

Mobility trends between the Baltic and Nordic states and different national policy approaches to the increased mobility in the macro-region.

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Perspectives on labour mobility in the Nordic-Baltic region

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Nordregio

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Stockholm, Sweden, 2017

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Preface

This publication is one outcome of a project on labour mobility between the Nordic-Baltic countries: “Enhanced Nordic-Baltic co-operation on challenges of labour mobility in the Nordic-Baltic region” that the Nordic Council of Ministers’ Office in Lithuania led during 2014-2016 in co-operation with the the Nordic Council of Ministers’ Offices in Estonia and Latvia, and Nordregio in Sweden.

The overall objective of the project was to facilitate understanding and strengthen co-operation within the Nordic-Baltic region on labour mobility and demographic development across Nordic and Baltic municipalities and regions.

The project is a follow-up of the initiative “Challenges of Migration in the Nordic-Baltic Region: Impact on National Labour Markets, Welfare State and Demo-

graphic Situation” implemented by the Nordic Council of Ministers’ Offices in the Baltic States in 2013.

Among other activities realized within the framework of this 2014-2016 initiative are the following conferences:

- Family and Migration in the Baltic-Nordic Region: Challenges and Solutions, Vilnius, 21 November 2014
- Labour Migration in the Nordic-Baltic Region: Trends of Labour Migration - Ready for Changes? Tallinn, 27 March 2015

For a full overview of the project and related publications, please see Nordregio’s website: www.nordregio.se/BLAM

1. Introduction

Free movement of workers is among the fundamental principles of the European Union (EU). EU citizens have “the rights of movement and residence for workers, the rights of entry and residence for family members, and the right to work in another Member State and be treated on an equal footing with nationals of that Member State” (European Parliament, 2016).

Since the eastward enlargement of the European Union in 2004, when Estonia, Latvia and Lithuania joined the EU, labour mobility and co-operation between the Baltic States and the Nordic countries have been steadily increasing. While the level of cross-border labour mobility in the Baltic-Nordic region does not constitute the largest flows of Baltic migrants to another EU country—in sheer volume, the UK remains the main receiving country—the flows between the Baltic and the Nordic countries are interesting in two respects: 1) due to geographical proximity, the Nordic countries as a group are significant receiving countries of Baltic labour migrants, and 2) due to historical political ties and macro-regional co-operation activities between the Nordic and the Baltic countries, there is significant interest in the labour flows within the region. Furthermore, the good availability of register data on the Nordic countries makes it possible to differentiate between various groups of Baltic labour migrants in the Nordic countries, including their sub-national location, which makes the study of Nordic-Baltic migration trends an interesting case in itself.

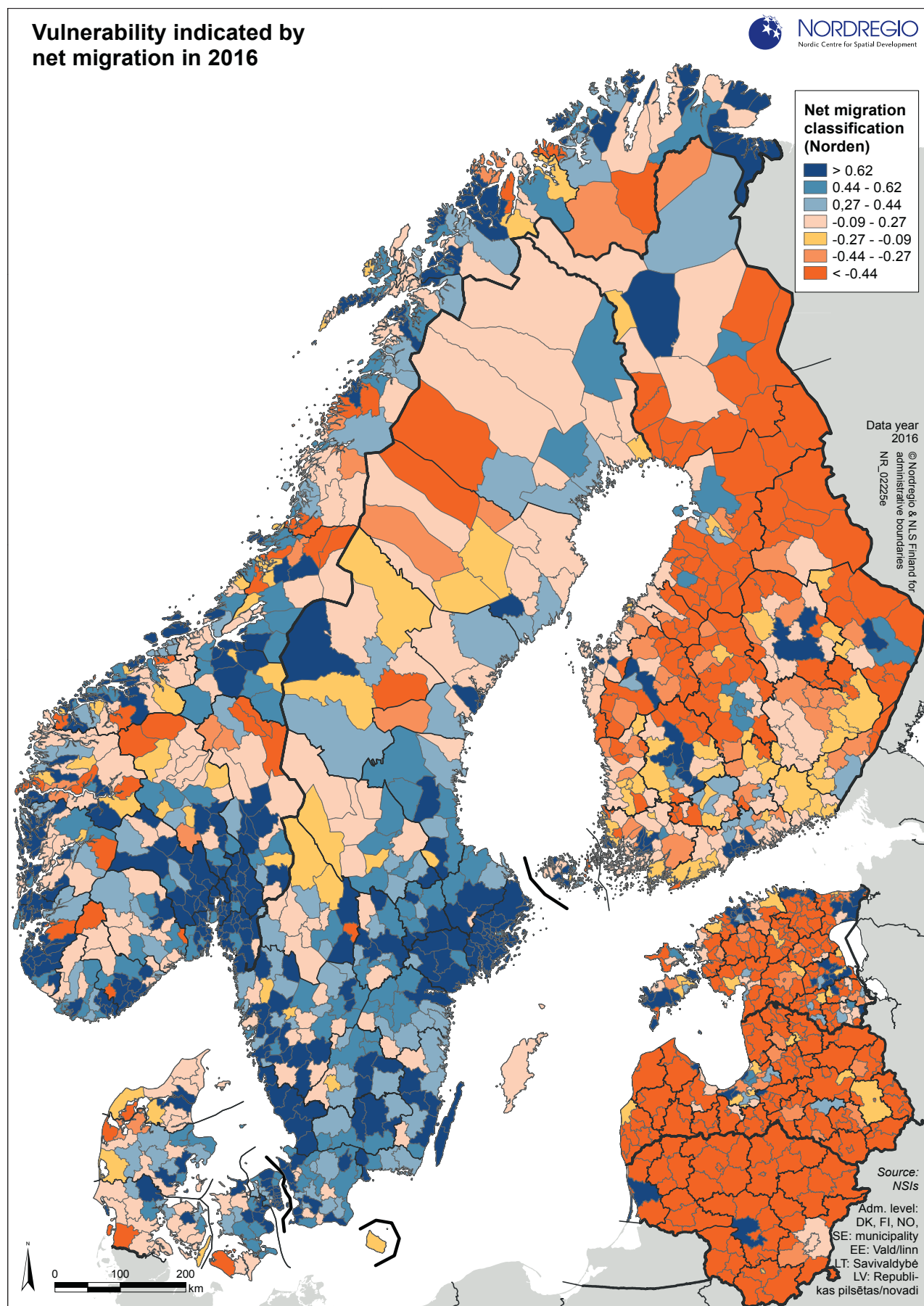
Both Nordic and Baltic labour markets face common challenges related to demographic change. The megatrend of mobility from rural areas to urban areas results in an ageing population, low birth rates and increasing labour demand in certain sectors and professions, such as health care, in the rural areas. This trend is further accentuated when regions and municipalities experience international out-migration in addition to the internal migration from rural to urban areas: see Map 1 for the current pattern of out-migration and

in-migration at municipal level in the Nordic-Baltic region.

At the same time, the requirements for new skills and workers are increasing in the competitive global economy. Labour mobility can therefore be one way of alleviating specific labour shortages and mismatches in the EU by matching labour demand and supply, and thus can contribute to improved employment and competitiveness in the Nordic-Baltic region. In this respect, labour mobility may also contribute to improvements in generic and occupational skills and increase adaptability and employability (European Commission, 2014; Kahila et al., 2013).

While the main interest in this publication as well as in the project behind it has been on labour mobility—with labour mobility being understood as cross-border movement of workers within the Nordic-Baltic region—this distinction of people moving for job purposes solely is, both in statistics and policies, not easily distinguished from those moving for other reasons, such as family reunification, opportunities to study abroad, etc. These categories are also fluid, since the prime reason for living away from one’s country of birth may change over time or even overlap with others from the outset. Another issue is that not all movements between two Member States are registered. People moving for a shorter time than the national requirements for registration in the population data bases are not included, nor are those working on a temporary basis in another country. A previous Nordic study on labour migration to the Nordic countries from the new Member States during the period 2004-2011 estimates that when including workers on temporary stay, the numbers should be almost doubled (Friberg & Eldring, 2013). Therefore, the presented data on Baltic migrants is to provide an overview of the trends of mobility in the Nordic-Baltic region rather than exact figures on the extent of labour mobility.

Map 1 Net migration at municipal level in the Nordic-Baltic region.



For details on net migration as a vulnerability factor, please refer to www.nordregio.se/NB_DVA

The purpose of this publication is to tie together a number of the findings from the activities in the project “Enhanced Nordic-Baltic co-operation on challenges of labour mobility in the Nordic-Baltic region” by:

- Presenting recent statistical data showing the profile of Baltic migrants in the Nordic countries and their spatial distribution;
- Providing an overview of the national policy perspectives and key concerns in the field of labour mobility in the Baltic States;
- Investigating whether and how labour mobility is addressed in the policy-making field and in practice at the local or regional level in the Baltic States;
- Exemplifying how Nordic municipalities work on labour mobility, including main themes of the measures and adaptive strategies.

The report is divided into five parts. Chapter 2 provides statistical overviews on migration trends in the Nordic-Baltic region. EU policies addressing labour mobility and national-level perspectives on labour mobility in the Baltic States are the focus of chapters 3 and 4 respectively. Chapter 5 discusses the local-level perspectives on labour mobility in the Baltic States, supplemented by an overview of how municipalities in the Nordic countries work on labour mobility. Chapter 6 presents some cross-cutting conclusions and lessons learned.

2. Patterns of mobility in the Nordic-Baltic region

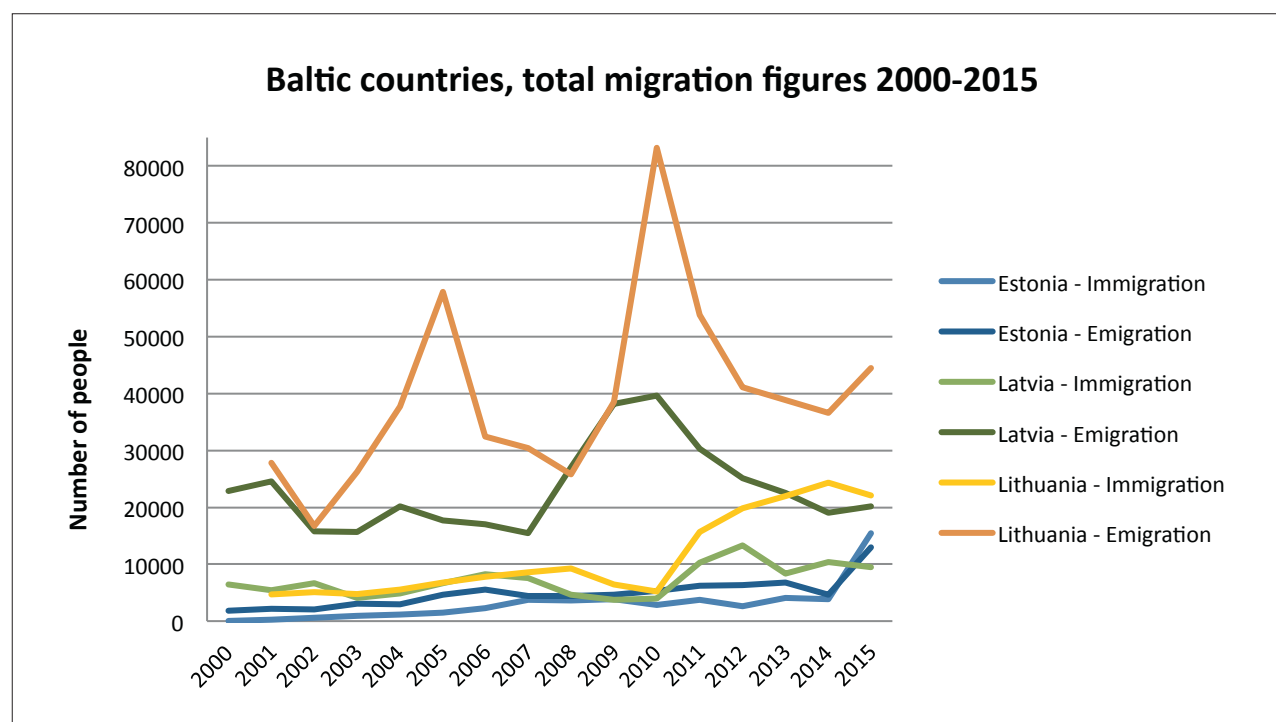
Increased mobility in the Nordic-Baltic region has both positive and negative implications for both the receiving and sending countries. For the Baltic countries in particular, one major issue has been that the emigration rate during the previous decade has been significantly higher than the (re)immigration rate; see Figure 1 below. The figure also shows that in the period around the financial crisis of 2008, the out-migration figures rose, although this shows less influence on the immigration rates.

