



**THE OFFICE OF CITIZENSHIP AND  
MIGRATION AFFAIRS**



**THE EUROPEAN MIGRATION  
NETWORK**

**SMALL SCALE STUDY**

**CONDITIONS OF ENTRY AND  
RESIDENCE OF THIRD COUNTRY  
HIGHLY-SKILLED WORKERS IN THE  
EUROPEAN UNION**

**Riga, October 2006**

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## EXECUTIVE SUMMARY

The topic of the third small scale study by the European Migration Network is “Conditions of Entry and Residence of Third Country Highly-Skilled Workers in the European Union”.

The **goal of the study** is to contribute to the development of a proposed directive on the entry of third country highly-skilled workers in the European Union by providing an overview of the current status and needs in the contributing member states.

**Part 1 of the study** examines the existing conditions in the labour market as they pertain to third country highly-skilled workers, and evaluates the necessity for this particular labour force. It also looks at the trends and policy development during the last five years with respect to the need for third country highly-skilled workers.

**Part 2 of the study** contains methodology. It describes the methodology used in research; lists organizations that had supplied the necessary information; and describes issues and problems that arose in the course of analyzing the information.

**Part 3 of the study** examines the regulations for entry and residence of third country highly-skilled workers, analyzes the criteria for entry (i.e., income and qualifications), and looks at the quota system.

**Part 4 of the study** describes and evaluates the programmes attracting third country highly-skilled workers.

**Part 5 of the study** examines the rights and responsibilities of third country highly-skilled workers, including information on regulated length of residence of third country highly-skilled workers in the country and on responsibilities of employers should any of the workers become unemployed.

**Part 6 of the study** contains quantitative information on third country highly-skilled workers in Latvia.

**Conclusion** offers opinion about the influence of third country highly-skilled workers on the labour market in Latvia.

The study made use of statistical data, legislative acts and publications on employment available on the Internet as well as unpublished material and information provided by organizations taking part in the research, the Office of Citizenship and Migration Affairs, Ministry of Welfare, State Employment Agency and Central Statistics Bureau.

The study report is 33 pages long and contains ten tables and four annexes.

## 1. THIRD COUNTRY HIGHLY-SKILLED WORKERS IN LATVIA

Currently, one of the most crucial issues that economic policy-makers in Latvia face is the outflow of labour force from Latvia to other European Union member states. The arguments for bringing in workers from such Commonwealth of Independent States countries as Russia, Ukraine, Belarus and Moldova<sup>1</sup> to help reduce shortage of labour force and retain economic growth, are gaining popularity. The shortage of labour force in Latvia is being explained by the rapid economic growth<sup>2</sup>.

Although the shortage of labour force is pressing employers to consider the possibility of inviting workers from other countries, the government is not changing the current policy of protecting the internal labour market and prioritizes local labour force over immigrant workers<sup>3</sup>. Prime Minister Mr. Aigars Kalvītis maintains that the process of local labour force moving abroad will self-regulate and reverse in time, when the compensation level in Latvia increases<sup>4</sup>.

The main key to success and development and a pre-requisite to forming a strong economic base is a highly-qualified labour force and its intellectual capital. It is safe to say that Latvia has access to a qualified labour force since Latvia is at the top of the list of the countries having the highest student rate per 1,000 capita.

According to the information provided by the Ministry of Welfare, no long-term forecasts are available with respect to labour supply and demand based on qualifications and/or by industry. Hence, it is not possible at this time to predict the level at which an inflow of third country highly-skilled workers would impact the labour market situation in Latvia.

In an attempt to develop long-term projections for labour market, a research study "Labour Market Research" is currently underway within the framework of the European Social Fund national programme. However, the first results will be available no sooner than June 2007.

Since no labour market analysis nor its development planning have ever been undertaken in Latvia, the Cabinet of Ministers had to evaluate legal immigration as one of potential means to satisfy the needs of labour market and, thus, on 30 May

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<sup>1</sup> Arkliņa I. "Latvia will not be the Country of Cheap Labour", *Lietišķā Diena* (Practical Day), 21 November 2005.

<sup>2</sup> Ibid.

<sup>3</sup> "Kalvītis: Latvia's Labour Force is a Priority, not Immigrant Workers". Viewed on Internet 6 July 2006. <http://www.delfi.lv/archive/article.php?id=12239568>

<sup>4</sup> Ibid.

2006 the Cabinet reviewed the report “On the Need to Draft Policy Planning Documents on Immigration Issues” and approved the draft regulation “On Establishing a Work Group to Deal with Immigration Policy Issues” highlighting the tasks for such a group, as prepared by the Ministry of the Interior. The work group would be comprised of representatives from Ministries of the Interior, Economics, Finance, Welfare, Foreign Affairs, and Justice; from the social integration issues team working for the Minister of Special Tasks, as well as from Latvia Workers’ Unions and the Association of Employers of Latvia<sup>5</sup>.

Establishing this work group is of great importance because for the first time now labour market analysis and its development planning will be undertaken in Latvia, to evaluate legal immigration as one of potential means to satisfy the needs of labour market. Hence, it will be possible to study the influence of immigration on the labour market and to determine the directions in which Latvia would require the European Union legislation for receiving economic immigrants.

For 1 September 2006, the Work Group had to draft amendments to legislative acts proposing changes in the procedure foreign nationals receive visas and/or work and residence permits when they come to Latvia on business. The Ministry of Welfare has prepared amendments to the Cabinet of Ministers Regulations dealing with work permits for foreign nationals. The amendments foresee reduction in the number of documents required for approval of work permits. Apart from that, the Ministry of Welfare recommends revamping the whole system of work permit issuance by introducing a one stop agency principle with respect to legal residence and employment of foreign nationals in this country<sup>6</sup>. The Office of Citizenship and Migration Affairs, in turn, has prepared amendments to the Immigration Law; they were reviewed at the 28 September 2006 meeting of ministers. The new amendments will provide for a better environment for entrepreneurial activities and simplify administrative procedures<sup>7</sup>.

The Work Group will also conceptualize and draft a project proposal on immigration policy in the area of employment and present it to the Cabinet of Ministers by 31 December 2006. It will describe the current situation, offer several suggestions for problem areas, and examine possible results and costs.

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<sup>5</sup> “Work Group to Deal with Immigration Policy Issues Established”. Viewed on Internet 30 August 2006. <http://www.mk.gov.lv/lv/aktuali/zinas/2006gads/05/iekslietu30052006-01/>

<sup>6</sup> Fridriksons M. “Proposals to Ease Entry for Immigrant Workforce”, *Dienas Bizness (Daily Business)*, 24 August 2006.

<sup>7</sup> Amendments to the Immigration Law. Viewed on Internet 6 October 2006. [http://www.pmlp.gov.lv/?\\_p=30&menu\\_id=25&news\\_id=966&news\\_pos=0](http://www.pmlp.gov.lv/?_p=30&menu_id=25&news_id=966&news_pos=0)

On 25 July 2006, Mr. Aigars Stokenbergs, Minister of Economics, presented a report to the Cabinet of Ministers in which he made suggestions for improving the procedure that state institutions use for gathering, storing and exchanging information and coordinating their respective functions in order to facilitate drafting timely and profound labour market forecasts as well as relevant policy planning documents. As of now, the situation for labour market forecasting potential and continuous research has been assessed and recommendations for future have been worked out. The Cabinet of Ministers 25 July 2006 Directive No. 39 (Paragraph 41)<sup>8</sup> named the Ministry of Economics the leading organization for coordinating the mid and long-term labour market forecasting in the country starting 1 July 2007. It will use the results of the research conducted by the Ministry of Welfare “On the Long-Term Forecasting of Labour Market Demand and Analysis of its Further Development”. To perform this task the Ministry has to establish a new structural unit and a new state agency with sufficient funding<sup>9</sup>.

