

**VASAB Expert and Stakeholder Meeting on Demographic
Trends and
Labor Market Development**
Kaunas 8 June 2010

Spatial consequences of demographic development in Latvia

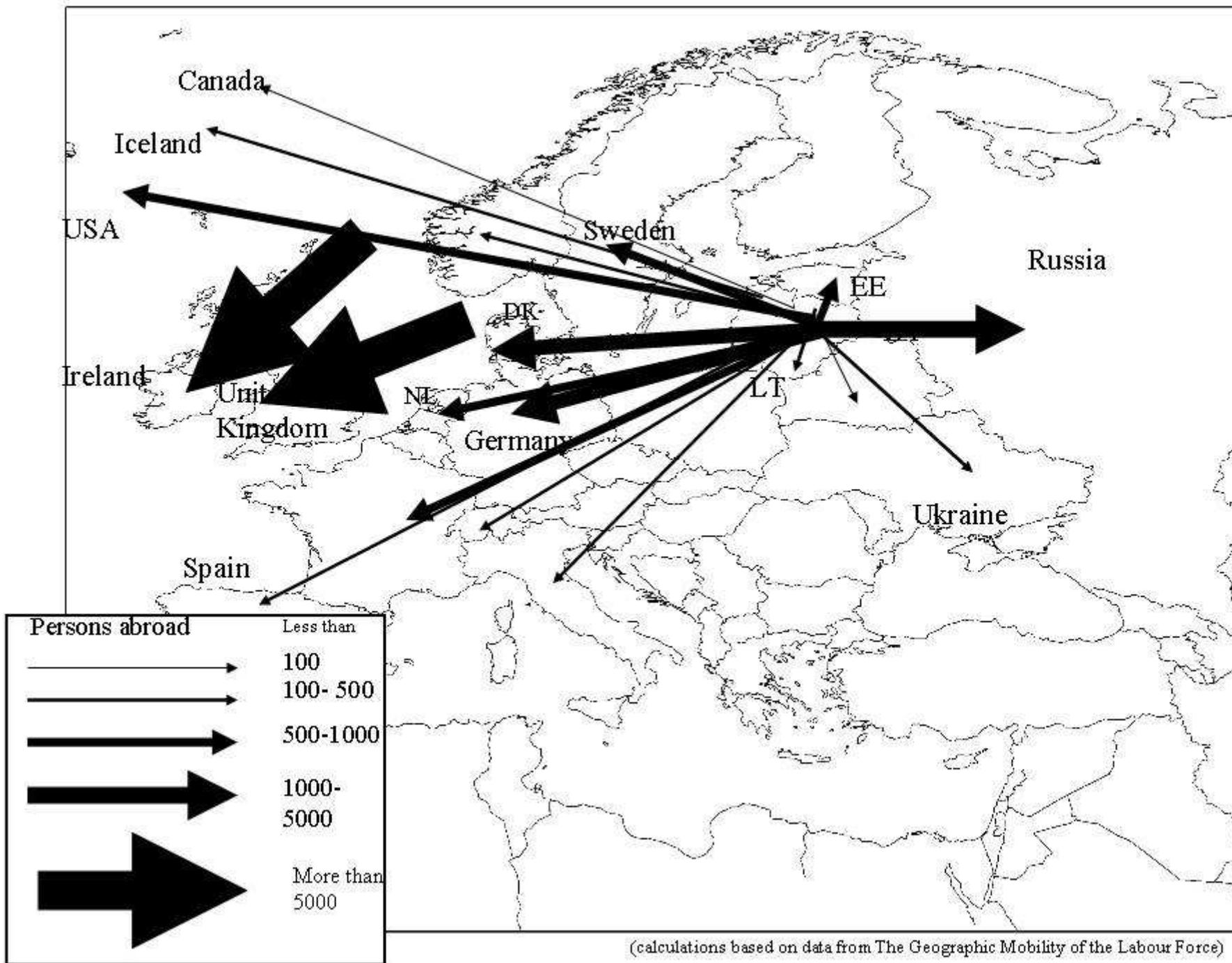
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Presentation outline

- International migration
- Inter-regional migration
- Trends of daily commuting
- Conclusions

After the EU enlargement

- Latvia, which used to be a receiving country for migrants, has become the sending country.
- There are changes of traditional migration flow pattern. Many migrants previous from rural areas went to larger cities then to capital for job. Nowadays they could go strait aboard for work.



