Migration Waves in Eastern Europe
[1990–2015]
A Selection from 16 Years of SEER

Calvin Allen and Béla Galgóczi: Waves of migration from south-east Europe to the EU

Illia Telo [1999]
Stefano Ruvolo [1999]
Marion Möhle, Susanne Huth and Jens Becker [1999]
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SEER aims to stimulate an exchange of information between researchers, trade unionists and people who have a special interest in the political, social and economic development of the region of eastern Europe.

It seeks to draw attention to new research results and the latest analysis about the ongoing process of political and social changes in the broader eastern European region, and tries to create deeper understanding of the importance of the elaboration of democratic structures within industrial relations.

SEER combines contributions from different disciplines and schools of thought into an information package intended to be of interest to policy-makers, researchers, academics and trade unionists from various backgrounds.

The editors would like to point out that it is the authors who are responsible for the content of their own articles and that neither the editors nor the publisher, the European Trade Union Institute, necessarily share the opinions of the authors whose work is featured in the SEER.

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Bela Galgoczi and Calvin Allen

Waves of migration from south-east Europe to the EU, as documented in 16 years of the South-East Europe Review

SEER Journal special issue 2016: migration

The context of this special issue of the SEER Journal is that migration has become the major concern of EU citizens (Eurobarometer 2016) and the number one political issue on the continent.

In 2015, Europe was facing the greatest migration inflow since World War II as asylum seekers, mostly from the middle east, Asia and Africa, fled war and political oppression. European institutions were not able to tackle this historical challenge, national governments pursued self-serving, often obstructive, policies and only a small number of member states took up the challenge to take action, in particular Sweden, Germany and Austria, while Italy and Greece were heavily affected due to their geographical location.

The broader phenomenon of migration has created new fault lines in Europe and threatens to escalate into a deep institutional and political crisis. Different categories of migrants are subject to different legislative bases, but public perception often does not recognise this. For refugees and asylum seekers, the ‘Geneva Convention’ applies and it is a humanitarian obligation to provide protection without selectivity. ‘Regular third country migration’ is subject to selectivity, in which the EU blue card system and national policies apply. Intra-EU labour mobility is – on the other hand – a basic freedom of the European Union with equal labour, social and residence rights.

Even if the legal status of the above three groups is entirely different, the effects they have on receiving country labour markets and welfare systems are not isolated.

Furthermore, political repercussions are interconnected.

The lack of co-operation between member states saw to it that parts of the existing European legal framework have begun to break down, with the collapse of the Dublin III regulation to administer and manage third country migration being the most notable. The initiative of the European Commission to overhaul the Dublin regulation does not seem to function in practice, because the principle of burden-sharing cannot be forced upon countries who are not willing to co-operate, despite the proposed ‘fairness mechanism’ for the redistribution of migrants across member states being applicable to all members.

The Schengen system of free movement has, at certain times (e.g. in March 2016), been de facto suspended and border controls re-introduced.

Meanwhile, a common European policy for administering and integrating asylum seekers is not in sight. The decrease in migration pressures since early 2016 is mostly due to the unilateral actions of some member states and western Balkans countries to close down the so-called ‘Balkans route’. This is not a European solution, and some of the direct approaches that governments have adopted are hardly praiseworthy, but it has created a fait accompli, stopping the refugee wave at a time when political tensions
in some member states were escalating and allowing policy something of a breathing space.

The subsequent EU-Turkey deal, with all its contradictions, offered temporary relief but neither can this be seen as a long-term solution.

It is evident that the lack of co-operation and solidarity that member states have shown in handling the historical refugee crisis seems to threaten the very existence of the EU.

The role of the new member states in central and eastern Europe is particularly controversial: these countries benefit most from the cohesion funds and see free movement within the EU as a major opportunity; but they refuse co-operation in seeking a European-level solution to the refugee crisis.

This is the background to why we are covering, in this special issue, migration-related articles from sixteen years of the SEER, from 1999 to 2015, addressing developments and the debate from the early 90s.

The western Balkans has been a migration hotspot for several decades and, in 2015, it became the major transit route for refugees from the middle east to western Europe.

The articles collected in this special issue of the SEER Journal deal with all the major channels of migration corresponding to different waves, from refugees and asylum seekers fleeing war, including civil war, and ethnic conflicts on the peripheries of the former Soviet Union, to the longer-term wave of people moving from the middle east and Asia to western Europe, passing through central and eastern European countries in transit.

One big issue which our authors have covered during these sixteen years is the flow of migrants from the east to the west of Europe which started with bilateral agreements to receive guest workers (from Turkey and Yugoslavia), continued as economic migration prior to eastern enlargement, and appears now as intra-EU labour mobility. In the twenty years between 1992 and 2012, nearly twenty million people moved from central, eastern and south-eastern Europe to western Europe. IMF researchers (Atoyan et al 2016) calculate that this has resulted in a net loss of population of 8% and a relative loss of GDP/capita of 5% in the respective sending countries across the whole period.

Our overview starts with the article by Ilia Telo (1999) that discussed the relationship between employment structure, the informal economy and emigration during the 1990s in Albania. Migration from Albania in the 90s was focused on Greece and Italy as major destinations. The author identified economic backwardness and the transition crisis as major push factors. Emigration was an escape strategy from massive employment loss in both agriculture and industry. Nearly 90 per cent of Albanian migrants were illegal workers, i.e. without work permits, and they were consequently subject to wide-scale discrimination.

Stefano Ruvolo (1999) discussed the already-perceived changing geopolitical function of Italy in the Mediterranean by focusing on the labour market effects of migration between Italy and the Balkans. Large-scale migration in the 1990s from Albania – often referred to as the Albanian ‘boat people’ – raised concerns in Italy, with immigration being increasingly perceived as a threat, even if – as the author stresses – no evidence of conflicts between Italian unemployed people and immigrants was found.
The article by Marion Möhle, Susanne Huth and Jens Becker (1999) dealt with east-west migration flows in the period before the eastern enlargement of the EU. These were times when Hungary was taking in refugees from Romania from the end of the 80s and, later on, from the civil war in former Yugoslavia, while post-Soviet transit migrants were on their way to western Europe through Poland. Some of the issues raised here can be seen as early signs of the events and processes that would gain much importance a decade later. In this regard, the authors focused, among others, on global migration flows towards western Europe in a post-Soviet and pre-enlargement context and raised issues such as the ‘safe third country rule’ as well as the nature of challenges to the Schengen system.

In 2001, Ágnes Hárs was discussing emigration and immigration perspectives in the context of Hungary. Some of her economic and social considerations put down the conceptual framework for intra-EU migration flows after the EU’s eastern enlargement destined to take place in a few years’ time. By discussing migration potential, and pull and push factors, her projection was that ‘no mass emigration’ from newly-joined central and eastern European member states could be expected as long as people in those countries were able to retain a domestic economic perspective.

This is, quite clearly, a very important proviso since it highlights that the failure to tackle the social dimensions of enlargement – of the need to raise the wages and living standards of workers in central and eastern Europe, prior to enlargement – has had an impact which has now come back to haunt the EU and raise questions over its future role. The political imperatives of enlargement had taken priority, alongside a hegemonic belief in the power of the clearing functions of markets, and an action plan to establish a Social Europe, on the basis of good quality services, equal opportunities, social justice and protection, and tackling ongoing inequalities such as higher unemployment and lower pay in the new Member States, was naively and foolishly omitted.

Drenka Vuković (2002) addressed the problems of refugees and displaced people in Serbia in the aftermath of the war in Yugoslavia. There were 451 thousand internally-displaced people and war refugees in Serbia at that time, most of them from Croatia and Bosnia. The article examined a number of key issues related to the formal legal status of refugees and displaced people and the way in which they were able to exercise the rights guaranteed by international standards. Marginalisation and social exclusion were identified as the main unresolved problems faced by refugees and displaced people in Serbia.

Another ‘visionary’ article included in our pages addressed the early signs of a phenomenon that was to gain much more importance in the next decade. Angela Munteanu (2002) raised the question of a ‘Moldova without Moldovans’ in discussing the potential losses and gains of looming mass emigration. After almost one-third of its population of working age had left the country in the ten years after 1989, there is no doubt as to how to answer her question.

Birsen Ersel (2002) addressed the social and political problems raised by the emigration of Turkish workers in previous decades. Sending Turkish workers to western Europe based on bilateral state agreements had started in the early 1960s. The initial assumption was that these ‘guest workers’ would stay for a limited period and would then have a positive development effect on the Turkish economy upon their return. The
article struck a negative balance as returns were rare and, ultimately, the case of ‘guest worker’ agreements proved effectively to amount to little more than resource transfer from developing to developed countries.

William T. Bagatelas and Bruno S. Sergi (2003) dealt with the phenomenon of the ‘brain drain’ from the western Balkans, discussing its meaning and analysing its implications. This critical review by the authors came to the conclusion that the ‘brain drain’ from south-east Europe was a result of the EU-inspired integration policy of ‘educate and train’: given the lack of domestic perspectives and the failing absorption capacity of local labour markets, this led to the problem of over-education and, with the prospect of free movement, created a ‘brain drain’ out of the Balkans.

Martin Baldwin-Edwards (2004) drew a devastating balance between sustainable development and emigration in the context of the western Balkans and the European Union. In the fifteen years up to 2004, 15% of the population of the western Balkans (Bosnia 25%, Albania 20%) had emigrated to the EU; in absolute numbers, this represents one million people from the former Yugoslavia and 600 thousand from Albania, alongside some two million from Turkey. These findings underpin the results and conclusions that were emphasised in the previous three articles we have included here and which also continued over the next decade.

Rossitsa Rangelova and Katia Vladimirova (2004) provided a systematic analysis of the migration potential and perspective from the point of view of Bulgaria. Seen from 2004, three years before Bulgaria’s accession to the EU, mass emigration was already a realistic perspective but, while discussing whether this was to have positive or negative effects as regards the Bulgarian economy, it seemed nevertheless the case that policy options continued to be open.

Drenka Vuković (2005) describes the consecutive migration waves and their effects on Serbia. In providing a historical overview of the waves of migration from Serbia of guest workers in the period from 1965-1992, through to emigration due to the transition crisis of the early 90s and then as a result of civil war, the author completes a picture of western Balkans emigration. She also discussed the effects of the migration of skilled workers and the existence of the ‘brain drain’.

Martin Baldwin-Edwards (2006) examined the specific relationship of two neighbouring countries from the perspective of migration: Greece and Turkey. The long history of population moves between the two countries has seen times of a regulated ‘Exchange of Populations’ but also of a non-recognition of borders. The article discusses the development of inter-state relations and migration management.

Transit migration to Greece via Turkey by third country nationals had already played a role in earlier times, as the author points to this dimension of population movements, not yet knowing what a central role these moves would play one decade later.

Viorel Rotilă (2008) looked at the impact of the migration of health care workers on the economies of the sending countries, paying particular attention to the situation in Romania. Based on a survey of health care managers, the major impacts of the migration from Romania of health care workers were identified in terms of massive labour shortages and in the deterioration of health care services.
The article by Arben Tabaku (2008) delivered an insight into the criminal activities of ethnic Albanian organised crime rings, with a view to exploring the trafficking and smuggling of human beings in their international, regional and local perspective. Tabaku looked at the side effects of this very specific aspect of international migration, that continues to raise great concern in the populations of several countries across Europe, and examined the development, the nature and the business model of Albanian organised criminals engaged in human trafficking.

Rossitsa Rangelova (2009) analysed the development of labour migration from east to west in the context of European Union integration. Her article provides one of the first comprehensive and systematic overviews of how east-west EU mobility was unfolding in the post-enlargement period and the policy failures stemming from asymmetries in the development of human capital that were already becoming apparent.

Chris Wright (2010) provided an overview of the regulation of European labour mobility after two rounds of the EU’s eastern enlargement. The author examined national policy responses and their background to free movement, with particular attention to labour transition arrangements. He also made an account of EU-8 migrant flows and their development in the first years after enlargement and examined the repercussions for the UK labour market, public opinion and policy spill-overs.

Deniz Genç (2010) took a critical look at EU migration management practices and addressed emerging concerns among a European population that saw a threat to public order and security, and to domestic welfare systems. The repercussions of these concerns in EU migration policy, which the author labels as a ‘securitisation of migration’, are in contrast with the overall ‘positive contributor’ image of migration. The author referred to the paradox between the EU’s long-term need for migrants and the restrictive policies applied to migration by many.

Without wishing to dwell in this overview on the aftermath in the UK of the outcome of the UK’s referendum on leaving the EU, it is clear that this paradox has only rarely been satisfactorily resolved within the EU. This is so particularly in association with the decision by the Blair government that the UK would be one of the few countries not to apply a staged process to free movement of labour from the new member states from central and eastern Europe, as Chris Wright discusses. There are some echoes of this in the approach taken by the German government to Syrian refugees in 2015 – that a growing German economy simply required more labour if economic growth was to be sustained; as, indeed, did the UK of the 2000s.

We might here debate another paradox – why Germany has been able to sustain high wage levels and productivity despite being a long-term destination country for migration while the UK has never been able to escape – and, indeed, now seems destined to entrench still further – a role as a low-productivity economy. On the one hand, a high-tech economy that is able to absorb migrants without disruption to the economic position and potential; on the other, a country that seems to need to resort to low-tech car-washing jobs to be able to do so. The contrast is significant and, in this, the roots of German productivity – not least in terms of social consensus in the workplace, as opposed to managerial absolutism – are likely to be highly significant in the context of assessing the political as well as the economic outcomes of governments’ policy responses to migration.
Anna Rocheva (2010) examined migration policies in the Russian Federation with a view to labour market integration and social management. The Russian Federation is second to the United States of America in the amount of workers that it imports. However, its scant experience at dealing with immigration means that Russia is facing more difficulties than other main receiving countries. Migration is seen as a controversial process: it has the potential for advantage which Russia could exploit, as well as disadvantages and risks, among which are included the marginalisation and the lack of integration of migrants. Adaptation policies that target illegal practices seem to have a limited effect; thus, social management seeks to create the conditions for adaptation in the preferred direction.

Having analysed the laws of the Russian Federation devoted to the issue of visa-free labour immigration from CIS countries, and conducted interviews, the author drew the following conclusions. Formal institutions do not exist in all the spheres of labour market integration. These spaces are being filled by informal institutions acting in parallel with formal institutions in cases where they are estimated by individuals as less costly. The result is a prevalence of illegal practices, a marginalisation of migrant groups and the exploitation of migrant workers with very limited labour rights.

In this respect, we need to hear better the trade union voice on the issues of migration and migrant workers, whether this is in the east or the west. Some countries are, clearly, better at this than others, as we have already said; while the institutions of the EU leave a little to be desired. In this respect, little criticism is aimed at trade unions, many of whom do raise their voices, and repeatedly, on these issues; the trade union movement at international level (the ETUC) has argued, for instance, for a Social Europe consistently and over an extended period of time. Our criticisms are aimed here, instead, at the extent to which such voices are taken on board by governments and social democratic institutions from the perspective of the likelihood that they will be capable of having an influence on the policy debate.

In drawing up a balance sheet on migration policy, the experience of workers and workers’ organisations, and perceptions of the impact of migration on wages and on employment rights more generally in a time of decline and austerity, need to be placed at the heart. Those countries that, currently, are better at listening to the views of workers’ organisations need to ensure that they continue to do so on this issue (indeed, among others).

Kerstin Zimmer (2010) looked at how Ukraine is implementing a migration policy framework directed by the EU.

