute for Economic Research at the University of Munich, volume 9(4), pages 20-27, 02

34 Louka T. Katseli, Robert E.B. Lucas and Theodora Xenogiani (2006). Effects of Migration on Sending Countries: What Do We Know? OECD Development centre Working Paper No. 250

concentration of skilled immigrants and life expectancy of population in host country. We can conclude that immigrants prefer countries with better health services³⁵. The quality of education, involving the reputation of the higher education institution and recognition of the degree in the home or international labour market, can also affect inward student mobility³⁶. One of the ways reputation is built up is the position of higher education institutions in the international ranking. While degree recognition is formally governed by national legislation, in the labour market it is also related to the reputation and standing of the degree-awarding higher education institution.

Economic factors: Lower unemployment and higher income levels

The differences of unemployment rates and income levels between country of origin and country of destination play significant influencing roles in migration flows. Unemployment in the country of origin increases migration incidence as it is a standard push factor operating through increased pressure (mostly in labour markets, but also in access land etc.). The results of the OECD analysis also reveal a negative impact for the unemployment rate in the country of destination. The same holds true for income levels. Migration at least partly is driven by income and unemployment rates disparities³⁷.

Social factors: Historical ties, common language or English language

Migration is not solely driven by income disparities between home and destination countries, but instead it is motivated by historical links such as common language and colonial ties³⁸. Analysis of OECD data shows that colonial and historical ties, common language and geographic proximity explain about 30 per cent of the variation in the highly skilled migrants' selection of the destination country. The correlation coefficient of colonial ties has the right positive sign and is statistically significant in all specifications. The same holds true for the common official language, which confirms that a common language favours migration between two countries³⁹. A common factor in student choice is that international students prefer English-speaking countries⁴⁰. English-speaking

35 Ibid

36 The Organisation for Economic Co-operation and Development (2011). Education at a Glance 2011: OECD Indicators

37 Louka T. Katseli, Robert E.B. Lucas and Theodora Xenogiani (2006). Effects of Migration on Sending Countries: What Do We Know? OECD Development centre Working Paper No. 250

38 Jean-Christophe Dumont and Georges Lemaître (2005). Counting Immigrants and Expatriates: A New Perspective. OECD, Social, Employment and Migration Working papers

39 Louka T. Katseli, Robert E.B. Lucas and Theodora Xenogiani (2006). Effects of Migration on Sending Countries: What Do We Know? OECD Development centre Working Paper No. 250

40 Martin Kahanec, and Renáta Králiková (2012). Ifo Institute for Economic Research at the University of Munich,

academic systems dominate and it will stay for the foreseeable future.⁴¹ This does not mean that non-English speaking countries have little chance of attracting international students. The dominant position of English seems to be best addressed by countries introducing large numbers of programs in English, which is the case in Denmark, Finland, the Netherlands and Sweden.

Technological factors: High level of technological innovations

The Computer, Information or High Technology Revolution, which began gradually in the early post-WWII period, accelerated in intensity and across the globe in the 1990's. It is the factor that has contributed to the increased relative demand for human resources in IT and science and technology in the OECD countries⁴². In countries, that are more focused on economic growth through technological innovations, are more demand for highly skilled immigrants. These countries are more attractive destinations for expatriates.

Environmental factor: Unknown

More recently, the question has arisen whether environmental degradation such as soil degradation, lack of water, environmental hazards, and other may contribute to forced migration. Research by Tamer Afifi and Koko Warner on the impact of environmental degradation on migration flows shows that environmental degradation has a significant impact on the emigration. For example, soil degradation or scarcity of suitable water, are factors that pushing people out of country⁴³. But yet, there is lack of researches that examine whether environmental quality is important factor to attract immigration flows.

Legal factor: Openness of migration policy

Empirical analysis examined that immigration policies matter. For example, analysis of emigration to the United States found out that quota consolidations reduced Asian immigration in the 1970s while the legalization of nearly 3 million workers doubled Latino migration in the 1990s. In fact, an interaction of policy regimes with economic conditions suggests that laxer admission policies increase the power of pulling factors (e.g. need for skilled workers) in the host economy. This means as long as economic conditions favour migration, reducing restrictions on immigration, by

volume 9(4), pages 20-27, 02

41 Philip G. Altbach (2007). The Imperial Tongue: English as the Dominating Academic language. *Economic and Political Weekly* 42(36), 3608–11

42 Barry R. Chiswick (2005). High skilled immigration in the international arena. IZA Discussion Papers, No. 1782

43 Tamer Afifi and Koko Warner (2008). The Impact of Environmental Degradation on Migration Flows across Countries. UNU Institute for Environment and Human Security. Working Paper No. 5/2008 Bonn

lifting caps or easing admission requirements, overall levels of immigration should increase⁴⁴.

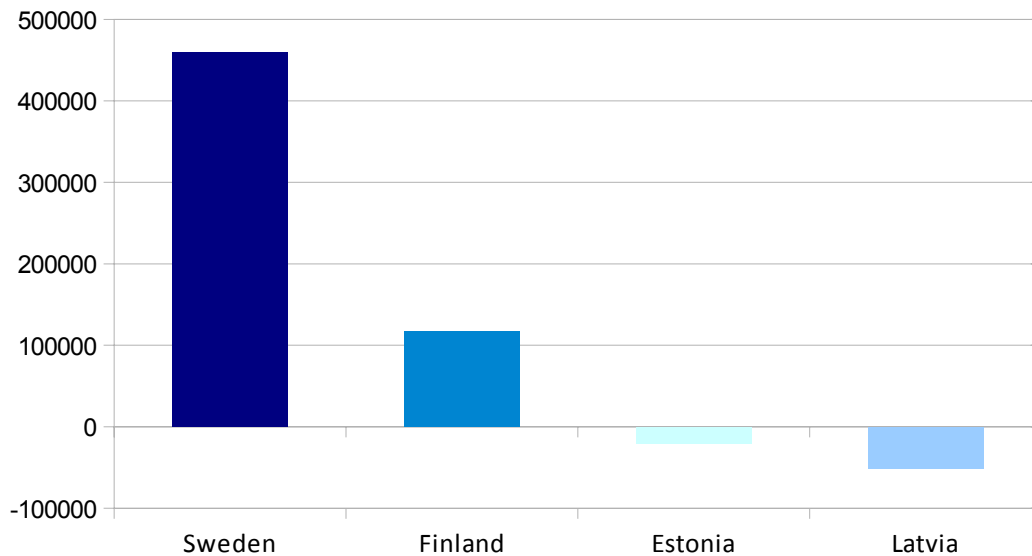
2.3. Immigration flows of Latvia comparing to Sweden, Finland and Estonia

Eurostat data on migration and residence permit were used in order to make comparative analysis of four countries: Latvia, Estonia, Finland, and Sweden.

Observation 1: Latvia had experienced a most negative net migration flows

Comparing net migration flows from 2001 to 2011, Latvia had experienced a most negative net migration flows among Sweden, Finland and Estonia (see Figure 2.2). During this period due to the migration flows Latvia lost 51 282 people. It means that emigration significantly exceeds immigration. Similar situation could be observed in Estonia. There was negative migration flow and it lost 20 941 people. In contrast to Latvia and Estonia, in Sweden and Finland net migration flows appeared to be positive. In Sweden immigration exceeded emigration by 460 119 people, in Finland – 116 929 people⁴⁵.

Figure 2.2. Net migration in Sweden, Finland, Estonia, and Latvia from 2001 to 2011 (persons)



Source: Eurostat (2013). Database on international migration flows

44 B. Lindsay Lowell (2007). Trends in International Migration Flows and Stocks, 1975-2005. OECD, ELSA/ELSA/WD/SEM(2007)13

45 Source: Eurostat (2013). Database on international migration flows

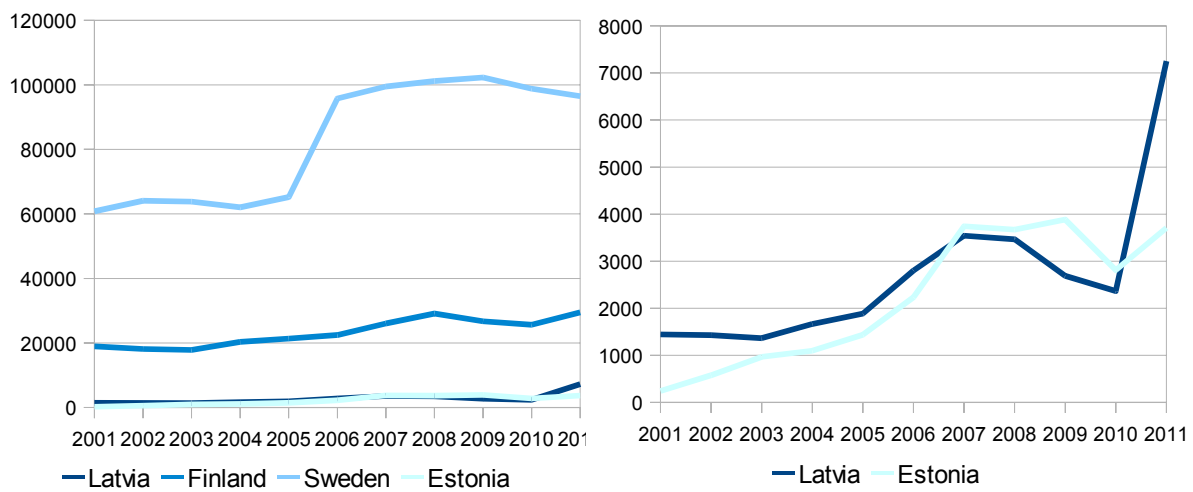
Observation 2: Sweden had attracted about 30 times more immigrants than Latvia

From 2001 to 2011 Latvia had attracted 29 898 immigrants. Immigrants flow towards Latvia is more than 30 times less than for Sweden. During the same period, Sweden had attracted 909 888 immigrants, Finland – 256 004 immigrants. Only Estonia absorbed less immigrants than Latvia, it had attracted 24 365 immigrants⁴⁶.

