Work in Lithuania Lithuania

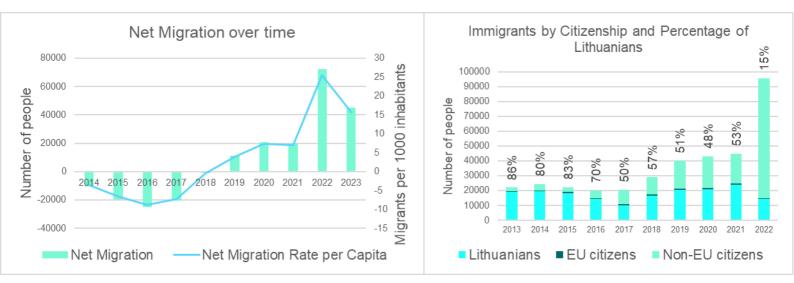
Migration Context for Highly Skilled Professionals

Barbora Sharrock

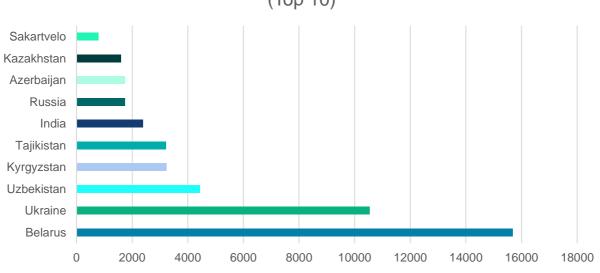
2024 04 22

Migration Trends in Lithuania

The patterns around immigration to Lithuania have changed significantly over time, influenced by various international events, legal changes, and Lithuania's economy. For many years most immigrants were returnee Lithuanians, and only in the past 5 years has there been a reversal from net emigration to net immigration.¹



The top countries of origin have been Belarus, Russia, and Ukraine for many years, and a new wave of migration from these countries happened since 2022 as people wanted to move away from the instability caused by the invasion of Ukraine. Immigrants from other parts of the world such as other Schengen countries, Africa, East Asia and the Americas are a comparatively small portion of the foreign population in Lithuania. While the numbers of immigrants have increased, the top 10 countries of origin have not significantly changed in the last 5 years.²

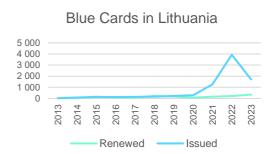


Immigrants to Republic of Lithuania by Citizenship in 2023 (Top 10)

¹ Graphs based on Migracija skaičiais - EMN

² Migracijos metraščiai - Migracijos departamentas prie Lietuvos Respublikos vidaus reikalų ministerijos (Irv.lt)

Employment has been the leading reason for granting initial residency permit for many years, though the proportion of labour migration compared to other types has been increasing.³ Most immigrants from outside the EU came to Lithuania in 2023 on the grounds of Work (54%) or under the Temporary Protection Directive (35%) for those displaced by war on Ukraine, with much smaller numbers of residence permits granted for Family (5%) or Study (4%) related reasons.⁴ The remaining 2% of immigrants were mostly for other Humanitarian reasons unrelated to Ukraine. Only



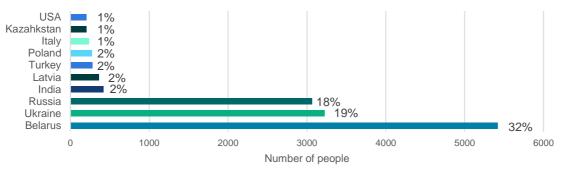
8

2% of the work-related residencies were granted for the purpose of "work requiring high professional qualifications" via the EU Blue Card.⁵

Attracting Highly Skilled Migrants

In Lithuania's Migration Statistics, highly skilled migrants are those who have been issued an EU Blue Card (see Migration Law section). However, many migrants who have similar professional backgrounds may instead be under different types of residency with fewer requirements, especially those from Ukraine, Australia, Japan, the United States of America, Canada, New Zealand, South Korea, and EU countries or those who have a family related permit.

Another way to classify highly skilled employment is through the International Standard Classification of Occupations (ISCO-08), where every job title has a numerical code. The LPK (Lithuanian Professional Classification) codes that start in 1 are business leadership and managerial roles, and then lower numbers are progressively less skilled or more junior positions. Codes starting in 2 are highly skilled professions, and those beginning with 3 are "Technicians and associate professionals". ⁶ The high-added value professions which are sought after by the Ministry of Economy are listed this way, with 6 digits for each specific job title⁷.