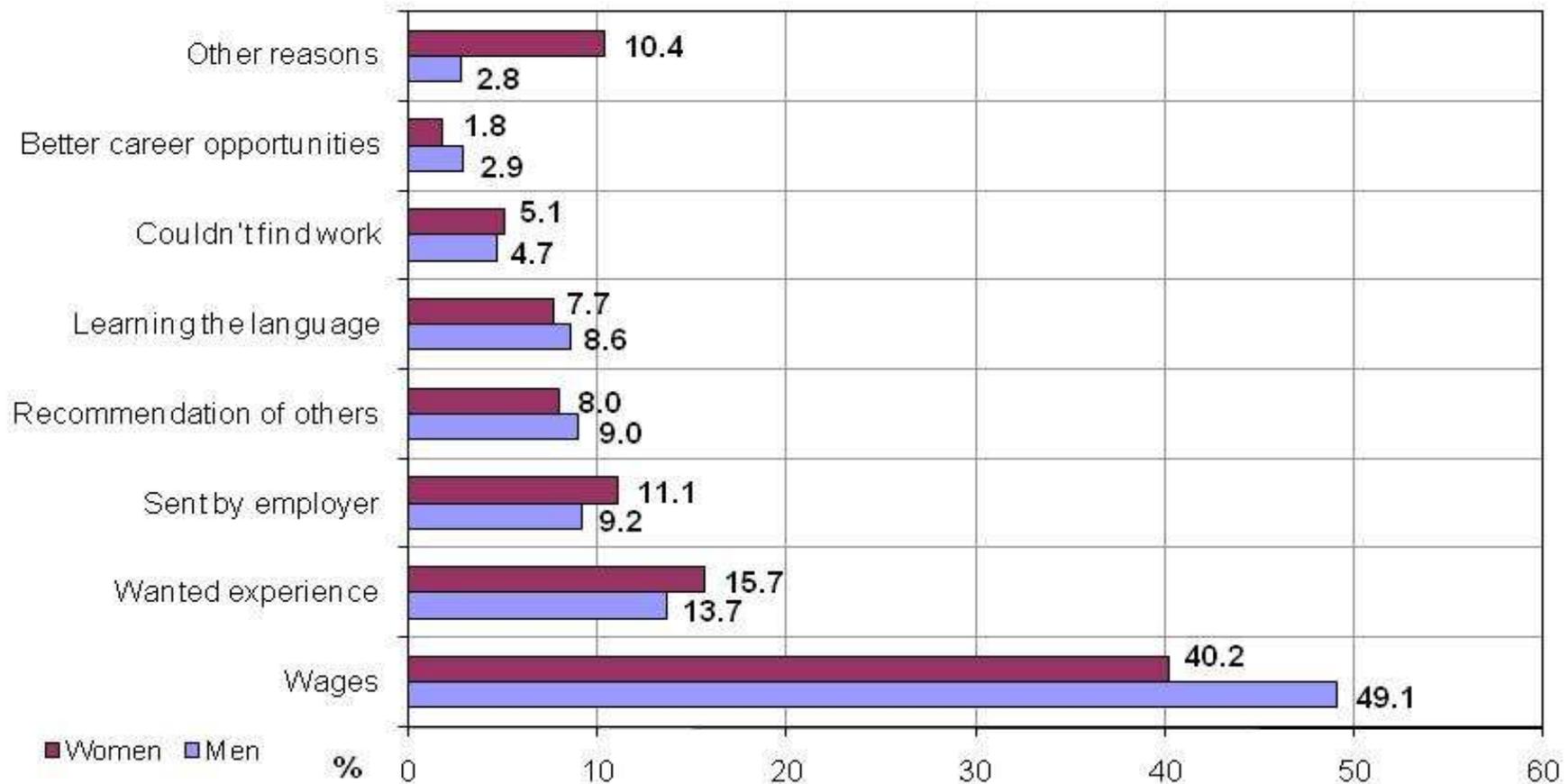
Profile of potential Latvian migrant

(The Geographic Mobility of the Labour Force, 2007)

- more often young people younger than 24,
- men,
- people with a secondary education,
- people living in the Zemgale and Latgale regions of Latvia,
- qualified or less qualified blue collar.