Observation 3: The second largest growth of immigration flow

In all four countries immigration flows have increased since 2001, but still countries play on completely different levels (see figure 2.3). In 2011 Estonia had increased immigration flow by 14 times compared to 2001 and had attracted 3 709 immigrants. Latvia had increased number of immigrants by four times and attracted 7253 immigrants, Sweden – by 58.7 per cent and attracted 96 467 immigrants, Finland – by 55.5 per cent and 29 481 immigrants⁴⁷.

Figure 2.3. Immigration flows from 2001 to 2011 (persons)



Source: Eurostat (2013). Database on international migration flows

Observation 4: Year 2011 as tipping point

In Finland and Estonia immigration flows are tending to increase gradually without particular tipping points. In Latvia and Sweden the situation is different. Latvia experienced increase of immigrants by almost three times in 2011, when immigrant flow increased by 5 825 people (see

46 Source: Eurostat (2013). Database on international migration flows

47 Ibid

Figure 2.3). This increase could be explained by changes in immigration policy. Significant tipping point for Sweden was in 2006, when immigration increased by 46 per cent or by 32 380 immigrants⁴⁸. It could primarily be explained by temporary asylum legislation, which gave asylum seekers the right to have their cases reassessed.

Observation 5: Immigrants from Russia and other neighbouring countries

Data on immigration flows from 2006 to 2011 shows that for Latvia, Estonia and Finland significant sources of immigration were still countries from Baltic Sea region and particularly from Russia (see table 2.2). The largest group of immigrants of Latvia were citizens of Russia - 27.1 per cent of all immigration flow. The second largest group was citizens of Lithuania (10.6 per cent), while the third – citizens of Germany (8.4 per cent). Citizens of Russia was the largest immigrant group in Estonia as well, they formed 23.6 per cent of immigrants. The second largest group was citizens of Finland (16.5 per cent) and the third – citizens of Ukraine (8.4 per cent). In Finland top three immigrant groups were citizens of Estonia (17.9 per cent), Russia (14.1 per cent) and Sweden (4.5 per cent). Sweden is outstanding of this regional immigration pattern. It attracted citizens of Iraq (12.5 per cent), Poland (7.4 per cent), and Somalia (6.0 per cent)⁴⁹.

Table 2.2. Foreign immigration by citizenship from 2006 to 2011

Country	Citizenship	Number	% of all foreign immigrants
Latvia	Russia	3160	27,09%
	Lithuania	1238	10,61%
	Germany	985	8,44%
Estonia	Russia	2075	23,60%
	Finland	1447	16,45%
	Ukraine	738	8,39%
Sweden	Iraq	51226	12,52%
	Poland	30423	7,44%
	Somalia	24540	6,00%
Finland	Estonia	15487	17,85%
	Russia	12217	14,08%
	Sweden	3881	4,47%

48 Source: Eurostat (2013). Database on international migration flows

49 Source: Eurostat (2013). Database on international migration flows

Source: Eurostat (2013). Database on foreign immigration by citizenship

Observation 6: Smallest number of residence permits for work or studies

Data on residence permit issued to a person for the first time from 2008 to 2011 shows that the most popular reason to grant first time permit for staying in Latvia was for other reasons than family, work or studies. It is accounted for 37 per cent of all reasons and Latvia dominates on this among other countries (see Table 2.3). Latvia had given least number of residence permits due to willingness to work or study in Latvia. Only 3 203 residence permits were issued due to remunerated activities (work). Not only Sweden (64 965 permits) and Finland (16 436 permits), but also Estonia (4 129 first permits) granted more permits due to work. Similar observation stands for education. Latvia had granted 1 313 permits for educational reason, Estonia – 1 516 permits, Finland – 18 193 permits, Sweden – 46 041. We can conclude that both institutions of education and labour market of Latvia are least internationally attractive⁵⁰.

Table 2.3. First time residence permits from 2008 to 2011 (amount/per cent)

Country	Family	Work	Education	Other
Sweden	144 002 (43.57%)	64 965 (19.66%)	46 401 (14.04%)	75 146 (22.74%)
Finland	27 916 (35.18%)	16 436 (20.71%)	18 193 (22.93%)	16 802 (21.18%)
Latvia	5 760 (35.29%)	3 203 (19.63%)	1 313 (8.04%)	6 045 (37.04%)
Estonia	4 811 (35.08%)	4 129 (30.10%)	1 516 (11.05%)	3 260 (23.77%)

Source: Eurostat (2013). Database on residence permits by reason, length of validity and citizenship

Observation 7: Immigration due family reasons mainly from Russia, Ukraine and Belarus

In period from 2008 to 2011, Latvia issued 5 769 first time residence permits due to family reasons. The most of them or 45.5 per cent was issued to citizens of Russia, 13.9 per cent to citizens of Ukraine, and 8.0 per cents to citizens of Belarus. Similar pattern was observed in Estonia. There were issued 51.3 per cent permits to citizens of Russia, 9.7 per cent to citizens of Ukraine, and 3.3 per cent to citizens to Belarus. This could be explained by large share of foreign born population who born in these three countries and now are living in Latvia and Estonia. Even in Finland, the most of residence permits due to family reasons were issued to the citizens of Russia (23.6 per cent), followed by Somalia (8.0 per cent) and Thailand (7.5 per cent). Only in Sweden citizens of Russia are not rated in top 3. The largest share of permits was issued to citizens of Iraq (18.2 per

cent), and, similar to Finland, Somalia (8.0 per cent) and Thailand (7.9 per cent)⁵¹.

Observation 8: Immigration due to work mainly from Ukraine, Russia and Moldova

During the same period Latvia issued 3 203 first time residence permits due to willingness to work – 34.0 per cent was granted to citizens of Ukraine, followed by citizens of Russia (16.6 per cent) and Moldova (10.8 per cent). Citizens of Ukraine and Russia were also the most popular groups to whom were issued work permits in Estonia and Finland. Respectively in Estonia 37.5 per cent and 35.0 per cent of permits were issued to citizens of Ukraine and Russia, but in Finland 12.7 per cent and 26.7 per cent. In Estonia the third largest group was citizens of United States (6.4 per cent), but in Finland - citizens of Croatia (8.6 per cent). As before Sweden shows completely different situation. The top three countries of immigrants to whom were issued work permits are located in Asia. Mostly work permits were issued to citizens of Thailand (25.3 per cent), India (16.0 per cent), and China (10.2 per cent)⁵².

Observation 9: Immigration due to education mainly from Georgia, Turkey and Uzbekistan

In period from 2008 to 2011, Latvia issued 1 313 first time residence permits due to reasons of education. Majority of permits were issued to citizens of Georgia (15.5 per cent), Turkey (11.0 per cent) and Uzbekistan (9.2 per cent). Quite similar pattern could be found in Estonia, where 13.2 per cent of permits were issued to citizens of Russia, 12.9 per cent to citizens of Turkey and 8.4 per cent to citizens of Georgia. In Finland the most of residence permits due to reasons of education were issued to the citizens of Russia (20.7 per cent), followed by citizens of China (15.0 per cent) and United States (5.3 per cent). Sweden shows the same situation of attracting immigrants from Asia. The most study permits were issued to citizens of China (19.0 per cent), India (11.1 per cent) and Iran (8.4 per cent)⁵³.

Observation 10: Immigration due to other reasons mainly from Russia, United States and Ukraine

Latvia issued 6 045 first time residence permits due to other reasons than family, work or study from 2008 to 2011. The most of them were issued to citizens of Russia (48.83 per cent), then follows citizens of United States (4.3 per cent) and Ukraine (3.8 per cent). Similar pattern could be found in Estonia, 17.8 per cent of permits were issued to citizens of Russia, 1.8 per cent to citizens

51 Ibid

52 Eurostat (2013). Database on residence permits by reason, length of validity and citizenship

53 Ibid

both of United States and Ukraine. In Finland the most of these permits were granted to the citizens of Russia (16.6 per cent), followed by citizens of Iraq (16.0 per cent) and India (13.7 per cent), but in Sweden - to citizens of Somalia (19.0 per cent), Iraq (11.6 per cent), and Afghanistan (8.9 per cent)⁵⁴.

2.4. Structural analysis of Latvia

Evaluation 1: Latvia is least attractive on most immigration attracting factors

Unsurprisingly that Latvia had attracted least number of immigrants, who want to work or study there (see observation 6). Latvia has lowest performance of factors that attracts highly skilled immigrants among Estonia, Finland, and Sweden (see Table 2.3.). Latvia in this comparison could be described as country with lowest freedom on political, civil and human rights; weakest in quality of health system; poor on quality of education; with comparatively highest unemployment rate; with lowest GDP per capita; weak in innovation performance; and with low score in migrants policy integration index. In contrast to Latvia, Sweden has strongest position in these factors and attracts significantly more immigrants than Finland and Estonia. It could be claimed that countries attracts completely different amount of immigrants due to structural differences.

Evaluation 2: Latvia's strength is ties with Russian population

Latvia has comparative strength in ties with Russia and other Russian speaking countries as Latvia has largest population who speaks in Russian language. It serves as main attractor for existing immigration flow. This could be derived from observations that immigrants who want to work or study mainly came from former USSR countries (see observations 8 and 9). But competition to attract citizens of Russia is high, especially considering situation in Finland and Estonia. In this regard, Latvia is out-competed by these countries. Finland attracted eight times more immigrants from Russia for purpose of work, but Estonia almost three times. Both of these countries attract significant flow of students from Russia, but it is not any more case of Latvia. This means that Latvia's strength in only one of factors could not eliminate its weakness in other factors.

Evaluation 3: Structural changes will lead to more highly skilled immigrants

In order to attract more highly skilled immigrants Latvia should not only improve its immigration policy, but should make its economy more appealing to highly skilled immigrants. Only structural changes could significantly increase immigrants flow. It implies that Latvia should converge to

innovation economy, only then there will be significant increase in both demands for highly skilled and internationally attractive wages. If Latvia wants to increase international student flows, it should increase quality of education and introduce large numbers of programs in English.

