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TAPPING INTO GLOBAL TALENT – NEW PLAYERS JOINING INTERNATIONAL RACE FOR TALENT

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With countries, regions and even cities increasingly looking to international talent to drive growth and innovation, the case of Lithuania shows how various Member States aspire to become more attractive destinations. What is more, it highlights the importance of responsive and comprehensive talent policies.

How to attract, develop and retain talent has become a key issue for countries competing for their share of the global talent pool. Why? Because there is a growing understanding that not only will securing international talent be key to addressing negative demographic changes, it will also prove crucial to driving innovation and economic development. In other words, a country's global competitiveness will depend in large part on its ability to attract and retain talent.

A growing number of national and local governments have joined the race to attract international talent, rolling out the red carpet with measures that include fast tracks to permanent residency and tax incentives and launching promotional campaigns that advertise them as a talent-friendly destination. The mobility of skilled workers has also been the subject of intensified bilateral cooperation between countries of origin and destination. Additionally, the concept of talent attraction is expected to gain new impetus through the European Union Talent Partnerships proposed in the European Commission's [New Pact on Migration and Asylum](#), which envisions more balanced benefits for both EU Member States and third countries.

Offsetting the effects of out-migration

Authorities in some Central and Eastern European countries have looked to recruit international talent in an attempt to offset the impact of a shrinking pool of qualified workers and looming demographic challenges, as the consequences of emigration continue to become evident. Lithuania is a particularly striking example of this particular dynamic, as [until 2019](#) it had one of the highest negative net migration rates in the EU. Despite a relatively buoyant economy and growing wages, return migration to the country has occurred on a much smaller

scale than anticipated, resulting in a growing sense of urgency to address the issue through wider recruitment of talent.

The case of Lithuania is also illustrative of the situation in the broader Central and Eastern European region, with many countries experiencing similar skills shortages. Complicating matters further, these countries do not tend to reap the full benefit of intra-EU mobility due to their relatively less attractive labour markets – environments that can also make it more challenging for them to attract talent from outside the EU.

Towards strategic policies and practices

The concept of talent policy did not take root overnight: Lithuania has undergone a gradual shift from ad hoc action to strategic policy planning. The country has recently passed legislation intended to offer international talent better access to the labour market through start-up visas that streamline the entry process for innovative non-EU entrepreneurs; exemption from the labour market test for shortage occupations; and revised regulations that will allow postgraduate students to work full-time during their studies.

Several practical measures also reflect this paradigm shift, which importantly includes addressing the internal dimension of talent policy while also testing what works in the external dimension:

- The [Work in Lithuania](#) initiative has introduced branding activities alongside job matching services to encourage international talent to seek and find employment in the country. It broadened its initial strategy of targeting Lithuanian citizens abroad to also reach out to highly skilled migrants. With the retention of international graduates key to supporting the country's growth, Work in Lithuania is currently focusing on facilitating study-work pathways.
- The [Digital Explorers](#) pilot project, within the EU-funded Mobility Partnership Facility (implemented by ICMPD), is a temporary labour migration scheme between Lithuania and Nigeria that leverages bilateral cooperation to boost the mobility of talent. During the first phase of the project, 17 young ICT specialists from Nigeria took up positions with Lithuanian companies while undergoing an intensive training programme.
- International House in Vilnius will soon open its doors in the capital, thanks in part to funding from Lithuania's COVID-19 economic recovery plan. It will act as a 'one-stop-shop' that serves as the main information point for migrants and facilitates access to services. This joint venture by eight key municipal and national government

institutions reflects the multi-sectoral nature of talent management and the importance of fostering collaboration among relevant actors.

Persistent challenges hampering talent retention

Despite a number of positive developments, ICMPD research has found that Lithuania's regulations are still relatively strict, and that cumbersome administrative procedures may be discouraging talent from choosing the country as a career destination. A lack of sufficient integration-related services and a welcoming environment also pose challenges. The current approach illustrates that while efforts allocated to talent attraction have intensified, this does not necessarily apply to other stages of talent policy, including retention – an issue that is closely connected to integration.