Reasons for working abroad, by gender

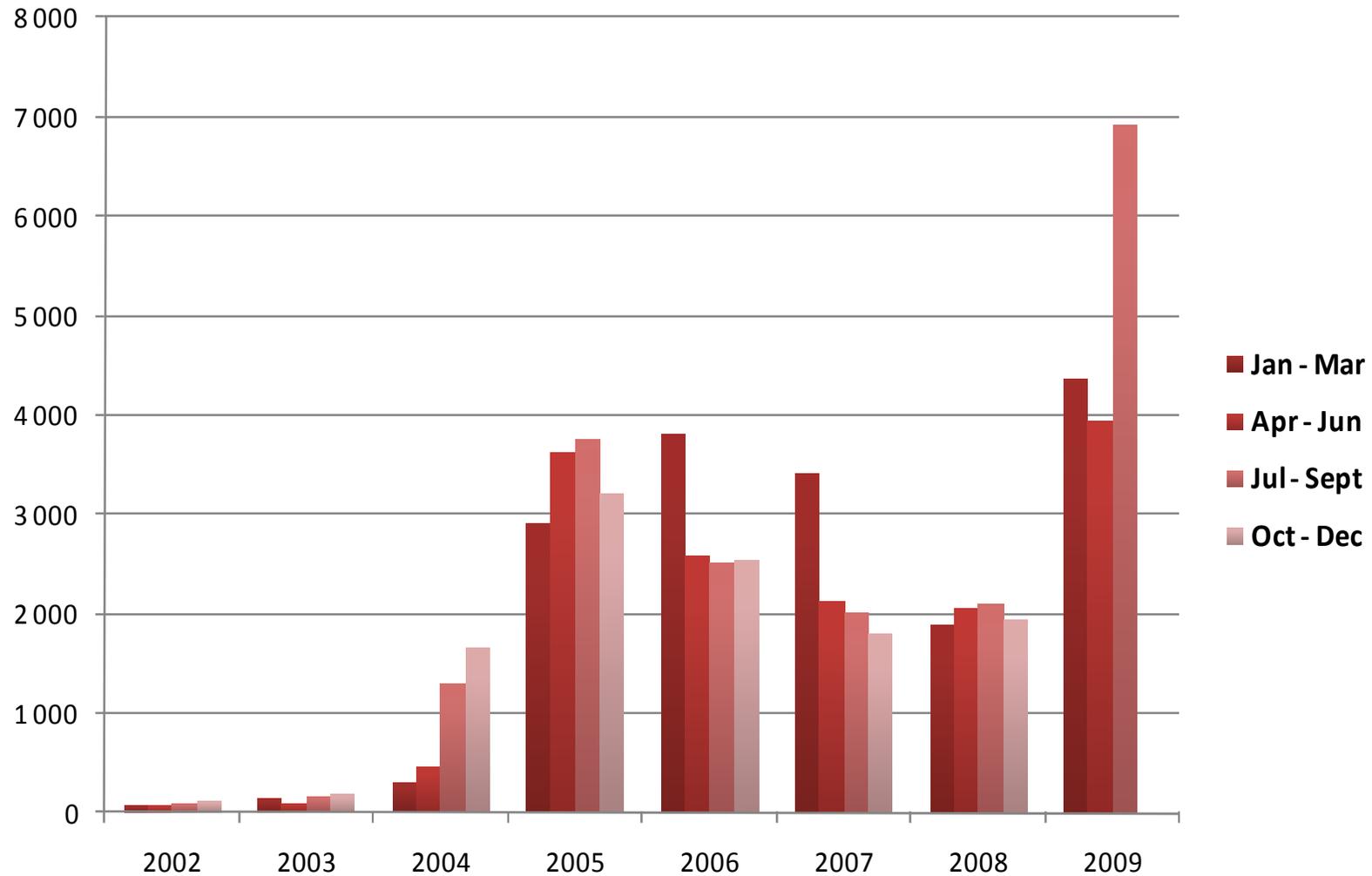
(The Geographic Mobility of the Labour Force, 2007)



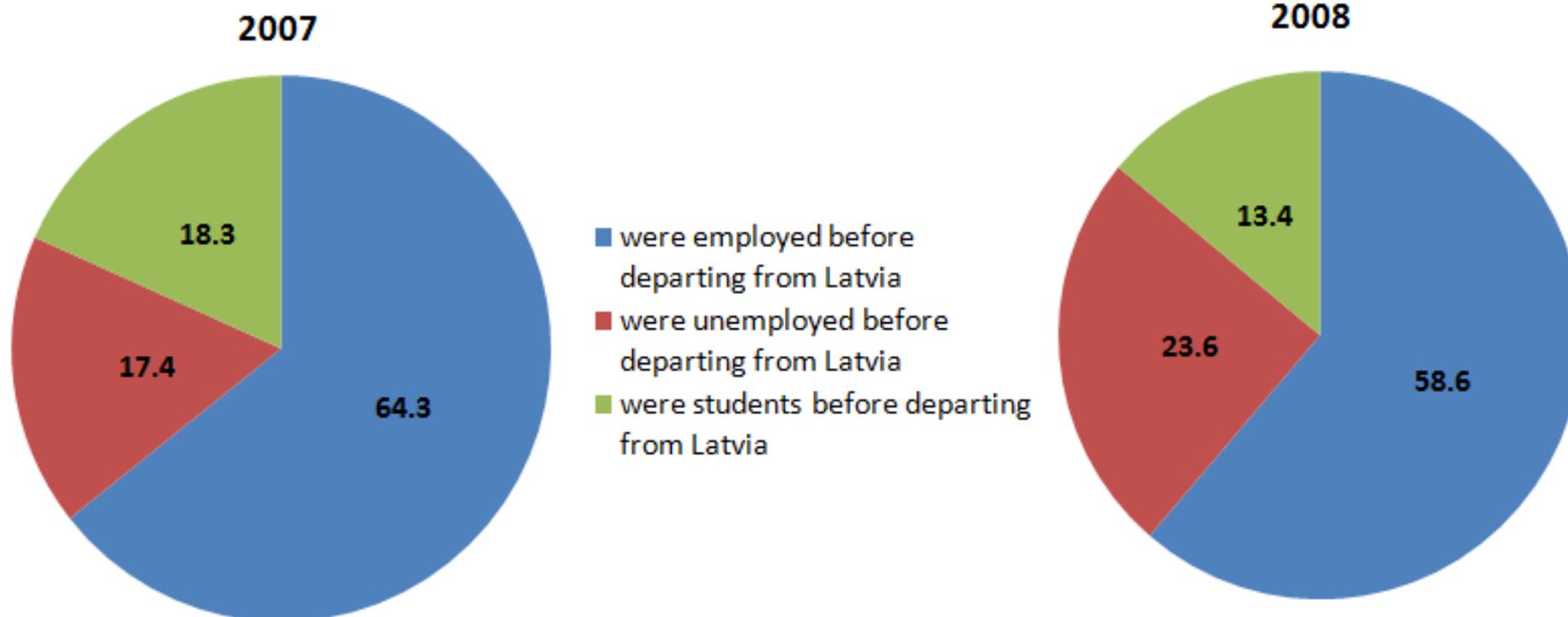
Economic motivations were of key importance to labour migrants, particularly in terms of the ability to earn more money. Wages were the dominant motivation for migration in all age groups.