Table 2.4. Attractor comparison of highly skilled migration flows in Latvia, Estonia, Finland, and Sweden

Factor	Indicator	Latvia	Estonia	Finland	Sweden
<i>Political factors</i>					
Freedom on political, civil and human rights	Voice and Accountability indicator (2011), 0 - 100 ⁵⁵	69.5	83.6	97.2	98.6
Quality of health system	Male life expectancy at birth (2011), years ⁵⁶	68.6	71.2	77.3	79.9
Quality of education	Universities ranked in Top 200 in The Times Higher Education World University Rankings (2012-2013), number ⁵⁷	0	0	1	7
<i>Economic factors</i>					
Low unemployment	Unemployment rate (December 2012), % ⁵⁸	13.8%	9.8%	8.0%	8.0%
High Income level	GDP per capita in PPS (2012) ⁵⁹	62	69	115	129
<i>Sociological factor</i>					
Historical ties (Common language)	Native languages of population, % ⁶⁰	Latvian (official) 58.2%, Russian 37.5%, Lithuanian and other 4.3%	Estonian (official) 67.3%, Russian 29.7%, other 2.3%, unknown 0.7%	Finnish (official) 91.2%, Swedish (official) 5.5%, other (small Sami- and Russian-speaking minorities) 3.3%	Swedish (official), small Sami- and Finnish-speaking minorities
<i>Technological factor</i>					
High level of technological	Summary Innovation Index (2012), 0 - 1 ⁶¹	0.225	0.500	0.681	0.747

55 World Bank (2012). Worldwide Governance indicators: http://info.worldbank.org/governance/wgi/mc_chart.asp

56 Eurostat (2013). Life expectancy at birth, by sex

57 The Times Higher Education (2013). The Times Higher Education World University Rankings 2012-2013: <http://www.timeshighereducation.co.uk/world-university-rankings/2012-13/world-ranking>

58 Eurostat (2013). Harmonised unemployment rate by sex

59 Eurostat (2013). GDP per capita in PPS

60 Central Intelligence Agency (2013). World Factbook

61 European Union (2013) Innovation Union Scoreboard 2013

innovations					
<i>Legal factor</i>					
Openness of migration policy	Migrant Integration Policy Index (2010), 0 – 100 ⁶²	31	46	69	83

3. ANALYSIS OF SOFT-DEPARTUE AND SOFT -LANDING SERVICES

3.1. Main motivations for expatriates

A study made in 2001 by Richardson and McKenna, investigated the different motivational aspects influencing decision to repatriate. They found out the main motives and grouped them in the following categories: the explorer, the refugee, the mercenary, and the architect (see Table 3.1). It is important to emphasise the fact that the four motives are not mutually exclusive; an expatriate can have several reasons that influences his or her decision⁶³.

Table 3.1. Expatriation motives

Type	Main driver
Explorer	Exploring a new culture
Refugee	Desire to escape
Mercenary	Better financial rewards
Architect	Building career

Source: Julia Richardson and McKenna Steve (2002). Leaving and experiencing: Why academics expatriate and how they experience expatriation.

Motivation 1: To explore a new culture

The explorer reflects the inner desire for living in a new culture and experiencing this culture in a way beyond vacation level. Additionally, personal fulfilment and development are also motivations captured by the explorer⁶⁴. It is an opportunity both to explore another culture and to undertake this exploration in an independent way through living and learning in the new culture⁶⁵.

62 MIPEX (2011). Migration Integration Policy index: http://www.mipex.eu/play/map.php?chart_type=map&countries=16,17,25,38&objects=1&periods=2010&group_by=country

63 Julia Richardson and McKenna Steve (2002). Leaving and experiencing: Why academics expatriate and how they experience expatriation. Career Development International, volume 7, issue 2, p. 67-78

64 Juhl Bente and Sarah C.S. Fuglsig (2009). A study on motivational factors influencing the expatriate through the expatriation cycle. Department of Management Aarhus School of Business, Aarhus University

65 Julia Richardson and McKenna Steve (2002). Leaving and experiencing: Why academics expatriate and how they experience expatriation, Career Development International, volume 7, issue 2, p. 67-78

Motivation 2: Desire to escape

The refugee covers the desire to escape and seek refuge from something connected with their home. It reflects the search of opportunities, which are thought to be possible through expatriation, for instance, search of a better personal and/or professional life⁶⁶.

Motivation 3: To get better salary

The mercenary group consists of individuals with explicit considerations about salary as their main motivation is to accept a foreign assignment⁶⁷. They would seek better rewards, lifestyle, and other benefits. They will judge on individual's beliefs about the possible gains he or she might be able to achieve as a result of pursuing a specific career opportunity abroad⁶⁸.

Motivation 3: To build career

The forth group, the architect consists of expatriates whose main motives are based on career building and who identifies their incentives as a clear link to their professional lives. They wish pursue their careers independently of organizational structures. They will make decision based on whether expatriation will lead to career growth and bigger financial rewards in the long run⁶⁹.

3.2. Stress factors for expatriates

The big challenge is to integrate expatriate into the society and labour market as he or she faces different stress factors. The major stress factors are described in this section. They were identified by analysing studies in the field of human resource management on expatriates' behaviours.

Stress factor 1: Failed expectations

In the international context, informing expatriate may help to clarify variety of expectations, leading to a higher correspondence between expectations and subsequent experiences. Study by Earl Nauman points out that realistic expectation of expatriate have a direct effect on his or her performance, as it increases or decreases expatriate satisfaction immediately after arriving in host country⁷⁰. This should lead to more positive attitudes and greater satisfaction. Informing

66 Ibid

67 Juhl Bente and Sarah C.S. Fuglsig (2009). A study on motivational factors influencing the expatriate through the expatriation cycle. Department of Management Aarhus School of Business, Aarhus University

68 Mohammed A. Al-Waqfi (2012). The Antecedents and Outcomes of Expatriate Adjustment of Self-initiated Expatriates: A Theoretical Framework. UAEU-FBE-Working Paper Series

69 Ibid

70 Earl Nauman (1993). Organizational Predictors of Expatriate Job Satisfaction. Journal of International Business

expatriates not only about his or her job tasks but giving general information about country specific facts is vital before his or her departure from country of origin.

Stress factor 2: Integration into different culture

Bonache and Zárraga-Oberty study shows, that 30% of expatriate underperformance is due to his or her problems integrating into different culture. Cross-cultural training leads to less uncertainty about the new culture and hence, a reduction in culture shock. Thus cross-cultural training is an essential part of the pre-departure activities. If the expatriate is properly prepared and equipped before leaving, it will be easier to maintain the initial motivation and as a result he or she will perform better. It may include language courses, case studies, stress management courses, and discussion of cultural awareness issues⁷¹.

Stress factor 3: Practical arrangements

Upon arrival in the host country the expatriate is faced with the reality of his decision and in the new situation the motivational factors influencing his performance may change. The first thing felt by the expatriate is to deal with practical arrangements. The mere quantity of practical issues the expatriate is confronted with can add to the pressure of being in a new country. These more extrinsic factors can be avoided by supporting expatriates with more practical initiatives, such as supporting to set up financial arrangements, find appropriate housing and schooling for children or counsel on bureaucratic issues⁷².

Stress factor 4: Family adjustment

The family life of expatriate is also essential prerequisite for intrinsic motivation at work. Many expatriates return prematurely because of the lacking adaptation of their family and it is estimated that up to 60% of expatriation failure is due to family issues⁷³. The spouse's inability to take on work in the host country is regarded as a significant stress factor for the expatriate, and can hence de-motivate the expatriate at work because of a lacking general adaptation for the whole family

Studies, volume 24, issue 1, 61-80

71 Julia Richardson and McKenna Steve (2002). Leaving and experiencing: Why academics expatriate and how they experience expatriation, Career Development International, volume 7, issue 2, 67-78

72 Robert H. Sims, and Mike Schraeder (2004). An examination of salient factors affecting expatriate culture shock. Journal of Business and Management, volume 10 No. 1, 73-87

73 Nancy J. Adler (2008). International Dimensions of Organizational Behavior. Thomson South West 5th edition, USA

through the spouse's work issue⁷⁴. It is crucial to support integrating spouse into labour market.

Stress factor 5: Social networking

The social network besides the family is a result of the need of interpersonal relations, which is fundamental for any human being and is thus also a prerequisite for the expatriate to be motivated to perform well at work. In an expatriation dimension, the immediate loss of social support when arriving in the host country is a one of stressor to the expatriate. In order to compensate for the inability to take part of activities at home, the social network in the host country must be developed from the very beginning to obtain an optimal basis for the time abroad. People with similar cultural background tend to group together rather than to seek contact with people of greater cultural differences. Clustering of expatriates with similar cultural background is the most obvious basis for expatriate communities and social interaction in the host country⁷⁵.

3.3. Services for soft-departure and soft-landing

Soft-departure services 1: General information and cross-cultural knowledge

Research studies have shown that migrants form attitudes, perceptions and expectations about a new country already in the pre-migration stage. For example, that a cognitive preparedness as well as familiarity with the new language could lower the stress of the migrant and shorten the adaptation process. Many problems with integration of expatriates are based on lack of knowledge of the new country and expectations not corresponding to the reality they meet here. Thus for more successful integration of expatriates pre-departure services should be developed⁷⁶.

Soft-landing services: List and providers

Services provided for the incoming expatriates in order to assist in the reallocation process and help with the integration into the local community, starting from the formalities related to the residence and work permits, health care, language teaching and ending up with the organized free time activities are all related to the soft landing. Quality of these services help to ease integration process and increase the possibility to retain the target group in the country for a longer period, benefiting from the knowledge based economic value.

