

Effect of Migration on European Political Thought and Decision-Making Process



EFFECT OF MIGRATION ON EUROPEAN POLITICAL THOUGHT AND DECISION-MAKING PROCESS

MIGRĀCIJAS IETEKME UZ EIROPAS VALSTU POLITISKO DOMU UN LĒMUMU PIEŅEMŠANAS PROCESU

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The International Conference "Impact of Migration on the European Political Thought and the Political Decision Making Process" was organised by Vidzeme University College in Latvia in cooperation with the Representation of the European Commission in Latvia, in December 2006. Dr.Sc.Pol Artis Pabriks, Professor of Vidzeme University College and Latvia's Minister of Foreign Affairs was the conference project coordinator.

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The collection is meant for students and researchers, policy developers at all levels, and for everybody interested in the issue.

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Iveta Šulca, Head of Representation of the European Commission in Latvia

Welcoming Address

Good morning, honourable Minister, honourable Rector, distinguished speakers and participants.

I would like to start by quoting Ivars Indāns, one of the researchers of migration issues in Latvia, "In creating the state policy it is important to influence the public opinion, minimise intolerance, explain the labour market problems, and create timely policy mechanisms".

Migration and integration is a vital issue of discussions in the completely enlarged European Union (EU). Some countries, including the new member states, have only recently faced the problem of immigration. Other countries, in their turn, have been dealing with the problems of immigration and integration for decades, and with varied success. Europe is a traditional goal of immigration flow, yet it has been without a common policy for a long time.

In 1951, the European States agreed upon cooperation instead of war. In 1957 they declared cooperation in economics as well, and as a result the European Community was established. However, it was only 40 years later when the European Union competence in the sphere of migration was defined for the first time in the Amsterdam Treaty in 1997.

What is migration? Threat or opportunity? Mistrust to migration and immigrants is widespread in Latvia. If we look at this issue through the prism of European demographic situation, maybe it is opportunity for Latvia. Migration an influences the political decision taking in two aspects: 1) the political representation of immigrants on the local, national and European level; 2) fear from immigration, often unjustified as a factor that influences the citizens' political options. Fear from migration is turning against the European Reform Treaty as well. Is migration a reality that should be accepted? Should we say "yes" to monitored migration responding to the needs of the labour market? Or should the priority be the integration of immigrants into the community? I believe that the answers and solutions will define the viability of the European model, created by the European Union. I would like to thank the Minister Dr. Artis Pabriks and the Rector of Vidzeme University College, Dr. Vija Daukšte, for the initiative to discuss the impact of migration on the political thought and decision-making process here, in the home of the European Union. Thank you!

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Preface

Migration matters are topical in the economic. social and cultural spheres. Migration in the EU context is an especially interesting issue and a significant subject of research. Migration facilitation (free movement of labour) on the one hand has been declared as an EU priority, but at the same time migration from these countries has already created problems, and is most likely to lead to an economic, social and ethnic situation that is hardly solvable and perhaps even strained.

The EU states seriously are considering the possibility of consolidating the integration policy and are assessing the policy of multiculturalism. The last five years have seen the adoption of numerous items of EU legislation in the area of immigration and alongside asylum, attempts to include surrounding states and regions within the EU migration policy framework. Concern about labour market shortage and the impact of population changes on economic growth and the financing of the welfare state have led many European countries to active recruitment of skilled and unskilled foreign workers. Latvia has been facing a serious problem of high out migration and shortage of labour force since joining EU in May 2004. In a recent research. Latvia was identified as a country with the lowest hospitality level towards asylum seekers among the EU countries.

University College invited Vidzeme researchers who participated in the conference "Effect of Migration on European Political Thought and Decision – Making Process" to prepare their papers for publications. The list of authors proves that representatives from different fields of science - economists, scientists. sociologists, political anthropologists - and representatives of the state institutions have contributed to a better understanding of this phenomenon. Some of the theses occur in several authors' articles, however, in a different context. It allows us to look at the problem from different angles; and it simultaneously shows both the common and the distinguished features, thus confirming the complicated and controversial nature of migration.

Responsibility for the accuracy of all statements in each paper rests solely with the Author(s).

The collection is meant for students and researchers, policy developers at all levels, and for everybody interested in the issue.

Editor-in-chief:

Feliciana Rajevska Associate professor Vidzeme University College

Artis Pabriks MIGRATION: TIME TO CHANGE THE POLITICAL COURSE?

Summary

After joining the European Union (EU) the migration issue has become urgent again. Labour force flows to other EU member states, negative demographic indicators and inadequate qualification have created shortage of workers in several economic sectors. More and more entrepreneurs insist on implementing a more liberal state migration policy that would facilitate further development of national economy. Until now the government has only partly complied with the entrepreneurs' appeal to liberalise the migration policy, instead urging to utilise domestic reserves to full extent first, to promote raising productivity, to widen the range of social guarantees and to raise payment. However, the few isolated research data in the sphere of employment show that some sectors of industry in Latvia will suffer from labour force shortage due to the fast development of the field.

Has the moment come for Latvia to change its political course in migration issues? In this article, the author will try to find the answer to the above question. To find the answer, the author has dealt with the migration problems in the context of the European Union, has analysed Latvia's historic experience and used statistical data and research in this field.

The author concludes that the time has come for Latvia to change for a more liberal, yet farsighted and economically based migration policy at the same time. Latvia should be more favourable towards attraction of nationals from third countries in the fields where Latvia and other EU member states are not able to provide with sufficient workforce. It should promote education and information of the society, and elaborate clearly defined residence

regulations for non-residents. Equally important is development of an effective and well-weighed

immigration policy. Internal mobility and quality of labour force should also be improved.

Key words - migration, employment, state policy

Introduction

Migration age – the name given to the 20th century by Stephan Castles and Mark J. Miller¹. I do not suppose much has been changed in this regard. The problems of migration have not lost their topicality in the 21st century either. The statistics shows that millions of people continue leaving their home countries in search for better living conditions, or to avoid political, economic and ecological crises. No doubt, migration is a present day reality.

An approximate number of migrants in the world of today may be about 190 million. In the EU countries – about 40 million. Out of these the number of illegal migrants in the EU is about 8-10 million (in some sources 15 million). Experts have estimated that in the next 15 - 20 years the migration flow will not decrease in the direction of the EU. There are several reasons for it:

- the EU is one of the most developed regions in the world, therefore attractive for pretenders to better life;
- to retain the high level development, the EU needs labour force.

It should be admitted that competition in the world is increasing every year, and currently the USA and Canada are solving their workforce problems much more effectively; the Asian region, having enormous workforce resources, is developing equally fast and is paying great attention to development of new technologies.

Irrespective of the different motives for immigration, it is clear that human migration flows substantially influence the state policy, while the state policy influences immigration flows and the state economic development. Is immigration a positive or a negative phenomenon? Is it a problem or a benefit?

¹ Castles, S., Miller, M.J. 1998, *Age of Migration .//*Macmillan Press LTD, London, p.3

Should it be promoted or combated? This issue is often on the agenda of the EU and is becoming more frequent in Latvia's political debate. Latvia as a European Union member state is equally responsible for elaboration of immigration policy in Europe; in the same way it should consider its development in a longer perspective to be competitive both among the European Union states and in the wide world.

Currently Latvia is implementing a conservative or rigorous immigration policy creating different bureaucratic and financial obstacles for attraction of cheap labour force from third countries. It has historical, objective reasons mainly connected with the experience of the Soviet time industrialisation and immigration when a large number of nationals from other Soviet republics flocked to Latvia creating tension in the society. Whereas in the nineties after regaining national independence it was important to safeguard and develop the national identity, as the ethnic structure in the state had radically changed in the 50 years of occupation. The great number of aliens in Latvia was a reason for implementing tough immigration policy that would safeguard the national identity from alien influences and would create a certain feeling of security.

After joining the European Union Latvia experienced rapid economic development that was inevitably connected with creation of new work places. Simultaneously, with the opening of labour markets in other EU countries, many Latvian residents began to emigrate from Latvia, as the other places offered better living conditions, better payment and a wider scope of social guarantees. Thus, the situation is radically different now – high unemployment rate has been replaced by labour force shortage, and this leads to a question whether this is not a sufficient reason for changing the political course regarding immigration issues.

In this article the author will analyse the European Union immigration policy trends in Europe and their impact on Latvia and Latvian legislation regarding immigration sphere, with an aim of finding the answer to the question whether the time has come for Latvia to change its political attitude towards migration with an aim to achieve the status of a highly developed country.

1. Immigration in the European Context

1. 1. Labour force migration within the EU

The issue of migration has been topical in the European Community since the very beginning of the organisation. Although there are no signs of free workforce movement in the foundation treaty of the European Coal and Steel Community, however, with the increase of economic activity after World War II, Germany, France, Italy, Luxemburg, the Netherlands and Belgium signed the foundation treaty of the European Economic Community and the foundation treaty of the European Atomic Energy Community in Rome in 1957. Already at that time it was intended to lift bureaucratic barriers hindering economic development processes, and the first regulations appeared promoting workforce movement among the states.

In 1968, the Regulation² on workforce movement within the Community was adopted; it actually established free workforce movement and became one of the core liberties in the EU, referring only to the citizens of the EU member states, though.

However, in 1986, when the EU was joined by Spain and Portugal, the accession documents envisaged fully free workforce movement of citizens of these two accessing countries only 7 years later. Although research showed that introduction of transition regulations actually had not justified itself, similar practice was applied for the enlargement period in 2004. Shortly before accession of the new member states, including Latvia, to the European Union, several 'old' member states began discussions on workforce flow that would surge from the Central and Eastern

² Padomes 1961. gada Regula Nr. 15/61 par līdzekļiem brīvas darbaspēka kustības nodrošināšanai Kopienas ietvaros 1961 Official Journal L 057/1073

European countries and leave an undesirable impact on their labour market. One after another, member states set transition periods during which free access to the labour market was denied to citizens of the new member states.

1.2. Labour force immigration from third countries

Common significant actions of the European Union member states with regard to immigration issues concerning third country citizens arriving for employment reasons did not take place until the nineties of the 20-century, as this had always been a sensitive issue and had been solved by each state individually. Only in 1985 it was decided to establish a consultation procedure among member states on countries³. immigration policy towards third Nevertheless, already in 1994 the majority of the EU states officially closed borders for labour force immigration and created the so called 'Fortress Europe⁴ with an aim to protect the local European labour force from immigrants who might occupy their workplaces and create threat to economics, and consequently a possible decrease of salaries.

At the very beginning of the 21st century the European Union faced the problem of population ageing – life expectancy became longer while birth rate decreased, and the so called economic immigrants turned out to be savers of several EU countries by helping them to retain high economic development level. Therefore in 2005 the discussion on legal (economic) immigration was renewed, and the European Commission proposed a legal immigration policy plan. The plan sees immigration policy as one of the potential instruments for solving the problem of labour force shortage. According to the plan 5 directives will be drafted and adopted by 2009, they will define admittance and residence regulations of the

four major legal immigrant groups at the EU level – highly qualified employees, seasonal workers, employees relocated within a company, and paid apprentices.

1.3. Development of common immigration policy

By now, the EU has resolved to implement an overall and coordinated approach to immigration issues, embracing all migration stages - from arrival and admittance policy to integration and departure policy. Various preventive measures are being planned to combat illegal immigration; simultaneously work is continued with harmonisation of unified legal immigration, integration of immigrants and asylum policies. Yet, it should be noted that immigration issues in any country, due to specific political, economic, social and cultural considerations, are very sensitive as they are connected with natural human fear from the unknown, biases to the aliens, integration and social problems. Therefore, it is very complicated to come to a common solution in the EU regarding long-term immigration topics, concerning accession of new member states and possibilities of starting employment relationships with citizens from third countries.

In 2001, the European Commission drafted a project for the directive on conditions for arrival and residence for third country citizens willing to take up a paid job or start self-employment activities; however, the directive was not adopted as the member states had too distinctive opinions on these issues⁵. The leading country to oppose introduction of this directive was Germany, which actually has the biggest problems to develop a coherent internal immigration policy. In the recent years, we have witnessed protest campaigns in other European countries as well, aiming at the defence of the local labour force.

Although the member states are committed to solve the economic immigration problems, and there

³ "Imigrācijas ietekme uz etniskajām attiecībām Latvijā ES paplašināšanās kontekstā", Fr. Eberta foonds un Latvijas Ārpolitikas institūts, 2004., 25.lpp.

⁴ Harlan Koff, *EU Enlargement and Immigration: The Need to Expand More Than Just External Borders*, 2.lpp., no

http://www.eucenter.scrippscollege.edu/publications/papers/Koff.pdf

⁵ Towards a common European Union immigration policy, Eiropas Komisijas mājas lapa,

http://ec.europa.eu/justice_home/fsj/immigration/fsj_immigration_int ro_en.htm

are particular initiatives from the European Commission, real progress in this sphere has been very slow as the member states are not willing to lose control over such an internally sensitive problem⁶. Therefore, the issue of the EU competitiveness in the world will remain a burning question in near future.

While the EU is trying rather unsuccessfully to liberalise its immigration policy, the European Commission's forecast is that by 2020 the EU will be short of 20.8 million of able-bodied population comprising 6.8% of the total population.

1.4. Member state solutions for attraction of foreign labour force

As long as Europe does not have a common immigration policy, each member state is trying to solve its workforce shortage problems individually. There are different models and schemes in the member states for attraction of foreign workforce. The basic principles are the following: each country defines the necessary number of immigrants; there is a demand for a signed labour contract; preferences are given to the locals and the EU or EEZ labour force.

Experience of other countries shows that deficit immigration is one of the most efficient models for fast labour force attraction to a sector or a specific infrastructure project. In this case the government sets the maximum number (so called quotas) of guest workers for short-term periods in close cooperation with entrepreneurs and other social partners. Examples: Britain, Austria, Italy, Hungary, a.o.; less pro-active is the vacancy immigration model based on work tests and evaluation of each individual case. In its turn, the talent immigration, implemented with the help of a points' system, is mostly used for long-term attraction of highly qualified labour force in countries with high level of material wellbeing.

In a bilateral government agreement on accepting a certain number of people with the required qualification level, disclaimers are added that define

2. Situation in Latvia

2.1. Immigration processes in a historical perspective

Immigration problem in Latvia was well known already in the period of the first independent state when rapid economic development led to the shortage of labour force. The government developed a special plan for attraction of guest workers, mainly from Poland and Lithuania. Although the state exercised a very liberal immigration policy, it did not have a negative context, as the number of guest workers was small, and there was no ground for worries about identity and integration problems.

During World War II and in the post-war period immigration issues had a totally different context connected with mass deportation and the Soviet time immigration policy. In this period immigration acquired a negative shade; consequently the independence movement in 1980ies was closely linked with immigration issues. The Latvians were worried about losing their identity; numerous thousands of people, who had crowded in from the East, were taking administrative decisions and represented the military power. Therefore after regaining independence, the state has been exercising a stringent immigration policy as it builds the people's self-confidence, creates the feeling of security. For some time the immigration issues vanished from the political agenda and appeared again shortly before joining the European Union. At this time one of the most common reservations why Latvia should not join the European Union was the worry that the European Union would promote inflow of guest workers that might destroy the Latvian identity or have a negative influence upon employment situation in Latvia.

liabilities and commitments (incl. conditions of return). Labour force selection, language and professional training are usually carried out in the country of origin.

⁶ Paul Reynolds, "'Fortress Europe' raises the drawbridge",

^{18.06.2002.,} BBC News,

http://news.bbc.co.uk/1/hi/world/europe/2042779.stm

2.2. Situation on the labour market after accession to the EU

Three years have passed since the accession of the Baltic States to the European Union. Joining the world's second largest market has given an enormous impulse to an unparalleled rapid development of our country; it is clearly depicted in our macroeconomic indicators. One of the four basic liberties of the common market of the EU - free movement of people - has created both unprecedented opportunities and challenges. Survey certain data show that approximately 80 - to 100 thousand Latvia's residents are currently abroad either for work or study purposes. These are rough calculations, though, as it is difficult to get accurate figures, and the actual number of emigrants may be much higher.

Decrease in the number of population may be explained not only by people's emigration, but also by the negative demographic indicators – low birth rate and high mortality. During the last two decades, the number of population has decreased from 2.67 million in 1989 to 2.28 million in the middle of 2007⁷. As Latvia has the second most discouraging fall in the number of population in the EU, it is expected that with the existing trends by 2020 the total number of population in Latvia might be 2.06 million which is by 11% less than in 2004. Although at this moment the number of able-bodied population is rising, it will start decreasing soon because of substantial birth rate fall at the beginning of the 90ies.

Analysis of the local market shows that the employment level has a rising trend approaching the average level of the EU, yet in 2005 it was 6.6 percent points lower than the one set by Lisbon strategy. Unemployment level keeps decreasing, but notwithstanding the fact, the number of registered job seekers in November 2006 reached 69 705 proving availability of labour force resources on our labour market⁸. On 31 August 2006, in its turn, there were 16.7 thousand vacancies registered in the Employment

⁷ LR Centrālās statistikas pārvaldes dati, www.csb.gov.lv

⁸ Koncepcija par migrācijas politiku nodarbinātības kontekstā

State Agency that is a proof of inadequate qualification of the unemployed for the offered jobs, or it may be unwillingness to return to the labour market.

Despite the seemingly available labour force reserves on the labour market, Latvia, like several other new member states, is already experiencing the shortage of labour force. Experts assume this problem will become acute in five to seven years. Therefore Latvian entrepreneurs are more frequently considering attraction of foreign workforce, mainly looking to CIS and Eastern neighbour countries and are urging the government to reconsider the immigration policy.

2.3. Labour force shortage by sectors

Unfortunately, only isolated research data are available on what the exact number of unavailable workers is and in what sectors, how large the actual number of economically passive residents is, and how many Latvian residents work abroad. A more detailed analysis of these cases has not been carried out; it has been related to the change in employment, education and migration policy.

According to the available data, the biggest shortage is in low-skilled and medium-skilled professions: auxiliary workers, sales assistants, guards, dressmakers, lorry drivers, carpenters, cooks. At the same time, it should be noted that regarding medical nurses, we are amongst the poorest in the EU, but provision with physicians in Latvia is remarkably lower than the average figure in the EU (respectively 298 and 343 per 100 hundred thousand people). Latvia is short of 8050 doctors, but by 2010, we will be short of 8461 doctors and about 2000 nurses.

Latvia experiences shortage of labour force in particular sectors a paradox simultaneously with a large number of unemployed reserves. Experts have estimated that the number of economically passive residents is 167 thousand, but the factual number of vacancies is 70-80 thousand. Why do we fail in filling the vacancies? Employers assume that the reason is inadequate qualification, but employees blame too low payment, bad working conditions, non-flexible working hours and big distances from the place of residence.

The majority of the registered unemployed people in their turn are mainly unskilled labour force; about half of them are not able to find a job within a year or a longer period. The experts' view is that only 40% of them are able to return to the labour market.

The problem is that almost all the EU and Latvian economic sector planning documents contain items indirectly promoting development of professional mobility, yet not one of the sector policy document deals with solution of problems connected with the professional mobility in a direct way⁹.

Regional differences should also be taken into consideration. The highest level of registered unemployment remains in Latgale: Ludza and Rezekne Districts (23.3% and 22.2% respectively). The lowest level of unemployment is in Riga and Pierīga (suburban territory around Riga) (3.8% and 4.8%).

2.4. Guest workers on Latvia's labour market.

2400 guest workers were employed in Latvia in 2006. It is a very small figure, considering that the EU is annually accepting about 1.5 million legal immigrants. However, disregarding the conservative immigration policy and the small number of guest workers, in Latvia, like in other European Union states, the attitude of the population towards the attraction of guest workers is negative. The statistics shows that about 70% of the Latvian population negatively evaluate possible arrival of guest workers from other countries, which is the most negative indicator in the EU^{10} . It is interesting that this negativism is equally high among citizens and non-citizens.

For the time being Latvian labour market is not attractive against the background of other EU member states. It is determined by the following factors:

⁹ Darbaspēka profesionālā mobilitāte, Rīga 2007, 86.lpp

- relatively low level of social welfare (incl. work payment),
- guest workers' integration in the social and cultural environment is not being considered,
- intolerance of the society towards aliens, those who are different,
- administrative procedure is complicated, inconvenient, time consuming and comparatively expensive for employers.

It should be remembered that in the case when there is shortage of labour force for Latvian economic development, yet the immigration policy is tough, the illegal market laws come into action, which is proved by the experience of other countries. The stringent immigration policy pushes entrepreneurs to promote illegal immigration and illegal employment.

Since the middle of 2005, the interest of employers in guest workers has increased, but finding out the costs of attraction of legal labour force to the Latvian labour market, the employers' interest vanishes. Illegal immigrants from CIS do not have other real possibilities to enter the EU territory than via the Baltic States or Poland. The geographical location complicates the situation, especially for Lithuania, but Latvia and Estonia are also a popular transition routes for the immigrants presently residing in the CIS and waiting for a chance to get into Scandinavian countries or in the Shengen Treaty zone. According to the State Labour Inspection data, the largest number of people in Latvia is illegally employed in building, small woodworking enterprises, trade, and timber industry and in the service sphere, especially in the sector of hotels and restaurants. 936 people were found in 2005 to be illegally employed without work contracts¹¹.

The State Labour Inspection and the State Border Guard control the illegal and unregistered employment of foreigners. The competencies of these two institutions are not clearly defined, their

¹⁰ Darbaspēka profesionālā mobilitāte, Rīga 2007, 86.lpp

¹¹ Ivars Indāns, "Migrācija un tuvējie kaimiņi. Vai paredzama imigrācija no NVS valstīm?", Latvija Eiropas Savienībā, red. Aija Lulle, Eiropas Savienības informācijas aģentūra, februāris, 2006, 30.lpp., no

http://www.esia.gov.lv/doc/publ/zurnals/latvija%20es%20nr.1_2006.pdf

cooperation is weak. The insufficient capacity of these institutions should also be noted. In general, it does not create a positive picture of an effective control over illegal employment. For instance, it has been calculated that in the building sector alone the number of illegally employed workers (both local and foreign) could be about 40%.

Hitherto the government has encouraged entrepreneurs to use the existing labour force more effectively, to adjust the labour market and to raise productivity. Such an approach is acceptable and encouragable, as entrepreneurs are forced to utilise all their internal reserves, like relocating production sites from Riga to other Latvian regions and facilitating development of more remote districts, to raise salaries, raise productivity, introduce new technologies, requalify labour force and foster its mobility. However, the pressure from entrepreneurs is big, therefore the government has entrusted the Ministry of Internal Affairs to design a conception on immigration policy in relation to employment.

3. How to improve the situation on the labour market?

The fact, that Latvia has not yet become an attractive destination for guest workers, has certain advantages. It gives us time to plan our national policy in the spheres of migration, employment and integration and not to repeat our own and other European states' mistakes. However, the most important thing is not to miss the right moment and develop the migration policy in the interests of our state, evaluating the state development prospects and their economic justification in a long-term perspective.

3.1. Active involvement in the development of the EU migration policy

• As a common migration policy in the EU is still in the development process, Latvia should take an active involvement in its creation so that it would comply with our national interests. It is important that the voice of Latvia be heard, and our interests reflected and taken care of.

• The new member states should be supported in their wish for a fairer attitude regarding labour force movement than it was in the previous two enlargements. It is absurd to limit the people's mobility within the EU in a situation of shortage of labour force, at the same time implementing activities of attraction of labour force from third countries.

3.2. Adjustment of internal labour market

Latvia should be more careful about full utilisation of the existing labour force reserves and possibilities, although research shows that only a small part of unemployed residents are willing to return to the labour market. Entrepreneurs should promote the raise of productivity while the state should approximate education programmes to the demands of the labour market and promote the internal mobility of labour force from more remote regions.

- What are our neglected resources? First of all economically passive residents: young mothers, students, housewives, people with special needs, people nursing sick relatives, even inmates of prisons. To fully utilise these resources, we should develop part time and flexitime work, to widen temporary and distance work possibilities. Other unused resources (such as balanced development of the regional development, facilitation of internal mobility of labour force, raising of productivity, approximation of education to the demands of the labour market, financial and social stimuli, etc.) actually mean implementation of both National Lisbon Strategy and the National Plan, and other documents adopted by the government.
- Divided and fragmented institutional responsibility of state institutions involved in employment, migration and integration does not contribute to establishing of a common national migration and employment policy and

diminishes the capacity of Latvia to defend an active position within the framework of the EU. Therefore, it is vital to improve coordination between state institutions.

- Survey data provide a proof that in order to motivate people not to emigrate to other EU countries or return back, payment on average should be threefold compared to the existing one. The experience of other EU member states should be taken into account; it shows that after joining the EU 5 to 8% of the people emigrate, but only a third of them returns. However, considering areemigration programme, it would be wise to study Ireland's experience in this sphere. Our target audience would be medium-qualified labour force that would return with the 'Western style' experience, contacts, higher motivation and knowledge of both the mother tongue and a foreign language. A few elements of such a programme:
- the state should organise recruitment and information campaigns for our compatriots in certain areas of Ireland and Britain;
- a special internet portal should be designed and actively popularised;
- not only state financial resources should be allocated, but also active entrepreneurs' involvement would be necessary in recruitment. At the same time, it should not be forgotten that the decisive factor in people's re-emigration to Ireland was its economic prosperity and rapid rise of the quality of life. It suggests that we should not expect massive return of emigrants to Latvia in near future.
- Productivity growth in economics is insufficient

 the level of productivity in Latvia is twice as low as the average productivity in the European Union member states; so we can define transformation of economy from utilisation of low-skilled labour force and manufacturing of production with low benefit to innovative

(knowledge-consuming) economy as one of Latvia's principal tasks.

 As Latvia does not have one coordinating mechanism of economic migration management, it impedes carrying out situation analysis and development of relevant activity directions and preparation of proposals.

3.3. Attraction of external labour force

- Latvian labour market does not fully utilise employment possibilities of the European Union citizens and permanent residents of the European Community. For example, Denmark performs informative activities in other countries to attract workers sectors of economics.
- As the community attitude towards attraction of guest workers is outright it negative and would be dangerous to leave migration we should think of processes to themselves, a selective and temporary attraction of labour force from third countries to a certain sector or a project, based on a particular requirement (e.g. construction of a large infrastructure project or training of nurses). Concurrently we should carry out educational and informative work with the community to lessen xenophobia, the negative attitude and discourage rejection of guest workers from the rest of the community.
- We should carefully evaluate solutions of other European Union member states in attraction of labour force from abroad, for example, by using and adapting the deficit and talent migration model to the situation of Latvia. In this case, we should clearly define terms and length of residence for the foreigners in Latvia. Some countries (Germany, the Czech Republic, and Portugal) allow foreigners to stay and work in these countries after their studies. We should carefully evaluate this possibility to attract clever and talented people to Latvia.

- Simplification of administrative procedures of receiving labour and residence permits for foreigners, including reducing costs and timeframe.
- In the context of migration, we should not forget the extraordinary significance of the integration aspect if a foreigner resides in Latvia for a longer period. We should clearly define the terms of residence, timeframe, and the necessity to acquire the local language. When elaborating an integration programme, we should take into consideration the specific guest workers' culture, language, customs to prevent creation of groups isolated from the rest of the community.
- After developing and adopting the directives, planned for the year 2009, Latvia, too, will be obliged to accept highly qualified employees, seasonal workers, internally relocated employees and paid apprentices from third countries.

Conclusions

After regaining independence and implementing stringent migration policy, the situation on Latvian labour market substantially has changed. Comparatively high unemployment level in the middle of the 90ies has been replaced by high demand for qualified labour force in certain sectors of economics. The rapid economic development of the country, its involvement in international organisations and successful implementation of different international projects has helped to raise the national self-confidence and lessened fear from losing the national independence and maintaining its identity. This means that Latvia has reached a point when it is possible to change the political course regarding solution of migration issues without harming its identity.

