

INTERNATIONAL MIGRATION PAPERS

**Foreign labour in Lithuania:
Immigration, employment and illegal work**

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in cooperation with
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*Informal Network on Foreign Labour in
Central and Eastern Europe*

ILO/LUXEMBOURG Cooperation:
Project RER/97/MO2/LUX

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Foreword

This is a paper of the ILO's Migration Programme located within the Conditions of Work Branch. The objectives of the Programme are to contribute to: (i) the formulation, application and evaluation of international migration policies suited to the economic and social aims of governments, employers' and workers' organizations; and (ii) the increase of equality of opportunity and treatment of migrants and the protection of their rights and dignity. Its means of action are research, technical advisory services and cooperation, meetings and work concerned with international labour standards. Under the Programme, the ILO also collects, analyses and disseminates relevant information and acts as the information source for its constituents, ILO units and other interested parties.

In cooperation with the countries of the region, in early 1996 the ILO launched the *Informal Network on Foreign Labour in Central and Eastern Europe*. Although it did not involve a formal agreement between the participating States, the Network established a mechanism whereby their respective migration authorities could address common issues and problems through annual meetings, research and the exchange of information. Through these activities, the participating States expect to enhance their capacities to manage migration and to develop migration policies compatible with ILO standards and principles. In addition to the ILO, support for the Network's initial activities has been provided through a generous contribution from the Government of Luxemburg.

This study examines the immigration, employment and illegal work of foreign nationals in Lithuania and was carried out by Dr. Audra Sipaviciene in cooperation with Dr. Vida Kanopiene. Dr Sipaviciene is a senior researcher at the Lithuanian Institute of Philosophy and Sociology. Similar studies are being carried out on the situation in the Czech Republic, Hungary and the Russian Federation.

The objective of the research is to provide policy-makers with a better understanding of the various aspects of the illegal movements and activities of foreign migrants in Lithuania and their work-related problems. The causes and trends of this social phenomenon have been analysed and hypotheses advanced for its future development. Although the study does not claim to be comprehensive, it is designed to shed light on a number of migration issues which are specific to Lithuania. These include illegal transit migration through Lithuania, an issue which is giving rise to growing concern, as well as the illegal employment of foreigners in the country, which remains a problem of more modest proportions. By providing a fairly exhaustive overview of the various forms of migration to Lithuania, the study should prove useful to all those concerned with the various aspects of the issue in Lithuania and its probable development in the years to come.

Geneva, May 1999

F. J. Dy-Hammar,
Chief,
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1. Introduction

Following the far-reaching political, social and economic transformations which occurred in Lithuania in the late 1980s and early 1990s, significant changes have affected all aspects of the labour market, including international migration for employment. These include changes in:

- Ⓒ the scope of immigration and emigration;
- Ⓒ destinations and sending countries;
- Ⓒ types of migration and mobility;
- Ⓒ the infrastructure for migrant workers; and
- Ⓒ the regulations respecting migration.

In addition, new types of migration have emerged, with particular reference to illegal migration, which was previously unknown in Lithuania. The migration of foreign nationals for the purposes of employment, whether legal or illegal, is therefore a new phenomenon. The issue of illegal migration for employment is now taking on greater significance. However, knowledge about the new features of migration trends is still poor. Indeed, some aspects of the issue, including the employment problems faced by foreign workers, have hardly been investigated at all. One of the reasons for the lack of information on the subject is that official statistics do not cover illegal migration. Although archival data exist on some aspects of migration, the information available is very fragmentary and is spread between several institutions.

The aim of the study is therefore fairly broad. Based on various sources of data, it is designed to provide policy-makers with a better understanding of the different aspects of the irregular movement of migrant workers and the work-related problems faced by foreign nationals in Lithuania. An attempt has also been made, not only to find out what is happening, but also to investigate the causes of the various trends and put forward hypotheses concerning their future development.

2. Methodology

Two main methods were used to obtain data and expert opinion for this survey. The first of these was to compile the existing data on the various aspects of international migration, both legal and illegal, as it affects Lithuania. This information was then supplemented and placed in context using the findings of a survey of key informants with expert knowledge of the subject.

2.1. Statistical and archival data sources

The data sources used for the survey included:

- Ⓒ official statistical data on general trends in international migration in Lithuania compiled by the Department of Statistics of the Republic of Lithuania;
- Ⓒ data on illegal border crossings, illegal transit migration through Lithuania and the detention of illegal migrants, from the files on the detention of illegal foreign visitors kept by the Migration Department and data on illegal border crossings compiled by the border police;

- C data on temporary migration to Lithuania, excluding tourism, recreation and visits to relatives and similar trips, based on the files kept by the Migration Department on the special visas issued in Lithuania - some 324 of the 1740 personal records of the foreign nationals who obtained special visas to work in Lithuania between March and December 1996 were selected at random for special analysis;
- C aggregated data from the Lithuanian labour exchange and the Ministry of Labour and Social Security on labour immigration to Lithuania in 1995 and 1996, based on records of the work permits issued to foreign workers and on standard contracts of employment between employers in the Republic of Lithuania and foreign workers not in possession of permanent residence permits for whom work permits were issued by the labour exchange over the same period, which numbered 307 in total and yielded information on the socio-economic and professional characteristics of foreign workers, as well as on the nature and conditions of their employment, their earnings and some general information on their employers.

In addition, more general information was gathered on the situation on the Lithuanian labour market, with particular reference to levels of employment, unemployment and hidden unemployment. The principal sources of this information included:

- C official statistics on the employment situation in the economy by sector, from the Department of Statistics of the Republic of Lithuania;
- C the available literature and special studies on hidden unemployment and illegal work in Lithuania, supplemented by interviews with representatives from the Lithuanian labour inspectorate, the labour exchange and experts dealing with employment problems; and
- C the findings of a special sample survey on illegal/unofficial employment in Lithuania conducted by the Department of Statistics in 1995 and 1996.

2.2. Key informant survey on illegal migration and the employment of foreign workers

Sociological data for the present study were obtained from a series of standardized in-depth interviews, which included a set of core questions, with 107 experts from different regions of Lithuania (see Appendix 1). The experts interviewed included employers, owners, directors and managers of various types of enterprises, as well as regional representatives of the Migration Department, the labour inspectorate and the labour exchange. This part of the survey was carried out by professional interviewers from the Public Opinion and Market Research Centre, VILMORUS Ltd. These interviews were supplemented by another ten interviews carried out with workers' representatives and leaders. The data obtained from these latter interviews were mainly used for purposes of comparison with the views expressed by employers.

Extended non-standardized interviews were also carried out with experts possessing either very general, or very specific information on various aspects of the migration and/or employment of foreign workers. These included:

- C experts on general problems relating to international migration, illegal migration and refugees, particularly from the Migration Department, the border police, the Registration Centre for Illegal Migrants and the Council for Refugees and Asylum Seekers;
- C experts on labour market problems, including the employment of foreign workers, from the labour exchange, the labour inspectorate and the Ministry of Labour and Social Security;
- C experts on some very narrow and specific problems relating to illegal work by foreigners, including prostitution, from the Department of Organized Crime and the municipal police, and on illegal petty trading, from the regional police forces; and representatives of embassies.

Moreover, an investigation was carried out of the practical possibilities for foreign workers to obtain illegal work in Lithuania. This consisted of over 30 telephone interviews with employers, including:

- Ⓒ 11 private employment agencies (there are only 35 private employment agencies in the country with official authorization to provide employment services);
- Ⓒ 18 joint stock companies; and
- Ⓒ two private enterprises.

The work on the survey was carried out in the first half of 1997 by an interdisciplinary research team composed of researchers from the Department of Demography, Lithuanian Institute of Philosophy and Sociology, Department of Sociology of Vilnius University.