Latvian residents NINo registrations in the UK 2002-2009

(http://research.dwp.gov.uk/asd/asd1/tabtools/nino_alloc_summ_tables_feb10.xls)

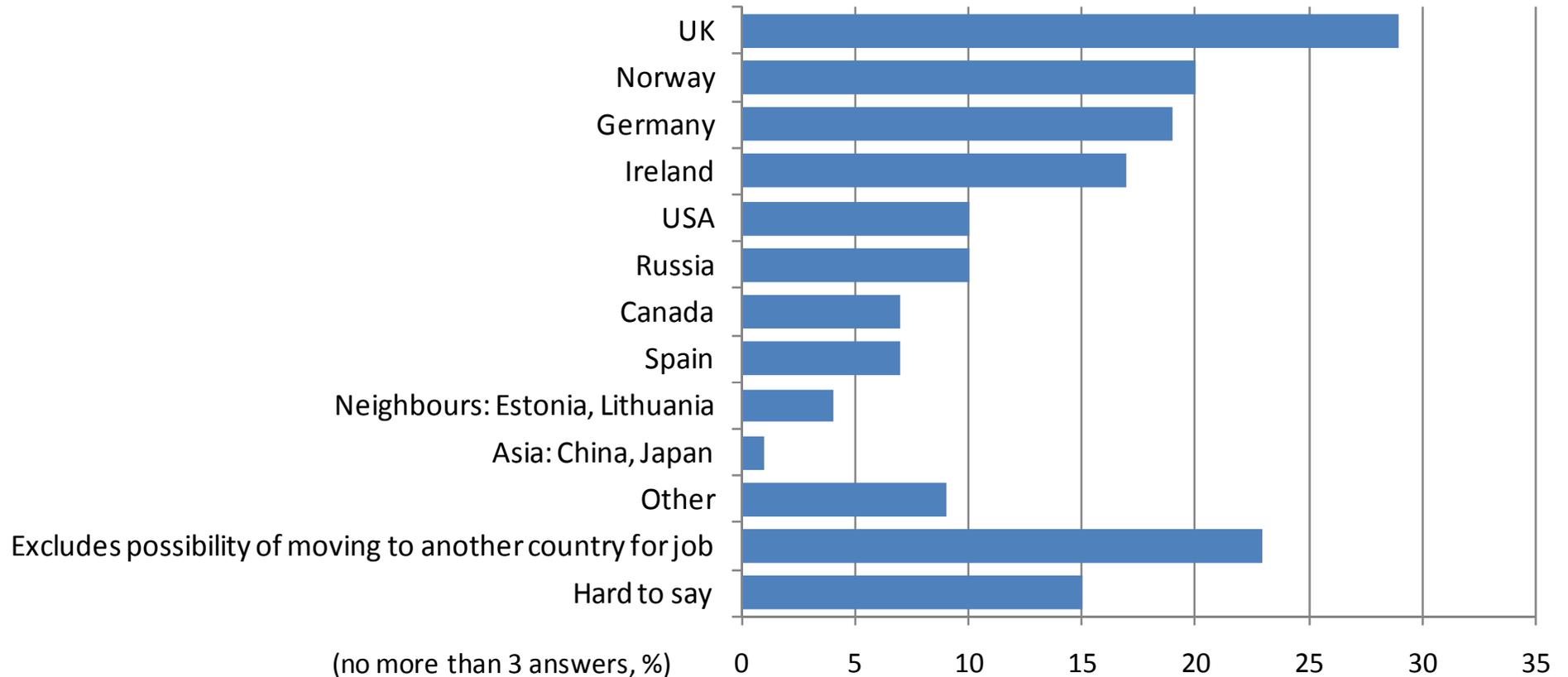


Employment status of migrants in Latvia (LR CSB, 2009)



Main destinations for potential migrants 2010

(DnB Nord Barometer, Latvia, No 22
N=1014, January 15-28, 2010)