How to do it?

As migration issues have always been sensitive, the migration policy implemented by the state should be farsighted, economically justified, and controlled so that it would not create unnecessary tension in the society.

To promote its further economic development, Latvia should more carefully utilise the existing reserves of its labour force, promote people's mobility, and develop re-qualifying programmes. It should also facilitate re-emigration of people with different stimuli.

We should more comprehensively use the available labour force from other EU member states and actively get involved in the development process of the common EU migration policy. As the Latvian market is not yet attractive for the 'old' member states' citizens, more attention should be paid to the 'new' member states – Bulgaria, Rumania.

Attraction of labour force from third countries should be based on concrete research on shortage of labour force in particular sectors. Experience of other EU member states should be analysed to be able to choose the most adequate model for attraction of foreigners to Latvia.

The same should be said about coordination between state institutions that are responsible for immigration policy, its supervision, and employment and integration issues. When accepting labour force in priority sectors from priority countries, the burden of bureaucratic procedures, costs and timeframe must be reduced.

As the attitude of the population to attraction of labour force from abroad is outright, negative, special attention should be paid to informative activities and development of integration policy.

Migration is a social phenomenon that cannot be stopped, but it may be kept under control and by implementing a farsighted state policy, it is possible to use it for promotion of national development without threatening national identity and security.

Deniss Hanovs

GLOBALISED TIME AND SPACE: REFLEXIONS ON NEW FORMS OF MOBILITY

Summary

The article deals with the issue of global mobility in forms of various cultural identities, shaped by level of access to technological options of compressing temporal and spatial distances.

In the article, the author presents a short overview of technologically based changes in perception and usage of time and space. Being a pair of basic elements for the construction of individual and collective identities, time and space are being rapidly transformed by mobile networks and cyberspace which offer a great range of opportunities for those, who participate in the global culture, and leave those individuals, who have educational, social and regional obstacles, "down and out" of the global opportunities, praised by neo-liberalistic politics and experts.

The author argues that new mobility is not only a matter of choice or skills, but, in the form of forced migration, (either refugees or labour market based migration), also a global mobility of the newly poor. Their mobility from economically and politically deprived areas to the European Union and the USA is a challenge to be met by political and economic elite of the Western based cultural globalisation. The major task – to accept representatives of different cultures in the EU as a space of equal opportunities – requires political and intellectual sensitivity.

Key words: globalization, time, space, place, identity, exclusion, technology, refugees, xenophobia.

Introduction

Globalisation – in search of spatial and chronological framework

In the short introduction of the article, it would be a vanity to hope to formulate the variety of processes interlinked by the phenomenon of globalisation. In case one can give up the idea of presenting an all encompassing definition of the term *globalisation*, it would be more efficient to try to analyse some of the most important tendencies of the development of the modern global society which, as we were told decades ago by Marshall MacLuhan in his "The Medium is the Message", exists in the global village – small, but covering continents, cultures and national states. I would like to concentrate my efforts on the transformation of space and time in what I argue could be described as global culture.

One can judge about globalisation as a process when analysing its various results, which are experienced simultaneously, but in various forms all across the global village, which, as every geographical and political space, has metropolitan, suburban and economically deprived regions with inhabitants who win and lose in the global interconnectedness of markets, communications, cultural symbols, politics, environmental change, migration and humanitarian catastrophes in war affected regions.

Although there are various long lasting discussions on the content of globalisation, there seems that majority of academic participants agree that mobility is the major feature of the global world of today. Mobility of goods and services, supported by interregional cooperation, supranational unions of states such as the European Union, may not be separated from human mobility that is supported and followed by growing diffusion of economic activities, lifestyles and symbolic systems of identities. As Samuel Huntington puts it in his famous, but controversial analysis of global politics, in the 21st century identities will be built and come into contact or collision in the form of symbolic structures, whether it is Islam or Christianity or other global and regional ideologies and identities.12

In order to better understand the phenomenon of global mobility in its social, cultural and economic diversity, I would like to present a summarized overview of the discussions on globalisation, choosing

¹² Huntington S. P. Der Kampf der Kulturen. – Europaverlag, 1997. – S. 103 – 105, 107. [Title in German for ,,Clash of Civilisations"]

the *when, where* and *how long* questions for highlights of the academic discourse on globalisation.

The first assumption would be:

1/ There are multiple globalisations

history of human civilisation, In the interconnectedness of cultures contained also hierarchy of cultural contents, which took forms of technological, intellectual and military supremacy, whether due to Hellenic cultural influence on Ancient Rome, or military supported crusades of Christianity in medieval Spain and Northern Africa, or educational traditions brought to India of 19th century by colonial administration of Her Majesty Queen Victoria.¹³ In general, the phenomenon of dominant culture is still present, in spite of post modern cultural, egalitarian diversity. Hierarchy and space of global cultural practices, defined by Pierre Bourdieu as habitus¹⁴, is vital in creating what P. Bourdieu calls "the sense of one's place and the sense of other's place".¹⁵ Dominant high cultures and mass cultures have always been in perpetual spatial mobility, extending borders and areas of influence. The aristocratic culture of the 17th and 18th centuries, based on the ideological paradigm of the absolutism habitus of a courtier, is one of the examples of boarders-crossing horizontal elitist cultures which developed its loyalties over boundaries of states. Modern global elite is a post-national state "aristocracy", whose lifestyles and loyalties are spread among national state, supranational bodies and global consumer culture. One of the most significant features of the global economic and cultural elite is according to Mathew Rofe a non spatiality, which means a state of not being connected exclusively to one geographical place.16

As Eric Swyngedouw states, new supranational forms of control and government support bring about changes in sharing power.¹⁷ Laws of the European Union – called "directives" in professional jargon – embrace all areas of public life and economy of modern national states, including sugar industry, meat quality, agriculture, environment and human rights, etc. Directives establish not only shared responsibility and financial support, but also shared control over issues, which once were exclusively a competence of a national state.

Analysing globalisation as *transition of power* and culture over borders of states, the idea of many globalisations can take its shape and illustrate various cultural dominants in history; starting from Ancient Greece as common space of myth and literature, through judicial and administrative globalisation of the Roman Empire and ending with cultural colonialism of modern USA produced culture of entertainment.¹⁸

2/ There are various ways of using Westernisation and modernisation of societies

Differentiating globalisation from modernisation Victor Roudometoff states, that modernisation is mainly a Western born phenomenon, but globalisation can have various places of birth, including Islamic culture, Chinese communism theoretical paradigm.¹⁹ The process of modernisation can create many different scenarios, and acceptance of modernisation can include partial usage of tools, but filling the content with various features of locality. So alternative globalisations, using paths and tools of Western modernisation, can be and have been created.²⁰

S. Huntington defined three paths of using modernisation brought in from the Western culture: 1. *avoiding* both westernisation and modernisation, 2. *accepting* both (Turkey is an example for Huntington)

¹³ Хелд Д., Гольдблатт Д., Макгрю Э., Перратон Д. Глобальные трансформации. Политика, экономика и культура. – Праксис, Москва, 2004. – стр. 395-396.

¹⁴ Bourdieu P. Die feinen Unterschiede. Kritik der gesellschaftlichen Urteilskraft. – Suhrkamp Verlag, 1997 – S. 171, 277 -278. [Title in German for original French: La distinction. Critique sociale du juggment].

¹⁵ Ibid. S. 279.

¹⁶ Rofe M. "I want to be global": Theorising the Gentrifying Class as an Emergen Elite Global Community// Urban Studies, Vol.40, No.12, pp. 2511-2526, cited p. 2519. See more on this issue: Kofman E. Figures of the Cosmopolitan.// Innovation, Vol.18, No. 1, 2005. – pp.83 – 96.

¹⁷ Swyngedouw E. Globalisation or 'Glocalisation"?Networks, Territories and Rescaling// Cambridge Review of International Affairs, Volume 17, Number 1, April 2004. pp.25 – 48, cited: p. 26.

¹⁸ For more details on various globalizations in the history of Europe see: Tumans H. Globalizācija un kultūra vēsturiskā retrospekcijā// Kultūras krustpunkti. – lpp. 116. – 131. [Globalization and culture in historical overview].

¹⁹ Roudometov V. Glocalization, Space, and Modernity// The European Legacy, Vol.8, No.1, pp. 37 -60, cited p. 46. ²⁰ Ibid.

and 3. *Selective usage* (accepting modernisation as a tool to resist westernisation.).²¹ Modern Turkey, as a secular state in its difficult dialogue with modern Islamic ideology, which is religious heritage for part of its secularized citizens, provides also an example of using modernisation to oppress local religious political ideologies, which also use modernisation to gain support for traditional Islam in a modern secular state.

In the novel by Turkish born writer Orhan Pamuk "Snow", many young women committed a suicide in a small provincial town of Kars as a symbolic protest against not being allowed to publicly define themselves as Islamic women, by wearing a scarf.²² Another example of selective modernisation is quite close to Latvia's borders. Modern Russia, after Putin's unsuccessful romance with democratic Western traditions, shows an example of combining participation in global economy, usage of technologies and anticipating life styles of globalised elite, consuming American pop culture, but ignoring exercising traditional European democratic practices in the politics.

To sum up the list of examples of diverse scenarios of global cultural and economic influences and reactions to global Western modernisation, I would underline the following:

The globalisation of the 21st century in its basic patterns and tools is not a radical break with the tradition of expansion of meanings and ideologies, but until now it has been the most intensive period of global interchange of culture and economy, technical and human networks and connections. Being the leader in density of information exchange over time and space, globalisation produces multiple forms of intensified communication. Until recent time, as David Morley states, the major object of interest was Western globalisation as the only globally accepted scenario. This scientific conservatism has created methodological problems on the way of analysing various other non-Western modernisations.²³

As the most significant difference from the previous periods of globalisation, the following are to my mind of greater significance:

• Spatial distance, which according to Anthony Giddens has expanded in the modernity,²⁴ can be covered more intensively. Latest space covering technologies allow an individual to come to the destinations situated radically outside one's traditional habitat (area of living). Such global mobility develops a new supranational group of mobile individuals equipped with cultural competence, linguistic skills and technological artefacts to cover not only spatial, but symbolic distances and overcome cultural barriers. To some extent, mobility based alienation from local/place (again a term by Anthony Giddens as an opposition to global/space)²⁵ can shape a new subculturised group of global intellectuals, who profit from vanished borders and intensive cultural exchange. According to Zygmund Baumann there exists a time and space detached community of intellectuals and businesspersons.²⁶ The 21st century expanded cyber reality (internet phone service Skype or identity building programme Second Life²⁷) and mobile phones offer an opportunity to be simultaneously present in different spaces and places. Although the development of global tourism, including cyberspace tourism, offers endless opportunities to reach practically every destination on the World map, including politically or socially dangerous or deprived

²¹ Huntington S. P. Der Kampf der Kulturen. – Europaverlag, 1997. – S. 103 – 105, 107.

²² See: Orhan Pamuk. Snow, 2005.; See also Orhan Pamuk's novel on struggles between modernity and tradition in: My Name is Red, 2002.

 ²³ Morley D. Media, Modernity and Technology. Routledge, 2007. –
 p. 158.
 ²⁴ Ciddens A. K.

²⁴ Giddens A. Konsequenzen der Moderne. – Suhrkamp Taschenbuch, 1997. – S. 85.

²⁵ Giddens A. Konsequenzen der Moderne. – Suhrkamp Taschenbuch, 1997. – S. 82.

²⁶ Бауман З. Глобализация. Последствия для человека и общества. – Весь мир, Москва, 2004,

crp. 25 -26. [Title in Russian for: Globalization - The Human consequences].

²⁷ Detailed report on identities in the Second Life see: Bennett J, Beith M. Alternate universe.// Newsweek. – July 30, 2007. – pp. 36-43.

ones, a national state and its ideology is still able to put restraints to the global economy that in anti-globalism discourse is the foe *par excellence*. Chinese communist government in exchange for its huge market of computer users insisted on Google search machine putting a seal on the information not desirable by the Government.²⁸

- Interconnectedness of economic processes has become an extremely important factor of domestic policy. Oil prices on the largest world stock markets within a short time can become a tangible factor in a small shop in Zilupe (the farthest town in the Region of Latgale, close to the border with the Russian Federation and the Republic of Belarus), where prices for bread or sugar can rise and affect domestic political discourses, influence voters and escalate populist discourses.
- As in many globalisations of the past, the "latest version" of globalisation has got its mental mapping, creating global centres of culture and peripheral regions. The USA is no doubt the leader of cultural marketing, spreading Americanism as a form of cultural imperialism, actively and willingly accepted by millions of consumers.
- Building of boarder-crossing identities, demonstrated in subcultural consumerisms, creates also global protest movements, such as anti-globalism and its various politically diverse forms. Anti-globalism in its widely known leftist profile has made use of global communications to stand against global consumerism and growing poverty.²⁹ Conservative anti-globalism, which is also widely spread in Latvian political discourse, has made use of the global Internet

space and on-line communication, as NGO "No Pride" tried to loudly and with some xenophobic contents warn Latvian society against the fall of the traditional family during the so-called Gay Prides in 2006 and 2007. The NGO of sexual minorities "Mozaika", on the contrary, using the same tools of global communication, asked their supporters in various EU countries to make a pressure on the Government of Latvia to allow manifestation of the sexual diversity. Even radical escapists from global technologies, such as Amish community in the USA,³⁰ are forced to offer their products on-line in order not to lose the basic income sources that ensure at least symbolic escape from civilisation.³¹ Globalisation offers multiple ways of using its fruits, but it should constantly be taken into consideration that total progress and common technological prosperity, total freedom of identities, promised by cyber technologies, are based on various types of numerus clauses (access limits) of the users. This is where elitism and exclusion, social inequality of globalisation becomes visible.

Is there a global culture? Is everyone invited?

In general, in the current scientific discourse on globalisation there are three major academic traditions to analyse the phenomenon of the global culture and its effects on cultural locality. So, according to David Held et altera, there are various academics that can be united under the title of *hyperglobalists*, who glorify the Americanism as a cultural colonialism which can create a common global culture.³² In terms of hyperglobalist theoretical approach Peter Berger can be

²⁸ See details on Google self-censorship: <u>http://news.bbc.co.uk/1/hi/technology/4645596.stm</u> (last viewed on 7.08.2007.)

²⁹ Клейн. Н. No Logo. – Добрая книга, Москва, 2003. – стр. 492. As continuation of discussion on effects of consumerism and brand based society see also: Chevalier M., Mazzalovo G. Pro Logo. – Palgrave, 2004.

³⁰ Protestant minority group, which came from Germany in the 17th century to the USA and does not use electricity, cars, phones and computers at home. For details see: Dyck C. An Introduction to Mennonite History.- Scottdale:Herald Press, 1993. – pp. 236-242.

³¹ See <u>http://www.amish.net/</u> - last viewed 7.08.2007. The slogan of the web site reflects classical globalization idea: "Bringing America's Amish Country to the World".

³² Хелд Д., Гольдблатт Д., Макгрю Э., Перратон Д. Глобальные трансформации. Политика, экономика и культура. – Праксис, Москва, 2004. – 386.

defined as the one who sees in Americanism not only global expansion of USA based commercial culture of entertainment, but also a spread of culture of human rights and ethnic diversity, tolerance and individualism. Berger is not disturbed by the expansion of the so-called mass culture and sees social stratification of culture for intellectual elite and the mass tailored culture, both necessary to maintain cultural diversity.³³

According to another academic group, defined by Held et altera as sceptics, and probably represented by S. Huntington, there is no possibility of world cultures growing together into a new global culture, but on the contrary, the cultural gap between countries and societies who benefit or lose in the globalisation process, is growing larger and local responses to global Western dominance in the form of fundamentalist nationalism, make the dream of global unity vanish.³⁴ Huntington, being severely criticised for his break of academic political correctness in speaking about new Feindbild (pictures of enemies) in the post Cold War period of the late 90-ies, shows that, although in his opinion the American cultural hegemony is over, culture still remains an immense tool for resisting hegemony from outside and creating conflicts of identities.35

The third group is defined as a third way or "transformists" and is represented by such authorities in the global studies as Anthony Giddens and Zygmund Baumann. Z. Baumann in his research on "Globalisation: the Human Consequences" refers to a new type of global inequality – inequality in using time and space. Criticising the shortage of public space in cities, he sees in it the decline of democratic culture of agora, of public spaces that could be free from the influence of private business.³⁶

This kind of shortage of public space is being experienced also by the Latvian society, where most of the political scandals and loud investigations, as well as micro conflicts in the everyday life are about property and private territory at the seashore or in urban areas. Public access being hindered by private interests is one of the characteristic features of the modern Latvian society learning to cope with the problem of the balance of power between the influence of the public space and private interests in politics, economy and other fields.

Z. Baumann, without leaving the micro level of urban conflicts, sees new global inequality in the access to usage of time: global business elite and intellectuals are in constant shortage of time which is fully "stuffed" with action, projects and activities beyond borders, and on the contrary, the unemployed and the poor live in the atmosphere of immense resources of time, in a "nothing happens" situation. In combination with restricted access to some urban elite areas, the poor urban population answers with senseless and unsuccessful riots.³⁷

When being compared, most of the academic authorities analysing globalisation, are united in viewing globalisation primarily as changes in perception and usage of time and space. So, let us have a deeper insight into temporal and spatial changes within the globalisation process.

Globalised time and space

Time and space are no doubt fundamental entities of the human physical existence. Time and space also influence process of human socialising, create basic elements of one's identity. As Mara Rubene puts it: "Discussions on urban culture, globalisation, identities and consumer society are not possible without discussion about the idea of space and time."³⁸ Time is also a human construction, which

³³ Бергер П. Культурная динамика глобализации. - Бергер П., Хантингтон С. Многоликая глобализация. Культурное разнообразие в современном мире.- Аспект Пресс, Москва, 2004. - стр. 10. [Title in Russian for: Many Globalization]

³⁴ Хелд Д., Гольдблатт Д., Макгрю Э., Перратон Д. Глобальные трансформации... - стр. 386. ³⁵ Huntington S. B. Der K.

³⁵ Huntington S. P. Der Kampf der Kulturen. – Europaverlag, 1997. – S. 193.

³⁶ Бауман З. Глобализация. Последствия для человека и общества. – Весь мир, Москва, 2004,

⁻ стр. 69.

³⁷ Ibid. - стр. 71.

³⁸ Rubene M. Laiks un telpa: jauni aspekti mainīgajā informācijas vidē. [Time and space: new aspects in changeable environment] Brikše I. (red.) Informācijas vide Latvijā: 21.gadsimta sākums. – Rīga, Zinātne, 2007. – lpp. 54. [Information environment in Latvia: beginning of the 21st century.]

reflects local cultural identities as a result of European academic reflexion, but still preserves mythological profile in everyday experience in its division into profane and sacred time. Space and its local version – the place, which according to A. Giddens is a space which is made of local meanings to build identities,³⁹ are not only physical objects, but can also be mental constructions.

Time and space, being under perpetual cultural construction, can reflect not only mythical and agrarian experience, but also a culture of modern temporal rationality, planning and consuming time and space. Being constructions, time and space have been in endless varieties also elements of religious systems, political ideologies and also elements of the global culture of consumer society.⁴⁰

According to A. Giddens,⁴¹ in the 19th century the development of communication and transport led to a new phenomenon of understanding of time and space - trains and mechanical carriages with constantly accelerating speed, telegraph and later also the telephone separated space and time, separating also the experience of both fundamental entities. There was no need to experience space on the way to the final destination. Time accelerated and so abandoned the space, which at earlier stage of transport development was not to escape. There appeared an empty space (empty in the meaning of not being experienced by a traveller) because of transport development. The 20th century deepened the gap between time and space, as planes offered an opportunity to expand space that was not being experienced during the flight.

The Internet and mobile phones have extended this gap to its current limit, creating an experience of being present in both, place (as a local experience) and in space (as a global territory, covered via internet, online cameras in remote places). ⁴² So, one may live and work in Ogre (a town in Latvia), but by using one's PC, simultaneously be in Albert Hall in London or celebrate the New Year's Eve in Tokyo. The experience of the global space covered and embraced by technologies creates an effect of being present all over the world and staying in one's locality. As Hui Kyong Chun argues, "cyberspace lies outside of all places".⁴³ So, the major effect, produced by technological acceleration of time is a combination of both: the local and the global. The global space is being localised by communication technologies, and locality expands to the limits of space.

The successful usage of the time and space suppressing technologies is based on the financial, educational and work experience. These areas of the globalised time and space are limited to the existence within social and professional groups. For example, the usage of Skype as a free of charge international phone is limited to the ability to purchase a PC or to use it if someone else grants the usage. Another necessary precondition is the educational ability – if one lacks basic literacy, the English language based PCs and online vocabulary create limits hard or impossible to overcome.

This means that limited access to technologically transformed time and space, is limiting not only career development, but also everyday human experience, access to information, values, cultural trends which in the information-based society are being more and more transferred into cyberspace. Again and again the limited access to cyberspace, creates a circulus vitiosus (vicious circle) of being left behind cultural mainstream, losing the equality of opportunities and turning into new technological proletariat, the newly poor, whose lack of access to technological capital reduces the chances of being included into new requirements of market economy

³⁹ Giddens A. Konsequenzen der Moderne. – S. 32, 130. For sense of place and space in Latvia see also: Zelče V. Lokālā prese – kopienas informācijas vides veidotāja. [Local press – producer of information environment for a community] Brikše I. (red.) Informācijas vide Latvijā: 21. gadsimta sākums. – Rīga: Zinātne, 2007. – 144.- 166.

 ⁴⁰ More on the construction of free time see: Florida R. The Rise of the Creative Class. – Basic Books, New York, 2002. – pp. 166-170.
 ⁴¹ Giddens A. Konsequenzen der Moderne. – S. 33.

⁴² Campanella T.J. Eden by Wire. Webcameras and the telepresent landscape. In: Mirzoeff N. (ed.) Visual culture reader. 2nd edition – Rotledge, 2002. - pp. 264 – 278. cited p. 273.

⁴³ Chun Kyong Hui W. Othering space. In: Mirzoeff N. (ed.) The Visual Culture Reader. 2nd edition. – Routledge, 2002. – pp. 243 – 254. cited p. 243.

shifting towards invisibility of production into cyber technologies.

Still bearing in mind P. Bourdieu's defined feeling of one's place, it is necessary to mention the growing importance of technologies in creating one's social identity and status: so, according to David Morley, those, who inhabit Western societies, feel anxiety when left without a mobile phone, ⁴⁴ but the poorest inhabitants of villages in Ghana are desperate to have a mobile phone as a symbol of higher social status, and, when unable to purchase a real one, create a paper model.⁴⁵

Another aspect of the new global inequality lies seemingly far away from unequal chances on the labour market. Consuming technologies create access also to feeling of belonging to a distinct culture. Youth subcultures, mainly advertised on TV and movie industry, are based on the access and usage of technologies. Using a mobile phone is a complex in a levelled identity, starting from a suitable model of the phone, and ending with various items of clothes, and making one's phone personal and even a personality for itself: fashion designs for mobile phones, based on feminine and masculine trends, extend gender identities into technological consumerism. The advertisement of "Toxic" or "Amigo" prepaid cards, shown on Latvian TV during the summer of 2007, demonstrated a clear tendency of the mobile phone becoming an element of the first sensual experience with the body of the opposite sex or the belonging to the "Us" community.⁴⁶

Concluding reflexions on global culture of technologies and its social limits, it is necessary to state the following: the global culture exists in its technological capacity to overcome spatial and temporal boundaries and offers immense flows of information, possibilities to choose identity and to experience it in cyberspace in the form of cyber subcultures.⁴⁷ The global culture of mobility, both in physical and virtual reality, is a new culture of opportunities and new limits of inclusion. It is a culture of informational and cultural competence, which goes beyond national and regional borders. Technological opportunities seem endless, but this is true only if one is already within the global culture. Access to it is the greatest limit of the global culture. Not being able to pass "through the gates", receive education, consumer status and professional experience, creates multiple forms of new technological poverty and inequality.

Mobility of the new elite, able to use various tools of crossing physical and mental borders of countries and cultures, is not the only existing group within global culture of economic, social and political interconnectedness. The newly poor, described by Zygmund Baumann as individuals bound to the borders of locality, can in some forms overcome this dependence - cheap air companies and local tourism can substitute or expand borders of one's experience. There is another form of the globally poor – the ones, who are placed at the bottom of the global mobility, even below the poor, who still have a limited choice of mobility. Various groups can be described as mobile against their will, such as labour migrants and refugees. In a popular discourse, partly created and supported by "media panics",48 refugees stand for global threats of local identities and as such are no doubt present also in the European Union and in Latvia.

Refugees and labour immigrants global mobility of the displaced and excluded

Once again, quoting Zygmund Baumann, to differentiate between various types of mobility, it is possible to state cyber mobility and its physical twin in the form of business travelling and tourism as extending borders of personal and collective

 ⁴⁴ Morley D. Media, Modernity and Technologies. The Geography of the New. – Routledge, 2007. – p. 304.
 ⁴⁵ Ibid. – p. 302.

⁴⁶ Advertisement demonstrated male teenagers on the beach scrutinizing female teenagers dressed in swimming suits, all using mobile phones.

⁴⁷ On various examples of cybersubcultures see: Muggleton D., Weinzierl R. (ed.) The Post-Subcultures Reader. – Berg, 2003.

⁴⁸ On media panics related to global migration see: Wal ter J. (ed.). Racism and cultural diversity in the mass media. – EUMC, Vienna, 2002. – pp. 36 – 42.

experience. Cyber tourism, as an expansion of travelling to a foreign territory and culture, is a way of escaping discontent of the physical world with its social tensions, poverty and erosion of environment.⁴⁹

Parallel to these forms of free choice movement, there exists another form of physical escapism from the same reasons which make tourists ignore local problems: famine, low level of health care, low wages and lack of social security, political oppression and not infrequently genocide based on religious and political extremism.

If tourists are offered a global *Potjomkin village* (one of the first simulacra of the 18th century, reviewed by J. Bauldriard) in the form of a 5 star hotel service even in such authoritarian states as Tunisia, Saudi Arabia, etc., native people in these and many other countries experience everyday oppression, poverty and suffer from regular instability of political order and culture based antagonism. They also seek refuge and make use of what is accessible for them of the wide range of global mobility, using insecure, old boats and illegal services to escape to Europe and the USA.

Professor Georgs Libermanis in his article on refugees and migrants states that the 20th and 21st centuries are centuries of refugees, with different directions and destinations.⁵⁰ The European continent has experienced various waves of refugees. Two World Wars in the first half of the 20th century stimulated the process of Europeans leaving the destroyed continental Europe for the USA, Latin America, Australia, Scandinavian countries and North Africa. Anti-Semitism and political terror have forced millions of Europeans to abandon their homeland and become a part of new cultural areas. Migration, whether in search of a better living standard or fleeing torture and death, has deep cultural transformations as one of the multiple effects of leaving one's place and coming into the place inhabited by representatives of a different culture.

Linguistic and cultural alienation of refugees and immigrants is a process spread over many generations, and can lead to either complete assimilation or to cultural renaissance, such as Turkish population in Germany or exiled Latvians, who, using the experience of cultural nationalism before the emergence of the independent state, have kept cultural identity in forms of associations, song festivals and other activities.