3. Migration trends in Lithuania

Until the late 1980s, international migration in Lithuania was both intensive and stable. It was characterized by a constant increase in the population, due to immigration from the republics of the former USSR, amounting to net immigration of some 6,000 to 8,000 persons a year. At that time, there were almost no migration relations with other foreign countries. However, in 1989, as a result of the far-reaching political, social and economic changes in Lithuania, the migration situation also started to change, with some migration flows even reversing their direction. It should be added, as shown in Table 3.1, that international migration in Lithuania was never homogeneous. In particular, it should be noted that the movements classified in Table 3.1 as migration in an unspecified direction consisted mainly of males of conscription age going to or returning from active military service and those sentenced to imprisonment outside Lithuania. These movements, which used to account for some 50 per cent of international migration movements, no longer exist. Early in the 1990s, Lithuanian nationals ceased to serve in the army of the former USSR.

Table 3.1. Main international migration flows, Lithuania 1986-1996
(in thousands)

* Army (only men of conscription age going to/returning from active military service; no army movements included), and prison.

Source: National statistics, various sources.

Moreover, following the abolition of the political restrictions, emigration to countries outside the former USSR increased, without ever reaching the massive proportions which had been forecast. The current level of emigration from Lithuania to the industrialized countries depends to a great extent on the immigration rules of the countries of destination. Immigration into Lithuania, meanwhile, has also fallen and its level is now almost insignificant. The main countries of origin of current immigrants are those from which immigrants have traditionally arrived, namely Germany, Israel and the United States. The proportion of African and Asian immigrants, who account for the majority of immigration flows into Western Europe, is still quite low in Lithuania. The proportion of immigrants coming from Central European countries, including the Czech and Slovak Republics, Hungary and Poland, has also fallen.

Table 3.2. Immigration to Lithuania by country of origin (excluding the former USSR)
(1991-1995)

	1991	1992	1993	1994	1995
Africa					
Algeria	1	-	-	-	-
Ethiopia	2	-	-	-	-
Americas					
Canada	1	10	21	4	13
United States	7	59	60	28	45
Other American countries	3	5	-	-	2
Asia					
Afghanistan	12	3	-	-	-

Israel	20	18	1	11	25
Jordan	3	-	-	-	-
Lebanon	4	-	-	-	3
Mongolia	73	19	-	-	-
Europe					
Czech/Slovak republics*	87	3	-	-	2
Germany*	489	223	50	24	29
Hungary*	65	10	-	-	-
Poland	345	51	11	10	6
Scandinavian countries	-	3	1	-	2
United Kingdom	1	7	4	6	3
Other European countries	6	10	9	10	6
Oceania					
Australia	-	9	6	5	7
Countries not indicated	-	3	4	9	7
Total	1119	434	168	107	150

* Includes Lithuanian nationals returning from active military service.

Source: *Demographic yearbook 1992-1995*.

The changes in migration movements to and from the countries of the former USSR have been much more radical. In the early 1990s, emigration to the countries of the former USSR increased drastically, reaching a high point in 1992 of 21,000 persons. These developments were mainly a result of the re-establishment of the independence of Lithuania and the willingness of former immigrants to return to their countries of origin which, in most cases, were Belarus, the Russian Federation and the Ukraine.

Table 3.3. Migration with the countries of the former USSR (1989-1995)

	Arrivals						
	1989	1990	1991	1992	1993	1994	1995
Total former USSR of which:	16755	13197	10709	6206	2682	1557	1870
Belarus	2229	1530	1285	747	380	250	251
Central Asian Republics	406	272	261	179	48	38	62
Estonia	180	165	131	82	53	45	35
Kazakhstan	524	366	246	223	87	35	86
Latvia	1466	1001	834	666	327	179	235
Moldova	147	170	118	63	23	8	11
Russian Federation	9330	7670	6329	3439	1425	786	946
Transcaucasian Republics	473	297	276	184	67	55	65
Ukraine	2000	1726	1229	623	272	161	179
	Departures						
	1989	1990	1991	1992	1993	1994	1995
Total former USSR of which:	15439	19827	18085	27324	15076	3418	2916
Belarus	2982	3709	4072	6230	2439	548	362
Central Asian Republics	249	299	224	219	32	19	14
Estonia	159	145	70	49	34	6	8
Kazakhstan	244	373	304	266	108	31	14
Latvia	911	908	614	327	176	56	52
Moldova	182	184	140	139	77	32	8
Russian Federation	8023	10782	9746	15726	10558	2452	2248
Transcaucasian Republics	3118	206	161	120	29	9	22
Ukraine	2371	3221	2754	4248	1623	265	188

Source: State Committee for Statistics of the Republic of Lithuania.

More recently, emigration has been decreasing and migration movements with the countries of the former USSR are approaching a point of equilibrium, with much smaller numbers of migrants moving in each direction. After the leaps and bounds of the early 1990s, emigration has now stabilized at a rather low level. Immigration has also fallen steadily since the end of the 1980s and the beginning of the 1990s. However, the structure of immigration to Lithuania has remained relatively constant, with the majority of immigrants still coming from Belarus, Latvia, the Russian Federation and the Ukraine.

Figure 3.1. Immigration from the countries of the former USSR (1989-1995)

Source: State Committee for Statistics of the Republic of Lithuania.

The information provided above refers almost entirely to legal migration for permanent settlement, which is the only form of migration for which fairly reliable statistics exist. These give the impression that Lithuania has become an outsider in terms of international migratory movements. However, several recent surveys show that, when illegal migration is taken into account, this is not the case. The number of temporary moves into and out of Lithuania, which sometimes involve fairly long periods of overstaying, have significantly increased (Sipavicieno, 1995; IOM, 1997), while the phenomenon of the brain-drain has become more important. In addition, new patterns of migration have emerged and appear to be on the increase, such as illegal immigration and illegal transit migration (IOM, 1997; Sipaviciene, 1997). Migration for employment is changing in nature and direction. Moreover, migration for illegal work, both into and out of Lithuania, is a recent phenomenon about which little is yet known.

3.1. Illegal migration

The emergence and gradual increase in illegal migration for work in Lithuania can only be understood in the broader context of its development throughout the region, and particularly in the countries of the former USSR.

During the Soviet period, illegal migration of any kind (immigration, emigration or transit migration) in either Lithuania or any of the other countries of the former USSR was practically impossible. Surrounded by the *iron curtain*, on which the army acted as border guards and implemented a closed door migration policy, none of these countries were either easily accessible or attractive to migrants. Migration was regulated by special secret decrees, including Secret Decree No. 200 of the Ministry of the Interior of the USSR, supplemented by secret KGB instructions. In general, only immediate relatives were allowed to emigrate. Nor was immigration, or even repatriation, welcomed. A similar policy was applied to short-term foreign migration, with the aim of minimizing temporary foreign visits into and out of the country.

The movement of foreigners, including tourists, inside the former USSR was also kept under very strict and constant control. Only a limited number of locations, and principally the capitals of the republics and some other large cities, were accessible to foreigners, who were not allowed to deviate from the route indicated on their entry visa. Immigrants, even immediate relatives, who wished to visit other locations, had to seek additional authorization from the

Ministry of the Interior of the republic concerned. In addition, foreign visitors were frequently spied upon, which limited their freedom of movement even more severely. The result was that practically no illegal migration occurred.

However, the collapse of the former USSR, the liberalization of migration policy and the considerable weakening of frontier controls led to the revival of traditional migration patterns, namely from South to North and from East to West, with migrants once again making their way to or through the countries of the former USSR. This led in turn to a concentration of migrants, mainly from Asia, Africa and the Middle East, in the countries around Lithuania, namely Belarus, the Russian Federation and the Ukraine, and in turn the emergence of illegal immigration or transit migration through Lithuania. In this respect, investigations have shown that very few Asian or African migrants who arrive in Lithuania intend to stay in the country and that their objective is mainly to reach Western Europe or the United States.

According to unofficial estimates from various sources, including the Lithuanian border police, there are over 200,000 illegal Asian and African migrants in Belarus alone. Estimates of their numbers in the Russian Federation and the Ukraine go as high as half a million. Nevertheless, some projections indicate that only between 10 and 30 per cent of these migrants intend to stay in the countries of the Commonwealth of Independent States (CIS) (IOM, 1994). Their ultimate objective is to reach one of the industrialized countries, probably illegally. One way of achieving this objective is by means of transit migration through Lithuania. Indeed, routes are now becoming more established, contacts have been made and the process of trafficking migrants, mainly from Asia and Africa, is growing.

