

Re-thinking approaches to labour migration

Potential and Gaps in EU Member States' Migration Infrastructures Case Study Summary — **Lithuania**



KEY MESSAGES

- Lithuania's current migration system is relatively restrictive, reflecting the tense geopolitical environment and migration-related security threats the country faces. This stands in contrast with current and future labour market needs, identified by previous research and experts interviewed for this study.
- Debate on Lithuania's labour migration policies is driven by demographic concerns and the ageing population. Some stakeholders see labour migration as a solution to the labour force deficit, while others emphasise retaining young people and creating opportunities within Lithuania. The migration policy debate has also traditionally placed emphasis on Lithuania's diaspora. Therefore, it is crucial to define a clear, goal-oriented policy on labour migration, the labour and skills that are required, and to establish an inclusive framework for attracting and integrating migrants and their families.
- Lithuania's current labour shortages are identified through two official lists. One is for low- to medium-skilled workers and serves to ease foreign recruitment. The second is for the most in-demand high-skilled jobs in sectors like life sciences, engineering and ICT, and serves the EU Blue Card process for foreign professionals. However, there are many in-demand professions which do not appear on the official lists, including cashiers, teachers, doctors, and other low- to highly-skilled workers.
- One of the important strategies to address labour market gaps could be investment in the retention of foreign students. Additionally, considering the likelihood of a protracted conflict in Ukraine, it is necessary to develop a mid-term strategy for the integration of Ukrainians into the labour market.
- Further EU-level initiatives can help provide much-needed clarity to the migration processes in Lithuania and solve problems related to limited resources. However, discussions and cooperation have to be accompanied by a clear, pragmatic approach that focuses on the benefits for EU Member States.

BACKGROUND AND CONTEXT

Lithuania, since regaining its independence in 1990, has experienced a dynamic and evolving migration landscape, reflecting both global trends and specific national circumstances. The country's demographic profile has been notably shaped by emigration, with a significant decrease of approximately 585,000 inhabitants in 2023. This trend is characterised by several distinct phases.

From 1990 Lithuania's emigration was primarily circular, with workers engaging in short-term, low-skilled employment abroad, frequently returning to their homeland. The turn of the millennium marked a shift towards more permanent emigration, predominantly involving young, highly-skilled individuals in pursuit of better career opportunities.

The country's accession to the European Union in 2004 opened new pathways for Lithuanians and led to increased emigration due to broader opportunities within the EU. The financial crisis of 2008, which created high unemployment, further propelled this trend. The emigration that has occurred since entering the EU has mainly been motivated by employment opportunities abroad, alongside seeking personal fulfilment and dissatisfaction with national governance.

Recent years have witnessed a reversal in migration patterns, with Lithuania experiencing positive net migration since 2019. This shift includes a significant proportion of returning nationals, alongside foreign immigrants from Ukraine, Belarus and Russia. In 2021, Lithuania experienced an unprecedented surge in undocumented immigration from neighbouring Belarus. This was a result of a hybrid attack by Belarus, in retaliation for EU sanctions imposed after the controversial 2020 presidential election in Belarus, which was widely regarded as undemocratic. Additionally, the ongoing conflict in Ukraine since 2022 has brought a substantial number of Ukrainians to Lithuania.

These migration trends have sparked discussions on security, economic and demographic issues. With an ageing population, labour migration is increasingly viewed as a potential solution to the anticipated labour force deficit. However, opinions diverge on this issue. Some advocate for embracing labour migration as a strategic response to labour market challenges, while others emphasise the importance of retaining and nurturing the country's youth, ensuring they have viable opportunities within Lithuania. Despite these

varying perspectives, overall the official policy over the last decade has acknowledged the importance of labour migration in addressing current and future labour market needs.

CURRENT AND FUTURE LABOUR SHORTAGES

In Lithuania, employment increased in all sectors from 2018 to 2022, especially in transportation, storage and the information and communication sector. However, agriculture, forestry, fishing, education and arts sectors experienced a decline in job positions. Future projections (2021–2035) envisage growth in production and services occupations, with notable increases expected in roles such as subsistence farmers, food preparation assistants and information and communications technology professionals.

The main labour shortages in Lithuania are identified through two lists. The first, updated annually by the Employment Service, lists 175 shortage occupations, including construction workers, drivers and food industry workers. This list aims to ease the recruitment of foreigners for these roles. The second list, confirmed periodically by the Minister of Economy and Innovation, identifies high-value added occupations in priority sectors like life sciences, engineering, and ICT. It includes roles like robotics engineer and software developer, and facilitates the EU Blue Card process for highly-qualified foreign professionals.