Re-immigration is an obvious factor when considering labour migration, since it can be expected that most immigration to the Baltic States concerns Baltic nationals returning after a period abroad. However, studies show that these patterns are not easily explained in terms of a given person out-migrating one year and then returning permanently the next. Rather, once a labour

migrant has been abroad (s)he is more likely to leave again, just as these migration rates do not capture (repetitive) short-term movements: one very common type of labour mobility. Another issue is that these emigration and immigration rates from individual countries do not capture the migration that may happen between second and third countries abroad; e.g. a Lithuanian moving from the UK to Norway when the UK was hit harder by recession than Norway. All these factors make migrants' mobility quite difficult to track, even on national levels.

In the context of Nordic-Baltic mobility trends, the last decade has also seen an increase in the number of Baltic migrants to the Nordic countries. This was triggered by the enlargement of the EU in 2004 and has since been growing steadily; see Figure 2*.

Figure 1: Emigration and immigration figures for Estonia, Latvia and Lithuania



Source: Central Statistical Bureau of Latvia, Statistics Estonia and Statistics Lithuania

* The calculations in the remaining part of this chapter are based on available register data from Statistics Denmark, Statistics Finland, Statistics Norway and Statistics Sweden.

Figure 2: Baltic migration to the Nordic countries 2000-2014

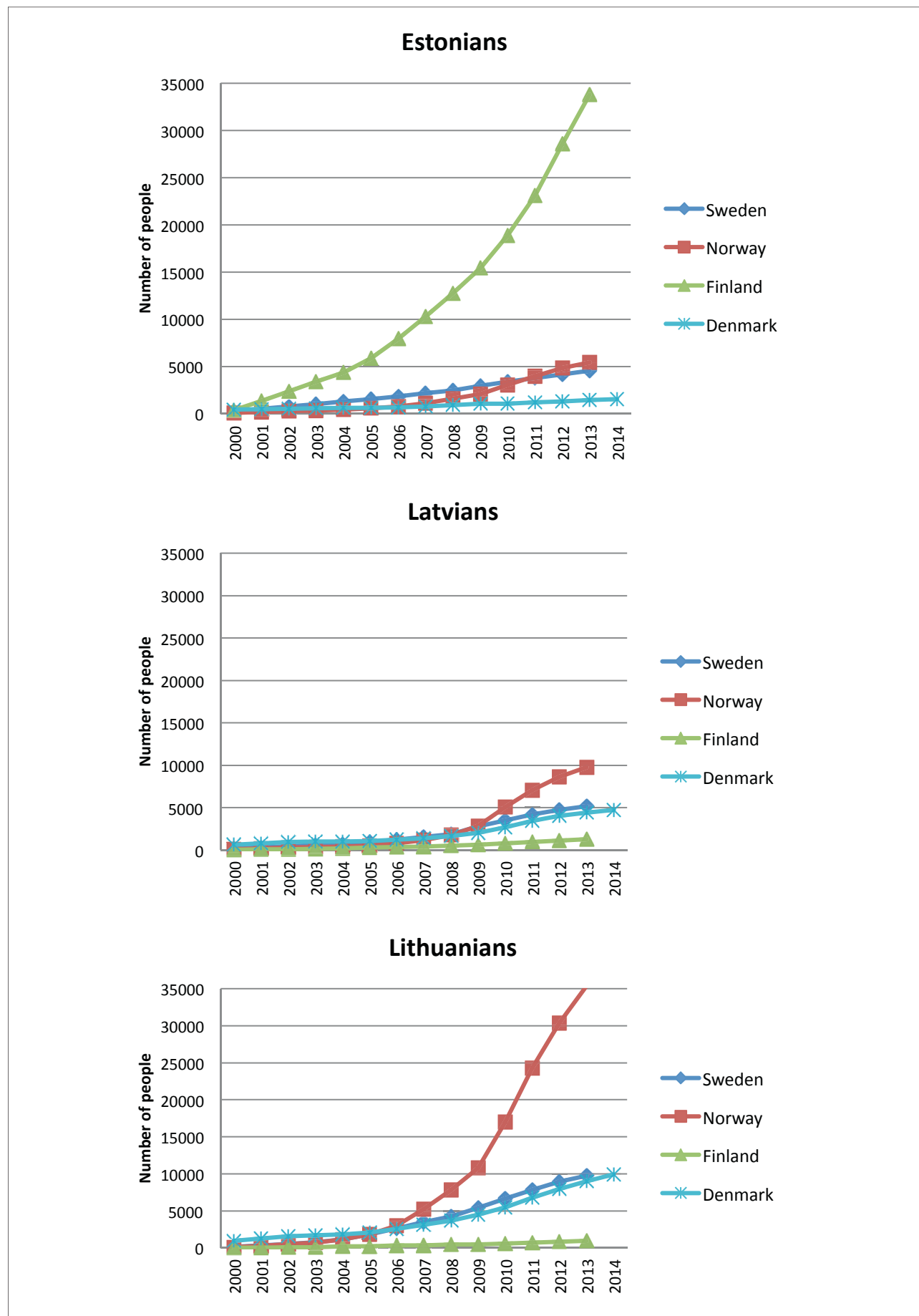
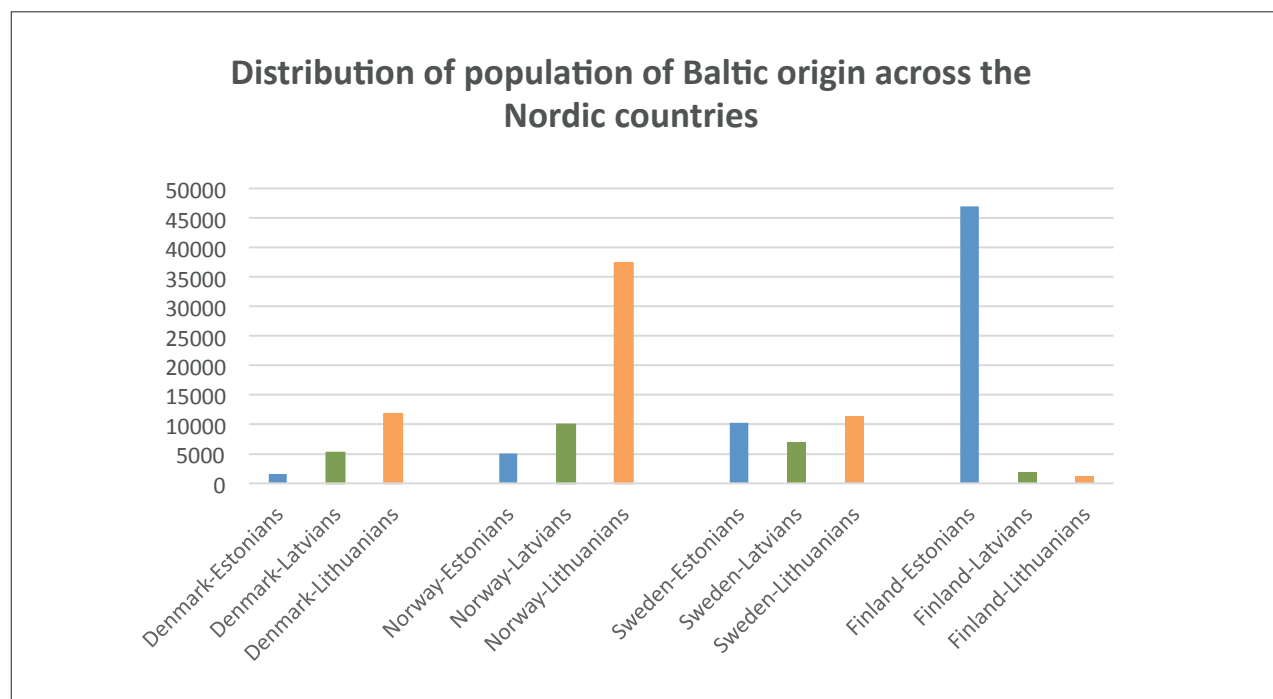


Figure 3: Residents of Baltic origin across the Nordic countries 2016 (*Sweden 2015 figures)



At the turn of the year 2015/2016, almost 150,000 Balts were residing in the Nordic countries—a figure that has more than doubled since 2010 when the Nordic countries had almost 69,000 residents of Baltic origin—and about three-quarters of these are in the active labour force age between 20-64 years old. Estonians comprised the biggest group, almost 64,000, of which the majority live in Finland (almost 75%, approx. 47,000), closely followed by 61,500 Lithuanians, and then 24,000 Latvians. Due to a recent sharp increase in Lithuanian men residing in Norway, slightly more than half of the 150,000 Balts are men (52%), while the gender balance among the residents of Baltic origin was the opposite in 2010.

However, there are noticeable differences between the Nordic countries. Finland has been the main receiving country for the Estonian migrants for a long time, including prior to the EU enlargement. The inflows of Estonian migrants have been steadily rising since the early 2000s which can be explained by close geographic proximity, good accessibility and not least, linguistic ties. Other Nordic countries have relatively small population of Estonian migrants, although there has been a steady increase since 2008, probably as a consequence of the financial crisis in Estonia.

Migration to the Nordic countries from Latvia was low until 2008. Since 2008, the share of Latvian mi-

grants in the Nordic countries has been on the rise, particularly in Norway, Sweden and Denmark.

Norway has attracted by far the largest fraction of migrants from Lithuania compared with other Nordic countries, rising from less than 3,000 people in 2006 to over 37,000 in 2016. Migration of Lithuanians to Sweden and Denmark has also been steadily increasing, although at a slower pace, reaching more than 11,000 in both countries in 2015/2016.