The case of Ukraine as a transit country for migrants from Asia to the EU in the first decade of the 2000s appears to act as a predecessor in the sense of the roles and agreements that the EU tried to arrange with Turkey and, later, with a number of north African countries to protect its own borders from the recent large waves of migration from the east and the south.

The United Nations estimated that up to six million undocumented migrants were residing in Ukraine in 2003. In practical terms, the Ukrainian authorities sought to protect the EU’s eastern border, control their own territory and either readmit undocumented migrants or else prevent them from reaching the EU. At the same time, Ukraine requested reciprocity in financial and political terms. In 2008, a general EU-Ukraine
readmission agreement was concluded in exchange for the greater facilitation of bilateral visas for Ukrainian citizens and for further support with regard to economic and political reforms. Ukraine was, however, unable to cope with the societal and political consequences or to fulfil its international obligations. In the field of refugee and asylum policy, this led the Ukrainian government to adopt a wait-and-see attitude – expecting the EU to fund certain projects before taking measures itself.

Lela Rekhviashvili (2012) described the survival strategies of internally-displaced people in Georgia. The cause of such displacement was the ethnic conflicts that erupted simultaneously with, or shortly after, the dissolution of the Soviet Union and the declaration of independence by Georgia. Georgia experienced ethnic conflict with two secessionist regions: South Ossetia and Abkhazia. From Abkhazia, 300,000 ethnic Georgians fled, while 60,000 were displaced from South Ossetia. By 2009, there were between 220,000 and 247,000 people displaced from the conflicts in the 1990s and, after the Russia-Georgian war of 2008, around 37,000 more people were displaced. Statistical analysis of the Georgia Household Survey in 2009 showed that noteworthy differences continued to persist between the general population and the internally-displaced in terms of economic status, living conditions and educational attainment.

Biljana Čavkoska (2013) examined freedom of movement of workers in the EU and how this contributed to the implementation of the Europe 2020 Strategy for Employment and Growth. The article discussed the legal framework and the implementation of free movement in the EU and analysed its potential positive effects on EU 2020 goals. The key assumption was that free movement of workers contributed to better labour allocation within the European Union and, by this, it contributed to the fulfilment of the employment targets of the EU 2020 Strategy.

The timing of this particular article – against the backdrop of growing Euroscepticism in many places in Europe founded not least on the response to migration and in reaction to austerity – is key. It might be argued that the EU has not been able properly to articulate and explain the role and contribution of migrants to economic growth and development, as perhaps it ought to have done were such a Strategy to be fully capable of effective implementation and policy success; more likely, however, is that the recurring failure to do so has been the fault of national governments. This has, in turn, led to migrants being blamed, in the UK and in other places, by populists for the economic ills that have resulted from the 2008 and subsequent crises – blame for which governments have, quite shamefully, not taken on and effectively tackled. There is, in many places in Europe, an insider culture taking root.

The extent to which this has been the deliberate outcome of a policy to divert attention of people in hard-pressed areas of decline from both the systemic and regulatory failures which had led to the need to pump so much money into economies to prop up and rescue financial institutions, and the resulting austerity policies and their impact on public services as governments sought immediately to keep public borrowing in check, is clearly a matter for debate both as regards historians as well as contemporary policy experts.

Violeta Ivanova, Stella Georgieva and Evangelos Evangelou (2015) addressed trade union co-operation between Bulgaria and Cyprus on immigrant labour rights. The authors discussed the main trends and patterns of Bulgarian labour emigration and took
a more thorough look at the working conditions of Bulgarian migrants in Cyprus based on a survey. They also described a ‘good practice’ case in respect of how a trade union co-operation project might be established between unions from the two countries to provide proper assistance to migrant workers.

Again, this is an important article which not only provides a look at the practical contribution trade unions provide in terms of making a difference on behalf of workers in workplaces across Europe, and irrespective of the nationalities of the workers concerned; but which also highlights the need for the trade union voice to be better heard (or, more likely, better received) in the national policy debate.

Finally, Bruno S. Sergi and Giacomo Morabito (2015) analysed the relationship between migration and remittances in the context of Albania and Kosovo. By examining trends in migration and return migration, with their focus on two Balkans countries, the authors were able to look at the effect of remittances on the economy and also the main labour market trends in the two countries. They concluded that, in the wake of the crisis in Greece, the mass return of migrants to Albania from Greece in the last couple of years caused a huge surge in unemployment and also led to a substantial fall in remittances hitting both economies hard, but particularly the Albanian as a result of the greater number of returnees.

We commend this volume to our readers and we hope, in this brief overview, to have raised a debate over some of the issues that we identify as embodying the broad impact of migration. We hope our readers might respond to these and other concerns in future issues as the SEER Journal continues to explore the theme of migration in the next period as it has done in its life up to now.

As always, we are keen to hear from existing and potential authors with an expertise in any field of this subject: if you have an idea for article on migration – or indeed on any other issue of the social and individual and collective labour market concerns that we regularly tackle in our pages – as it affects the countries of south-east Europe, do contact either of us for a discussion. We look forward to hearing from you.

References


November 2016

Béla Galgóczi
Calvin Allen
Ilia Telo

Employment structure, Migration and the informal economy in Albania

Introduction

It is a well-known fact that Albania was, and remains, the most backward country in Europe. This backwardness is proved by indicators concerning national per capita production and the incomes of the population.

The implementation of mistaken policies during the period of the Communist totalitarian regime, such as “The policy first”, “We don't need credit or help from others”, “Self-reliance”, etc. isolated the country. As a result, the gap in the development of our country with other European countries grew even larger. After 1990, following the introduction of political pluralism, the application of the theory of “shock-therapy”, mistakes in the process of privatisation, and the absurd events of 1997 and 1998 led to a decline in economic development and a deterioration in the well-being of the people.

A survey called World Economic Freedom 1997, carried out by reputable research institutions in 115 countries of the world, ranked Albania 106th in its economic development, below not only European countries, but even some African ones such as Nigeria, Zimbabwe, Uganda and Tanzania.

According to the magazine Transition in June 1998, the index of net domestic product in 1997 compared to 1989 was 79.1 (or 21 per cent lower). But, if one recalls that, during this eight-year period, the population increased by 3.9 per cent, one can reach the conclusion that per capita product has, in fact, fallen by 24 per cent. Industrial production is, at present, one-third of what was produced in 1990.

These figures need no comment. They show that the small volume of national product turned out before 1990 has further decreased. In such conditions, one can not talk about economic development and the growth of well-being in Albania.

Overall employment structure

Historically, a considerable part of overall output – over 80% – was produced in the industry and agriculture sectors. In 1990, 81.7% of employees worked in the so-called “production sphere” and 18.3% in the “non-production” sphere, as a part of the direction of the communist centralised economic system. The notion of “unemployment” was considered to be an economic wound of the capitalist system; instead the notion of “free forces not busy at work” was accepted – a practice which has contributed towards reduced productivity, efficiency and overall output. In particular, labour productivity was lower than elsewhere and showed a tendency towards decline throughout the 1980s, being 15.2% smaller in 1990 than in 1980. The situation in rural areas, in which the whole of the rural labour force was directed to work in the agricultural co-operatives or enterprises, even though neither needed extra labour, was even worse and contributed towards a continuing decline in the real incomes of the co-operatives in the 1980s. The miserable situation of agricultural co-operatives and their members in this...
decade is illustrated by the fact that incomes from agricultural co-operatives made up less than 50% of the general incomes of co-op members, while in the north-east of the country, they made up only 13.6%.

After 1990, following the acceptance of political pluralism, “shock therapy” was embraced, although only partially. This had terrible consequences for the economy, including lower production, closure of enterprises, destruction of assets and massive unemployment. Closure even affected some parts of businesses that were able to compete in a market economy, such as chemical fertilisers, metal mining and manufacture, and industrial-agricultural enterprises.

Increasing the employment of labour resources is now a very difficult task. If we could rely on the experience of other countries, we should make significant structural changes in employment in different sectors of the economy. My own survey *Well-being and the Living Minimum* provides the following data about employment structure in recent years (page 184):

<table>
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<tr>
<th>Sector</th>
<th>Albania (%)</th>
<th>Western Europe (%)</th>
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<tbody>
<tr>
<td>1. Agriculture</td>
<td>67</td>
<td>13</td>
</tr>
<tr>
<td>2. Industry</td>
<td>10</td>
<td>27</td>
</tr>
<tr>
<td>3. Services</td>
<td>23</td>
<td>60</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100</td>
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The data show that radical changes should be made in our country towards increasing the share of services and industry and reducing the share of agriculture. This process, which can take place only over a long time frame, should be properly thought through and co-ordinated within a strategy for the development of economic sectors and sub-sectors. This will not be achieved by decreasing agricultural production; on the contrary, this must be increased further. We say this because, even though agriculture takes the biggest share of production and revenues in Albania, agricultural produce is still insufficient because our agricultural sector is behind in both the extensive and intensive aspects of its development.

Population, employment and migratory trends

When a backward country such as Albania is opened up to the outside world, one may notice two tendencies: the workforce in the backward country tends to emigrate in search of higher wages; while investors in developed countries seek to make inward investments because cheap labour increases their profits.

After 1990, the first tendency has been more strongly felt in Albania than the second one. Large-scale emigration has been particularly important because it has had an easing effect on the economic difficulties of the transition period. It is estimated that USD500-800m in currency or goods is sent by emigrants back to Albania every year. This is a considerable amount for our country, which has a low level of national product.
The second tendency has been less conspicuous due to different reasons such as a lack of political stability and public order, the absence of legislation, high criminality and corruption.

However, there are no accurate and reliable data about employment and emigration in Albania. The latest population census was made in 1989 and its findings cannot now be used to study these two phenomena. Figures in official publications are also dubious, for example:

- an INSTAT publication, *Labour Market 1996-1997*, states on p.5 that, by the end of 1997, 761 000 people were employed in the private agricultural sector. But in 1990, the number of people employed in the co-operative system was 525 000, while the total number of people employed in the agriculture sector was 674 000. On the other hand, INSTAT official publications claim that, in 1996, the rural population had been reduced by 242 000 people in comparison with 1990. Then, one may logically ask: how can the claimed growth in rural employment be justified? Do people from Albanian cities or from other countries come to work in the Albanian countryside?

- the same INSTAT publication claims on p.14 that, in 1997, the level of unemployment was only 14.9 per cent. Officially, unemployed people are considered to be only those who are registered at labour offices. But, in reality, they represent only a fraction of those who are unemployed; people do not believe that labour offices can offer job vacancies, so they do not register. The magazine *Enimerosi*, published by the Labour Institute of Greek Trade Unions, has pointed out that the average level of unemployment in 12 countries of the European Union was 11.3 per cent in 1997, including 22.7 per cent in Spain and 15.5 per cent in Finland. It is difficult to believe that the problem of unemployment has been solved better in Albania than in Spain or Finland!

Difficulties in the elaboration of data, the lack of authentic information about emigrants and the lack of figures about the real proportion of the informal economy, which makes up a considerable part of the private sector, have deprived us of the possibility of accurate data. In these circumstances, we have applied other acceptable methods for calculating the size of the population, employment and emigration.

The Statistical Yearbook *Albania in Figures – 1997*, published by INSTAT, acknowledges that, in 1990, the population was 3 286 000 people and that, in the period from 1990 to 1996, the natural growth of the population (the difference between births and deaths) was 389 000 people. Thus, on the basis of these figures, one may conclude that, in 1997, the general number of the population should have been 3 675 000 inhabitants (3 286 + 389). But, in fact, these figures are not accurate, because they do not taken emigration flows into consideration. According to official figures, the population in 1997 was 3 324 000 people. Thus, one may assume that 351 000 people have emigrated (3 675 – 3 324). This figure coincides, more or less, with relevant data published by different institutions. For instance, the publication *Programme Review and Strategy Development Report – Albania* stated on p.3 that the number of Albanian emigrants in recent years is in the order of 300 – 350 000 people. However, this would not appear to be a fully accurate figure. The majority of emigrants are in Greece, we believe numbering about 300 – 350 000, followed by Italy with 170 000 emigrants. Germany, the
United States, and Switzerland, amongst others, have lesser numbers of Albanian emigrants.

Below we give the official data on employment and unemployment and our own calculations for 1997:

<table>
<thead>
<tr>
<th></th>
<th>Official figures (000)</th>
<th>BSPSH data (000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Population in total</td>
<td>3 324</td>
<td>3 324</td>
</tr>
<tr>
<td>2. Population of working age</td>
<td>1 861</td>
<td>1 861</td>
</tr>
<tr>
<td>3. Disabled, students, etc of working age</td>
<td>-</td>
<td>415</td>
</tr>
<tr>
<td>4. Remaining workforce</td>
<td>-</td>
<td>1 446</td>
</tr>
<tr>
<td>5. Employed</td>
<td></td>
<td></td>
</tr>
<tr>
<td>a. State sector</td>
<td>1 107</td>
<td>885</td>
</tr>
<tr>
<td>b. Private non-agricultural sector</td>
<td>226</td>
<td>226</td>
</tr>
<tr>
<td>c. Agricultural private sector</td>
<td>120</td>
<td>120</td>
</tr>
<tr>
<td></td>
<td>761</td>
<td>539</td>
</tr>
<tr>
<td>6. Registered unemployed</td>
<td>194</td>
<td></td>
</tr>
<tr>
<td>7. Real unemployment (4-5)</td>
<td>561</td>
<td></td>
</tr>
<tr>
<td>8. Active population (5+6)</td>
<td>1 301</td>
<td></td>
</tr>
<tr>
<td>9. Unemployment (%)</td>
<td>14.9</td>
<td>52</td>
</tr>
</tbody>
</table>

Notes:

1. It has been calculated that people with physical disabilities, school pupils, students, soldiers, etc. of working age represent 22.3 per cent of the population of working age (according to labour statistics from previous years).

2. The workforce in the private agricultural sector has been calculated on the basis of the employment level in agriculture in 1990, which was 674 000 people. The active rural population has been reduced by 135 000 in recent years.

3. The level of unemployment has been calculated as follows:

- Official figures: 193.5 x 100 = 14.9 per cent
- Our calculations: 562 x 100 = 52 per cent

It is noticeable that in the state and non-agricultural private sector, 346 000 people were employed in 1997, compared to the 908 000 who were employed in the state sector in 1990. That only two out of five of those who had jobs in 1990 are still in employment illustrates clearly the large unemployment problem in the country. The problem is actually proportionately worse in industry, which in 1997 employed only 88 000 workers compared to 338 000 in 1990, while industrial production is only one-third of its 1990 level.

The unemployment situation is very grave. The social partners must undertake programmes geared towards socio-economic development which would support overall output and expand employment. Knowing that the country has to develop its economy,
future priorities ought to lie in the extension of employment and therefore the removal of emigration as a means to economic protection.

The problem of emigration

In addition to the general number of emigrants, another interesting aspect is their composition. Various studies, surveys and calculations have shown that:

- more than 90 per cent of our emigrants are illegal and do not have work permits. This is the reason that our emigrants are discriminated against and, in many cases, paid less than home workers or emigrants from other countries even though they are doing the same kind of jobs. They also often do the hardest jobs in these countries;
- about 90 per cent of emigrants have settled in Greece and Italy, while the remaining 10 per cent are in other countries;
- the majority of emigrants are male. This is illustrated by the fact that, in 1990, there were 100 females for 105.9 males, whereas in recent years this figure has fallen to 97.9 per cent. It is estimated that 68-70 per cent of emigrants are male and only 30-32 per cent are female;
- 71 per cent of emigrants are aged between 20 and 30 years old. This has created social problems. In the 15-30 age bracket there are 67 000 more women than males in Albania, which means 84 young males for every 100 young females;
- it has also been estimated that 24 per cent of university-educated people have emigrated and, in most cases, they do second-class jobs.
- surveys conducted by the IOM (World Migration Organisation) have shown that 90 per cent of emigrants had been forced to emigrate because of economic reasons. These reasons include the high level of unemployment and the low level of wages found in our country.