Although employers maintain that Latvia has imposed very high restrictions for third country workers to access the local labour market, the Ministry of Welfare wants to fully utilize the country’s internal labour force first. Currently, 74,000 unemployed have to be absorbed into the labour market. Therefore, the policy of bringing in immigrant workers has to be focused solely on attracting highly-skilled specialists that Latvia has a definite shortage of and using specific employment contracts. Problems with shortage of less skilled workers have to be resolved via fully and efficiently utilizing local labour force and turning back local workers who have left for jobs abroad, not via encouraging immigration<sup>10</sup>. More efficient utilization of local labour force could be achieved through a more active involvement from employers by way of vocalizing their needs for specific occupations, number of specialists, and/or educational and practical qualifications required of potential employees.

The most recent research study on the socio-psychological image of the unemployed, conducted by State Employment Agency, concludes that Latvia’s labour market can only integrate as much as 40% of the registered unemployed. Hence, there is a real labour force resource available; and employers and the State

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<sup>8</sup> Cabinet of Ministers 27 July 2006 Directive No. 39 (Paragraph 41). Viewed on Internet 6 October 2006. <http://www.mk.gov.lv/lv/mk/mksedes/saraksts/protokols/?protokols=2006-07-25>

<sup>9</sup> Press Release of the Ministry of Economics. Viewed on Internet 1 September 2006 <http://www.em.gov.lv/em/2nd/?cat=621&id=14292>

<sup>10</sup> “What Can the Country Do?”, *Latvijas Avīze* (Latvia Newspaper), 12 June 2006.

Employment Agency have to work together to better utilize this resource<sup>11</sup>. Under these circumstances, when there is an untapped labour resource available, bringing in immigrant workers can be regarded as a socially irresponsible move. Facilitating work-related immigration is closely linked with allocating considerable financial resources to programmes integrating immigrant workers and their family members into Latvia's society<sup>12</sup>.

Immigration and employment specialists have also voiced a similar opinion, namely, when considering lifting restrictions for foreign nationals for receipt of work visas one cannot focus just on the needs of employers. The fact that Latvia still has a considerable labour reserve that is not being utilized needs to be taken into account<sup>13</sup>. It is possible to alleviate a lot of the tension in local labour market by raising productivity, providing employment opportunities for Latvians currently working abroad and fully utilizing the unemployed, without bringing in immigrant workers<sup>14</sup>. Prime Minister Mr. Aigars Kalvitis is of a similar opinion; Latvia needs to increase productivity by introducing new technology and not by attracting immigrant workers<sup>15</sup>.

Latvia's entrepreneurs who have business relations with Ukraine agree that the vision of reducing shortages in labour market with the help of immigrant workers from Ukraine is very illusory. Ukraine is in the midst of a rapid economic growth and has already utilized all of its skilled work force. Besides, Ukrainian workers are far more likely to look for work in the neighbouring Poland<sup>16</sup>. Likewise, workers from Belarus prefer to find employment in Poland due to a more favourable visa regimen between the two countries, or in Russia due to a more favourable environment for entrepreneurship. Latvia is no longer on the Byelorussians' wish list<sup>17</sup>. Moreover, the level of compensation and purchasing power of residents of some of Russia's cities is already far ahead that of residents of Latvia, and growing<sup>18</sup>.

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<sup>11</sup> Orupe A. "Immigrant Workers Instead of Labour Resources Strategy", magazine „Nedēļa” (Week), 30 August 2006.

<sup>12</sup> Ibid.

<sup>13</sup> Krastiņš J., Strenge G., Klimovičs A., Zālīte I. "Poland Lifts Restrictions for Immigrant Workers", Diena (Day), 2 Sep. 2006, No. 204, p. 1.

<sup>14</sup> "Attracting Immigrant Workers has to be Well Thought Over", Delfi webpage, viewed 21 August 2006 <http://www.delfi.lv/archive/article.php?id=15303633>

<sup>15</sup> Zālīte I. "We Can Resolve Labour Force Shortages", Diena (Day), 12 September 2006, No. 12, p. 8.

<sup>16</sup> Liepiņš I. "Will Have to Do without the Workforce from Ukraine", Dienas Bizness (Daily Business), 21 June 2006, p. 14.

<sup>17</sup> Vīksne I. "Latvia Employs Immigrant Workers from 70 Countries". Viewed on Internet 29 August 2006. <http://www.tvnet.lv/zinas/latvija/article.php?id=297521>

<sup>18</sup> Rungainis G. "No to Importing Cheap Labour", magazine „Kapitāls” (Capital), September 2006.

On the other hand, analysts of Hansabanka, one of the leading Latvia's commercial banks, indicate that the country needs to design and implement programmes for receiving and integrating immigrant workers. They conclude that a short-term employment of immigrant workers in specific industries is inevitable and will alleviate the problem of labour shortages in the country<sup>19</sup>.

In accordance with the Study Specifications and international classification, the following professional groups are regarded as highly-skilled:

- ✓ Major Group 1 - Legislators, Government Officials, Senior Officers, and Managers
- ✓ Major Group 2 - Professionals
- ✓ Major Group 3 -Technicians & Associate Professionals.

Major Group 6 (Skilled Agricultural & Fishery Workers), Major Group 7 (Skilled Tradesmen & Craftsmen) and Major Group 8 (Plant & Machine Operators and Assemblers) will be considered skilled professions.

According to data from the Central Statistics Bureau, at the end of Quarter 2 of year 2006, there were 17.9 thousand vacancies in Latvia, or 1.8% of all available employment spots.

By industry sector, government services & defence had the most vacancies (4.5% or 3.7 thousand), followed by transportation, storage & communication industry (2.9% or 2.5 thousand) and mining & extraction industry (2.5% or 0.1 thousand).

By professional groups, plant & machine operators and assemblers had the most vacancies (2.8% or 2.6 thousand), followed by skilled tradesmen and craftsmen (2.5% or 3.3 thousand) and professionals (2.2% or 3.3 thousand).

A higher percentage of vacancies at the end of Quarter 2 of 2006 was in the government sector (2.8% or 8.9 thousand); vacancies in the private sector constituted 1.4% or 9.0 thousand<sup>20</sup>.

In 2005 the European Commission drafted the *Policy Plan on Legal Migration* that foresees various activities for the period 2006 to 2009 that would address the shortage of labour force. The Plan envisions that by 2009 the Commission will have implemented four separate projects governing admission and residence in the EU of highly-skilled workers, seasonal workers, transferred employees and paid interns. Besides the four above-mentioned directives the Plan also envisions drafting of a

<sup>19</sup> "Preparations for Bringing in Immigrant Workers", Latvijas Avīze (Latvia Newspaper), 27 June 2006.

<sup>20</sup> "Number of Vacancies in Quarter 2 of 2006". Viewed on Internet 4 October 2006.

[http://www.csb.gov.lv/lteksts.cfm?tem\\_kods=briv&datums=%7Bts%20%272006%2D09%2D13%2013%3A00%3A00%27%7D](http://www.csb.gov.lv/lteksts.cfm?tem_kods=briv&datums=%7Bts%20%272006%2D09%2D13%2013%3A00%3A00%27%7D)

horizontal instrument governing economic migration, namely, a framework for rights of all third country workers legally employed in the European Union (who have not yet been granted the EU permanent resident status). It would also, perhaps, introduce a common work-residence permit containing individual biometric information.

Consequently, the purpose of this study is to contribute to the development of the proposed European Commission framework on admission of third country highly-skilled workers, and to provide policy makers at national and European levels, including the Commission, with an overview of the current situation and needs of member states with respect to third country highly-skilled workers.

The research coordinators of the European Migration Network (Berlin Institute for Comparative Social Research) through systematic comparison will identify similarities and differences among member states with respect to their approaches to admitting third country highly-skilled workers, thus arriving at a comprehensive overview.

The small scale study is intended for policy makers at national and European levels, particularly those dealing with labour market issues. Other target groups are immigrant associations, trade unions, employer associations and research institutions involved in studying migration issues.