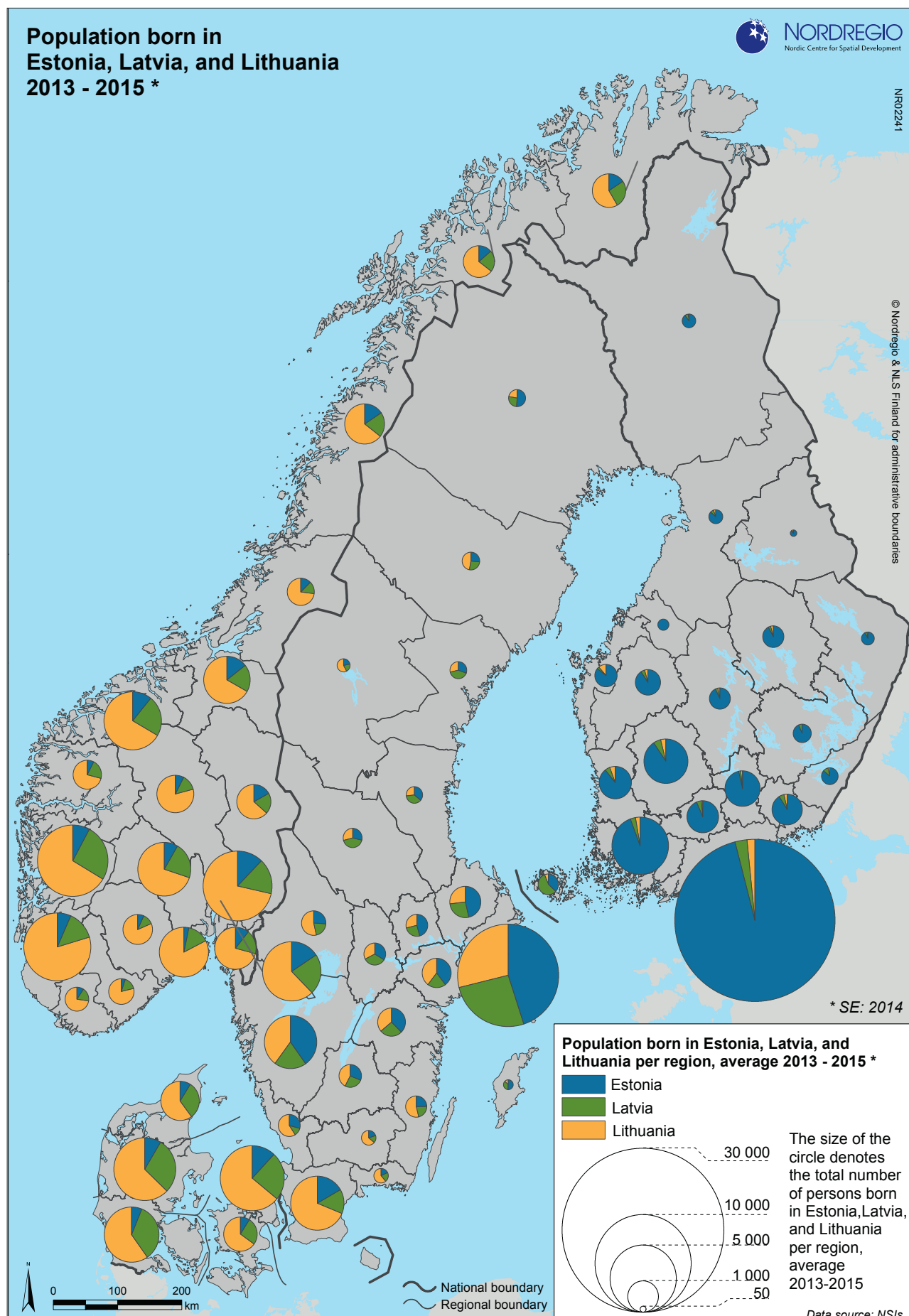
In contrast to the influx of Estonians, Finland has been the least popular destination country among the Nordic countries for the Latvian and Lithuanian migrants. Migrants from Latvia and Lithuania to Finland accounts for only a little more than 3,000 persons in 2016.

An overview of this quite varied distribution of the residents of Baltic origin across the Nordic countries can be illustrated by Figure 3, which depicts the figures for residents of Baltic origin in Denmark, Norway, Sweden and Finland.

The residents of Baltic origin are distributed throughout the Nordic regions (see Map 2). However, while they are rather evenly spread out in the Danish and Norwegian regions, the majority of the Balts in Sweden live in the Stockholm region. In an even more pronounced way, the Helsinki region in Finland is home to the vast majority of Estonians living in Finland.

PLEASE note that although we name the residents of Baltic origin “Latvians”, “Lithuanians” and “Estonians”, they may not be citizens of these countries. Due to the special circumstances regarding the status of non-citizens in Estonia and Latvia after the break-up of the Soviet Union, we have used the statistical category of “country of origin” rather than “citizenship”. By doing so, the figures could also include those who may have changed their citizenship since arrival in the Nordic countries.

Map 2: Second-generation persons with parents of Estonian, Latvian and Lithuanian origin



Gender of the Baltic migrants in the Nordic countries

One frequently cited explanation for migration is the initial labour migration of primarily Baltic males who are then later joined by their families. This explanation is further supported by the expectation that EU labour migrants are often found in the construction and agriculture sector. This may hold true for the short-term labour migrants, since employment in these sectors may often be of short-term duration (e.g. a specific construction project; during the harvest season, etc.). However, when taking into consideration those staying in the Nordic countries long enough to be included in the national data registers, a gender analysis of the Baltic residents in all countries shows that until rather recently, the highest number of residents of Baltic origin have been females. This trend has been in evidence since the very low numbers that were recorded around 2000. Only recently has the number of Lithuanian males exceeded that of females in Denmark and Sweden, while the number of Lithuanian males exceeded that of females in Norway as early as 2008.

In Norway, the numbers of Estonian and Latvian males have exceeded the corresponding totals of females; although with a less pronounced difference. In Finland, there has been little change to the gender balance, with females being in the slight majority for all three groups of Baltic migrants both in 2010 and 2015.

Considering the longevity of females in general, the larger number of females of Baltic origin in the Nordic countries could be attributed to this factor. However, when restricting the analysis to people in the active labour age range (here, 20-64 years old), the gender trend is the same (see Figure 5).

Due to a lack of data availability for age groups, a similar analysis of Balts residing in Norway has not been possible.

Because of the longer migration history of Estonians to Finland, there could have been differences in the population structure there. However, females have continuously outnumbered males, including in the active labour force age range (see Figure 6).

Age structure of the residents of Baltic origin in the Nordic countries

Although the majority of the Baltic population residing in the Nordic countries is in the active labour force age between 20 and 64 years old, some trends can also be seen when exploring the changes in the numbers of children of Baltic origin as well as the those of Baltic people reaching retirement age. As the above figures show, the group of residents of Baltic origin in the Nordic countries is growing rapidly, but this does not indicate how long the individual Baltic person settles in those countries. However, if the groups of Baltic children born in the Nordic countries as well as pensioners