The situation has changed in a different way for migrants from the CIS countries, which used to have good migration relations with Lithuania. The introduction of visa requirements has complicated their situation and forced some of them to violate border rules and migrate illegally. It should be emphasized in this respect that the border, especially with Belarus, is quite porous.

3.2. Illegal transit migration

The first illegal transit migrants were apprehended in Lithuania only in mid-1992, when the operational service of the Border Police Department was first established. It is not therefore possible to state with any certainty that illegal transit migration did not occur previously. Indeed, it may have been happening for some time without being noticed.

Since then, the transit migration (trafficking), particularly of Asians and Africans, has increased gradually and has come to account for a significant proportion of all illegal crossings of the Lithuanian border. The greatest recorded increase occurred in 1994 and 1995, before a slowdown in 1996. However, the official figures refer only to the illegal migrants who have been detected. The real scope of transit migration is therefore likely to be considerably higher than the figures contained in the table.

Table 3.4. Persons detained (including transit migrants) crossing the Lithuanian border illegally (1992-1996)

	1992	1993	1994	1995	1996
Detainees, of which	378	1019	1998	7289	2255
Transit migrants	273	119	620	1355	1310

Source: Ministry of the Interior.

In general, transit migrants travel in groups and use the services of traffickers. Trafficking through Lithuania costs migrants an average of about \$4000 (IOM, 1997). Analysis of the countries of origin of the transit migrants detained in Lithuania shows that the majority of them originate from Afghanistan, Bangladesh, India, Pakistan and Sri Lanka, which are all countries with which Lithuania did not previously have any close economic or cultural relations. Indeed, these countries account for a very small proportion (barely 2 per cent) of legal immigration into Lithuania. Moreover, according to the border police, there would appear to be some evidence to suggest that the few immigrants from Asia and Africa who have been granted legal residence permits, mainly on the basis of their marriage to Lithuanians or studies in Lithuanian universities, may also be involved in the trafficking of migrants. Nevertheless, the majority of illegal transit migrants detained in Lithuania were not even trying to seek employment, whether legal or illegal. Their only desire was to cross Lithuanian territory as soon as possible (IOM, 1997).

Table 3.5. Countries of origin of illegal transit migrants detained in Lithuania (1992-1996)

	1992	1993	1994	1995	1996
Afghanistan	3	5	40	252	301
Algeria					
Bangladesh	46	2	21	116	164
China	-	11	5	-	128
India	4	2	290	321	202
Iran	3	-	-	6	2
Iraq	10	2	1	125	117
Lebanon	77	6	-	4	5
Nepal	-	-	7	1	-
Nigeria	-	-	-	1	-
Pakistan	58	42	72	216	140
Palestinian authority	-	-	-	5	1
Somalia	-	-	2	24	-
Sri Lanka	10	-	-	48	4
Syrian Arab Republic	13	21	158	231	238
Turkey	13	6	20	4	1
Viet Nam	36	22	4	-	5
Other	-	-	-	1	2
Total	273	119	620	1355	1310

Source: Ministry of the Interior.

Illegal transit migrants generally cross the border at night on foot, or in trucks, containers or buses. They are then put up at secret addresses, usually in the countryside, and are not allowed to go out or seek any type of work. All their food and other supplies are also provided by the traffickers, usually at additional cost. They stay in these addresses until the traffickers are ready to transport them onwards, mainly to Poland. If caught, they are detained in a special illegal migrants' registration centre in Pabrade, where they stay until a decision is taken to return them to their previous country of transit or their country of origin. By mid-1997, over 600 such illegal transit migrants were detained in the Pabrade centre, significantly exceeding its capacity. The number of illegal transit migrants would appear to be increasing steadily. Most of them are

stranded in Lithuania. They are not allowed to move on to their desired destination in the industrialized countries, and it is not easy to return them to their previous transit countries because readmission agreements have not yet been signed with the most important countries.¹

Until they are brought to the centre, illegal migrants are not allowed to undertake any paid work or other activity. Once in the centre they may, if they so wish, assist workers doing repair and other work in the centre, without pay. Although some detained migrants would like to obtain paid work, only a few of them wish to stay in Lithuania for a longer period if the opportunity arises.

In conclusion, although initially none of the transit migrants intended to stay in Lithuania or find work in the country, after they have stayed for a certain length of time, and particularly when they realize that their prospects of reaching the industrialized countries are poor, some of them eventually try to seek refugee status with the intention of staying in Lithuania.

3.3. Other forms of illegal immigration into Lithuania

Illegal immigration into Lithuania for purposes other than merely to transit through Lithuanian territory is a very recent phenomenon which has hardly been investigated. Most of the persons caught crossing the border illegally are from neighbouring countries, including Belarus, Latvia and the Russian Federation, as well as Azerbaijan, Moldova and Uzbekistan. Since the figures in Table 3.6. refer only to the migrants who were detained, their real numbers are undoubtedly significantly higher.

According to the border police, these migrants can be divided into two principal categories. The first of these consists of persons coming to Lithuania to stay for a short time before going on to Germany or Poland. They frequently have false travel documents or visas. However, in contrast with Asian or African transit migrants, they organize their trips themselves and do not make use of intermediaries. Moreover, it is not normally their intention to settle in their country of destination, but just to find temporary work there. The reasons for their migration are mainly to engage in petty trade, such as food or clothing in Polish markets, or second-hand cars in Germany or the Netherlands, or to seek temporary work, which is normally unskilled and illegal. This category of migrants includes many Estonians and Latvians who, because of the common visa area, can enter Lithuania freely and are held back only when trying to cross the Polish border.

Table 3.6. Illegal migrants from CIS and European countries detained at the Lithuanian border (1996)

	Persons detained
Armenia	4
Azerbaijan	20
Belarus	131
Estonia	10
Georgia	2

¹ By mid-1997, Lithuania had concluded readmission agreements with Bulgaria, Estonia, Finland, Iceland, Italy, Latvia, Slovenia, Sweden and Switzerland. The conclusion of other bilateral readmission agreements is envisaged with Cyprus, Denmark, Malta, Norway and Poland. Consultations are being held with Belarus and the Russian Federation concerning the conclusion of similar agreements.

Germany	3
Israel	2
Kazakhstan	2
Latvia	60
Lithuania	398
Moldova	6
The Netherlands	1
Poland	9
Russian Federation	194
Sweden	1
Ukraine	43
Uzbekistan	3
Yugoslavia, Federal Republic	1
Without citizenship	45
Unknown	10
Total	945

* Includes only persons detained at the border and who intentionally violated border crossing rules. Persons without the proper documents or without a valid Lithuanian visa detained inside the country are not included.

Source: Border police.

A second category consists of migrants whose destination is Lithuania itself. The main reason for their migration is also petty trade, based on the price differences between Lithuania and most CIS countries. Second-hand cars, clothes and other goods, mainly from China, Turkey and the United Arab Emirates, are cheaper in Lithuania than in Belarus or the Russian Federation. The majority of these temporary migrants are Belorussians, Russians and Ukrainians, who are usually detained on the border with Belarus. Nationals of the Caucasian countries, who used to trade in Lithuania, have now been pushed out of the local markets and mainly come to Lithuania to rest, for temporary residence or to shop.

A special group of illegal migrants consists of those coming to Lithuania to work as prostitutes. According to information from the police, up to 50 per cent of prostitutes working in Lithuania are foreigners, mainly from the CIS countries. Most of them enter Lithuania illegally, sometimes with false passports and, evidently, they do not have work permits.

The purpose of those few Western Europeans caught entering Lithuania illegally is unclear. They usually state that they were unaware of the visa requirements.

Most illegal migrants are familiar with local conditions in Lithuania and have good contacts, who provide them with shelter and help them to do business. Support from local people is often an absolute necessity. However, the penalties for assisting illegal migrants are merely symbolic. For example, the fine for providing illegal immigrants with accommodation is between 50 and 500 litas (\$13 to \$125).