The most frequent arguments against refugees and labour migrants coming to the European Union countries and the USA have to do with well known effects on the labour market in the country accepting refugees and labour migrants - they would occupy the working places which primarily should be kept for the "natives", the integration of the new population requires immense financial support which would otherwise be spent for social welfare of the natives.⁵¹ Some of the most visual effects, affecting discourse on the migrants, are that migration makes borders of communities visual. "Us" community and "Them" community become more stable and difficult to penetrate, if ethnic origin, combined with visual differences of everyday life and position in the social scale are deepening.

One of the most topical issues for the EU is to avoid development of a large number of inhabitants of the EU who would experience growing xenophobia towards them as visually or culturally *the Others*. Although *the Others* constitute a vital dimension of individual and collective identity building process, refugees and labour migrants are likely to become a constant element in the European cultural diversity and therefore, are in need of equal opportunities, including also political participation.⁵²

In general, there are two major discourses on the phenomenon of refugees and labour migration, both

⁴⁹ Nakamura L. "Where do you want to go today?" Cybernetic tourism, the Internet, and transnationality. In: Mirzoeff N. Visual culture reader...- pp. 254-263, cited – p. 259.

⁵⁰ Lībermanis G. Migranti un bēgļi laiku lokos// Latvijas Vēstnesis. 19.09. 2006. – lpp. 7. [Migrants and refugees in circles of time].

⁵¹ Ibid.

⁵² Day S., Shaw J. European Union Electoral Rights and the Political Participation of Migrants in Host Polities. // International Journal of Population Gegraphy. Nr. 8, 2002. – p.183. – 199, cited p. 187. See also various surveys conducted by the European Union Monitoring Centre against Racisma and Xenophobia (former EUMC, since 2007 – Fundamental Rights Agency) on the website: http://fra.europa.eu/fra/index.php

seem to mix the definitions of refugees (people who seek asylum and receive it in the state of the destination to protect themselves from killing, abuse and torture) and labour migrants (people in search of a better life and higher income): the first, whom I would to define as the "human rights" discourse, sees both groups as merely the result of economic instability or political disorder and lack of human rights in the global space. This discourse tends to ignore the content of resistance towards integration of the groups mentioned above and criticises the right-wing political discourse of threatened local identities and growing unemployment. The supportive discourse sometimes tries to appeal to economic growth and sustainability of the EU economies, stressing the mortality rate and growing lack of labour force.⁵³ The contra discourse, mainly established within the right wing politicians and extremist populism in countercultures, such as skinheads, sees both groups as invaders, blames the EU policy and, to be quite cynical, needs both groups as a source for growing political influence based on an enemy image and intolerance.54

To define my own vision of the issue, I would rather accept what I would call a pragmatic attitude towards the global labour and conflict determined mobility to Europe, which would be based on the following premises:

The EU needs immigrants for sustainable economic development and competitiveness, but economic development should be synchronised with a sustainable policy of social and cultural integration of immigrants. The policy of cohesion is one of the major challenges for Europe that in itself is misbalanced concerning the skills of accepting the Others as equal. The Institute of the EU citizenship can become a foundation for social cohesion and inclusive policy towards those who come to Europe and bring not only cheap labour (this has become a tricky and controversial element on the list of "pro" arguments in the migrant discourse), but also a cultural diversity. For example the Dutch NGO FORUM, active in the area of social cohesion, has put forward an idea of a "shared citizenship", including activities on communal level, such as neighbour initiatives, NGOs and sport activities and also political participation. One of the most important tools of the integration policies of minorities is a two-way movement, including ethnic majorities into the process of integration.55 Linguistic skills as tools of integration are of great importance not only in Latvia, but also in many other EU countries, for example Luxemburg, with three languages bearing the status of state languages.⁵⁶ Migration is becoming a more and more culturally sensitive issue, as the EU is becoming a region of immense cultural diversity, with judicial and political preconditions for developing diverse cultural spaces within national states.

Conclusions

Threats and opportunities for the EU and Latvia.

In the article I tried to give a short overview of various structural elements of the new global culture of mobility in its social framework. I have described some of the major trends in perception of time and space mainly taking the perspective of a globally prepared individual, whose education and experience, skills and income allow making use of technologically driven mobility, of being present in various cultural fields and global opportunities on the labour market.

⁵³ Detailed survey on so-called "parallel society" discourse and new ghettos of immigrants see: Trends and developments 1997-2005: Combatting ethnic and racial discrimination and promoting equality in the European Union. – FRA, 2007. – p. 30.

Latest data on tolerance towards various groups of Latvian society show that immigrants and various ethnic minorities provoke intolerant attitudes. See: Šupule I., Krastiņa L., Peņķe I. Etniskā tolerance un Latvijas sabiedrības integrācija. - Baltijas Sociālo zinātņu institūts. - Rīga, 2004. [Ethnic tolerance and integration of Latvian society]. See also various websites of right wing parties and NGOs, discussing immigration and representatives of ethnic minorities, for examle: http://www.visulatvijai.lv/index.php?kat=n&id=1156317920 (party "Everything for Latvia!") - last viewed 7.08. 2007. Conservative discourse on globalization see: http://home.parks.lv/latvietis/jauns/lapa3.htm (on-line newspaper "Latvietis Latvijā" [Latvian in Latvia])

⁵⁵ Forum: Social Cohesion. Paper presented at the conference "Civic Participation of Immigrants", Lissabon, 5.04. 2004.

⁵⁶ Dubajic N. Foreigners` political participation in Luxembourg: statistics and actions carried out. Paper presented at the conference "Civic Participation of Immigrants", Lissabon, 5.04. 2004. – p. 4.

I have merely touched upon the issue of integration of immigrants in Latvia, because the discourse on refugees and immigrants in Latvia is on the level of an embryo, heavily influenced by the status of political taboo during re-election campaigns. Also various gaps in legislation and a low level of public awareness on the issues of immigrants even among civil servants, build a context for the development of state policy on immigration.

It is vital to take into consideration a socially based access to the goods and opportunities listed above. Forced mobility, which causes millions to leave their locality and to enter global labour market and alien cultural spaces, requires skilful policy in the countries hosting refugees and labour migrants. Avoiding creation of a second rate class, alienated citizens with lower wages, we can in long lasting perspective support and regenerate traditional principles, which maintain the philosophy of European Enlightenment in modern Europe, such as diversity, integrated society of citizens, tolerance and equality.

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Valdis Zagorskis SOCIAL ASPECTS OF MIGRANT INTEGRATION IN THE EU

Abstract

The article outlines the context, objective and main elements of EU policies for social integration of immigrants, touching upon the development of these policies over the last decade. It explains the growing importance of immigration policy in the context of Europe's demographic and labour market challenges and the key role of integration in making migration policy an effective tool to tackle those challenges. The article then goes on to dwell on the various policy domains that contribute to the social integration of migrants and concludes by noting the main challenges to successful implementation these policies.

Key words: Migration, third country nationals, employment, integration, demographic aging, social policy, anti-discrimination, social inclusion

Introduction

Migration is an area where the necessity for joint European action and its added value appears quite obvious. In more than one-way Europe has become hostage to its economic and political success. For decades, the Old World has felt constant immigration pressure, formed by asylum seekers and economic migrants alike. Due to a set of cultural and economic patterns, immigration has traditionally been regarded by Europeans with suspicion: a potential threat to the (comparatively favourable) *status quo* rather than a window of opportunity. Increasingly, however, Europe is coming to terms with the fact of life that immigration is *sine qua non* for any realistic and sustainable policy answer to the demographic and competitiveness challenges it is facing.

Policy context

Migration policy is a relatively new area of Community action. Community competence in the area of migration and asylum was explicitly established by the Amsterdam Treaty (1997); and its first concrete policy implementation was the so-called Tampere Programme (adopted in 1999) that outlined the following components of the EU immigration and asylum policy:

- 1. Co-operation with countries of origin.
- 2. Common asylum policy.
- 3. Fair treatment of third country nationals.
- 4. Management of migration flows.

Integration of migrants falls into the third of these pillars. The special European Council in Tampere explicitly stated that "the European Union must ensure fair treatment of third country nationals who reside legally on the territory of its Member States. A more vigorous integration policy should aim at granting their rights and obligations comparable to those of EU citizens. It should also enhance non-discrimination in economic, social and cultural life and develop measures against racism and xenophobia."

As a follow-up to Tampere programme, the European Council adopted the **Hague Programme** on 4-5 November 2004, underlining the need for greater coordination of national integration policies and EU initiatives in this field. The programme calls for a framework based on common principles that will form the foundation for future initiatives in the EU and stresses the importance of having an open debate on economic immigration at EU level, which – together with the best practices in Member States and their relevance for the implementation of the Lisbon strategy – should be the basis for "a policy plan on legal migration including admission procedures capable of responding promptly to fluctuating demands for migrant labour in the labour market".

Thus, the link between justice and home affairs dimension, and social dimension of migration management was clearly established in the EU policy. An effective migration policy cannot be limited to instruments of the admission of immigrants. Other equally important legislative and operational measures are necessary, as immigration represents a complex phenomenon that needs to be addressed coherently across all its dimensions.

Migration, employment and demographic pull factors

While it is beyond doubt that immigration should be recognised as a source of cultural and social enrichment, in particular by contributing to entrepreneurship, diversity and innovation, its economic impact on employment and growth is also significant as it increases labour supply and helps to cope with bottlenecks. In addition, immigration tends to have an overall positive effect on product demand and therefore on labour demand.

The contribution of legally admitted immigrants to meeting Lisbon objectives was already highlighted in the Commission's November 2000 Communication. The aspect of their integration is even more important and topical today as the economic and social aspects of demographic ageing are becoming more apparent.

For instance, it is now acknowledged that immigration into the US represents one of the explanations for the long boom period in the 1990's with an average annual employment growth of 1.5% and an overall economic growth of more than 3%.

Contrary to the widespread myth, there is little evidence that immigration is resulting in higher unemployment. Since on average migrants are not displacing domestic employment, immigrants' skills and qualifications can be complementary to those of the EU nationals.

From a demographic perspective, migration to Europe can be regarded as **replacement migration**. In most EU countries, the overall annual increase in population in the 1990s results from net immigration. The working age population would already have begun to shrink in some Member States had it not been for the inflow of immigrants.

Under the Eurostat assumption of moderate immigration, demographic ageing will cause the EU-25 working age population fall from 303 to 297 million by 2020, and to 280 million by 2030. In general, although the combination of the factors influencing productivity is difficult to predict, it is questionable whether the productivity growth needed to compensate for the decrease in employment will occur.

The impact of demographic ageing on the welfare system is already noticeable. Increasing employment would also reduce the burden of other types of welfare payments such as unemployment benefits. However, even if the employment rate target of 70% is achieved and maintained throughout the coming decades, the old age dependency ratio will continue to rise. Therefore, it must be stressed that immigration could contribute to improving the sustainability of pensions only to the extent that it eases the trend towards a fall in the volume of employment after 2010. However, in the longer term, the impact of ageing on the welfare systems cannot be averted without significant increases in fertility.

Thus, contrary to popular myth, immigration is spurred by pull as much as by push factors. The trend towards shrinking working age population in Europe in combination with various push factors in the developing countries is likely to generate a sustained flow of immigrants over the next decades.

Governments increasingly recognise that a more pro-active and forward-looking approach to immigration is needed to facilitate integration into employment and that, unless a more open approach is taken to legal immigration, the EU may be faced with increasing pressures, running the risk of increased illegal immigration.

Of course, immigration is not an answer to all of Europe's demographic and labour market challenges. It cannot provide a long-term solution to falling birth rates and ageing population. Using immigration to fully compensate the impact of demographic ageing on the labour market is not a realistic option.

We should avoid both extremes of either falling prey to fear of immigration or declaring it a panacea to all problems, and take migration policy for what it is: a tool within a broader policy mix. There are more than sufficient grounds to state that in the short to mediumterm, labour immigration can, as part of the Lisbon Strategy for Growth and Jobs, positively contribute to tackling the effects of demographic evolution and to satisfying labour market needs, thus ensuring economic sustainability and growth. The success of overall immigration policies in terms of employment will be conditioned by the ability of the EU to fully tap the potential of immigration while being consistent with broader social, economic, foreign, development and trade policy objectives.

It can be concluded that, in the context of demographic ageing and, before long, shrinking working age population, sustained immigration flows are not only increasingly likely, but also necessary for the EU. Having said that, certain pre-conditions have to be met in order to maximise the potential of immigration and make it a win-win situation for migrants and host communities alike. The full potential of immigration and its contribution to economic development can only be realised if immigrants are fully integrated in the EU labour market and society. To achieve that, Europe should do its homework and get prepared for immigration in a responsible and effective way, in order to ensure better integration of current and future immigrants.

Integration is a two way process, which is based on mutual rights and corresponding obligations. The host society has the responsibility to ensure formal rights of immigrants are in place, in such a way that the individual has the possibility of participating in economic, social, cultural and civil life. In their turn, immigrants shall respect the norms and values of the host society and participate actively in the integration process, without having to relinquish their own identity.

EU policy for integration of migrants – main aspects

In its totality, integration of migrants is a holistic policy which takes into account not only the economic and social aspects of integration, but also issues related to cultural and religious diversity, citizenship, participation and political rights. Broadly speaking, it lies at the intersection of two policy areas: justice and home affairs on the one hand, and employment and social policy on the other. We will now outline what the two said policy areas entail in the context of European integration.

It is important to make a terminological distinction. In the understanding of EU law and policy, the term 'migration' refers solely to external migration between EU and third countries. Free movement of persons among Members States, i.e. internal migration, is one of the fundamental 'four freedoms' of the internal market and thus not subject to provisions governing migration.

Migration, in this trimmed interpretation, is one of newest fields of Community competence. Alongside other policies in the area of justice and home affairs, it was designated as a direction for the EU action with the adoption of Maastricht Treaty, yet only Amsterdam Treaty ten years ago established specific Community competence in this area. It was part of a wider process, stemming from the growing recognition that in a changing and globalised world, in order to fulfil its promise of freedom, prosperity and stability, the EU needed to take on new tasks and responsibilities.

On the contrary, social policy, at least in some manifestations, has been a vital part of Community policies since the early days of the European project. It was quite clear that the freedom of movement could not function properly without an adequate mechanism for the protection of individuals' social security entitlements when moving between Member States. Thus, a mechanism for co-ordination of social security provisions was first set up in late 1950ies, and has remained a core part of the internal market to this day. With time, EU assumed growing competences and tools in the area of social policy, including financial tools such as the European Social Fund, although social policy remained first and foremost the competence of the nation state. Nevertheless, until recently the EU social policy was designed to provide protection for the EU nationals who were involved in cross-border activities of one or another kind. When the EU undertook the task of social integration of migrants, these well-established tools had to be re-shaped to address the needs of a new category of persons – third country immigrants.

At this point, another terminological distinction has to be made with regard to the personal scope of the EU migration policy. Strictly speaking, EU policy of migrants' integration applies solely to **third country nationals** who are residing **legally** on the European soil. It has to be noted however that in practise the same challenges, in particular in the fields of employment and social inclusion, are shared by persons who formally fall outside this scope of application, such as second or third generation migrants who have obtained citizenship of the host state, or even established ethnic minority groups.

Since the Community acquired competence in the area of migration under the Treaty of Amsterdam, it has adopted a series of legislative instruments on the conditions of the admission and stay of third-country nationals (directives concerning family reunion, students, researchers and long-term residents). These directives create a legal framework, prescribing equality of treatment and respective rights of access to employment, and to education/training, all of which are necessary components not only of a credible immigration policy, but also of any successful integration of third-country nationals as part of that policy. In addition, EU legislation on antidiscrimination supports and develops this legal framework on the conditions for the admission and stay of third-country nationals.

Integration measures require adequate financial resources. The EU supports Member States' integration policies through a number of financial instruments.

Underpinning the political commitments of the EU in the field of integration, employment and social cohesion, there are a number of **EU financial instruments** and other initiatives which directly or indirectly support the integration of immigrants. This is most notably the case with the Structural Funds, in

particular the European Social Fund. The EU has also supported integration through the development of innovative actions, networks and exchange of experience in the EQUAL programme, the URBAN II initiative with respect to the regeneration of cities and through its programmes to promote gender equality and to combat social exclusion and discrimination. Moreover the multi-annual programme is specifically targeting ethnic minority entrepreneurs as part of its general activities. Community funds are being used for micro-lending activities that bring benefit to immigrant entrepreneurs.

In the field of education and culture, several initiatives targeting the integration of immigrants have been carried out under the SOCRATES, the LEONARDO DA VINCI, YOUTH and CULTURE 2000 programmes.

Within the framework of the preparation of a common European policy on asylum, the Council has established a European Refugee Fund (ERF), with the objective of "supporting action by the Member States intended to promote the social and economic integration of refugees, in so far as it contributes to economic and social cohesion". In 2002, the Commission established a European Migration Network as a tool to improve analysis and research on migration and asylum in the EU.

The objectives of the Fund are complementary to the European Social Fund (ESF), which builds on the experiences of the Community Initiative EQUAL in supporting innovative approaches to the prevention of labour market discrimination of migrants. The Commission's proposal for the ESF period 2007-2013 includes a specific focus on reinforcing the social inclusion of people at a disadvantage. The European Regional Development Fund also supports certain integration measures.

The promotions of **fundamental rights, nondiscrimination and equal opportunities** for all are key integration issues. EU legislation provides a strong framework of anti-discrimination legislation. In its Communication on a framework strategy for nondiscrimination and equal opportunities for all, the Commission stresses the need to reinforce efforts to promote equal opportunities for all in order to tackle the structural barriers faced by migrants, ethnic minorities and other vulnerable groups. The European Year of Equal Opportunities for All in 2007 and the forthcoming European Year of Inter-cultural Dialogue in 2008 are major awareness-raising initiatives contributing to these objectives.

The EU has put a legal framework in place to combat discrimination - which can seriously impede the integration process - and in particular common minimum standards to promote equal treatment and to combat discrimination on the grounds of racial or ethnic origin, religion or belief, age, disability and orientation. sexual Directives 2000/43/EC implementing the principle of equal treatment of persons irrespective of racial or ethnic origin and 2000/78/EC establishing a general framework for equal treatment in employment and occupation give important new rights both to arriving migrants and to established ethnic minorities in the EU. The scope of Community legislation banning racial discrimination is wide and covers employment, education, social security, and health care, access to goods and services and to housing. Although the directives do not cover discrimination on the grounds of nationality, and are without prejudice to the conditions relating to the entry and residence of third country nationals and to any treatment that arises from their legal status, they do apply to all persons resident in the Member States, including third country nationals.

In addition, several activities aiming at exchange of experiences and good practice are carried out under the accompanying programme to combat discrimination. The work of the European Monitoring Centre on Racism provides an additional tool to detect and abate potential discriminatory patterns in the EU.

All migration instruments take into account equality of treatment and rights for migrants.

The EU has also made progress towards granting third country nationals the same protection as

EU workers **in the field of social security** when moving into the EU. The adoption of Regulation 859/2003 extending the provisions of Regulation 1408/71 to nationals of third countries is an essential cornerstone in view of the future adoption of the directives on admission for employment.

EU has developed open methods of coordination in the fields of **employment** and **social inclusion**, policies which are of direct relevance to the integration of immigrants in the EU. They combine concrete goals and policy objectives set at the EU level, which are translated into national plans, the use of benchmarks and indicators to measure progress, exchange of experience and peer review so as to learn from good practice.

Since the launch of the European Employment Strategy in 1997, the integration of disadvantaged groups, including migrant workers and ethnic minorities, as well as combating discrimination, have been the key features of the employment guidelines. They include reducing the employment gap between EU nationals and non-EU nationals, promoting full participation and employment for 2nd generation migrants, addressing the specific needs of immigrant women, fighting illegal immigration and transforming undeclared work into regular employment.

Social inclusion policy measures for migrants and ethnic minorities cut across the full range of issues dealt with in the national social inclusion policies. Most Member States clearly identify migrants and/or ethnic minorities as being particularly at risk of social exclusion. Indicators for these groups for employment, education and training, health, income and living conditions where available, show a performance generally below that of the majority population.

However, lack of detailed data and indicators hinders any comprehensive analysis of the situation facing these groups. The specific situation of the immigrants facing poverty and exclusion requires greater effort and analysis if we are to increase their labour market participation to the same level as the majority population and to promote their participation in social, cultural and political life.

EU Member States have to develop integrated and co-ordinated responses to multiple disadvantages and the needs of groups at particular risk such as immigrants.

Common basic principles of integration of third-country nationals

The Hague Programme, adopted by the European Council of 4-5th November 2004, underlines the necessity for greater co-ordination of national integration policies and EU initiatives in this field. It further states that a framework, based on common principles, should form the foundation for future initiatives in the EU, relying on clear goals and means of evaluation⁵⁷. The Justice and Home Affairs Council adopted Common Basic Principles (CBPs) on 19 November 2004, to underpin a coherent European framework of integration of third-country nationals⁵⁸.

The adoption of these principles is also recognition of the fact that failure in one individual Member State may have negative consequences for the others and for the European Union as a whole, and that it is in the interests of all Member States to pursue effective integration strategies.

The actions suggested at national level are given as possible guidelines designed to help in the conception of national policies and programmes. The actions proposed at European level extend and develop activities that have shown their usefulness over recent years, in particular the promotion and support of networking amongst practitioners, the transfer of good practice and exchange of information.

The list of Common basic Principles on integration of third-country nationals is given below:

 Integration is a dynamic, two-way process of mutual accommodation by all immigrants and residents of Member States.

- Employment is a key part of the integration process and is central to the participation of immigrants, to the contributions immigrants make to the host society, and to making such contributions visible.
- 4. Basic knowledge of the host society's language, history, and institutions is indispensable to integration; enabling immigrants to acquire this basic knowledge is essential to successful integration.
- Efforts in education are critical to preparing immigrants, and particularly their descendants, to be more successful and more active participants in society.
- Access for immigrants to institutions, as well as to public and private goods and services, on a basis equal to national citizens and in a nondiscriminatory way is a critical foundation for better integration.
- 7. Frequent interaction between immigrants and Member State citizens is a fundamental mechanism for integration. Shared forums, intercultural dialogue, education about immigrants and immigrant cultures, and stimulating living conditions in urban environments enhance the interaction between immigrants and Member State citizens.
- The practice of diverse cultures and religions is guaranteed under the Charter of Fundamental Rights and must be safeguarded, unless practices conflict with other inviolable European rights or with national law.
- The participation of immigrants in the democratic process and in the formulation of integration policies and measures, especially at the local level, supports their integration.
- Mainstreaming integration policies and measures in all relevant policy portfolios and levels of government and public services is an

 ⁵⁷Annex I to the Presidency Conclusions, European Council, 4/5
 November 2004.
 ⁵⁸Council Document 14615/04 of 19 November 2004.

^{2.} Integration implies respect for the basic values of the European Union.

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important consideration in public-policy formation and implementation.

 Developing clear goals, indicators and evaluation mechanisms, it is necessary to adjust policy, evaluate progress on integration and to make the exchange of information more effective.

Challenges to migrant integration in the EU

In identifying policy measures, Member States should follow a multidimensional approach and bring forward possible contributions that can be made by different policy domains in order to achieve the policy objective, i.e. overcome discrimination and increase integration of ethnic minorities and immigrants.

The multiple exclusion, faced by young people from ethnic minorities in poor neighbourhood, needs an increased attention. In this context, the fundamental role of education and training to break the intergenerational transmission of poverty should be highlighted.

Further emphasis must be put on enforcing legislation, notably the laws transposing the antidiscrimination Directives. A stronger effort is also required to strengthen the monitoring of the risks of discrimination in the labour market and in access to services, as well as to assess the concrete implementation of anti-discrimination legislation.

As pointed out above, the lack of detailed and comprehensive data hinders analysis of the situation facing immigrants. Tailoring research to obtain such information could help Member States and the EU set clear objectives and specific and concrete targets.

The **role of the civil society** should be reinforced and facilitated. Capacity-building programmes could support greater participation and representation of these groups. Ethnic minorities' integration would be improved by the involvement of civil society in the definition and the implementation of policies. While inclusion policies are primarily the responsibility of public authorities, governments should share this responsibility with civil society, notably at the local level where inclusion measures must be implemented. This will also help to strengthen public awareness of these issues.

Roswitha King, Tatjana Muravska EU ENLARGEMENT AND OUT-MIGRATION: POLICY CHOICES FOR LATVIA

Abstract

The 2004 and 2007 EU enlargements remain a controversial topic. Central and East European countries enlarged the internal market – including the labour market – bringing with it changes in European migration flows.

His paper examines migration from the perspective of migration sending countries in Central and Eastern Europe, who recently became EU member states. In particular, we take a look at the case of Latvia, where high economic growth combined with out-migration and natural population decline have already led to acute labour shortages in some sectors of the economy. The negative effects of out-migration call for policies that promote human capital development and attractive employment/entrepreneurial opportunities. We also look at policies that diminish inter-regional disparities within a country as a means to reduce out-migration.

Keywords: migration, regional disparities, labour markets, country competitiveness

Introduction

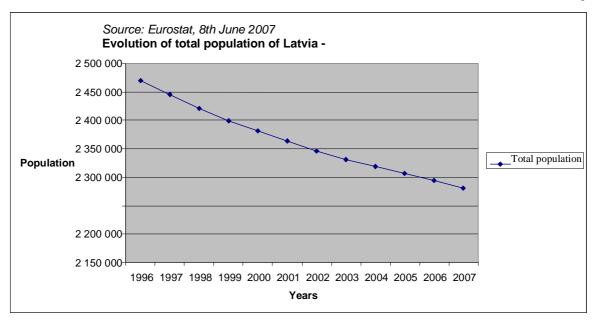
The EU enlargements of 2004 and 2007 can be characterised in many ways, however, one of them in particular stands out: the need to increase economic efficiency of the Union has become vital. The task of bringing the economies of the new members up to par with the economies of the old member states is formidable. It has been noted that the Lisbon strategy, as a framework for further development of the EU, set up a requirement to increase employment in member states. Building the sustained economic growth necessary for long-term employment creation in the new member states will require an unprecedented level of political, economic, and social cooperation among governments, business, and individuals throughout Europe.

Accession to the EU has brought rapid and fundamental changes for Central and East European countries (CEEC). The CEEC enlarged the internal market of the EU, and this is expected to eventually increase the EU's global competitiveness. As many of the studies in this area show, the process did and does produce mixed results, as well as controversy. While free movement of goods, assets, ideas, and people is one of the EU's stated and known goals, when it comes to free movement of people, difficulties have arisen with regard to cross-national border migration of labour. The observed out-migration from the new EU Member States appears to confirm the findings that international migrants come from locations under rapid transformation in connection with their integration into global networks and markets. Migration patterns, however, cannot be explained by market forces alone, nor can wage differentials alone account for all observed migration flows. The effect of migration policies imposed by nation states, for example, plays a crucial role in determining the direction as well as the intensities of migration flows. In the following we view policies toward out-migration and Cohesion policy as highly interrelated domains.

Population and Migration Trends in the Baltic States

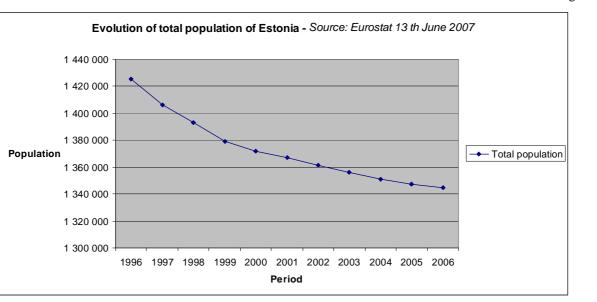
Observation of population trends in the Baltic States (Figure 1, 2 and 3) shows significant population declines over the past decade. This is a cause for concern since these are economies that rely on sustained economic growth in order to catch up the average EU levels of per capita GDP and living standard. A shrinking population typically is not helpful in attaining such a goal.