Figure 4: Gendered division of the residents of Baltic origin in Denmark

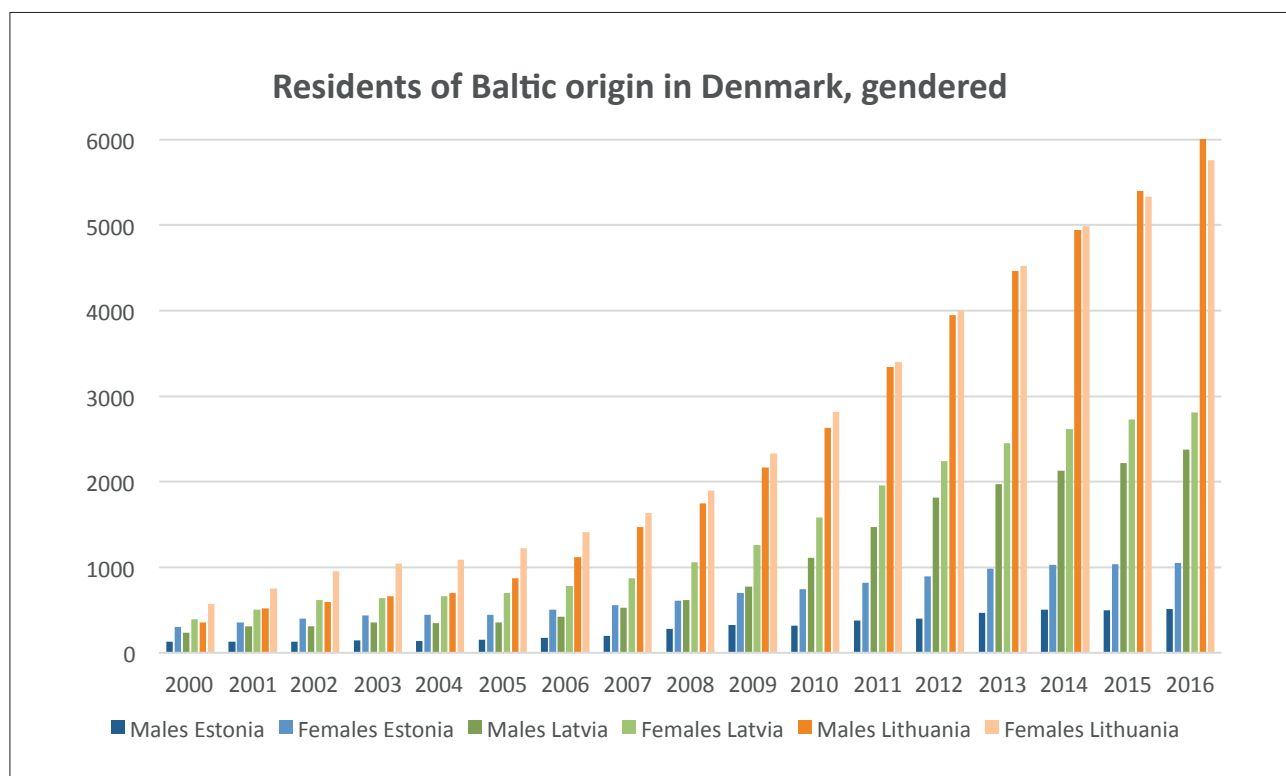


Figure 5: Baltic residents in the active labour age in Denmark

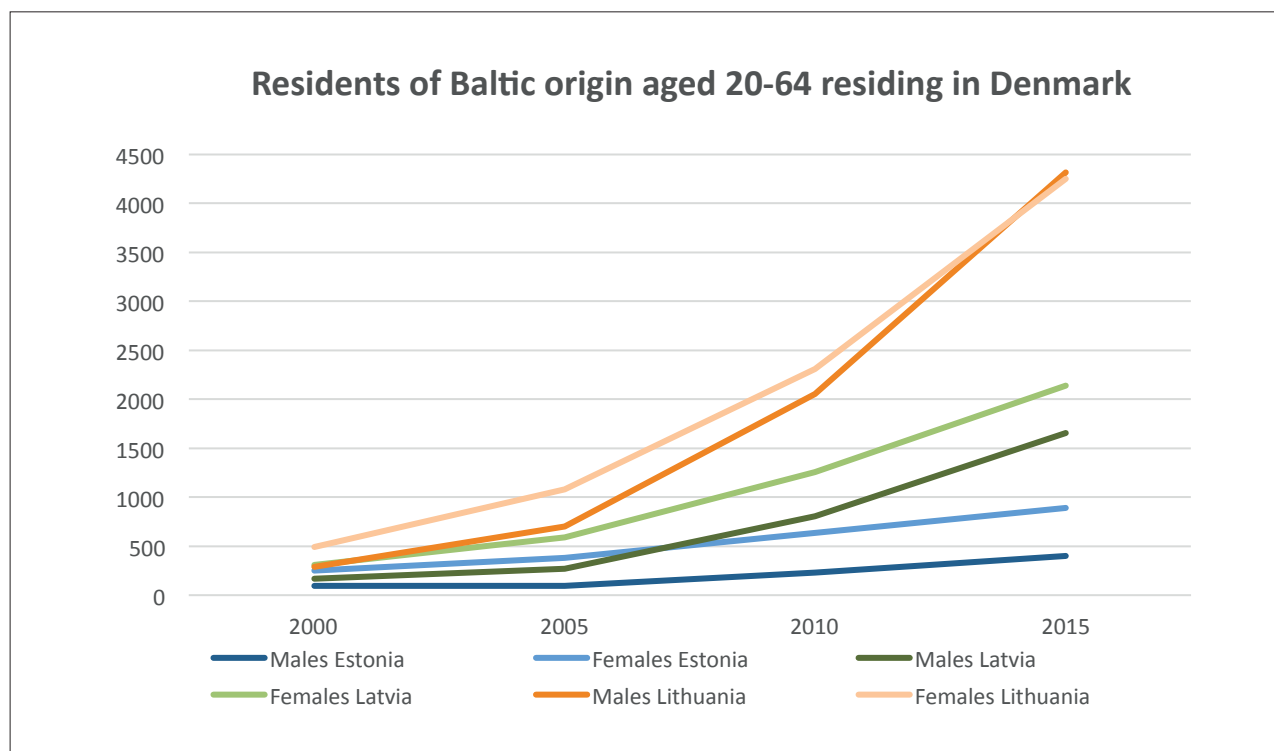


Figure 6: Residents of Baltic origin in Finland, gendered

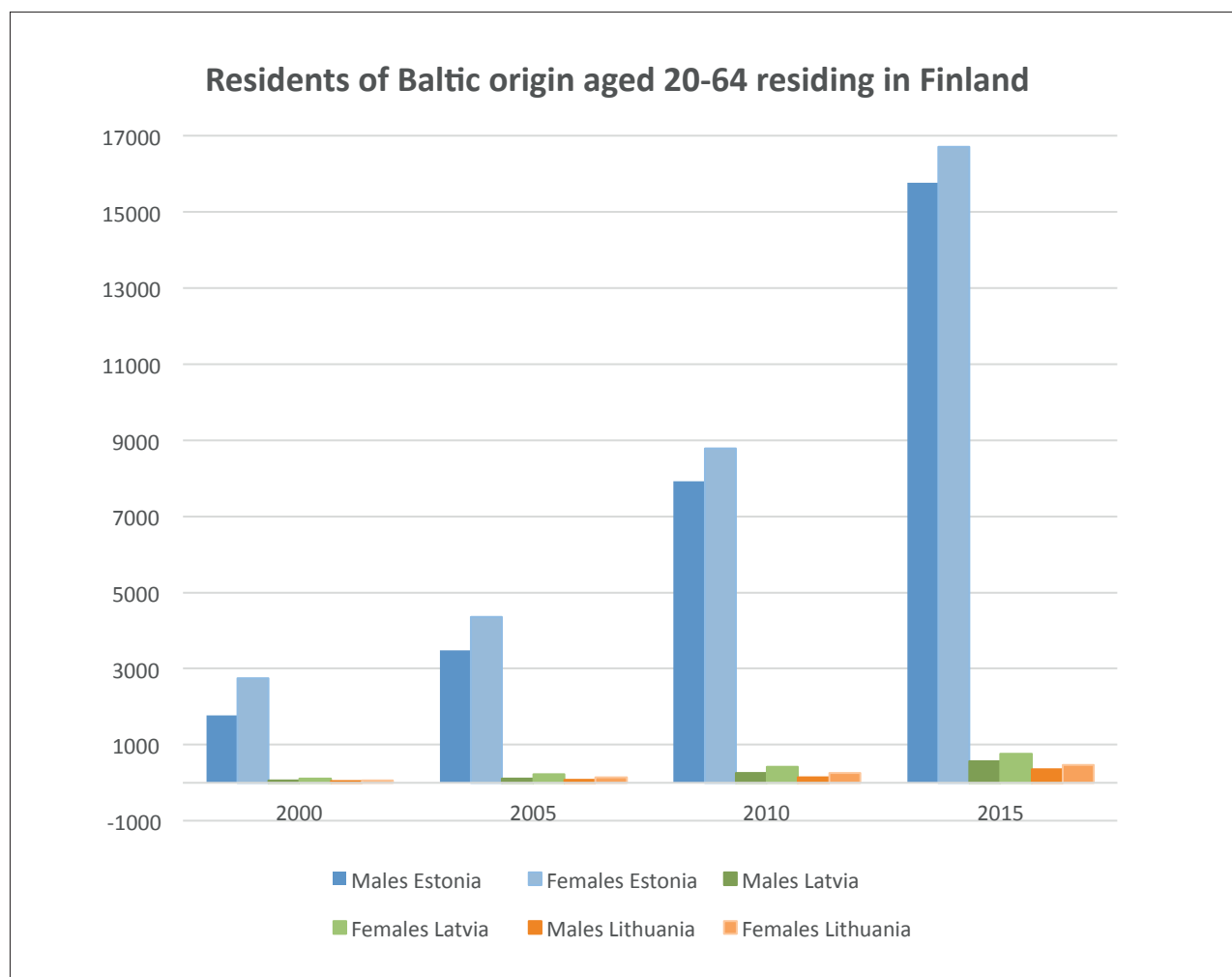
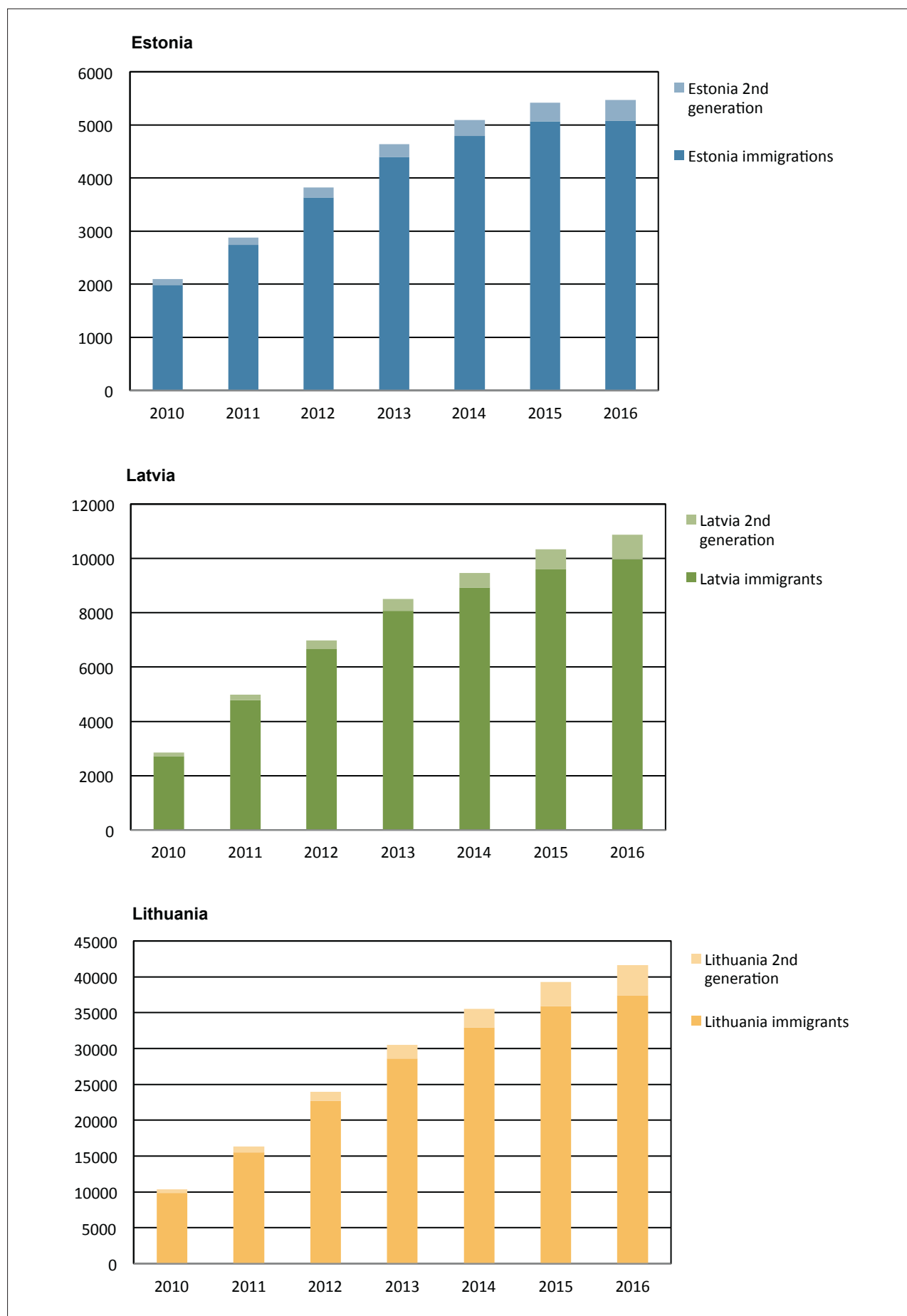
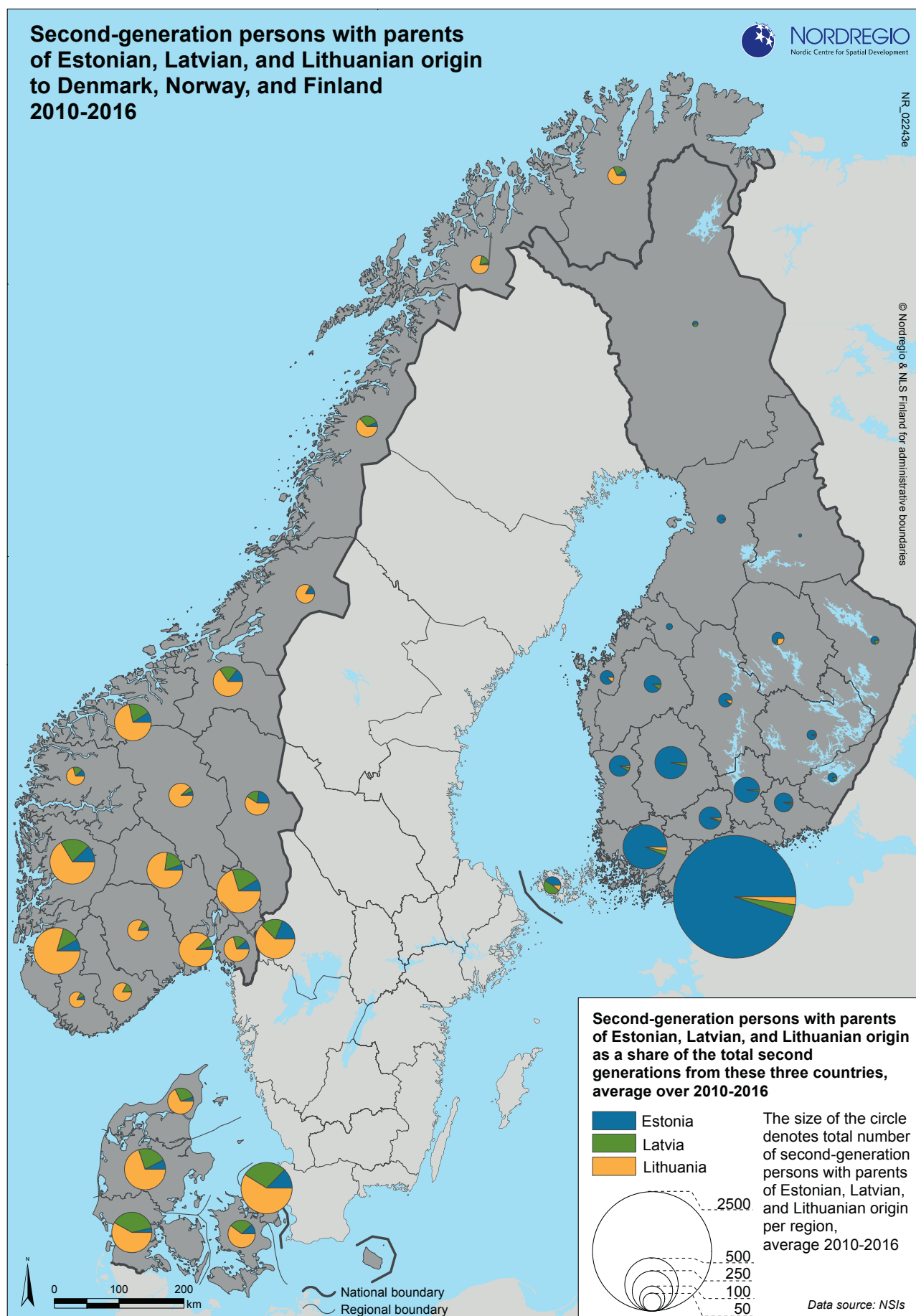


Figure 7: Increase in number of children of Baltic parents born in Norway (second generation) since 2010



Map 3: Second-generation persons with parents of Estonian, Latvian and Lithuanian origin as a share of the total second generation-persons from these countries, average 2010-2016



grow, this provides an indication of the proportion of Balts having settled in the Nordic countries for the long term.