Citizenships of Migrants employed in LPK 1-3 in 2022 (Top 10)

³ First permits by reason, length of validity and citizenship [migr_resfirst_custom_10976891]

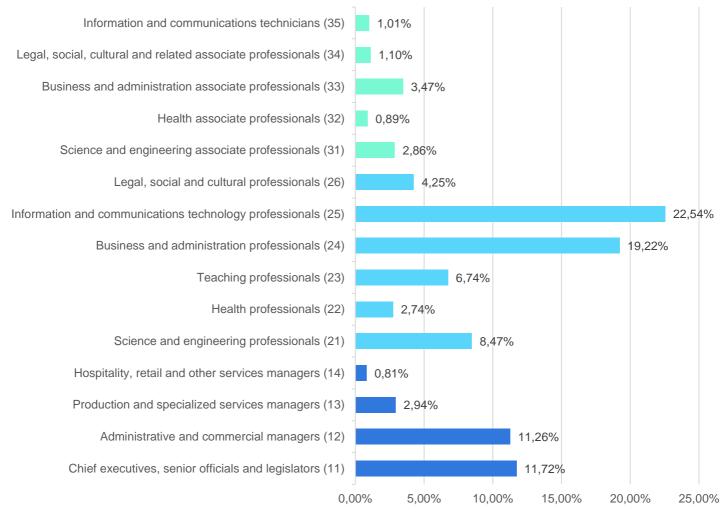
⁴ Percentages based on section 7.5 of MIGRACIJOS METRAŠTIS 2023 (Irv.It)

⁵ Blue Card Graph based on <u>MIGRACIJOS METRAŠTIS 2023 (Irv.It)</u> and <u>Statistics | Eurostat (europa.eu)</u>

⁶ Sub-major groups and their descriptions (profesijuklasifikatorius.lt)

⁷ 4-849 Dėl Aukštą pridėtinę vertę kuriančių profesijų, kurių darbuotojų trūksta Lietuvos Respublikoje, s... (e-tar.lt)

⁸ Graph uses STRATA's preliminary values for the next State of Human Capital in Lithuania. The percentage calculation excludes the 2784 people with unknown citizenship from the total. This can be due to free movement, such as EU citizenship, or a work visa issued in a different country.



Distribution of Highly Qualified Foreign Professionals by LPK in 2022

In 2022, the average wage for foreigners in jobs classified as highly skilled (LPK 1-3) was 17% higher than Lithuanians at 2,783 EUR per month compared to 2,363 EUR per month.⁹

There is a limited amount of information specific to the experiences and motivations of highly skilled migrants in Lithuania, since pre-existing studies tend to look at either humanitarian migrants, returnees, or the migrant population in general. Attracting highly skilled migrants is a competitive task, with Europe often less attractive than NAANZ (North America, Australia, and New Zealand). Then there are competing destinations within Europe that are more attractive, as evidenced by higher migrant applications and populations. With the relatively recent normalisation of fully remote work, this adds a new layer of complexity to promoting relocation for employment as well.

Revealing the characteristics of relocators to Lithuania can help to see which parts of Lithuania's value proposition are successful in the global talent marketplace. One of the first steps in any decision-making process is being aware of the options. Based on studies from Work in Lithuania that investigate the willingness of ICT specialists in different countries to relocate, the limited awareness of Lithuania was a common issue.

⁹ Lietuvos žmogiškojo kapitalo būklė, 2023 (strata.gov.lt)

International Comparisons

The change from emigration to immigration is not unique to Lithuania, as many Central Eastern European countries are also experiencing similar trends, driven by wages that are increasingly comparable to Western countries.¹⁰

Lithuania has one of the highest proportions (71.5%) of migrants arriving for renumerated activities in the EU (excluding Temporary Protection migrants). It is also 8th in the EU for initial residence permits relative to the population.¹¹

The vast majority of Blue Cards are issued by Germany, with 77% of the 81,851 total issued in 2022¹². The countries which have at one point been in the Top 5 issuers since 2019 are Germany, France, Poland, Luxembourg, Lithuania, and Czechia.

Lithuania is a common destination for EU Blue Card migrants in 2022, especially those from Russia, Belarus and Ukraine.