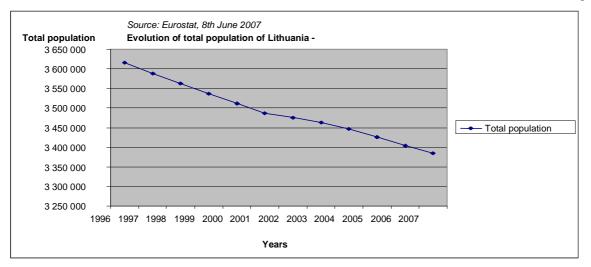


As can be seen from Figure 1, population in Latvia declined from 2, 469 531 in 1996 to 2, 281,305 in 2007. This constitutes a decline of 188,226 people. This may not sound like a large amount, but it is 8% of entire Latvian population in 2007.

Similar trends are visible for Estonia and Lithuania in Figure 2 and Figure 3.

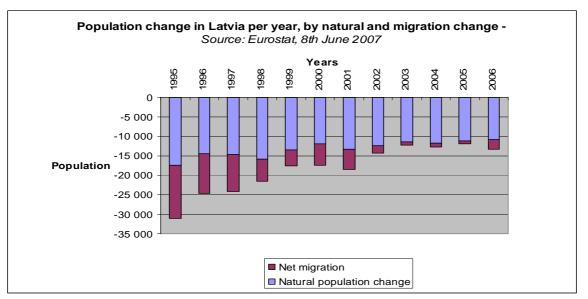






Part of the documented population decline is due to the falling birth rates. In Latvia, for example, the natural⁵⁹ reduction in population, according to Eurostat, in the period from 1995 to 2006 averaged around 13 000 people per year, which amounts to about 6% of the population in Latvia of 2006. This alone is already a worrisome development, as it confronts the country with a shrinking labour force in times of needed long-term economic development.





In Figure 4 the upper part of each bar represents the natural shrinkage. In addition to the natural population decline Latvia has been experiencing considerable out-migration. Although in-migration (not shown in the graph) has also accelerated, the net migration flow has been consistently negative. This can be seen in the lower part of each bar in Figure 4, which represents net migration.

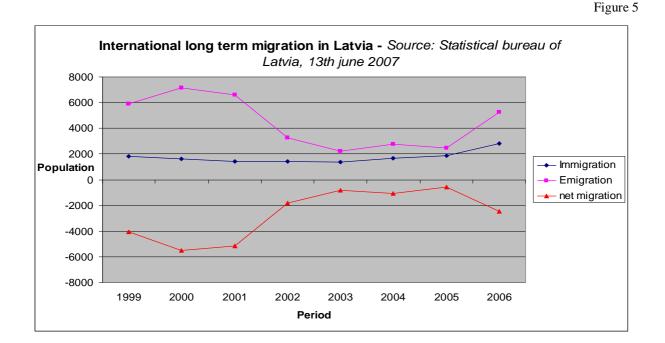
In Figure 5 we decompose Latvia's net long-term migration⁶⁰ into emigration and immigration. According to the report of the Ministry of Economics of the Republic of Latvia⁶¹ long-term out-migration of the population increased from 564 persons in 2005 to 2451 persons in 2006, i.e., more than 4 times. This can be seen in Figure 5 below.

⁵⁹ The difference between the number of live births and the number of deaths during the year. The natural increase (or natural decrease) is negative when the number of deaths exceeds the number of births.

⁶⁰ In line with the definition of Latvia's Citizenship and Migration Board, *long-term migration* represents individuals who leave Latvia to settle in another country for at least one year, and who report this intention to an appropriate authority. ⁶¹ Ministry of Economics, Republic of Latvia, *Economic Development of Latvia, Report*, July 2007, p. 43.

The above graph under-reports total out-migration, since it does not account for temporary migrants to other EU countries who need not report their arrival in the destination country, illegal migrants, as well as permanent migrants to another EU country who do not report their change of residence. These categories are significant for the case of Latvia, since many of its residents have been moving to the UK and Ireland in search for work.

A similar pattern is witnessed for Estonia and Lithuania.



Regional disparities

Latvia reports very positive growth performance in recent years, with economic growth rates that are among the highest in the EU. In the last three years (2004-2006), GDP went up annually by 10.4% on average. Growth was especially fast in 2005 and 2006 (10.6% and 11.9% respectively)⁶². Growth has been fuelled by strong and steady domestic demand, especially private consumption and gross fixed capital formation and the successful expansion of export markets.

However, behind the impressive economic growth figures hides an unfortunate truth:

Latvia has one the lowest income per capita levels in the EU. In 2006, Latvian GDP per capita in purchasing power standards was 50% of the EU average.⁶³ The scale of the per capita income gap emphasises the fundamental importance for Latvia to implement a comprehensive catching-up strategy. This is why the shrinkage of Latvia's labor force is particularly disturbing.

Regional decomposition of Latvia's per capita GDP reveals another cause for concern: increasing regional disparities in personal disposable income. The Gini index measuring inequality in the distribution of per capita disposable income in 2006 was 0.36 compared to a level of 0.30 in 1996.⁶⁴

The relatively low labour participation rate and high unemployment rate in the regions are due to structural features of the labour market, notable skills

⁶² Ministry of Economics, Republic of Latvia, *Economic Development of Latvia, Report, July 2007, p. 15.*

 ⁶³ Ministry of Economics, Republic of Latvia, *Economic Development of Latvia, Report*, July 2007, p. 15 and Eurostat.
 ⁶⁴ European Foundation for the Improvement of Living and Working Conditions.

http://www.eurofound.europa.eu/areas/qualityoflife/eurlife/index.p hp?template=3&radioindic=158&idDomain=3

mismatches, insufficient labour mobility, weak demand for labour in eastern regions, and disincentives to employment due to the high labour tax wedge.⁶⁵ Weak labour demand in lagging areas of the country is persistent and presumably is a major motivation for outmigration of working age population of the regions. For example, in 2004, GDP per capita in Rīga reached 83.3% of the EU-27 average in purchasing power standards, while this indicator in Latgale amounted to a mere 21.1%. Hence, the difference between per capita GDP levels of these two regions is four-fold.⁶⁶

In terms of Cohesion policy, Latvia is a single NUTS 2 region and one of the poorest Member States in the EU. The geographical structure of the economy is strongly concentrated, with over 60 per cent of Latvia's GDP being produced in Riga and the surrounding area. In contrast, only three per cent of national GDP is produced in Daugavpils, which is the second largest town in Latvia.

There are also significant differences in terms of GDP per capita between the five NUTS 3 areas, as well as in terms of unemployment and employment rates. The level of GDP per capita in the poorest region of Latgale was equal to 48 per cent of the national average, compared to 56 per cent in Zemgale, 58 per cent in Vidzeme, and 182 per cent in Riga⁶⁷. These disparities are in part due to differences in the residential and working locations of some citizens i.e. the level of GDP per capita in Riga partly reflects the effects of commuting from other areas.

The demographic and economic structure of Latvia is concentrated, with over forty per cent of the population located in the capital city of Riga, which also produces around sixty per cent of GDP. The next cities in terms of their contribution to GDP are Daugavpils, Liepaja and Ventspils, which each produce around three per cent of the national GDP. This means that the ongoing economic dynamism of Riga is crucial to Latvia's future catching-up. But there are also significant disparities between areas within Latvia, notably in terms of employment rates and opportunities.

Therefore there will be a need for policy makers to ensure an appropriate balance within the Cohesion policy strategy on the two goals of reducing internal disparities and supporting national economic growth. In the opinion of the authors, the socioeconomic gap between areas is likely to narrow in the medium term, allowing for both national and regional convergence, although some degree of regional disparities is likely to continue, as in all EU Member States. The extent of reductions in regional disparities may, however, depend on the success of regional policy and other policy instruments in providing the necessary conditions for economic development in lagging areas. The authors propose that, as well as ensuring sufficient Cohesion policy investment in Riga, funding should be targeted on a limited number of towns that have the potential to become centres of business investment and to contribute significantly to national economic growth. Investment in infrastructure should be combined with support for businesses and human resources in such locations.

A 2004 study by the Bank of Latvia and the Ministry of Regional Development and Local Governments shows regional differentiation in terms of the age groups most strongly affected by unemployment. In Riga, the highest unemployment rate is among 25-29 year olds, while the highest rates in other regions are among people aged over 40 years old. In Latgale the lowest unemployment rate is among young people because these are particularly likely to migrate to other areas in search of work. Sectoral structure also varies spatially, with Riga as a home to most businesses engaged in producer services and more innovative manufacturing, while other areas remain dependent on natural resource based industries (in particular, wood and food processing industries), as well as on the transport and

⁶⁵ European Commission (2005b) Second Implementation Report on the 2003-2005 Broad Economic Policy Guidelines. Brussels, Commission Staff Working Paper, 27.01.2005/SEC(2005)91.

⁶⁶ Ministry of Economics, Republic of Latvia, *Economic Development* of Latvia, Report, July 2007, p. 41.

⁶⁷ Central Statistical Bureau, Latvia's Regions in Figures. Riga, 2004. p.61-65.

communications sector (in the form of ports and linkages with Russia's markets).

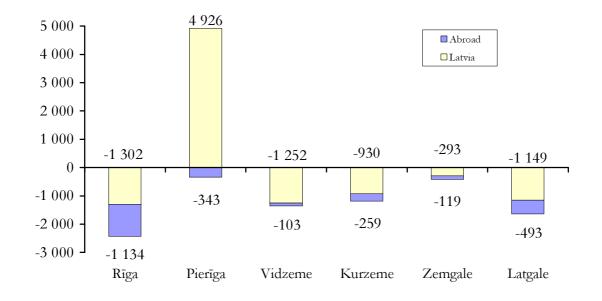
One of the reasons for regional labour market disparities is that there are obstacles to labour migration and commuting, due to poor transport infrastructure and public transport services, as well as rigidities in housing markets. Incentives for labour mobility thus seem to be limited, in spite of significant advantages to employment in Riga and other towns in terms of nominal wages (which may, however, not translate into such a clear advantage in real terms due to the costs and difficulties of housing and transport). A rural resident commuting a distance of 50 km obtains a 53 per cent gain in nominal wages ceteris paribus compared to non-commuters. Commuting reduces the overall wage gap and disparities in employment prospects and at least in the short run, increases national output.

However, commuting is unlikely to provide an adequate solution to unemployment in those areas that are more distant from Riga, notably the eastern NUTS 3 region of Latgale. For those people that are not within

commuting distance from Riga or other largest cities in Latvia the option to migrante out of the country is particulary attractive. This can be seen in Figure 6, where net out-migration from the Latgale region, which lies outside the commuting distance from Riga, is higher than in the other regions. The high outmigration to foreign countries from Riga is, presumably, do to the high accumulation of skilled labour in pursuit of better fortunes.

Higher out-migration abroad was in Riga and Latgale: 1.6 and 1.4 persons per 1000 inhabitants respectively (1 per 1000 on average in Latvia). Higher long-term migration within Latvia was observed in Vidzeme (5.2 persons per 1000 inhabitants). It is typical that inhabitants from Vidzeme more willingly migrate to Rīga or Pieriga, not abroad. Out-migration from Vidzeme to foreign countries is two times lower than in the country on average (0.4 persons per 1000 inhabitants). Higher positive balance of migration (i.e. net in-migration) region.10 observed was only in Pierīga

Figure 668



Net Long-Term Migration of Population in 2006

Development of Latvia, Report, July 2007, p. 43.

⁶⁸ Ministry of Economics, Republic of Latvia, Economic

Figure 6 suggests that there are two major outmigration channels in Latvia through which Latvian residents leave their country. The first "direct" channel originates in the regions that lie outside commuting distance from Riga, such as Latgale (- 493 in 2006) and Kurzeme (-259 in 2006). The second "indirect" channel consists of two steps. In step 1 people move from the outer regions of Latvia to Pieriga (Pieriga is a geographic area adjacent to and surrounding the capital city of Riga, but not including Riga city)⁶⁹ This can be seen in Figure 6 by the considerable net in-migration into Pieriga (+4,926 in 2006) under the assumption that a significant proportion thereof consists of intra-Latvia in-migrants. Then there is population transmission between Pieriga and Riga - hidden behind the net-flow representation in Figure 6. Finally in step 2 people resident in Riga and Pieriga migrate out beyond Latvia's border (-1.134 and -343 respectively in 2006).

Regional policy will play an important role in this context. Policy makers need to decide whether migration and cohesion policy should aim primarily at reducing internal disparities or to balance this goal with overall national growth objectives. From the point of view of stemming the flow of out-migration from Latvia to foreign countries both, reduction of internal disparities as well as increasing overall economic performance, are important. This is suggested by Figure 6, which shows that most out-migration from Latvia originates in Riga and Pieriga as well as in the geographically more peripheral Latvian regions of Latgale and Kurzeme. Overall, economic growth if coupled with increases in salaries and wages would serve to give people a more optimistic outlook about their potential career in their own country and might induce them to stay. It might also encourage return migration. On the other hand diminishing regional disparities would presumably reduce the incentives for residents of the regions outside commuting distance from Riga, i.e. Latgale and Kurzeme

⁶⁹ Six statistical regions of Latvia are presented in the Figure 6 according to EU directives in force from May 1, 2004, such as Rīga, Pierīga, Vidzeme, Kurzeme, Zemgale and Latgale. to migrate to foreign lands – either directly in onestep, or indirectly, with a first temporary stay in or near Riga.

A key category for development will be human resources. Support should be targeted on the development of human capital by investing in education and training systems. Special attention should also be given to active labour market policies, especially training and re-training programmes for unemployed people, as well as advisory and information services. Such measures should help to tackle unemployment in the country in general and in the areas of Latgale and Kurzeme in particular – and thereby presumably help stem out-migration.

In the 2007-2013 programming period Latvia will still face substantial bottlenecks in terms of the basic preconditions for sustainable economic growth. Choices on the allocation of public investment will therefore play an important part in ensuring that these preconditions are put in place in the coming years, with gaps being filled in by physical, human and knowledge capital. Investment in infrastructure can help to attract businesses, to create employment and to reduce regional disparities. Given ongoing weaknesses in infrastructure, a significant percentage of Cohesion policy expenditure should be targeted on infrastructure in terms of roads, railways, water management systems and the energy sector. We estimate⁷⁰ that there will be a need to allocate up to 60 per cent of total Cohesion Policy spending to infrastructure in 2007-2013. For example, major improvements are needed at all levels of the roads sector in Latvia, including the TEN networks, primary roads and secondary roads.

Transport networks and Investment Strategy

The main challenges concerning infrastructure in 2007–2013 will relate to transport networks, notably the TEN-Transport networks, as well as other

⁷⁰ Tatyana Muravska et. al. Study of the Potential and Needs of the New Member States. Country Report:

Latvia(2005), EC abd EPRC, Glasgow, U.K.

road and rail networks, plus airports. A first important aspect of investment in the transport infrastructure network should focus on enhancing capacities for transport flows within the capital city of Riga. A second priority should be to improve conditions for international transit flows in two major directions, namely the East-West corridor and on the Via Baltica. The development of the new Rail Baltic initiative should ensure effective linkages between the Northern periphery and central regions of Europe, with a rail connection from Tallinn to Berlin. Improvements to the rail transport system should enhance Latvia's comparative advantages by reducing travel times and trade costs, and thus raise its attractiveness to business investors. Another challenge will be to upgrade the main ports of Ventspils, Liepaja and Riga with the aim of ensuring their competitive position vis-à-vis other ports in the region and also in the world. Such investments should facilitate transit flows, thus giving additional impetus to economic growth.

The allocation of Cohesion policy funding will need to take account of the various geographical goals. In terms of transport infrastructure, for example, investment is needed to modernise existing systems and to improve linkages with the rest of the EU. It will also be important, however, to ensure that investment in transport networks also contributes to linking the various main towns in Latvia with Riga and with external markets in order to facilitate flows of business investment to areas outside the capital city, as well as to enhance possibilities for labour commuting and mobility.

As the major part of the population and of businesses are located in the Riga area, a large percentage of Cohesion policy funding will inevitably be targeted on this area. For example, around 56 per cent of businesses are located in Riga, which is thus likely to be the focus of many business support initiatives as well as active labour market measures. Support for higher education, as well as R&D and innovation, is also likely to be focused on Riga, not least because such interventions may be subject to increasing returns in the form of knowledge spillovers if they are spatially concentrated in the main centres of population.

However, there are also significant funding needs outside the Riga area. One option would be to focus an integrated package of funding (comprising in particular transport infrastructure, active labour market measures and business support) on a limited number of towns that could become centres of business investment and activity. Investment in these potential 'growth poles' could also include funding for R&D and technological innovation, particularly in activities oriented towards knowledge transfer and business-oriented technological development. It would also be worth considering more favourable forms of business support in such locations. For example it is argued in favour of redirecting business support away from direct grant aid for business and towards loan and venture capital funds. It would, however, be possible to retain certain forms of direct grant aid for these potential 'growth poles' or to set more attractive aid ceilings in these locations. It would be particularly important to coordinate business support measures with active labour market policies, in order to mitigate structural long-term unemployment.

There is also a need to consider whether the likelihood of further restructuring in the agriculture sector implies the need for Cohesion policy intervention in rural areas, particularly those with high rates of unemployment and social exclusion. Efforts will be needed to improve the skills and flexibility of the labour force in these areas, particularly among people in long-term unemployment. There is also a need to enhance the overall context for job creation in rural areas, which tend to be characterised by low levels of entrepreneurship and a low density of firms. In order to develop a long-term structural potential of such areas, intervention may be needed to upgrade the quality of transport and communication linkages with nearby towns that could become a focus for business activities and investment.

Investment is also needed in infrastructure and equipment in the fields of education, training and

R&D/innovation in order to support the upgrading of human and knowledge capital, which will be the key to future productivity gains. High quality equipment is needed in the secondary and tertiary education sectors, while emphasis should also be placed on building up facilities for business-oriented R&D and technology transfer to cities such as Ventspils, Daugavpils, Rezekne, and Valmiera. It will be important to build on existing strengths and to consider whether there are good prospects to move into new fields of technological specialisation.

Finally, there may be a need for capital investment in relation to the Information Society, particularly in order to facilitate demand for services among businesses, citizens and the public administration.

Improvements in transport links between Latgale and Riga, as well as with external markets, could enhance the attractiveness of the region for business investment, thus leading to increased job creation. Public expenditure is also needed to raise the quality of education and training, as well as active labour market policies, including support for entrepreneurship. These measures, while enhancing the economic potential in the regions, can be considered conducive to slowing outmigration from the regions toward the country's capital, as well as abroad.

Human resource development is one of the backbones of a modern and competitive market economy. One of the main goals of Cohesion policy is to boost employment and to achieve a significant reduction in unemployment (linked to indicators set in the Lisbon strategy). Efforts are needed to improve the skills and flexibility of the labour force because the long-term objective of moving towards a knowledge-based economy also depends on the development of welleducated and skilled workforce that is able to create, share and utilise knowledge.

It will also be important to develop and implement life-long learning systems, vocational training programmes, and other active and preventive measures. As well as contributing to overall productivity gains, such interventions can facilitate social equality and social inclusion via the increased labour market participation of at-risk groups⁷¹. In particular, efforts are needed to improve job-matching mechanisms, such as information and advisory services for young people, in order to ease the transition from education to the labour market.

These measures would serve to make Latvia a more attractive habitat for living and working, and thereby making the out-migration option relatively less desirable.

The effectiveness of the above measures will depend on improvements in administrative capacity at all levels of the public administration.

The Efficiency of the Public Sector

The capacity and the effectiveness of the public sector have an obvious impact on economic development. Numerous reforms have been implemented, particularly in relation to establishing appropriate frameworks for the administration of EU funds. Although considerable progress has already been made, there is a need for continuing change in the structure and, especially, the practice of all levels of the public administration.

One of the main problems facing Latvia is insufficient administrative capacity at national, regional and local levels. At national level one of the main challenges is to build an effective and modern public administration, not least in order to ensure the efficient management of public funds in the coming programming period. One of the main impediments to the development of the public sector is the remuneration system, with relatively low wages compared to those in the private sector⁷².

The structure of local government is too fragmented, with many small and ineffective local governments. Support should be given to promote further restructuring of local government and to

⁷¹ Ministry of Economics of the Republic of Latvia, National Employment Plan 2005.

⁷² Tatyana Muravska et. al. Study of the Potential and Needs of the New Member States. Country Report:

Latvia(2005), EC abd EPRC, Glasgow, U.K.

create credible structures for implementing operations financed by Cohesion policy. There is still a need for farreaching changes in the practices and operations of all levels of the public administration in order to comply with the legal framework of regulations on which Cohesion policy is based.

The efficiency of the public sector has important consequences and impacts on aspects of economic development. In the Latvian case, it is possible to highlight some serious weaknesses in public administration. There is a high level of bureaucracy in the country which affects the quality of public services to both citizens and businesses. Moreover, frequent changes in the government in the recent years have left a negative impact on the stability of key institutions and on the retention of staff. This is a symptom of both political instability in the country and the lack of an adequate separation between political structures and the public administration. This is one example of the ways in which short-term political concerns and pressures can affect the course and consistency of reform, and the level of commitment to long-term development strategies.

Finally, regional and local administrative structures are extremely weak in the country. In particular, there is an administrative 'gap' at the regional level. Local government reform remains an outstanding issue. At the moment, there are a large number of municipalities, which generally have very weak financial and other resources due to their small size and fragmentation.

Many of the weaknesses in the country's public administrative systems are deeply rooted and politically sensitive – such as the regional reform. These will require the implementation of domestic policy reforms and sustained actions over the long-term.

Conclusions

A comparison of population and out-migration patterns in the Baltic States before and after accession to the EU shows similar tendencies in the three countries. Significant population decline and out-migration from the three Baltic States confirm that serious problems resulted for these small and fast growing economies from their integration into the European internal market. This is a cause for concern since these are economies that rely on sustained economic growth in order to catch up to average EU levels of per capita GDP and living standards. In addition and in particular for the case of Latvia internal regional disparities aggravate residents' dissatisfaction with the status quo and provide incentives for outmigration. This requires effective policy choices for sustainable development and Cohesion policy implementation; given that, the country's human resources for successful economic restructuring are limited.

It is obvious that in order to prevent further significant population outflows, attention should be focused on making Latvia a more hospitable place for its own people to live and work. This brings us to the domain of Latvia's economic and social policy in the wider sense.

Priority should be directed towards basic infrastructure development. Support is also needed for R&D infrastructure in the main growth poles, as well as for human resource development. Initiatives also need to be taken to promote the competitiveness of business, innovation driven businesses start-ups, support for education and other schemes that are components of Cohesion policy interventions. These components need to be internally coherent, and to be consistent with the domestic policies covered in the National Development Plan for 2007-2013.

This ambitious agenda should be complemented by far-reaching changes in the practices and operations of all levels of the public administration. High professionalism on the part of public administrators at all levels is needed to ensure an appropriate balance within the Cohesion policy strategy on the two goals of reducing internal disparities and supporting national economic growth. Carrying out the above measures may considerably reduce the out-migration from the country.

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Ivars Indans LABOUR POLICY ANALYSIS IN THE CONTEXT OF IMMIGRATION. THE CASE OF LATVIA.

Abstract

Labour policy is the key factor to reduce the figures in Latvian emigration. According to the estimates of the Bank of Latvia until 2015 about 200 000 people might leave Latvia. This would leave a negative impact on Latvia's economic and social development. Meanwhile due to the demographic crisis Latvia has faced the necessity to change its immigration policy. In order to balance the migration trends Latvian labour policy needs improvements and development.

Emigration processes are linked with the factors of modern global economy and conditions dictated by free labour movement in the European Union. Thus, the government's possibilities to affect the processes of labour drain in an administrative way are rather limited. Employers and businessmen that represent the business interests, as well as the activities of the civic society that are oriented toward ensuring the interests of individuals are of great importance. In the area of employment policy, it is important to improve the national legislation.

Keywords: globalization process, immigration policy, social welfare.

Global complexity

As the Global Commission on International Migration noted in its 2006 report, "human mobility is not only becoming more complex in scope and scale, but is also becoming more complex in its nature". Many of these complexities and the crosscutting factors involved are not yet well understood. (European Monitoring Centre on Racism and Xenophobia, Pilot Study, 45). Migration brings with it plenty of issues concerned with human interaction, especially in our large cities. These include differences in culture, legal tradition, religion and customs and the acceptance of such diversity amongst the local population. (Saczuk, K.A. 40). They also encompass practical matters, such as how to deal with language in schools and how to integrate migrant children into the educational system, health issues, sensitivity in policing migrant neighbourhoods and other social and legal questions:

- Integration of migrants into host societies. Although there is a considerable amount of literature on strategies for integration of migrants, further study needs to be done on the effectiveness of government intervention as opposed to laissez-faire, policies for dealing with concentrations of migrants in European cities, the role of the private sector in job creation and social issues relating to isolation from family and culture.
- Policy formation regarding economic 2. employment and migration for selfemployment. Key aspects of this issue encompass the effects of declining demography and the increasing dependency ratio in Europe, the effects of economic migrants on employment levels, wage levels and other market factors such as the need for workers to fill jobs in the current favourable European economic climate, and the desirability of immigration for wealth formation.
- 3. The effectiveness of different types of visa regimes such as temporary work permits, highly skilled and point based schemes, job matching, "circular" migration schemes, in particular the effect of such schemes on the sending countries' development such as "brain gain" and remittances.
- 4. Control of illegal migration. There is a lack of exploration of the success or failure of strategies for currently being employed (notably regularisation or amnesties for illegal migrants, carriers' liability or criminal penalties for employing illegal workers

which are largely ignored) as well as the factors determining this success or failure.

- 5. Responses to mass migration. There has been little examination of the effects of armed conflict on migration and of the best methods of dealing with mass influx of migrants created by human action or natural disasters. A current example is the effect of conflict (such as in Iraq or Afghanistan) which is politically and militarily supported by potential receiving European states on the migration issues of nationals of the countries in conflict.
- Relationship between human rights 6. and migration law. There is a need to further explore the contradictions between human rights law and the perceived right of nation states and the EU to control access to their territory. This can, amongst other questions, include issues relating to the Geneva Convention of 1951 on the right to asylum, the extension of state control of immigration beyond their borders (for example by stationing liaison officers at foreign airports or processing asylum applications outside their territory) or data protection matters in relation to electronic control systems. There are potential conflicts between rights under the Geneva Convention and rights under the European Convention on Human Rights and Fundamental Freedoms that might be explored in the light of decisions in the European Court of Human Rights and the European Court of Justice.
- 7. The effects of European trade and aid policies on migration. One area of inquiry might be how the EU can modify its policies in the various trade negotiations with such as the WTO or the Cotonou Agreement in order to mitigate possible effects of these policies on migratory patterns. The same reasoning applies to aid

policy in particular how migration issues can be best incorporated into development projects in the light of the various EU communications on this issue. (EUMC Comparative Study 12).

Global economic competition promotes the 8. need for common immigration policy in the EU. Meanwhile immigration is linked with the development of the welfare state model identities. Immigration and national promotes economic development, but at the same time creates new political and social problems. Societies in the EU are not completely ready to deal with current communities. immigrant The EU is constrained by a history of different immigration policies and internal agendas.

It is well established that many EU countries are experiencing low natural population increases. (EUMC Comparative study 12). This, in turn, means fewer future workers, possibly with lower productivity and growth rates, inevitably leading to disruption of the social welfare model. One solution is facilitated immigration. However, decisions on liberalisation of immigration policies are taken by politicians constrained by domestic political agendas. (European Monitoring Centre on Racism and Xenophobia, Pilot Study, 48). Lately, they are becoming more aware of the vocabulary of racism, nationalism, terrorism and threats to national security in various dimensions. This has led governments to opt for "cultural integration" or even assimilation rather than multiculturalism. (Saczuk, K.A. 40). The EU approach is a balance between national interests and supranational challenges of global competition. (Heran, F. 102).