The available data from the statistical offices in Finland and Denmark make it possible to differentiate between children of Baltic origin moving to the Nordic countries and those born in the Nordic countries to parents of Baltic origin (i.e. neither parent is born in a Nordic country), often termed the second generation. Norway only lists the second-generation figures, and not the ages of those migrating to Norway (and Sweden does not list second-generation figures). While the figures of the Baltic immigrants' ages can indicate how many children—and thereby families—are moving to the Nordic countries, the second-generation figures indicate that the Baltic parents have settled in the Nordic countries long enough to start/continue their families (see Figure 7).

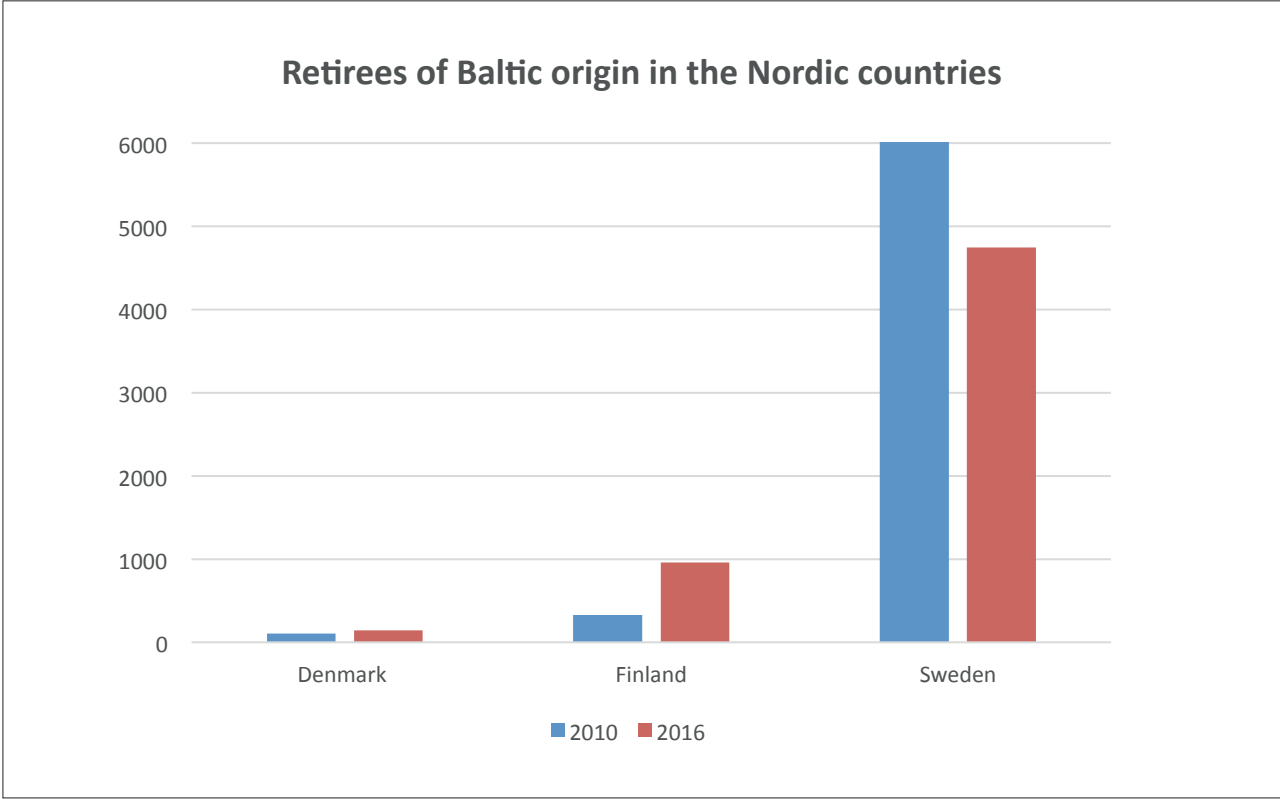
Considering the time that has elapsed since the 2004 EU expansion as well as the considerable increase in the number of residents of Baltic origin, it is hardly surprising that the proportion of the second generation of these residents is also increasing in the Nordic countries. However, in a future perspective, this further anchoring of the Baltic labour migrants in the Nordic countries through their children is worthy of

note because this aspect of Baltic children brought to, and born in, the Nordic countries plays into the inter-complexity of mobility between sending and receiving countries. Studies have shown (e.g. Mieriņa et al., 2015) that the time of their children reaching school age is often an incentive for families living abroad to reconsider the place where they settle, i.e. it may lead them to return to their country of origin. However, the opposite may also occur, in that once their child(ren) has/have started school, returning to their country of origin may be seen as harder.

Of the total number of children of Baltic parents (brought to as well as born in the Nordic countries), the number of Baltic children born in the Nordic countries account for an increasing share in Denmark (up from one-third to almost half), while the proportion is quite stable in Finland (app. 40%).

As can be seen from Map 3 below, the distribution of second- generations Balts follows the distribution of the Baltic nationals in general at the regional level. This supports the understanding that the Baltic immigrants are not only single individuals staying in the Nordic countries for a limited period of time, but are increasingly (part of) families that may also have decided on or even planned for more permanent moves.

Figure 8 : Residents of Baltic origin aged 65 years and above.



NB. Due to lack of data availability, Norwegian data is not included in this age-group analysis.

Rise of the number of pensioners in almost all Nordic countries

Furthermore, when considering the life cycle perspective, a number of the Nordic residents of Baltic origin are reaching retirement age. This new phase of an individual's life cycle makes it possible for the labour migrants to make new decisions regarding place of residence but again, the general trend is a rising number of Nordic residents, indicating that a growing number of Baltic retirees stay in their Nordic country of residence. Although the figures are rather small for Denmark, the number of retirees of Baltic origin is up almost 40%, while in Finland, the figure has tripled since 2010. Only in Sweden has the figure of retirees of Baltic origin dropped, a decrease of around 25%. However, this is testament to the fact that the relatively small population of Estonian origin in Sweden comprises a large group of Estonian Swedes who fled to Sweden during the Second World War; something that also accounts for the rather low share of Estonians of working age in Sweden (52%). This group of Estonian-born Swedes is now reaching the end of their lives; a trend that has continued since at least the turn of the millennium.

Summing up: somewhat varied profile of the Baltic group among the Nordic countries

While the Baltic residents in Finland consist primarily of Estonians, the pattern is similar to that of Norway, Denmark and Sweden in that the overall number of Balts has been growing, and drastically so, since around 2010. In Norway, the dominant country of origin is Lithuania and the proportion of males is increasing. The number of residents of Lithuanian origin is also growing in Denmark but at a much slower pace, just as that of Latvians is on the rise in both countries. Overall, the number of Balts in Sweden is also growing; however, detailed analysis shows that there is an overrepresentation of older residents of Baltic origin; primarily those from Estonia because of the large diaspora of Estonian Swedes who fled during the Second World War.

2.1 Drivers and impacts of labour mobility

Potentially better salary levels in the Nordic countries and the labour market situation are among the most important factors influencing mobility decisions. This applies to low-skilled jobs in particular, for which the wage differences in the Nordic countries are particularly favourable (Nordic Council of Ministers, 2008). At the same time, soft factors such as family ties, lifestyle and cultural factors also play an important role.

Also, an increased access to learning, information and migration networks have contributed to a more dynamic migratory process (Nordic Council of Ministers, 2008).

In the Baltic States policy context, cross-border mobility has been mainly viewed from the perspective of labour emigration. Out-migration, combined with other demographic challenges, represents a significant threat to the labour markets and can lead to "brain drain" and overall negative economic and social impacts (see Map 1 on net migration). The impacts of these challenges are particularly felt at the regional and local levels outside the capital areas. In the long term, shortages in the supply of labour and skills are viewed as obstacles to continued economic development and economic growth in the Baltic States (Nordic Council of Ministers, 2008).

The positive impacts for the sending countries could be in the form of contacts, networks and business activities that an emigrant may establish between the sending and receiving country. Labour migration may also decrease unemployment in the sending country and contribute to the development through remittances. Workers may also move back to the country of origin having gained new skills and competencies. Moreover, labour migration may have a positive contribution to knowledge transfer and the creation of business and trade networks (IOM, 2004; Kahila et al., 2013).

For the receiving countries, labour migration contributes to maintaining labour force growth and tackling demographic challenges by increasing the size of the country's working-age population. This contributes to lowering the dependency ratio and reducing pressure on public finances. Labour migration conveys other important economic benefits; for instance through increased output gains (GDP growth) (Ho & Shirono, 2015). At the regional level, labour mobility contributes to strengthening regional competitiveness and overcoming challenges related to domestic labour and competency shortages (Friberg & Eldring, 2013).

The advantages of the migrants from the Baltic countries are also related to their—on average—higher educational level and better professional skills than some other international migrants (Kahila et al., 2013).

In many cases, the labour migrants from the Baltic countries work on short-term contracts as temporary labour and are involved in cyclical migration. In the short term, this type of migration helps make labour supply in the host country more flexible (Ho & Shirono, 2015). In the long run, labour mobility may have a negative impact on the disadvantaged groups on the labour market of the receiving country, e.g. through the possibility of increased inequality, precarious working

conditions and labour standards as a result of segmentation, pressure on the housing market, social integration, etc. Also, there is a potential challenge related to a surplus supply of migrant workers with similar competencies to those of the domestic labour force.

At the individual level, the benefits of labour mobil-

ity include better employment possibilities, improved economic well-being and avoiding unemployment. The negative consequences of cross-border labour mobility can be associated with loss of social networks, family disruption, as well as “down-skilling”, i.e. accepting jobs below one’s qualifications level (Kahila et al., 2013).

3. European Union policies on labour mobility

The European Union policies are central in determining the framework for cross-border labour mobility in the Member States. The Europe 2020 Strategy calls for facilitating and promoting intra-EU labour mobility (European Commission, 2010). The EU encourages cross-border labour mobility through, among other things, removing legal obstacles, facilitating co-operation between public employment services and the recognition of professional qualifications. Promoting employment and supporting labour mobility are among the specific objectives of the European Social Fund measures, and to some extent fall within the scope of the European Regional Development Fund (European Commission, 2014).

Cross-border labour mobility within the EU is promoted in the context of the EURES (European Employment Service) network that facilitates the development of a more integrated European labour market.

With representations in each EU Member State, EURES implements the labour market policy goals of the EU by facilitating the removal of legal and practical obstacles to the free movement of workers and providing job-matching services for people with an interest in working abroad or entering a country's labour market (European Commission, 2014).

Among other examples of intra-EU co-operation on labour mobility is a Central Baltic Job Ferry project funded by the Central Baltic INTERREG IVA programme. Among the outcomes of the project was the development of a platform for labour mobility in the Central Baltic region (Estonia, Latvia, Finland and Sweden) in 2013, which includes information on job descriptions, contract regulations and requirements for foreigners, as well as links to information points and job databases (Central Baltic Programme, 2013).

4. National-level perspectives on labour mobility in the Baltic States

Migration has become an important topic in the Baltic States over the past decade. The Baltic States have developed policies and regulations addressing labour mobility by considering the challenges and interests of their respective countries. Several high-level conferences on migration issues have been held in the Baltic States since 2014, which also shows the importance of the topic on the political agenda.

Despite the similarities in challenges that the Baltic States are facing, the focus of migration policies is quite different among the three Baltic States. A more detailed overview of the current national policy perspectives is presented in this section.