74 Robert H. Sims, and Mike Schraeder (2004). An examination of salient factors affecting expatriate culture shock. *Journal of Business and Management*, volume 10 No. 1, 73-87

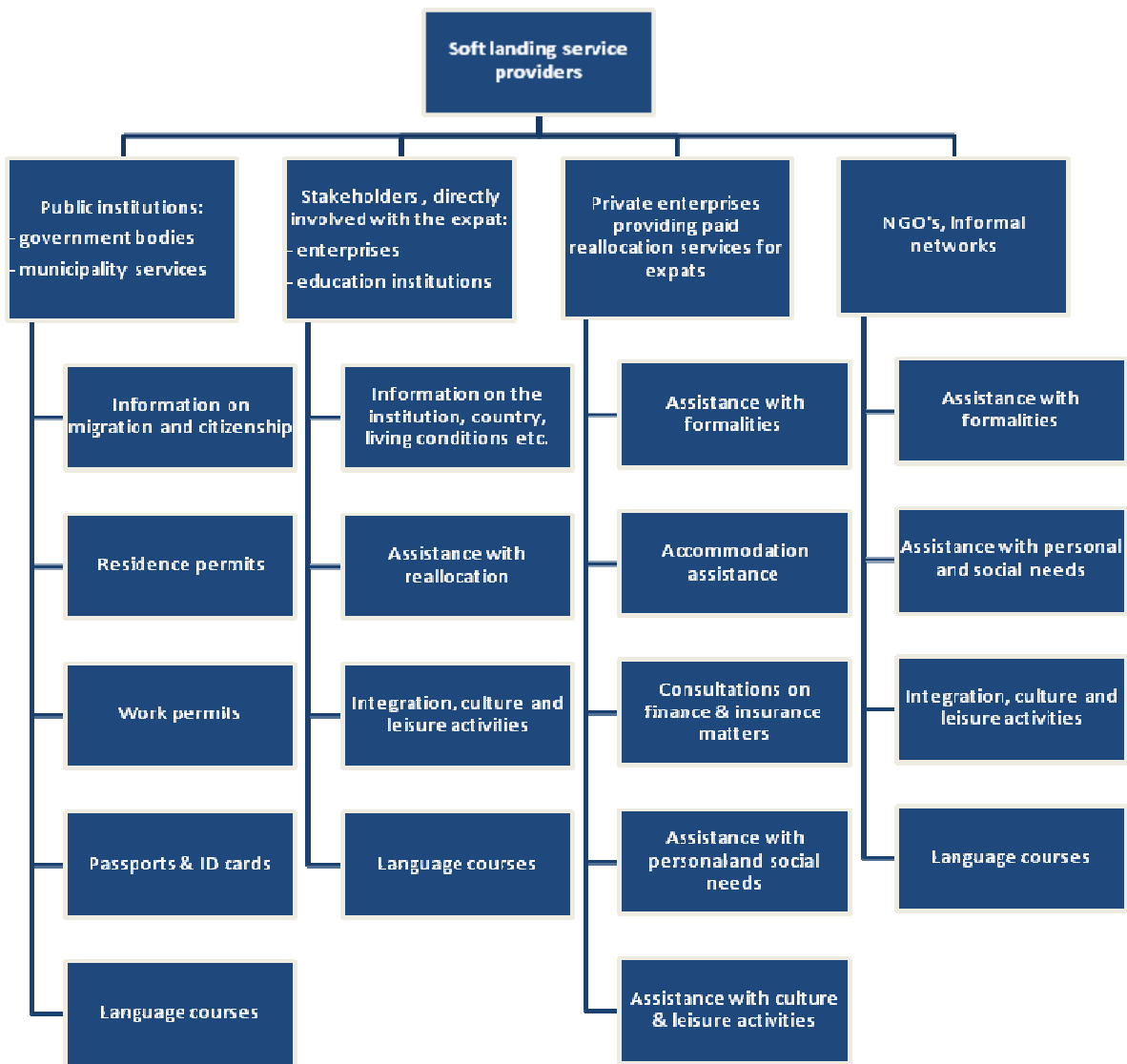
75 McLean Robbins (2008). Conducting expat profiling. *Employee Benefit News*, volume 22, issue 13, 66-67

76 Carl-Johan Åkerblom (2013). EXPAT: Inventory Report (MS1-MS3). Turku Science Park (Draft)

Soft landing services can be categorized by types of the service provider as well as by the type of service provided (see Figure 3.1). There is no strong limitation on the variety of services provided by each category of service providers; however some delimitation exists due to the specific scope of actuation of each service provider. At the same time, some of the services are not directly related to the expatriates as the main target group, but to the residents in general.

Public services are usually related to the fulfilment of the legal formalities required for the longer stay in the country, as well as some integration related services are carried out such as language courses. Stakeholders which are “receivers” of the expatriates (enterprises and universities) usually provide services and assistance related to the integration of the expatriates within the organisation and sometimes deal with the issues related to the reallocation of expatriates and their family members. There are private companies providing the full set of reallocation services and they can be hired weather by the enterprise willing to “receive” the expatriates or by expatriates itself. The last category of service providers as NGOs, informal networks and other individual initiatives usually are dealing with the services related to the integration of expatriates in the local community, including language learning free time activities and networking activities.

Figure 3.1. Soft landing service providers and most common services provided



Source: Carl-Johan Åkerblom (2013). EXPAT: Inventory Report (MS1-MS3)

Soft landing services: Latvia

There are all types of service providers acting in Latvia and all types of expatriate services available allowing dealing with issues related to the reallocation and living environment and the quality of life (see Appendix List of soft-landing service example in Latvia). However large number of the services is not directly targeted towards expatriates, especially the ones related to public institutions and social networks, which have the larger society as their target group. Due to the relatively small number of expatriates in Latvia, the services often have not been adjusted to the need of expatriates, as, for example, number of languages in which services are available is often limited.

Basic services and services related to the safety issues are mostly provided by public bodies and are of a general nature. Information services provided by embassies and services related to the permits for the residence in Latvia are amongst the ones receiving bad feedback from the expatriates and stakeholders involved. However, some private companies offer the possibility to solve all the basic issues as well as people are actively using social networks, for example, to find an accommodation.

Services related to social activities, used by the own culture are mostly provided by various networks and associations as well as “receiving” institutions. Most of the services are available to students and are provided by universities, university related establishments or student exchange programme providers. Global social network facilities, such as *Facebook*, are widely used for socializing and well recognized by expatriates⁷⁷.

Soft landing services: Finland

The service offering for regional settling-in in Helsinki and Turku regions consists of the public, non-profit and private services. There are 20 services and networks targeted at international people and companies moving to Helsinki region and 10 services – in Turku region. Main focus has been on free services provided by public organizations or non-profit operators and some examples of private service providers.

Electronic services can provide with official information, while unofficial information is limited to Helsinki region. The verified information provided 14 languages by internet site infopankki.fi is a very good tool, but similar to suomi.fi and Finland Forum, there is no specified services meeting local needs. Services for foreign individuals are organized by the city in different ways such as Infotori and “Welcome to Turku”. All of them are connected to the Citizen services, public services for all individuals but the streamline of settling-in process is to be improved⁷⁸.

As a summary the settling-in services, networks and advisory services in Finland cover many needs of foreigners but the specific services targeted on expatriates are not sufficient. Meanwhile, the customers’ awareness of the existing services varies a lot so targeted events and innovative tools to share information and create social contacts are needed among the international knowledge workers.

77 Åkerblom, Carl-Johan. (2013).EXPAT: Inventory report (MS1-MS3), DRAFT

78 Åkerblom, Carl-Johan. (2013).EXPAT: Inventory report (MS1-MS3), DRAFT

Soft landing services: Estonia

The Service offering for regional settling-in services in Estonia consists of the public, non-profit and private services. The first inventory presents service descriptions of 19 services and networks targeted for international people and companies moving to Tallinn and Tartu region. Main focus has been on free services provided by public organizations or non-profit operators and some examples of private service providers.

The public services for foreigners in Tallinn and Tartu were mostly evaluated as good or neutral. Services, that are available in Tallinn and Tartu, meet basic need of expatriates. Expatriates have received good assistance from the internet source Gateway to Estonia (www.eesti.ee) and also from the police and border guard.

Expatriates evaluated private services in Tallinn and Tartu as very good. Non-profit services in Tallinn and Tartu are very useful for expatriates to help them to settle in. There is also a web-based community in Tallinn (InterNations.org). From aspect of need for socialization, expatriates were very satisfied with different Embassies and Club events. There are a lot of different valuable *Facebook* groups, what they can use⁷⁹.

3.4. Services that should be improved in Riga

In order to find out the expats' current satisfaction with the available services in the current country of residence and their quality of life there, there was conducted a survey by Uusimaa Regional Council and other partners of the project. It is called EXPAT - International talents survey, where 771 international talents answered the web inquiry in four countries – Estonia, Finland, Latvia and Sweden. The survey is not scientifically **sound** but gives indications about the situation in the Baltic Sea region.

The questionnaire's aim was to find out the expats' current satisfaction with the available soft departure and soft landing services as well as their quality of life in the current country of residence. Questionnaire was created relying on Maslow's hierarchy of needs⁸⁰.

There were 101 respondents from Riga, amounting equally to women and men. Most of the respondents were of the age below 25, what is different compared to other regions. Most of the respondents were holding bachelor degree or equivalent, followed by the respondents without any degree and Master degree in almost equal proportions. As the main reason for moving to Riga was

79 Ibid

80 Carl-Johan Åkerblom (2013). EXPAT: Inventory Report (MS1-MS3). Turku Science Park (Draft)

mentioned studies. The proportion of respondents, which moved to Riga because of the job or relationships, was smaller than in other regions and for business purposes – larger than in other regions (see Figure 3.2 and Figure 3.3)⁸¹.