Global trends of immigration

Migration is the most sensitive element of globalisation. Almost everywhere people are on the

move, primarily from the developing world to the rich nations of Europe and North America. And almost everywhere in the host countries there are growing concerns about the impact of migration on the lives of the natives.(European Monitoring Centre on Racism and Xenophobia, Pilot Study, 45).

Liberal economists argue that migrants bring benefits all around. Migrants themselves gain by moving from low-productivity jobs in poor regions to more productive work in wealthier states; the host countries profit from the money the immigrants spend and from the taxes they pay; the countries of origin benefit from the cash many migrants send back to their families. However, immigrants have long been viewed with suspicion. Once accused of arson and child-snatching, they are today blamed for stealing jobs, welfare scrounging and involvement in international terrorism. While mainstream political leaders mostly reject these claims, they are generally trying to impose limits on migration.

Migration is nothing new in human experience but today's waves are bigger than before. People in poor countries are responding to the fundamental changes caused by economic globalisation combined with an unprecedented drop in birth rates in developed countries. (Stefan Wagstyl 2). They are finding it easier to move thanks to the spread of telecommunications, the expansion of low-cost travel and the weakening in border controls that followed the collapse of the Soviet Union. "International migration is likely to be with us as long as human societies continue to develop," the United Nations said in a global migration report released last year. "In all probability, it will continue to rise in the decades ahead."

The UN has estimated that the number of migrants has doubled in the last 50 years to about 191m in 2005. While this is still only a small percentage of the world population (2.9 per cent in 2000), it is heavily concentrated in the developed world. Of the 36m who migrated between 1990 and 2005, 33m moved to industrialised regions, headed by Europe and North America. From the point of view of the developed world, the most startling fact is that UN calculations show that immigration accounted for no less than three-quarters of the population growth in the developed nations in 2000-5. Immigrants have contributed significantly to the generally healthy level of economic growth seen in this period (notably in the US) – and to the growing concerns of the native populations.

The key element is the slowing birth rate in the developed world, which both increases the need for immigrant labour and increases the fears about its social impact. The birth rate in the developed countries is below 1.6, compared to 2.1 which is required for stable populations. The UN forecasts that over the next five decades the world's population growth rate will slow down, but it will still increase from about 6.6bn today to more than 9bn by 2050. At that time the population of the developed world will be declining slowly by 1m a year, while that of the developing world will still be increasing by 35m, according to the UN's central forecast.

No fewer than 50 countries, including Japan, Germany, Italy, Russia and most other former Soviet republics, face steady population declines, with birth rates already well below replacement rates. (Stefan Wagstyl 3). The problem is particularly acute in Japan, which has traditionally been very resistant to immigration, and in small states which fear their native populations might become minorities in their own countries, such as the Baltic states. Among the developed states, the countries, which are forecast by the UN to grow, are headed by the US, Canada and the UK – all high-immigration countries. (EUMC Comparative study 12).

However, even high inflows of immigrants will not prevent the ageing of populations in the developed world – especially as falling birth rates are combined with longer life expectancy. The UN forecasts that by 2050 about 80 per cent of the world's over-60s could live in developed states. The dependency ratio – the ratio of pensioners to those in work – will increase rapidly, contributing to a growing financial burden on the workers. Today there are about 30 pensioners per every 100 workers in the developed world. By 2050, according to UN data, there could be 80. In Japan and much of Europe it could be more than 100.

Governments in developed countries have begun to tackle the problem by trying to raise retirement ages, increase lifetime contributions of workers to pensions and reduce pension benefits. (European Monitoring Centre on Racism and Xenophobia, Pilot Study, 25). However, they face serious resistance from older workers who have been looking forward to earlier retirements and better benefits than may be offered in future. Employers too often push for early retirement to rejuvenate their workforce or to switch production to lower-cost developing countries. The challenges are especially acute in Europe, with its combination of low birth rates and generous welfare policy. CSIS, the US think-tank, has estimated that with no big policy change in public benefits system to the elderly as a percentage of gross domestic product will rise from 12 per cent in 2000 to 18 per cent in 2040 in the UK and from 13 per cent to 33 per cent in Spain.

Pro-birth policies can help. For more than 100 years, France has encouraged large families with generous child allowances and other subsidies – with moderate success. More recently, Sweden has developed a model of generous allowances combined with comprehensive childcare allowing parents to return to work. Compared with a European average of 1.5, the French fertility rate is 1.8 and the Swedish is 1.7. However, there are limits. In both countries, as elsewhere, women are postponing having children. The biological time available to give birth to three or more children is declining rapidly.

In Europe as a whole, there is some evidence that the ideal family – which has long been two parents and two children – is now declining; with more adults saying they only want to have one child. Immigrants from outside Europe tend to want and to have larger families. But the history of migration tends to show that immigrant communities move towards the national norms. (Heran, F. 102). Immigration cannot prevent the ageing of societies, but it can slow the process and provide more time to make adjustments. (European Monitoring Centre on Racism and Xenophobia, Pilot Study, 17). This could ease tensions between workers and pensioners and between generations. But it can only be achieved if host countries are ready to accept the presence of much larger numbers of immigrants and descendents of immigrants than in the recent past.

EU context of immigration processes

Global economic needs and competition with US and China threaten some European values like the welfare state model and national identities. EU has to address these problems and opportunities regarding immigration issues. EU policy is balancing and incrementally liberal. The development of the EU legal framework on third country nationals shows this line. In Tampere the European Council called for the establishment of a set of uniform rights to be granted to third country nationals who are residents which are to be 'as near as possible to those enjoyed by EU citizens'. However, much is left to the national level rather than the supranational to guarantee the equality in the status between EU and third country nationals. This can be explained by general reservations towards influx of third country nationals (for political or economic reasons) and historical relations between the 'West and the rest'. It is important to note that the attitude in relation to the rights that shall be given to the third country nationals is becoming more liberal within EU institutions and EU legislation. These developments indicate that EU Member States are gradually accepting considerable communities of long-term resident third country nationals and are ready to integrate them by giving certain legal status and rights. (Bauer, T.K. 39).

The need for immigration is largely due to economic issues which are based on the EU's macroeconomic trends. Nearly 40% of economic growth in the world over the next 15 years will occur

in China and India (27% and 12% respectively), according to a recent study by the Economist Intelligence Unit (EIU). Over the next few years the EU economy will also grow through the process of territorial expansion. The Union may grow to more than 30 countries, but average income levels in the enlarged EU in the year 2010 will be just at 56% of the US level. Analysts also say that countries with low costs will maintain their wage advantages in the global labour market. The average wage in China is just 5% of the US and EU level at this time, but by 2020 it will rise to 15% of that level. This means that labour-intensive manufacturing will continue to be moved to those countries with lower labour costs, but the EIU says that fears of the disappearance of industries in the West are premature.⁷³Welfare in Europe is also hindered by shadow economies, which represent around 16% of the EU's overall economy.⁷⁴ Illegal migration supports employment and discrimination. illegal Without integration, immigrants from the periphery are subject to exploitation. Discrimination facilitates alienation among immigration, and this can seriously threaten social environment, security and political systems. Insufficient integration and excessive discrimination create an ideological basis for radical political actors in the left and the right wing, and that can threaten overall security.

It is predicted that between 2010 and 2030, the number of people of working age in the 25 countries which were member states until the beginning of 2007 will decline by 20 million. The European Commission adds that after 2025, immigration will no longer compensate for the natural decline in population numbers. Last year the total number of immigrants was 1.85 million – 80% of total population growth in the EU.⁷⁵ The European Commission has also predicted that by 2020, the EU will lack 20.8 million people of working age – 6.8% of the total population. The Commission has warned that the population of the EU will decline from 469.5 million in 2030 to 468.7 million in 2050. In the United States, by comparison, population numbers are

Despite rational ideas about the economic advantages of immigration, the fact is that it creates social, ethnic and political problems in Europe. (Bauer, T.K. 39). These have to do both with ethnic relations and with the identity of multicultural In some Western European countries, societies. generations of immigrants have largely been ignored as members of society. Segregation of communities of immigrants has led to alienation in society, and politically this is being increasingly manifested through the activities of radical political groups. Intolerance towards immigrants has increased in many parts of Europe. Radical right-wing parties have achieved certain success in the Netherlands, Austria, Denmark, France, Slovakia, the eastern sections of Germany and elsewhere. In all the cases, their activism is closely linked to the effects of migration on ethnic relations. These issues have become particularly fraught since the international terrorist acts which have occurred since 2000 and the steps which have been taken in response to them. Aging population and increasingly open borders in Europe have increased racial segregation. Centre-left and centre-right parties have tried to ignore these problems in the vain hope that they will resolve themselves. (Bauer, T.K. 39). The fact is that there have been two contradictory trends in many European countries and in the EU in the last few years. Intolerance is on the rise vis-à-vis immigrants and various minorities - Asians, Africans, the Roma, or all immigrants. In reaction to this, some countries such as Ireland and Great Britain have introduced stricter laws in naturalisation and citizenship. On the other hand, some countries and international

expected to increase by 25.6% between 2000 and 2025. "These demographic changes will significantly affect our wealth, standard of living and generational relationships. Modern Europe has never experienced economic growth without increased birth rates," says a European Commission report.⁷⁶

⁷³ *Ibid*.

⁷⁴ Eurostat. Survey on EU Development, November 2005.

⁷⁵ International Organisation for Migration. World Migration 2005.

⁷⁶ European Commission Report on the Demographic Situation in the EU, 2005.

institutions (the United Nations, the Council of Europe, International Labour Organisation) are seeking new legal and public mechanisms to reduce trends of intolerance. Public opinion surveys suggest that many European voters feel threatened and unprotected.⁷⁷ People believe that the European social model has exchanged lower economic growth for greater social protections and less in the way of risk. It is clear what these people want – less immigration, a harsher attack against crime, greater economic opportunities, but also greater protection against economic risks and international competition.⁷⁸

Immigration policy of Latvia

There are a number of issues to be mentioned which illustrate the overall situation of migration.

First, migration from Latvia is continuing. Public opinion surveys show that many residents are considering an option to move. According to survey 139,000 to 207,000 residents, aged 15 to 74 responded that they would accept a job offer in another country within the next two years. National Bank of Latvia has done a research, it shows 200, 000 of economically active residents will leave the country gradually over the next ten years. In this case, the production output will fall by approx. 15%. Moreover, Latvia has negative demographic projections up until 2015. However, it is expected that for some time Latvia's gross domestic product will increase thanks to emigrants' money transfers to Latvia.⁷⁹

Second, the growing numbers of emigrants has lead to the situation when immigration shall be facilitated. Employers have an increasing interest in hiring workers from Belarus, Russia and Ukraine, especially in construction as well as in other sectors requiring low-skilled workforce. The reason is that most of Latvian residents exercising free movement rights are from these sectors.⁸⁰ Other reasons mentioned are that the number of students is increasing and employers are not paying adequate salaries or opt for 'envelope wages' to avoid taxes. The official data on immigration from third states remain low because employers avoid recruiting workforce officially.⁸¹ Thus the figures of hidden immigration are rising, although the exact figures are not available. The estimates are between 14-20%.⁸² There are two main reasons for this: (i) strict immigration policy so far; (ii) non-attractive social assistance system in Latvia for third country nationals (TCN).

Generally, immigration is rather a new issue on the political agenda. Recent foreign immigrants represent approximately 1.6% of the total population in Latvia. This results from restrictive migration policy adopted in the 1990s. However, a number of challenges to this approach exist. Since joining the EU approximately 80 000 people have left Latvia for jobs in other Western European states. Latvia's strategic goal to reach EU average living standards in 10-15 years means that Latvia should encourage dynamic economic growth in the near future. The labour force shortage might slow down economic development. Moreover, Latvia is experiencing a negative natural increase in its population. Some experts predict that the country's population could drop by nearly one-half by 2050. Latvia is also facing other specific problems of transition, resulting in shadow economy of approximately 20% and social discrimination. (Latvian Institute of International Affairs 5).

In the case of Latvia immigration as such will not be a tool for improving living standards. A longterm approach is needed for policies that are more flexible. In this regard a positive example is a policy paper "*Strategy on migration policy in the context of employment*" which was prepared by a special governmental working group. Although the document does not address all the problems, it envisages to

⁷⁷ "The End of Europe: Special Report", *Newsweek*, 3 May 2004.

⁷⁸ Ibid.

⁷⁹ National News Agency LETA, 26.03.2006

 $^{^{80}}$ Estimates are that about 75 000 - 90 000 Latvian residents work in low-skilled sectors abroad.

⁸¹ The process is expensive: minimum monthly gross salary is LVL 249. In addition LVL 35 should be paid monthly for every guest worker.

⁸² Latvia's Central Statistics Bureau says that shadow economy is at 16% of Latvia's GDP, while Ministry of Finance estimated the level of hidden employment is around 14-20%. State Labor Inspectorate says it is 18-20%.

decrease the expenses of bringing in foreign workforce by 60% and to simplify bureaucratic procedures.

Latvian current immigration policy in comparison to other EU countries is strict and conservative. The main goal of Latvian immigration policy since the beginning of 90ties has been protection of national labour market. This policy has been effective because obviously, the national labour market is protected, and now one of the most important problems for Latvian business is the shortage of the labour force. Is it time to change the Latvian immigration policy in the context of the EU development? There is no simple answer, but several assumptions should be taken into account. The strategic goal is to reach the EU average living standard in 10-15 years. It means Latvia will need very dynamic economic growth in the nearest future. The shortage of labour force might slow dawn economic development and achieving the goals. (Latvian Institute of International Affairs 5).

Latvia like many EU countries is experiencing a negative natural increase in the native population. Experts in Latvia recently predicted that the country's population could drop by as much as a half by 2050. Latvia has Europe's lowest birth rate. In 5-7 years labour market will face the consequences of the demographic crisis of the middle of 90 ties. This is another problem for the Latvian business future.

Latvian labour market has many internal problems – hidden, illegal and undeclared employment which promotes the shadow economy. Its size is approximately 20%. Meanwhile Latvian labour market has a problem of social discrimination that is one of the reasons why so many Latvians have already left this country. The immigration itself will not be a solution. Public opinion is against changes of immigration policy. According to the Eurostat, Latvia has one of the most negative public opinion regarding immigration. Up to 75% consider that Latvia does not need any changes. It is common among Latvians, Russians, citizens and non-citizens. Choosing the strategies of immigration policy there will always be certain risks and opportunities. Latvia has an advantage of planning immigration policy and addressing the key

problems without reacting to the immigration process itself. (Latvian Institute of International Affairs 45).

In the EU debate there is a popular topic about promotion of legal immigration and its correlation with social integration. In 1991, Latvia had a challenge to deal with more than 700 000 residents representing Soviet labour force in Latvia. Overall, the social integration process even if it has not been perfect allowed avoiding the ethnic violence, development of extreme and radical organizations so promoting democratic and balanced policy. Probably this process might be Latvia's contribution to the European debate.

Labour policy

The scope of illegal employment in the state is currently rather notable. During the last two years, the scope of the informal/shadow economy in the state was on average 18 per cent of gross domestic product. Realising the vast extent of this problem and its negative impact on both the state's development as a whole and every person's social protection and security, the fight against this problem requires active involvement of state institutions, local governments, social partners and non-governmental organizations, as well as employees themselves.

One of these relate to difficulties by officials from the State Labour Inspectorate (SLI) and State Revenue Service (SRS) to prove the fact of labour contract signing in companies since for the most part labour contracts have been "written" during the twenty-four hours following the control in the respective object, labour contracts and working time tables are not found at the working place either. Besides fairly often there are situations where both employers and employees themselves give contradictory and false information about working time and remuneration, thereby preventing SRS employees to find out the actually paid remuneration and calculate unpaid taxes and dues.

In cases when employers deliberately escape and do not let in labour inspectors at the company, the SLI employees do not have defined rights to prepare an administrative act without the presence of an employer to fine not only the employer who employs workers without labour contracts, but also employees who work without a labour contract. In addition experts propose to reduce or release from the fine if one of the parties involved informs the SLI or SRS about illegalities at the working place.

Since there are no clearly defined concepts for "illegal work" and "undeclared employment" in regulatory enactments at present, it is proposed to elaborate a new law for combating illegal and undeclared employment including definitions of illegal work and undeclared employment.

There is no analysis of how efficient the inspectorate's measures against illegal employment are and how effectively resources are being utilized. Prime Minister Aigars Kalvitis has also concluded that the State Labour Inspectorate has not been properly implementing the Welfare Ministry's strategy for curbing illegal employment. The level of illegal employment among third country nationals in Latvia is insignificant. However, the level of hidden employment and informal economy is rather high. According to a research, hidden employment basically concerns the local residents of Latvia. National legislation has not been sufficient to limit hidden employment, and lack of administrative capacity is an important obstacle for effective employment policy. Thus, the problems on the Latvian labour market give a reason for raising the issue of illegal employment of third country nationals in the future. (Latvian Institute of International Affairs 5). The most problematic economic sectors in Latvia are forestry, construction, and services (including trade, cosmetic services, and public transport services). The highest level of undeclared work is found in the regions with high unemployment rates, as well as in Riga. The reasons for this situation are several: complicated requirements for start up of entrepreneurial activity and restricted access to financial resources (administrative barriers); complicated and inflexible labour legislation that does not correspond to the current needs of labour

market; high staff costs, and heavy social insurance payments; the lack of prestige for socially responsible business.

Illegal employment in Latvia

Any assessment of aggregate employment trends must take into account the possible extent of hidden employment and hidden unemployment (or "under-employment"). Estimates by Latvia's Central Statistics Bureau put the informal economy at 16 per cent of Latvia's GDP, while Latvia's Ministry of Finance has estimated the level of hidden employment as 14-20 per cent. However, labour force surveys, based on interviews with surveyed groups of population, are more likely to identify various forms of marginal employment than is the case with other sources of employment statistics such as administrative data or surveys of firms. Hidden unemployment occurs in enterprises that are stagnating or operating below capacity, forcing employees to work shortened working weeks or forcing employees to take unpaid leave in the case of production stoppages.

In Latvia, illegally employed persons are considered inhabitants who have not formalised their legal relations in writing (labour contract not signed, social insurance contributions and personal income tax not ensured) and aliens who work in Latvia without work permits. Undeclared employment is a more extensive concept that includes non-payment of taxes, remuneration paid "in envelopes", nonpayment of compensation for overtime and work carried out at night. At present, the notions of "illegal" and "undeclared" employment are used interchangeably because contraventions in regard to work without labour contracts and negligence of wage regulations are counted together.

According to information from the State Border Guard, most workers arriving from third countries are employed in construction, many illegally. Illegal employment also exists in childcare as well as in entertainment and sports. In 2005, the State Border Guard caught only 21 workers who were employed illegally, mainly from the Russian Federation (10). In comparison, during the first two months of 2006, 209 workers in 108 enterprises were caught working without a contract. The estimated number of illegal workers is even higher.

One of the most negative tendencies is an increase of illegal employment in the Republic of Latvia since it has joined the EU. Illegal employment negatively affects both the economic development of the Republic of Latvia and the social protection and safety of each inhabitant. Therefore, the struggle against it is one of the SLI's priorities.

The official SLI data from 2005 show that during the previous year illegal employment cases were disclosed in every fifth enterprise inspected by the SLI.

In 2005, the State Border Guard and the State Labour Inspectorate intensified controls on illegal employment. The Latvian State Labour Inspectorate employed 121 inspectors. In 2005, they detected 936 illegally employed persons. During the first four months of this year, already 536 persons without an employment contract have been detected.

In 2006 the SLI plans conducting 4,500 inspections in enterprises with a heightened risk of illegal employment, such us building, wholesale, and retail companies. During the first five months of the year 2006, the SLI in cooperation with the State Border Guard inspected 68 enterprises and disclosed 66 infringements when employees were employed without written employment contracts. In total, during the first five months of the year 2006, the SLI has inspected 1,626 enterprises in which 695 employees had no legal labour relations.

In comparison to other EU Member states immigration figures in Latvia are small. On the one hand, this can be explained by the restrictive immigration policy defined by national legislation to protect the national labour market. On the other hand, the social assistance system in Latvia is not attractive for third country nationals. According to official information and data from the Latvian Employers' Confederation, the level of illegal employment of third country nationals is very low.

Future prospects

Latvia, unlike other countries in the Eastern Europe, is not a destination for immigrants, even though there is much potential for greater migration in the direction of the EU in the countries of the CIS. This is because of Latvia's comparatively low level of social welfare, as well as its strict immigration policies. It is also true; however, Latvia has significant advantages in comparison to Western European countries in this regard. Western European member states are forced to deal with the consequences of former migration policies. Latvia, in contrast, is not a destination for immigrants, and that makes it possible for Latvia to develop its policy in a timely fashion and in the context of EU trends. Latvia has an extensive experience in terms of public integration from the Soviet period, and that can be used in relation to potential immigrants in the future.

The deficit in the labour force can significantly hinder Latvia's ability to achieve the average EU standard of living. Unemployment indicators are dropping in Latvia, labour costs are rising, and the availability of labour is shrinking. Latvia's rapid economic growth is largely driven by enhanced labour force productivity. Average productivity in 2005 was at approximately 48% of the figure in the EU 25. Assuming that the manufacturing function retains structural stability and the number of employed people does not change, we can calculate that the labour force productivity level of Latvia and the EU 25 will even out in 15 or 16 years (with the EU 25 figure increasing by an average of 2% a year). A rapid decline in labour availability can threaten macroeconomic stability and productivity convergence with the EU 25.83 This means that without national management of immigration

⁸³ Ibid.

processes, Latvia will not achieve its strategic goal of achieving the average standard of living in the EU.

Despite the increased birth rate in Latvia over the several recent years, depopulation is continuing. Over the next five to seven years, people born in the 1990s will enter the labour market, and at that time the fertility rate was very low. Latvia will face serious labour shortage. It is expected that the greatest loss will be experienced in terms of the number of working age residents – 15% fewer than last year. By 2020, Latvia will have approximately 1.6 million residents aged 15 to 74.⁸⁴ All of this suggests that the aging population will be added to the labour force shortage as an obstacle against achieving the average EU standard of living.

The ability of companies in Latvia to enhance productivity and to create greater added value per employee is by no means exhausted, because at this point it is at just 40 to 50% of the average EU level. Modern technologies and better work organisation would make it possible to reduce the need for human resources and to produce more while allowing employees to earn more, too. Businesspeople say that they cannot ensure the rapid increase in productivity that is demanded by Latvia's economic situation on their own, and so they are investing great hopes in the money from the EU's Structural Funds. Asked about further technological potential, businesspeople have different views. People in the forest industry, for instance, think that productivity can be boosted by 30 to 50%, while representatives of retailing and the service sector are sceptical about the possibility of any significant improvements in productivity.85

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Elgars Felcis

ADMITTANCE OF ASYLUM SEEKERS AND IMMIGRANTS: AN ILLUSTRATION FROM LATVIA AND DENMARK

Abstract

While the old 15 EU countries have been admitting asylum-seekers and refugees for several decades, these issues are still a novelty in Latvia. Therefore this article deals with notions that Latvian experts (people who directly face issues concerning refugees - border-guards, social workers, civil servants a. o.) have about the values held by refugees and overall attitudes towards these people. Despite the fact that, compared to Latvia, there is a different ethnic structure in Denmark, it is possible to find many similarities between these countries. Perhaps the example of Denmark and its general attitude towards immigrants may suit as an example of what we can expect in the future. While the growth of the number of asylum-seekers and refugees was expected after joining the EU, there have not been any visible changes in the last years. The experts substantiate the current small quantity of asylum-seekers and the confidence about the consistency of the current situation with arguments that can be divided into three greater groups - Latvia's overall socioeconomic situation, its geographical location and cultural factors. As experts in Latvia tend to assert, the arrival of asylumseekers in Latvia may not be considered as intentional vet, but rather as an accidental and unwished interruption on the way to an initially chosen country of destination.

Keywords – asylum seekers, immigration, 'cultural racism', Latvia, Denmark

Introduction

The first asylum seekers arrived in Latvia in midnineties when there was no law according to which they could get an asylum seeker or refugee status; nobody had experience in how they should be treated because in the time of the Soviet Union it was not a pending matter. It is possible to speak of asylum conferment procedure in Latvia only since 1998, when the first Asylum law was adopted a second, improved Asylum Law followed (it in September 2002 (LR likums "Patvēruma likums")).

Considering this background, it is obvious that neither Latvian society, nor those people who directly have to face the issues concerning asylum seekers refugees (experts), and have lengthy and comprehensive experience with them. Therefore it is, firstly, interesting to research what notions Latvian experts (border-guards, social workers, civil servants a. o., henceforth referred to as experts) have about the values held by asylum seekers and refugees that determine their preference of countries where to immigrate, and, secondly, to what degree these notions and overall attitudes towards asylum seekers and refugees cohere with those of Latvian society in general. In addition to these aims, the Latvian case study will be compared to circumstances in Denmark throughout this article. This comparison gives ideas and shows an example of what kind of problems can occur in Latvia in the nearest future when different issues of immigration become more topical.

This article is based on a research, conducted by the Baltic Institute of Social Sciences (2005). I was deeply involved in the process, especially in the qualitative data collection and analysis. Information in this research is substantiated with other Latvian inquiries on this issue and the experience of Danish anthropologists and other social researchers in the field of migration and racism.

Asylum seekers and ethnic minorities in Latvia and Denmark

If one compares the Latvian and Danish history of asylum seekers' admission, the difference is obvious. In Denmark, "immigrants and their descendants make up slightly less than 8 percent of the 5.3 million people in Denmark. The first group of non-Western migrant workers arrived in the late 1960s and early 1970s, mainly from Turkey, Pakistan, Yugoslavia, Algeria and Morocco. Granting of new work permits came to a halt in 1973 due to the oil crisis. However, the family unification law allowed spouses, parents, and children to continue entering the country. In the 1990s, the number of refugees increased because of the wars in the Balkans and in Somalia (Hervik 2004: 248-249)."

Quite opposite has the situation been in Latvia from 1998, when the asylum procedure was introduced, till June 2007, when asylum was requested only by 182 persons. During the first years most of the requests for granting the refugee status were submitted by persons from the Asian countries, but during the last years they originated mainly from the former Soviet Union (for example, Russia, Belarus). One fourth – 44 of these requests are from Russian citizens, and 13 – from Iraqis and Azerbaijani. In total, persons from 29 different countries have submitted asylum requests. However, the refugee status was granted only to 10 persons out of all these requests, and the alternative status to 18 individuals – 7 from Russia and Somalia and 4 from Belarus (Office of Citizenship and Migration Affairs).

The total number of foreigners in Latvia is comparatively small, but it is slowly and constantly growing. For example, on January 1st, 2003 there were 1.4% (33 267) foreigners (Indāns 2004: 8), but on January 1st, 2006 there were already 1.6% (37 490) foreigners and most of them were Russians (~25 000) (Indāns 2006: 18). In this context, it is interesting that both Latvians and ethnical minorities in Latvia have a negative attitude towards further immigration of foreigners. On average 40 – 50 per cent of respondents, want Latvian government to have a strict immigration policy and not to allow a new flow of immigrants to Latvia (Indāns 2004: 31-33).

I would like to make a remark about the ethnical structure in Latvia and Denmark, before going into a deeper analysis of Latvian experts' viewpoints. It is difficult to judge how exactly this factor could affect individual viewpoints of people in these countries, but it might have had some impact. As it was mentioned before, there are about 92% Danes in Denmark. Comparatively, there are only approximately 60% Latvians in Latvia, and the population census in 1989 showed the smallest proportion of Latvians ever – only 52%.