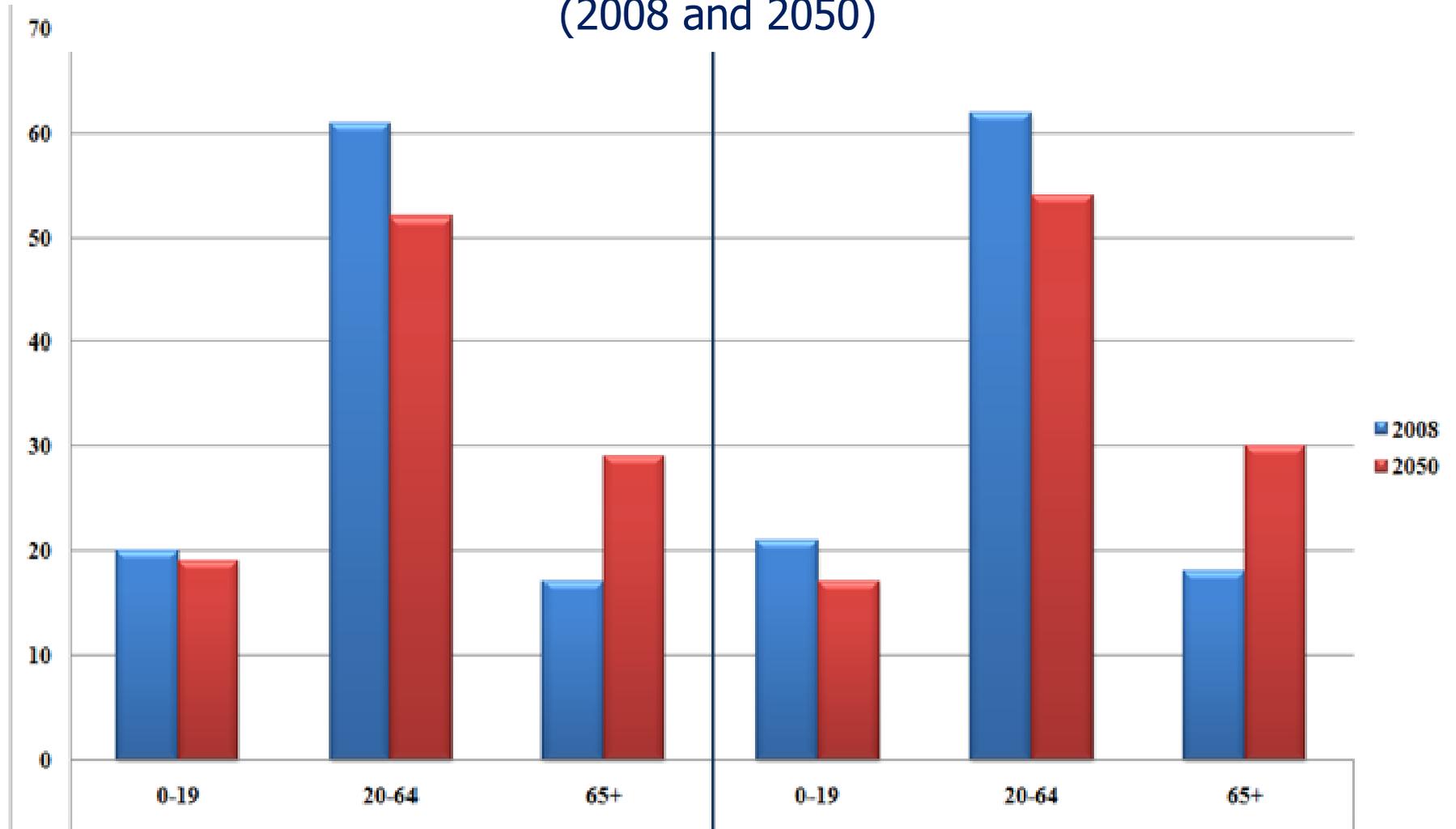


Consequences of labour out migration

- Emigration reduces the size of the labour force;
- The country loses its future child-rearing generation, which in turn implies population loss;
- The dependency ratio between the working population and the dependent population turns increasingly unfavourable.