Figure 3.2. Respondent count by country and academic qualification

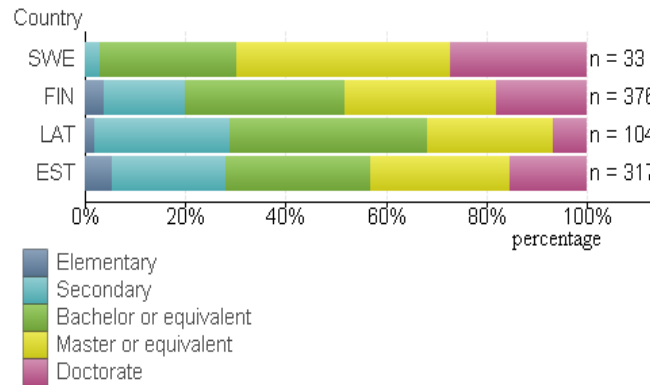
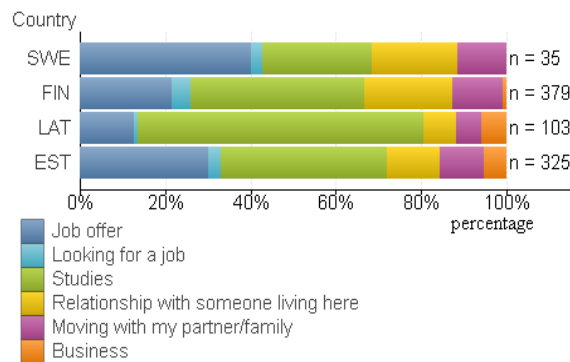


Figure 3.3. Respondent count by country and reasons for moving



Need for improvement 1: Public services concerning practical arrangements

In international survey of expatriates, Riga has showed the lowest results among Stockholm, Helsinki, Turku, Tallinn, and Tartu in the evaluation of most of the formalities and permits. Receiving residence permits was the most difficult for academic staff, scientists and students, difficult for any other purpose, but relatively easy for expatriates moving to Riga for business purposes. This means that practical arrangements are significant stress factor that should be avoided. It highlights the urgent need for improvements in these public services. The most satisfied expatriates regarding public services lives in Turku, thus this experience could serve as good example for redesigning public services in Riga⁸².

81 Ibid

82 Carl-Johan Åkerblom (2013). EXPAT: Inventory Report (MS1-MS3). Turku Science Park (Draft)

Other issues which showed low satisfaction rates of expatriates were the ones related to the health care and child care. However none of these services is specifically expat oriented⁸³.

Further aspect, where Riga is clearly lagging behind other regions is safety. Even though results are not as low as for previously mentioned points, comparing to other regions it can be considered as important problem. Additionally it can be noted from the survey, that younger people and people who reside in a country for a shorter period of time feel less safe in public, and so do people with Asian country of origin. One more aspect of importance is that in Riga the overall feeling of being treated with respect in public is also lower than in other partner regions, especially low it is for students as well as expats of Asian origin⁸⁴.

Need for improvement 2: Integration, culture and leisure activities

In terms of integration, friendship and social activities, Riga is one of the few regions where expatriates find it easy to find foreign friends and are satisfied with the social international events in English. At the same time the problems with finding local friends and attending events in local language are present. The responses regarding the gathering places for meeting locals are especially low for exchange students. The most satisfied expatriates regarding social networks lives in Stockholm, thus knowledge from Stockholm could serve as good tool to improve social networking opportunities in Riga⁸⁵.

Results of the open ended interviews in Riga

Results of the open ended interviews in Riga approved carried out conclusions that currently focus of Latvia is not on innovative, technology-driven growth.

Today in the economy of Latvia dominates daughter companies of Western companies which are selling and servicing things invented elsewhere. Situation when research and development (R&D) departments are located in Latvia and produce high technology products is seldom. Even the inventions developed in business incubators in Latvia are mostly low or medium-tech⁸⁶.

Latvian economy should be going the innovative growth path. This requires technological development, R&D and consequently highly qualified specialists. There are two possibilities to employ them. The first one is to educate workforce in own country. The second one is to try to attract it from abroad.

83 Ibid

84 Ibid

85 Carl-Johan Åkerblom (2013). EXPAT: Inventory Report (MS1-MS3). Turku Science Park (Draft)

86 Interviews in Riga

Regarding the first situation Latvian education system at this moment produces people who have learned to use machines, not to invent them. It produces graduates for the needs of the existing economy and is not looking ahead at what professions and jobs there might be in five years or more. So the programs need to be revised. One more aspect to add, education is not only about the curriculum but also about the networking, the internships, and relations with employers. Universities must be closely connected to industry.

As pointed out cofounder of Riga High Tech University Foundation all countries today are competing for talents. However, it looks like Latvia has not fully understood this competition for talents. There is a certain fear of foreigners in Latvian society; the legislation is made so as to 'protect' the local education system, making it a closed ecosystem. Local Latvian academics are opposed to reform or opening of the education system, because they feel threatened by it. Today there is no programme where top foreign professors could teach, even if Latvia could somehow attract them.

Currently Latvian migration policy is about students coming here, receiving their education and leaving – to use their knowledge in their home country or another country. Latvian universities see foreign students as cash cows that pay their fees, graduate and leave – this evaluation is shared both by representative from academia and representative from state administration. According with the experience of expert of European Migration Network from Office of Citizenship and Migration the cases of immigrants changing status – e.g. from student to employee – in Latvia are rather rare. Just very few EU countries (Austria, Germany) have a special residence permit for job-seekers for up to 6 months. Other countries are considering this.

Deputy Head of Department of Higher education and science, Ministry of Education and Science in the interview said that Latvian Ministry of education and science plans to develop national internationalisation strategy for higher education. National internationalisation strategies differ, and so do tasks which follow from the strategies. They are determined by the needs of the labour market, the level of internationalisation of the academic sector, etc. The nations which are successful in internationalisation state that it is not about the monetary gains from course fees, but about higher quality of the academic environment.

Interviews with people coming to study in Latvia showed that reasons for choosing Latvia as a place to study are various but main reason for choosing concrete university in most situations is similar – reputation of the university is more important than its place in the international university ranking. Latvian language classes was mentioned as main needed service that might help not only to adapt in Latvia but also to find a job as cost of living here was mentioned as rather high

if to compare with other European countries.

Regarding the second situation interviewed working expats (from science and education field and also from entrepreneurship) pointed that there are several lines of services for expats that are non-existent or should be improved. First, the quality of the service provided by the immigration office should be improved - all the information is in Latvian only, the website is not updated, the list of required documents is unclear. Second, there is a strong need for a service matching foreigners with specific skillsets and local partners/business people. Third, there should be some recommendations or a list of legal help available that could help with immigration. Also a package of services can be offered through a web-portal, and these could be covering the basic steps like getting a phone contract, helping sort out apartment, language classes etc.

Both for people to coming to study or to work in Latvia integration is of significance and crucial aspect here is language knowledge. According with the results of interviews wider availability of language courses and also materials for self-learning is necessary, for example learning strategies and materials available online.

Conclusion derived from this research is that there should be created appropriate circumstances and services for the expatriates to be willing to come to Latvia⁸⁷.

4. ANALYSIS OF IMMIGRATION POLICY

4.1. EU policy framework towards highly skilled immigrants

Competition is keen among countries to attract human resources they lack and to retain those who might emigrate. In the last twenty years, most OECD countries introduced more flexibility into their existing labour migration policies and also launched more specific recruitment programmes to meet labour shortages⁸⁸. United States, Switzerland, Australia, Canada, New Zealand, and even Japan and Korea share a determination to confine immigration to highly skilled workers⁸⁹. In the wake of the increasing global competition for attracting skilled talents, EU took significant response in year 2008, when European Council agreed on the need to increase the attractiveness of the European Union for highly qualified workers and take new measures to further facilitate the reception of students and researchers and their movement within the EU⁹⁰.

87 Ibid

88 Marco Doudeijns and Jean C. Dumont (2002). Immigration and Labour Shortages: Evaluation of Needs and Limits of Selection Policies in the Recruitment of Foreign Labour. OECD-EU conference on The Economic and Social Aspects of Migration, Brussels, 21-22 January 2003

89 Jean-Christophe Dumont and Georges Lemaître (2005). Counting Immigrants and Expatriates: A New Perspective. OECD, Social, Employment and Migration Working papers (forthcoming)

90 European Migration Network (2011). Satisfying Labour Demand through Migration

EU policy focus: Towards more open and integrated labour market

The Europe 2020 Strategy highlights the need for special efforts to attract highly skilled migrants in the global competition for talent and to further the integration of people with a migrant background in European societies. EU single labour market initiative is acting in order to reduce the national boundaries among EU countries and to optimise the labour force. It is considered that more and more jobs will require high qualifications, thus it is important to increase the qualification of the human capital. The Employment Guidelines call on Member States to pay due attention to integration of migrants in EU labour markets, providing a framework for information-sharing and coordination of employment policies. While the EURES network provides information on vacancies, the Public Employment Services also play an important role by facilitating access to employment for mobile and migrant workers. The European Social Fund (ESF) provides financial support and help to increase the participation of migrants in employment⁹¹.

Directive: On the conditions of entry and residence of third-country nationals for the purposes of highly qualified employment

One of the most important steps European Union has made towards the attraction of the qualified workforce was the introduction of the Council Directive 2009/50/EC of 25 May 2009 on the conditions of entry and residence of third-country nationals for the purposes of highly qualified employment. This Directive has been developed on the basis of the Policy plan on legal immigration set up by the European Commission in 2005. The object of this directive is to improve the European Union's (EU) ability to attract highly qualified workers from third countries. The aim is not only to enhance competitiveness within the context of the Lisbon strategy, but also to limit brain drain. It is designed to: (1) facilitate the admission of these persons by harmonising entry and residence conditions throughout the EU; (2) simplify admission procedures; and (3) improve the legal status of those already in the EU. The most recognizable achievement of this directive is introduction of EU blue card (see Box 4.1).