While the first guest workers were arriving in Denmark in 1960s and 1970s, Latvia was undergoing the process of forced labour force immigration and Russification. This process started after World War II, and during the years of occupation thousands of workers, military and other immigrants arrived in Latvia from different parts of the Soviet Union for various purposes. This could be one of the main reasons why the answers to questions on the prevalence of ideas of multiculturalism show that Latvians are more reserved than representatives of other nationalities in Latvia (Zepa et.al. 2004). This and other studies on ethnic relations in Latvia indicate that it is still characteristic for Latvians to have a feeling of being in a perilous situation, as they still do not feel themselves as a majority in their own country. It may be said that Latvians feel as a threatened majority if using the concept elaborated by Estonian sociologists and considering similarities in the development of the Latvian and Estonian societies and ethnical structure, (Kalmus 2003).

Social theorist John W. Berry speaks of a 'multicultural assumption' that he has discovered in his research. The assumption is that only the people, who feel secure about their own cultural identity, can accept those who are different (Berry 2001). This could be one of the reasons why Latvians currently cannot always accept the people who are different (culturally, racially) in everyday life and, probably, this problem will grow with the increasing number of foreigners in Latvia.

Procedure of asylum applications and integration

The small number of asylum seekers in Latvia was the reason why they did not have to wait long for their applications to be processed (usually up to a few months). However, it is quite a common problem in the countries that have to admit a greater number of refugees. Describing the period spent in fieldwork Zachary Whyte wrote that in Denmark "people usually spend between six months to over a year waiting to have their asylum applications processed, and I know one case which took five years. At the time I was doing my fieldwork, Afghanis usually went through most quickly, often within six to 12 months, followed by Iraqis, who mostly waited for nine to 14 months. Other asylum seekers usually waited longer (Whyte 2003: 364)."

Moreover, after asylum seekers receive positive decisions - the refugee or alternative status, there are completely different paths waiting for them in these countries. If "Denmark represents, from the point of view any accepted asylum seeker, an enormous of administrative reception apparatus with various subbranches, preoccupied with one and the same thing: refugee care-taking (Steen 1993: 95)," it is different in Latvia where there is no social integration system for them at all. This means that after the moment when the refugee or alternative status is granted to asylums seekers, the success of their further integration in the country depends only on their individual proficiency, predisposition and attitude. The government grants them only language training, cash allowances for 12 months and it is provided, as experts usually describe it, that after this period of time the person will have to be able to incorporate into the labour market and society by himself/herself.

[..] we have two centres dealing with asylum seekers, but as soon as he/she [asylum seeker] obtains some status, he/she, already as a refugee, flows into society; then he/she has to integrate and then neither we [ASRC "Mucenieki"] nor border-guards are responsible for them, it's not our field. [..] Maybe there is someone in Latvia who deals with it, I really hope so; it should be so (Alvis Šķenders, director of asylum seekers reception centre "Mucenieki")⁸⁶

As this example shows, 'integration' is perceived as a process that should just happen on its own. However, the interview with Alvis Škenders and other experts point at the fact that the implications, the process of integration and the concept as such are not questioned and are just universally accepted. This problem about the use and implementation of the concept 'integration' has also been discussed in Denmark by Jonathan Schwartz (1990), Ann-Belinda Steen (1993, 1996) and other anthropologists. Steen in her publication stresses the point that the idea of integration needs deconstruction - "so that it is seen for what it is: an ongoing, socially constructed and negotiated process, not simply the execution of an already specified 'plan of action' with expected 'outcomes' (1996: 7)." While due to the few asylum seekers and the lack of integration system it is impossible to analyse the level of the integration process of asylum seekers in Latvia⁸⁷, it is possible to inquire how Latvian experts perceive and interpret different processes involving asylum seekers. There is an overall and shared attitude among experts that Latvia is not a country of destination for asylum seekers, and it is highly possible it will not become one in the near future. Besides, experts maintain the conception of Latvia as a 'country of transit' in this context. The current quantity of asylum seekers and the confidence about the constancy of the situation is substantiated with arguments that can be divided into three greater groups. Namely, they are Latvia's overall socioeconomic situation, its geographical location and cultural factors.

⁸⁶ I performed 10 in-depth interviews and moderated two focus groups with experts within the framework of research about attitudes towards asylum seekers in Latvia (Baltic Institute of Social Sciences 2005). There was no objection from respondents, that their real names were revealed, while discussions and opinions in focus groups were just

labelled as "1st focus group" and "2nd focus group". All experts' quotations are from this research.

⁸⁷ Whereas widely is analyzed integration of ethnical minority groups in Latvia, which compose approximately 40% of overall population (see, for example Zepa, et.al., 2004 and Zepa, et.al., 2006).

Determining reasons for country's attractiveness to asylum seekers and immigrants

Experts consider that Latvia is not economically attractive, as it is one of the poorest countries of the European Union and there are fewer benefits that asylum seekers can expect from the country in comparison to other Western European countries. For example, asylum seekers are given daily 'pocket money' while waiting for their cases to be processed in Latvia. Despite lower average prices of goods and services, that is still considerably less than in most of the Western European countries. Yet experts think it creates a paradoxical situation in Latvia, because EU and UNHCR (United Nations High Commissioner for Refugees) require and control that asylum seekers can pursue certain living conditions and receive a certain amount of benefits which is often more than a great part of Latvian retired pensioners and population of moderate income have.

He/she [asylum seeker] has everything and then he/she is given 1.50 Ls per day more. If we sum it up, it is 45 Ls per month. Our retirees on average receive 65 - 70Ls [interview conducted in 2005 and currently the sums are different]. And 70 minus 45... What do you think, how will they cover all the other expenses for that remaining amount? No, of course (1st focus group).

Of course, there could be some sanctions imposed on Latvia in the case of failure in fulfilling requirements of maintenance of asylum seekers, but retirees and disadvantaged people are fully dependent upon government, and there is no supervision or requirements by the EU referring their living standard. Describing the situation in the Czech Republic and Greece, Eftihia Voutira has come to similar conclusions, when she wrote that "in both cases, refugees are construed as living at a higher standard of living than a citizen on welfare have been able to afford (Voutira and Harrell-Bond 1995: 217)."

If one compares these two groups in Latvia, this is often the case when the negative attitude appears. Even more interesting (and maybe more worrying) is the issue that this negative attitude appears not only among the Latvian community, but also among experts. Initially they were asked to characterise society's attitude towards asylum seekers, but quite often experts switch over to their personal attitude.

[..] I will not be in raptures if we have many of such people here. We already have enough problems without them. Spending state finances and paying for their living? Because when I go to the countryside and see how pensioners live, I do not want to talk about them [asylum seekers] anymore. When only 2 Lats were added to the retirees [their pensions] during the past two years. I will say as it is, they are vagabonds, good life seekers, predominantly everywhere they are the same, it is seldom that they are really running away from something (Raimonds Palčevskis, Illegal Immigrant Residence Centre "Olaine")

In this case, it appears that the Latvian state should be partially responsible for the fact that some kind of mistrust emerges towards asylum seekers, just because the social welfare system is not powerful enough to fully care for low-income people.

However, this does not mean that a highly developed welfare system will ensure that people will not look suspiciously towards asylum seekers. In this case, people may start being afraid and even experience a feeling of unfairness or exploitation. The Danes are also experiencing some kind of unfairness towards immigrants; and Karen Wren emphasizes, "This fundamental shift in the attitude occurred during the early 1980s, a period of relatively severe economic crisis and unemployment, but also of relatively relaxed refugee legislation. It was commonly perceived that refugees were benefiting from Denmark's generous welfare provision, while many Danes were suffering economically. Refugees and ethnic minorities generally became the scapegoats in an emerging racist discourse, being viewed not only as external to the needs of the Danish economy, but also as a financial and social burden (Wren 2001: 152)."

Analysing the second group of factors that was put forward by experts – <u>Latvia's geographical location</u>, it is argued that Latvia is not on the main asylum seeker movement path, but those people who come to Latvia, most often are on their way to another place.

It is the geopolitical aspect that migration in Latvia takes place from East to West and from South to North. It means that, if someone is coming from Russia, they are trying to reach the developed European countries, and they go to the Nordic countries. If we imagine, there is Lithuania before Latvia, then all who come from bottom are being caught; one part of them in Lithuania as in a filter (2nd focus group).

Zachary Whyte has given a short description of what asylum seekers can expect in their journeys and what their primary aims are: "most asylum seekers arriving in Denmark have paid somebody to help them get there, by providing tickets and fake documents and often guides for the various stages of the journey. The journey itself is not often on a single trajectory, and some of the asylum seekers I spoke to be not even aiming to go to Denmark. People regularly fail to reach their first choice destination, which is often Australia or the UK in the case of the people I spoke to, and so they must try something else. Some were simply trying to get to Sweden or Norway through Denmark, but were caught by the police and were forced to either apply for asylum in Denmark, or face deportation. These journeys are often long and dangerous, particularly to those who have little money to spend (Whyte 2003: 363-364)."

These examples show, that despite the high economic development, Denmark is not a very popular country for asylum seekers either. Reasons for choosing some country as a first choice destination may be various, but what is clear from it – asylum seekers usually have good information about the countries from which they decide where to go.

This leads to the third group of factors, which could be called <u>'cultural factors'</u>, firstly, referring to <u>nationals' diasporas</u> in a particular country of destination. In the case of Latvia, there is non-existence of any other diasporas except historically established ethnical minorities. And this is another possible determinant for Latvia's low popularity amidst asylum seekers.

Writing about Tamil experiences in Britain and Denmark, Ann-Belinda Steen draws a conclusion that "one of the most evident differences between Denmark and Britain as host countries was the important presence in the latter of a so-called support community when the refugees arrived (Steen 1996: 6)." This could imply that a certain number of immigrants (which is not small in Denmark) does not obligatory expect that there will be a good and united community. Whyte also describes the importance of the community, but he goes even further, analysing transnational connections, communities and networking (Whyte 2003: 369-372).

Latvian experts are also aware of the existence of transnational connections – not only local communities that help the individuals to get used to the new place, but also about the ways how people try to deceive countries and get the desired result – refugee status and permanent residence permit. As one good example Latvian experts mention selling of stories. It implies that many stories are fictitious and any particular person can buy one with all the nuances, learn it by heart, and then it becomes a free pass to a country of the chosen destination.

As it was mentioned above, from the point of view of asylum seekers the existence of a related ethnical or linguistic community is an important factor both as the preference choice of the country where to immigrate, and in their further living conditions and their integration process. But at the same time from the point of view of the receiving country, it can also have negative consequences because in such a bigger community there is greater likelihood that integration in the mainstream culture becomes less important to an individual, and the existence of a particular subculture is promoted.

A refugee in a developed country is an independent person because he was granted this status and he can stay there as long as he wants. Wherewith in these cases integration is important, because the experience of old democracies shows that in the countries having had colonial ties with other countries, now there have appeared [immigrant] communities not willing to integrate. They are big and united enough so that each next asylum seeker or refugee does not even feel the necessity to integrate, but can instantly stay with this community without knowing the language, virtues, anything about this country; he feels like being in a country within a country. It is very dangerous, and those countries are aware of that, and policies concerning benefits and other things are intended to avert such a situation. It is very important, especially if Latvia is at the beginning of the road and there are no such negations – communities. To dissolve or try to crush them is considerably harder than not to let them take shape (Oskars Galanders, Appeal Council for Refugee Matters)

As it is observed, Oskars Galanders has a suspicious and even denying attitude towards such close ethnical communities, while in the rest of the interview he admits that we need to accept those people. His attitude towards this question partly represents (maybe unconsciously) a position, which is held by the government towards these issues. And he himself even verifies it later on:

Just governmental policy at the moment is such that these persons [asylum seekers] are not viewed as most welcomed, wherewith also in the system of internal affairs, which is very hierarchical, this policy pretty much affects activities of these persons [civil servants]: "We do not need them, we do not have enough to eat, and, all in all, they are some spongers who we have to maintain" (Oskars Galanders, Appeal Council for Refugee Matters)

Summarising all these determining factors, it is possible to say that arrival of asylum seekers in Latvia in general cannot be considered as intended, but rather as an accidental and unwished interruption in the way to the initially chosen country of destination. In the case of the people caught in Latvia, mostly it would be one of the Scandinavian countries. Experts think that in the future asylum seekers will also try to get to the Scandinavian countries through Latvia, but if they want to go to from the East to Western Europe, they will choose going through Lithuania which means less risk, because there are fewer borders to be crossed.

In any case, I have been interacting only with those people who are not from Russian Federation, but with those who are really from the countries of Africa, from Iraq, and they have arrived here, but they would like to get to Sweden or somewhere else (1st focus group).

It could be that this [Latvia] was not a country of destination for asylum seekers and if they are stopped here, it means, that they should ask for asylum here. And if they ask for asylum here, they are not happy anyway because they had wanted to get to Sweden, but they were stopped and told: "No, you will not get to Sweden!" Then they feel unhappy because they cannot get to Sweden, because they have not reached their brothers and sisters, but they have been left halfway (2nd focus group).

Multiculturalism, negative attitude towards immigrants and 'cultural racism'

Further, I would like to shortly focus on Latvian and Danish societies and experts themselves – on those few people in Latvia who have to face the issues concerning asylum seekers and refugees in different ways. In Latvia, of course, they are comparatively well informed about these issues, but some of them still never see and interact directly with asylum seekers and refugees as such. Despite the specific knowledge these people have, it is very worrying that the way of talking about these issues quite often seems similar to the way, how an average Dane would talk about them⁸⁸, namely – quite often in some form of a 'cultural racist' discourse.

"Denmark, a country traditionally regarded as liberal and tolerant, experienced a fundamental shift in the attitude during the early 1980s when we saw it emerge as potentially one of the most racist countries

⁸⁸ For example, see quotes in Hervik 2004 and Wren 2001

in Europe. Paradoxically, liberal values are used as justification for negative representations of 'others' (Wren 2001: 141)". Since 1980s, 'cultural racism' has become a popular attitude in Danish everyday life and elsewhere in Europe. Of course, people do not want to admit they are racists in some way, because "since World War II, racism has become a negatively loaded concept all over Europe, and especially in the German-speaking world and in the Nordic countries. [..] When majority of people suspect that they are being accused of racism, this usually leads to profound shame, embarrassment and vigorous defence. In ways that are similar to what goes on in other European countries, the word racist is often mentioned as part of a denial, such as in the commonplace expression 'I am not a racist, but...' (Gullestad 2004: 182)."

Peter Hervik describes seeming inoffensiveness of this attitude and says "a historical shift in the discrimination discourse has been widely noted throughout Europe. Anthropologists and others have seen this as a transformation from ideologically based racism to an indirect, 'morally less reprehensible', focus on 'culture' and 'cultural differences' (Hervik 2004: 247)''. Nonetheless, this kind of behaviour is undesirable in respect to multicultural and integrated society. Probably this attitude in Denmark somehow could be considered as an example of the attitude and behaviour that can be expected for Latvia in the future.

Current research in Latvia shows that racism and xenophobia are still common in people's thoughts. The attitude of Latvian society towards refugees and immigrants is not unequivocal. In the research of attitudes towards asylum seekers, (Baltic Institute of Social Sciences 2005) respondents' answers to questions on multiculturalism split up quite equally. For example, 38% agreed on the argument that "cultural diversity is a richness of every country and should be supported in the society" and 37% – on argument that "incoming of strange and unknown cultures in Latvian cultural environment endangers dominant traditions in the society". More people – 44% believe that "it is better for the society when people, who have arrived recently, do

not maintain their habits and traditions, but accept traditions of the majority of the society", but still 31% assume that "it is better for the society when people, who have arrived recently, maintain their habits and traditions" (Baltic Institute of Social Sciences 2005: 59-60).

However, measures of social distance in Latvia show that people are not ready to have a closer distance to different social and ethnic groups (see Figure 1).

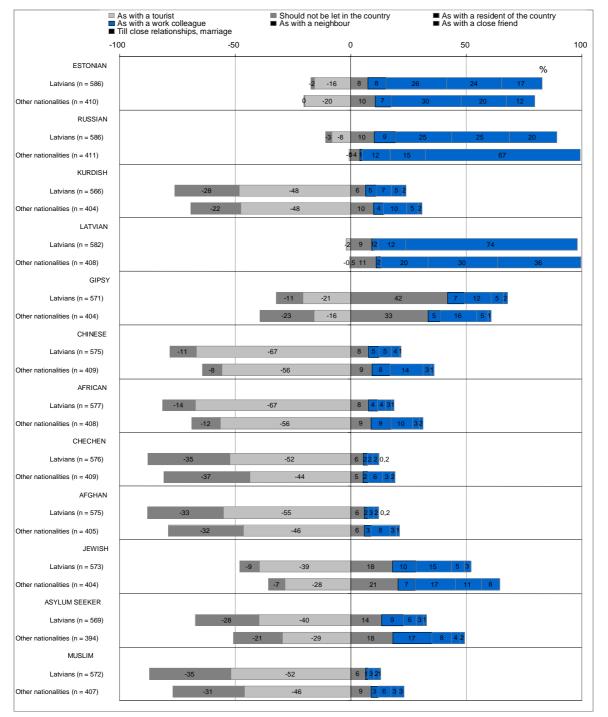
Most of the respondents would like to keep a social distance or would not like to allow seven out of twelve different groups to enter the country, including asylum seekers. Latvian society's negative attitude is even more striking in another questionnaire (Indāns 2006: 19). To the question about plans to invite guest workers as a solution of the shortage of labour force⁸⁹ 39% of respondents answered "very negative" and 30,8% - "rather negative", and only 2,8% evaluated it "very positively" and 13,5% -"rather positively" (Indans 2006: 19). Similar attitude is expressed also in the research of the Baltic Institute of Social Sciences⁹⁰, where 60% of respondents answered they were 'very worried' and 'rather worried' about a possibility of many people immigrating to Latvia when economic situation improves.

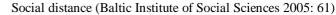
From the above mentioned it might be concluded that quite often there is a xenophobic attitude and different biased judgements in our society. In particular circumstances (like growth of immigration, decline of economic development) these cultural and, probably, racist prejudices can lead to undesirable consequences. For example, it could be growth of nationalist movements, increasing popularity of the ultra-right, populist political parties and negative overall attitude towards immigrants,

⁸⁹ Full question text: "Lately speaking about the lack of labour force in Latvia, there is an explicit idea that solution could be people from other countries or guest workers. Please, evaluate your attitude towards the idea that people from other countries are coming to work in Latvia?"

⁹⁰ From research data; not mentioned in published research - Baltic Institute of Social Sciences 2005

Figure 1





refugees and asylum seekers in the society. Tendencies of 'cultural racism' are already visible in Denmark and in a similar form may also happen in Latvia. One thing is definite – it is impossible for any country, especially for the wealthier ones, to be detached from nationalities and ethnicities that do not seem nice, polite, or culturally or racially similar, or in any other way are different from the particular majority. The most important issue that needs to be taken into account is learning to live together and to cohabit with different groups of people and, as it indicated throughout this paper, this does not seem to be an easy task for Latvia.

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Ali Gitmez ASYLUM-SEEKERS AND REFUGEES IN TURKEY 2006

A. The Context: Roots of the 'Experimentation' on EU Bordering Countries

1. "New Vision for Refugees" of the UK Government

As it is commonly known, the UK Government in 2003 proposed to the European Council a very unique and original plan of managing large number of asylum seekers and refugees heading to the Western countries. This Mr. Blair's proposal was entitled *New International Approaches to Asylum Protection:*

Regional Protection Areas (RPAs) plan suggested that asylum-seekers could be returned to their home regions where 'effective protection' could be offered to them.

Transit Processing Centres (TPCs) were to be established along the major transit routes, close to the EU borders, where their claims would be processed. Those gaining the refugee status could then be resettled to EU states while others would be returned to their country of origin.

The so-called "safe havens" plan of the UK government's was proposing clearly the "external processing" of asylum claims and "protection in the region" for refugees, that is, 'separating out the groups that are clearly abusing the system', and sending them to one or more reception centres within the EU, where their claims would be promptly examined. In practical terms, this meant the creation of 'refugee camps' in Eastern Europe, Africa, Turkey and the Middle East. In the words of Mr Blair, the Prime Minister, "the purpose of 'new vision for refugees' is to ensure that Eastern European countries and Turkey form a bulwark around the EU's existing eastern border." Tony Blair's letter to the Greek Presidency goes on: "The idea is to create as many barriers to refugee movement, in as many different countries and regions, as possible and, in the

process, expand the EU's authority over poorer neighbours".

Although the UK Government moved away from the idea of RPAs in 2004 and developed 'migration partnerships' with third countries in the region of origin instead, it is interesting to know that the Dutch and Danish Governments have shown particular interest in the UK's proposal for extra-territorial processing; Germany objected to this proposal at first, but in 2004 put forward its own plans to set up transit camps in North Africa: those acknowledged as refugees in Africa would be allowed to settle in European countries in some indefinite future. Those who seem not to be at risk at home would be sent back to their country of origin. Although the UK's proposals were rejected at the European level, individual European countries have continued to look to Africa to solve the asylum problem. The rest of the EU countries were deeply divided over the practicalities of such a plan, with France, Sweden and, to a lesser extent, Ireland, being strongly opposed to proposals for processing asylum applications outside Europe. The German proposals, however, are strongly backed by the Italian government that soon called on Libya to block efforts by two million people waiting to cross the Mediterranean.

Ironically, however, the UK's 'safe havens' plan is unethical, unjust and indeed colonialist, nevertheless it is the unfortunate and real picture of the reality and, pitifully, what is actually happening in the refugee bordering countries. In the words of the British Report: "Countries would be persuaded to host a safe haven largely because they are probably dealing with a large (and unmanageable) refugee population already. The best chance of success on this front is if we can sell the programme as a real investment in that region".

The UK proposals provoked a public and political outcry as they were not aimed at and not intended to extract the root and real causes of the problem of westward migration; this 'safe havens' plan offers no proposals as to how this will be achieved. More important and more devastating is that they have since stimulated rising of authoritarian reactions, racism, 'toughness' and resentment on asylum and migration in the EU countries and the public.

2. UNHCR on the 'Safe Havens' Proposal and Divided EU

UNHCR was then, and I believe still is, unclear about the British proposal, despite the fact that the Commissioner Ruud Lubbers was known to be quite enthusiastic about it. However, UNHCR has since attempted to improve the UK proposal to minimize damaging aspects; it was closer to the initiative of the EU Commission. Although the UNHCR proposals received a more favourable reception in the EU, there was a concern and indeed a problem about the notion of designing a parallel determination process that was against the 1951 Convention. Unlike the proposed transit camps, however, the Commission was proposing that the Commission-funded centres would not be allowed to process asylum claims for Europe, instead, funding a scheme to help the bordering countries to develop their own asylum laws, train personnel capable of processing asylum claims in close cooperation with UNHCR, and develop their migration management system.

Although no country has explicitly objected to the proposals, they appear to be deeply divided over the practicalities of the UK plan, with France, Sweden and, to a lesser extent, Ireland being strongly opposed to proposals for processing asylum applications outside Europe. The German proposals, however, are strongly backed by the Italian government. But soon after doubts about and reactions to the proposals, the UK Government moved away from the idea of Regional Protection Areas and was instead looking to develop *'migration partnerships'* with third countries in the region of origin.

3. This is the Context that a Bordering Country is In

This is the context from which we move on and start rethinking the management of migration in EU. As we can see from a superficial analysis of asylum and

refugee admission procedures, the main problem arises from the fact that there is no single, consistent and durable protection procedure for the EU, as Member States' approach to the determination of asylum claims differ so widely. What is needed, as ECRE has been emphasising for years, is to design and create mechanisms to insure consistent, durable and high quality asylum systems across the EU: "A single asylum procedure as the clearest and quickest means of identifying those in need of protection. ... Asylum in Europe will remain a dangerous lottery as long as Member States' approach to the determination of asylum claims differs so widely". It is important to note that, as a result of lack of consistent, durable and single protection in the EU, it should acknowledge the plain fact that Turkey and many other border countries are hosting far greater numbers of refugees and asylum seekers than the EU Member States. To transfer domestic refugee processing to those regions would not be in accord with the concept of international responsibility sharing the principle of international solidarity that has been confirmed by many signatories of the 1951 Convention."

B. The Role and Function of Turkey **I.** General Background

Turkey has signed the UN 1951 Convention concerning the Status of Refugees and the 1967 Protocol, but it still maintains the optional geographic limitation: persons of European origin may apply for refugee status, but non-Europeans who meet the Convention's refugee criteria, are treated as temporary asylum-seekers, pending UNHCR's efforts to resettle them elsewhere, mainly in the West. Therefore, in relation to non-Europeans, due to the 'geographic limitation', UNHCR is directly operational: it is the primary source of assistance for non-European refugees and asylum-seekers during their temporary stay in Turkey.

In collaboration with the implementing partners, local authorities and NGOs, UNHCR meets the basic subsistence needs of refugees and asylum-seekers and their requirements for medical, educational and travel assistance. Not sufficient probably, but it works to increase engagement of governmental institutions and civil society in providing social and psychological support and counselling.

For this limitation, asylum-seekers entering Turkey stay temporarily and are hosted without direct responsibility of the Turkish state. The responsibility solely lies with the UNHCR: non-Europeans who are recognized as having a valid claim for protection are given the status of asylum-seekers by UNHCR that also submits their cases for resettlement to a third country. So, there is no opportunity for asylum-seekers to settle permanently in Turkey. They are granted only a temporary residence permit pending resettlement.

II. Developments Before the EU

Harmonization Process

1. Asylum Process and Practices: 1994 'Asylum Regulation'

Although Turkey preserved 'geographical limitation' in the 1967 'Protocol on the Status of Refugees', it has furnished a legal ground for population movements by furnishing 'Asylum Regulation' of 1994:

a. asylum-seekers apply to the government of the province where they enter Turkey within 10 days, and are lodged while waiting for the decision to be status-determination;

b. personal identities and related interview information are passed to the Ministry of Interior for the applicant's eligibility to the refugee status;

c. UN High Commissioner for Refugees (UNHCR) is informed and asylum-seekers are interviewed and registered with the said Office;

d. status-determination and decisions about the status are made collectively by the UNHCR and the Ministry of Interior;

e. issues like accommodation, food and lodging, transfer, admission to third countries, provisions of passports and visas, etc., are dealt with in cooperation

with the UNHCR and other relevant international organizations (such as Int. Org. for Migration – IOM); **f.** during the process of the status-determination, they are transferred to and allowed to reside in a province where there is no public order-related problem and they can be controlled easily;

g. when a positive decision is made about a refugee, the person concerned is allowed to permanently reside anywhere in Turkey;

h. a refugee or an asylum-seeker permanently living in Turkey may only be deported due to reasons of national security and public order.

2. The Role of UNHCR

UNHCR monitors the situation of individual cases of asylum-seekers, especially those who fail to meet the procedural requirements for registering asylum claims with the Government and intervenes with the authorities to prevent refoulment, conducts the status determination for non-Europeans.

Although refugees are lodged only temporarily in Turkey, their temporary stay may last from three months to 4-5 years, meaning that most of these temporary guests spend a considerably large portion of their life in temporariness without having an opportunity or being able to mix and integrate with the host society mainly because of language barrier.

It should be noted that such depressed and adverse temporary conditions affect the most vulnerable and sensitive guests –children and women: as they naturally live in isolation and away from family protection, socialization and social-affect ional support.

Temporarily hosted guests may find a durable solution through being accepted as a refugee directly by a third country or through resettlement or voluntary repatriation with the assistance of UNHCR.