These are some approximate data on emigration. Accurate data may be obtained only if a new population census is made, or if the emigrants are partially registered in their host countries. The state would be able to implement social policies in this field and increase support for poor families and in particular regions only if it has full and accurate data about the number, composition and density of emigration. We say this in order to draw attention to the fact that emigration in our country has taken place spontaneously, creating imbalances in the regional make-up. As a result, some areas have been abandoned, while others have become over-populated.

The state has, so far, not been able to manage emigration. This has led to the flourishing of illegal emigration, which has turned into a highly profitable business for a handful of people and a tragedy for thousands of Albanians. On the other hand, the state has long announced that it will sign agreements for seasonal labour with other countries, but these have not so far materialised.

The absence of state involvement is particularly conspicuous in regard to protection for emigrants. This is the reason that Albanian emigrants are despised and discriminated against. The state ought to provide judicial, political, economic and other kinds of protection for its citizens.

Article 19 of the European Social Charter, which was recently signed by our government, specifies the obligations that home and host countries should meet for pro-
providing multi-dimensional protection for immigrants. The work started by the Greek authorities for the legalisation of Albanian immigrants should be followed by other countries. On the other hand, measures should also be taken to ensure that migratory movements are conducted on the basis of agreements between states and proper work contracts between employees and employers.

The informal economy

The growing informal economy has had a large impact on socio-economic development in Albania. Inevitably, it adds an unknown factor into the equation: statistical data on output, incomes and employment, for example, are invalid while it is consequently not possible to undertake effective measures to combat poverty and unemployment. It also leads to discrimination and the maltreatment of employees, while facilitating for employers streams of undeserved and illicit income. Government organisations are responsible for the situation, but the other social partners, especially the trade unions, do not have lesser responsibilities: the future belongs to the private sector, not to the state one and, while the problems of collective agreements are easier in the state sector, the trade unions have to increase their membership in the private sector in order to protect the interests of employees there.

The problems of the informal sector will not go away in the future. Based on data from the Social Insurance Institute, there is now a ratio of 1:1 between social insurance beneficiaries and contributors, compared to the 1:4 reported in 1990. Apart from the scale of unemployment, this ratio is also influenced by the size of the informal sector and will have a significant bearing on the ability of the state to provide social security. Many private sector companies have not registered their employees and do not pay insurance contributions, while the contributions from rural workers are very small, as are those from emigrants working abroad. These are the reasons why the old age pension is now half its 1990 size: in 1990, the old age pension amounted to 70% of average salary but is now reduced to 50% of it.

Non-payment is storing up many problems for the future. We underline this fact because those who do not pay contributions now will not be able to profit from old age pensions after they retire, and the state will be obliged to provide for them in different ways.

Conclusions

The expansion of industry, services and the infrastructure cannot be realised without foreign capital investment. But these investments depend on the restoration of political stability, public order, the improvement of legislation, etc.

We suggest that the development of both the economy and the social sphere in all the former Socialist countries, including Albania, should not take place spontaneously but on the basis of cohesive programmes. Development should also take place at low cost. This is an important component because low-cost development would alleviate critical social problems in these countries. To this end, the state should not adopt the role of a spectator. It should, instead, use economic policies to stimulate national production and create new jobs in the country. This requires the preparation of short-term,
medium-term and long-term strategies for demographic and economic development. Only in this way could the competition between local employment and emigration be won by the former.

Furthermore, the country may develop the economy and the population have more confidence in the future only if laws are strictly applied and corruption and the informal sector are duly fought. An increase in the private sector, although necessary, provides insufficient guarantees by itself.

Our country has real possibilities for the development of the economy and for the growth in the well-being of its people. In the current situation, it is most necessary that the political parties display tolerance towards one another and that the social partners agree on social peace. Only in this way could the level of employment be increased and the current grave crisis be overcome.

Albania's problems of local unemployment and emigration are acute. Success or failure in solving them will show whether this country is developing or not; whether our politicians are committed to the progress of Albania and the Albanian nation, or whether they will continue to be indifferent to continued illegal emigration, corruption and smuggling; and whether they are more anxious to reap individual profits or to achieve social development, growth in national production and well-being for all social strata, especially for the poorest segments of society. Improvement in the social and economic indicators will, undoubtedly, orient the development of Albania towards the new century, not towards the Middle Ages, as is happening now.

References


Statistical Yearbook *Albania in Figures – 1997*, INSTAT.

*Labour Market 1996-1997*, INSTAT.


The Labour Market Aspects of Migration between Italy and the Balkans

The arrival of clandestine immigration in Italy has assumed the character of a social emergency and collective attention has followed in the wake of the spectacular arrival of large boatloads of Albanians, men, women and children, which started in summer 1990-91. Until then, immigration, from all round the world, had taken place in established and well-worn ways; the Albanians, for the first time, arrived en masse, in a real exodus, and demanded – in a very public way – a refuge and concrete help.

The country's response was, for a long time, tentative and unclear either in scope or in method. Towards immigration and the reception of immigrants in Italy, the attitude of the government remains frozen both in its official declarations and in its concrete acts; in particular, in frequent and repetitive acts of regulation.

It is estimated that, every night, hundreds of clandestine immigrants arrive, mostly Albanians, but also Yugoslavs and Kurds, following in the wake of civil or other acts of war, Russians and Chinese. All along the Adriatic coast, entry points have been forced open, through which many of those who arrive have experienced journeys lasting for months, at the hands of merchants, black marketeers and gangsters of all sorts. Every day, televisions in Italian homes and around the world show pictures of many immigrants who have arrived safely, but in ever more tragic circumstances, on the Adriatic coast. The TV pictures of illegal immigrants and of refugees in transit show one aspect of what is happening, but it is useful to analyse its effects on the economy of the country, on its demographic processes and on the realistic prospects for integration.

All recent research suggests that there are 1.5m people of foreign origin in Italy; around three per cent of the Italian population. Even when foreseeing more immigration in the coming years and further "regularisations", Italy will still have numbers and percentages lower than other European countries.

It seems that Italy's anxiety is reflected in an unsuitable political reception. In fact, all the Puglian church centres and the Caritas Romagna have pressed for some time for a programme aimed at combining social integration with laws which offer sustenance and charity.

The phenomenon of migration, aside of the more contingent aspects of welcoming gestures, should be seen in broader terms and not only as reflections of its occurrence inside the country or inside the European Union. Migration will not stop in the coming years, concerning not only entry into Italy, but also from Italy in relation to other countries. The geopolitical function of Italy in relation to the Mediterranean is changing.
and, moreover, the economic and commercial roles of Italy will change in relation to the countries from which immigrants come.

Until now, the characteristics of Italy’s internal labour market have not changed, while the incentives provided by labour offering itself unconditionally at low cost has produced some tensions in some areas of the country.

Much more important for Italy and for the Italian economy is the process of industrial and commercial localisation which interests certain overseas countries whose coasts face those of Italy.

The Adriatic: a large river

The Adriatic is no longer a sea boundary between East and West, more a large river across which rolls an innumerable and ever-growing amount of commercial trade and goods, in addition to traffic in illegal drugs, arms and people. A multitude of people and goods move every day around the shores of the Adriatic region and ever-increasing numbers of factories produce and sell on the open market.

Let us look at some examples. For several years there have been daily flights connecting the airports in Rimini (in Emilia Romagna) and Ancona (in Marche province) with Moscow. Each day, especially outside of the summer season, these planes bring young Russians, particularly women, who, in the course of four or five days, buy clothes, shoes and small leather items. These things have been produced in Italy, from the Rome Riviera to the industrial shoe-producing area of the Marche, and, as soon as the Russians have stuffed their bags and suitcases to capacity, they return to Moscow. There is an uninterrupted daily flow of products made in Italy, transported in this way, presumably destined for the Muscovite black market. These goods represent for the factories of the Adriatic area a large and constantly growing part of their output, not only for the Russian market, but for lots of areas in the east.

Many business people in Puglia have opened shops and export businesses in Montenegro not just for the local population; much more as a staging post for all of eastern Europe, right up to Russia.

Another example would be the shoe producers of Puglia who, in Caserano (in Lecce), have the biggest concentration by area and, with Filanto, the biggest shoe factory in Europe (around 3,000 workers), have established production lines and undertake parts of the manufacturing process, employing around 10,000 workers and around 10,000 Italian technicians, in Albania and in Montenegro and as far east as the Ukraine.

Along with the major producers Filanto and Adelchi, many other medium-sized shoe producers have moved some aspects of production to Albania, and currently employ another 2,000 workers.

At Bitonto (in Bari), industrial factories and artisans employing around 2,000 people making knitwear have moved to Albania, decentralising work to the area where costs are lowest. Furthermore, to date, more than a thousand textile, clothing and shoe businesses from Marche, Abruzzo and Puglia, employing around 100,000 workers, have established themselves on “the other coast”.

Stefano Ruvolo

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In reality, for Italian businesses, the region across the Adriatic was at first a sort of “Eldorado” with low labour costs and tax benefits. After the initial euphoria, these factories have since had to take account of civil wars and uprisings and have become little fortresses in order to protect themselves from armed bands during the continuing riots and civil wars. The process of relocation has, in every case, involved the large undertakings and has been consolidated by the process of the decentralisation of production which exists today in Italy.

There is a realistic view that it is possible to identify a growing flow in the exchange of people – not only illegal immigrants and refugees – who move every day for work between the two coasts of the Adriatic; the so-called *frontalieri*, i.e. border-dwelling Italians who work every week on the other coast, and vice-versa.

Between 1992 and 1996, passenger numbers at the port of Bari went from 375,256 to 674,543, cars from 78,820 to 110,994 and trucks from 37,947 to 74,981. Goods moving between the two coasts reached three million tonnes, with an annual increase estimated at more than 20 per cent.

Every large city on the Adriatic now not only manages the flow of goods by sea and by air to all the countries on the opposite coast – Croatia, Bosnia, Serbia, Montenegro, Albania, and Macedonia – but also holds trade fairs such as that normally held in Levante di Bari, which last year was hosted by Tirana, or else operates cultural exchanges, such as that between the universities of Bari and Belgrade, or organises medical and scientific co-operation.

To sum up: aside from the ships and rubber dinghies transporting illegal immigrants, drugs and arms, there is a growth in productivity on both coasts of the Adriatic, which has a noticeable influence on the production of goods and on the labour market, above all in Italy and the countries which face its Adriatic coastline. The future – including that of migration – seems to depend on the success of integration between the two Adriatic coasts and on integration between peoples and economies.

In short, the thesis which I would like to explore is that Italy (and the EU), at one time endowed with a valid political policy and structure of integration, needs to regulate a policy for receiving immigrants which would translate into a strategic advantage for the economy and for demographic processes, aside from kick-starting indispensable economic development in the countries of origin. For countries such as Montenegro, Albania and Bosnia, the possibility of integration into the industrialised west relies on their development and on the integration of relationships between the two sides of the Adriatic.

In the meantime, we need to manage the problems which immigration is causing today in Italy and with regard to its economic and social mechanisms. We need to manage and suppress the large-scale development of gangsters and of organised crime which obstructs the processes of integration by being able to profit in the ports and surrounding areas from a type of *carte blanche* from which to organise their criminal activities in peace.
Where do immigrants work in Italy?

In reality, the labour market in Italy is only marginally affected by immigrant labour; after all, around 1,500,000 immigrants constitute only three per cent of the Italian population and they do not have a substantial effect on the Italian labour market – they just underline the problems. The common belief that immigrant workers work underground in the shadow economy is both true and false at the same time.

Unregulated work in the south of Italy has far-reaching reasons and roots, found in the causes of under-development and the economic and production dependence of many areas. To date, it is estimated that, for the 4-5 million workers in the local economy, the availability of irregular work in the south means that one person in two works in the shadow economy.

Illegal immigration is certainly feeding the development of this type of market with its constant supply – despite the lack of decent conditions of work, it is, above all for immigrants, the only way to get an income and to gain access thereafter to legal work. In particular, in the south of Italy, the four most widespread, and most irregular, industries – agriculture; construction; small textile and clothing factories, and shoe manufacturers; and finally commerce – are interested in immigrant labour.

In addition to the traditional work within the family, domestic work and that of itinerant workers spread around the large urban areas of Rome, Milan, Turin, Naples, Catania and Palermo, immigrant labour has arrived at manufacturing work by scaling the ladder of jobs which are tiring, hard and illegal. You only need to attend a meeting of the unions in Emilia Romagna to note – in this case in the construction and foundry sectors – the growing presence of immigrant workers. The same is obvious in the craft and manufacturing sector in the Veneto and among the milk producers in many areas of the Padanian plain.

The Moroccan community, for example, which has settled in some metropolitan areas undertaking illegal work, has quickly entered into open conflict with the residents of the surrounding suburbs. Unresolved conflict, for example, in Turin's San Salvario quarter, where the trouble spread into rioting by Italian residents, has created rising tensions. However, aside from these isolated episodes, the phenomenon of integration is a regionalised one; in the Veneto, in Lombardy and in Emilia Romagna, a process of social integration and work with recent immigrants is well advanced. After all, the first immigrant workers spread most quickly into the north – where there is a need for labour – and took over areas of work already abandoned by Italian workers.

It is also worth taking a separate look at the Chinese in their communities in Prato, Florence and San Giuseppe Vesuviano, aside from the communities of Milan and Brescia. In particular, in Florence the Chinese have specialised in working leather and making leather goods, besides making counterfeits of designer-label objects bearing the label “Made in Italy”. The conflict with small and medium-sized artisanal and industrial “Italian” businesses is unresolved. At stake is all of the considerable market in leather related to the city's tourism, from which the work of the Chinese community takes up around 30 per cent of the total.

But it also underlines that the Chinese have no regulation of work, from the use of child labour to unfair working conditions and hours, and salaries up to 60 per cent below
the minimum wage. There has been a revolt among Chinese women in Prato through the Italian union organisations, because their bosses had required them to work an extra hour on top of their normal daily 16! This episode does, however, illustrate that there is in progress a strongly-motivated policy of integration and of awareness-raising among Italian trades unions towards all aspects of immigration, which has produced appreciable results.

In Prato, in the region of Tuscany, for example, there is a Chinese community of 10,000 workers within a labour market of around 40,000, employed in an area with a great tradition of wool weaving where producers have cut back on clothing production. The Chinese workers are producing additional low-cost products nearly abandoned by all the local firms. From Prato and Florence, the Chinese community, which specialises in working in clothing and leather production, has linked up with San Giuseppe Vesuviano, in the province of Naples, where there is another community of Chinese people who produce in co-operation with them.

The work done by immigrant workers has spread from the south – where it is mostly in the shadow economy – in particular in the fishing industry in the two large deep-sea fishing ports of Mazara del Vallo (Trapani) and in that of San Benedetto del Tronto (Ancona). The Moroccan, Montenegrin and Albanian immigrants are destined to become the sole occupants of the boats which are sent to the “fishing paradises” of the Libyan and Tunisian coasts and below the Albanian coast.

Seasonal work in agriculture (picking fruit, tomatoes and other early produce) is the other alternative for clandestine workers in the extensive production which is most important in the centres of Salerno (Naples), of Villa Literno (Caserto), a town on the edge of the three biggest areas for harvesting tomatoes from Capitano (Foggia), and of Latina for vegetables. Other places for work are the fruit-growing areas of Metaponto (Matera) and Salento (Brindisi).