The chapter is based on the input collected from the roundtable discussions with the national authorities and representatives from the associations of local and regional governments, researchers and experts working on migration issues in the Baltic States, which were held during spring and summer 2015. The interviews were supplemented by the desk-top review of the adopted national policies and strategies on the topic of migration in the Baltic States.

4.1 Estonia

In the field of labour mobility, the main political focus in Estonia has been on facilitating the arrival, temporary stay and settlement of a highly skilled labour force (both from EU and third-country nationals), branding of the country and fostering return migration.

Responsible authorities

Migration issues in Estonia fall under the responsibilities of several ministries and public departments. Among these are the Ministry of the Interior, the Ministry of Social Affairs and the Ministry of Foreign Affairs. The Ministry of the Interior has the primary responsibility for developing the migration and asylum policy in Estonia. The main responsibilities of the Ministry of Foreign Affairs are visa policies and relations with third countries, while the Ministry of Social Affairs works with the asylum policy (EMN, 2012). More

specific focus areas of the ministries in the field of migration are described below.

Attracting highly skilled labour and international students

Until recently, national policies and programmes such as “Increasing qualified labour offer 2007-2013”, have mainly focused on developing active labour market measures and on facilitating the involvement of the local labour force in work life, whereas attracting foreign labour is a rather new phenomenon. As a result of amendments in the Aliens Act in 2008 and 2013, it has become easier to recruit highly skilled foreign workers, and regulations regarding the arrival of international students have been simplified (EMN, 2010, 2013). In order to increase the competitiveness of Estonia’s economy in attracting a highly skilled labour force and international students, objectives are outlined in the Government Action Programme 2011-2015, in the competitiveness plan “Estonia 2020” and in the Entrepreneurship Growth Strategy 2014-2020. However, there is currently no comprehensive policy document which includes measures to attract highly qualified nationals (EMN, 2013). The immigration policies of Estonia, as well as in the other Baltic States, are in general opposed to the inflow of low-skilled foreign workers.

Regarding the participation of foreign students in the Estonian labour market, only a small proportion of them choose to study the professions that are in demand in Estonia. The majority study the subjects that are also popular among the local population and it therefore becomes more difficult for foreign students to find a job in Estonia.

Monitoring migration potential

The Employment Department at the Ministry of Social Affairs of Estonia is focusing on out-migration and on monitoring migration potential. Every third year, the ministry conducts a survey on Estonia’s working-age population migration potential. The latest survey, from 2013, showed that despite a significant number of people leaving Estonia to work in other EU Member States,

the positive effects of out-migration have also been felt since 2004 in the form of large remittance flows to Estonia. The survey also showed that there are more returning migrants among the ethnic Estonians, while non-Estonians are more likely to stay abroad for a longer period and are less likely to return.

Communication and branding

An important focus at the Ministry of the Interior of Estonia is on communication and the branding of Estonia as a place to work and study. The ministry is developing a welcoming and adaptation programme for both EU and non-EU immigrants who enter and settle in Estonia. It is also working on developing the profiles of migrants and on specific prognoses regarding the labour demand in Estonia. It has been emphasized at the roundtable in Estonia that there is a need for more research and analysis on the profile of migrants in future.

Several other initiatives have been introduced to promote work opportunities in Estonia. Enterprise Estonia is a state-owned institution for promoting and actively supporting business in Estonia and branding the country abroad. It runs a portal, www.workinestonia.com, which contains ongoing information about job offers for specialists who have a poor knowledge of Estonian. The portal is also directed at providing job-related information to foreign students. The European EURES job mediation office is also working on branding Estonia as a place to work (Ministry of Economic Affairs and Communications, 2014).

Attracting qualified returning migrants

When it comes to return migration, a large project was launched by the Estonian Chamber of Commerce and Industry from 2009 to 2012, “Bring Talents Back Home” financed by the European Social Fund. The purpose of the project was to attract qualified and skilled Estonians studying or working abroad to return home by fostering direct contact with Estonian companies. The project’s website was used as a job market tool and aimed at connecting Estonians abroad with possible employers in Estonia (OECD, 2012).

An increasing proportion of returning migrants has been observed in recent years in Estonia, which calls for introducing supportive integration measures. It has been brought up by the participants of the roundtable in Estonia that facilitating the integration of returning migrants is currently given significantly less attention than in neighbouring Latvia and Lithuania, and it is something that is necessary to look into in the nearest future.

Estonia has not yet been very successful in attracting and retaining highly skilled labour. Employment

on the basis of the EU blue card played a minor role in this. Since the implementation, about 40 blue cards were issued to foreign workers and to about 80 top specialists. The EU blue card is a residence permit for employment, which is granted to an alien for residence in an EU Member State and for employment in a position or job that requires high-level qualifications.

The roundtable participants also emphasized that although attracting foreign labour is high on the political agenda, companies in Estonia—98% of which are SMEs—do not show willingness and openness to hiring foreign labour due to practical challenges, such as writing contracts, changing the official working language, etc. Moreover, there is a lack of integration support programmes and readiness to deal with the integration of foreign workers and their families in Estonian society as a whole is low.

4.2 Latvia

In Latvia, emigration has primarily been seen as a loss of human capital, in the context of a rapidly-ageing society. Several policy documents have been developed, focusing on fostering return migration and helping the returning migrants to successfully integrate back into society, and on strengthening ties and developing cooperation with the diaspora (Mieriņa, 2015).

Responsible authorities

The key state administration institutions of Latvia that are responsible for a certain range of issues related to the area of migration are the Ministry of Interior, the Ministry of Foreign Affairs, the Ministry of Welfare, the Ministry of Economics and the Ministry of Finance. The Ministry of Interior of the Republic of Latvia is the lead institution in Latvia for migration and asylum. It runs the Office of Citizenship and Migration Affairs, which is responsible for the development and implementation of state migration policy. The Ministry of Foreign Affairs works with the external dimension of migration and asylum, such as relations with third countries (EMN, 2016). The migration issues related to economic migration lie within the responsibility of the Ministry of Welfare (EMN, 2011).

Reducing emigration and attracting returning migrants

In the National Development Plan of Latvia (NAP) 2014-2020, one of the mid-term goals is “to reduce emigration and foster return migration of Latvian nationals abroad.” Preserving the national identity of Latvian diaspora members is outlined among the tasks in the plan.

Contact with and support to diaspora

Several ministries in Latvia are dealing with diaspora issues. The Ministry of Economics of the Republic of Latvia has developed a Plan of remigration support activities for 2013-2016, which aims at encouraging Latvian nationals residing abroad to come back. The support activities are designed to provide support to Latvian nationals and their families to reintegrate into society after a long absence and to strengthen their bonds with Latvia. The activities envisage support for the Latvian diaspora in learning the Latvian language and the country's cultural traditions, support for entrepreneurs, etc. About EUR 3.4 million has been allocated for the implementation of the plan. The plan primarily targets highly qualified migrants and the younger population.

Support to the Latvian diaspora has been high on the agenda of several ministries in recent years. A diaspora working group was established in 2013 under the auspices of the Ministry of Foreign Affairs. An Action plan for co-operation with the Latvian diaspora in 2015-2017 was developed, which includes more than 50 different activities aiming at strengthening Latvian identity and maintaining links with Latvia, spreading the Latvian language and culture in the world, promoting civic and political involvement of the diaspora members, as well as providing support for those who wish to return. The Ministry of Culture, the Ministry of Education and Science and the Latvian Language Agency support the language schools abroad with material in Latvian. Society Integration Foundation is a public agency which financially supports and promotes integration into society. It finances, for instance, summer camps for diaspora children and provides support to diaspora organizations (SIF, 2015).

The Ministry of Foreign Affairs also supports the Latvian diaspora by providing financial assistance to the diaspora media, summer camps and language schools, including distance-learning language programmes, as well as financing different projects in co-operation with the embassies abroad in the field of sports and culture. The Ministry of Foreign Affairs has also supported the economic and innovation forum, which targeted Latvian entrepreneurs abroad and aimed at bringing back their know-how and capital to Latvia.

In the 2013, the amendments to the Latvian Citizenship Act regarding dual citizenship entered into force; they are, intended to keep and extend ties between the Latvian State and its citizens around the globe. These amendments allow those Latvian nationals who live abroad and who have acquired the citizenship of another country to keep both citizenships (Roudik, 2013).

Encouraging domestic migration to demographically vulnerable regions

Among other measures in place in the field of labour migration in Latvia is a regional migration programme which was introduced by the Public Employment Service. The programme aims at encouraging internal migration to demographically vulnerable regions in Latvia by offering financial assistance (e.g. by paying for transport and the rent for accommodation during the first months after starting the new job).

A large-scale survey on migration

A large-scale survey "The Emigrant Communities of Latvia: National Identity, Transnational Relations and Diaspora Policies" was carried out in Latvia in 2014 within the ESF-funded project "The emigrant communities of Latvia" (www.migracija.lv). The main purpose of the survey was to obtain comprehensive information on emigrants' profiles and identify the main intentions for return migration to Latvia (Hazans, 2015). The survey covered more than 14,000 ethnic Latvians and Latvian nationals from 118 countries.

The survey results showed that the character of migration is changing. While in 2006, many migrants were considering coming back to Latvia after one or several years of working abroad, the data from recent years show that an increasing number of people emigrate with the whole family and only about 20% of emigrants are considering coming back to Latvia in the coming years. Moreover, despite an increase in return migration, emigration rates are still higher than before the crisis. A new tendency that can be observed today is an increased return of Latvian nationals after reaching retirement age and those receiving a foreign pension.

After completing the large-scale survey, knowledge and data on the situation of returning migrants are still missing. The survey showed that about 40% of returning migrants re-emigrate from Latvia again. An additional survey targeting the returning migrants is planned in future to overcome the knowledge gap.

4.3 Lithuania

There is an ongoing public discussion on the migration policy priorities in Lithuania. According to the roundtable participants, there are three different views on the migration policy in Lithuania today. According to the first opinion, the government should have a proactive approach and focus on fostering the return migration of Lithuanian nationals. Another opinion is that Lithuania should primarily focus on economic development, which will eventually stimulate the return migration. According to the third trend, the emphasis should be on

encouraging better connectedness among Lithuanians abroad, so that they become self-sustaining communities and would become patrons of business development for Lithuanians living in Lithuania by sharing knowledge and competencies.

Responsible authorities

The responsibilities for working on migration issues in Lithuania are divided between several ministries. The Ministry of Interior is responsible for establishing migration policy and the Ministry of Social Security and Labour deals with immigration to Lithuania and the labour policy. The Ministry of Foreign Affairs focuses on maintaining contact with emigrant Lithuanians and how to bring them back. The Ministry of Education and Science is responsible for the education of foreigners of Lithuanian origin and emigrants in the Lithuanian language, and the Ministry of Economy is responsible for the analysis of labour market demand and the establishment of economic policy.

Maintaining contact with the diaspora

Return migration was more actively promoted before the financial crisis. Some active measures and programmes were introduced in 2007-2008, which were highly costly but relatively inefficient. Since the crisis, the government has been putting more efforts into maintaining social, cultural and economic links with Lithuanian emigrants, including the second-generation migrants.

Maintaining the network and strengthening contact with the diaspora is high on the agenda of the Lithuanian migration policy. The Global Lithuanian Leaders platform was established to foster ties with Lithuanians abroad. The platform connects international elite professionals (not only Lithuanians) who strengthen the Lithuanian economy through international trade, investments or other global ventures (<http://www.lithuanianleaders.org>). According to the stakeholders at the roundtable meeting, the Global Lithuanian Leaders platform only targets about 5-10% of the diaspora, since the largest share of Lithuanians abroad are blue collar workers (working-class persons).

Improving the socio-economic situation

In 2014, the Lithuanian migration policy guidelines were approved, whose primary objectives are reducing the extent of emigration by improving the overall socio-economic situation in Lithuania and increasing circular migration by maintaining contact with the diaspora. It is stated in the guidelines that the objective is to strive for migration processes to become circular, with the emigrants using the benefits obtained in the countries of

destination (e.g. education) further, for the benefit of the country of origin.