III. EU Harmonization Process and Development in Turkey

Regarding Turkey's asylum and refugee policies, the geographical limitation has been the crucial element in its existing regulations and implementations. Due to the EU harmonisation process Turkey has had to lift the geographical limitation.

1. 'Twinning Project'

Turkey started a one year twinning project, 'Support for the Development of an Action Plan to Implement Turkey's Asylum and Migration Strategy' on March 2004, in cooperation with the United Kingdom and Denmark. The aim was to align Turkey's asylum and migration legislation and implementations with the EU acquis.

The partner institutions were the Foreigners, Borders and Asylum Department within the General Directorate of Security branch of Turkish Ministry of Interior, Danish Immigration Service, and UK Immigration and Nationality Directorate. The outcome of the Project was Turkey's first National Action Plan (NAP) on Asylum and Migration. It consists of an extensive analysis of the present legal and institutional environment in Turkey, the reforms that have been implemented by that time, and the plans for the future.

2. Readmission Agreements

Some progress has been made in signing and concluding readmission agreements with third countries. A readmission agreement was signed with Romania in January 2004. In March 2004 Turkey agreed to start negotiations with the EU on a similar agreement. Negotiations are in motion with Bulgaria, Libya, Ukraine and Uzbekistan. But the agreement with Kyrgyzstan has not yet been implemented.

3. Illegal/ Irregular Migration

Although Turkey is stil a major country of destination and transit for illegal minority flows, illegal migration via Turkey is declining. The authorities have pointed out that, following stronger efforts and initiatives to combat illegal migration, international migration routes began diverting away from Turkey in 2002 and 2003. In October 2003 Turkey ratified the agreement on the prerogatives and privileges of the International Organisation for Migration which has its own legal status under that agreement now. Turkey has also continued to participate in the activities of the

Centre for Information, Discussion and Exchange on the Crossing of Frontiers and Immigration.

4. Border Controls

Concerning the control of external borders, Turkey has set up new border posts and sea patrols in the recent years and is continuing to reinforce its infrastructure and equipment. In March 2004 Turkey and Bulgaria signed a border management cooperation protocol. The Bulgarian border police and the Turkish coastguards are committed to work together in order to prevent violations of the two countries' territorial waters and exclusive economic zones.

In June 2004 the Ministry of Interior decided to set up an integrated border management directorate that will be responsible for implementing projects for the establishment of a border police force in Turkey.

In addition, Turkey made efforts as regards the alignment with the Schengen Treaty. In March 2004 Turkey set up a national bureau in the Interpol Department of its Directorate-General for Security that will act as the central authority for Schengen purposes and as the Europol and OLAF contact point.

5. Changes in Immigration Regulations

There are important legislation changes concerning the harmonization of the EU acquis with the national legislation. The inter-ministerial working party on immigration and asylum has produced a strategy for alignment with the EU acquis. In February 2003, the Turkish Parliament passed a law on foreign nationals' work permits that provides for a central system of work permits for foreign nationals entering Turkey legally. From now on, only the Ministry of Employment and Social Security will issue work permits, rather than a series of different bodies.

The new Act, which came into force in October 2003, allows foreign nationals to work on the same basis as Turkish nationals, which was not possible under the earlier legislation. It also aligns Turkish law on the provisions concerning refugees in the 1951 Geneva Convention. In June 2004, Turkey ratified the

UN Convention for the protection of rights of all migrant workers and members of their families. The Turkish Nationality Act was amended in June 2003 to outlaw marriages of convenience.

IV. Training Activities

To put the 1994 Asylum Regulation into practice, extensive training programs for various related groups have been provided:

1. UNHCR project for developing an 'Asylum System'. Beginning in 1997 and focusing on international protection of refugees and the principles of refugee status-determination, 527 members of security personnel and 276 gendarmerie personnel members working in the central and provincial organizations, as well as judges, public prosecution personnel and district governors, have undergone such training

2. Training of Turkish Authorities in the Field of Asylum. Jointly undertaken by the Turkish and German Ministries of Interior, the project on supporting Turkish authorities aims at aligning legal, institutional and personnel capacity with the EU Acquis to support institutions working in the field of migration, contributing to effective controls on migration flows, developing migration management, establishing a functional system, and strengthening the combat against illegal migration. The project was implemented in seminars and conferences, and was completed in 2004.

3. *Asylum-Migration Twinning Project* The following activities have been carried out within the scope of the already mentioned 'Twinning Project': family reunification; project management; visits to Denmark, Czech R., Ireland and UK; EU Asylum Acquis; work permits in the E; deportation measures; the EU asylum acquis; project funding; human resources and training needs.

4. *Increasing the Capacity of the Police* Currently running a training project to increase the capacity of the security personnel working in the field pertaining refugees/asylum-seekers in line with the international standards has been in operation for over 12 months.

5. Country of Origin and Asylum Information System. This project proposal on aligning the Turkish asylum system with the EU Acquis and ensuring that the MOI establishes and utilizes the country of origin information system was submitted to the EU Commission, and the decision has not yet been received.

Aija Lulle THE POWER OF ATTITUDES TOWARDS MIGRATION. VIEW FROM LATVIA

Abstract

The article deals with attitudes towards migration in the European Union and Latvia. The Baltic country will face a need for immigrant workers in 5-10 years mainly due to demographic decline and economic objectives. The past lessons from the Soviet era and lessons from immigration policies in Western countries, for example, Germany, should be carefully studied to avoid systemic failures, which can manifest only after many years. The author concludes that integration and immigration policies should be strengthened by analysing of migration dynamics within the context of a broad understanding of migration as a social process, with its own inherent dynamics.

Key words: European Union, enlargement, free movement of labour, migration policy, public attitudes.

Welcome to Europe

The European Union (EU), a supranational union, which consists of 27 independent, democratic member states in 2007, is the world's largest confederation of independent states. Roots of the current EU date back to 1951.

What happened the year after Latvia joined the EU? Waves of enlargements, especially the biggest one in 2004, when ten new member states joined the EU, have increased competition in goods, services, and labour markets, but have also led substantial numbers of voters in older EU members to question the rationale behind further integration and eastward enlargement.

Although emigration to Western countries had already been taking place in Latvia for several years, joining EU caused an even bigger flow wave of emigration from Latvia.

According to the data of the Ministry of Economics of the Republic of Latvia, the majority of Latvian labour is leaving for Ireland, Great Britain and Germany. This constitutes approximately 5% of the total active labour force of Latvia, which is characteristic also to other new European Union member states. According to the official data of the end of 2005, more than 50,000 people have left Latvia in search for employment in the EU, 15,000 - 20,000 of have gone to Ireland. Numbers are relative and changing, thus – may not be exact. Taking into account the unofficial data, the number of people who have left can fluctuate even within the range of 30%. A study of the situation in Ireland confirms that an increasing number of Latvian inhabitants are trying to use the opportunities of legal employment. The research of the University of Latvia, carried out in 2006, suggests that about 86,000 Latvians leave and work abroad⁹¹.

At the same time, I would like to have your attention to the processes in the Western EU countries a year after the biggest EU enlargement.

The European Constitutional Treaty, prepared by The Constitutional Convention, chaired by Valéry Giscard d'Estaing, the former French President in 2003, defines the basic rights of the citizens of the Union, the decision-making bodies, the division of responsibilities among the European Union and the individual countries. Above all, it safeguards the economic and currency union among the Member States, as well as the right to private property and the <u>right of free movement</u> so essential for a market economy.

In the year 2005 two of the EU founder states held referendums on the Constitutional text.

The French referendum was held on May 29, 2005. The French voters rejected the constitution 54.7% to 45.3%, (turnout 69%). The referendum in the Netherlands followed two days later. 61.5% voters rejected the Constitution (turnout 63.3%).

Although there were a variety of reasons, which caused the negative result, a disputation on free movement of labour and migration in a broader sense became one of the most salient issues spreading far beyond the borders of these two countries.

⁹¹ Geographical mobility of workforce, Ministry of Welfare, European Social fund. University of Latvia, 2007.

The debate about a mythical "Polish plumber" one year after the biggest EU enlargement has become a catalyst for a wider debate on immigration (integration versus assimilation, multiculturalism, segregation, racism) which has been largely suppressed in the context the EU enlargement. This purely mythical figure of the Polish plumber captures deeply embedded social categorizations and stereotypes of an immigrant to strike fear in millions of Europeans of old democracies, not only the French.

Screaming "No" campaign caused widespread hostility toward white Eastern European migrants using the language that could be unacceptable and publicly condemned if applied to black migrants. As a Polish researcher Michal Garapich puts it "the plumber is not only alien, uncivilized and un-French, he symbolizes the non-social model of neo-liberal economics. Never before immigration and globalization along with neoliberal economical philosophy were so close; far too close for the French."⁹²

Anti-immigrant sentiment, hugely exploited during the "No" campaign, shows the symbolic representation that sets the field of power constructing and reproducing relations of dominance and dependency within the EU. East-West migration is still often viewed as it was in the XIX century and soon after the Second World War with predominance of low skilled, working class and uneducated masses of workers.

Discrimination and racism in a wider meaning result not from observable differences, but from the tendency to attach negative labels to individuals exhibiting particular differences and then applying them to everyone they assume belongs to that group. This kind of generalisation provides a 'foundation' on which to base arguments justifying the exclusion of all migrants. For example, there is a tendency to associate migrants with illegality and criminality. In most cases it is unintentional discrimination, not deliberate racism. Looking for the source of this new kind of racism in Europe, Gerard Delanty, sociology professor of the Liverpool University, stresses that main actors are politicians, media and ordinary people sustaining this discourse, "Actually, the primary causers are mainstream opinions and beliefs expressed by politicians, by state institutions, by the media and by people leading their everyday lives - by you and me"⁹³.

Situation in Latvia is changing rapidly and now, three years after joining the EU, the main focus has been moved from emigration to a need for immigrant workers.

Are there any lessons Latvia can learn from immigration policies in Europe and from radicalisation of immigration debates as it was with the mythical "Polish plumber?" The answer is certainly, yes. Above all, Latvia can learn from its own historical experience and also from the Western countries, trying not to repeat policy failures that have left led countries into a deadlock or very complicated segregation and disintegration realities in their multinational societies.

A need for immigrants in Latvia

In the year Latvia joined the EU, there was no significant increase in the number of immigrants. The number of issued first time temporary residence permits increased slightly – from 1896 permits in 2003 up to 2748 permits in 2004. The following years showed a constant increase – in 2005 54% more foreigners were employed in Latvia compared to the previous year.

In the first six months of year 2007 about 1370 first time temporary residence permits were issued to citizens of third countries (outside the EU)⁹⁴. Compared to the same period in 2006, the number of issued permits had increased about four times. Most of the permits were issued to citizens of Ukraine, Moldova, Uzbekistan, Belarus, Russia, Armenia and Turkey. New

⁹² Garapich, M. (2005). Soldiers and plumbers Immigration business and the impact of EU enlargement on Polish migrants. In conference New Patterns of East West Migration in Europe, November 18-19, 2005.

⁹³ Delanty, G. (2006) A new, 'European' racism? Available online at <u>http://www.liv.ac.uk/researchintelligence/issue29/europeanracism.htm</u> [accessed 03.09.07).

⁹⁴ Employment state agency. <u>www.nva.lv</u> (accessed 02.09.2007)

immigrants were mainly employed in construction, shipbuilding, hotel services, transport and agriculture.

Still, currently Latvia might not seem attractive to immigrants due to economic reasons. More prosperous EU countries also need workforce and can offer better social guarantees. But there are established ethnic communities in Latvia, mainly Russian speaking people, who could help the new immigrants adopt in the country. An increase of the difference in incomes and living standards between Latvia and its Eastern neighbouring countries Russia, Belarus, Ukraine and such relatively remote countries as Moldova, might influence the interest in migration to Latvia. Though, the main driving force will remain the demand for workforce. The demand is high already in 2007 and employers, especially from several sectors, such as construction, shipbuilding, catering, etc., continue to put pressure on governments to ease immigration restrictions in Latvia.

According to projections⁹⁵, Latvia will seriously face the need for immigration from the year 2012 onwards. The current temporary problems with a need for workforce in certain sectors is driven by fast gross domestic product (GDP) growth and also emigration trends, therefore, can be rather taken as a prelude to objective demographic, economic and global situation in near future.

United in negative attitudes

Public opinion polls reveal that Latvia's society is rather united by negative and stereotypical attitudes toward potential immigrants⁹⁶. It manifests in answers of Latvian citizens and non-citizens, Latvians and people of other nationalities living in Latvia. Political researcher Ivars Indans warns that such public opinions may mark manifestations of radicalism in Latvia's political spectrum and agenda⁹⁷.

The public opinion poll^{98} , carried out by the research centre SKDS in December 2005, shows that attitudes towards possible immigrants are 'very negative' or 'rather negative' (69.8%). The answer 'very negative' was given by 39 % of respondents, which makes more than one third of all respondents (N=1006, a representative sample). 'Very positive' answer was marginal – just 2.8 %, 'rather positive' attitude was given by 13.5 % of respondents.

These answers clearly indicate sensitiveness of the immigration issue that cannot be neglected by policy makers. The most negative views are about possible immigrants from Chine (41 %), Africa (32%), and Vietnam (30 %). If immigrants' influx is inevitable, then rather positive views were expressed about possible incomers from Belarus (43%), Ukraine (40%) and Russia (20%).

These answers show that respondents have strong prejudices against people from far away countries, for example, China and Vietnam, and those with a distinct skin colour and culture. It shows that the locals lack information and are even scared of people with a different cultural background; endangerment of a small nation is also present. It also explains why there is a relatively milder attitude against those from the former Soviet Union – majority of locals are able to speak Russian, they know the culture of possible immigrants, etc.

The attitudes revealed in the public opinion polls can shift over the time and due to radical opinions in public discourse. Current pressure from employers to the Latvian government and honest explanations, why immigrant workers are needed, can make a positive influence on public opinions. However, changes might not be significant due to at least two reasons: the nature of attitudes' formation and the specific nature of attitudes against migration.

⁹⁵ Zvidrins, P. and E. Vitolins (2006). A look into future: latest demographic projections. In Demographic situation: present and future. . Zinatne,, pp94-119.

⁹⁶ Indans, I. (2004). Imigrācijas ietekme uz etniskajām attiecībām ES paplašināšanās kontekstā. Rīga. Fridriha Eberta fonds un Latvijas Ārpolitikas institūts.

⁹⁷ Indans, I and M. Roze (2006). Migration policy in Latvia after the EU enlargement. In Demographic situation: present and future. . Zinatne. pp132.

⁹⁸ SKDS (2005) Sabiedrības attieksme pret darbaspēka migrāciju.

Attitudes are a relatively stable system of beliefs concerning some object and resulting in an evolution of that object. In surveys of attitudes, it is often assumed that "relatively superficial attitudes are a good guide to more deeply held values or to actual behaviour."99 Neither of these assumptions is necessarily true, though, because the expressed attitudes have often been shown as inconsistent with subsequent behaviour. The recent attitudes towards immigrants in the Western European countries underline again, how complicated these attitudes can be - there are values of national state and identities which are constructed by positively highlighting one group (locals) and undermining another (immigrants), stressing the negative aspects about the latter¹⁰⁰.

But also the concept of a 'national state' itself is contradictory; therefore there are practical and theoretical difficulties to define: who can be called immigrants, what are national minorities, what is multiculturalism, etc.¹⁰¹. It is particularly complicated in Latvia where collapse of the Soviet Union created a situation in which the arrivals of the Soviet time claimed to obtain citizenship in the re-established independent state of Latvia. Massive immigration administrated in the Soviet time created significant changes in the country's ethnic composition – the proportion of Latvians shrank from 77% in 1935 to only 52% in 1989, while the number of Russians grew from 9 % to 34 %, respectively.

The debate on migration was virtually nonexistent, and the Soviet era still is one of the most sensitive issues in public integration debates.

A lesson from migration policy in Germany

In the 1960ties, several Western European countries received a great number of immigrants, mainly implementing assimilation policies. For

¹⁰⁰ Tajfel, H (1974). Social identity and intergroup behaviour. In Social sciences information, 13. pp65-93.

example, Germany actively recruited migrant workers from 1955 to 1973.

As sociologist, Stephen Castles¹⁰² explains the initial idea was that guest workers in Germany would come for a few years, as it was needed for the fast growing economy. They were not supposed to bring in dependents or settle permanently. However, after active labour recruitment was stopped in 1973, the newcomers started to settle and form distinct communities despite restrictions in migration policy. It was not until the late 1990s that German politicians were forced to recognize the permanent nature of immigration. In 2001, an official commission finally recognized that Germany is and indeed has always been a country of immigration.

However, the gap between the goals of national immigration policy and the actual results of policies outcomes is wide and growing wider in all major industrialized democracies¹⁰³.

Since 1970ties social scientists and policy makers in Europe were forced to admit that assimilation model is actually unrealistic, because many immigrants can never be fully integrated with locals, especially due to visual and cultural differences. Still, migrants are frequently portrayed as a threat to national cultures and identities. Public discourses and conservative politicians argue that migrants' cultural difference and presumed unwillingness to assimilate to the culture of the host society endanger the cohesion of national cultures.

At the beginning, short-term immigration policy can seem successful and controllable from many points of view, but policy failure becomes obvious only many years later. Castles argues that such migration policies may fail because they are based on short-term and narrow views of the migratory process. It is therefore

⁹⁹ Dictionary of sociology, Oxford. 1989.

¹⁰¹ Zepa, B. et al (2006) Integration practice and perspectives. Baltic institute of social sciences. pp 25.

¹⁰² Castles, S (2004) The Factors that Make and Unmake Migration Policies.In International Migration Review: Volume 38; Issue 3; pp852-884.

¹⁰³ Cornelius et al. (1994) Introduction: The ambivalent quest for control. In Controlling Immigration: A Global Perspective. Stanford, CA: Stanford University Press.

necessary to analyse the migratory process as a long-term social process with its own inherent dynamics¹⁰⁴.

It can be said that policy failures or unintended consequences of policies occur when a policy does not achieve its stated objectives – in the case of Germany, to import short-term labour without paying attention to immigrants' social and integration needs.

Typically, employers, especially in certain sectors, where work force is at the greatest need, favour recruitment of migrant workers. Employers often favour migration because it leads to lower wages compared to the competing local labour, especially in lower-skilled occupations.

At the social level, people may oppose settlement of immigrants in their neighbourhoods because they feel it would worsen their housing conditions. But the state cannot easily decide to favour the interests of one group and ignore others. Employers' interests overwhelmingly drove german guest worker policy.

Castles urges to pay attention and analyse possible hidden agendas in migration policies: the most common contradictory might be public antiimmigration rhetoric of politicians easily mobilising public opinion against immigration and earning an easy political capital, while actually pursuing policies that lead to more immigration, because it is important for economic growth. Another example is silent acceptance of undocumented immigrant workers in many countries despite officially strong control rhetoric.

Today's reality across Europe shows that antiimmigration sentiment can become the main card not only for political racist movements, but also for other parties, either they traditionally call themselves centrists, left or right wing.

Social identity theory holds a view that identification with a group encourages the belief that members of other groups should conform to its values and behaviors, especially in the context where the ingroup feels itself to be in competition with, or under

¹⁰⁴ Castles, S (2004) The Factors that Make and Unmake Migration Policies.In International Migration Review: Volume 38; Issue 3; pp 854. threat from the other group¹⁰⁵. It is a grateful material for fast developing populist agendas, creating antiimmigrant attitudes by stressing material and cultural threat immigrants could cause to locals.

The material threat captures threats related to jobs, the economy and crime. This addition is meant to capture the common stereotypical view that immigrants receive privileged treatment on welfare, compromise educational standards and the like.

Assimilation threat holds the perception that immigrants are perceived not to be adopting the important cultural and lifestyle norms of their new homeland. Thus, the basis of the cultural threat is the perception that immigrants undermine their new country's cultural identity and integrity. The reason for this perceived threat is that assimilation is not an automatic process and is often unrealistic. Immigrants are usually in-between the cultures of their old and new homelands.

Framing immigrant cultural threat concretely in terms of assimilation failures, like not learning the language or neighborhood segregation, has three major benefits for populist parties. First, attacking immigrants not in and of themselves, but for behaviors that they could modify with effort and good will, avoids the risk of these parties becoming associated in the public mind with radicals that condemned groups simply for their different racial origins or cultural traditions. Their democratic credentials are thereby strengthened in potential voters' eyes¹⁰⁶.

Conclusions

What would be solutions to avoid those policy failures and make migration policies more efficient in the long run? It is important to realise that such outcomes are not coincidental, but systemic and potentially avoidable.

¹⁰⁵ Mughan, A. and P. Paxton, (2006). Anti-immigrant sentiment, policy preferences and populist party voting in Australia. In British Journal of Political Science; 341. Volume 36; Issue 2.

¹⁰⁶ Eatwell, R. and C. Mudde (2004). Western Democracies and the New Extreme Right Challenge.London: Routlege.pp240.

Comprehensive approach. First, contemporary migrations should be analysed within the context of a broad understanding of migration as a social process, with its own inherent dynamics. This is still a challenge for Latvia, with just the first efforts appearing to shape Latvia's immigration policy¹⁰⁷. It should be taken into account that Latvian labour market can absorb only a small proportion of immigrants. Therefore, it has to be carefully studied in the context of ethnic proportions, ethnic and social integration, how these newcomers can be successfully integrated into society. The main principles of migration dynamics cannot be neglected: the importance of migrant agency, the self-sustaining nature of migratory processes in the globalised world and structural dependence of both emigration and immigration countries on continuation of migration processes¹⁰⁸.

Learning from experience. The immigration experience and its consequences during the Soviet times should be carefully analysed, taking into account also the ethnic integration difficulties Latvia faced after reestablishment of independence and even now, almost two decades later. In addition, the possible immigration policy scenarios should be analysed in a broader context of migration policies and its failures in the Western countries. Political agenda might be shaped by unwillingness to face the past policy failures. It also means constantly analysing the way such factors interact in specific contexts of economic, social and political change.

<u>Demand of labour force.</u> It is often covert that pulling factors, especially the demand of labour in a receiving country is dominant over the pushing factors in sending countries. Accurate studies of migration should include the employers who demand new

¹⁰⁷ Indāns, I. (2006) Latvijas imigrācijas politika: problēmas un perspektīvas. Latvijas Ārpolitikas institūts Konrāda Adenauera fonds ¹⁰⁸ Castles, S (2004) The Factors that Make and Unmake Migration Policies.In International Migration Review: Volume 38; Issue 3; pp852-884 immigrant workers, as well as the labour smugglers and all other actors that respond to this demand.¹⁰⁹

Exploitative employers would be interested also to get in illegal workers therefore giving fruitful grounds for development of such migration industries as smugglers, traffickers etc. That can be avoided by providing fair conditions and mechanisms for legal entry without hidden agendas in migration policies.

<u>Integration policy.</u> No doubt, acceptance of immigrants as people, not just labour, will develop better if Latvia can integrate its current inhabitants of different ethnic origin.

Education and strengthening of the Latvian cultural identity should be one of the main components in the integration policy to make the locals feel secure about their cultural identity and therefore help the local community accept those with a different cultural background.

Public integration policy should also be reviewed to be suitable for integration of new immigrants, not only Latvian-Russian integration as the main axis of the policy.

<u>Political and media discourse versus attitudes.</u> Migration processes are of a long-term nature, while the policy cycle is essentially a short term, often determined by the length of electoral periods.

It is important to understand that no longer do calls for curbing immigration come only from the far right parties or racist movements. National governments all around the EU are sending out conflicting messages and exploit migration and free movement issues according to their need of current political agendas, and Latvia will not be an exception. In this case many social agents are purposefully sticking to inadequate oversimplifications about migration and migrants.

Feelings towards immigrants work indirectly through policy orientations to influence voters' choice. Perceptions of material and, in all likelihood,

¹⁰⁹ Krissman, F. (2005). Sin Coyote Ni Patrón: Why the "Migrant Network" Fails to Explain International Migration//International Migration Review 4 Volume 39; Issue 1. 4.-8.1pp.

assimilation threat has an electoral effect only when there is a good fit between what voters want and what parties offer them. To influence electoral outcomes, it is not enough for voters to feel threatened by immigrants. There must also be a party for which they can vote that promises to translate their fears into remedial government policy if elected to office. This is yet another possible challenge for the public integration policy in Latvia in the near future.

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Dace Akule THE EFFECT OF FEARS OF IMMIGRANTS ON THE DECISION MAKING IN LATVIA: A BOOST OR AN OBSTACLE TO DEVELOPMENT?

Abstract

Immigration has been a taboo for mainstream politicians due to the sensitivity of the topic based on Soviet legacy. In the last years the situation has changed only slightly with businesses pushing a debate on the urgent need for immigrants in several sectors that suffer from the shortage of labour due to emigration from Latvia. Nevertheless, the fears of immigration continue to have a negative impact on the decision-making in the country in many aspects. The government prepares migration policy documents in line with the public opinion that is hostile towards immigrants. In addition to the legacy of Soviet migration policy, public opinion about immigrants is influenced by the integration experience of the Russian-speaking population. This seems to have formed the allegation that immigrants can only cause problems. Thus, the possible slowdown of economic growth and continued high inflation is preferred over opening up to foreign workers to compensate for emigration from Latvia. The discussions on migration among politicians and the public mainly focus on the question whether Latvia wants or does not want immigrants, with a strong inclination to build a 'fortress Latvia'. The discourse of rights-based approach to immigration and clear criteria for the integration of immigrants is missing. Whereas the public largely prefers immigrants from neighbouring countries to immigrants from Africa and Asia (or anyone who could look and behave differently), a part of the society is blinded by nationalistic slogans worried about the increase of the Russian-speaking population in Latvia.

Keywords

Emigration and immigration in Latvia; Latvia's migration policy; integration of immigrants.

Introduction

Since Latvia joined the European Union (EU) in 2004, many Latvians have exercised one of the four freedoms of the EU – free movement of labour. According to the latest estimates, approximately 86 thousand people from Latvia are currently working or studying in other EU countries¹¹⁰. That comprises approximately 9% of Latvia's labour force. Moreover, experts estimate that Latvia could lose at least as much human resource in the period until 2010, with some estimates suggesting that 200 thousand people would have left Latvia to live abroad in the period until 2015¹¹¹.

These numbers don't take into the account the return of emigrants. But the return rate will not compensate for the large outflow of labour as only 20-45 thousand are expected to come back to Latvia in the period until 2010.¹¹²

The resulting shortage of labour is already now particularly felt in the booming construction sector and manufacturing, with companies seriously considering and some of them already importing workers from abroad. Migration experts also agree that economic and demographic trends force Latvia to have an open immigration policy¹¹³ because enough labour force (in addition to capital and productivity) would allow the country to continue its impressive economic growth. Not only does every immigrant add his labour product to the growth of the host country's economy, but also as a rule the income earned by the immigrant is smaller than the additional value added that he creates in the economy. This is because every legal migrant not only works and pays taxes, but also consumes (rents an apartment, buys products and services) thus increasing

 ¹¹⁰ Krišjāne, Zaiga (2007). Darbaspēka ģeogrāfiskā mobilitāte (Geographic mobility of labour force). University of Latvia, Ministry of Welfare.
 ¹¹¹ Estimates by the Bank of Latvia, April 2004. Source: Indāns I.,

 ¹¹¹ Estimates by the Bank of Latvia, April 2004. Source: Indāns I.,
 Krūma K., (2006). *Immigration policy in Latvia: the problems and future perspectives*. Latvian Institute of International Affairs, Konrad Adenauer Foundation.
 ¹¹² Krišjāne, Zaiga (2007). *Darbaspēka ģeogrāfiskā mobilitāte*

¹¹² Krišjāne, Zaiga (2007). Darbaspēka ģeogrāfiskā mobilitāte (Geographic mobility of labour force). University of Latvia, Ministry of Welfare.