There are several reasons why people enter Lithuania illegally. Many are attracted by the loose border controls, while in other cases they do so due to technical problems in obtaining a visa. These include the difficulties involved in obtaining Lithuanian multi-entrance visas, for which a special invitation is required indicating that the work is necessary. This particularly affects petty traders, who commute as frequently as twice a week. Another difficulty lies in the low capacity of Lithuanian embassies in some countries to issue visas. One example is the embassy in Moscow, where demand is higher than its capacity to process visa applications. Finally, the entry visa is valid for one month, which raises problems for many migrants involved in illegal work or trading, who often do not know beforehand the exact dates of their entry into the country.

Border police officials point out that most of the foreign nationals detained for crossing the border illegally are small traders who are self-employed or officially registered as unemployed. In cases in which large companies are involved in the illegal employment of foreign nationals, they tend to ensure that their visas and travel documents are in perfect order. There is therefore an important distinction to be made between illegal work and illegal border crossings.

The decline in illegal immigration into Lithuania in the past three or four years can be explained, not by the improvement in border controls, but principally by the lower purchasing power in neighbouring countries, including Belarus, the Russian Federation and the Ukraine. The future development of these migratory flows is likely to be more dependent on the economic situation in the countries in the region than on the efficiency of border controls.

3.4. Basic characteristics of Lithuanian policy on labour migration and the employment of foreign workers

Until the 1990s, Lithuania had no independent policy on international migration. In this, as in most other policy areas, it was required to follow closely the instructions issued by Moscow. Migration, including labour migration, between the republics of the former USSR, was considered to be an internal movement and was not therefore directly regulated by decrees or laws. Indeed, moves of this nature were encouraged, in accordance with the USSR's policy of mixing nationalities. Labour was recruited, especially for large-scale construction projects, all over the territory of the former USSR. Migrants were even granted certain privileges in such areas as housing and wages in comparison with the local population. As a result, labour migration formed a significant proportion of total immigration into Lithuania. However, exact data on labour migration for that period are not available since, until 1992, statistical data on international migration were not processed by reason for migration.

The situation concerning migration with other foreign countries was very different. Immigration from foreign countries, including temporary immigration for the purpose of employment, was not welcomed and, with very few exceptions, was almost non-existent during the whole Soviet period. In the 1990s, as the situation changed, Lithuania developed an independent immigration policy. The basic texts governing the entry and residence of foreign nationals in Lithuania are:

- Ⓒ the Immigration Act, which establishes the conditions and procedures for entering Lithuania for the purposes of permanent settlement; and
- Ⓒ the Act respecting the legal status of foreign nationals in Lithuania, which regulates temporary visits by foreign nationals.

These two basic Acts are supplemented by several decisions setting out the details for their practical implementation, including the employment possibilities for foreign nationals.

The procedures for the employment of foreign workers are set out in the Decision on the temporary employment of foreign nationals, adopted in 1995. Under the terms of this Decision, foreign workers who have concluded contracts of employment with employers in Lithuania, or who have created enterprises in the country, are granted special visas. Special visas are valid for a maximum of two years, but may be renewed. However, special visas for labour migrants coming to Lithuania can only be issued on the basis of special licenses granted to employers or work permits delivered to workers by the labour exchange. Both of these documents are required for the legal employment of foreign workers. Foreign nationals who come to study or for apprenticeship are granted visas for the whole period of their studies.

Employers who wish to engage foreign workers need to obtain a licence from the labour exchange. Such licences are issued only if the employer does not exceed an annual placement quota for foreign workers and provided that their employment meets the needs of the Lithuanian labour market. Licences are not issued if Lithuanian nationals are seeking the same type of employment, or in cases where the employer cannot guarantee adequate living conditions or the other conditions provided by Lithuanian law and international agreements. In practice, it is rare for employers to be refused a licence. In 1996, of the 260 enterprises which applied to the labour exchange for licences, only three were refused. In each case, the refusal was made on the grounds that the enterprises wished to employ foreign workers in professions or positions for which Lithuanian nationals were registered as unemployed and seeking a job.

Once the licence has been obtained, the employer concludes a contract of employment with the foreign worker, specifying the type of work to be performed and requiring the worker to leave the country on completion of the period of employment. Based on the contract of employment concluded with the employer, the labour exchange issues a work permit, which provides the basis for the application for the special visa and therefore for the legal employment of the foreign worker in Lithuania.

Two types of work permits are issued to foreign workers in Lithuania:

- C individual work permits for periods not exceeding 12 months based on contracts of employment concluded with employers; and
- C group permits for periods not exceeding 24 months, based on business contracts between Lithuanian and foreign nationals.

Both types of work permits may be extended for an additional six months. Foreign nationals in possession of work permits are entitled to all the rights enjoyed by Lithuanian citizens in respect of living and working conditions. However, they are not permitted to change their employer, activity or occupation. Moreover, both employers' licences and work permits may be cancelled in the event of voluntary or involuntary unemployment, or when the contract of employment is terminated due to the interruption of the employer's business activity. In both cases, the foreign worker is required to leave the country.

The principal objective of this strict attitude towards foreign labour is the protection of the local labour market. Indeed, each year the Government establishes a global placement quota for foreign workers. This quota was fixed at 1,000 foreign employees in 1996 and 1997. However, in 1995 and 1996 the quota was not entirely filled. Qualifications are also taken into account. Foreign workers are not issued with work permits if their qualifications are not adapted to the skill requirements of the proposed work. On the other hand, certain categories of employees in which

Studies	97	48	12	7	1	1	-	-
Job appointment	1002	64	16	14	68	10	4	2
Family-related	1610	1611	1147	421	114	69	54	72
New place of residence preferred	3118	614	228	74	217	64	38	63
Acquisition of apartment	97	50	13	17	5	1	2	-
Exchange of apartment	138	30	10	7	1	-	1	-
Return from exile	11	40	18	13	-	3	-	-
Expiry of job contract	13	30	3	-	3	1	1	1
Graduation from educational institution	16	75	36	17	1	6	1	-
Other	103	120	74		24	13	6	12
Total	6205	2682	1557	1870	434	168	107	150

Source: Lietuvos gyventojai, 1992 and *Demographic yearbook* 1993-1995.

In view of the need for foreign workers coming to Lithuania for temporary employment to obtain a work permit and a special visa, official data on the employment of foreign nationals are available from the local archives of the labour exchange and the Migration Department. No special statistics on temporary immigration or labour migration are compiled by the Department of Statistics.

3.7. Reasons for temporary immigration to Lithuania and the main characteristics of migrants

In contrast with permanent immigrants to Lithuania, the majority (some 60 per cent) of temporary migrants state that the purpose of their migration is related to employment. Over one-quarter come to study. Most legally employed foreign workers in the country are

concentrated in public institutions, private enterprises and enterprises with foreign capital. The majority of foreign workers are employed in education (39.5 per cent), trade (10.8 per cent), transport (9.6 per cent) and manufacturing (6.8 per cent). In addition, there has been a significant increase in the numbers of foreigners working with the various religious missions. Indeed, religious institutions form over 10 per cent of destination/inviting organizations.

Table 3.8. Reasons for temporary migration to Lithuania

Source: Randomly selected sample of Migration Department special visa files.

The agricultural sector, which is in great need of innovation and direct foreign aid, still only accounts for a very small proportion of foreign workers (1.2 per cent). Most immigrant workers move to the larger cities, such as Vilnius, Kaunas and Klaipeda, which attract nearly 90 per cent of all immigrants. In contrast, only 7 per cent of temporary migrants move to rural areas.

Table 3.9. Employment of temporary migrants by type of organization/enterprise

Source: Migration Department special visa files (sample).

Figure 3.2. Geographical distribution of temporary migrants in Lithuania

Ignalina region 1.2%	Others 6.2%
Trakai region 3.4%	
Siauliai 1.5%	Vilnius 53.1%
Klaipeda 10.2%	
Kaunas 24.4%	

Source: Migration Department special visa files (sample).

