



Weekly Briefing

Latvia external relations briefing:

Latvia and Neighbouring Countries Block off Russia

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Summary

In response to the mobilization of the armed forces announced in the Russian Federation, Latvia and neighbouring countries have set a strict position - limiting the entry of Russian citizens into the country and prohibiting the extension of residence visas. Although Latvia, including the Baltic states and countries bordering Russia, have indicated that they will not allow the entry of fleeing Russians, a state of emergency has been declared in several regions as a precaution. This has contributed to the reverberation of the local strict policy in the global policy, while creating risks for the competitiveness of the economy and business environment of Latvia and the countries adopting similar restrictions. In Latvia, political decisions are primarily for ensuring national security, however, it is necessary to conduct an in-depth analysis of how this will affect the country's image in the global business environment.

Introduction

To prevent the increased risks to national security associated with the immigration of citizens of Russia and Belarus to the Republic of Latvia, amendments to the Immigration Law, which change the procedure for requesting and extending temporary residence permits for citizens of Russia and Belarus, enter into force on Saturday, September 24. Also, Estonia, Latvia, Lithuania, and Poland have agreed on a joint regional approach to introduce temporary national measures for Russian citizens holding EU visas to prevent immediate threats to public order and security and to limit the entry of Russian citizens into the Schengen area for tourism, culture, sports, and business purposes. This Briefing will examine the decisions taken by Latvia to ensure the security of the region, as well as economic expertise, which reveals that conditions have been created in which the competitiveness of Latvia's economy is threatened for a strong political position.

I Ensuring Internal Security of the Region

Latvia, Lithuania, Estonia, and Poland announced in a joint statement on Thursday, September 8, an agreement to implement a regional approach, limiting the entry of Russian citizens who have European Union visas into the Schengen area across their borders for the purposes of tourism, culture, sports and business.

In a statement, the Baltic States and Poland state that the introduced temporary measures do not mean a complete entry ban for Russian citizens – jointly agreed legal exceptions to allow entry, such as dissidents, family members in humanitarian situations, residence permit holders, facilitating cargo and transport services and diplomatic missions, will be maintained.

In Latvia, on September 22, the Parliament (Saeima) in the final reading approved the amendments to the Immigration Law, which changes the procedure for requesting and extending temporary residence permits for citizens of Russia and Belarus. With the amendments, the possibility to extend temporary residence permits for citizens of Russia and Belarus who received a residence permit based on the investments made or by purchasing real estate in Latvia has been suspended. Russian citizens will not be able to get remote work visas either.

At the same time, exceptions have been established, namely the possibility of issuing temporary residence permits based on family reunification, international protection, national interests or humanitarian considerations. The law provides that the restrictions regarding citizens of Belarus shall be implemented to a narrower extent.

It is also determined that a permanent residence permit will be valid until September 1, 2023, for a Russian citizen who was a citizen of Latvia or a non-citizen of Latvia before acquiring Russian citizenship. If a person wants to receive a permanent residence permit again, he will have to submit a certificate of mastering the national language in accordance with the law by the end of the relevant term.

Considering the mobilization of the armed forces announced by Russian President Vladimir Putin on September 21, 2022, there have been concerns that Russian citizens subject to mobilization could also seek asylum in Latvia, requesting visas for humanitarian reasons.

After the Russian president announced partial mobilization, there were protests in Russia and many young men rushed to leave the country to avoid conscription. The reaction of the EU member states to these events has not yet been coordinated. Each country has come up with its own national level announcements.

Latvian Foreign Minister Edgars Rinkevics announced on social networks after Putin's announcement about mobilization that, due to security reasons, Latvia will not issue humanitarian or other visas to those Russian citizens who avoid mobilization, nor will it change the border crossing restrictions introduced since September 19 for Russian citizens with

Schengen visas. Meanwhile, Estonian Prime Minister Kaja Kallas has emphasized that avoiding mobilization is not a reason to be granted asylum. Likewise, Lithuania has officially announced that it will not grant asylum to Russian citizens fleeing mobilization.

The government of Latvia decided to declare a state of emergency from September 28 to December 26 at border crossing points and in several counties to prevent the need to prevent a possible threat to Latvia's internal security after the announced mobilization. Also, the Latvian government decided to close the *Pededze* border crossing point and instructed the State Border Guard to intensify surveillance of the Latvian-Russian border. The Ministry of the Interior previously stated that the main reasons why the state of emergency would be necessary is the possibility of attracting additional resources for border protection if more people from the Russian side try to enter Latvia. Also, checks and registration of these people could be organized more quickly.

These decisions ensure the political and defence resistance of the state and society, as well as contribute to the alienation from the general influence and social values of Russia. Also, a strict political stance is indicated, which also echoes in global politics and strengthens Latvia's position. However, the situation itself compromises the competitiveness of the nation, which affects the economic attractiveness in the global market, as a result, also on the society itself.

II Policy Influence on Competitiveness of Latvian Economy in the Global Market

However, Latvia and other countries which have established equivalent laws must also think about their economic growth and competitiveness at the global level, especially during the geopolitical situation and domestic economic recession. The norm of the draft law "Amendments to the Immigration Law" may affect Latvia's economic security and create significant threats to Latvia's business environment in the eyes of international investors. The amendments concerned the possibility of extending the residence permit for Russian citizens who moved innovative companies and start-ups to Latvia at the invitation of the Latvian Development and Investment Agency. The number of such investors is 207 people. There is no need to doubt the loyalty of these investors to Latvia, as they were thoroughly checked by Latvian security services, based on which the investors obtained the appropriate legal status in the Republic of Latvia.

In the final bill, which was approved by the Saeima in the first reading on September 15, 2022, the extension of the residence permit for innovative entrepreneurs was left only to citizens of Belarus. Director of the Institute of Economics of the Latvian Academy of Sciences, Dr.

Nina Linde mentions that not extending the residence permit in Latvia for investors from the Russian Federation will not only negatively affect the development of the innovative economy in Latvia, the future of the Start-up ecosystem, but may also create threats of international legal proceedings, which will harm Latvia's image in the global investment community.

About 100 companies have been developed in Latvia, the owners of which are Russian citizens and have received a visa. More than 1200 Latvian citizens work in them - these jobs may be lost, negatively affecting employment and the local social budget burden.

It would be necessary to amend the "Immigration Law", according to which innovative entrepreneurs, Russian citizens who received Start-up visas in Latvia until June 29, 2022, would have the opportunity to extend their residence permit in Latvia. Likewise, Latvia should not be denied the opportunity to attract entrepreneurs and investors from Russia who are loyal to the Latvian state, as is being done by the world's leading economies - Finland, Germany, the USA, the United Kingdom, etc.

Conclusions

The implemented instruments for limiting the entry of Russian citizens and ensuring the internal security of the country are justified and necessary. The member states of the European Union are not obliged to accept citizens of the Russian Federation who want to avoid being drafted into the military service - this is Latvia's firm belief, which is established so that Russian citizens exert pressure on the inhumane decisions of the authorities, not abroad, but within the country. It also contributes to the distance of the western world from the Russian Federation, which has had a great influence on Latvia and NATO countries both in politics, social strata, and in the sphere of energy and economy. However, the Latvian government, when adopting various laws, makes decisions with little to no analysis of how they will affect Latvian society and economy in the world market. Considering that Western European countries have not decided not to admit asylum seekers - citizens of Russia - this poses a threat not only to the economic competitiveness of Latvia (and other countries accepting restrictions), but also creates a risk of damaging Latvia's image in the global investment community.

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