The object of the study is conditions for entry and residence of third country highly-skilled workers. The subject of the study is impact of third country highly-skilled workers upon Latvia's labour market.

## 2. METHODOLOGY

The study was conducted based on the specifications and structure worked out by the European Commission and authorized by the national points of contact of the European Migration Network.

In order to achieve the purpose of the study, various institutions having the necessary information about the labour migration in Latvia, demands of the labour market and planning the development of labour market, got involved in the process. The Ministry of Welfare, Central Statistics Bureau of the Ministry of Economics, State Employment Agency of the Ministry of Welfare, and the Office of Citizenship and Migration Affairs of the Ministry of the Interior all took part in the study.

Official requests were sent to the above institutions to obtain the necessary information.

The Office of Citizenship and Migration Affairs provided information on migration policy as well as statistics on the residence permits granted to third country highly-skilled workers.

The Ministry of Welfare provided information on the national policy with respect to recruiting third country highly-skilled workers.

The Central Statistics Bureau and State Employment Agency supplied statistical data about offers of employment by country; employment vacancies; employment of highly-skilled workers by major groups and subgroups, overall and by gender, for years 2000-2005.

Various materials and more recent publications on the Internet were also used in order to expand the scope of analysis and incorporate various opinions about third country workers in Latvia. The study used statistical data and other information received from the above-mentioned institutions, legislative acts, published articles on employment obtained from periodicals and the Internet, and unpublished materials.

Several problems arose during the course of research. The section of the report dealing with programmes for recruiting highly-skilled immigrant workers is very short because, currently, no such programmes or agreements with third countries are in place in Latvia. Therefore, an overview of the programmes is not possible. Consequently, the section on rights and responsibilities of third country highly-skilled workers is also very short. The study does not touch upon Latvia's expertise in attracting third country highly-skilled workers as it is non-existent. The requirement for the statistical section was to include data on employment of member state

nationals and third country workers by ISCO-88 major groups. Unfortunately, this data is not available either because the employment data was not recorded using the division between Latvia's nationals and third country nationals. Only the data on the total number of employees by major groups and subgroups, and by gender, is available.

The State Employment Agency has quantitative information about employment vacancies by occupation, as reported by employers, and about offers of employment sent to foreign nationals (by industry sector, country, gender, occupation, and education).

The Office of Citizenship and Migration Affairs has information on work permits issued and on the number of foreign nationals who have come to Latvia due to employment (both by type of employment and by country). They do not have information on employment by ICSO-88 classification. Nevertheless, it is possible to estimate the percentage of foreign nationals employed in Latvia.

### **3. NATIONAL LEGISLATION FOR MIGRATION OF THIRD COUNTRY HIGHLY-SKILLED WORKERS TO LATVIA**

One of the main reasons behind the increase in employment related immigration is being explained by the need to bring in third country workforce to foster the growth of the national economy. Inflow of people requires development of the local infrastructure which, in turn, attracts local capital investment. Hence, immigrants influence labour market either directly, by increasing the supply of labour, or indirectly, by increasing the demand for labour.

Immigration policy for employment of foreign nationals is determined by the Immigration Law and/or the subsequent Cabinet of Ministers regulations. Current legislation allows for approval of an offer of employment for a foreign national if a vacancy has been registered with the State Employment Agency and has not been filled for at least a month since the time of registration.

The Ministry of Welfare maintains that an individual's freedom to relocate is a potential source for employers to look for qualified workforce. Considering the low compensation, employers in Latvia are at a disadvantage, compared to employers in other EU member states, when it comes to attracting highly-skilled workers. Employers in Latvia have to pay third country workers a certain level of compensation, a medium level salary, which they agree is a major limitation. However, the requirement is reasonable since Latvia is focused on attracting qualified labour force. The Ministry of Welfare admits that simplifying the administrative procedure and reducing administrative costs are the directions to be taken. Therefore, it has made recommendations to the Work Group to design and implement a one stop agency principle, i.e., whereby the documents would be submitted to one institution (instead of the current two, the State Employment Agency and the Office of Citizenship and Migration Affairs) and one work/residence permit would be issued to a foreign national.

No specific entry and residence regulations for third country highly-skilled workers currently exist.

Paragraph 9 of the Immigration Law<sup>21</sup> states that foreign nationals require a work permit if they intend to enter labour relations by signing an employment contract, or to be employed in accordance with a different legal agreement (as a

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<sup>21</sup> Immigration Law, Latvijas Vēstnesis (Latvia Herald), No. 169, 20 November 2002.

member of a board or a member of administration of a corporation), or to be self-employed.

Work permit is not required if a foreign national:

- 1) has received a permanent residence permit;
- 2) has received a temporary residence permit for the time period not exceeding one year and has arrived in Latvia on a student exchange programme, or as an intern or trainee at an educational establishment of the Republic of Latvia or at a commercial company/business registered in the Commercial Register, or with some other assignment, and does not receive remuneration for the job done;
- 3) arrives in the Republic of Latvia on a tour as a performer (musician, singer, dancer, actor, circus artist, etc.), an author/creator (composer, choreographer, artistic director, stage designer, etc.), or a member of a stage crew, and the anticipated length of stay in the Republic of Latvia does not exceed 14 days;
- 4) arrives in the Republic of Latvia having received an invitation from an educational or research organization or from an individual scientist in connection with scientific research or implementation of an educational programme, and the anticipated length of stay in the Republic of Latvia does not exceed 14 days;
- 5) has received the European Union permanent residence permit in the Republic of Latvia.

Regulations No. 44 "On Work Permits for Foreign Nationals"<sup>22</sup>, issued by the Cabinet of Ministers on 24 January 2004, determine the procedure for requesting and issuing work permits. The Regulations set forth the procedure for applying for and obtaining a work permit for a foreign citizen who wishes to establish legal employment relations by signing an employment contract, or to be employed in accordance with a different legal contract (e.g. as a board member of a capital company or an executive of a partnership registered in the Commercial Register), or to be self-employed in the Republic of Latvia. The Regulations also set forth the procedure for paying the application fee when requesting the work permit and the amount of the fee.

Work permits are issued by the Office of Citizenship and Migration Affairs in accordance with the above Regulations.

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<sup>22</sup> 24 January 2004 Cabinet of Ministers Regulations No. 44, "On Work Permits for Foreign Nationals", Latvijas Vēstnesis (Latvia Herald), No. 12, January 23, 2004.

Before the employer can employ a foreign national, an official offer of employment has to be certified by the State Employment Agency. When requesting certification of the offer of employment the employer (or its authorized representative) submits to the State Employment Agency branch office the following documents:

- ✓ an application justifying the need for employing a foreign national;
- ✓ a notification from the State Revenue Agency confirming that the employer does not owe any taxes to the Revenue Agency;
- ✓ for a regulated professional field, a copy of a document confirming that the education or professional designation of the foreign national satisfies the educational requirements set in the Republic of Latvia. For an unregulated professional field, a copy of a document confirming education or qualification of the foreign national;
- ✓ a copy of the employment contract or a copy of the certified enterprise agreement, if the foreign national is to be employed in accordance with an employment contract or an enterprise agreement;
- ✓ a copy of the employer's registration certificate, charter, statute, or any other document certifying the employer's legal status;
- ✓ a copy of a license if the specific employment position calls for such;
- ✓ an authorization, if the person filing the documents is an authorized representative of the employer;
- ✓ a receipt confirming a payment to the Agency for reviewing the documents and for certifying the offer of employment.