¹¹³ See, e.g. Indāns I., Krūma K., (2006). *Immigration policy in Latvia: the problems and future perspectives*. Latvian Institute of International Affairs, Konrad Adenauer Foundation.

the demand for products and services and consequently contributing to new jobs being created in the host country. But restrictions to legal migration encourage illegal migration – migrant workers not contributing to financing the welfare state via taxes. These revenues can be sizable because migrants are generally young and work most of the time.¹¹⁴

Public opinion

Despite the fact that so many Latvians are migrants in other EU countries, the majority of Latvians are hostile to the so-called new immigrants - people who have come to Latvia in the last couple of years, and those who are likely to come to Latvia in the future. In fact, in 2003 Latvians had the most negative attitudes towards immigrants in the EU, with two thirds of the population opposing civil rights to legal migrants and one third favouring repatriation policies towards legal migrants¹¹⁵.

According to a study conducted in 2004, Latvians fear that immigrants will create tensions between ethnic groups, cause unemployment and social dissatisfaction, and only one in five respondents would agree that immigrants would contribute to Latvia's economic development. As a result, approximately one half of the population favours a strict immigration policy in comparison to only one in ten Latvians supporting a liberal immigration policy. Immigrants from Asia, the Eastern countries as well as the CIS countries have been singled out as the least welcome.¹¹⁶

A more recent deliberation provides additional insights into public opinion. After 2-day discussions including the analysis of trade-offs between a restrictive and a liberal immigration policy, 43 randomly selected people from all regions, age groups and different socioeconomic backgrounds urged the government to control both immigration and emigration¹¹⁷. Those participants who favoured a more strict approach to immigration were concerned about Latvian identity and unemployment. They urged the government to analyse the needs of the labour market and permit only the entrance of highly skilled workers. They said that the number of immigrants should not exceed emigrants, and that the state should only help with the integration of those migrants who "truly wanted to integrate".

On the other side, some participants of these debates favoured a more liberal approach. Some stressed that every migrant should be welcome in Latvia and treated equally. Others said that migrants should learn the Latvian language and culture.

But overall the discussions revealed that – although some liberal ideas were supported – the majority of the participants were mainly concerned about the impact of immigration on the proportion of ethnic Latvians in Latvia's population, cultural values and national traditions.

This goes in line with earlier studies proving that the majority of Latvians are not tolerant to other nationalities and religions¹¹⁸ and that they resist multicultural society.¹¹⁹

Analysing these patterns researchers have found that in general ethnic Latvians feel and act like "the endangered majority" and think that, "each nation should live in their homeland", which can be largely attributed to the consequences of Soviet migration policy.¹²⁰ This argument is further supported by the surveys showing that ethnic Latvians, in comparison to

¹¹⁴ Boeri, Tito (2004). *New citizens, old borders: why Europe has not put out the welcome mat for its new members.* Finance & Development

 ¹¹⁵ Eurobarometer data from 2003, Source: European Union Agency for Fundamental Rights (2005). *Majorities' Attitudes towards Migrants and Minorities*.
 ¹¹⁶ Indāns, Ivars (2004). *Imigrācijas ietekme uz etniskajām attiecībām*

¹¹⁶ Indāns, Ivars (2004). Imigrācijas ietekme uz etniskajām attiecībām Latvijā ES paplašināšanās kontekstā (The impact of immigration on the etchnic relations in Latvia in the context of EU enlargement), Latvian Institute for International Relations, Friedrich-Ebert Foundation.

¹¹⁷ Akule, Dace (2007). Eiropas nākotne no Latvijas iedzīvotāju perspektīvas. Garais ziņojums (Latvian Citizens' Perspectives on the Future of Europe. Long Report), Centre for Public Policy PROVIDUS.

¹¹⁸ 45% of Latvians and 41% of minority representatives don't want to live next to Muslims, 52% of Latvians and 59% of non-Latvians supported the statement that Muslim opinions and traditions can be dangerous for Latvia's population. Source: Šūpule I., Krastiņa L., Peņķe I., Krišāne J., Zepa B., (2004). *Etniskā tolerance un Latvijas* sabiedrības integrācija (Ethnic tolerance and integration of Latvian society), Baltic Institute of Social Sciences.

 ¹¹⁹ European Union Agency for Fundamental Rights (2005).
 Majorities' Attitudes towards Migrants and Minorities.
 ¹²⁰ Šūpule I., Krastiņa L., Peņķe I., Krišāne J., Zepa B., (2004).
 Etniskā tolerance un Latvijas sabiedrības integrācija (Ethnic tolerance and integration of Latvian society), Baltic Institute of Social Sciences, pp.14

other nationalities living in Latvia, are more hostile towards the immigrants from the CIS countries.¹²¹ This means that Latvians indeed worry about the possible increase of the Russian-speaking population in the country.

An additional explanation for the hostility towards immigrants might be the uncertainty of the losers of globalisation that drives immigration. According to this argument, general gains such as economic growth are perceived as less significant, in comparison to the possible losses for an individual, for example, losing a job to a migrant. In other words, the loss of one working place is a small cost in aggregate terms, but very large in individual terms, while the benefits of immigration (continued economic growth) are large in aggregate terms, but small in individual terms.¹²²

Positions of political parties

The public opinion determined that immigration policy was a taboo for politicians and governments until 2004 European Parliament elections. In its campaign People's Party (Tautas Partija) then promised it would not permit uncontrolled immigration. For Fatherland and Freedom/ LNNK (Tēvzemei un Brīvībai/ LNNK) said that following the Soviet migration policies that had caused floods of immigrants, Latvia could not take the responsibility for hosting and integrating "new immigrants". The only party favouring a liberal approach was People's Harmony Party (Tautas Saskaņas partija) that stressed that restrictive immigration policy leads to illegal immigration. The party also spoke against "fortress Europe" and

 ¹²¹ Indāns, Ivars (2004). Imigrācijas ietekme uz etniskajām attiecībām Latvijā ES paplašināšanās kontekstā (The impact of immigration on the etchnic relations in Latvia in the context of EU enlargement), Latvian Institute for International Relations, Friedrich-Ebert Foundation.
 ¹²² Husz, Dora (2002). Free Movement of Workers: Why so Sensitive?

¹²² Husz, Dora (2002). Free Movement of Workers: Why so Sensitive? An analysis of factors standing behind the transitional period to be imposed on the movement of labour from the Central and Eastern European countries after their accession to the EU. E-journal, ISSN 1505-1161. supported the freedom of individual to choose a place to live.¹²³

In late 2005 the first estimates about the large number of Latvians having left the country for work in another EU state came out revealing that at least 50 thousand or 5% of Latvia's labour force had left¹²⁴. As a result, politicians could not completely ignore the topic in the national election campaigns in 2006. However, the majority of parties focused on ways to bring home those Latvians who had emigrated in the period since 2004. All parties promised higher wages and reaching the average income level of the EU, ignoring the fact that increasing shortages of labour can have a negative effect on economic growth, especially as other suggested solutions like investment in technologies, science and education can bring results after a decade or more. Thus, the need to discuss compensating the shortages of labour with opening up to immigrants was avoided. This let experts believe that public policy on immigration would not change in the coming years.¹²⁵

In government's declaration in 2006 the coalition parties promised to define migration and re-immigration policy including a set of measures that should motivate the return of Latvians working in other EU countries. The government also said it would not permit uncontrolled and illegal migration. But it would define a policy for the integration of legal immigrants and refugees based on risk analysis and ensuring that different social, ethnic, religious and other groups were well integrated while respecting Latvia's traditional values.¹²⁶

For some parties the nationalistic slogans were more important than the increasing shortage of labour and the necessity to appreciate the human resources available in Latvia. Thus, the nationalistic TB/ LNNK –

 ¹²³ Zankovska-Odiņa, Sigita, (2005). Imigranti – etniskās spriedzes avots vai integrācijas veicinātāji (Immigrants – a source for ethnic tension or enhancers of integration). Politika.lv
 ¹²⁴ Data from the Ministry of Economy, Source: Indāns, I., Lulle A.,

¹²⁴ Data from the Ministry of Economy, Source: Indāns, I., Lulle A., Laizāne-Jurkāne M., Znotiņa L., (2006). *Latvija un brīva darba spēka kustība: Īrijas piemērs* (Latvija and the free movement of labor: The example of Ireland). Commission of Strategic Analysis.

¹²⁵ Indāns I., (2006). Laimes Lāci gaidot jeb cilvēkresursu problēma partiju programmās (Waiting for miracles or the problem of human resources in party programmes). Politika.lv

 ¹²⁶ Declaration of the Intended Activities of the Cabinet of Ministers,
 7 November 2007

currently one of the coalition parties - in its program for 2006 elections promised to help people not loyal to Latvia to leave the country. At least one parliamentarian from the Greens' and the Farmers' Union (Zaļo Zemnieku Savienība) - another coalition party supported this move, stressing the need for "repatriation of foreigners who were transported to Latvia by the occupying power". 127

In 2006 (before elections) the majority of the parliamentarians in Saeima also played their nationalistic cards when they transcribed the EU directive about the status of the third-country nationals that are permanent inhabitants of the EU into Latvian law. The directive stipulates that after 5 years of legal residence a third-country national is entitled to nearly the same free movement rights as a EU citizen, including equal treatment and the right to take up residence in any member state conditional on sufficient resources and sickness insurance in order not to become a burden on the social assistance system.¹²⁸ But parliamentarians added a passed Latvian language test to the list of requirements despite the fact that Latvian president found it inappropriate. Having sent the law for a repeated reading, the president emphasized that the point of having a status of a permanent resident of the EU was to enjoy a certain package of rights in all EU member states, not only in Latvia¹²⁹. However, the parliament disregarded the president's criticism and adopted the law without amendments. Thus, noncitizens and foreigner need to know Latvian to be able to receive the status of the permanent resident of the EU.

Labour shortage

According to a study conducted in 2004, only 2-3% of Latvian companies reported that they felt an overall lack of workers, while 13-20% said they needed more qualified workers. But more recent data reveal that in some sectors labour shortage is much larger. According to employer's survey, 33.5%-39.8% companies working in construction, mining industry and some manufacturing fields felt a shortage of labour.¹³⁰ Researchers have also estimated that in 2013 there would be a shortage of labour in 86-112 of the 120 professions¹³¹. But the level of unemployment is on constant decrease, reaching 5.7% in July 2007.132

The result of the increasing labour shortage has been a steep increase in wages. In 2007 on average salaries increased by 30%¹³³, with some sectors having salary hikes several times a year. This is mostly felt by the professions from sectors linked to trade, services and construction that see the biggest growth. At the same time, the income for professionals financed by the state budget - such as teachers and doctors - has not been increased in comparable amounts. Inevitably, this means that some human resources have moved away from less demanded professions (as demonstrated by the low wages) to sectors with higher income possibilities. The result is a shortage of teachers and approximately 20,000 vacancies available in the $country^{134}$.

But not in all sectors a salary hike has added to attractive work conditions ensuring that sufficient and qualified human resources work there. A survey has revealed that in 20% of the cases when new employees are hired in construction sector lower qualifications -

¹²⁷ Saeima scenogram. Source: Golubeva M., Rožukalne A., Kažoka I., (2007). Izaicinājums pilsoniskajai līdzdalībai. Starpziņojums par 2007.gada martu - jūniju (Challenges to civil participation. Midterm report for March-June 2007). Centre for Public Policy PROVIDUS. According to the Directive 2003/109/EC, the permanent resident also has a right to equal treatment including access to employment, employment conditions, education (including study grants), tax benefits, social security, as well as access to public housing, public goods and services. These rights are extended to family members. ¹²⁹ Press release, The Chancery of the President of Latvia, 31 May 2006

¹³⁰ Krišjāne, Zaiga (2007). Darbaspēka ģeogrāfiskā mobilitāte (Geographic mobility of labour force). University of Latvia, Ministry of Welfare. ¹³¹ Research commissioned by the Ministry of Welfare. Source:

Koncepcijas par migrācijas politiku nodarbinātības kontekstā (Concept about nigration policy in the context of employment), 2007 ² Financenet, 20 August 2007

¹³³ In the first quarter of 2007, average gross monthly salary in Latvia was LVL 357, which, compared to the first quarter of 2006, is an increase of 32.8%, according to data by the Central Statistical Bureau. Source: LETA, 31 May 2007 ¹³⁴ Central Statistical Bureau of Latvia

education and experience - are accepted¹³⁵. This is because a large proportion of qualified construction workers have left to work in other EU countries. Experts warn that Western European companies that have entered the Latvian market are increasingly proving to be more reliable, offering a fixed price and fixed deadlines – something that many Latvian companies can't promise. This means that local companies are loosing competitiveness.

Inevitable reality

Official data suggest that currently approximately 3% of companies employ foreign workers not only because of the labour shortage but also because they have higher qualification.¹³⁶

Leading countries of origin of the people who came to Latvia in the period from 2005 to 2006 to work here, were Russia (21%), Ukraine (13%), Lithuania (9%), and the United States $(5\%)^{137}$. At the same time the number of foreigners detained at the state borders with false travel document almost doubled from 86 people in 2004 to 156 in 2005, and 112 in 2006¹³⁸. This is a result of Latvia's EU membership – a pull factor for immigrants, and Latvia's restrictive migration policy – causing illegal immigration.

Nevertheless, more and more companies are inviting foreign workers to compensate for internal labour shortages. According to data from the State Employment Agency, 1370 requests to invite guest workers from non-EU countries were granted in the first six months of 2007. The biggest number (447) came from Ukraine, followed by Moldova (420 workers), Uzbekistan (109), Belarus (95), Russia (77), as well as Armenia (55) and Turkey (41). Two thirds or 936 of the total requests granted were for workers to be employed in construction sector. Approximately 15% or 203 of the work permits were granted to industry workers, mainly ship building. In comparison to the data for January-June 2006, the number of requests to invite guest workers in Latvia has gone up four times, with the biggest increase coming from the demand in construction sector and industry.¹³⁹ It is important to stress that prior to inviting guest workers approximately 80% of these companies had registered their vacancies in the State Employment agency. But for a period of at least one month (since the vacancy was registered) the agency could suggest qualified candidates only for a few of these positions.¹⁴⁰ This gives doubt whether internal human resources in the short-term perspective can fill the labour shortage.

Suggested solutions

Until early 2007 inviting guest workers was too complicating and expensive. Companies needed to pay guest workers at least the average salary, in addition to having to go through cumbersome bureaucratic procedures. In 2007 the government seemed to have succumbed to the pressure of the employers and has eased the bureaucratic restraints to inviting migrant workers.¹⁴¹ In addition, several policy documents and a study about migration are being prepared not only because of the internal demand - pressure from employers, but also of the external demand - the EU. This chapter will mainly analyse the results of a most recent study on the mobility of Latvia's labour force¹⁴² and a migration concept¹⁴³.

¹³⁵ Krišjāne, Zaiga (2007). Darbaspēka ģeogrāfiskā mobilitāte (Geographic mobility of labour force). University of Latvia, Ministry of Welfare.

 ¹³⁶ Koncepcijas par migrācijas politiku nodarbinātības kontekstā
 (Concept about migration policy in the context of employment), 2007
 ¹³⁷ Pribytkova I., Gromovs J. (2007). *Migration Trends 2004-2006* Soderkoping process countries, European Commission, International

Organization for Migration, United Nations High Commissioner for Refugees, Swedish Migration Board. ¹³⁸ Ibid.

 ¹³⁹ Press release, Sate Employment Agency, 2 August 2007
 ¹⁴⁰ Ibid.

¹⁴¹ The government plans to decrease the fees for work permit procedures and introduce a one-stop agency to process applications for work permits and residency permits. Source: *Koncepcijas par migrācijas politiku nodarbinātības kontekstā* (Concept about migration policy in the context of employment), 2007 ¹⁴² Krišjāne, Zaiga (2007). Darbaspēka ģeogrāfiskā mobilitāte

¹⁴² Krišjāne, Zaiga (2007). Darbaspēka ģeogrāfiskā mobilitāte (Geographic mobility of labour force). University of Latvia, Ministry of Welfare. The Latvian version of the study is used in this analysis, as the English translation differed.
¹⁴³ Koncepcijas par migrācijas politiku nodarbinātības kontekstā

¹⁴⁵ Koncepcijas par migrācijas politiku nodarbinātības kontekstā (Concept about migration policy in the context of employment), 2007. The policy document was supposed to be adopted in early 2007, and it has been discussed in the cabinet several times. However, until 10 October 2007 it was not adopted.

A study commissioned by the Ministry of Welfare¹⁴⁴ in 2007 includes four alternative solutions for the shortage of labour. Two of them focus on immigration while the other two concentrate on better use of internal human resources.

- Promoting immigration: This means removing all obstacles in the labour market whilst maximally facilitating the immigration of guest workers.
- 2. Promoting immigration to specific sectors: This means that guest workers are brought in to work in professions where there is a shortage of local workers. Employers need to justify that they can't find a local worker for their vacancy.
- 3. Promoting local employment: This means increasing the overall level of employment, preventing undeclared work and improving the qualifications of employees.
- 4. Promoting local regional development: This means optimising internal migration flows, with more migration encouraged from Riga to the regions.

The study suggested that the best solution would be to combine alternatives 2, 3 and 4. But only the second alternative, importing workers in specific sectors, can bring immediate solutions, particularly in sectors where low-skilled workers are needed. Promoting local employment and regional development are long-term solutions that don't promise results in the coming years.

The concept on migration policy also suggests three solutions. The first includes no changes to the current restrictive migration policy. The second would only include easing the bureaucratic burden for inviting foreign workers while the labour market would still be protected. The third solution included easing the bureaucratic procedure for inviting foreign workers, in addition to setting clear criteria that would alleviate the invitation of guest workers in the case of substantial labour shortage. The definition for the term "substantial labour shortage" was not included in the policy document. But, again, it includes statements that Latvia should attract highly qualified workers to become an economy based on high value added products and services, instead of the dominance of labour-intensive sectors for which low qualified workers are needed.¹⁴⁵

The papers mention some advantages from liberal immigration policy, for example, that immigrants would help Latvia to reach average EU life quality. Immigration could also reduce the rate at which inflation increases, because higher wages paid to immigrants will largely be based on enhanced productivity. This would reduce overall increases in labour costs and allow Latvian companies to be more competitive in foreign markets. ¹⁴⁶ This is something that the Employers' Confederation of Latvia has repeatedly emphasized. ¹⁴⁷

But these economic arguments that promote liberal immigration policy were not prevailing.

Both papers include statements that opening up the local labour market to guest workers would not help in increasing the productivity of the local human resources. Some economists have also expressed their worries that wage increase is not backed by productivity However, productivity is increase. linked to competition. In other words, when nobody else is there to do the job, employees are forced to employ the workers that are available. As the example of lowering qualifications being requested for jobs in construction sector demonstrates, this may mean that the worker is less qualified and less productive but receives a higher salary than his predecessor. Should the employee have the choice to employ a better qualified and more productive worker, the local worker could feel the need to improve his qualifications and work harder to be able to ask the high salary he is currently enjoying. From this

¹⁴⁴ Krišjāne, Zaiga (2007). Darbaspēka ģeogrāfiskā mobilitāte

⁽Geographic mobility of labour force). University of Latvia, Ministry of Welfare.

 ¹⁴⁵ Koncepcijas par migrācijas politiku nodarbinātības kontekstā (Concept about migration policy in the context of employment), 2007.
 ¹⁴⁶ Krišjāne, Zaiga (2007). Darbaspēka ģeogrāfiskā mobilitāte (Geographic mobility of labour force). University of Latvia, Ministry of Welfare.

¹⁴⁷ See, Valdībā iesniegtā Migrācijas koncepcija būtiski neatvieglo darbaspēka piesaisti no trešajām pasaules valstīm un nenodrošina tautsaimniecības ilgtspēju nākotnē (Government's migration concept does not substantially alleviate the invitation of third country nationals and does not provide the long-term sustainability of economy). Employers' Confederation of Latvia (LDDK), 2007.

perspective, the lack of sufficient labour supply may in fact lead to distorted competition and the slowdown of productivity increase.

Both the study and the policy document also include similar language on the risks of a more liberal immigration policy and stereotypes about immigrants. For example, immigrants may not have "long term loyalty to the firm", they might be "really thinking about using Latvia as a platform for eventually getting to one of the older EU member states", the "hopes for the high qualification [of immigrants] are not grounded"¹⁴⁸. This ignores studies showing that immigrants - depending on the country of origin - could be more qualified than the local population because people with higher education levels tend to migrate¹⁴⁹. In addition, the allegation that immigrants could be shopping around for the best living conditions implies ignorance to the rights-based approach to migration, according to which all individuals have the right to choose the place to live and enjoy the universal human rights.

These statements also seem to be ignorant of the findings of researchers suggesting that, rather than permanent one-way migration (the dominant pattern until quite recently), there has been a predominance of short term, circulatory movements backwards and forwards across borders.¹⁵⁰ In other words, a person would make frequent short-duration trips to earn a living in one country while maintaining a home in the country of origin. This can depend on the character of work permits available, namely, if they are temporary, for example, for work in agriculture, tourism, construction and private household services. This can also depend on projects implemented with the help of

such international organizations as the International Organization for Migration that can guarantee the return of immigrants after the end of the contract. Again, this is something that the government of the hosting country can determine.

The dilemma of integration

Both documents also include many hints on with the integration of immigrants. problems Immigration would "inevitably cause negative side effects" because of the integration of the immigrants in Latvia's society, "transit-migrants are objectively not motivated to integrate in the local community which can create tensions in the country where there are unconquered difficulties with the integration of ethnic groups".¹⁵¹ The liberal immigration policy also "creates a whole series of social and cultural problems caused by the integration of immigrants into society"¹⁵², it would "endanger national identity if more guest workers are received than is possible to integrate"¹⁵³, there could be "segregation tendencies - the concentration of low skilled guest workers in particular districts" that could see the rise of unemployment and crime. ¹⁵⁴

According to these papers, the country would need to spend "considerable expenditure" related to the integration of immigrants or to "solve the problems caused by unsuccessful integration policy" because social problems could occur, this would particularly be true of guest workers from Asia"¹⁵⁵. Finally, there was a need to "prevent the emergence of communities of immigrants which are unfavourable to the interests of Latvia's people"¹⁵⁶ in the sense that the ethnic structure of the nation would change.

Not only does this decisive language rule out the possibility that immigrants could integrate well, these

¹⁴⁸ Krišjāne, Zaiga (2007). Darbaspēka ģeogrāfiskā mobilitāte (Geographic mobility of labour force). University of Latvia, Ministry of Welfare. 174-175.pp.

¹⁴⁹ For example, only 21% of EU-8 workers had secondary school education while the number was 31% for EU-15 and the labour force employed in EU-15 from other countries. Source: "Report on the Functioning of the Transitional Arrangements set out in the 2003 Accession Treaty (period 1 May 2004-30 April 2006)", Brussels, COM(2006), Communication from the Commission to the Council, the European Parliament, The European Economic and Social Committee and the Committee of Regions, 12.pp.

¹⁵⁰ Wallace, Claire (2002). Opening and closing borders: migration and mobility in East-Central Europe., Journal of Ethnic and Migration Studies, Vol 28, No.4: 603-635

¹⁵¹ Krišjāne, Zaiga (2007). Darbaspēka ģeogrāfiskā mobilitāte (Geographic mobility of labour force). University of Latvia, Ministry

of Welfare. 126.pp and 174.pp.

¹⁵² Ibid, 187.pp.

¹⁵³ Koncepcijas par migrācijas politiku nodarbinātības kontekstā (Concept about migration policy in the context of employment), 2007. ¹⁵⁴ Ibid.

¹⁵⁵ Krišjāne, Zaiga (2007). Darbaspēka ģeogrāfiskā mobilitāte (Geographic mobility of labour force). University of Latvia, Ministry of Welfare. 186.pp ¹⁵⁶ Ibid. 193.pp.

statements also ignore the fact that immigrants contribute to the economic growth of the host country more than what they individually earn. This means that the expenditure related to the integration policy of immigrants is justified. Some of these statements are on the border of being racist and discriminating. They also ignore the fact that the problems with immigrants that some countries have faced might be a result of unsuccessful policy (determined by the government), not because the integration of immigrants was impossible a priori. The allegations that immigrants can only cause problems might also reveal attitudes towards the success of the integration policy targeting the Russian-speaking population of Latvia.

Here it is interesting to note that, according to the study, Latvia does not have relevant experience in the integration of immigrants, implying that the experience in the integration of the Russian-speaking population is not valued as relevant. Yet, it seems that it is exactly this experience that has had the largest impact on the attitudes towards immigrants. As a number of the non-Latvians – especially of the elder generation – don't speak Latvian, it seems that many think that the immigrants would adopt the same patterns of behaviour: not learning Latvian and trying to change the local cultural scene - Russifying the local population as was attempted by the Soviet migration policy.

Other studies suggest the immigrants could have very different effects on the social integration. For example, immigrant communities that feel motivated to learn Latvian and integrate in the local society could cause competition to the minorities already living in Latvia. Thus, the local minorities may also become more motivated to learn Latvian and participate in the political life of the country.¹⁵⁷

Starting debate

The paper has revealed that strong inclinations to build a 'fortress Latvia' – as demonstrated by the public opinion, statements of political parties and policy documents – has hijacked a real debate about immigration.

The discourse of rights-based approach to immigration with every individual having the right to choose where to live enjoying the universal human rights and freedoms is missing. Some statements about immigrants are discriminating and close to being racist.

The prevailing discourse until now has been, whether Latvia wants or does not want immigrants and what problems immigrants could cause.

The discussion needs to be filled with analysis about the trade-offs facing the country with increasing labour shortages. If the country does not want immigrants, is it ready to risk not reaching the average quality of living of the EU in the coming 20 years and encourage illegal immigration (because immigration as such is inevitable)?

The reasons for the hostile public opinion towards immigrants also need to be analysed, with a focus on suggestions that could be implemented to change these attitudes¹⁵⁸. If the majority of the society is worried about the integration of immigrants, then clear criteria should be introduced, for example, that migrants should learn Latvian language and history. The state should also help with the organization of the courses that could be subsidized for some groups of immigrants.

The hostile attitudes towards immigrants seem to be influenced not only by the legacy of Soviet migration policy, but also by attitudes about the integration of the Russian-speaking population.

This may mean that a serious re-evaluation of the success of the integration policy targeting the Russianspeaking minority is needed, with lessons taken that could be valuable for the integration policy of immigrants. When government prepares these documents, it could also learn from the best practises of

¹⁵⁷ Indāns, Ivars (2004). Imigrācijas ietekme uz etniskajām attiecībām Latvijā ES paplašināšanās kontekstā (The impact of immigration on the etchnic relations in Latvia in the context of EU enlargement), Latvian Institute for International Relations, Friedrich-Ebert Foundation. 56.pp.

¹⁵⁸ Akule D., Kaša R. (2007) *Recepte imigrantu integrācijai* (Recipe for the integration of immigrants). Politika.lv

other EU countries and take EU's principles for the integration of immigrants as the baseline.¹⁵⁹

Finally, the term "new immigrant" implies the existence of "old immigrants" assumingly referring to people who were sent to Latvia in the Soviet era, including their offspring born here. But such references are discriminating and don't contribute to an environment of social integration, tending to exclude approximately 35% of Latvia's population.

Learning from the experience with the integration of the Russian-speaking minority, and with large amount of labour force having left the country, decision-makers should be less short sighted and promote the appreciation of all human resources available in Latvia, disregarding the ethnic origin or the historical reasons for their arrival to the country.

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