Share of Age groups, %

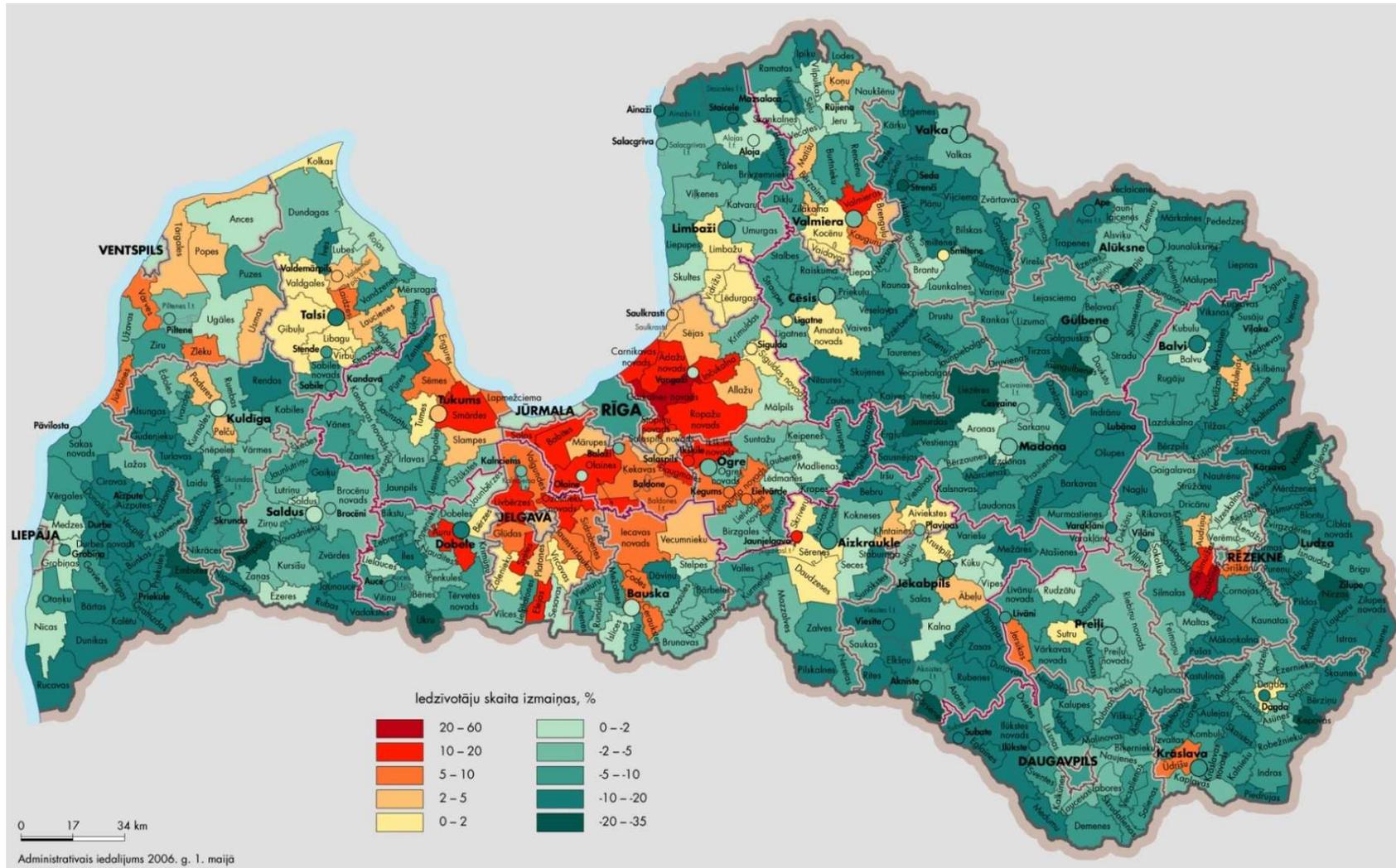
(2008 and 2050)



EU-27

LATVIA

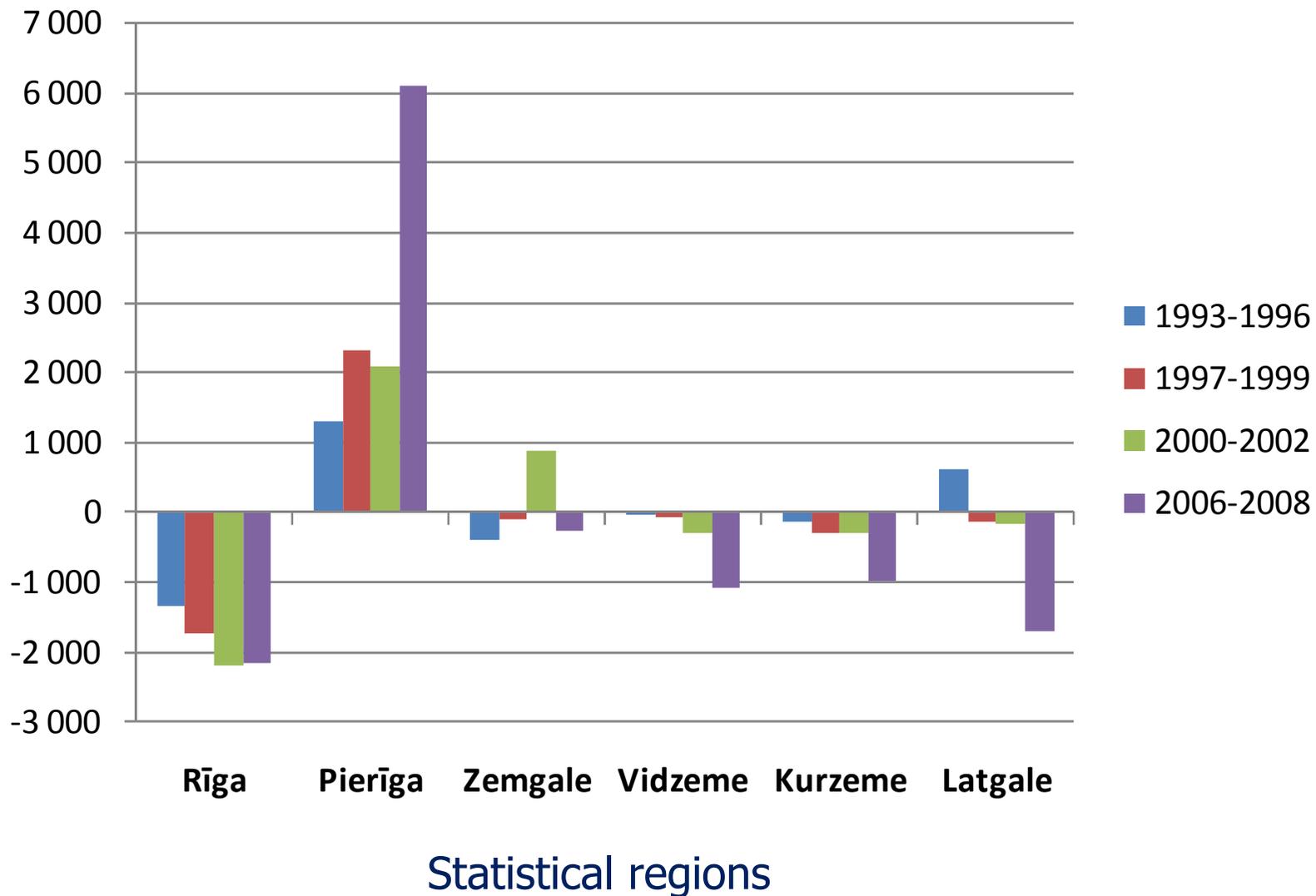
Population changes in Latvia 1999-2006 (VRAA, 2007)