To receive a residence permit in the Republic of Latvia based on an employment contract or an enterprise agreement, a foreign national has to present a valid travel document recognized in the Republic of Latvia and submit the following documents:

- ✓ an official application form for a residence permit;
- ✓ two photos;
- ✓ a radiologist's report on the results of an x-ray or fluoroscopic examination;
- ✓ a certificate on criminal record issued by an authority of the country of residence (if a foreign national is 14 years of age or older);
- ✓ a document verifying that he/she has sufficient financial means;
- ✓ a document verifying the anticipated place of residence in the Republic of Latvia;
- ✓ a receipt confirming the application fee payment;

- ✓ an offer of employment certified by the State Employment Agency. The State Employment Agency can authorize or decline the offer of employment based on the current labour market conditions.

The party extending the invitation to a foreign national has to have the letter of invitation approved at the Office of Citizenship and Migration Affairs before the foreign national can submit his/her application.

No official labour quotas have been introduced in Latvia. An exception applies to the information technology professionals who receive work permits, free of charge and without certification of the employer's offer of employment, in conformity with the terms of a valid visa for a time period that does not exceed 90 days within 6 months counting from the day of entry, and who hold the appropriate professional designation or degree in the field of IT and have had relevant managerial experience (for the past 3 years), and who are to be employed as a:

- 1) Project Director;
- 2) Quality Manager;
- 3) Lead Project Manager;
- 4) Lead System Architect;
- 5) Lead System Analyst;
- 6) Lead Software Developer;
- 7) Lead IT Solutions Consultant;
- 8) Lead Business Consultant.

Up to 100 work permits a year can be issued for the above scenario.

Requirements for the level of proficiency in the Latvian language necessary for employment are set out in the Official Language Law<sup>23</sup> and the subsequent 22 August 2000 Cabinet of Ministers Regulations No. 296 "Regulations of the Level of Proficiency in the Official Language Required for Employment and the Procedure of Testing the Level of Language Proficiency."<sup>24</sup>

In accordance with the Official Language Law, a level of proficiency in the Latvian language, adequate to be able to fulfill the responsibilities of their respective job positions, is required of government and municipal officers and employees of the

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<sup>23</sup> Official Language Law, Latvijas Vēstnesis (Latvia Herald), No. 428/433, 21 December 1999.

<sup>24</sup> 22 August 2000 Cabinet of Ministers Regulations No. 296 "Regulations of the Level of Proficiency in the Official Language Required for Employment and the Procedure of testing the Level of Language Proficiency", Latvijas Vēstnesis (Latvia Herald), No. 302, 29 August 2000.

following organizations: judicial institutions, government and municipal enterprises and enterprises where the state or a municipality is the major capital investor.

Employees of private enterprises and organizations and self-employed have to speak the Latvian language if and when the areas of their business affect legitimate social aspects (public security, health, morality, health care, protection of consumer and employee rights, workplace security, and public administration).

Employees of private enterprises and organizations and self-employed, involved in certain public activities in accordance with legislation, have to be proficient in the Latvian language to the extent necessary to fulfill their professional responsibilities.

Third country professionals and members of boards of foreign businesses working in Latvia either have to be proficient in the Latvian language to the extent necessary to fulfill their professional responsibilities, or provide translation into the official language.

In accordance with the 22 August 2000 Cabinet of Ministers Regulations No. 296 "Regulations of the Level of Proficiency in the Official Language Required for Employment and the Procedure of Testing the Level of Language Proficiency", there are three levels of language proficiency: Level 1 (the lowest), Level 2 (medium) and Level 3 (the highest). Each level, in turn, has two grades, A and B.

Level 1 A and B proficiency is required for basic manual labour positions to be able to follow instructions, use technology, use and maintain machinery and equipment, and comply with workplace safety.

Level 2 A and B proficiency is required for service positions and positions that deal with ensuring public safety, management of technological processes, accounting and bookkeeping.

Level 3 A and B proficiency is required for managers of institutions, organizations and enterprises and of their structural units, professionals, health care employees and social workers, university professors and teachers, government officers, employees dealing with word processing and record keeping, linguists and literature professionals, translators and interpreters.

#### **4. PROGRAMMES FOR ATTRACTING THIRD COUNTRY HIGHLY-SKILLED WORKERS**

Latvia does not have any programmes or agreements with third countries for recruiting highly-skilled workforce. Consequently, there is no support in place for their return to the country of origin, nor any favourable agreements for family reunification and/or language training.

In accordance with international legislation and procedures, and suggestions from partner organizations, Paragraphs 29 and 30 of the 20 January 2004 Cabinet of Ministers Regulations No. 44 "On Work Permits for Foreign Nationals" determine a less restrictive procedure for certain professional groups for receiving work permits. Quotas with respect to information technology professionals do exist.

According to the information provided by the Employment Department of the Ministry of Welfare and by Latvia Information and Communication Technology Association, several biggest IT enterprises in Latvia did recruit professionals from the USA, Russia, Ukraine and other countries in 2005 to work on specific projects. Due to the specific nature and variety of IT projects there is definitely a need for a short-term recruitment of foreign professionals as they possess skills and knowledge their national peers may not always have. The Ministry of Economics supports the above quota with respect to the area of IT because its utilization helps the country to develop this knowledge-based industry and, thus, stay competitive on an international level.

Any amendments to the 20 January 2004 Cabinet of Ministers Regulations No. 44 "On Work Permits for Foreign Nationals" are always reviewed with the relevant government policy offices and partner organizations.

## 5. RIGHTS AND OBLIGATIONS OF THIRD COUNTRY HIGHLY-SKILLED WORKERS

No specific rights or obligations have been singled out for third country highly-skilled workers that would not apply to any foreign national coming to Latvia.

According to Paragraph 7 of Section 24 Part 1 of the Immigration Law, a foreign national who has had a temporary residence permit and has continuously stayed in Latvia for at least five year prior to submitting an application, has the right to request a permanent residence permit. The same condition applies to foreign nationals who have come to Latvia due to employment. The term “settlement” in Latvia means having received a permanent residence permit.

If a foreign national wishes to apply for a permanent residence permit in accordance with the above condition, he/she has to present a certification verifying his/her proficiency of the Latvian language. The 4 April 2006 Cabinet of Ministers Regulations No. 252 “Regulations of the Level of Proficiency in the Official Language and the Procedure of Testing the Level of Language Proficiency for Foreign Nationals Eligible to Apply for a Permanent Residence Permit”<sup>25</sup> determine the conditions for language training and the procedure for testing the level of language proficiency. Paragraph 3 of the above Regulations states that a foreign national has a right to receive a permanent residence permit if he/she has mastered the official language at least at Level 1 (lowest) grade B, in accordance with Paragraph 12.2 of the 22 August 2000 Cabinet of Ministers Regulations No. 296 “Regulations of the Level of Proficiency in the Official Language Required for Employment and the Procedure of Testing the Level of Language Proficiency”.

At this time the official language test might be the only test that a foreign national needs to take in order to receive a permanent residence permit.

No information is currently available with respect to specific programmes that would encourage third country highly-skilled workers to return to their countries of origin upon expiry of their residence permit in Latvia, in order to facilitate “brain circulation”.

In accordance with Paragraph 1 of Section 10 Part 1 of the Law on Support for the Unemployed and Job Seekers<sup>26</sup>, a foreign national has a right to the status of unemployed if he/she has received a permanent residence permit; or has received a

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<sup>25</sup> 4 April 2006 Cabinet of Ministers Regulations No. 252 “Regulations of the Level of Proficiency in the Official Language and the Procedure of Testing the Level of Language Proficiency for Foreign Nationals Eligible to Apply for a Permanent Residence Permit”, *Latvijas Vēstnesis (Latvia Herald)*, No. 57, 7 April 2006.

<sup>26</sup> Law on Support for the Unemployed and Job Seekers, *Latvijas Vēstnesis (Latvia Herald)*, No. 80, 29 May 2002.

temporary residence permit and is a spouse of a citizen or a non-citizen of Latvia, or of an individual who has received a temporary residence permit; or has received a temporary residence permit due to having been granted an alternative status in Latvia. In order to be granted a status of an unemployed, a foreign national has to register at the State Employment Agency branch closest to his/her place of residence. The State Employment Agency has one day to make a decision on whether to grant or decline the status. Section 4 of the above law describes the rights and responsibilities of the unemployed.