Countries whose citizens	EU Blue Cards granted in the	Top three EU Member States granting the most EU Blue Cards									Other EU Member States granting EU Blue Cards	
were most often granted EU Blue Cards	(number)	Highest	(number)	Share of total (%)		(number)	Share of total (%)		(number)	Share of total (%)	(number)	Share of total (%)
TOTAL	81 851	Germany	63 242	77.3	Poland	4 931	6.0	Lithuania	3 924	4.8	9 754	11.9
India	19 896	Germany	17 541	88.2	Poland	849	4.3	France	367	1.8	1 139	5.7
Russia	7 606	Germany	4 695	61.7	Lithuania	772	10.1	Bulgaria	561	7.4	1 578	20.7
Belarus	5 541	Lithuania	2 797	50.5	Poland	1 852	33.4	Germany	638	11.5	254	4.6
Türkiye	5 234	Germany	4 504	86.1	Poland	146	2.8	France	119	2.3	465	8.9
Iraq	3 618	Germany	3 613	99.9	Romania	2	0.1	Croatia	1	0.0	2	0.1
China (')	3 484	Germany	3 127	89.8	France	95	2.7	Romania	71	2.0	191	5.5
Ukraine	2 582	Germany	1 468	56.9	Poland	798	30.9	Lithuania	101	3.9	215	8.3
Egypt	2 401	Germany	2 203	91.8	Poland	68	2.8	France	27	1.1	103	4.3
Tunisia	2 321	Germany	1 501	64.7	France	749	32.3	Bulgaria	22	0.9	49	2.1
Pakistan	2 206	Germany	2 088	94.7	Poland	38	1.7	Luxembourg	22	1.0	58	2.6

Top 10 countries whose citizens were granted EU Blue Cards, by main issuing EU Member States, 2022

Note: Denmark and Ireland are not bound by the EU Blue Card Directive. France: provisional.

(') Including Hong Kong

Source: Eurostat (online data code: migr_resbc1)

eurostat 🖸

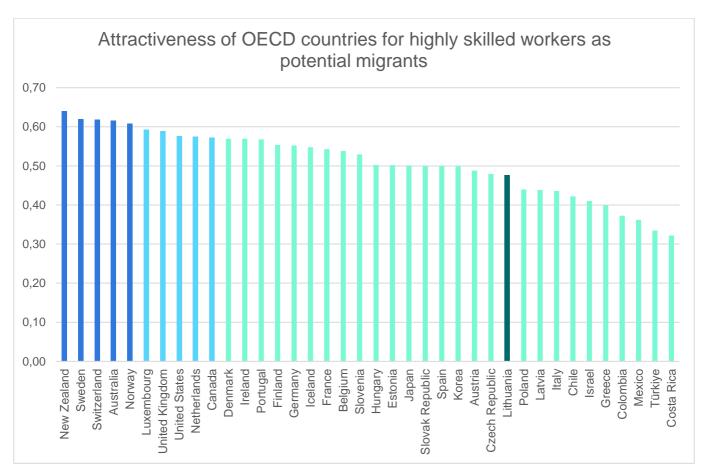
The OECD countries most attractive to highly skilled workers are mostly English-speaking countries, and those with high wages.¹³ Other factors which have been identified as important for migrants are pre-existing migrant networks and communities, cultural similarities, ability to stay connected with origin country (time zones, transport options), opportunities for family, better safety, and better work/life balance. Some of the main concerns for migrants are making new connections, weather, visa issues, and high costs of living.

¹⁰ Non-EU worker migration surges in central and eastern Europe | fDi Intelligence

¹¹ <u>Residence permits - statistics on first permits issued during the year - Statistics Explained (europa.eu)</u>

¹² <u>Residence permits – statistics on authorisations to reside and work - Statistics Explained (europa.eu)</u>

¹³ <u>Managing Highly-Skilled Labour Migration: A Comparative Analysis of Migration Policies and Challenges in</u> <u>OECD Countries (oecd-ilibrary.org)</u>



The OECD has ranked countries based on their attractiveness to workers that hold Masters or PhD degrees according to a Talent Indicator Framework with a variety of factors such as migrant unemployment rate, national English proficiency, visa processing time, earnings of highly educated workers, ease of status change from temporary to permanent, PISA math test scores, etc.¹⁴