Box 4.1. EU Blue Card

With the EU Blue Card, third-country nationals and their families can: enter, re-enter and stay

91 European Commission (2011). Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions. The Global Approach to Migration and Mobility. Brussels, 18.11.2011 COM(2011) 743 final

in the issuing Member State and pass through other Member States; work in the sector concerned; enjoy equal treatment with nationals as regards, for example, working conditions, social security, pensions, recognition of diplomas, education and vocational training. Member States are free to decide whether the application for an EU Blue Card has to be made by the third-country national and/or his/her employer as well as it will determine the number of third-country nationals they admit. If the candidate fulfils the above conditions and the national authorities decide to admit him/her, s/he is issued an EU Blue Card, which is valid for a standard period of one to four years.

The application will be accepted or rejected within 90 days of filing. If the application is accepted, the applicant will be given every facility to obtain the requisite visas. The application for an EU Blue Card can be rejected if it was drawn up on the basis of false or fraudulently acquired documents or if, given the state of the labour market, the Member State decides to give priority to: (1) EU citizens; (2) third-country nationals with a preferred status under Community law who are legal residents or who are EC long-term residents and wish to move to that Member State. The application may also be rejected on the grounds of volumes of admission established by the Member State, ethical recruitment or if the employer has been sanctioned due to undeclared work or illegal employment. The EU Blue Card may be withdrawn if the holder does not have sufficient resources to maintain him-/herself and family members without social assistance or if s/he has been unemployed for more than three consecutive months or more than once during the period of validity of the card.

Source: Council Directive 2009/50/EC of 25 May 2009

The directive applies to highly qualified third-country nationals seeking to be admitted to the territory of a Member State for more than three months for the purpose of employment, as well as to their family members.

To be allowed into the EU, the applicant must produce: (1) a work contract or binding job offer with a salary of at least 1.5 times the average gross annual salary paid in the Member State concerned (Member States may lower the salary threshold to 1.2 for certain professions where there is a particular need for third-country workers); (2) a valid travel document and a valid

residence permit or a national long-term visa; (3) proof of sickness insurance⁹².

Directive: On a specific procedure for admitting third-country nationals for the purposes of scientific research

Specific conditions apply to the mobility of the scientific staff, and are regulated by the Council Directive 2005/71/EC of 12 October 2005 on a specific procedure for admitting third-country nationals for the purpose of scientific research. It is considered that the mobility of researchers is a key element in the acquisition and transfer of knowledge. After two years of legal employment, they may receive equal treatment with nationals as regards access to any highly qualified employment. After 18 months of legal residence, they may move to another Member State to take up highly qualified employment.⁹³ This residence permit must also allow sufficient mobility for part of the research project to be conducted on the territory of another Member State.

Member States must issue a residence permit for one year or more and renew it annually. If the research project is scheduled to last less than one year, the residence permit must be issued for the duration of the project. Member States may withdraw or refuse to renew a residence permit for reasons of public policy, public security or public health. Member States may decide to award a residence permit to a researcher's family members, whose permit will last for the same length of time as the researcher's (provided that their travel documents are valid). Member States may withdraw or refuse to renew a previously issued residence permit if the latter was acquired fraudulently or if it transpires that the holder of the permit did not meet or no longer meets the entry and residency conditions stipulated, or if he or she is residing in the country for reasons other than those authorised. Member States may withdraw or refuse to renew a residence permit for reasons of public policy, public security or public health⁹⁴.

Researchers have the right to enter and reside on the territory of the Member State which has admitted them and to conduct the research project there. Holders of a residence permit will be entitled to equal treatment with nationals as regards: (1) recognition of diplomas, certificates and other professional qualifications; (2) working conditions, including pay and dismissal; (3) social insurance as defined by national legislation; (4) tax concessions; (5) access to goods and services and the supply of goods and services made available to the public.

92 The Council of the European Union (2009). Council Directive 2009/50/EC of 25 May 2009 on the conditions of entry and residence of third-country nationals for the purposes of highly qualified employment

93 The Council of the European Union (2005). Council Directive 2005/71/EC of 12 October 2005 on a specific procedure for admitting third-country nationals for the purpose of scientific research, Brussels

94 The Council of the European Union (2005). Council Directive 2005/71/EC of 12 October 2005 on a specific procedure for admitting third-country nationals for the purpose of scientific research, Brussels

Directive: Single Permit Directive

After four years of lengthy negotiations, which spanned a Treaty change and the empowerment of the European Parliament as co-legislator, the EU's 'Single Permit Directive' (Directive 2011/98/EU) was finally adopted and published in the Official Journal. The Directive establishes a single application procedure for single permits for third-country nationals to reside and work in the territory of an EU Member State, and a common set of rights for third-country workers legally residing in a Member State. Directive applies to two main groups of third-country nationals. The first group covers third-country nationals who apply to reside in a member state to work, to which the single application procedure is applicable. The second group includes those who have already been admitted to a member state for the purpose of work or purposes other than work and who are allowed to work, such as family members of migrant workers, students and scientific researchers. Both groups of third-country nationals should be awarded the benefit of common rights when legally residing in a member states⁹⁵.

The added value of the Directive is the single application procedure, which leads to the issuance of a single permit covering both residence and work permits. This would provide true procedural simplification by reducing the number of steps and authorities involved. It would also make it easier to control the legality and residence of migrant workers. The Directive grants core rights to migrant workers and other third-country nationals legally residing in an EU member state. Article 12 states that migrant workers "shall enjoy equal treatment with nationals of member states" in eight fields: (1) the right to equal treatment includes working conditions (pay, dismissal, health and safety), (2) freedom of association, (3) trade union membership, (4) education and vocational training, (5) recognition of qualifications, (6) social security, (7) tax benefits, (8) access to goods and services – including procedures for obtaining housing – and support services provided by employment offices⁹⁶.

4.2. Immigration policies in Finland, Sweden, and Estonia

Some of the priorities in EU Strategy for the Baltic Sea Region are to promote entrepreneurship, strengthen SMEs and increase the efficient use of human resources by the optimisation of the human capital in Baltic Sea Region. This involves the attraction of knowledge workers, providing the space for mobility, improve the access to the local social and professional networks, and living

95 European Parliament and the Council (2011). Directive 2011/98/EU of the European Parliament and of the Council of 13 December 2011 on a single application procedure for a single permit for third-country nationals to reside and work in the territory of a Member State and on a common set of rights for third-country workers legally residing in a Member State. Official Journal L 343 , 23/12/2011 P. 0001 - 0009

96 Ibid

standard for expatriates. In this section immigration policies of Finland, Sweden, and Estonia are described in perspective of highly skilled immigrants (see Table 4.1).

Table 4.1. Immigration policies in Finland, Sweden, and Estonia

	Finland	Sweden	Estonia
Selection criteria	Based on professional fields	Based on employers needs	Based on particular job postings
Favourable groups	(1) professional athletes, trainers; individuals, (2) who works for a religious or non-profit association; (3) works professionally in either science, culture, or the arts; (4) works as a company executive or in a mid-level management position; (5) holds an expert position that requires special skills; or (6) works as a professional in the field of mass communication	(1) company representatives, (2) visiting researchers or teachers in higher education; (3) performers, (4) technicians, (5) tour personnel; (6) specialists employed by a multinational corporation.	Scientists and researchers.
Fiscal incentives	35 % flat tax rate	No taxes paid on 25 % income	None
General character	Open to highly skilled immigrants	Open to highly skilled immigrants	More closed than open to highly skilled immigrants

Source: Martin Kahanec and Klaus F. Zimmermann (2011). High-Skilled Immigration Policy in Europe.

Finland: Immigrant selection based on professional fields

Residence permits for employees, which are typically tied to a certain professional field but not to a specific employer, are required for non-EU nationals who intend to work in Finland. The needs of the labour market are considered before a residence permit for employees is granted, and the adequacy of a foreigner’s means of support needs to be guaranteed before a permit is issued. A number of permits in Finland, other than the residence permit for employees, carry the right of employment.

High-skilled immigrants may qualify for a fixed term Finnish-residence permit, which also carries an unlimited right to work on the grounds that the immigrant-applicant works as a professional athlete or trainer; works for a religious or non-profit association; works professionally in either science, culture, or the arts; works as a company executive or in a mid-level management position; holds an expert position that requires special skills; or works as a professional in the field of mass communication.

Key foreign personnel staying in Finland longer than six months are eligible for a 35 per cent flat tax rate if they work as researchers or teachers at a Finnish institution of higher education or if

they possess special skills and their cash earnings exceed €5,800 per month, and they have not resided in Finland at any time during the five-year period preceding the beginning of their respective employment⁹⁷.

Sweden: Immigrant selection based on employers needs

All foreign workers in Sweden are required to have work permits; any staying in Sweden for more than three months are required to have residence permits as well. The new immigration law, passed in 2008, has adopted a philosophy of demand-driven immigration, which presumes individual employers can recognize the best employee for a given job opening better than anyone else. The Swedish Public Employment Service can no longer block the employment of a foreigner based on the argument that there is an alternative match in Sweden, or another EU country. Work permits are issued for the duration of the employment to which they are tied for a maximum of two years. It is possible to extend work permits multiple times, but not for more than four years in total. After four years, a permanent-residence permit can be granted.

A number of occupational categories are exempt from the requirement to have a work permit. These include certain high-skilled occupations, such as company representatives, visiting researchers or teachers in higher education (maximum duration of three months within a twelve-month period); performers, technicians, and other tour personnel; and specialists employed by a multinational corporation who will be working in Sweden for a total of less than one year. Self-employed foreigners are required to have residence permits but not work permits.

High-skilled foreigners (experts and scientists) with an expertise scarce in Sweden may be entitled to a special tax regime under which no taxes are paid on the first 25 per cent of their income for the first three years of their employment in Sweden⁹⁸.