When it comes to the profile of immigrants to Lithuania, the guidelines prioritize immigrants of Lithuanian origin, EU citizens and highly qualified foreigners. It is stated that the workforce in specific categories that are lacking in Lithuania can be attracted from the third countries.

The International Organization for Migration Mission in Lithuania, in co-operation with the Ministry of the Interior, established a Migration Information Centre (<http://renkuosilietuva.lt/>) targeting returning Lithuanian nationals. The centre provides informational assistance to persons who have returned or are considering returning. Information and other services to third-country nationals are provided by other migrants' centres in Lithuania which are EU funded.

Low inflow of foreign labour today

To date, foreign labour migration to Lithuania has been fairly low, which can be partly attributed to unfavourable hiring terms for Lithuanian employers regarding recruitment from third countries, and complicated and time-consuming procedures associated with the issuing of work permits and temporary residence. Also, no advantageous conditions have been applied to the immigration of foreign employees with professions that are lacking in the Lithuanian labour market. Recently, employment policy has become more liberal and it has become easier to obtain and extend a work permit. In 2014, work permits on a temporary basis (for 1-2 years) for third-country nationals were issued specifically in sectors of national interest (e.g. long-distance drivers, ship-builders). About half of the work permits were issued to Ukrainian nationals. Due to labour market needs, the majority of migrant workers in Lithuania are male.

Family reunification and labour migration are two main channels of migration to Lithuania. Student migration is currently minor in Lithuania but is increasing, especially from EU countries. There were about 5,000 foreign students in Lithuania in 2013-2015, of which 1,700 came from non-EU countries.

Integration of third-country nationals

Lithuania has been working on integration issues since 2014. Following the adoption of the Lithuanian migration policy guidelines, the Social Security and Labour Ministry created a multi-stakeholder working group and an Action Plan on the Integration of Foreigners. Before that, there have been several single projects on integration of foreigners. Today, Lithuania has a plan for integration, and a strategy for integration focusing on third-country nationals (mainly from Russia, Ukraine, Belarus and Moldova) is under development.

5. Local-level perspectives on labour mobility

This chapter investigates how labour mobility and migration are dealt with at the local level in the Nordic-Baltic region. It considers whether and how local authorities work on labour migration issues in the Baltic and Nordic countries. What are the specific themes and key issues that municipalities considered important in addressing labour migration issues, and what are their major concerns related to both out-migration and labour immigration?

The chapter is based on the survey results conducted among the municipalities in the Baltic States. The survey was distributed with help from the Association of Estonian Cities, the Latvian Association of Local and Regional Governments, the Nordic Council of Ministers' Office in Latvia and the Association of Local Authorities in Lithuania. The analysis is based on 12 answers received from the municipalities in Estonia, 28 from Latvia and 20 from Lithuania. Due to a low response rate, the findings can be viewed as observations or simply lessons learned.

When it comes to the Nordic countries, the overview of labour mobility work and overall priorities in the Nordic municipalities is based on previous research and several phone interviews with experts working on migration issues. The findings as such are not representative of all possible approaches in Nordic countries, but they provide examples of various ways of working on labour mobility issues at the local level.

5.1 Estonia

Six out of 12 responding municipalities answered that labour migration was an important issue in their municipality, most of them located in central-northern and southern Estonia.

The lack of skilled labour was the major concern identified by the respondents related to out-migration of the labour force from the municipality, followed by decreasing tax revenues, overall labour shortages and children left behind. The municipal authorities also indicated that there is a shortage of workers who could fill local government job vacancies in the region, as well

as an overall shortage of entrepreneurs and enterprises.

When it came to workers immigrating to the municipality, most responding municipalities were concerned about the integration of EU and international labour migrants in Estonian society and by challenges related to the provision of municipal social services.

It was mentioned that a major challenge for the regions outside the capital area at present was related to the limited opportunities for attracting people and entrepreneurs. The municipalities cannot offer any specific bonuses and rewards to individuals, such as municipal housing. There is no municipal housing in Estonia and about 95% of residential housing is privately owned.

The municipalities do not have any particular benefits to offer the entrepreneurs either. Among the limiting factors is the current tax system in Estonia, which includes the fact that there is no traditional corporate income tax, no real estate tax, and land tax is the same across the whole country. There are thus no tangible incentives for the enterprises to be established elsewhere than the capital region. Tax exemptions imposed by the local governments could be a way to facilitate and promote moving to another county and to support business development in other regions.

Box 1.

Maale Elama is a countrywide initiative aiming to attract people to work and settle in the rural areas, and has been introduced by the local authorities across the whole country. The project idea was inspired by a Finnish example. The project aims at increasing awareness and branding life in the rural areas and making it easier for people and businesses to move to the rural areas.

The sceptical attitude of the local population towards foreigners in general was also an important concern, primarily related to memories of the Soviet past. It was mentioned that there was no willingness and readiness in society to attract and integrate new immigrant populations, regardless of their country of origin.

None of the responding municipalities work on

migration issues directly at present, but half of them would be interested in starting to work on these issues. Although the municipalities are directly affected by the consequences of out-migration, migration issues are not a municipal responsibility in Estonia. Moreover, there is no clear mandate from the state and a lack of strategy at the national level. Among other barriers to working on migration issues today is a lack of financing, as well as knowledge and competencies. It has also been mentioned that in the absence of legal and economic opportunities, it is pointless to in work on labour migration issues. There is an ongoing campaign in Estonia encouraging people to move to and to work in the rural areas (see Box 1).

Regarding the profile of labour migrants, the municipalities would be more interested in attracting workers for long-term employment rather than temporary work. They are primarily interested in attracting local labour coming from other regions in Estonia, followed by Estonian nationals living abroad. Attracting labour from third countries is of no interest among the responding municipalities at the moment.

Improving the supply of public services to attract inhabitants and encouraging the participation of the elderly in the labour market were identified as the most interesting topics for the municipalities to work on in future. The municipalities would also be fairly interested in improving the housing supply in order to retain and attract inhabitants and in working on assessments and prognoses of labour market needs. Moreover, the reasoning behind why labour migration issues should be addressed at the local level was something that one of the municipalities would like to learn about. Working with diaspora organizations and the integration of labour migrants are currently aspects that are considered of very low importance among Estonian municipalities.

5.2 Latvia

Seventy-five percent of the responding municipalities in Latvia considered labour migration to be an important issue in their municipality. Decreasing tax revenues was by far the largest concern related to out-migration of the labour force from the municipality. Like the Estonian municipalities, more than half of the respondents also identified a lack of highly skilled workers as the major concern. Other important topics were children left behind, as well as an increase in the low-income population, “ageing” of the companies and a lack of new entrepreneurial activity.

When it came to immigration of workers to the municipality, the concerns of the Latvian municipali-

Box 2.

Daugavpils municipality, in partnership with the association “Daugavpils businesswomen’s club OLIVIA” has been involved in several projects targeting potential returning migrants over the past five years. The initiatives included joint summer camps for Latvian migrants and Latvian migrant children, as well as other initiatives aiming to facilitate return migration. The “Extra-curricular activities programme: summer camps for Latvian diaspora and their kids” was among the most successful initiatives, which was financed by the Society Integration Foundation in Latvia and the state budget programmes 2002-2014. During 2012-2015, the municipality participated in four projects in the framework of this programme.

Valka municipality. Despite its small size, Valga-Valka town is split in half. The northern side, “Valga”, belongs to Estonia and “Valka”, on the southern side, belongs to Latvia. Valga-Valka has been involved in several cross-border co-operation projects in different fields, including employment and labour migration. In 2014 a “Livonian labour market Valga-Valka” was organized in Valga and in 2015 in Valka. The event was funded by the Estonian and Latvian Employment Agencies. In 2015, the event attracted approximately 400 participants and 28 employers were presented. Valka District Council, in collaboration with the Valga Town Council, organizes a Valga-Valka sports day for entrepreneurs. Besides sports, the participants become acquainted with entrepreneurs from the neighbouring town and have an opportunity to establish contacts and co-operation.

ties were similar to those in Estonia. Latvian municipalities identified challenges related to the provision of municipal social services and the integration of labour migrants in Latvian society as the most important concerns. Other respondents brought up the lack of a housing fund and a lack of labour in the field of construction and health care.

Two municipalities responded that they had been working on migration issues and that the projects had been successful (see Box 2). About half of the respondents would be interested in starting to work on labour migration issues. However, a lack of a clear strategy at the national level, followed by a lack of staff capacity and of financing were among the main drawbacks. A lack of interest was mentioned by only two municipalities.

Regarding the profile of labour migrants, the municipalities would be primarily interested in attracting Latvians living abroad and the local population from other regions in Latvia. There is an interest in attracting highly skilled employees for long-term employment. Similar to Estonia, attracting a labour force from third countries was of no interest among the responding municipalities at the moment.

The majority of respondents (85%) were interested in sharing knowledge and learning from the experiences of other Baltic and Nordic municipalities on how they work on these issues. Talent retention in the municipality, improving the housing supply and the supply of other public services to attract inhabitants were identified as the most interesting topics for the municipalities to work on and learn more about. Working with diaspora organizations abroad and providing knowledge and practical help to labour migrants were also selected by some of the respondents. The local authorities indicated a need and interest in assessment and prognoses of labour market needs in Latvia.

5.3 Lithuania

Seventy-five percent of the responding municipalities in Lithuania considered labour migration to be an important issue in their municipality. As in the case of Estonia and Latvia, the lack of a skilled labour force was currently a major challenge. The issue of children left behind was also seen as a serious problem related to emigration from Lithuania: more than in the case of Estonian and Latvian municipalities. The municipalities were also concerned about decreasing tax revenues, and the negative influence on the business sector due to a lack of labour force and of work places.

When it came to immigration of labour, the sceptical attitude of the local population towards foreign employees was seen as a major challenge. Among the main reasons why the municipalities were not working on these issues at present was the lack of a clear strategy at the national level, followed by a lack of financing.

Regarding the profile of labour migrants, the municipalities are interested in attracting highly skilled migrants; preferably Lithuanians living abroad. Attracting labour from EU countries or third countries was of no interest among the responding municipalities for the time being.

The majority of respondents (90%) were interested in sharing knowledge and learning from the experiences of other Baltic and Nordic municipalities on how they work on these issues. Talent retention in the municipality, encouraging the participation of the elderly in the labour market and assessment and prognoses of labour market needs were identified as the most interesting topics for the municipalities to work on and learn more about.

5.4 Nordic countries

Labour migration to the Nordic countries from the EU grew in light of the eastward enlargement of the EU in

2004, particularly from Poland and the Baltic States.

Labour mobility across the borders is a precondition for economic growth in the Nordic countries. Besides economic growth, labour from Poland and the Baltic States has contributed to slower increases in prices, costs and interest rates than what otherwise would have been expected during times of economic growth and scarcity of labour in the Nordic countries (Nordic Council of Ministers, 2008). The Baltic labour migrants take jobs predominantly in occupations with a high demand for labour, e.g. construction, service sectors and the health-care sector.

Migration and integration issues are handled by local government in the Nordic countries. The local and regional levels are responsible for formulating policies and carrying out practical work on labour migration issues that are relevant to the local context. The municipalities in the Nordic countries work extensively and systematically on labour mobility issues, either as short-term projects or long-term initiatives. The main or secondary objectives are to increase the influx of labour migrants and recruit new residents, both domestic and international. A labour force from within the EU has not been addressed as a specific target group of the activities so far. The focus of the initiatives and the extent of the activities differ across the regions and municipalities, predominantly influenced by the urgency of the demographic challenges and needs for labour in the area.