One area which is not yet very important, but is certainly growing, is that of the manufacturing sector of small factories in Salento (Lecce and Brindisi) and small shoe and leather workshops in Fermo and Macerate in the province of Marche.

But it is easy to predict that, in the future, the movement of small and medium-sized undertakings away from the Italian Adriatic will increase in production and in commercial terms, whether through the opening up of markets, or in taking advantage of low labour costs.

At the moment, some immigrant workers are working in Italian firms in the same way as there are Italian workers and small businessmen working in businesses in Albania and Montenegro.

Unemployment and immigration

Outside these episodes, the Italian labour market has not produced any evident conflicts stemming from immigration. And within the southern labour market – with its high unemployment rates and “submerged” economy – there is no competition between unemployed people and immigrants. There are many possible explanations for this and maybe not all are valid for the future when the number of immigrants will be more consistent. The first explanation involves the type of unemployment in the south
of Italy; predominantly among educated young people who are supported by their family and who have an expectation of getting better paid, qualified jobs. The level of qualifications – diplomas and degrees – and the opportunity to live at the family's expense means that young unemployed people can wait until they find the best jobs.

For less well-educated unemployed people, the reality lies in the shadow economy at various levels, where jobs are hard, uncomfortable and dangerous. Within the shadow economy, there are possible overlaps between jobs and, if these do not happen, this is due to precise hierarchies and divisions of labour.

The tiring labour of agriculture, fishing and tanning bear very little relationship to “Italian” occupations, so the presence of immigrants is stable, and without alternative. On the contrary, work in garment-making, shoe manufacture and in making household furnishings, at least those of high quality, calls for professionalism, productivity and a stable workforce. These characteristics are prerogatives for the female Italian workforce (with the sole exception of the Chinese community in certain areas) which means that there is little mobility of labour in these sectors and jobs are filled by word of mouth. Much easier to find and with fewer ties are itinerant workers who can be found in catering, domestic work and, above all, the world of illegal work (selling drugs, prostitution), which is quickly and conspicuously gaining ground.

Paradoxically to the situation with regard to unemployment in the south, the extensive existence of an underground economy – present all over Italy, but strongly visible in the south – has permitted the beginnings of integrated labour. Certainly, immigration has not helped to resolve the problem of the shadow economy – equally it is not the cause – but it has accentuated and underlined its characteristics. However, this is a problem which the country already had in any case. More complex is the problem faced by the location of businesses and industrial areas in comparison with decentralisation to the other Adriatic coast and to eastern Europe in general. Economic crises in the markets can push the advantage for contractors towards the other locations, taking away jobs and resources which were traditionally Italian.

In the shoe-making and clothing sector, for example, the conjunction of the economic situation and a loss of orders has been a hard test of the productive capacity of plants and businesses in this sector in Italy. But this could be a problem for all parts of the EU and of the way in which it confronts the location and industrialisation of developing areas.

The problems of integration are evidently more complex, including assuming the connotations of intolerance in the urban and metropolitan environment. In the society of the big cities of Milan, Turin and Rome, the process of integration is clearly more difficult and complicated. The arrival of illegal immigrants awaiting permits and the recruitment of organised delinquents make it difficult for people from the various communities to live together and to live with the resident Italian population. Episodes of intolerance in mixed urban areas, above all in certain big northern cities, are being repeated with an alarming frequency, despite the opportunities that these metropolitan areas offer for work and a welcoming reception.

The future of Italy rests on solving the problems presented by immigration, which is also a problem for the type of Europe which we want to build.
<table>
<thead>
<tr>
<th>Region and province</th>
<th>District</th>
<th>Numbers</th>
<th>Type of product</th>
<th>Presence of immigrant workers</th>
</tr>
</thead>
<tbody>
<tr>
<td>TUSCANY</td>
<td>Prato – Florence</td>
<td></td>
<td>Clothing manufacture and leather</td>
<td>High (Chinese)</td>
</tr>
<tr>
<td>MARCHE</td>
<td>Fermo-Macerata</td>
<td>25 000</td>
<td>shoes</td>
<td>Medium (Montenegrin and Bosnian)</td>
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<td>ABRUZZO</td>
<td>Teramo</td>
<td>7-8 000</td>
<td>Casual, clothing manufacture</td>
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<tr>
<td></td>
<td>Val Vibrata</td>
<td>7-8 000</td>
<td></td>
<td>Low (Montenegrin and other Slavs)</td>
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<td>Pescara-Chieti</td>
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<td>Francavilla -Ortona-Orsogna-Guardiagrele</td>
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<td></td>
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<td>CAMPANIA</td>
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<td></td>
<td></td>
</tr>
<tr>
<td></td>
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<td>Shoes, clothing</td>
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</tr>
<tr>
<td>Region and province</td>
<td>District</td>
<td>Numbers</td>
<td>Type of product</td>
<td>Presence of immigrant workers</td>
</tr>
<tr>
<td>---------------------</td>
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</tr>
<tr>
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<tr>
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<td>5 000</td>
<td>Shoes, clothing manufacture</td>
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</tr>
<tr>
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</tr>
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</tr>
<tr>
<td>Calitri</td>
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<td></td>
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<td></td>
</tr>
<tr>
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<td></td>
<td></td>
</tr>
<tr>
<td>Aversa</td>
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<td></td>
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<tr>
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<td></td>
</tr>
<tr>
<td>Salerno</td>
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<td>7-8 000</td>
<td>Clothing manufacture</td>
<td></td>
</tr>
<tr>
<td>Benevento</td>
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<td>6 000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>S.M.Cavoti</td>
<td></td>
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<td>Clothing manufacture</td>
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</tr>
<tr>
<td>S.A.Goti</td>
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<td>2-3 000</td>
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<td>Shoes</td>
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</tr>
<tr>
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<td>5-6 000</td>
<td>Clothing</td>
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</tr>
<tr>
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<td>Clothing (embroidery)</td>
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<td>District</td>
<td>Numbers</td>
<td>Type of product</td>
<td>Presence of immigrant workers</td>
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<tr>
<td></td>
<td>Maglie</td>
<td>3 000</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Brindisi</td>
<td>8-10 000</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Francavilla Fontana</td>
<td>4-5 000</td>
<td>Clothing manufacture</td>
<td>Low (Albanians and Montenegrins)</td>
</tr>
<tr>
<td></td>
<td>Taranto</td>
<td>5-8 000</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Martina Franca</td>
<td>5 000</td>
<td>Clothing manufacture</td>
<td></td>
</tr>
<tr>
<td>Foggia</td>
<td>Manfredonia</td>
<td>2-3 000</td>
<td>Clothing manufacture</td>
<td></td>
</tr>
<tr>
<td>BASILICATA</td>
<td>MATERA</td>
<td>4-5 000</td>
<td>Clothing manufacture</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Matera -Highmura</td>
<td>15 000</td>
<td>Household goods</td>
<td>Few (Poles and Slavs)</td>
</tr>
<tr>
<td>CALABRIA</td>
<td>COSENZA-CROTONE</td>
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<td>Clothing manufacture</td>
<td></td>
</tr>
<tr>
<td>SICILY</td>
<td>MESSINA</td>
<td>5 000</td>
<td>Clothing manufacture</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Patti</td>
<td>3 000</td>
<td></td>
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</tr>
<tr>
<td></td>
<td>CATANIA</td>
<td>3-4 000</td>
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Key: Low (less than 10%); Medium (between 10 and 20%); High (more than 20%)
Global asylum flows in the context of EU enlargement: The consequences of the safe third country rule

Introduction

Immediately after the demolition of the Iron Curtain, the former communist countries faced a principal, historically-unique challenge: to test the road from state socialism to capitalism. This includes the transformation of the communist state and its planned economy to a democratic society with a free market. Ongoing social change leads to a transformation of social structures as well as mentalities: the old social stability is collapsing and new liberties cause risks and chances simultaneously both for individuals and societies. Among other problems like unemployment, poverty and state bankruptcy, central and south-eastern European countries see themselves as confronted with the problem of immigration. This not only causes problems with the inadequate legal and administrative systems but also confronts these societies with formerly unknown problems. In terms of migration flows, most of the central and south-east European countries developed more or less at the same time emigratory dynamics alongside new internal flows. Therefore, it seems to be legitimate to regard central and south-eastern Europe as a regional migratory pole. Furthermore, these countries serve as a transitory region for migrants trying to reach western European countries. This kind of migration in particular touches the problem of EU enlargement: one of the criteria for those countries which have applied for membership of the EU will be the control of migration flows. This control consists of an asylum law, administrative measures and effective border controls.

In the following article we will outline very briefly in the first section the situation of asylum seekers and refugees on a global scale; secondly, we try to sketch a picture in a selected series of countries; and thirdly, we outline the safe third country rule and its consequences. Finally, we attempt to draw some conclusions for the future of the European asylum regime.

Recent developments in global asylum flows and the European context: an overview

Globally viewed, asylum claims have decreased in the last few years after having risen continually from the middle of the 1980s until the early 1990s. In particular, the United States, Canada, Germany and the United Kingdom were confronted with a strong increase in the numbers of asylum applicants in the early 90s, although other countries have also had to face similar problems. The following chart demonstrates the developments over the last decade for those European countries which received the largest numbers of asylum applicants.
Chart 1: Inflows of Asylum Seekers into Selected European Countries (Thousands)

Source: OECD, 1998: 223

In Europe, the migration situation changed dramatically from the early 90s onwards due to the opening of the borders of central and eastern Europe. However, the political and social changes in central and eastern Europe did not lead to a mass exit of people, although there are some remarkable emigration flows from these countries to the West. Of greater importance, however, is the development of central and (south-)eastern Europe as a staging post for migrants from various regions of the world who are trying to reach western countries illegally (Wallace et al, 1996).

Trends in six countries in central and south-eastern Europe: illegal immigration and asylum applications

Poland

Migration patterns in Poland changed rapidly after 1989, after it had been an emigratory country during the previous decades, especially in the period between 1980 and 1988. In the meantime, the emigration figures have represented the lowest in Polish history this century (Okólski, 1999: 18-22).

Since then, Poland has witnessed large numbers of transit migrants who are attempting to reach western European countries. In fact, it is assumed that Poland is one of the most important transit countries for people on their way to western Europe (OECD, 1998: 147ff.).

Illegal immigration has developed as an entirely new phenomenon, with rapidly increasing figures until 1992, in which year more than 35,000 people were convicted of illegal border crossing. Since then, these numbers have declined to around 15,000 people per year. The majority of illegal migrants until 1993 were Romanians attempting to leave Poland illegally. Since 1994, illegal migrants have derived from two distinct groups. The first consists of citizens from the former Soviet Union, namely Moldova, Armenia and Ukraine. The second group are, to an increasing extent, people from Third World countries, mostly from Asia and Africa. This has to be regarded in the context of a remarkable increase in trafficking activities, which can be described in terms of it becoming an “industry” (Kozlowski, 1999: 55).

The number of asylum seekers, who have been a totally new phenomena for Poland, have increased since 1994. The main countries of origin are Sri Lanka, Afghanistan, Armenia and Iraq. Due to the fact that Polish legislation did not cover issues of asylum,
the introduction of a new Aliens Act in 1997 must be partly regarded as a necessity in being able to implement a proper regime of administration. This new law defines the status of asylum seekers and refugees in accordance with the Geneva Convention and the New York Protocol. It takes the place of the Aliens Act of 1963 and is much more restrictive in terms of the rules of entry and stay in the country. The most important changes in asylum issues are the implementation of procedures concerning detention, the acceleration of asylum decisions and the deportation of rejected applicants (Koźlowski, 1999: 64).

Poland has readmission agreements already in place with countries which have signed the Schengen Agreement and with Bulgaria, the Czech Republic, Croatia, Greece, Hungary, Moldova, Romania, the Slovak Republic, Slovenia and Ukraine (OECD, 1998).

Hungary

Hungary has developed from a country of permanent emigration to an immigration country (Adling and Jahn, 1996: 263). Like in Poland, refugees and asylum seekers were a completely new phenomenon to Hungary in the late 1980s, there being no laws or organisations for refugees. This created a legal vacuum and indicated a challenge both for Hungarian legislation and the political system. From 1988 on, Hungary admitted refugees from Romania. After having signed the Geneva Convention in 1989, it became a full member of the Council of Europe in 1990. There have been three waves of refugees: until 1990, the majority of refugees were ethnic Hungarians from Romania who had to endure discrimination under the Ceauşescu regime. After 1991, it was mainly people from the former Yugoslavia who came to Hungary due to the civil war first in Croatia and then in Bosnia i Herzegovina (Zoltán, 1995: 18f).

Hungary implemented a new Aliens Act in 1997 which came into force in 1998 (OECD, 1998: 117ff.). Prior to this legislation, the Aliens Act of 1993 had already revised the formerly liberal refugee policy (Seewann, 1997: 63). The most important innovation of the new Aliens Act is the distinction between three categories of asylum seekers. The first category consists of refugees as defined in the Geneva Convention, the second protects war refugees and the third are so-called “recognised refugees” who have suffered persecution in their country of origin (OECD, 1998: 121). Furthermore, Hungary concluded return agreements with Romania, Croatia, Slovenia and Austria in 1992, with Ukraine in 1993, and with Switzerland, Slovakia, the Czech Republic and Poland in 1994, to secure its more restrictive policy with regard to refugees from third states (Seewann, 1997: 63).

Due to the fact that the new asylum legislation is more restrictive, the inflow of asylum seekers and refugees remains relatively low and is on a declining trend. Until 1990, the majority of asylum seekers were ethnic Hungarians from Romania but, after 1991, they were mainly people from former Yugoslavia. On the other hand, the problem of illegal immigration must be classified as of high relevance, since it shows that Hungary serves as a transit country for people trying to reach Western Europe (OECD, 1998: 117ff.).

Non-European asylum seekers, as was shown by the case of people from Afghanistan in Hungary in the summer of 1995 (IOM, 1995), tend to use Hungary and
other central European countries as transit zones; they cross the border illegally with
the assistance of traffickers and try thereafter to reach the west.

In spite of having introduced new asylum legislation, it is assumed that the legis-
lation for temporary protection and for people not meeting the Geneva Convention
criteria has to be assessed as incomplete (Nagy, 1995: 46f.) Many refugees from Bosnia
i Herzegovina with no ethnic or cultural ties found refuge in former military barracks
like Nagyatád, where they stayed much longer than expected (Zoltán, 1995: 20). More-
over, Hungary may be overtaxed by the administration of asylum applications in ac-
cordance with the requirements of a safe third country, as stated in a newspaper report
which showed that the situation in the camps of Győr and Szombathely is insufficient
in terms of poor conditions of accommodation and unhealthy sanitary facilities. Human
rights organisations have stated that this situation infringes the UN Human Rights
Conventions (Kindhauser, 1999).

Hungary's legislation is on the way to meeting the European standard which is
contained in the Justice and Home Affairs acquis communautaire, which has been
expanded by the Amsterdam Treaty with the incorporation of the Schengen Convention
(Koslowski, 1998: 739ff.). Difficulties with integration into the EU may be caused by
Hungary's policy towards ethnic Hungarians from neighbouring states and it is sup-
posed that EU concerns may urge Hungary to give up certain aspects of this policy

Chart 2: Asylum and Refugee Inflows into Poland and Hungary (Thousands)

Source: OECD, 1998: 118, 223

Note: For Hungary, the figures represent both refugees and asylum seekers; for Poland they represent
asylum seekers only.