The countries of origin of temporary migrants for employment are fairly diverse. The most common include the United States (15.7 per cent), China (13 per cent), Germany (10.5 per cent), the Russian Federation (8 per cent) and Lebanon (7.4 per cent). Temporary immigrants from the various countries come for different purposes. The main reason for Chinese, Lebanese and Pakistani nationals to come to Lithuania is to study. In contrast, nationals of the United States tend to come to teach or work in religious institutions. Nationals of the United Kingdom come mainly to teach, while immigrants from Germany, the Scandinavian countries and the Russian Federation are more often engaged in seeking employment, management and the provision of assistance for national reconstruction.

Table 3.10. Countries of origin of temporary migrants to Lithuania (April 1996 to January 1997)

Country of origin	No. persons	Country of origin	No. persons
Armenia	16	Latvia	4
Australia	8	Lebanon	157
Austria	5	Moldova	4
Belarus	71	New Zealand	1
Belgium	8	Netherlands	17
Bulgaria	2	Norway	6
Canada	22	Pakistan	44
China	183	Poland	29
Colombia	4	Portugal	2
Czech Republic	6	Romania	4
Denmark	42	Russian Federation	206
Finland	66	Spain	7
France	36	Sweden	31
Georgia	12	Switzerland	9
Germany	131	Syrian Arab Republic	7
Greece	5	Tadjikistan	3
India	5	Turkey	23
Iran, Islamic Republic	2	Ukraine	95
Israel	57	United Kingdom	30
Italy	7	United States	283
Japan	6	Viet Nam	11
Jordan	15	Yugoslavia, Federal Republic	7
Kazakhstan	2	Other countries	49
		Total	1740

Source: Migration Department special visa data files.

3.8. Social, demographic and professional characteristics of temporary migrants

From the sample of visa files for temporary migrants which were subjected to more in-depth analysis, it may be deduced that the majority are male, unmarried and under the age of 35 years. In terms of professional characteristics, most of them are highly skilled professionals. Manual workers form under 10 per cent of their number. One of the principal reasons for the low proportion of unskilled workers lies in the restrictions imposed by the authorities, which only allow foreign nationals to take employment in Lithuania in cases where no Lithuanian citizens are competing for the job. In view of the high rates of unemployment in the country, unskilled foreign workers therefore have very few opportunities to enter the Lithuanian labour market officially.

Most legally employed foreign workers are therefore fairly highly qualified or possess skills not widely available in Lithuania. The highest proportion are managers. In practice, the numbers of consultants and other highly skilled professionals could well be higher since, according to the law, if their stay in Lithuania does not exceed three months, they are not obliged to apply for a special visa or a special work permit. The analysis of their composition set out in Figure 3.3. and Table 3.11. below, which is based on official data on foreign workers in the Lithuanian labour market, is confined to foreign workers who are obliged by law to apply for work permits. It does not therefore include the foreign workers who are exempt from this obligation.

Figure 3.3. Age structure of temporary migrant workers

Source: Migration Department special visa data files (sample).

Table 3.11. Occupational structure of migrant workers

Source: Migration Department special visa data files (sample).

4. The employment situation in Lithuania

The political, economic and social reforms undertaken in Lithuania at the beginning of the 1990s resulted in significant changes in many areas, and particularly the labour market. These included:

- Ⓒ a fall in the labour force participation rate;
- Ⓒ a considerable decline in employment in the public sector, offset by an increase in private sector employment;
- Ⓒ the emergence of unemployment, including partial and hidden unemployment; and
- Ⓒ the emergence of the employment of foreign workers as a new phenomenon on the Lithuanian labour market.

Several sources of information are available for the analysis of the situation on the Lithuanian labour market. These include: data obtained from employers by the Lithuanian Department of Statistics, which show the scale of official employment; data from the Lithuanian labour exchange, based on the registration of the unemployed and jobseekers, which indicate the level of official unemployment; and data from the labour force surveys conducted by the Department of Statistics in the period 1994-96. These data give precise indications of the labour market participation of various categories of the population, for example by age and sex. However, for reasons of a methodological nature, they give widely differing pictures of the situation of employment and unemployment (see Annex 3 for a technical explanation of these differences).

4.1. Basic changes in the Lithuanian labour market in the 1990s

Official labour statistics produced by the Ministry of Labour and Social Security show that the number of persons employed fell sharply (by 254,000) at the beginning of the 1990s. In comparison, the size of the population of working age fell slightly (by 16,800), as shown in Table 4.1. The Table also shows that women have been affected by the recent economic reforms more than men. The number of women employed between 1991 and 1995 fell by 195,000 or 19 per cent, while the number of men in employment fell by 58,000 or 6.6 per cent over the same period.

**Table 4.1. Lithuanian labour force and employment
(1991-1995)**

- * Labour force compared with population of working age and older
- ** Employed persons compared with population of working age and older
- *** Unemployed compared with labour force

Source: Department of Statistics (for 1991-1994) and Ministry of Labour and Social Security (for 1995).

In view of the high number of persons who are officially registered as unemployed, which has fluctuated between 100,000 and 120,000 in recent years, it would seem logical that a high number of people of working age are involved in the *shadow* or informal economy. In this respect, four categories may be identified in the Lithuanian labour market:

- C workers who are *officially employed*;
- C those who are *officially unemployed* and registered as such at the labour exchange;
- C persons engaged in *hidden unemployment*, who do not work full time or are on unpaid leave, as well as workers who are made redundant but are not registered at the labour exchange; and
- C workers engaged in *hidden employment* in the informal sector, who do not pay social insurance contributions or taxes.

However, it is very difficult to make a precise assessment of the structure of the Lithuanian labour market, because the system of statistical reporting is not yet fully developed. In particular, many enterprises, especially small and medium-sized enterprises, do not submit adequate information on their economic activities and financial situation to the official statistical institutions.

Recent economic reforms have resulted in the modernization of the labour market and changes in the structure of employment. During the Soviet period, a high percentage of Lithuanian workers were employed in industry, including machinery production, chemicals, electronics, textiles and other branches of light industry. At the same time, very large numbers of workers were employed in agriculture in collective and State farms. In contrast, the proportion of the workforce engaged in the services sector was low.

During the period 1989-1993, the numbers employed in industry decreased by 35 per cent, while the figure was 45 per cent for construction and 40 per cent in transport. At the same time, there were major changes in the services sector: the numbers occupied in trade increased by 43 per cent and by 60 per cent in financial mediation and commercial activities. In contrast, the number of workers employed in the education and health care sectors did not change significantly. The redistribution of the labour force has affected the structure of employment:

- C the role of manufacturing is diminishing, while agriculture is gaining in importance;
- C the proportion of women has fallen in all sectors, except education, health care and social work, which remain almost totally feminized: however, there has been a very significant decline in the numbers of women working in agriculture, manufacturing and the wholesale and retail trades.

These changes are closely related to the expansion of the private sector. Since 1990, the number of employees in the public sector has decreased by 915,000 (or about 62 per cent), while the number occupied in the private sector has multiplied more than 20 fold, reaching 1,127,000 at the end of 1996. According to recent estimates, the share of this sector in total employment is over 67 per cent. The private sector is therefore by far the most important source of new jobs.

Table 4.2. Employment by sector (1992 and 1995)

Source: Department of Statistics (for 1992) and Ministry of Labour and Social Security (for 1995).

Figure 4.1. Employment by public/private sector (1990-1996)

The dynamic growth of the private sector has been based on the changes introduced in forms of property ownership, including the privatization of land, enterprises and shops. These processes have particularly affected rural areas, where the majority of workers were previously employed in State and collective farms. In 1990, there were only 29,000 private farmers in the country, cultivating 48,700 hectares. By 1994, the number of private farmers had reached 111,000. However, the explosion in the numbers of private farmers and those working for them also bears witness to the lack of opportunities to find other jobs. They are therefore forced to stay in the countryside and cultivate small plots of land. Even persons farming two or three hectares were considered to be employed for the purposes of the labour force survey. This explains the very high proportion of the workforce reported by the 1996 labour force survey as being employed in agriculture, namely 28 per cent, compared with the figure of 24 per cent given by the Ministry of Labour and Social Security.