In accordance with Paragraph 10 of the 20 January 2004 Cabinet of Ministers Regulations No. 44 "On Work Permits for Foreign Nationals", if the employment relations with a foreign national are terminated prior to the expiry of his/her work permit, the employer has to notify the Office of Citizenship and Migration Affairs in writing before the expiry of the foreign national's work permit but no later than three business days after the termination of employment contract.

If the employer fails to report any termination of employment contracts, the Head of the Office of Citizenship and Migration Affairs can ban the employer from applying for certification of new offers of employment and/or receiving work permits for foreign nationals for the duration of one year, starting from the day the violation was discovered.

Taxing of third country highly-skilled workers is no different than that of their national peers.

## 6. STATISTICAL DATA

A total of **6,374** offers of employment were certified at the State Employment Agency branches during the time period from 2001 to 1st half of 2006 (see Table 6.1).

**Table 6.1**  
**Offers of Employment Certified at**  
**State Employment Agency Branches, 2001 to 1<sup>st</sup> half of 2006<sup>27</sup>**

|                             | 2001  | 2002  | 2003  | 2004 | 2005 | 1 <sup>st</sup> half of 2006 | Total        |
|-----------------------------|-------|-------|-------|------|------|------------------------------|--------------|
| <b>Offers of Employment</b> | 1,892 | 1,790 | 1,409 | 448  | 505  | 330                          | <b>6,374</b> |

Citizens of the current European Union member states were included in statistics for offers of employment up until 1 May 2004 (see Table 6.2).

**Table 6.2**  
**Offers of Employment Certified at**  
**State Employment Agency Branches for Citizens of EU-25**  
**1999 to 1 May 2004<sup>28</sup>**

|                             | 1999 | 2000 | 2001 | 2002 | 2003 | until 1 May 2004 | Total        |
|-----------------------------|------|------|------|------|------|------------------|--------------|
| <b>Offers of Employment</b> | 676  | 765  | 886  | 919  | 647  | 86               | <b>3,979</b> |

By country, the most offers of employment were authorized for citizens of Ukraine (23.29%) and Russia (12.57%). Other countries did not exceed the 5% threshold (see Table 6.3).

**Table 6.3**  
**Offers of Employment Certified at**  
**State Employment Agency Branches**  
**By Country, 2000 to 1<sup>st</sup> half of 2006<sup>29</sup>**

| Country | 2001 | %    | 2002 | %    | 2003 | %    | 2004 | %    | 2005 | %    | 1 <sup>st</sup> half of 2006 | %    |
|---------|------|------|------|------|------|------|------|------|------|------|------------------------------|------|
| USA     | 76   | 4.0  | 56   | 3.1  | 55   | 3.9  | 17   | 3.8  | 17   | 3.4  | 6                            | 1.8  |
| Belarus | 35   | 1.8  | 25   | 1.4  | 22   | 1.6  | 11   | 2.5  | 15   | 2.9  | 18                           | 5.5  |
| India   | 36   | 1.9  | 46   | 2.6  | 52   | 3.7  | 28   | 6.3  | 66   | 13.1 | 29                           | 8.8  |
| China   | 55   | 2.9  | 42   | 2.3  | 32   | 2.3  | 21   | 4.7  | 30   | 5.9  | 10                           | 3.0  |
| Russia  | 248  | 13.1 | 226  | 12.6 | 126  | 8.9  | 49   | 10.9 | 99   | 19.6 | 53                           | 16.1 |
| Ukraine | 372  | 19.7 | 304  | 17.0 | 313  | 22.2 | 184  | 41.1 | 210  | 41.6 | 108                          | 32.7 |

<sup>27</sup> State Employment Agency data

<sup>28</sup> State Employment Agency data

<sup>29</sup> State Employment Agency data

|               |              |            |              |            |              |            |            |            |            |            |            |            |
|---------------|--------------|------------|--------------|------------|--------------|------------|------------|------------|------------|------------|------------|------------|
| Moldova       |              |            |              |            |              |            |            |            | 1          | 0.2        | 27         | 8.2        |
| Uzbekistan    |              |            |              |            |              |            |            |            | 4          | 0.8        | 36         | 10.9       |
| Turkey        |              |            |              |            |              |            |            |            | 3          | 0.6        | 16         | 4.8        |
| Other         | 1,070        | 56.6       | 1,091        | 61.0       | 809          | 57.4       | 138        | 30.7       | 60         | 11.9       | 27         | 8.2        |
| <b>Total:</b> | <b>1,892</b> | <b>100</b> | <b>1,790</b> | <b>100</b> | <b>1,409</b> | <b>100</b> | <b>448</b> | <b>100</b> | <b>505</b> | <b>100</b> | <b>330</b> | <b>100</b> |

A foreign national can be employed based on either an employment contract or an enterprise agreement. 61% of the offers of employment from 2000 to 1<sup>st</sup> half of 2006 were issued based on the employment contracts (see Table 6.4).

**Table 6.4**  
**Offers of Employment Certified at**  
**State Employment Agency Branches**  
**By Basis of Employment, 2000 to 1<sup>st</sup> half of 2006<sup>30</sup>**

| Basis for Employment     | 2000         | 2001         | 2002         | 2003         | 2004       | 2005       | 1 <sup>st</sup> half of 2006 | Total        |
|--------------------------|--------------|--------------|--------------|--------------|------------|------------|------------------------------|--------------|
| International Agreements | 89           | 45           | 49           | 37           | 0          | 0          |                              | 220          |
| Employment Contracts     | 909          | 1,090        | 1,120        | 851          | 251        | 295        | 264                          | 4,780        |
| Enterprise Agreements    | 475          | 757          | 621          | 521          | 197        | 210        | 66                           | 2,847        |
| <b>Total:</b>            | <b>1,473</b> | <b>1,892</b> | <b>1,790</b> | <b>1,409</b> | <b>448</b> | <b>505</b> | <b>330</b>                   | <b>7,847</b> |

According to data from the State Employment Agency, in the time period from 2001 to 1<sup>st</sup> half of 2006, most foreign nationals (30.84%) came to the Republic of Latvia to be employed in manufacturing (see Table 6.5).

**Table 6.5**  
**Offers of Employment Certified at**  
**State Employment Agency Branches**  
**By Industry, 2001 to 1st half of 2006<sup>31</sup>**

| Industry                 | 2001 | 2002 | 2003 | 2004 | 2005 | 1 <sup>st</sup> half of 2006 | Total | %     |
|--------------------------|------|------|------|------|------|------------------------------|-------|-------|
| Agriculture and Forestry | 75   | 108  | 56   | 2    | 0    | 0                            | 241   | 3.78  |
| Manufacturing            | 555  | 436  | 415  | 208  | 242  | 110                          | 1,966 | 30.84 |
| Construction             | 161  | 176  | 101  | 22   | 33   | 97                           | 590   | 9.26  |
| Trade                    | 316  | 285  | 166  | 30   | 24   | 8                            | 829   | 13.01 |
| Hotels and Restaurants   | 88   | 81   | 86   | 56   | 64   | 45                           | 420   | 6.59  |

<sup>30</sup> State Employment Agency data

<sup>31</sup> State Employment Agency data

|                                     |              |              |              |            |            |            |              |              |
|-------------------------------------|--------------|--------------|--------------|------------|------------|------------|--------------|--------------|
| Transportation and Communications   | 94           | 108          | 70           | 30         | 30         | 18         | <b>350</b>   | <b>5.49</b>  |
| Real Estate and Commerce Operations | 0            | 0            | 0            | 0          | 54         | 22         | <b>76</b>    | <b>1.19</b>  |
| Education                           | 180          | 167          | 165          | 18         | 7          | 0          | <b>537</b>   | <b>8.42</b>  |
| Culture, Sports                     | 223          | 166          | 188          | 30         | 24         | 10         | <b>641</b>   | <b>10.06</b> |
| Other industries                    | 200          | 263          | 162          | 52         | 27         | 20         | <b>724</b>   | <b>11.36</b> |
| <b>Total</b>                        | <b>1,892</b> | <b>1,790</b> | <b>1,409</b> | <b>448</b> | <b>505</b> | <b>330</b> | <b>6,374</b> | <b>100</b>   |

By gender, most offers of employment authorized by the State Employment Agency in 2005 were issued to males (83%) aged 25 to 34 (41%) (see Table 6.6).