Inter-regional net migration

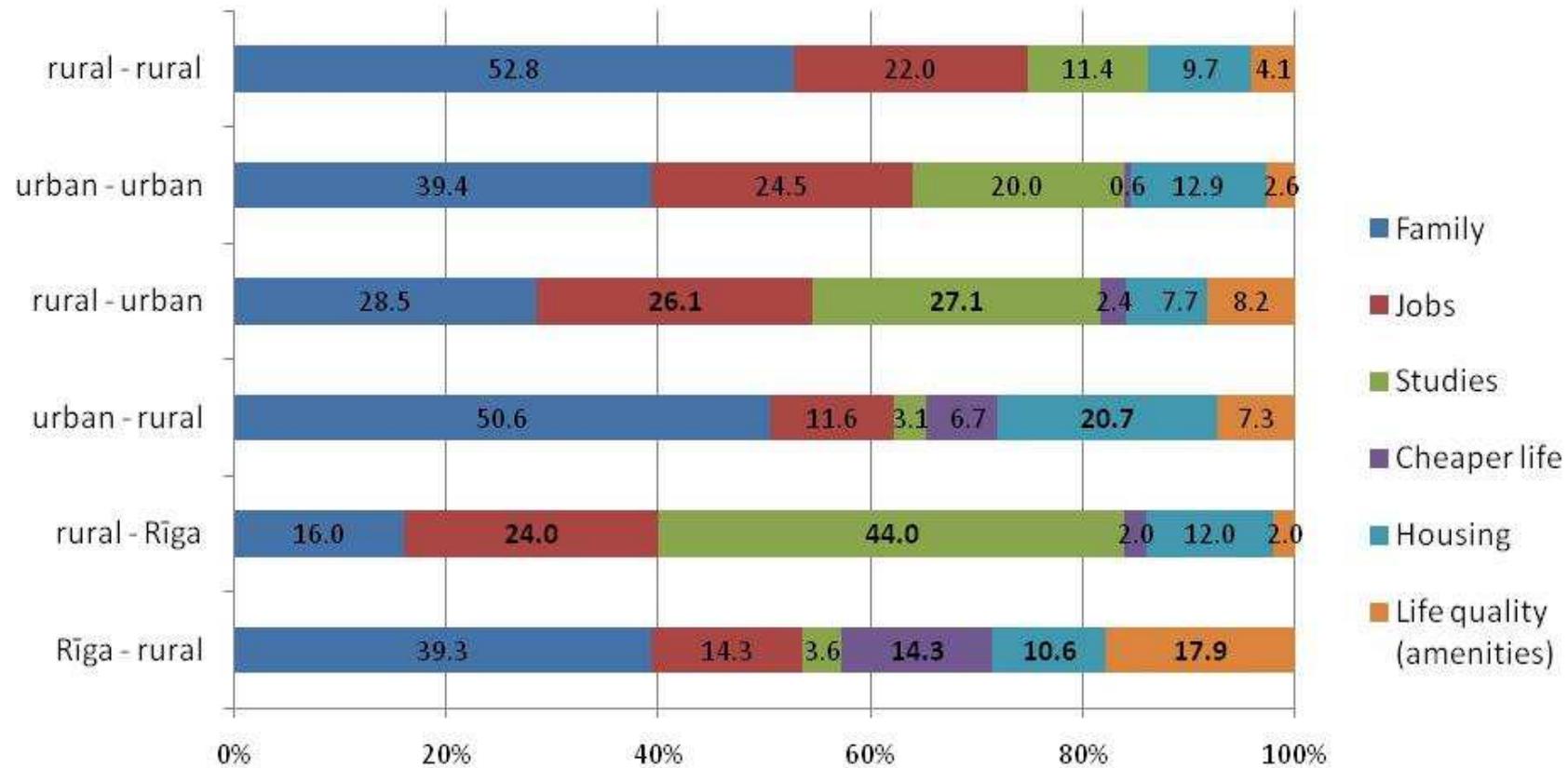
(average per year)

(calculation based on LR CSB data)