The initiatives are often run by municipal employees as part of their regular jobs and are mainly financed through municipal budgets under the European Structural and Investment Funds, in close co-operation with the Public Employment Service and other public-sector actors. Co-operation with other local and regional actors, including businesses, civil society organizations and educational institutions has been central.

Labour mobility has also been increasingly discussed in connection with the demographic challenges, and the labour shortage in several occupations and sectors. In Sweden, the regional authorities were commissioned to develop regional competency platforms by the government in 2010 in order to address these challenges. The regions are responsible for developing strategies on how to replace the expertise and competencies that are about to disappear from the labour market due to retirement and demographic change, by adapting the education to work-life demands, for instance. The practical implementation of the strategies is carried out in co-operation with the regional and local development actors, educational institutions, unions and businesses

Types of activities implemented

As noted above, there is a broad spectrum of measures implemented by the Nordic municipalities with an objective to attract and retain the labour force. The majority of the initiatives can be classified according to four different themes and objectives:

- outreach measures and promotional campaigns aiming to “recruit” new residents;
- integration of newly-arrived immigrants in the labour market and in society;
- cross-cutting measures aiming to increase the attractiveness of the municipalities;
- measures to reduce out-migration: e.g. providing incentives for young people to stay.

When it comes to the first theme, place-promotion campaigns creating a positive image of the area are among the most popular measures used, particularly by the rural and demographically vulnerable municipalities, to attract new residents. The study “Immigration at any cost?” showed that the main “selling points” used by the Norwegian municipalities for promoting themselves are related to a good environment for bringing up children, good quality of life (tranquillity and peace) and pristine nature (Grimsrud & Aure, 2012). This is also true for place-promotion campaigns in the majority of municipalities in other Nordic countries.

Other informational measures supporting decision-making for newcomers, such as websites, brochures and databases containing information about job opportunities, education, housing and leisure activities, as well as appointing professional municipal hosts or ambassadors are quite widespread in the Nordic context. In Sweden, it is common for the municipalities to host online portals, so called “relocation services” that provide this type of information.

Providing incentives for young people to stay has not been a common objective of the activities as such, but has rather been indirectly addressed as part of the initiatives. It has been facilitated through several projects aiming at exchange of experience between senior workers from the public administration and more junior employees, developing competencies that match

strategies in co-operation with the private sector, and trainee programmes offered to young people tailored to the companies’ needs in the region. The measures also include creating the possibilities for distance work, entrepreneurship and studying in order to decrease out-migration of the working-age population (Hörnström et al., 2012).

Measures aiming to facilitate the integration of immigrants in the society and to speed up their access to the labour market are a high priority among the Nordic municipalities. The most common measures are language courses combined with practical vocational education, and target both EU and international migrants. In some cases, the activities target migrants with specific ethnic background. Frøya municipality in coastal Norway, for instance, has been carrying out integration projects specifically targeting Baltic migrants who represent a large share of newcomers.

Other types of initiatives are tied to increasing the attractiveness of the municipalities as places to live and work, and improving the basic prerequisites for living, including housing and child care. These include more holistic and overarching measures and policies such as creating new workplaces and job opportunities, and thus providing the prerequisites for external investments in the region through raising the market’s awareness of the county’s advantages and opportunities (Hörnström et al., 2012).

Lessons learned from Nordic municipalities

Some lessons can be drawn from the extensive experience of Nordic municipalities and regions as a result of their work on labour mobility issues.

Among the lessons learned in the Nordic countries is the fact that work on migration issues alone does not bring tangible results, and should be driven together with other community development initiatives in the field of housing supply, labour market development and business development, etc. The initiatives that are built on co-operation between the public-sector actors (municipal and regional authorities, the Migration Board, the Public Employment Service), private sector actors, educational institutions and civil society are more likely to be successful. By working together, the actors have better opportunities to act in the market, to influence different stakeholders, to improve efficiency and to reduce costs. Among the most successful measures are those that are initiated by the business sector or implemented in co-operation with the business sector, rather than those driven by the public sector alone (e.g. Samarkand2015, JobbMatchen, JobbGPS).

The study “Immigration at any cost?” showed that local connections and job opportunities are the main

Box 3.

JobbGPS brings together companies, regional actors, educational institutions and job seekers in Gnosjö Region, Southern Sweden, and thereby facilitates the recruitment of both domestic and international labour. JobbGPS organizes annual job fairs and matchmaking events for international students and employers in the Gnosjö Region. Read more at: <http://www.jobbgps.se>

reasons for migration to rural areas, and not the idyllic rural lifestyle which has been the main selling point of the place-promotion campaigns in many municipalities. Place-promotion campaigns proved to be rather inefficient schemes to attract both domestic and international labour migrants. It has been pointed out that the municipalities should try to identify other important qualities they have to offer besides pristine nature, and they should focus on a specific target group (Grimsrud & Aure, 2013).

Based on the analysis of successful and less successful measures introduced by the Norwegian municipalities over the years, the following recommendations for local efforts aiming to attract labour migrants were derived (Distriktssenteret, 2013; Grimsrud & Aure, 2013):

- Perform demand analysis: what skills and competencies does the municipality need today and in future? Clarify the challenges and select specific target group;
- Focus on newcomers rather than returning migrants;
- Create meeting places. These measures may involve arranging or attending career fairs, events or seminars in order to have a direct, face-to-face contact with the target audience;
- Appoint local ambassadors /municipal hosts to provide customized information, advice and help to the newcomers.

Box 4.

Samarkand2015 is a regional development company founded in 2002 in the Ludvika and Smedjebacken municipalities in the Dalarna region of Sweden. Its mission is to find, attract and retain skilled workers, as well as to develop the competencies needed in the region. Other important goals besides creating an attractive labour market are to develop educational opportunities, public services and a good living environment.

Samarkand2015 brings together about 20 member companies from the private, public and educational sectors, and is owned by the municipalities, Landstinget Dalarna and ABB in Ludvika and Ovako in Smedjebacken.

Samarkand2015 offers help to companies in the region in recruiting people with special competencies or other key personnel. The service is especially tailored to international recruitments. Samarkand2015 also runs a social network, Hej! Ludvika & Smedjebacken, for newcomers.

Among concrete examples of their work is the "relocation service", which aims to provide practical assistance to family members of the employee when it comes to moving to a new place, including assistance in finding employment for them.

6. Concluding remarks

Differences in national level perspectives on labour mobility among the Baltic States

There are significant differences in the political focus among the Baltic States in the field of migration. The focus in Estonia has been on attracting a highly skilled labour force (both from the EU and third-country nationals) and international students, communication measures and branding of Estonia internationally as a place to work and study, and to some extent on fostering return migration of highly skilled migrants. Another focus area is the monitoring of migration potential.

The main focus in Latvia has been on fostering return migration and helping the returning migrants to successfully reintegrate into society, as well as strengthening ties and developing social and economic co-operation with the diaspora. Outreach to the diaspora has been high on the agenda in recent years.

Like Latvia, Lithuania has been putting efforts into maintaining social, cultural and economic links with the diaspora members. Direct measures to encourage return migration have also been promoted, but to a lesser extent after the financial crisis because the process is costly and relatively inefficient. The focus today is on overarching and long-term measures related to improving the overall socio-economic situation in the country, which in turn might attract returning migrants and reduce out-migration. Maintaining contact with the diaspora is seen as a way to increase circular migration. Children left behind is a factor that is seen as a serious problem related to emigration from Lithuania and is high on the political agenda.

Centralized versus decentralized approach to labour mobility

Baltic and Nordic municipalities share similar challenges when it comes to demographic changes, such as a declining working-age population and ageing, and a shortage of labour and competencies. The approaches to work on labour mobility are different, however. While in the Nordic countries migration issues are a municipal task, migration policy in the Baltic States is formulated by the central governments, with a limited involvement of the local governments in the process.

Consequently, the Baltic States have so far mainly introduced countrywide initiatives, mainly initiated by the ministries, such as country branding as a place to work and study (e.g. Estonia), developing profiles of migrants and specific prognoses regarding labour demand at the national level, and outreach measures targeting the diaspora, etc. At the local level in the Baltic States, several projects have been driven by the NGOs, such as the “Live in the rural areas” (Maale Elama) campaign in Estonia (see Box 1), or as co-operation between the municipal authorities and the associations (see Box 2). However, these initiatives are individual or local projects and not widespread yet, which is clearly related to the lack of mandate and capacity at the local level in the Baltic States to work on these issues. The lack of a clear strategy at the national level has been identified in the survey as an additional key barrier for working on migration issues at the local level in the Baltic States.

The impacts of the demographic change and the shrinking of the working-age population are felt the most at the local level in the Nordic-Baltic region, particularly in the remote and rural areas. At the same time, not all municipalities are affected equally, and their challenges and opportunities may differ depending on specific place-based characteristics, such as dominance of a single industry, closeness to the border, available financial and human resources, etc. The responses to cope with the demographic and labour-related challenges may therefore vary across the municipalities. Thus, it might be beneficial to increase the involvement of the local and regional actors in the migration policy in the Baltic States and encourage the local level to develop their own agendas.

What kind of labour migrants would the municipalities like to attract?

The lack of skilled labour and overall labour shortages were highlighted among the main challenges by the majority of municipalities in the Baltic States participating in the survey. The Lithuanian respondents also specified children left behind as a key concern. The Baltic municipalities are therefore primarily interested in attracting highly skilled workers for long-term work

and residence, whereas less skilled workers for temporary work are of the least interest. When it comes to the country of origin of labour migrants, the survey showed that the vast majority of the Baltic municipalities are interested in attracting domestic labour migrants and returning migrants. There is a lack of interest among the Baltic municipalities in attracting third-country migrants at the moment.

The study by Distriktssenteret (2013) looked at place-promotion campaigns developed by the Norwegian municipalities. It showed that in most cases, the main target groups of these measures are domestic migrants, particularly families with children, followed by Nordic and European lifestyle migrants. Those over 45, single and labour immigrants are less interesting, which shows that there is a clear hierarchy of migrants (Grimsrud & Aure, 2013). In this respect, there are clear similarities among the Nordic and Baltic municipalities when it comes to the most preferred profiles of labour migrants.

In contrast to the Baltic States, the Nordic countries in general are not aiming to reach out to diaspora members and their networks explicitly, neither do they aim to re-attract returning migrants.

Learning from experiences and both good and “bad” practices of the Nordic countries

Much is to be learned from the experience and local projects in the Nordic countries in the field of labour migration. The strength of most of the projects lies in a bottom-up approach and co-operation with the business sector and other local and regional stakeholders. It is important to evaluate the success of these projects

and facilitate learning from both good and bad practices.

About three-quarters of the Baltic municipalities participating in the survey indicated their interest in sharing knowledge and learning from the experiences of other Baltic and Nordic municipalities in the field of labour migration. The most interesting topics for the Baltic municipalities were means of facilitating talent retention in the municipalities, improving housing supply and provision of other public services to attract inhabitants, and encouraging the participation of the elderly in the labour market.

More co-operation on labour mobility in the Nordic-Baltic region

Although barriers to labour mobility have been gradually reduced as part of creating the single market and also as a way to achieve the EU 2020 goals of smart, sustainable and inclusive growth, labour market co-operation between Nordic and Baltic countries could be further enhanced. Among the findings of “Central Baltic Job Ferry” was that Nordic countries are primarily looking for possibilities to expand labour market co-operation with other Nordic states, while co-operation with the Baltic countries is of low priority (Barslund et al., 2015; Kahila et al., 2013). Opportunities associated with cross-border labour mobility could be further utilized for the benefit of both Baltic and Nordic countries. A common cross-border labour market would help reduce labour shortages and qualification mismatches, thus reducing unemployment (European Commission, 2015).

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Vida Zubaite-Bekken, Project Manager, Frøya municipality, Norway (11/05/2016)

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