Foreign workers play an important role in addressing labour gaps, with 37,490 receiving temporary residence permits in 2022. The largest group among them was international lorry and goods vehicle drivers. The demand for highly-skilled specialists, particularly in the ICT sector, remains high, with an estimated need for 13 to 15 thousand specialists at any given time. This demand is underscored by the relatively low share of ICT specialists in Lithuania compared to the EU average.

LABOUR MIGRATION POLICY IN LITHUANIA

The Lithuanian labour migration system is restrictive and complex, especially for low- to medium-skilled workers outside high-demand occupations. The system is employer-driven, with specific occupations given easier access for foreign workers. However, for low- to medium-skilled professions not on this list, the process involves stringent requirements like

labour market tests and qualification verifications, coordinated between the Migration Department and the Employment Service. These procedures are complicated by legal nuances and often available only in Lithuanian, creating barriers for foreigners.

The current Lithuanian government recognizes the need for a modern migration policy as part of an improving business climate. Key aspects of this policy include streamlining procedures to facilitate the return of Lithuanian emigrants and retaining talented local and foreign students. The government plans to manage the attraction and integration of top-tier professionals through a designated state institution, with simplified access to the EU Blue Card and expedited residence permit renewals.

Currently, Lithuania does not have a dedicated policy aimed at facilitating the labour market inclusion of third-country nationals. Foreigners holding residence permits receive the same integration assistance as Lithuanian citizens. However, recent amendments to the Law on the Legal Status of Foreigners have eased labour migration procedures and facilitated the integration of foreign labour, especially in the context of the Ukrainian war refugee arrivals.

Debate on Lithuania's labour migration policies is driven by demographic concerns and the ageing population. Some stakeholders see labour migration as a solution to the labour force deficit, while others emphasise retaining youth and creating opportunities within Lithuania. Despite the controversy and different views on the issue, official policy over the past decade acknowledges labour migration's importance in addressing labour market shortages. The 2014 migration policy guidelines, updated in 2020, focus on third-country nationals seeking highly-qualified employment or education in Lithuania, offering expedited migration procedures and stressing the importance of integration into society. State institutions have defined roles in this policy, with a focus on retaining foreign graduates, but concerns about potential security related risks remain.

LEGAL LABOUR MIGRATION PATHWAYS

National D-Visa

Lithuania offers the national D-visa for two categories of labour migrants: seasonal workers and posted workers. Seasonal workers can apply for this visa if they plan to work for more than 90 days,

after obtaining a work permit from the Employment Service. This permit is issued only if no local residents can fill the position and for approved job types, valid up to 6 months within a 12-month period.

Temporary Residence Permit (TRP)

The Temporary Residence Permit (TRP) in Lithuania serves as a comprehensive framework for labour migration, encompassing employees across various skill levels, recent graduates, EU-based company seconded employees, and individuals involved in significant investor projects. To qualify for a TRP, most employees must first undergo evaluation by the Employment Service. This step is necessary unless the employee is highly-skilled or their profession is in the shortage list. Employers need to demonstrate the absence of suitable local candidates (Labor Market Test), provide details about the foreigner's experience and qualifications, and offer a contract meeting certain duration and wage standards. Following a positive decision, the employee can then apply for a TRP.

The TRP's validity aligns with the employment contract's length, capped at two years, with renewal options available. For professions in the shortage list, the Employment Service's decision isn't required, and professionals can directly apply for a TRP. The criteria here include relevant qualifications, work experience, or salary standards. There's a yearly quota for these streamlined TRPs, divided across various economic sectors. If a sector's quota is reached, employers can still hire non-EU workers but must revert to the standard procedure involving the Employment Service.

The TRP in Lithuania also facilitates mobility for specific groups exempt from acquiring a work permit or an Employment Service decision. This includes *inter alia*:

- Employees under investment agreements: this pathway is for employees who have worked for at least three months with the investing company group before the investment agreement. It applies to collective relocation and major project investment agreements in Lithuania, focusing on creating new jobs and substantial private capital investments. Family members of these employees also qualify for TRPs.
- Citizens of certain countries (Australia, Japan, the UK, USA, Canada, New Zealand, South Korea): these nationals can work in Lithuania without a work permit, including self-employment, and

bring family members according to a streamlined process.

European legal provisions

In 2017, Lithuania transposed the **Seasonal workers Directive** into national law. Seasonal workers in Lithuania have to obtain a national D-visa.