Women account for some 48 per cent of private sector employees and 57 per cent of those in the public sector. The reasons for the slower feminization of private economic activities lie principally in the sectoral distribution of the female labour force. Up to now, the sectors with the highest proportion of women workers have been characterized by the lowest levels of privatization. The proportion of private sector employment in education is about 10 per cent, while the figure for health and social work is 8 per cent. In contrast, the proportion of workers employed in private enterprises in such predominantly male sectors as construction and manufacturing is 91 per cent and 70 per cent respectively.

4.2. Unemployment and hidden employment

The decline in the numbers of people working in the national economy has of course resulted in the rapid growth of unemployment. Registration of the unemployed in Lithuania only commenced in March 1991. At the end of 1991, the total number of officially registered unemployed persons was 4,200. The next year, it reached 20,700. The growth in unemployment was particularly significant in the autumn of 1992, when the numbers of persons officially registered as being out of work rose by some 4,000 a month. Over the next two years, the number of unemployed persons increased slightly, levelling off at between 30,000 and 33,000. The beginning of 1995 was marked by a new jump, when the number rose to 39,000.

At the same time, the broader measure of the number of jobseekers registered at the labour exchange rose to 100,800 in March 1995 and 144,200 in March 1996 (for the definitions of *unemployed* and *jobseekers* in the Lithuanian context, see Appendix 4). This figure fell to 110,900 at the end of 1996 and the latest estimates place the unemployment rate at 5.7 per cent in March 1997, indicating a certain stabilization. However, the official figures for unemployment are much lower than the information obtained through the labour force survey in September 1996, which found that 317,000 persons were out of work, or 15.6 per cent of the active population.

Despite the difference in the figures obtained from the various sources, they both show similar structural characteristics of unemployment. These include:

- Ⓒ a higher proportion of women among the unemployed (51 per cent);
- Ⓒ a much higher proportion of women among the unemployed in the older age categories (60 per cent of 45-49 year-olds and nearly 55 per cent of the 50-54 age group);
- Ⓒ the relative youth of unemployed men, with males under the age of 24 accounting for 27 per cent of all unemployed men, compared to 18.5 per cent in the case of women; and
- Ⓒ a much higher proportion of unemployed women graduates (62 per cent).

Table 4.2. Labour force and unemployment (1996 labour force survey)

Source: Department of Statistics.

Between 1992 and 1997, over 122,000 persons were involved in employment programmes organized by the Lithuanian labour exchange and its regional departments. According to the latest data from the Lithuanian labour exchange, there are four unemployed persons for each registered vacancy.

However, an analysis of the situation on the Lithuanian labour market shows that the official data released by the Department of Statistics and the labour exchange do not portray the real diversity of the processes which are occurring. Neither do they show the real scale of employment or unemployment. Additional sources of information, including data on social insurance payments and labour force surveys, as well as other special investigations, give a more realistic picture.

At the beginning of the reforms in 1991 and 1992, during the period of the economic blockade, which was characterized by a catastrophic fall in production, the phenomenon of hidden unemployment emerged, with an average of between 30,000 and 35,000 workers every month being forced to take unpaid leave. Hidden, or unofficial employment, takes two forms:

- C full unofficial employment*, consisting of persons who have not concluded a contract of employment and where the employer's economic activities are not registered, with the result that no taxes or social insurance contributions are paid; and
- C partial unofficial employment*, where the employer does not pay full social insurance contributions and officially declares a volume of economic activity which is lower than the real level.

The most rapid decline in the numbers of persons paying social insurance contributions was between 1991 and 1993, when there was a fall of 390,000 contributors. Self-employed persons who do not pay their social insurance contributions, or who only pay part of their taxes and contributions, are also considered to be unofficially employed. In a broader sense, the unofficial labour market also includes persons who are searching for a job. Moreover, according to Lithuanian law, private farmers, military officers and officials in the Ministry of the Interior were not obliged to pay social insurance contributions until 1995, but are clearly not identified with the informal economy.

Table 4.3. Payment of social insurance contributions (1991-1996)

	1991	1992	1993	1994	1995	1996
(thousands)						
Number of persons paying social insurance contributions	1764.3	1572.8	1373.8	1286.8	1297.1	1350.4

There are various estimates of the current size of the informal economy. According to the results of the 1996 labour force survey conducted by the Department of Statistics, some 233,000 people were engaged in hidden employment in 1995, rising to 300,000 in 1996. The main areas of the informal economy are construction, trade and various personal services. Other estimates, based on official statistics and data provided by the social insurance board, suggest that 15 per cent of the population of working age is involved in the informal economy (Pocius, 1996). Partial hidden employment is not taken into account in these estimates, although one-half of those registered as unemployed at the labour exchange are commonly

considered to be illegal workers. In the opinion of B. Gruzevski of the Institute of Labour and Social Research, the scale of hidden employment in Lithuania is much larger and involves about half a million workers (Gruzevski, 1995).

It may therefore be concluded that it is very difficult to obtain an accurate picture of the situation on the Lithuanian labour market on the basis of official statistics alone. Various other surveys, and calculations based on indirect indicators, provide a rather diverse picture. Nevertheless, although the figures and estimates do not coincide, they do point to the significance of the phenomenon of the informal sector.

4.3. Illegal employment of Lithuanian nationals (opinions of key informants)

The key informants interviewed agree that illegal employment is a widespread phenomenon in Lithuania. It is interesting to note in this respect that the opinions of employers, public officials and workers' representatives all tend to be fairly similar. The survey of expert opinion also indicated that the situation does not appear to vary much in the different regions of the country. However, not all sectors are affected to the same extent. Trade, services and agriculture are considered to be the main areas of the informal economy.

The experts also expressed the view that illegal employment is concentrated in small private enterprises, although certain public institutions are also believed to be affected. With regard to the reasons for the emergence and development of illegal employment, many of the experts pointed to the high level of taxation, legal obstacles and the high rates of unemployment.

In contrast, very few experts considered that the existence of unofficial employment could be explained by the inefficiency of state controls. Indeed, many expressed the conviction that the economic and political situation as a whole is very conducive to the development of illegal employment and that employers are sometimes even forced to resort to it in order to survive. Some warned that unofficial employment is better than unemployment and enables workers to earn a living. Success in abolishing unofficial unemployment could even have the effect of ruining certain types of enterprises.

Many experts expressed the opinion that, despite having a positive impact on economic development and the welfare of certain employers and workers, the rates of illegal employment needed to be reduced. Indeed, most of them expected them to decline in the near future. The reasons advanced for the continuation of illegal employment included that fact that too many people are interested in its existence. The key informants pointed in particular to the value to employers of this type of work, which would lead to the supposition that they will go on seeking illegal workers in the future.

5. Foreign workers in the Lithuanian labour market

5.1. Extent and structure of the legal foreign labour force

According to official data from the Lithuanian labour exchange, work permits were granted to 410 foreign workers in 1995 and 535 in 1996. In addition, 89 permits were extended in 1996. This implies that the scope of foreign employment in the country is quite small. However, officials of the Ministry of Labour and Social Security and the labour inspectorate recall that, until mid-1995, when the current employment procedures for foreign nationals came into force, over 2,000 foreign workers were officially employed in the country. Following the introduction of the new rules, their numbers suddenly decreased radically, with only 268 foreign nationals applying for work permits. A special control was therefore carried out by the labour inspectorate to determine whether the other foreign workers had left the country, or had stayed and were employed illegally. The findings of the control were that the vast majority were putting their documents in order at the time of the inspection. However, the inspection was only carried out in some regions and its findings may not therefore be conclusive.