Czech Republic

After the split of the CSFR into two independent countries, the Czech Republic has
developed more and more into a country of immigration, based mostly on labour mi-
gration (Salt and Clarke, 1996: 516). Emigration has decreased to rather low numbers
and now consists mainly of temporary workers.

Due to the fact that the economic situation in the Czech Republic is quite satisfac-
tory, the country serves as a centre for many illegal workers from Russia, Ukraine and
former Yugoslavia. Some of these illegal workers plan to continue their journey to
western Europe, whereas the Czech Republic is not properly a transit country (OECD, 1998: 95ff.).

The Czech Republic may be regarded as a special case concerning asylum issues due to the fact that it did not ratify the Geneva Convention until 1993. The number of asylum seekers is lower compared to Poland and to Hungary. Between 1992 and 1996, around 5,000 former Yugoslavs obtained temporary refugee status.

In 1997, the Czech Republic implemented a new law which is intended to speed up the procedure of asylum applications (OECD, 1998: 95). Furthermore, this new asylum legislation already contains the safe third country rule (Koslowski, 1998: 740).

The Czech Republic has readmission agreements with Austria, Poland, the Slovak Republic, Germany, Hungary and Romania (OECD, 1998: 96). Most recently, readmission agreements have been signed with France and Slovenia and are expected to be signed with Ukraine and Belarus. Like Hungary, the Czech Republic is likely to meet the criteria of the European standards provided by the Justice and Home Affairs acquis communautaire (Koslowski, 1998: 739ff.).

The main problem for the Czech Republic derives not from the fact that asylum seekers are arriving in the territory, but rather from difficulties with the administration and accommodation of people in camps. According to a report in a major German newspaper, readmitted asylum seekers are refused basic human rights, such as contacting a lawyer or their relatives (Baum, 1999).

Slovak Republic

The Slovak Republic had until 1994 a positive migration balance which thereafter became negative. Unlike the Czech Republic, the Slovak Republic is a transit country, not a country of immigration. The 1951 Geneva Convention and its Protocol were ratified in 1991, before the Slovak and the Czech Republics split in 1993 (Nagy, 1995: 33). In 1993, the numbers of asylum applicants was negligible but, since then, they have risen significantly (OECD, 1998: 161ff.). The Slovak Republic has several readmission agreements with Austria, the Czech Republic, Croatia, Hungary, Romania, Slovenia and Ukraine (Nagy, 1995: 37).

Chart 3: Asylum Seekers into the Czech and the Slovak Republic (Thousands)

Source: OECD, 1998: 94, 161
Romania

Unlike Hungary, Romania remains a country of emigration. Until recently, Romanian migrants tended to be asylum applicants, most being members of ethnic or religious minorities. Romania receives relatively few asylum applicants and was a country from which people sought asylum until 1995 (OECD, 1998: 158). The *Law on Refugee Status and their Regime in Romania* was introduced in 1996 in accordance with accepted asylum and refugee procedures. Romania is negotiating a bilateral readmission commitment with the Netherlands, which regards Romania as a safe third country.

Romania is, like Hungary, an important transit country for trafficking on the way to western Europe. The position of Romania as standing alongside Bulgaria in the “second row” of transit countries explains the difficulties in implementing an appropriate asylum law and its administration regime. It is considered that Romania is one of the central and south-east European countries which is most ill-equipped to admit and protect asylum applicants properly (Koser, 1998: 195).

Chart 4: Asylum and Refugee Inflows into Romania (Thousands)

Source: OECD, 1998: 158

Bulgaria

Under the pressure of *perestroika* and the changed political climate in Europe since 1988, it has become easier for Bulgarians to obtain passports and visas. This has led to an unforeseen increase in emigration (Bobeva, 1996: 305). The attempts by the communist regime at the Bulgarianisation of ethnic Turks during 1988/89 led to riots and a wave of emigration of Turks and Pomaks to Turkey. However, in consequence, Bulgaria soon re-established the civil rights of this ethnos (Bobeva 1996: 307).

A second wave of emigration in 1990 was based on political disappointment (because of the results of the elections, in which the ex-communist socialist party gained a solid majority) as well as on economic factors. The countries of destination were western European countries, especially Germany, where asylum was sought. In 1992, Germany and Bulgaria signed a bilateral return agreement (Bobeva, 1996: 312ff.).

With the fall of the Iron Curtain, immigration into Bulgaria increased as well, as also in particular did irregular transit migration to western Europe. Salt and Clarke (1996: 520) outline two main transit flows through Bulgaria: to Germany and Austria from the middle east and to Greece from the Community of Independent States (CIS).
and Romania. Trafficking has become a more and more significant problem and can be assessed as one of the most serious ones, among others like poverty.

Data on the numbers, origin or status of immigrants into Bulgaria are very rare or are not yet published. Moreover, the data sources are insufficient (OECD, 1998). Owing to the inadequate visa regulations and to free movement within the CIS, there is a fear of an immigration wave from the former Soviet republics to Bulgaria and to further west (Bobeva, 1996: 317).

Prior to 1994, there were very few asylum seekers or refugees in Bulgaria, except for those from Croatia. In 1994, the numbers increased and, out of approximately 900 asylum seekers, one-half came from Afghanistan. There was no legislation or legal procedures, so decisions were made after reference to the UNHCR office in Sofia after which, since 1994, decisions have been made by the refugee office of the Ministry of the Interior. An asylum and refugee law was worked out by the Bulgarian National Assembly with reference to the Geneva Convention, signed in 1991 (Bobeva, 1996: 319).

The asylum legislation in Bulgaria is regarded as incomplete and incoherent. Being an emigration, immigration and transit country, Bulgaria faces many problems in various fields, particularly in financing and administration.

The safe third country rule and the consequences for EU enlargement

The concept of a safe country is not entirely new in the European Union. It consists of two parts: the safe third country of origin provision on the one hand; and the safe third country rule. This concept of safe countries is written in the Schengen Convention¹ and in the Dublin Convention,² both signed in 1990. The Schengen Convention, which in fact consists of various agreements, mainly prepares the ground for institutional harmonisation, such as visa or asylum applications. The Dublin Convention deals above all with the problem of multiple asylum applications in the European Union and the responsibilities of the EU member states for asylum applicants (Uçarer, 1997: 293ff.). Both Conventions:

Contain rules designed to allocate responsibilities for determining the EU country responsible for an asylum claim, regardless of the EU state in which an applicant applies for refugee status. (Abell, 1997: 571)

According to these changes at the EU level, west European countries changed their legislation in the 1990s. New legislation was implemented in Austria in 1992, and in

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² The full expression of the Dublin Convention is *The Convention Determining the State Responsible for Examining Applications for Asylum Lodged in One of the Member States of the Communities*, also signed in June 1990.
France, in Germany and in the UK in 1993, among others elsewhere. Two main concepts can be outlined in these changes of legislation: to prevent *physical* access to the territory; and to prevent *legal* access (Nagy, 1995: 29, emphasis in original). The first concept is manifested in visa regulations and carrier sanctions; the second in the safe third country of origin and the safe third country rules.

Since the beginning of the 1990s, the issue of the harmonisation of asylum administration has more and more turned out to be one of the main priority tasks of the European Union, underlined by the fact that asylum and immigration have moved into the third pillar (policy co-ordination in justice and home affairs) following the Maastricht Treaty (Uçarer, 1997: 296).

The concept of safe third countries embodied in the Dublin Convention means that a member state has the right to send an asylum seeker to a third country (that is, a non-EU country) in compliance with the provisions of the Geneva Refugee Convention of 1951.

Every Schengen member has a list of countries which are regarded as safe third countries. Germany, for example, lists Austria, the Czech Republic, Finland, Norway, Poland, Sweden and Switzerland as safe third countries. This means that Germany is completely surrounded by safe countries. Anyone who arrives in Germany not by plane and applies for asylum in Germany will be directly sent back to the respective transit country (Zimmermann, 1994). A very important factor in the Schengen Agreement is the surveillance of the external borders (Uçarer, 1997: 293).

This concept of safe third countries was amended at meetings in London and Edinburgh in December 1992 with the *Resolution on a Harmonised Approach to Questions Concerning Host Third Countries*. The task of the Amsterdam Treaty (1997) is to deepen the European Union with the goal of implementing common policies and joint action in various fields of immigration, namely asylum issues and external border controls (Koslowski, 1998: 738).

Meanwhile, most western European countries regard all of the central and south-east European countries as safe third countries and have sought to implement readmission agreements. There is a web of bilateral return agreements, which has been expanding since 1991 (Nagy, 1995: 36; Glatzel, 1997).

On the way to a European asylum regime: problems of transition

Regarding the developments in the observed countries, it becomes obvious that the administration of asylum applications and the hosting of asylum seekers indicates a challenge for the respective countries. Moreover, the administration of asylum applications requires logistic and financial resources which do not exist to the required degree as stated by the International Organisation of Migration (IOM). According to a report filed by the IOM, rejected non-European asylum seekers pose great problems for central European countries, because there are operational and financial difficulties in returning them (IOM, 1995: 11).

3 Later changes were implemented in France (1997 and 1998) and in the UK (1996 and 1999) although these did not alter the outlined trends.
The issue created by asylum flows into central and south-east Europe turns out to be a special case due to the fact that these countries serve quite often as transit countries:

The countries of central and eastern Europe have become stepping stones on the way to the lotus lands of western Europe. As transit moves have been blocked, however, the region has become a waiting room. (...) [T]he Czech and Slovak Republics, Hungary, Poland and Slovenia have become honeypots in their own right. (Salt and Clarke, 1996: 521)

It is assumed that there are two main asylum channels to eastern Europe: the first starts in the Indian sub-continent (Afghanistan, Bangladesh, India, Nepal, Pakistan and Sri Lanka), the western part of Asia (Armenia, Iran, Iraq and Turkey) and some countries of Africa (Ethiopia, Liberia, Nigeria, Somalia and Sudan). The second originates near the eastern and south-eastern borders of Europe (Armenia, Moldova, Macedonia, Romania and Turkey) (OECD, 1998: 150). The majority of these countries of origin belongs to regions of crisis and ongoing civil wars, which allows the prediction that central and south-east European countries will become more and more favoured destinations.

Moreover, these countries already have to process a significant number of asylum applications of readmitted people being sent back from western European countries which regard central and south-east European countries as safe third countries.

However, as stated above, countries such as Romania and Bulgaria are regarded as ill-equipped to process asylum applications adequately, which leads to the assumption that they may not be safe. Moreover, reports from the Czech Republic and Hungary indicate that the situation for asylum applicants and refugees in camps is not always according to basic human rights and therefore to the Geneva Convention.

The member states of the European Union have started a unique co-operation on migration issues with the Schengen and Dublin Conventions and have implemented already a European asylum regime. As the outlined developments in central and south-east Europe indicate, these countries are heavily affected by the consequences of this European asylum regime. Poland, Hungary, and the Czech and Slovak Republics have applied for membership of the European Union, so they will have to adapt their migration and asylum policies according to EU norms (Koslowski, 1998: 741). The recent amendments to the asylum legislation in Poland, Hungary and the Czech Republic indicate that this adaptation process has already started. However, this takes time and requires a period of transition because:

Transformation into countries of asylum cannot happen overnight. (Abell 1997: 584)

That means that the main challenge for central and south-east European countries on their way to becoming members of the European Union will be the implementation of asylum laws in accordance with the Schengen and Dublin Conventions. This certainly implies a requirement to introduce the safe third country rule. The asylum and

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4 However, in spite of acting towards the same direction in terms of preventing too many asylum seekers entering the respective territories, national asylum legislatures in the EU still remain rather different concerning aspects like procedures and detention.
refugee flows to Europe will definitely not stop, only to start again in the east with east and some south-east European countries as transit countries, which will have been declared as safe third countries by members of the widened Schengenland. Consequently, the joining of the EU of countries like Poland, the Slovak Republic, the Czech Republic and Hungary would shift the borders of the European Union to the east, namely to countries like Romania, Russia, Belarus, etc. (Koslowski, 1998). It is more than doubtful that the new members of the European Union will be at once sufficiently well-equipped to control their eastern borders and that countries like Russia, Belarus and Ukraine are “safe” in terms of having implemented proper asylum legislative and administrative regimes.

The “buffer zone” would be moved more to the east, which obviously does not mean that it disappears. More dramatically, this would lead to an east-east split with Poland, Hungary, the Slovak Republic and the Czech Republic staying inside the cordon sanitaire and being members of the European Union, and Romania, Bulgaria, Ukraine, Belarus and the Baltic States beyond the new Iron Curtain, sometimes called the Golden Curtain (Okólski, 1994).

This raises the question of the sharing of the burden of the asylum issue in Europe as well as in the countries on its periphery, and it leads to the assumption that eastern and south-eastern Europe may be overtaxed by a great influx of both asylum applicants and rejected asylum seekers coming from western or central European countries. This may lead to threats to the social stability of the fragile democracies and it may cause heavy tensions in the respective societies.5

Criticisms that western European countries are erecting a “closed community” at the expense of south-east European countries are raised by many authors and can not be disapproved after the facts have been taken into account. The asylum issue will remain on the political agenda, but it seems short-sighted to be seeking to resolve this problem only with the politics of fortress Europe.

References

5 As observed by Nagy (1995: 50), difficulties with adequate asylum procedures additionally rise from the fact that a network of NGOs to consult or to help refugees at the borders and in the procedures does not yet exist in central European countries. Moreover, there are very few professional and impartial interpreters of non-European languages, which leads to the grievance that authorities need the help of other refugees or asylum seekers (in many cases through a third language).


Hungarian emigration and immigration perspectives – some economic considerations

Introduction

From the late 19th century onwards, Hungary, as with the rest of central and eastern Europe, was in a considerable position of emigration. However, in the middle of the 20th century the characteristics of European migration streams changed. Spatial mobility is a crucial element that characterises open societies, but totalitarian regimes, which happened to be established in the eastern part of Europe in the mid-late 1940s, prevented their citizens from travelling abroad or emigrating, or even forced them to settle in certain areas. These developments shaped east-west migration from the late 1940s until the late 1980s, as a unique period in history.

East-west migration became a major issue following the political and economic changes of the late 1980s and early 1990s in the countries of central and eastern Europe. After the first signs of considerable emigration from the previously communist region, the countries of western Europe soon enacted restrictive regulations. The arguments were mostly connected with increasing unemployment and the burden of migrants on welfare systems.

At the same time, when there was an upswing in emigration from central and eastern European countries, these themselves became the targets of migratory flows from the east. The pattern of immigration into these new democracies has varied. Even more curiously, the strict regulations of the countries of the European Union toward the countries of central and eastern Europe soon served as an example for the desirable immigration regulations of the new democratic states. Migration policies are, however, only recent and are still in the process of formation in these countries; mostly, they have been constructed as a result of pressure from abroad, especially from the European Union, because this region will form the new borders of the Schengen zone.

Several papers provide a detailed overview and critique of the large set of studies that have mushroomed during the 1990s and seek to prove that estimations based on this body of literature give approximate minimum and maximum limits of possible migration, a huge range of possibilities that is, in fact, without any implications. Comparing the (ex ante) expectations of east-west migration in the early 1990s with the real (ex post) numbers of people emigrating, we see that the former has been much higher
than the latter. The general background argument is, in fact, rather uniform: the traditional mainstream assumption of income or GDP/per capita differences being the primary motivation for labour migration (implicitly or explicitly). Estimations are confined to the size of emigration from CEE to the EU region, while east-east migration does not seem to figure at all.