**Table 6.6**  
**Offers of Employment Certified at**  
**State Employment Agency Branches**  
**By Age Group and Gender, 2005<sup>32</sup>**

| <b>Age Groups</b> | <b>Female</b> | <b>Male</b> | <b>Total</b> |
|-------------------|---------------|-------------|--------------|
| 15 to 24          | 10            | 43          | <b>53</b>    |
| 25 to 34          | 37            | 173         | <b>210</b>   |
| 35 to 44          | 22            | 118         | <b>140</b>   |
| 45 to 54          | 12            | 72          | <b>84</b>    |
| 55 to 64          | 3             | 12          | <b>15</b>    |
| Over 65           | 1             | 2           | <b>3</b>     |
| <b>Total</b>      | <b>85</b>     | <b>420</b>  | <b>505</b>   |

Following Latvia's accession to the European Union, a total of **1,700** citizens of the European Union and the European Economic Area and a total of **2,640** third country citizens came to Latvia for employment in the time period from 1 May 2004 to 30 June 2006 (see Table 6.7).

**Table 6.7**  
**Number of Foreign Nationals**  
**Arriving in Latvia for Employment<sup>33</sup>**

| <b>Citizenship</b>    | <b>1 May 2004 to 31 Dec. 2004</b> | <b>1 Jan. 2005 to 31 Dec. 2005</b> | <b>1 Jan. 2006 to 30 Jun. 2006</b> | <b>Total</b> |
|-----------------------|-----------------------------------|------------------------------------|------------------------------------|--------------|
| <b>European Union</b> | 607                               | 838                                | 255                                | 1,700        |

<sup>32</sup> State Employment Agency data

<sup>33</sup> Office of Citizenship and Migration Affairs data

|                                   |              |              |              |              |
|-----------------------------------|--------------|--------------|--------------|--------------|
| <b>and European Economic Area</b> |              |              |              |              |
| <b>Third Country</b>              | 647          | 1237         | 756          | 2,640        |
| <b>Total</b>                      | <b>1,254</b> | <b>2,075</b> | <b>1,011</b> | <b>4,340</b> |

According to data from the Office of Citizenship and Migration Affairs, in the time period from 1 May 2004 to 30 June 2006, most foreign nationals, or 24.4%, arrived in Latvia to work in processing industry, a fact that illustrates that foreign entrepreneurs see favourable environment and potential and growth in Latvia's economy (see Table 6.8).

**Table 6.8**  
**Number of Third Country Citizens Arriving in Latvia,**  
**By Industry**<sup>34</sup>

| <b>Industry</b>  | <b>1 May 2004 to 31 Dec. 2004</b> | <b>1 Jan. 2005 to 31 Dec. 2005</b> | <b>1 Jan. 2006 to 30 Jun. 2006</b> | <b>Total</b> | <b>%</b> |
|--|-----------------------------------|------------------------------------|------------------------------------|--------------|----------|
| Agriculture, Hunting and Forestry  | 14                                | 27                                 | 11                                 | 52           | 1.97     |
| Fisheries  | 2                                 | 9                                  | 6                                  | 17           | 0.64     |
| Mining and Extraction  | 1                                 | 2                                  | 1                                  | 4            | 0.15     |
| Processing   | 201                               | 299                                | 144                                | 644          | 24.40    |
| Utilities (power, gas and water supply)  | 4                                 | 3                                  | 1                                  | 8            | 0.30     |
| Construction   | 16                                | 44                                 | 62                                 | 122          | 4.62     |
| Wholesale and Retail; Repairs of Automotive and Consumer Products and Appliances | 75                                | 163                                | 78                                 | 316          | 11.97    |
| Hotels and Restaurants   | 70                                | 97                                 | 68                                 | 235          | 8.90     |
| Transportation, Storage and Communications                                       | 27                                | 84                                 | 68                                 | 179          | 6.78     |
| Financial Services   | 22                                | 37                                 | 24                                 | 83           | 3.14     |
| Real Estate, Leasing and Commerce Operations                                     | 74                                | 162                                | 118                                | 354          | 13.41    |
| Government Services and Defence; Social Security                                 | 0                                 | 9                                  | 14                                 | 23           | 0.87     |
| Education  | 53                                | 57                                 | 18                                 | 128          | 4.85     |
| Health Care and Social Work  | 6                                 | 14                                 | 10                                 | 30           | 1.14     |
| Other Municipal, Social and Individual Services                                  | 81                                | 228                                | 133                                | 442          | 16.74    |
| Extra Territorial Organizations and Institutions                                 | 0                                 | 1                                  | 0                                  | 1            | 0.04     |

<sup>34</sup> Office of Citizenship and Migration Affairs data

|                      |            |              |            |              |            |
|----------------------|------------|--------------|------------|--------------|------------|
| Household Activities | 1          | 1            | 0          | 2            | 0.07       |
| <b>Total</b>         | <b>647</b> | <b>1,237</b> | <b>756</b> | <b>2,640</b> | <b>100</b> |

By citizenship, in the time period from 1 May 2004 to 30 June 2006, most foreign nationals arrived in Latvia for employment from Russia (33.75%), Ukraine (21.17%), the USA (8.52%), India (5.72%) and Belarus (5.68%). Citizens of other countries did not reach the 5% threshold (see Table 6.9).

**Table 6.9**  
**Largest Third Country Citizen Groups**  
**Arriving for Employment, 2004 to 30 June 2006**

| No. | Citizenship  | 1 May 2004<br>to 31 Dec.<br>2004 | 1 Jan. 2005 to<br>31 Dec. 2005 | 1 Jan. 2006<br>to 30 Jun.<br>2006 | Total        | %          |
|-----|--------------|----------------------------------|--------------------------------|-----------------------------------|--------------|------------|
| 1   | Russia       | 173                              | 446                            | 272                               | <b>891</b>   | 33.75      |
| 2   | Ukraine      | 191                              | 242                            | 126                               | <b>559</b>   | 21.17      |
| 3   | USA          | 66                               | 110                            | 49                                | <b>225</b>   | 8.52       |
| 4   | India        | 34                               | 75                             | 42                                | <b>151</b>   | 5.72       |
| 5   | Belarus      | 26                               | 87                             | 37                                | <b>150</b>   | 5.68       |
| 6   | Israel       | 33                               | 41                             | 36                                | <b>110</b>   | 4.17       |
| 7   | China        | 25                               | 42                             | 20                                | <b>87</b>    | 3.30       |
| 8   | Turkey       | 11                               | 16                             | 24                                | <b>51</b>    | 1.93       |
| 9   | Canada       | 11                               | 17                             | 10                                | <b>38</b>    | 1.44       |
| 10  | Other        | 77                               | 161                            | 140                               | <b>378</b>   | 14.32      |
|     | <b>Total</b> | <b>647</b>                       | <b>1,237</b>                   | <b>756</b>                        | <b>2,640</b> | <b>100</b> |

The number of work permits issued has increased each year which means that with Latvia's accession to the European Union entrepreneurs regard the country as one with economic growth potential. Besides, the work permit data base established in 2004 has considerably improved the process of permit issuance (see Table 6.10).