The **EU Blue Card** in Lithuania facilitates the migration pathway of highly-skilled specialists. EU Blue Card (a temporary residence permit) applicants must have a higher education qualification or at least 5 years of relevant work experience (3 years for IT specialists). They must also earn a salary at least 1,5 times the average in Lithuania, or 1,2 times for occupations in the [list of high value-adding professions](#). The permit is valid for three years or the employment contract's duration plus three months. This pathway is especially favourable for in-demand ICT specialists, but the number of specialists migrating under this scheme does not meet the increasing demand from the private sector. Therefore, the EU Blue Card is yet to make a significant impact on addressing labour shortages in Lithuania.

The **Directive 2014/66/EU on Intra-corporate transfers** applies to non-EU residents working for a company outside the EU who are temporarily assigned for work or training within the same company group in the EU. These intra-corporate transferees are not required to obtain a work permit. They must provide several documents, including a valid employment contract with the non-EU company, proof of a relationship between the Lithuanian and foreign company, evidence of special knowledge or skills needed for the secondment, and verification of employment with the company for at least 6 months (or 3 months for interns) before the transfer.

Work and travel schemes

Lithuania has signed several bilateral agreements that promote “work and travel” type of mobilities for youth (usually between the ages 18-35 for Canada and 18-30 for New Zealand and Japan). Their main purpose is to facilitate cultural exchange, enhance professional and language skills, allow work or study for young people. Currently, three such agreements are in place: **The Lithuanian – Canadian Youth Exchange Programme, Lithuania – New Zealand Working Holiday Scheme, Lithuania-Japan Working Holiday Agreement**. Specific conditions vary: Canadian participants must obtain a National D visa and a work permit (if they plan to work), whereas New Zealanders and Japanese are exempt

from the work permit requirement in Lithuania. Participation is generally limited to once or twice, with different conditions for repeat participation in the Canadian programme.

Innovative (pilot) schemes or programmes

In Lithuania, startup founders have a distinct pathway for obtaining residence permits through the **Startup Visa Lithuania programme**, initiated in 2017 by [Startup Lithuania](#). This programme allows up to four founders per startup to apply for a two-year temporary residence permit, extendable to five years, with simpler requirements for capital and hiring compared to other business migration pathways. Family members of startup founders are also eligible for residence permits. The application process involves an evaluation and an online interview by Startup Lithuania, followed by a review from a commission of experts. Successful candidates are granted a certificate to apply for temporary residence permits.

Additionally, since 2021, Lithuania has offered an **e-resident status** to foreign citizens. This status provides access to the Electronic Government Gateway for public and administrative e-services, the ability to sign documents with an e-signature (legally equivalent to a physical signature in Lithuania), and options to register new companies or foreign company branches. While not a direct migration route, e-resident status has the potential to aid relocation by providing access to essential public services that would not be otherwise available without obtaining a residence permit. This initiative, still in its early stages, is expected to expand its service range, enhancing opportunities for foreigners in business development, company management, financial operations, and other key electronic activities.

The [Digital Explorers](#) project, funded by the EU through the Mobility Partnership Facility, was a pioneering pilot between Lithuania and Nigeria, linking their ICT sectors. Following its initial success, the project is expanding from 2023 to 2026 to include Kenya, Armenia, Iraq, and involves Latvia and Estonia. The initiative is seen as a way for small countries to explore new markets in various continents with a large pool of ICT professionals. It serves as a knowledge production tool for assessing private sector needs in specific countries and a test of the migration system's capacity and the integration of foreign professionals in Lithuania.

SUGGESTIONS FOR POSSIBLE FUTURE ADAPTATIONS TO LABOUR MIGRATION POLICY AND THE USE OF EXISTING PROVISIONS

National priorities, strategy and regulations

Developing a more structured and proactive strategy for prioritising labour shortages

Lithuania has effectively identified the direction of highly-skilled specialist attraction in sectors like IT, life sciences, and engineering. However, there is a need to apply a similar proactive strategy in other sectors also facing labour shortages. To address this, the government could establish clear objectives and a strategy that anticipates future labour needs. Streamlining procedures for migrant workers in regulated professions (e.g. teachers, doctors, engineers) is also vital. Establishing professional qualification centres could assist with local regulations, social context, career guidance, and language training. Currently, no such services exist for foreign workers in regulated sectors.