Lithuania is 6th for the "Quality of Opportunities", 4th in "Future Prospects" amongst OECD countries, but poorly performing in other dimensions to attract highly educated workers, placing it in the bottom quartile overall.¹⁵

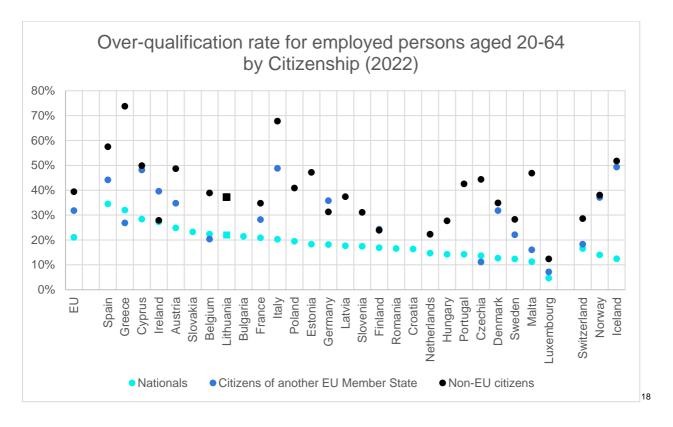
Due to the very high proportion of labour migrants, Lithuania is one of the few countries in the EU where foreign citizens have a lower rate of unemployment than nationals.¹⁶ There is also a significant over-qualification rate for non-EU employed citizens with tertiary education, where almost 40% of them are working in low qualification jobs (LPK 4-9), though the over-qualification rate in Lithuania is close to the EU average for both Nationals and Non-EU citizens. Unlike the migrants in longstanding immigration countries, Lithuania's Third Country National (TCN) population is more educated than local citizens¹⁷.

¹⁴ Graph from <u>What is the best country for global talents in the OECD? (oecd.org)</u>

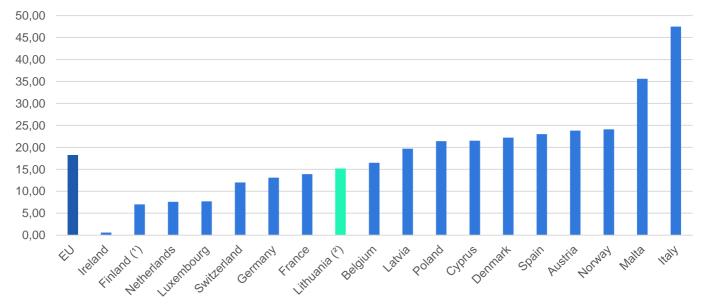
¹⁵ Talent Attractiveness: How does your country compare in each dimension? - OECD

¹⁶ <u>Migrant integration statistics – labour market indicators - Statistics Explained (europa.eu)</u>

¹⁷ Indicators of Immigrant Integration 2023: Settling In | OECD iLibrary (oecd-ilibrary.org)



Difference in Over-Qualification between Nationals and Non-EU Citizens 2022



Migration Policy in Lithuania

In many European countries the demographic impact from the ageing workforce has been exacerbated by high emigration levels of relatively young people, placing more pressure on the demand for labour.¹⁹ This threatens the economic growth of Lithuania, so the government is seeking ways to improve the labour market with migration – especially through attracting highly skilled migrants in sectors with ongoing shortages and high added value. The Information Technology industry is especially useful for attracting international talent, since the working language is typically English, and it is less difficult to confirm foreign qualifications compared to more regulated occupations in Engineering and Medical sectors.

One of the tools to promote skilled migration used by the EU is the Blue Card. The main requirements, established by an EU Directive²⁰ are an offer of employment that meets a minimum salary threshold (usually 1.5x the country's average), health insurance, and a higher qualification or enough years of professional experience. For migrants working in the ICT sector, the criteria are lower. The specifics of the law vary between countries, and there can be competing national highly skilled migration schemes which make other methods of residency more attractive. Ireland and Denmark have issued none since these countries opted out of this directive, and Cyprus has not yet implemented it²¹.