As highlighted by the 2020 Migrant Integration Policy Index (MIPEX), Lithuania still scores relatively low when it comes to integration policies, described as "Equality on Paper". Another issue is the readiness of employers, especially SMEs, to recruit and employ foreign workers, which may be related to the stereotyping of migrants and, more often, limited experience with employing foreign workers. This is not unusual – a similar situation has been observed in most Central and Eastern European countries with a relatively short experience of immigration.

Although Lithuania has prioritised the immigration of international students and high-skilled workers, these groups do not necessarily represent a considerable share of arrivals to the country. For example, Lithuania has been attracting and retaining fewer international students than other EU Member States, and only a fraction of foreign graduates ultimately stay in the country (7% of students in the period 2014-2016). Highly skilled non-EU nationals also represent just a small share of migrants to the country.

What matters for talent?

When looking to attract talent, policymakers often focus on determining who has access to the labour market or assume that launching buzzy attraction campaigns will do the trick. In doing so, they may overlook other issues that can be equally important for talent. It is not just the job offer or legal pathway – it is also career opportunities for partners, a good education for children and a high quality of life. In other words, it is not just work life but also social or family life that matters. And in the context of global competition for talent, these factors can play an even more important role when it comes time for a talent to choose a career or study destination, as s/he may be deciding between multiple options.

The [OECD Indicators of Talent Attractiveness](#), for instance, highlight other policy areas that influence a talent's decision, including those related to integration (e.g. employment, income, citizenship) and the wider environment (e.g. tax rates, gender equality). These considerations underscore the importance of aligning migration and integration policies with talent attraction aspirations and strategies, so that they do not run in opposite directions, while demanding that policy areas work together towards a common goal.

The mobility of international talent – and the all-important initial decision to move – can be further facilitated through bilateral cooperation frameworks such as the EU Talent Partnerships. [Experience with Mobility Partnership Facility pilot projects](#) has also shown the necessity of creating a supportive ecosystem around such cooperation in order to achieve sustainable results. Beyond effective migration regulations and bilateral cooperation, this also requires appropriate skills identification matching systems and the building of sustainable public-private and multi-stakeholder partnerships on labour migration.

Turning challenges into opportunities

In the midst of efforts in Lithuania and elsewhere to grow its skilled workforce, COVID-19 has upended life as we know it. In a time of economic downturn and rising unemployment – not to mention border restrictions and other limits on migration and mobility, it may seem that talent attraction efforts should be put on the back burner. But crises often have a way of spurring creativity, as evidenced by the number of countries and regions that have moved swiftly to attract and keep international health care and other key workers.

Indeed, the current context provides an opportunity to focus on the retention of those already present in the country, including workers as well as students and recent graduates, and on members of the diaspora, who may wish to be closer to home at this time of uncertainty. The pandemic thus provides the latest example of how countries can use nimble, strategic talent policies to their benefit. At the same, Lithuania is also attracting entrepreneurs and other migrants from crisis-hit neighbours.

The way forward in an uneven race for talent

Whereas the EU-level debate often implies that the Union as a whole is an attractive destination for labour migrants, not all Member States are similarly competitive – and they are of course competing against each other. In the race for global talent, EU Member States have different starting lines. Countries, regions and cities cannot effectively attract – and, just as importantly, keep – talent without paying attention to the other pieces of the puzzle. If all

the pieces can be skilfully assembled, a comprehensive talent ecosystem for attracting, welcoming and retaining talent will be the result.

This is the case for Lithuania right now, where existing challenges point to the need to address the wider ecosystem in which talent policy is embedded, thereby ensuring that attraction efforts prove fruitful in the short and long term. An important factor in completing the puzzle is sure to be Lithuania's proactive approach to talent attraction and use of an evidence-based and inclusive methodology to guide its talent management efforts – good practice for other countries in the region.

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