Critical studies concern also the problem of how predictable are international migration flows. Most of these studies, estimating potential emigration, focus exclusively on the income (wage) differentials between western European countries and the countries of central and eastern Europe. Evidence of microeconomic theories, namely, the determinants of migration not shared by all individuals but which attempt to explain differences in the migration decisions between them, have been completely ignored. Whatever the argument behind these critical studies, they also hide one more, still uniform general assumption: that concerning long-term vs. permanent migration. Surprisingly enough, immigration policies in the countries of the European Union are based on theories that explain recent east-west migration mostly as traditional long-term or permanent migration; although the importance of new patterns of migration is well-known and described in detail. Beyond the first jump in legal migration numbers there were additional elements of east-west migration, and studies often referred to the following types:

- irregular, illegal or non-registered (labour) migration
- commuting-type regional legal cross-border migration
- illegal cross-border ‘tourist-type’ of migration that can be considered as a sub-type of the two others.

What does, in fact, make people move? And is there a proven economic danger, or rather a fear, of xenophobia and prejudice? The answer provided is, mostly, a sort of mainstream economic commonplace concerning wage/income differences. But what kind of economic indicators are the proper ones to explain migration patterns in Europe? Income difference is possibly the strongest indicator although it does, however, have its limits. Does projected migration pressure exist in fact? Is it uniform? Does it have its roots in the sending or in the receiving country’s economy, society and tradition?

This article intends to create a framework for the fragmentary evidence concerning migratory flows from Hungary to the EU, as compared to the flow from CEE to Hungary, during the 1990s and after. It defines a set of (economic) indicators to estimate labour migration, such as wages and living standards, risks, regulations and personal networks. It proves that there is no serious evidence of the economic dangers of emigration following the enlargement of the European Union. A limited flow of rather

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6 One should be reminded here of the importance of several factors, like the importance of networks in migration decisions, as well as the new economics of migration in which decisions made by the family instead of by the individual mark serious differences to the preferences of the individual. According to this theory, the engine of migration is not the maximisation of gains but the minimising of risks. One should also think of the relative deprivation theory, stressing relative disadvantage as the driver for migration. This means that the person in a relatively worse situation compared to his/her reference group would be more likely to migrate than would be others (cf. Stark (1991)).

7 For example, Jazwinska and Okolski (1996), Czako and Sik (1999).
short-term migration can, however, be expected. The immigration perspectives, on the other hand, are rather ambiguous.

Indicators in the estimation of economic migration

Who are the actors in international migration?

According to mainstream theory, migration is based on individuals’ decisions in maximising economic utility. These are made, however, at the individual or family level. Some individuals may migrate as part of a family who might otherwise have stayed at home according to marginal individual gains, while some may stay even though their marginal individual gains from migration might be large. The basic indicators of migration incentives, such as the expected wage (earnings) differences, can be measured as incentives for individuals but also in terms of the family’s maximisation of its utility gains. The latter means that a family would send abroad those members who maximise its net wealth. Where the maximisation of family utility defines migration decisions instead of individual decisions, the result is a less systematic sorting of individual talent, as measured principally by individual wage differences and a more heterogeneous migrant population. Consequently, the likelihood of a migration decision – migration pressure – can not be estimated simply by individuals maximising their economic utility, or simply by wage differences, but indirectly using a set of macroeconomic indicators.

The basic driver of migration: differences in earnings

Differences in earnings – more precisely, the net present value of earnings – between the sending and the receiving countries is usually considered as the main economic incentive for migration. It can be supposed that earnings differences are generally mirrored in living standards. In consequence, the difference in living standards between the two countries is a driver for migration where the difference is significant enough. The flow of migration between two countries or regions should decline when living standards between the two countries (or regions) converge. Differences between the living standards of the sending and receiving countries – more than just differences between earnings – can be indicators for family decisions.

Risk as a burden on and an incentive for migration

Factors other than earnings differences influence migration decisions strongly and in different ways. Risk concerning the expected gains (income uncertainty, job uncertainty, uncertain or risky communications and/or living circumstances, etc.) may deter migration. The decision to move depends on the expected net utility gain, which should cover the cost of risk of migration to the destination country and also the risk of lost income, etc. in the home country. Risk may deter some people from migrating, but may

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8 Family means, in this sense, the smallest economic unit.
9 Individual talent measured by wage differences is based on human capital theory. See Becker (1964).
10 cf. the model of Harris and Todero (1970).
not influence the decisions of others. Risk due to insufficient or missing insurance or benefit systems in the sending country, on the other hand, can initiate migration as a means of minimising these type of risk in the sending country.

The importance of networks in migration

Beyond the above-mentioned factors, the importance of chain migration is also well-known. The impact of any shock (such as revolution, the opening of borders following a long period of them being closed, etc.) may lead to a sudden growth in migration, similar to the experience at the turn of the 1980s and 1990s in central and eastern Europe. Migration, however, also spreads with the continuous building of networks of contacts. Once the process begins, each migrant becomes a new link in a chain of information, knowledge about opportunities and minimisation of risk, etc." Migrant networks have an evidently important effect on increases in migration and on stable illegal migration patterns, chiefly of workers.

Regulations influencing migration

Rules in both the sending and the receiving countries would be likely to influence migration decisions; migration patterns often alter as a consequence of regulations. Strict legal entry regulations, immigration policy, strong corporate systems or protectionism in legal labour markets in the destination country, with considerable expected income differences between the sending and the receiving countries, would raise the scope for illegal migration.

Beyond quantity, the quality of migrants may also differ. The relative skill stock of immigrants depends on the difference between expected earnings in the receiving and sending countries, based on the labour market regulations in both. A receiving country with a compressed earnings distribution (as in Germany or Sweden) is less likely to attract highly skilled immigrants than a receiving country with similar average earnings but greater earnings inequality (for example, the USA). A considerable tax burden or greater inequalities in the sending country, on the other hand, is more likely to force migrants to move.

Time horizons of migration

Finally, there are at least two types of migration involved in the east-west migration processes of the 1990s. The motivations involved in the two types are different, according to the time horizon:

1. the traditional ‘permanent-type migration’ consists of migrants who intend to spend a longer period abroad, living, working or trading, etc. The available statistical definition is, however, somewhat too strict for the purpose: only those indi-

11 Boyd (1989).
Individuals who spend over one year in another country will be registered as migrants.12

2. the new development of migration into and from central and eastern Europe has been short-term ‘commuting-type migration.’13 Below, we shall try to give estimations for both types.

On the basis of these considerations, we can define a model with some basic economic indicators for migration (see Table 1).

Table 1 – Indicators in the estimation of migration

<table>
<thead>
<tr>
<th>Indicators, by time horizon</th>
<th>Short-term commuting-type migration</th>
<th>Long-term permanent-type migration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Incentives and disincentives of migration</td>
<td>Differences in wages vs. living standards (W)</td>
<td>Differences in living standards: GDP at PPP</td>
</tr>
<tr>
<td>(c)</td>
<td>(p)</td>
<td></td>
</tr>
<tr>
<td>Risks</td>
<td>Sufficient gain to compensate for the expected risks of commuting</td>
<td>Expected stability of domestic economy (increase in GDP, unemployment and job possibilities, insufficient insurance, and insecurity)</td>
</tr>
<tr>
<td>(Rk)</td>
<td>RKc</td>
<td>Rkp</td>
</tr>
<tr>
<td>Networks</td>
<td>Stock of the foreign population, stock of foreign labour, networks based on ethnic relations</td>
<td></td>
</tr>
<tr>
<td>(N)</td>
<td>Nc</td>
<td>Np</td>
</tr>
<tr>
<td>Influence of regulations</td>
<td>Over-taxation in the sending country – undocumented economy in the receiving country</td>
<td>Corporate system – protectionism in the labour market of the receiving countries</td>
</tr>
<tr>
<td>(R)</td>
<td>Rc</td>
<td>Rp</td>
</tr>
</tbody>
</table>

12 ‘According to UN recommendation, a migrant, in the demographic sense, is an individual who (irrespective of place of birth and nationality) arrives in a given country with the intention of spending at least 12 months there or an individual who has spent at least 12 months away from home.’ Cf. Coleman (1994), p. 292. Registration laws in other countries may specify other intervals of time.

13 We would not define here as commuters those who commute daily, weekly or so. Commuters work for different, however short, periods abroad, but basically live in their home country and work abroad as commuter-type migrants. See: Morokvasic and Rudolph (1994) on Polish-German, Hárs (1995b) on Hungarian-Romanian, and Jazwinska and Okolski (1996) on Polish-Ukrainian commuters.
The model raises questions as to the size of the migrant population – the migrant labour supply – that can be expected both to leave and to enter Hungary and can be used to analyse the intensity of the possible migratory pressures.

**Expected emigration from Hungary**

*Basic drivers of emigration: differences in wages versus living standards (W)*

Short-term commuting-type migration incentives: differences in wages based on exchange rates (Wc)

Suppose the importance of earnings differences and the pressure of short-term, commuting-type migration can be estimated by the differences in wages at the rates of exchange between the sending and the receiving countries.\(^{14}\) Those who migrate for a short time and make money in the receiving country spend only a very small amount on living in the destination country. Commuters spend most of their income from migratory work in their home country.

We may measure this type of migratory pressure by the differences in wages at the prevailing rates of exchange, so there is good reason to expect to find a record of commuting short-term labour emigration from Hungary, both legal and illegal, arising from the considerable wage differences with the countries of the European Union.\(^{15}\) This is shown in Table 2.

**Table 2 – Gross wages and salaries per employee per month**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Austria</td>
<td>9.3</td>
<td>7.5</td>
<td>8.6</td>
</tr>
<tr>
<td>Germany</td>
<td>9.7*</td>
<td>7.6</td>
<td>8.8</td>
</tr>
<tr>
<td>Spain**</td>
<td>9.6</td>
<td>6.5</td>
<td>7.5</td>
</tr>
<tr>
<td>France</td>
<td>9.0</td>
<td>6.7</td>
<td>7.8</td>
</tr>
<tr>
<td>Italy</td>
<td>8.6</td>
<td>5.2</td>
<td>6.1</td>
</tr>
<tr>
<td>Greece***</td>
<td>5.3</td>
<td>5.9</td>
<td></td>
</tr>
</tbody>
</table>

Hungary = 1, in Ecu at prevailing exchange rate

Notes: * = 1991  ** = total employee compensation  *** = non-manual workers in industry


\(^{14}\) We should, in fact, compare net wages. Our data refer, however, to gross wages which are the only ones available for comparison.

\(^{15}\) The evidence on migration potential would support the contention that more short-term than long-term labour emigration can be expected from Hungary: see data from the Hungarian Household Panel Survey (1998); Sik (1998).
Is there sufficient pressure for migration indicated by these wage differences? We follow the estimates of Barro (cf. Layard et al., 1992). In the case of domestic migration, when migration is not influenced by the channelling and distorting regulations of border crossings and when only the rules governing natural migration are taken into account, earnings 10 per cent below average triggered a 0.25 per cent net migration between the states of the US. Suppose the cost of border crossing is zero and there is no administrative stimulation or difficulty for migrants. On average, wages in Hungary are about 12-15 per cent of the European level, i.e. they are 85-88 per cent below the European level. According to Barro’s estimation, based purely on wage differences a (short-term) migration of about 200,000 people (2 per cent of the population) could be expected from Hungary to the European countries. According to recent estimations, a considerable increase in wages in Hungary, compared to the levels in the countries of the European Union, will still take decades, even following the recent radical increase in productivity in Hungary (Gács et al., forthcoming).

Long-term permanent-type migration: differences in living standards as measured by GDP at purchasing power parity (Wp)

Permanent-type migration has somewhat different incentives which can be estimated by looking at the differences in living standards between the sending and the receiving countries; that is, measured by the differences in GDP at purchasing power parity (PPP).

Comparing GDP per capita at PPP, the differences between Hungary (as with other countries of the central and eastern European region) and the European Union are considerable (see Chart 1). Hungary’s backwardness is evident and, according to the difference, some labour emigration could be expected. The difference is decreasing, however, suggesting that more moderate levels of emigration could be expected in practice (assuming a four per cent per year growth in GDP in central and eastern Europe, two per cent for the European Union, and zero population growth).

16 We should remind the reader that the estimation is both academic and exaggerated, and that it over-estimates wage differences without taking into account any of the costs of migration, risk, administrative rules, etc.
Chart 1 – GDP per capita (at current PPPs (in ECU); EU(15) = 100)

Note: GDP figures for 2000 and later are projections, assuming a 4% per year GDP growth for CEEU, 2% for the EU (15), and zero population growth. The developing CEEU means the Czech Republic, Hungary, Poland, Slovakia and Slovenia; while the non-developing CEEU covers Bulgaria, Romania, Croatia, Russia and Ukraine.


Risks of migration in the home and the destination countries (Rk)

Population movements remain stable, contrary to the risk of migration. Migratory pressures are strong enough to continue, while wage differences compensate for the cost of the risk of migration (including the additional costs arising, for example, from distance (both geographical and cultural), language difficulties, homesickness, etc.). The expected net earnings differences should increase proportionately to the risk of migration.

Sufficient gain to compensate for the expected risk of commuting (Rkc)

In short-term migration, the risks of moving compared to the earnings differences can be measured as the incentive (or the disincentive) to move. The sufficient income gap arises from migration plus the cost of the calculated risk.

As has been shown above, the income gap involved in migration ($W_c$) is considerable. The risk of migration, on the other hand, is rather limited as regards Hungarians: first of all, the short distance; beyond that, the low costs of migration based on limited cultural differences, language skills, etc. Consequently, there may be an incentive for migration of the commuting type.
The expected stability of the domestic economy (Rkp)

In the case of longer-term, permanent migration, the risk of domestic activity, namely the expected stability or instability of the domestic economy, strongly influences the expected outflow. Hungary (as with some other transit economies) is showing a definite economic upturn which provides, in the sense of the expected stability of the domestic economies, an incentive against migration. The increase in GDP that there has been in recent years, and the increase expected in the next few, would suggest that migration is likely not to become particularly strong, with the data being especially promising for Hungary (see Chart 2). Consequently, the economic returns compared to the risk of migration must be high for people to migrate on a long-term basis.

**Chart 2 – GDP per capita (at current PPP (in ECU), 1990 = 100)**

![Chart 2 – GDP per capita (at current PPP (in ECU), 1990 = 100)](https://doi.org/10.5771/9783845279398)

Note and source: see Chart 1.

What are the prospects for the Hungarian labour market? Registered unemployment reached a peak of 13 per cent in 1993, although it has since decreased. Employment opportunities decreased sharply during the early 1990s, while inactivity also increased continuously and dramatically during the same period. However, coinciding with the general economic revitalisation since 1998, the labour market indicators have shown a trend towards recovery. Nevertheless, unemployment still remains considerable, as are the differences between Hungarian regions (unemployment is extremely high in north-east Hungary and rather high in five other counties).

There are no internal population movements, however, that would balance the differences across the whole country, still less those which compel people to seek to move beyond the border. According to Kertesi (1997), internal migration in the 1990s has followed the trend of the 1980s, a period without unemployment. The difference in

17 Data drawn from the Labour Force Survey, a survey of the population aged 15-74 years. Registered unemployment tends to coincide broadly with the LFS data. The level of unemployment according to the registered data is, however, about 2-3 per cent higher than the level of unemployment according to the LFS data. The difference is connected, among others, with the regulation of the registration and benefit system, as well as the large extent of unregistered employment in Hungary.
migration balance (loss or gain) is strongly connected with schooling: less educated people have a smaller chance of finding a good job as a result of migrating; consequently, those who have once migrated will continue to find themselves on the move. The evidence of the close connection between schooling and migration would allow us to presuppose that gypsies, as members of an unevenly uneducated population, would be less likely to become economic migrants and to move within the country, as well as abroad, in order to find work. Where they do move, they would have a low probability of finding a job at their place of destination; consequently, they would be forced to move on again.