Lithuania's Blue Card lasts for 3 years and requires:

- Letter of Mediation from an Employer confirming:
 - Minimum 6 months contract with a salary of at least:
 - 1.2x the average salary in Lithuania if the role is on the Shortage Occupation List
 - 1.5x the average salary in Lithuania for other roles
 - Proof of relevant Qualification in one of the 3 ways:
 - Tertiary Education Diploma
 - Minimum 3 years professional experience in an ICT specialist (LPK 25) or manager (LPK 133) role that could be considered equivalent learning experience to a degree within the last 7 years.
 - Minimum 5 years professional experience equivalent to a degree relevant to the role, if not being hired as an ICT professional/manager.
- Typical travel documents such as Passport, criminal records, confirmation to work legally and declare residence in suitable dwelling.

Lithuania's Law on the Legal Status of Foreigners²² has a Demand-driven model of labour migration policy²³ based on work contracts meeting quotas, Labour Market Tests or Occupation Lists. The law is often amended, with frequent political discussions on how to balance the conflicting aims of promoting and restricting migration. Recent proposed changes are related to Article 44 on the issuing of Temporary Residence Permits (TRP) for regular labour migration. This permit is less favourable than the Blue Card with longer application times, shorter validity, restrictions on bringing family members and less EU mobility.

¹⁹ EURES-Labour Shortages report (europa.eu)

²⁰ Directive - 2021/1883 - EN - EUR-Lex (europa.eu)

²¹ Government to issue Blue Cards for skilled foreign workers | in-cyprus.com (philenews.com)

²² IX-2206 Republic of Lithuania Law on the Legal Status of Foreigners (Irs.It)

²³ The influence of skill-based policies on the immigrant selection process - PMC (nih.gov)

Various groups have made their own recommendations and analyses on Lithuania's migration policy. The most active organisations on this topic with a local point of view are Diversity Development Group, International Organisation of Migration, Lithuanian Centre for Social Sciences, often in collaboration with others.

The Migration Policy Index gives the rank of "Equality on Paper" and lower than average country score of 37/100²⁴ focuses mostly on issues of integration. While the primary focus of this project is attraction, the success of any migrant attraction strategy will also be dependent on the effectiveness of migrant integration and retention.²⁵ From a different perspective, business interest groups often focus on the regulatory requirements and restrictions on hiring migrant workers (including low/medium skilled) in their recommendations.²⁶ An EU funded project "TALENTAS – Developing a strategy for the implementation of talent policy in Lithuania" made a series of suggestions based on the best practices of other countries' policies, highlighting International Houses as a good example of "one-stop shops". Most of the recommendations from the various NGOs will not be specific to highly skilled migrants, as many of the drivers and barriers are overlapping regardless of the foreigners' qualifications.²⁷

- Multilingual support (e.g., interpretation) or services in public sectors such as Employment Service, Migration Department, schools, healthcare
- More job listings in non-Lithuanian languages and online recruitment
- Support the transition of International Students into the workforce
- Faster application processes to better fit within a visa-free 90 day period
- Remove the 2-year waiting period for family reunification of TRP holders²⁸
- Improve civic engagement of migrants through regular and formal consultations with them²⁹
- Better accessibility to citizenship by shortening the residence requirement to 5-7 years and more dual citizenship options for children
- Engage local talent as ambassadors for peer-to-peer promotion of the location
- Targeted support for the employment of spouses joining in relocation
- Collect data such as occupation and other socio-economic and demographic traits of talents
- Ensure opportunities to safely report abuse in the workplace³⁰

Barbora Sharrock Project Manager

- +370 6566 1770
- barbora.sharrock@kurklt.lt

 Upės g. 23, 08128, Vilnius, Lithuania

<u>www.kurklt.lt</u>

²⁶ LABOUR MIGRATION AND FLEXIBILITY OF REGULATION FOR EMPLOYING NON-EU NATIONALS (Ilri.lt)

²⁷ <u>Drivers and challenges regarding attracting and retaining international talent for places and employers</u> (futureplaceleadership.com)

- 28 CONTEXTUAL FACTORS OF FAMILY REUNIFICATION AND SOCIAL ADAPTATION (ces.lt)
- ²⁹ <u>METHODOLOGY FOR TRAINING REGARDING IMMIGRANT AND REFUGEE INVOLVEMENT IN POLICY</u> PLANNING, CO-DESIGN AND CO-IMPLEMENTATION (diversitygroup.lt)
- ³⁰ Imigrantų integracija į darbo rinką kaip sekasi Lietuvai? Įvairovės Chartija (diversity.lt)

²⁴ Lithuania | MIPEX 2020

²⁵ <u>Attracting International Talent to Lithuania – TALENTAS (icmpd.org)</u>