Estonia: Immigrant selection based on particular job postings

A work permit is required for non-EU nationals intending to work in Estonia, whether they are employees, sole proprietors, or in any activity that may result in gaining profit or any other benefit. Work permits are initially issued for a maximum of two years and can be extended for up to five years at a time. Foreign nationals may be issued residence permits tied to particular job postings only if the openings are not filled through the state employment mediation service within a three-

97 Martin Kahanec and Klaus F. Zimmermann (2011). High-Skilled Immigration Policy in Europe. DIW Berlin Discussion Paper No. 1096

98 Martin Kahanec and Klaus F. Zimmermann (2011). High-Skilled Immigration Policy in Europe. DIW Berlin Discussion Paper No. 1096

week period of open competition.

While Estonia does not explicitly categorize high- and low-skilled workers for immigration purposes, Estonian immigration policy entails elements that foster positive selection of immigrants. Specifically, applicants must have the qualifications, education, health, work experience, special skills, and knowledge required for the job. Furthermore, a residence permit is issued only if the agreed wage ensures subsistence in Estonia. Specifically, the wage must be at least 24 per cent higher than the average yearly wage most recently published by Estonia's statistical office. Estonia also has specific immigration provisions for scientists and researchers⁹⁹.

4.3. Immigration policy in Latvia

A residence permit is necessary if person is willing to reside in the Republic of Latvia for a period of time exceeding 90 days within half a year counting from the first day of entrance. Upon receipt of *temporary residence permit*, a foreign national shall present: a valid health insurance policy for a year and a health certificate issued by a Latvian health care institution stating that the foreign national does not suffer from tuberculosis in active phase. When submitting documents to apply for *permanent residence permit*, based on Paragraphs 2, 3, 6 and 7 of Part 1 of Clause 24 of the Immigration Law, a foreigner shall present a certificate on state language skills evidencing the knowledge of state language at level 2A.

In most cases, to work in Latvia, foreigner needs a work permit.

The Latvian migration legislation predicts simplified procedures regarding researchers, lecturers and students however it still not perceived as simple and convenient.

There exist policy documents like Immigration Law, Latvian nationals' re-emigration plan, higher education reform objectives / internationalisation policy in higher education, study on foreign student immigration to Latvia but to this date, no unified national policy and strategy to attract highly qualified specialists and foreign students to Latvia has been developed. Latvia is not the country that promotes immigration of highly qualified workforce – total number of immigrants is small and persons who arrive to Latvia with the aim to work are low qualified¹⁰⁰.

Regarding education it is within the competence of each institution of higher education to assess the necessity and options with regard to attracting foreign students, as well as to draft a corresponding strategy and define target countries. In its turn, migration policy is based on a common EU policy on admission of foreign students.

99 Martin Kahanec and Klaus F. Zimmermann (2011). High-Skilled Immigration Policy in Europe. DIW Berlin Discussion Paper No. 1096

100 Report about migration and asylum situation in Latvia in year 2011 (2012). Riga, p.54

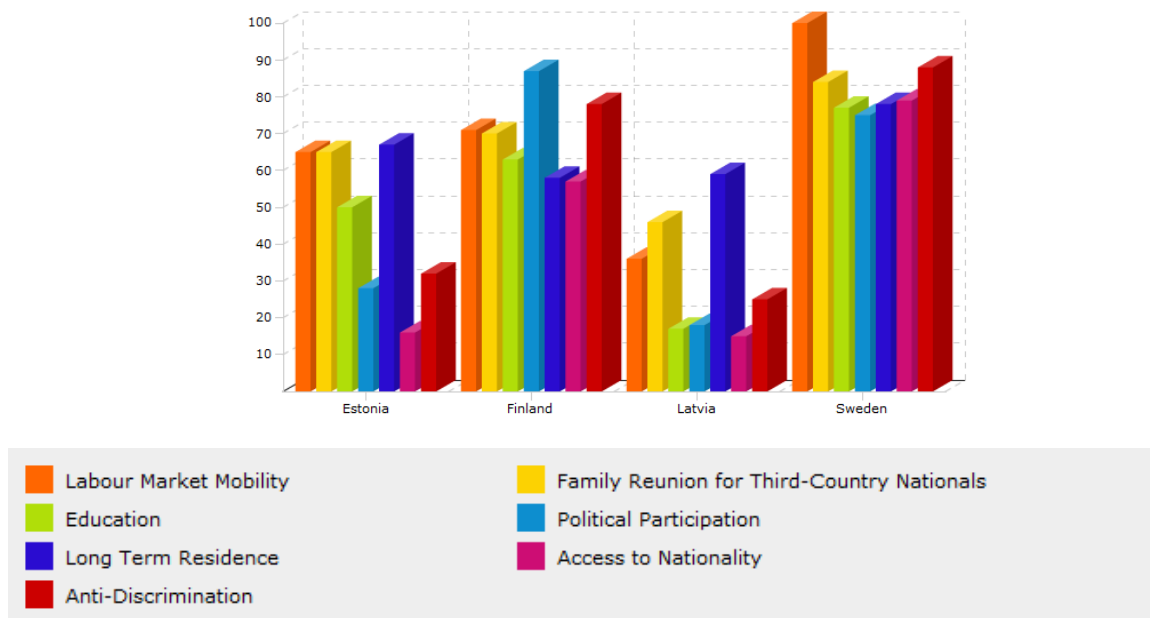
On the international scale migration policy of Latvia is evaluated very low. Like many Central European countries, Latvia follows EU standards only to a minimum, e.g. on anti-discrimination. Basic access to education slightly improves newcomers' labour market mobility. Long-term residence is also slightly favourable, thanks to European standards. Major weaknesses are political opportunities for non-nationals, access to nationality, migrant education and discrimination protections. Debates (e.g. dual nationality for Latvian diaspora) have not solved wider integration problems for all residents¹⁰¹.

4.4. Comparison of immigration policies of Finland, Sweden, Estonia and Latvia

Migrant Integration Policy Index allows comparing migration policies of target countries of this report – Estonia, Finland, Sweden and Latvia. The MIPEX includes 34 countries in order to provide a view of integration policies across a broad range of differing environments¹⁰².

If to compare results of all four countries there is no surprise that the leading one is Sweden, followed by Finland, Estonia and Latvia (see Table 4.2 and Figure 4.1).

Figure 4.1. Evaluation of Immigration policies in Finland, Sweden, Estonia and Latvia in 2010¹⁰³



101 <http://www.mipex.eu/latvia>

102 Ibid

103 Ibid

Table 4.2. Evaluation of Immigration policies in Finland, Sweden, Estonia and Latvia in 2010¹⁰⁴

Factor	Estonia	Finland	Latvia	Sweden
Overall score (with education)	46	69	31	83
Overall score (without education)	45	70	33	84
Labour market mobility	65	71	36	100
Family reunion for third country national	65	70	46	84
Education	50	63	17	77
Political participation	28	87	18	75
Long term residence	67	58	59	78
Access to nationality	16	57	15	79
Anti-discrimination	32	78	25	88

0 critically unfavourable
 1-20 unfavourable
 21-40 slightly unfavourable

41-59 halfway favourable
 60-79 slightly favourable
 80-100 favourable

Labour market mobility

Finland is one of the top 10 countries to promote migrant workers' job and target their needs. Sweden has favourable policies on labour market. Immigrant consultative bodies although strong in Nordics are absent in Sweden. Although immigration remains low and little changed, Estonia retains a significant non-EU national population. Latvia has new immigration opportunities, but not immediate or equal right to work¹⁰⁵.

Education

Finnish school system is one of best in access and needs, but just average for new opportunities, intercultural education. Sweden has slightly favourable policies on education. Schools in Sweden are better prepared for diverse classroom. Intercultural education in Estonia needs better implementation. In Latvia all residents now have equal access to education, training, study grants but schools are still little adapted to needs of all newcomer children¹⁰⁶.

104 <http://www.mipex.eu>

105 Ibid

106 Ibid

Political participation

In Finland all residents have equal political opportunities at local, regional levels – 2nd best after Norway. Sweden has slightly favourable policies on political participation. In Estonia basic civil rights are still lacking. In Estonia and Lithuania there are ensured voting rights for immigrants but not in Latvia¹⁰⁷.

Long term residence

Long-term residence policies are weakness for Finland, though average for most, particularly eligibility and conditions. Sweden has slightly favourable policies on long-term residence. Latvia has made small improvements for long-term residents: easier to certify language knowledge, longer periods allowed outside Latvia¹⁰⁸.

Access to nationality

Access to nationality is weakness for Finland. Sweden has slightly favourable policies on access to nationality. More countries adopt dual nationality, like Sweden, and also citizenship at birth for second/third generation. In Estonia language requirements are well supported, but much higher than in most of Europe. No improvement on citizenship has been made for generations born after independence. Latvia has the weakest nationality policies in Europe impede common citizenship among all residents¹⁰⁹.

Anti-discrimination

Strong anti-discrimination laws in Finland need greater role for NGOs, equality body. Sweden has favourable policies on anti-discrimination. Swedish mainstreaming approach favourable overall for integration: equal rights and responsibilities, work on equal opportunities in practice. Estonia has made significant progress on anti-discrimination to meet basic EU standards but equality bodies and policies are still weak. Latvia takes only “minimum” approach to fight discrimination. It has weakest enforcement possibilities; discretionary procedures that leave many types of newcomers insecure in their status can discourage integration¹¹⁰.

107 <http://www.mipex.eu>

108 *Ibid*

109 *Ibid*

110 *Ibid*

5. CONCLUSIONS AND RECOMMENDATIONS

Latvia has the lowest performance of factors that attracts highly skilled immigrants among Estonia, Finland, and Sweden. In order to attract more highly skilled immigrants, Latvia should not only improve its migration policy, but also make its economy more appealing to highly skilled immigrants:

- to raise the level of freedom on political, civil and human rights;
- to increase the GDP per capita;
- to improve the innovation performance;
- to improve the quality of health system;
- to improve the quality of education;
- to lower the unemployment rate.

Taking into account comprehensive recommendations described above activities that are recommended to be implemented are provided in Table 5.1.