**Table 6.10**  
**Work Permits Issued, 2002 - 2005**

| 2002  | 2003  | 2004  | 2005  | Total  |
|-------|-------|-------|-------|--------|
| 2,904 | 2,984 | 3,717 | 4,609 | 14,214 |

One of the reasons Latvia does not attract a large number of third country workers is the level of compensation and the relatively high administrative costs. The employer has to pay a third country worker at least Ls 246 before taxes, i.e. the current medium salary. Many employers regard the figure to be too high because it is possible to employ local labour force for the minimum pay. The minimum pay in the country currently is Ls 90.

The costs associated with work permit are as follows:

- 1) fee for certification of the offer of employment at the State Employment Agency – Ls 3 or Ls 5 (depending on the length of time for document processing);
- 2) work permit application fee for one individual – Ls 35 per calendar month;
- 3) estimated compensation – no less than the currently established medium salary per month (a total of Ls 305, consisting of base pay of Ls 246 and a 24.09%, or Ls 59.24, tax paid by the employer);
- 4) fee for certification of the level of immigrant worker's qualifications for regulated occupations at the Academic Information Centre – Ls 42.70;
- 5) a letter of invitation for residence permit application – Ls 10;
- 6) residence permit application fee – Ls 70 to Ls 170 (depending on the length of time for document processing);
- 7) health insurance policy – Ls 40;
- 8) consular fee for sending the documents to Latvia – Ls 30;
- 9) long-term visa – Ls 20.

The one time costs for the employer associated with a work permit for third country workers for the first year of employment total Ls 220 to Ls 320, while the monthly costs constitute Ls 340.

The costs in the second and following years are not that high any longer because there is no need for certifying the qualification, obtaining a long-term visa, or paying the consular fee for forwarding documentation between the countries.

As mentioned previously, no statistical data has been accumulated in Latvia with respect to employment by ICSO-88 classification distinguishing between immigrant workers and local labour force. All we have at this point are the total average numbers of employees by ICSO-88 classification, as per Central Statistics Bureau data (see Annex 3).

In accordance with the 29 July 2003 Cabinet of Ministers Regulations No. 425 "Statute of the State Employment Agency"<sup>35</sup>, the State Employment Agency gathers data on job vacancies based on the information provided by employers and makes this information available to the unemployed and job seekers. However, it should be noted that their statistics does not accurately reflect the situation as employers do not always notify the State Employment Agency of all the vacancies (see Annex 4).

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<sup>35</sup> 29 July 2003 Cabinet of Ministers Regulations No. 425 "Statute of the State Employment Agency", Latvijas Vēstnesis (Latvia Herald), No. 111, 6 August 2003.

## CONCLUSIONS

- ✓ No specific entry and residence regulations for third country highly-skilled workers currently exist.
- ✓ Since no long-term forecasts are available with respect to labour supply and demand based on qualifications and/or by industry, it is not possible at this time to predict the level at which an inflow of third country highly-skilled workers would impact the labour market situation in Latvia.
- ✓ Although employers maintain that Latvia has imposed very high restrictions for third country workers to access the local labour market, it is paramount to fully utilize the country's internal labour force first.
- ✓ To study the influence of immigration on the labour market and to determine the directions in which Latvia would require new or revised legislation, Prime Minister has asked the newly formed Work Group dealing with immigration policy issues to conceptualize and draft a project proposal on immigration policy in the area of employment and present it by 31 December 2006.
- ✓ With the rapid growth of national economy, Latvia will require a bigger labour force, therefore, it will need to create favourable conditions for attracting highly-qualified workforce in specific industries (i.e., construction, woodworking, etc.).

**ANNEXES**

**INSTITUTIONS AND ORGANIZATIONS INVOLVED IN MANAGING MIGRATION  
WITH REGARD TO THIRD COUNTRY HIGHLY-SKILLED WORKERS**

1. Ministry of Welfare
2. State Employment Agency of the Ministry of Welfare
3. Central Statistics Bureau of the Ministry of Economics
4. The Office of Citizenship and Migration Affairs of the Ministry of the Interior

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**ANNEX 3**  
**Employment of Highly-Skilled Workers**  
**By Major and Sub Groups<sup>36</sup>**

| Occupations  | Code | Average Number of Employees by Year |        |        |        |        |        |        |        |         |        |         |        |
|--|------|-------------------------------------|--------|--------|--------|--------|--------|--------|--------|---------|--------|---------|--------|
|  |      | 2000*                               |        | 2001*  |        | 2002*  |        | 2003*  |        | 2004**  |        | 2005**  |        |
|  |      | female                              | male   | female | male   | female | male   | female | male   | female  | male   | female  | male   |
| Legislators, senior officials and managers                 | 1    | 29,624                              | 40,434 | 31,244 | 42,993 | 32,580 | 44,667 | 34,465 | 47,404 | 41,703  | 63,429 | 44,623  | 67,031 |
| Legislators and senior officials                           | 11   | 4,161                               | 2,471  | 5,017  | 3,814  | 5,455  | 4,234  | 5,572  | 4,014  | 6,937   | 5,714  | 7,231   | 5,799  |
| Corporate managers   | 12   | 15,785                              | 20,845 | 15,165 | 20,690 | 15,887 | 20,798 | 17,304 | 22,338 | 18,907  | 27,494 | 19,965  | 26,698 |
| General managers   | 13   | 9,678                               | 17,118 | 11,062 | 18,489 | 11,238 | 19,635 | 11,589 | 21,052 | 15,860  | 30,222 | 17,427  | 34,534 |
| Professionals  | 2    | 65,789                              | 23,330 | 63,390 | 24,537 | 65,281 | 25,155 | 74,333 | 41,071 | 100,190 | 50,567 | 104,454 | 51,421 |
| Physics, mathematics and engineering science professionals | 21   | 6,013                               | 9,396  | 6,014  | 10,135 | 5,728  | 10,592 | 5,794  | 10,834 | 6,593   | 13,763 | 6,494   | 14,210 |
| Life science and health professionals                      | 22   | 7,682                               | 1,781  | 7,357  | 1,644  | 7,404  | 1,755  | 7,116  | 1,747  | 9,518   | 2,900  | 9,817   | 2,989  |
| Teaching professionals                                     | 23   | 26,008                              | 5,568  | 25,694 | 5,361  | 26,792 | 5,388  | 27,588 | 5,316  | 35,549  | 8,109  | 35,766  | 8,320  |

<sup>36</sup> Central Statistics Bureau data

|  |    |        |        |        |        |        |        |        |        |        |        |        |        |
|--|----|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Other professionals                                      | 24 | 26,086 | 6,585  | 24,325 | 7,397  | 25,357 | 7,420  | 33,835 | 23,174 | 48,531 | 25,796 | 52,376 | 25,902 |
| Technicians and associate professionals                  | 3  | 60,664 | 34,440 | 61,508 | 39,693 | 62,606 | 40,550 | 57,629 | 27,987 | 68,689 | 37,237 | 73,889 | 40,663 |
| Physics and engineering science associate professionals  | 31 | 4,938  | 11,508 | 4,762  | 10,776 | 6,014  | 10,930 | 5,362  | 12,526 | 5,594  | 14,195 | 6,169  | 15,428 |
| Life science and health associate professionals          | 32 | 16,755 | 787    | 16,583 | 771    | 16,163 | 967    | 16,475 | 1,002  | 18,859 | 1,233  | 19,487 | 1,500  |
| Teaching associate professionals                         | 33 | 12,774 | 1,004  | 11,904 | 937    | 10,878 | 1,008  | 10,603 | 987    | 12,202 | 1,644  | 13,220 | 1,888  |
| Other associate professionals                            | 34 | 26,197 | 21,141 | 28,259 | 27,209 | 29,551 | 27,645 | 25,188 | 13,471 | 32,034 | 20,164 | 35,012 | 21,847 |
| Skilled agricultural and fishery workers                 | 6  | 2,322  | 2,994  | 2,355  | 2,590  | 2,400  | 2,647  | 2,845  | 2,223  | 2,684  | 2,482  | 2,973  | 2,729  |
| Market-oriented skilled agricultural and fishery workers | 61 | 2,322  | 2,994  | 2,355  | 2,590  | 2,400  | 2,647  | 2,845  | 2,223  | 2,684  | 2,482  | 2,973  | 2,729  |