Establishing a clear and comprehensive legal frameworks

The numerous updates of the Law on the Legal Status of Foreigners, specifically on the rules for entry, cause confusion, particularly for smaller companies that do not hire foreign employees regularly and are not familiar with the latest regulatory changes. Possible options for the government include: defining clear objectives for labour migration and the types of workers the country aims to attract; promoting inter-ministerial coordination and communication; and making regulations and procedures user-friendly, including English translations. This would foster a more effective and streamlined approach to managing labour migration.

Prioritising student attraction and retention

It is suggested to focus on attracting and retaining foreign students in Lithuania for long-term migration. Students offer unique advantages due to their partial integration, familiarity with Lithuanian culture, and established local networks. They are a highly accessible and promising demographic for Lithuanian employers, making it crucial to actively encourage them to stay and work in the country, especially

considering recent efforts to improve student and graduate employability.

Developing a comprehensive mechanism for the recruitment and integration of family members of migrant workers

Lithuania could develop comprehensive support strategies for families of migrant workers, including language courses, career counselling and community building. This approach could focus on family needs, instead of prioritising migrant workers as individuals, and offer relocation information, family-oriented services and educational support in languages other than Lithuanian. Such support could benefit both incoming and returning migrant families, enhancing their integration and contribution to the local labour market and society.

Revising and expanding the existing seasonal work program

While the program holds appeal for employers, a significant limitation lies in the restricted employment areas for seasonal workers. To better align with the actual demand, particularly among young individuals seeking employment, it is recommended to broaden the range of approved job positions. This expansion should consider a variety of industries to accommodate different preferences and job opportunities. By diversifying the areas where seasonal workers can be employed, Lithuania can create a more adaptable and inclusive program that better serves both employers and young job seekers.

Allocating more resources to improve speed and efficiency of migration procedures (with a particular focus on automation), and increase the Migration Department's staff capacity

Enhance the efficiency of Lithuania's migration procedures by:

- **Increasing Resources:** allocate more financial and human resources to the Migration Department, especially for processing Temporary Residence Permits, which has become particularly strained due to the recent arrival of people from Ukraine.
- **Investing in Technology:** direct funds towards developing and implementing technologies to automate migration processes, reducing manual workload and improving accuracy and efficiency. Potential innovations include automating application processing, digitising document translation, digitising Temporary Residence Permits and creating a centralised

information database dedicated specifically to labour migration.

- **Staff Development:** invest in training and development for Migration Department's staff to handle the complex administrative procedures. This includes international secondments of staff as well as cultural exposure, along with targeted training to bridge competency gaps.

Implementing these steps could create a more responsive, efficient, and well-equipped migration system in Lithuania.

EU-level tools and measures for labour migration

EU entry point establishment

Lithuania would benefit from the establishment of common EU entry points for the document and biometric data collection of visa and residence permit applications from third countries. These entry points, focusing on document and biometric data collection, would streamline the process for attracting international specialists and offer a more efficient system than current ones, such as the VFS centres subcontracted by Lithuania. Accessible to all EU member states, these entry points could handle initial screening, with national authorities responsible for further application processing. Lithuania's consular footprint and capacity, like that of many other smaller-EU member states, is not global and such a shared-resource point could enable talent attraction and incentivise Lithuania's participation in EU approaches.

Implementing Talent Partnership initiatives as a strategic approach to connect with target partner countries effectively

Initiatives within the framework of Talent Partnerships can serve multiple purposes:

- Test how well professionals can integrate into Lithuania. By understanding professionals' expectations and readiness for integration, Lithuania can tailor its strategies to ensure that more specialists are attracted as well as facilitate their smoother relocations.
- Assess demand of professionals in specific markets, which can guide programs to align more precisely with market needs.
- Talent Partnership initiatives offer strategic and data-based insights into both integration potential and market requirements, thereby functioning as an initial market test. This approach, exemplified by the Digital Explorers programme, could be expanded beyond current partner countries and sectors to include other in-demand professions, like electric grid engineers, creating legal migration pathways for highly-skilled workers.



**Funded by
the European Union**

This summary is based on findings from MPF (2024). Re-thinking approaches to labour migration. Potentials and gaps in EU member states' migration infrastructures. Case Study: Austria, Brussels: ICMPD. Research took place between July 2023 and February 2024 and the content described applies to this period. Any changes made to the labour migration system thereafter are not systematically included. This publication was funded by the European Union and commissioned through the Migration Partnership Facility. Its contents are the sole responsibility of the author and do not necessarily reflect the views of the European Union nor ICMPD.

© ICMPD 2024