Table 5.1. Recommended activities to raise the number of highly skilled immigrants

Service provider	Recommendations
1. Public Institutions: Government bodies	1.1. To highlight the importance of the incoming talents to the national economy 1.2. To provide focused services for international talents 1.3. To improve quality of services provided by the embassies 1.4. To improve the marketing activities of Latvia, to improve the image of the country, to increase state's role as provider of information 1.5. To improve the quality of services related to the receiving permits for the residence in Latvia 1.6. To develop social networks directly targeted towards expatriates – to provide them in private-public partnership 1.7. To widen the number of languages in which services are available 1.8. To provide possibility for expatriates to attend the local/national events (how to overcome the language barrier?)
2. Public Institutions: municipality	2.1. To develop public services directly targeted towards expatriates at municipal level 2.2. To improve the safety issues, for example, question of dormitories of University of Latvia 2.3. To provide focused services for international talents 2.4. To develop social networks directly targeted towards expatriates – to provide them in private-public partnership 2.5. To widen the number of languages in which services are available 2.6. To improve the question regarding gathering places for meeting locals 2.7. To provide possibility for expatriates to attend the local/national events (how to overcome the language barrier?) 2.8. To organize events with local people to share the culture
3. Directly involved stakeholders:	3.1. To increase international student flows, large number of study programs should be developed in English

education institutions	<p>3.2.To provide focused services for international talents</p> <p>3.3.To widen the number of languages in which services are available</p> <p>3.4.To provide more information for foreign students in English</p> <p>3.5.To provide possibility for expatriates to attend the local/national events (how to overcome the language barrier?)</p> <p>3.6.To organize events with local people to share the culture</p>
<p>4.Private enterprises providing paid reallocation services</p>	<p>4.1.To develop social networks directly targeted towards expatriates – to provide them in private-public partnership</p> <p>4.2.To widen the number of languages in which services are available</p>
<p>5.NGOs, informal networks</p>	<p>5.1.To widen the number of languages in which services are available</p> <p>5.2.To improve the question regarding gathering places for meeting locals</p> <p>5.3.To provide possibility for expatriates to attend the local/national events (how to overcome the language barrier?)</p> <p>5.4.To organize events with local people to share the culture</p>

APPENDIX. LIST OF SOFT-LANDING SERVICES EXAMPLE IN LATVIA

Office of Citizenship and Migration Affairs	
Target groups	General public
Service description	<ul style="list-style-type: none"> ❖ Information on migration and citizenship; ❖ Residence permits; ❖ Work permits; ❖ Passports and ID cards; ❖ Declaration of residence place; ❖ ID numbers; ❖ Visas and invitations.
Service provider	State institution – Office of Citizenship and Migration Affairs
Comments	The service pack includes the set of formalities required for residing and working in Latvia as well as acquiring Latvian citizenship. Information and services are available in Latvian, English and Russian in Riga and regional offices. Some of the services are available as e-services.

Services for students	
Target groups	Students, researchers
Service description	<p>Information services:</p> <ul style="list-style-type: none"> ❖ University and study programmes; ❖ University based networks, free time opportunities, NGOs; ❖ Facts about Latvia; ❖ Living conditions, housing etc. <p>Counselling during the application and study processes (external relations department);</p>
Service provider	Universities
Comments	Services are related to the attraction of potential students and their integration upon arrival. Mostly the useful information is provided and available in Latvian and Russian. But in particular cases information is targeted to a specific group, for example, Rigas Stradins University has the information available in Chinese.

Expat Latvia	
Target groups	Diplomats and qualified workers
Service description	<ul style="list-style-type: none"> ❖ Processing of documents – processing of different formalities connected with the arrival and stay in Latvia; ❖ Finding a place of residence and settlement; ❖ Issues of finances and insurance – help to find the best services and solutions offered by the Latvian financial institutions; ❖ Personal and everyday situations – provide with options so that everyday issues can be solved as efficiently as possible; ❖ Leisure and entertainment – offer the clients the most exciting and interesting Leisure activities and entertainment facilities in Latvia.
Service provider	Private company - SIA „EXPAT LATVIA1”
Comments	Expat Latvia Private Limited is a company offering expatriates everything they need for relocation to Latvia. There are only two private reallocation service companies operating in Latvia. As well as several law companies provide legal services for legalisation of expats and investors in Latvia, as the existing regulations provides the availability of residence permits in case of large scale investments.

Stockholm School of Economics Riga Alumni association	
Target groups	SSE Riga graduates
Service description	<ul style="list-style-type: none"> ❖ Networking events with potential interest for graduates; ❖ Promotion of success stories; ❖ Job bank;

Service provider	<ul style="list-style-type: none"> ❖ Entrepreneurs club; ❖ Social events.
Comments	<p>NGO – SSE Riga Alumni association</p> <p>Every person that has received a degree from SSE Riga automatically becomes a member of the Association. All members are tied into groups according to the graduation year and home country. Thus, a thorough network of alumni is created which helps to maintain valuable communication and cooperation between the graduates. SSE Riga has over 1,500 alumni worldwide which now serve in virtually every business speciality.</p>

Diplomatic Economic Club	
Target groups	Local and international stakeholders (entrepreneurs, diplomats, NGOs, official bodies)
Service description	<ul style="list-style-type: none"> ❖ Networking events and activities; ❖ Promotion of international business dialogue; ❖ Counselling on the establishment of enterprises in Latvia.
Service provider	Informal network – Diplomatic Economic Club
Comments	<p>“Diplomatic Economic Club”, an informal association, hereinafter referred to as the Club, was established on the initiative of a group of diplomatic personnel and in accordance with international experience and practical activities of foreign trade-economic, diplomatic missions. Its mission is to develop and strengthen mutually beneficial relations between the business people of Latvia, organisations and enterprises abroad.</p>

International Women's Club of Riga	
Target groups	Expat women
Service description	<ul style="list-style-type: none"> ❖ Networking events – monthly luncheons, Meet&Greet coffee; ❖ Information on living environment; ❖ Leisure activities; ❖ Language courses.
Service provider	NGO - International Women's Club of Riga
Comments	<p>The Club networking events are organised to facilitate the social integration of expatriate womens’ and are well attended and members use the opportunity to interact, socialize and network with each other. Several activities are related to non-formal learning as well as dealing with personal and social needs of the members.</p>

Study in Latvia	
Target groups	Potential students
Service description	<p>On-line information on:</p> <ul style="list-style-type: none"> ❖ Higher education in Latvia; ❖ Latvia at a glance; ❖ Practical study info; ❖ Scholarships; ❖ Erasmus for EU students.
Service provider	State institution - State Education Development Agency
Comments	<p>The Studyinlatvia.lv website is part of a campaign that aims to promote Latvian higher education and attract international students to Latvia. The website provides essential information about the higher education system, a searchable database of study programmes for international students and practical information about student life in Latvia. StudyinLatvia.lv is maintained and developed by the State Education Development Agency in partnership with Academic Information Centre and funded in part by the Euroguidance programme.</p>

Riga Students

Target groups	Existing and potential students in Riga
Service description	<ul style="list-style-type: none"> ❖ On-line information on: <ul style="list-style-type: none"> ○ Higher education in Riga; ○ Accommodation offers; ○ Living environment in Riga. ❖ Riga Students member card, providing discounts; ❖ Leisure events; ❖ Facebook based social network.
Service provider	Private company
Comments	Rigastudents.com is a private initiative providing assistance for the students in Riga city about education opportunities and accommodation. It provides the discount card for the members as well as have developed an international on-line students network based on Facebook. Initiative also is organising free time events for students.

Draugiem	
Target groups	General public
Service description	<p>Largest Latvian social network, offering:</p> <ul style="list-style-type: none"> ❖ Networking opportunities; ❖ Interest groups; ❖ Picture sharing; ❖ Music groups web pages; ❖ On-line games; ❖ Contains sub-groups of expats e.g. Pakistan in Latvia, Portuguese in Latvia.
Service provider	Private company – “Draugiem” Ltd
Comments	One of the largest social networks in Latvia. Local "Face book – a portal for many different types of activities and mutual communication meant for wide public. Latvia is one of the few countries where this local social network is even wider used than international networking services.

Riga Expat Dinner	
Target groups	Expats living in Riga
Service description	<ul style="list-style-type: none"> ❖ Organized dinner for expats once a month; ❖ Facebook based social network.
Service provider	Private initiative
Comments	Riga Expat Dinner is a private initiative, providing meeting space and networking and leisure opportunities for expats living in Riga through the monthly organized dinner events. It has been operating for more than 20 years.

Projects on integration of third country nationals	
Target groups	Third country nationals living in Latvia
Service description	<ul style="list-style-type: none"> ❖ Information for immigrants on a number of issues as: <ul style="list-style-type: none"> ○ Admission; ○ Employment; ○ Housing; ○ Health care; ○ Education; ○ Social security; ○ Entrepreneurship; ○ Info about Latvia; ○ Map of social services. ❖ Research on existing situation.
Service provider	Several NGOs: NGO Education and Innovation Development centre, NGO “Drošā māja”, etc.
Comments	Several project based initiatives co-financed by the EU financial instruments have been carried out by a number of NGO’s. During the projects informative

materials have been developed, as well as research on existing situation in the field of immigration carried out.

Integracija.lv	
Target groups	Third country nationals living in Latvia
Service description	<ul style="list-style-type: none">❖ On-line information available on:<ul style="list-style-type: none">○ Marriage○ Social guarantees○ Place of residence○ Employment○ Education○ Children education and childcare support○ Health care○ Psychological assistance❖ Expected services:<ul style="list-style-type: none">○ Legal adviser consultations;○ Social worker consultations○ Intensive Latvian courses;○ Qualification raising or requalification courses;○ Child care (during courses);○ Family events;○ Free advisory phone.
Service provider	State institution – Ministry of Justice
Comments	Project based initiative, co-financed by EU is being carried out by the Ministry of Justice with the aim to establish the service platform for immigrants. At the moment on-line information base is available and upcoming services have been defined.