An insufficient unemployment benefit system and insecurity, on the other hand, is also an incentive for migration. Following a considerable cut in unemployment benefit in Hungary in spring last year, benefits for the long-term unemployed have been, essentially, dropped or otherwise dramatically diminished. These developments have coincided with ethnic discrimination, and so it is hard to believe that the recent increased levels of emigration of gypsies from Hungary is accidental.

**Contact networks and family strategies (N)**

Migration in previous periods has led to the build-up of serious networks of contacts. This means that Hungarians (or other nationals) living in one or another country of the European Union would be in a position to supply personal information to their fellow Hungarians if they chose to move. We presume that legal and illegal migrations are inter-related, that illegal migration is proportional to legal migration and, consequently, that expected migrations, both legal and illegal, can be estimated by the stock of the foreign population. Surveys on potential Hungarian migration support the evidence.\(^{18}\) The network of contacts influencing both commuting (\(N_c\)) and long-term (\(N_p\)) migration patterns are measured below by the stock of the foreign population.

According to the size and share of foreign residents of central and eastern European origin, there are some Hungarian populations in Europe, although these are much smaller than the Polish, which is the major central-eastern European diaspora (0.5 per cent and 2.5 per cent, respectively). Nevertheless, all the emigrants of central and eastern European countries constitute marginal populations in Europe, amounting to less than 5 per cent of the total foreign population.

The largest – although not that large – Hungarian community can be found in Austria: two per cent of the population are foreign residents of Hungarian origin. Austria has a relatively considerable central-eastern European foreign population (about 12 per cent of all foreign residents), with Hungarians making up altogether 16 per cent of all central and eastern European foreigners. The largest community of Hungarians – over 70 per cent of the total – can be found, however, in Germany, although this makes up less than 1 per cent of all foreign residents and about 10 per cent of all central and eastern Europeans.\(^{19}\)

As the data in Table 3 indicate, Germany seems to be the most important destination for Hungarians. The second most important is Austria where, however, the share of

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\(^{19}\) Source: SOPEMI (2001).
foreign residents of Hungarian origin is rather more limited. The share of short-term migrants to Austria may explain the low share of foreign residents there who are of Hungarian origin (i.e. those who stay for over a year). Sik (1998) provides considerable evidence to support the contention that the migration patterns from Hungary to Austria are short-term (commuting-type) in nature.

Based on the size of the foreign population of Hungarian origin in Europe, the networks are simply not strong enough to develop an accelerating migration from Hungary to the European Union.

Table 3 – Share of foreign residents of CEE origin in selected European countries (per cent)

<table>
<thead>
<tr>
<th></th>
<th>Hungary</th>
<th>Bulgaria</th>
<th>CSFR</th>
<th>Poland</th>
<th>Romania</th>
<th>USSR</th>
<th>CEE (total)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austria (1991)</td>
<td>14.2</td>
<td>9.7</td>
<td>24.8</td>
<td>4.4</td>
<td>11.7</td>
<td>2.3</td>
<td>7.8</td>
<td>1.8</td>
</tr>
<tr>
<td>Belgium (1998)</td>
<td>1.3</td>
<td>2.1</td>
<td>1.8</td>
<td>1.5</td>
<td>1.3</td>
<td>2.4</td>
<td>1.6</td>
<td>8.6</td>
</tr>
<tr>
<td>Denmark (1997)</td>
<td></td>
<td>1.3</td>
<td>0.7</td>
<td>3.3</td>
<td></td>
<td>1.2</td>
<td>0.8</td>
<td></td>
</tr>
<tr>
<td>Finland (1998)</td>
<td>0.7</td>
<td>0.2</td>
<td></td>
<td>22.4</td>
<td>2.6</td>
<td>1.0</td>
<td></td>
<td></td>
</tr>
<tr>
<td>France (1990)</td>
<td>3.9</td>
<td>2.1</td>
<td>4.4</td>
<td>11.2</td>
<td>3.6</td>
<td>4.7</td>
<td>7.5</td>
<td>27.7</td>
</tr>
<tr>
<td>Germany (1998)</td>
<td>69.6</td>
<td>84.7</td>
<td>53.</td>
<td>68.4</td>
<td>56.7</td>
<td>55.1</td>
<td>64.7</td>
<td>44.5</td>
</tr>
<tr>
<td>Italy (1998)</td>
<td></td>
<td></td>
<td></td>
<td>6.8</td>
<td>23.4</td>
<td>4.0</td>
<td>8.4</td>
<td>8.0</td>
</tr>
<tr>
<td>Netherlands (1997)</td>
<td>1.7</td>
<td>1.3</td>
<td>1.1</td>
<td>1.4</td>
<td>0.7</td>
<td>5.7</td>
<td>1.7</td>
<td>3.2</td>
</tr>
<tr>
<td>Sweden (1998)</td>
<td>4.0</td>
<td>6.6</td>
<td>3.8</td>
<td>2.0</td>
<td></td>
<td>3.0</td>
<td>3.7</td>
<td></td>
</tr>
<tr>
<td>Switzerland (1998)</td>
<td>4.6</td>
<td>7.5</td>
<td>1.0</td>
<td></td>
<td></td>
<td>1.3</td>
<td>0.6</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
<td>100</td>
</tr>
</tbody>
</table>


Influence of regulations (R)

Finally, and very briefly, we should refer to the regulations that are of great importance in both registered and unregistered local and foreign migration.
Over-taxation in the sending country – undocumented economy in the receiving country (Rc)

The consequence of particular regulations in the sending countries’ national economies and labour markets, such as over-taxation, result in some legal foreign and/or considerable illegal domestic and/or foreign employment. Over-taxation in the sending country may be an incentive for emigration, especially for commuting-type migration.20

Corporate system – protectionism in the labour markets of the receiving countries (Rp)

The consequences of the over-regulated corporate systems of European economies are protectionism and the closure of the receiving countries’ legal labour markets. Illegal migration, however, may still increase. Strict regulations may influence non-registered (illegal) migration, depending on the entry possibilities. As long as entry is possible into the receiving countries, short-term illegal labour will increase. Closure of the entry routes, on the other hand, would stimulate longer-term illegal employment.21

Expected immigration into Hungary

At the turn of the 1980s and 1990s, Hungary (like other more developed transition countries) suddenly became a country of immigration in patterns of east-east population movements. To sketch a brief picture, Table 4 provides an overview of the immigration characteristics of different central and eastern European countries. Without going into detailed analysis, we can see that Hungary, like the Czech Republic, seems to be an attractive country for all emigrant groups, while Poland, an other important destination country, attracts mostly illegal labour migrants and petty traders. Using the same indicators as above, we try below to give an estimation of whether Hungary can expect strong inwards migratory pressure from the east.

Table 4 – Share of foreigners in countries in the CEE region (1998)

<table>
<thead>
<tr>
<th>Country</th>
<th>Share of foreigners in total population (%)</th>
<th>Illegal/non-registered foreigners (no.)</th>
<th>Permanent resident foreigners (no.)</th>
<th>Work permit holders (no.)</th>
<th>Total population (no. (000))</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hungary</td>
<td>2.6</td>
<td>100,000</td>
<td>150,245</td>
<td>22,466</td>
<td>10,375</td>
</tr>
<tr>
<td>Poland</td>
<td>0.7-1</td>
<td>175,000</td>
<td>70,000</td>
<td>12,500</td>
<td>37,879</td>
</tr>
<tr>
<td>Czech R.</td>
<td>3.9</td>
<td>195,000</td>
<td>155,839</td>
<td>50,000</td>
<td>10,299</td>
</tr>
<tr>
<td>Slovakia</td>
<td>1.0</td>
<td>24,000</td>
<td>26,280</td>
<td>2,347</td>
<td>5,269</td>
</tr>
</tbody>
</table>

Source: estimations based on experts’ country chapters by Stola, Lubyova, Drbohlav and Hars et al., in Wallace and Stola (eds.) (forthcoming).

Basic drivers of emigration: differences in wages versus living standards ($W$)

Short-term commuting-type migration incentives: differences in wages at exchange rates ($W_{c}$)

Following the methodology in the previous part of this article, we can see that wage differences within the central and eastern European region are obviously considerable; however, they are far smaller when compared to western Europe. Table 5 shows the ratio of monthly earnings between Hungary and the other countries of the region. Differences in wages and salaries between the more developed central and eastern European countries is negligible, while they are considerable between these countries and the non-developing ones. This suggests pressure from some short-term commuting-type migration from the latter group of countries.

Table 5 – Gross wages and salaries per employee per month

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Slovenia</td>
<td>4.2</td>
<td>2.3</td>
<td>3.1</td>
<td>3.0</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>0.9</td>
<td>0.8</td>
<td>1.1</td>
<td>1.1</td>
</tr>
<tr>
<td>Slovak Republic</td>
<td>0.8</td>
<td>0.6</td>
<td>0.9</td>
<td>0.9</td>
</tr>
<tr>
<td>Hungary</td>
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<td>1.0</td>
<td>1.0</td>
<td>1.0</td>
</tr>
<tr>
<td>Poland</td>
<td>0.5</td>
<td>0.7</td>
<td>1.1</td>
<td>1.1</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>2.3</td>
<td>0.3</td>
<td>0.3</td>
<td>0.4</td>
</tr>
<tr>
<td>Romania</td>
<td>0.7</td>
<td>0.3</td>
<td>0.4</td>
<td>0.5</td>
</tr>
<tr>
<td>Russia</td>
<td>2.4</td>
<td>0.3</td>
<td>0.5</td>
<td>0.4</td>
</tr>
<tr>
<td>Ukraine</td>
<td>2.0</td>
<td>0.1</td>
<td>0.2</td>
<td>0.2</td>
</tr>
</tbody>
</table>

Hungary = 1, in Ecu at prevailing exchange rate

Notes: * = 1991 ** = total employee compensation *** = non-manual workers in industry


According to Barro’s estimates, mentioned earlier, insofar as Hungary is a destination country, a 60 per cent lag would imply the migration of 1.5 per cent of Romania’s population (390,000 people), while an 80 per cent lag would imply the migration of 2 per cent of the Ukrainian population (about one million people). Based simply on differences in earnings, the Slovaks would not seem to pose a migration risk.
Long-term permanent-type migration: differences in living standards measured by GDP at purchasing power parity (Wp)

Can Hungary expect considerable long-term immigration? Its relative advantages as regards the lower tier central and eastern European countries, i.e. the potential sending countries, is evident. Indicators, including the increase or decrease in GDP, will be used as a sign of the expected upturn, stagnation or downturn of the economies (see Chart 2 above). In doing so, the expected decrease in GDP in these countries, especially in the neighbouring ones, would suggest that some labour migration pressure into Hungary ought to be expected in the next years (see Chart 3).

**Chart 3 – GDP per capita (at current PPP in US $, 1990=100)**

Source: Based on data from WIIW (1998).

*Risk of migration in the home and destination countries (Rk)*

Sufficient gain to compensate the expected risk of commuting (Rkc)

According to mainstream theory, differences in incomes and increasing distance have inverse effects on migration. Even a relatively modest income difference may be attractive enough to trigger labour migration between nearby countries, especially if the costs of migration can be decreased significantly by travel or commuting. Consequently, the Czech Republic, Slovakia and Poland may be more attractive to labour migrants from the Ukraine than Hungary. In spite of the relatively modest differences in earnings, the common border between Hungary and Romania does motivate workers from Romania, sensitive to potential gains in income, to try their luck in Hungary.

The expected stability of the domestic economy (Rkp)

The unemployment rate exists at a fairly even level in the transit economies. However, in order to use this to mirror the job prospects in the transit economies, data concerning employment and unemployment requires additional information concern-
ing those countries from which come the majority of labour migrants into Hungary. Indicators like the high share of long-term employment, the rate of entry into the labour market (youth unemployment), regional unemployment in the border region and the forms of under-employment in the possible sending countries would support, in general, migratory pressures from the less prosperous post-communist countries.

**Contact networks and family strategies (N)**

Minorities play a special role in migration in central and eastern Europe. Ethnic Hungarians form the largest ethnic group in the region. There is a considerable Hungarian minority in all the surrounding countries: the largest among them in Romania and, beyond that, in Yugoslavia, Slovakia and Ukraine. Unlike ethnic Germans, however, who live far from the destination country, ethnic Hungarians live in the countries which border Hungary.

As a matter of fact, ethnic migration can not be considered as a refugee flow. Migrants are likely to have chosen a given opportunity to move; from this point of view, they are economic or labour migrants. Ethnicity is an element of the network that helps and encourages migration flows. According to Brubaker:

…Unlike cases of conceptually ‘pure’ labor migration, ethnicity plays a crucial role in engendering, patterning and regulating these flows. (1988, p. 1047)

There are sharp differences, however, among different immigrant groups which are of ethnic Hungarian origin. The ties are more developed between Romania and Hungary, while being rather more recent towards Voivodina (in previously prosperous Yugoslavia). They have been recently revived between Ukraine and Hungary.

**Influence of regulation (R)**

As mentioned at the beginning of the article, the development of migration policies is recent and still in process. As for migration policy in Hungary, since 1990, when both the political regime and the migratory pattern has faced major changes, the political elite has shown little interest in the causes and consequences of international migration. The formulation of a migration policy has not been urged from any party platform or in any government decision.

Undocumented economy in the receiving country (Rc)

There is a considerable undocumented economy in Hungary. This supports short-term illegal employment for unsettled immigration on the above-mentioned ethnic basis.

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22 Often referred to as Transylvanians. However, ethnic Hungarians originate also from other parts of Romania.

23 cf. Hárs et al., forthcoming. A research team has developed a suggested Hungarian migration policy that has never been adopted by the authorities – see Fullerton et al (1997).
Entry regulations, migration policy (Rp)

Ethnic Hungarians are, in one way, according to the policy, preferred foreigners, but they are still foreign citizens in Hungary. There is an ambivalent and indeterminate approach to this issue by the government. As a consequence, ethnic Hungarians do not enter the country either with full or, even, limited rights of citizenship of their ‘mother country’ (as is the case for ethnic Germans in Germany). In the Hungarian case, ethnicity is simply a reflection of strong networks. Consequently, from our point of view, ethnic origin is a rather important element in the development of migration.24

Some final conclusions

Looking at the indicators of the model as discussed above, the migration incentives provided by the different indicators in the estimation of migration are summarised in Tables 6 and 7. The short-run commuting-type emigration incentives show a ‘hesitant’ attitude concerning emigration, i.e. a partly stimulating and partly preventative emigration out of Hungary. The indicators discussed, on the other hand, definitely do not stimulate permanent-type migration.