The foreign workers entering Lithuania legally mainly originate from Belarus, China, Germany, the Russian Federation, the Ukraine, the United Kingdom and the United States. The information available from the Lithuanian labour exchange shows that most of them are teachers, engineers, managers, mechanics and workers employed in shipbuilding. Their main destinations are the three major cities of the country, namely Vilnius, Kaunas and Klaipeda, which together attract over 80 per cent of the foreign labour force.

Table 5.1. Work permits issued by country of origin (1995 and 1996)

Country	Number	
	1995	1996
Armenia	21	11
Belarus	32	28
China	25	21
Denmark	5	16
Finland	4	12
France	4	10
Germany	21	26
Israel	9	10
Latvia	17	5
Poland	8	19
Russian Federation	43	64
Sweden	10	11
Ukraine	73	87
United Kingdom	30	35
United States	37	46
Viet Nam	20	5
Other	51	62
Total	410	468

Source: Lithuanian Labour Exchange.

Table 5.2. Work permits issued by occupation (1996)

Source: Lithuanian Labour Exchange.

With a view to gaining a deeper insight into the situation, data from the Migration Department's files on contracts of employment and work permits were investigated further. The objective was to examine the social, demographic and professional characteristics of the legal foreign labour force in Lithuania to determine the sectors and types of institutions which attract foreign workers and their declared salaries. This latter information provides an indirect indicator of whether their contracts of employment cover all, or only a part of their salaries. The data show that most labour migrants are male (73 per cent) and young (54 per cent are under 35 years of age). Nevertheless, despite their youth, most of them have previous work experience. It is interesting to note in this respect that most of the inexperienced foreign workers are engaged in public institutions or non-profit-making organizations. Private enterprises tend to bring in more experienced and better skilled employees. This reflects the needs of enterprises for skills, for which they are willing to pay the necessary price, in contrast with the more limited possibilities of public institutions and many non-profit-making organizations, whose foreign employees are frequently selected by international organizations or movements outside the country.

The highest percentage of inexperienced foreign workers is found in education, trade and services. In other sectors, more experienced foreign labour is sought. For example, in transport and industry, some 50 per cent of legal foreign workers have over ten years of experience in their particular field. The highest proportion of immigrant workers are employed in joint stock companies (47 per cent), followed by public institutions (24 per cent). Somewhat surprisingly, enterprises with foreign capital do not appear to employ many foreign workers.

Most foreign employees occupy fairly high positions in Lithuanian enterprises and organizations. Directors, deputy directors, heads of departments, chief advisors and managers form nearly one-quarter of all legal foreign workers employed in Lithuania. Others include teachers, lecturers and skilled engineers and mechanics.

However, the salaries which are indicated in many of their contracts of employment give grounds for doubting whether the whole salary is in practice being declared. As can be seen from Table 5.3, the salaries of nearly 40 per cent of the foreign workers who are legally employed in Lithuania do not exceed 500 litas (\$125), which is several times lower than the average for Lithuanian workers. When it is taken into account that, according to their contracts, around half of foreign workers have to cover their travel expenses, accommodation and other expenses, it would appear even more certain that the salary indicated in the contract of employment only covers part of their real earnings. Moreover, their contracts of employment often specify the minimum compulsory salary fixed by regulations for foreign workers. It may therefore be assumed that the

rest is paid directly in cash, as is also frequently the case with local employees, to avoid taxes. Even legal work by foreign nationals would therefore appear to involve certain elements of illegality. This would tend to suggest that, if the situation of legally employed foreign workers, and even that of high-level managerial staff and highly-skilled professionals, gives rise to doubts concerning their full legality, the situation lower down the ranks is most likely to be worse.

Table 5.3. Salaries of foreign workers in Lithuania (in litas)

Litas per month	Number of persons
Unpaid	5
Less than 210 litas*	11
211-500	102
501-1000	91
1001-1500	22
1501-2000	22
2000+	40
Salary paid abroad	9
Not indicated	5
Total	307

* 210 litas is the basic minimum wage fixed by the Ministry of Labour and Social Security in 1996.

Source: Work permit data files (sample).

5.2. Views of key informants on the activities of foreign workers in Lithuania

Nearly half of the key informants interviewed expressed the opinion that the numbers of foreign workers in Lithuania, including those on short-term visits, are not very high. They consider that most foreign nationals who come to Lithuania to work do so as petty traders or are employed by local institutions or organizations. However, they warn that many of them also indulge in criminal activities. The opinions expressed in the in-depth interview with experts in the various fields on this subject clearly show the widely held fear of foreign nationals as importers of criminality. Indeed, a negative attitude towards foreigners is growing in Lithuania, as increasing numbers of illegal migrants are detained. In this respect, many of the experts identify the main problem as freedom of movement. In contrast, illegal work by foreign nationals (with the exception of prostitutes) does not appear to give rise to serious concern among them, particularly in view of the low numbers involved.

Moreover, many experts noted that, without being thoroughly acquainted with the details of their contracts of employment, it is difficult to tell whether foreign workers are in fact employed legally, illegally or semi-legally. In addition, many of the experts interviewed indicated that there are many factors in the Lithuanian economy and labour market which encourage the illegal employment of foreign workers, most of which are identical to the reasons giving rise to the illegal employment of Lithuanian nationals. They referred in particular in this context to the high rates of taxation, the quotas fixed and the other stringent conditions imposed on the employment of foreign workers, as well as the administrative difficulties involved in legalizing their employment status.

The experts tended to consider that most migrants searching for jobs in Lithuania do so with the help of their relatives or friends, or through other types of intermediaries, not all of which are legal. Some of them also propose their services on their arrival in the country. However, it would appear to be unusual for employers to take the initiative of recruiting foreign labour. The composition of the foreign labour force in Lithuania, and particularly of illegal foreign workers, would therefore seem to be mainly a product of the available supply, rather than of a real demand by employers.

On the question of the future development of the employment of foreign nationals in Lithuania, most experts expressed the belief that it will expand in the coming years. This view is mainly based on the current context of rapidly increasing international cooperation, the expansion of foreign investment and the growing demand for highly qualified and specialized workers. However, they expressed the opposite opinion concerning the future development of illegal work by foreign nationals, particularly in view of the changing policy of the Government towards illegal migration and employment and the rise in unemployment rates.

Despite their generally expressed view that the employment of foreign workers does not yet constitute a problem in the Lithuanian context, many of the experts still considered that measures should be taken to combat illegal foreign workers, particularly through a tightening of restrictions and controls on employers and at the border. It may therefore be surmised that, even among experts on the subject, the negative attitude towards foreign labour in Lithuania is a result more of a generalized negative attitude and fear of foreigners than of any objective analysis of their impact on the labour market.

6. Conclusions

Based on the analysis of the available data and the opinions expressed by persons closely involved in issues related to migration, both legal and illegal, it is possible to reach some general conclusions.

The first of these is that international migration is far from being a homogeneous process and that the migration flows which affect Lithuania are undergoing different transformations. While the entry into the country of legal migrants for employment, after jumping in the early 1990s, has decreased significantly in volume, the arrival of illegal foreign workers would appear to be on the increase.

Of all the forms of illegal migration, the greatest concern is caused by illegal transit migration through Lithuania. This concern is based on:

- Ⓒ the high potential for such transit migration from neighbouring countries, and particularly Belarus, the Russian Federation and the Ukraine;
- Ⓒ the weakness of the border controls on the Lithuanian border and the opportunities available to potential migrants to purchase trafficking services;
- Ⓒ the increase in the numbers of illegal entrants detained in Lithuania and the problems related to their maintenance; and
- Ⓒ the problems arising in returning illegal migrants to their countries of origin (due to the limited financial resources available in Lithuania) or to previous transit countries (the difficulties involved in signing readmission agreements with Belarus and the Russian Federation).

Other forms of illegal migration, with the exception of migration for the purpose of prostitution, appear to be causing less concern and to be more or less under control by the authorities.

Immigration for the purposes of employment is still a recent and not very widespread phenomenon in the Lithuanian context. According to the experts consulted, there is likely to be an increase in migration for employment in the near future. However, there is a fair amount of confidence that the authorities will be able to combat any spread in illegal work by foreign nationals.