|   |    |        |        |        |        |        |        |        |        |        |        |        |        |
|---|----|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Subsistence agricultural and fishery workers              | 62 | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      |
| Craft and related trades workers                          | 7  | 28,302 | 86,833 | 28,159 | 85,259 | 28,521 | 84,612 | 28,420 | 89,328 | 29,498 | 96,863 | 29,159 | 96,424 |
| Extraction and building trades workers                    | 71 | 1,614  | 24,279 | 1,319  | 23,860 | 1,299  | 23,974 | 1,511  | 27,779 | 1,531  | 32,761 | 1,774  | 34,468 |
| Metal, machinery and related trades workers               | 72 | 1,479  | 43,713 | 1,399  | 43,390 | 1,273  | 43,012 | 1,594  | 43,015 | 1,410  | 47,464 | 1,486  | 46,993 |
| Precision, handcraft, printing and related trades workers | 73 | 1,520  | 1,618  | 1,427  | 1,553  | 1,200  | 1,316  | 1,286  | 1,446  | 1,389  | 1,464  | 1,231  | 1,682  |
| Other craft and related trades workers                    | 74 | 23,689 | 17,223 | 24,014 | 16,486 | 24,749 | 16,310 | 24,028 | 15,088 | 25,168 | 15,174 | 24,667 | 13,281 |
| Plant and machine operators and assemblers                | 75 | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      | 0      |
| Plant and machine operators and assemblers                | 8  | 13,774 | 64,800 | 14,810 | 65,955 | 14,429 | 66,730 | 14,810 | 71,112 | 15,508 | 76,960 | 15,076 | 76,854 |

|  |    |       |        |       |        |       |        |       |        |       |        |       |        |
|--|----|-------|--------|-------|--------|-------|--------|-------|--------|-------|--------|-------|--------|
| Stationary-plant and related operators | 81 | 2,864 | 13,185 | 3,108 | 13,299 | 3,023 | 14,540 | 3,248 | 15,852 | 3,255 | 16,267 | 3,324 | 16,305 |
| Machine operators and assemblers       | 82 | 9,242 | 8,871  | 9,660 | 9,264  | 9,305 | 9,055  | 9,434 | 9,490  | 9,914 | 10,286 | 9,492 | 10,430 |
| Drivers and mobile-plant operators     | 83 | 1,668 | 42,744 | 2,042 | 43,392 | 2,101 | 43,135 | 2,128 | 45,771 | 2,339 | 50,406 | 2,259 | 50,120 |

\* For 2000-2003: number of employees on the primary job.

\*\* From 2004: number of employees on the primary and secondary job (employees for whom pay for October had been calculated (includes also those who had worked part time or whose pay was impacted by absence)).

Data source: Results of the survey on occupations (survey of enterprise) October 2000, 2001, 2002, 2003, 2004, and 2005.

Distribution by occupations is in compliance with International Standard Classification of Occupations (ISCO 88 COM)).

**ANNEX 4**  
**Vacancies Registered at**  
**State Employment Agency,**  
**By Major and Sub Groups**<sup>37</sup>

| Major/Sub Groups**  | Year          |               |               |               |               |               |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
|   | 2000          | 2001          | 2002          | 2003          | 2004          | 2005          |
| <b>Major Group 1:<br/>Legislators, senior<br/>officials and managers</b>          | <b>735</b>    | <b>753</b>    | <b>723</b>    | <b>827</b>    | <b>765</b>    | <b>639</b>    |
| Sub Group 11:<br>Legislators and senior<br>officials                              | 14            | 33            | 34            | 13            | 7             | 12            |
| Sub Group 12:<br>Corporate managers   | 535           | 589           | 567           | 725           | 685           | 521           |
| Sub Group 13: General<br>managers   | 186           | 131           | 122           | 89            | 73            | 106           |
| <b>Major Group 2:<br/>Professionals</b>   | <b>2,641</b>  | <b>1,766</b>  | <b>1,619</b>  | <b>1,702</b>  | <b>1,569</b>  | <b>1,449</b>  |
| Sub Group 21: Physics,<br>mathematics and<br>engineering science<br>professionals | 840           | 558           | 489           | 474           | 600           | 434           |
| Sub Group 22: Life<br>science and health<br>professionals                         | 172           | 146           | 129           | 167           | 136           | 179           |
| Sub Group 23: Teaching<br>professionals   | 1,056         | 617           | 550           | 477           | 411           | 442           |
| Sub Group 24: Other<br>professionals  | 573           | 445           | 451           | 584           | 422           | 394           |
| <b>Major Group 3:<br/>Technicians and<br/>associate<br/>professionals</b>         | <b>4,963</b>  | <b>3,504</b>  | <b>3,097</b>  | <b>2,862</b>  | <b>3,030</b>  | <b>3,158</b>  |
| Sub Group 31: Physics<br>and engineering science<br>associate professionals       | 545           | 555           | 472           | 653           | 683           | 664           |
| Sub Group 32: Life<br>science and health<br>associate professionals               | 358           | 330           | 220           | 244           | 263           | 284           |
| Sub Group 33: Teaching<br>associate professionals                                 | 382           | 375           | 245           | 186           | 233           | 263           |
| Sub Group 34: Other<br>associate professionals                                    | 3,678         | 2,244         | 2,160         | 1,779         | 1,851         | 1,947         |
| <b>Major Group 6: Skilled<br/>agricultural and fishery<br/>workers</b>            | <b>1,578</b>  | <b>1,153</b>  | <b>841</b>    | <b>1,219</b>  | <b>1,312</b>  | <b>1,495</b>  |
| Sub Group 61: Market-<br>oriented skilled<br>agricultural and fishery<br>workers  | 1,578         | 1,153         | 841           | 1,219         | 1,312         | 1,495         |
| Sub Group 62:<br>Subsistence agricultural<br>and fishery workers                  | 0             | 0             | 0             | 0             | 0             | 0             |
| <b>Major Group 7: Craft<br/>and related trades<br/>workers</b>                    | <b>12,882</b> | <b>13,457</b> | <b>13,320</b> | <b>15,857</b> | <b>17,837</b> | <b>21,660</b> |
| Sub Group 71:<br>Extraction and building<br>trades workers                        | 3,416         | 3,860         | 4,120         | 6,033         | 7,067         | 9,740         |

<sup>37</sup> State Employment Agency data

|   |               |               |               |               |               |               |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
| Sub Group 72: Metal, machinery and related trades workers               | 4,441         | 4,770         | 4,701         | 4,864         | 5,248         | 6,343         |
| Sub Group 73: Precision, handcraft, printing and related trades workers | 310           | 153           | 144           | 176           | 218           | 260           |
| <b>Major Group 8: Plant and machine operators and assemblers</b>        | <b>7,387</b>  | <b>7,731</b>  | <b>6,838</b>  | <b>7,198</b>  | <b>7,755</b>  | <b>9,597</b>  |
| Sub Group 81: Plant and machine operators                               | 2,501         | 2,605         | 2,387         | 2,508         | 2,562         | 2,863         |
| Sub Group 82: Stationary-plant and machine operators and assemblers     | 2,395         | 2,593         | 1,875         | 1,735         | 1,801         | 2,199         |
| Sub Group 83: Drivers and mobile-plant operators                        | 2,491         | 2,533         | 2,576         | 2,955         | 3,392         | 4,535         |
| <b>Total for the country</b>  | <b>51,986</b> | <b>50,433</b> | <b>48,476</b> | <b>55,520</b> | <b>61,906</b> | <b>74,747</b> |

\*\* as per professional classification of the Republic of Latvia