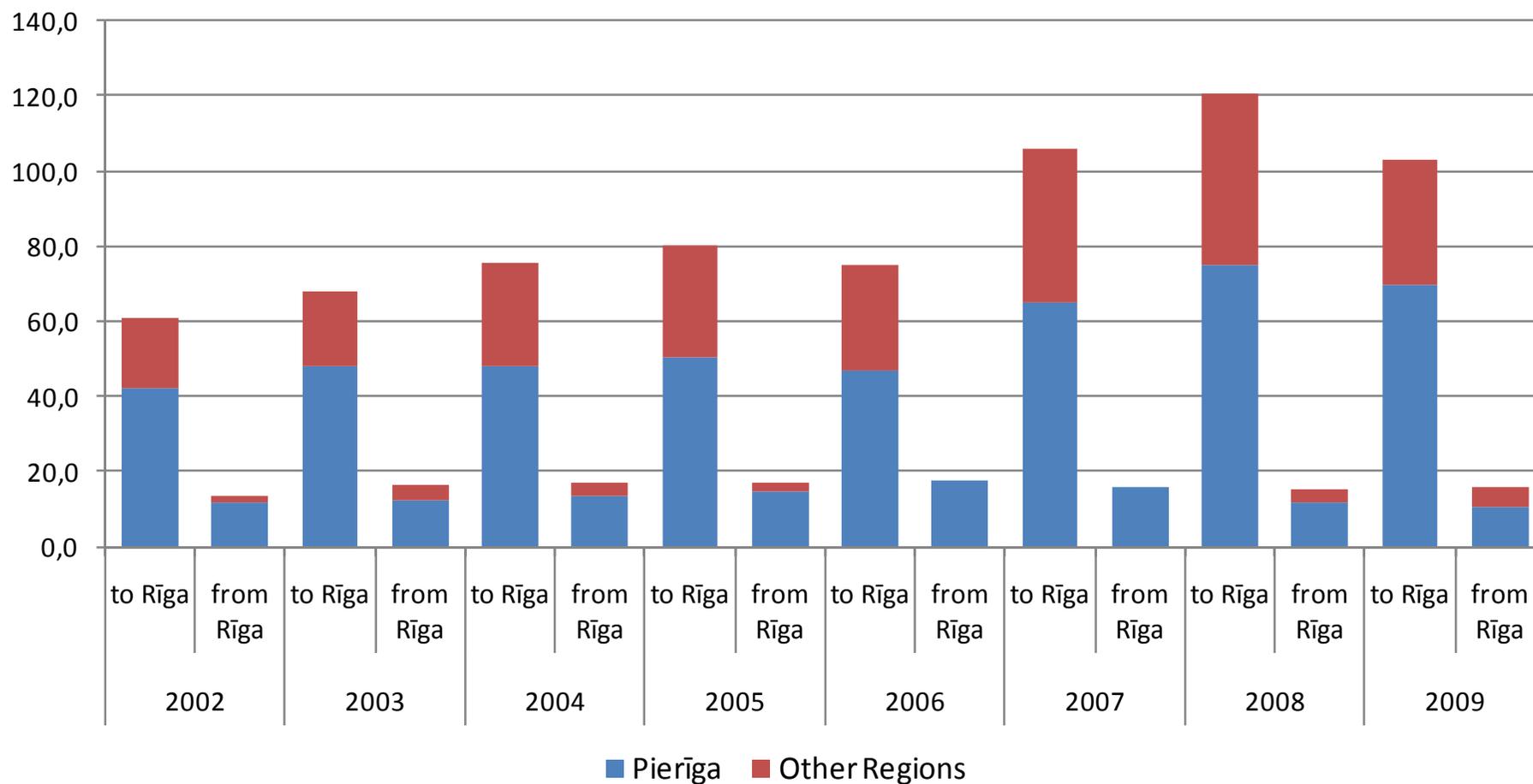


Motivation for migration by different flows

(Geographic Mobility of the Labour Force, 2007)



Flows of daily commuters from and to Riga 2002-2008(thsd.) (LR CSB 2002-2009)



Proposal on Migration and Latvia's labour market

Supporting the new jobs in areas in distant from the Latvian capital. The following should be developed:

- The infrastructure of mobility, including inexpensive access to the Internet in all of Latvia;
- The formalities which relate to launching a new business in Latvia were simplified;
- Support to retraining employees und unemployed;
- Expanded opportunities for distance work.

Proposals on improving migration policy

A set of direct and indirect methods to regulate migration has been developed in tandem with relevant employment and regional policies such as:

- Improving working conditions throughout the country, increasing the level of education among young people and expanding lifelong learning as a guarantee for being appropriate for work in the demanded professions;
- Ensuring more complete employment of existing labour resources, attracting economically passive and retirement age residents;
- Simplifying the method for launching new businesses.

Conclusions

- Latvian migrants are mostly attracted by economical pull factors.
- The majority of the out-migrants from Latvia belong to the young adult category of the population.
- Latvian migrants have medium skill levels and were concentrated in relatively low-skilled sectors.
- In all migrant groups there are decreasing number of persons who want to return to Latvia.
- One solution related to future migration policies would be to eliminate the reasons why people are emigrating.

Thank you for your attention!



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