The numbers of foreign workers legally employed in the country are currently low. But, in view of the fact that only part of the foreign labour force in Lithuania is covered by the requirement to obtain a work permit, the official figures for foreign workers are likely to be significantly lower than their actual numbers.

Although most of the official labour migrants in the country are well qualified, many of them lack previous practical experience. Moreover, the largest numbers of inexperienced foreign workers are employed in the fields of science and education, which gives grounds for doubting whether they really fulfil the purposes for which they are recruited in these areas.

In contrast, many other migrant workers occupy fairly high positions in Lithuanian enterprises and organizations. However, the salaries which are declared in their contracts of

employment are frequently rather low, giving rise to the hypothesis that, even in the case of legally employed foreign workers, there is still an element of illegality (the failure to declare a proportion of their salaries).

With regard to the scope of illegal work by foreign nationals in Lithuania, most experts agree that it is of fairly negligible significance. Although the prerequisites exist for such illegal work (particularly high taxation and complex procedures for the legal employment of foreign workers), the pressure of the high rates of unemployment in the country is an important constraint. The major cause for concern in this respect would appear to be certain types of criminal activity.

Expert opinion on future trends in this field forecasts a rise in the numbers of legally employed foreign workers, encouraged by rising levels of international cooperation and investment, but a decline in illegal work by foreign nationals. Nevertheless, expert opinion is generally in favour of further reforms and restrictions, including better controls of employers and borders and stricter registration procedures for foreign nationals, with a view to combatting and preventing the illegal employment of foreign workers.

Finally, as in the case of most surveys in which the scope is broad, the research carried out, while shedding light on the issues under examination, also raises new questions. For example, it has not been possible in this survey to go into any great detail on such issues as migration for prostitution and petty trade, or indeed the illegal employment of foreign workers in Lithuania in general. Many aspects of the question therefore require further investigation. It is consequently hoped that, based on the general tendencies which have been outlined, this survey will prove to be the first step in a broader effort of investigation of illegal forms of international migration as they affect Lithuania.

Appendix 1

Sampling strategy used in the key informant survey

In view of the aim of the survey to investigate illegal immigration into Lithuania and the illegal activities of foreign workers in the country, several types of sampling strategy (Patton, 1990) were used. In selecting communities, the intensity sampling strategy approach was adopted, based on the selection of different and rich examples, but not unusual or extreme ones. For respondents within communities, a maximum variation strategy was adopted, leading to chain reference to experts possessing information on specific or critical aspects who had not been identified before the commencement of the field work.

Communities, in the sense of regions and towns, were selected in such a manner that they represented:

- C the main destination areas of immigrants (Vilnius, other large cities and frontier areas);
- C regions with a prevailing non-Lithuanian population, including the Salcininkai region, which is inhabited mainly by ethnic Poles, although they are not recent immigrants;
- C Visaginas, a settlement near a nuclear power station, inhabited mainly by ethnic Russians, many of whom are Russian citizens and are recent immigrants; and
- C regions known to be a focus for illegal migrants, such as Marijampole, and frontier regions, including Rokiskis, Klaipeda and Salcininkai.

Respondents within communities were selected to represent a maximum variety of employers, as well as some local government experts. The chain reference strategy was used in addition in cases where, during interviews, new key informants were identified. These were mainly experts possessing rich information on some narrow aspects of the activities of foreign nationals in Lithuania, with particular reference to illegal activities, such as prostitution, trading and smuggling.

Appendix 2

Categories of foreign nationals resident in Lithuania for the purposes of employment who are exempt from the obligation to obtain a work permit

The following categories of foreign nationals residing in Lithuania for the purposes of employment are exempt from the obligation to obtain a work permit:

- C officials of diplomatic missions and consulates located in the Republic of Lithuania, accredited officials of international organizations of which Lithuania is a member State;
- C accredited foreign representatives of the mass media;
- C persons seeking employment as a party to joint projects involving nationals from different States;
- C the head, or the authorized representative of a foreign enterprise, institution or organization which has established economic or commercial relations with a corresponding Lithuanian enterprise;
- C the head, or the authorized representative of an enterprise with a proportion of foreign capital, or of an enterprise established with foreign capital, experts who have come to start up or adjust equipment acquired abroad or to instruct local workers in the use of the equipment, and advisors who intend to stay in Lithuania no more than three months;
- C persons who have come to Lithuania to improve their professional skills (postgraduates, trainees and students) or who have come to undergo apprenticeship in training and educational institutions in the Republic of Lithuania;
- C representatives of churches and the corresponding religious organizations registered in the Republic of Lithuania coming to perform activities related to their religious rites;
- C seafarers, professional sportsmen, artists and other persons who pursue creative activities and intend to stay in Lithuania no more than six months; and
- C persons who have a right to seek Lithuanian citizenship, possess substantiating papers and are accompanied by members of their families.

Appendix 3

The labour force surveys carried out by the Department of Statistics 1994 and 1996

The first labour force survey was carried out in April 1994 to find out the extent of real unemployment (2,100 households were selected for the survey and 4,900 respondents aged between 17 and 74 years were interviewed). According to the results of the survey, the level of unemployment (14 per cent) was much higher than that shown by the data compiled by the labour exchange (3.6 per cent). This difference was due principally to the following factors:

- Ⓒ the low number of respondents, which did not ensure the representation of some social groups;
- Ⓒ the content of the questionnaire, which was more oriented towards Western European conditions than the specific situation in Lithuania; and
- Ⓒ the inadequacy of the information provided by respondents, particularly as regards their income and economic status.

The subsequent labour force surveys conducted in May and September 1996 were based on a questionnaire prepared according to the main requirements of EUROSTAT with respect to the definitions of employment and unemployment. Persons who performed any kind of work lasting not less than one hour a week and who received wages for such work, as well as persons who were employed at the time of the survey, but were not working for a variety of reasons, including sick leave, vacation and maternity leave, were considered to be employed.

One major difference between the data compiled in these labour force surveys and the information collected by the Ministry of Labour and Social Security, which is based on the data declared by enterprises and organizations, is that in the labour force surveys the self-employed, private farmers with plots of two or three hectares, as well as parents on unpaid leave to care for children, were included in the labour force. For the purposes of the labour force surveys, the unemployed included persons of working age and older who were not employed, were ready to start working in the future and were looking for a job, either through the labour exchange or by themselves. The official information on unemployment provided by the Lithuanian labour exchange includes only those who are registered at its local offices.

The sample of the May 1996 survey included 5,100 respondents aged between 14 and 74 years (2,000 households), selected on a basis of random sampling. The response rate was 91.4 per cent. The sample of the September 1996 survey consisted of 7,900 respondents aged between 14 and 74 years (3,000 households), selected on a basis of random sampling. The response rate was 91.3 per cent.

Appendix 4

Official definitions of unemployment

In accordance with the Employment Act of 1990, the status of being *unemployed* is granted only to able-bodied persons who have lost their job owing to circumstances over which they have no control, such as staff reductions or the closure of the enterprise or institution, and who are registered at the labour exchange as being willing to work and prepared to participate in special employment programmes, including training and public works, in the event that the labour exchange cannot find them a job which corresponds to their skills and qualifications.

Persons who have left their job of their own free will or have been dismissed for breaches of labour discipline and are registered at the labour exchange are considered to be *jobseekers*. Unlike the *unemployed*, *jobseekers* are not entitled to termination and unemployment benefit, although they are provided with certain social benefits. These include, for both the *unemployed* and *jobseekers*, compensation to pay for central heating and hot water, as well as discounts in such fields as medicine and child care.

As a result, two indicators of unemployment are compiled by Lithuanian statisticians. The first is the *official* unemployment level, which only includes the *unemployed* as defined above. The second is *total* unemployment, which covers the total non-working population, including both the *unemployed* and *jobseekers* who are registered at the labour exchange.

Under the terms of the Unemployment Support Act of 1995, the unemployed are composed of all able-bodied persons of working age who are not employed, enrolled in a full-time educational institution and are registered at the labour exchange as seeking work.

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