Table 6 – Emigration effects of economic indicators

<table>
<thead>
<tr>
<th></th>
<th>Commuting-type migration (c)</th>
<th>Permanent-type migration (p)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Differences in wages (W)</td>
<td>( W_c ) stimulating</td>
<td>( W_p ) stimulating/preventing</td>
</tr>
<tr>
<td>Risk (Rk)</td>
<td>( R_k_c ) stimulating/preventing</td>
<td>( R_k_p ) preventing</td>
</tr>
<tr>
<td>Networks (N)</td>
<td>( N_c ) preventing</td>
<td>( N_p ) preventing</td>
</tr>
<tr>
<td>Influence of regulations (R)</td>
<td>( R_c ) stimulating</td>
<td>( R_p ) preventing</td>
</tr>
</tbody>
</table>

24 The political relevance and importance of Hungarian policy towards Hungarian minorities would be hard to over-emphasise; however, that is beyond the scope of our approach. We should refer here instead to the recent development in Hungarian immigration policy supporting the so-called ‘status law’, guaranteeing some privileges for ethnic Hungarians with special rights (or status) to enter Hungary and to stay and work there for a limited period of three months. The given rights are rather moderate and, during the process of the development of the law, there has been, moreover, no decision on the crucial question as to who should decide eligibility and the eligibility conditions.
Table 7 – Immigration effects of economic indicators

<table>
<thead>
<tr>
<th></th>
<th>Commuting-type migration (c)</th>
<th>Permanent-type migration (p)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Differences in wages (W)</td>
<td>$W_c$ stimulating</td>
<td>$W_p$ stimulating</td>
</tr>
<tr>
<td>Risk (Rk)</td>
<td>$R_{kc}$ stimulating</td>
<td>$R_{kp}$ stimulating</td>
</tr>
<tr>
<td>Networks (N)</td>
<td>$N_c$ stimulating</td>
<td>$N_p$ stimulating</td>
</tr>
<tr>
<td>Influence of regulations (R)</td>
<td>$R_c$ stimulating</td>
<td>$R_p$ preventing</td>
</tr>
</tbody>
</table>

In the case of immigration into Hungary, the incentives for migration are rather stimulating as regards both commuting and permanent-type migration. However, the development of regulations is intended to limit commuting-type migration or to screen for (undefined) desirable migrants. In the case that migratory pressures based on economic incentives are strong enough, as shown in Table 7, immigration may be impeded by regulations. Border controls and visa requirements, etc. may cause considerable additional costs and work. The natural limits of migration (the limited number of persons that would move, limited demand for foreign labour, etc) would also put a limit on immigration.

The hope of an economic upturn in the potential sending countries will be, however, the real solution. To finish, let us cite the President of the European Commission, Romano Prodi. In his recent lecture at the Hungarian Academy of Sciences in Budapest, he pointed out that his home country, Italy, has for a long time been a country of emigration. However, when there was increasing hope of economic development in Italy, emigration stopped. Referring to the debate on the accession of CEE countries to the EU, and especially to that on the free movement of people, he underlined the further importance of this hope. According to Prodi, public opinion in some countries is understandable and might lead to political impediments having to be overcome, but there will be no serious migration flow to expect from the east to the west when the hope of domestic improvements can be seen.

References


Hungarian emigration and immigration perspectives – some economic considerations


The position and problems of refugees in Serbia

Introduction

Migratory population movement on the territory of Yugoslavia can be characterised by extreme dynamics, with specific features in different periods. This is largely compounded by the geographic position of the Balkans, representing the crossroads of important communication lines and the influence of the frequent wars in this part of the world. The result has been significant population heterogeneity from the point of view of ethnic composition. The post-war period of economic migration was marked by the transfer of the agricultural population into non-agricultural activities and a mass-scale departure for work abroad. In the last decade of the 20th century, migration patterns assumed a specific form of forced population movements, expressed in the large number of refugees on the territory of the former Yugoslav republics.

The political crisis which broke out in 1990 in the former Yugoslavia created a feeling of fear and insecurity among most of the population. When all efforts at establishing a peaceful solution fell through, armed conflicts first broke out, followed later by civil war caused by ethnic and religious animosities. The secession of certain republics encouraged population movements into ethnically more homogeneous territories to avoid inter-ethnic conflicts. At first, this seemed to be a phenomenon that would not last for long, but the aggravation of the crisis and the wars have produced several million refugees who have been in such a status for the whole of the decade.

The first refugees who arrived on the territory of Serbia and Montenegro (FR Yugoslavia) came from the former Yugoslav republics and their number kept increasing as the armed conflicts intensified. Some of those who had been expelled have returned to the places from where they had fled, but the number of displaced people has remained high until the present day. It is estimated that, at one point, there were over 2.5m refugees and displaced people in Yugoslavia. According to the data of the United Nations High Commissioner for Refugees (UNHCR), there were 646,000 refugees (618,000 in Serbia and 28,000 in Montenegro) left by mid-1996. Before that, all had lived in the republics of the former Yugoslavia: Croatia; Bosnia and Herzegovina; and Slovenia. In December 1999, there were still 503,300 registered refugees in Serbia and 23,200 in Montenegro. At the same time, by April 2000 there were 180,000 internally displaced people from Kosovo and Metohija registered in Serbia and about 31,500 in Montenegro.

Demographic characteristics of refugees in Serbia

The refugee problem is complex and multi-dimensional. The number of refugees and the social consequences arising from imposed changes leave an ineradicable trace on individuals and families. For those whose refugee status has become an important mark of their social position over time, the main causes of such a situation lose their importance. The new status of insecurity leaves numerous and complex consequences which may be visible or concealed for refugees, the broader social environment, insti-
tutions and the population of the countries to which they have come. The refugee population is very heterogeneous in its characteristics, not only in demographic and sociocultural terms but also in terms of educational, professional, ethnic, status and other factors. As a result of current international norms, refugees are also distinguished by their legal, official position: some of the population have obtained refugee status owing to the creation of new states on the territory of the former SFRY while others from the same country have obtained only displaced status.

Table 1 – Refugees and other war affected people in Serbia (2001)¹

<table>
<thead>
<tr>
<th>Country of origin</th>
<th>Refugees</th>
<th>Other war affected people</th>
<th>Total registered</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bosnia and Herzegovina</td>
<td>133 749</td>
<td>32 062</td>
<td>165 811</td>
</tr>
<tr>
<td>Croatia</td>
<td>242 744</td>
<td>41 592</td>
<td>284 336</td>
</tr>
<tr>
<td>Macedonia</td>
<td>9</td>
<td>139</td>
<td>148</td>
</tr>
<tr>
<td>Slovenia</td>
<td>629</td>
<td>1 056</td>
<td>1 685</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>377 731</td>
<td>74 249</td>
<td>451 980</td>
</tr>
</tbody>
</table>

Out of the 451 980 people in Serbia registered according to international standards as displaced people, 377 731 had refugee status while 74 249 were classified as ‘war affected people’. When the Yugoslav drama started, it was relatively easy to get citizenship documents because the country was still united. Thus, those who fled first to the territory of Yugoslavia solved their problem of citizenship and thus never held refugee status. Incidentally, some people living in other republics also had Serbian or Montenegrin, and hence Yugoslav, citizenship. In the Census, it is these people who are registered as ‘other war affected people’. This category encompassed those for whom FR Yugoslavia was the second country of asylum and who, therefore, are not entitled to refugee status according to international legal standards.

According to the Census results of April 2001, 187 129 displaced people from Kosovo and Metohija were registered in Serbia, of whom 176 219 had found refuge in central Serbia and 10 910 on the territory of Vojvodina. Most live in rented quarters (76 149), and almost the same number lodge with relatives or friends (74 523). 12 959 live in collective centres and 14 231 have their own accommodation, while 9 267 stated that they have other living arrangements. Territorial distribution by county shows that most of those who moved after the arrival of the international forces in Kosovo in 1999 found refuge in Belgrade (53 013), followed by Raška (27 688) and Šumadija.

¹ Data of the UN High Commissioner for Refugees (UNHCR), according to registration on 18 June 2001.
Table 2 – Internally displaced people in Serbia (April 2001)

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
<th>Collective accommodation</th>
<th>Rented flat</th>
<th>With relatives/friends</th>
<th>Own accommodation</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>187 129</td>
<td>12 959</td>
<td>76 149</td>
<td>74 523</td>
<td>14 523</td>
<td>9 267</td>
</tr>
<tr>
<td>Central Serbia</td>
<td>176 219</td>
<td>12 500</td>
<td>71 310</td>
<td>70 010</td>
<td>13 614</td>
<td>8 785</td>
</tr>
<tr>
<td>Belgrade county</td>
<td>53 013</td>
<td>2 876</td>
<td>2 018</td>
<td>24 118</td>
<td>2 650</td>
<td>3 188</td>
</tr>
<tr>
<td>Vojvodina</td>
<td>10 910</td>
<td>459</td>
<td>4 839</td>
<td>4 513</td>
<td>617</td>
<td>482</td>
</tr>
</tbody>
</table>

Refugees by former place of residence

Civil war, with the attributes of both a religious and a national conflict, resulted in the abandonment of ethnically-mixed communities, as confirmed by data on refugees according to former place of residence. Since the majority of Serbs resident outside Serbia lived in Croatia and Bosnia & Herzegovina before the war, the greatest number of refugees and war affected people now in Serbia originate from these two former Yugoslav republics (see Table 3). More than one-half of the total number of registered refugees in Serbia had fled from Croatia (242 744), while a further 41 592 held a status as people affected by war. At first, they came from frontier areas, but most refugees from Croatia came from Krajina and other places where Serbs were the majority population; territories which were the scene of the fiercest armed clashes and, at one time, UN protected zones until the Croatian army expelled them during its operation ‘Storm’.

War in Bosnia & Herzegovina forced all its peoples to seek refuge according to their ethnic affiliation. In 1996, there were 287 000 people in Serbia and Montenegro who had fled this former Yugoslav republic, of whom almost 228 000 came from the territory of the Muslim-Croat Federation and about 59 000 from Republika Srpska. Five years later, 166 811 people from Bosnia & Herzegovina still remained in Serbia, of whom 133 749 had refugee status.

A relatively high number of refugees came from Slovenia (1 685); most of them (1 056) having war affected status while registered refugees numbered 629. The lowest number of refugees in Serbia in 2001 were those formerly resident in Macedonia (148), of whom only nine had obtained refugee status while the remaining 139 were considered as people affected by war.

During the past ten years, people affected by the war came to Yugoslavia in waves. The number of refugees was at its highest during the period of fierce armed clashes and at the time of the changing of borders. Some of them returned when the situation stabilised, and are not registered in the censuses taken in the meantime. The intensity of the influx of refugees and displaced people to Yugoslavia shows that, in

the first wave (in 1991), 76 200 people had fled the other republics, of whom 70 per cent came from Croatia. When the war in Bosnia & Herzegovina started in 1992, the number of refugees from these territories surged, accounting for 77 per cent of the refugees who entered Yugoslavia that year.

From 1993 to 1995, the average numbers of war affected people arriving in Yugoslavia declined, while some of those who had arrived earlier returned. Characteristic of this period is that the number of refugees from Bosnia & Herzegovina was 1.8-fold higher than the number who came from Croatia. The biggest wave of refugees (258 422) came in the second half of 1995. When the ‘Croatian army carried out an attack which forced Serbs to abandon their homes in the Krajina region, in the biggest individual war exodus,’ (according to the UNHCR) nearly 200 000 people fled. A number of refugees (56 000) came from Bosnia & Herzegovina after the fall of territories formerly under Serb control.

The third wave of refugees came after the signing of the Dayton Peace Agreement, when 32 400 out of the 45 500 people who arrived during 1996 were from Bosnia & Herzegovina, most of them formerly living in the territories awarded to the Muslim-Croat Federation.

Table 3 – Breakdown by present area of residence and country of origin

<table>
<thead>
<tr>
<th>Area of Serbia</th>
<th>Bosnia and Herzegovina</th>
<th>Croatia</th>
<th>Macedonia</th>
<th>Slovenia</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Central/Southern Serbia</td>
<td>78 154</td>
<td>114 476</td>
<td>3</td>
<td>390</td>
<td>193 023</td>
</tr>
<tr>
<td>Vojvodina</td>
<td>55 522</td>
<td>127 962</td>
<td>6</td>
<td>231</td>
<td>183 721</td>
</tr>
<tr>
<td>Kosovo</td>
<td>73</td>
<td>306</td>
<td>–</td>
<td>8</td>
<td>387</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>133 749</strong></td>
<td><strong>242 744</strong></td>
<td><strong>9</strong></td>
<td><strong>629</strong></td>
<td><strong>377 131</strong></td>
</tr>
</tbody>
</table>

Out of the total number of registered refugees in Serbia in 2001, the majority found refuge in the central area (193 023) and in Vojvodina (183 721), while 387 went to Kosovo. According to the former place of residence, most of the refugees from Croatia (242 744) were accommodated in Vojvodina, while people from Bosnia & Herzegovina (133 749) found refuge primarily in central Serbia. In Kosovo, the majority of refugees had fled from Croatia (306), while far fewer came from Bosnia.

In terms of gender and age, it is characteristic that women accounted for most of the first wave refugees. Today, the number of refugees in terms of gender is almost equal, with a slight predominance of women (52.7 per cent) over men (47.3 per cent). This very closely corresponds to the structure of the resident population in Serbia. The age structure of refugees is relatively balanced and does not particularly differ from the rest of the population. The highest share is amongst the younger and middle-aged population (18-59 years), which accounts for 59.7 per cent, followed by those aged 60 or over (20.5 per cent) and those between 5 and 17 years of age (17.5 per cent). Children under four constitute the smallest group (2.2 per cent).
Table 4 – Breakdown by gender and age

<table>
<thead>
<tr>
<th>Age group</th>
<th>Female</th>
<th>Male</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-4</td>
<td>4 056</td>
<td>4 373</td>
<td>8 429</td>
</tr>
<tr>
<td>5-17</td>
<td>32 304</td>
<td>33 833</td>
<td>66 137</td>
</tr>
<tr>
<td>18-59</td>
<td>117 232</td>
<td>107 727</td>
<td>224 959</td>
</tr>
<tr>
<td>60 and over</td>
<td>45 274</td>
<td>32 332</td>
<td>77 606</td>
</tr>
<tr>
<td>Total</td>
<td>198 866</td>
<td>178 265</td>
<td>377 131</td>
</tr>
</tbody>
</table>

Social position of refugees

The refugee population in Serbia is heterogeneous by the most important social and economic parameters. It shows a range of specifics in terms of professional, educational, cultural and other characteristics, which alter radically in their new circumstances: many of the attributes of social position become fictional or only potential (Milosavljević, 2000: 19) while, on the other hand, they acquire quite different elements from their overall social situation. This leads to the loss of the structural characteristics of a refugee population and the creation of uniform elements of quality of life and lifestyle.

A high degree of ethnic and religious homogenisation emerged in the conditions of civil war, so that population movements followed this criterion. Most of the refugees in present-day Yugoslavia (in fact, four out of five) have Serbian or Montenegrin nationality, and the ratio between members of the Orthodox and other religions is similar. Homogenisation of refugees is also visible in terms of educational structure, professional training and employment status because, for most of them, coming to a new community implied losing a job. They are formally equal in employment opportunities with the resident population, but in conditions of high unemployment, this opportunity is only potential. The loss of former status in social life is visible in terms of professional promotion and advancement, as well as in the development of creative possibilities and in other elements of the economic and social situation.

Table 5 – Refugees in Serbia by education

<table>
<thead>
<tr>
<th>Education</th>
<th>Female</th>
<th>Male</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>No education</td>
<td>29 538</td>
<td>15 716</td>
<td>45 254</td>
</tr>
<tr>
<td>Elementary school</td>
<td>51 504</td>
<td>36 115</td>
<td>87 616</td>
</tr>
<tr>
<td>High school</td>
<td>76 274</td>
<td>84 747</td>
<td>161 021</td>
</tr>
<tr>
<td>Advanced education</td>
<td>14 301</td>
<td>16 249</td>
<td>30 550</td>
</tr>
<tr>
<td>Not declared</td>
<td>27 249</td>
<td>25 438</td>
<td>52 687</td>
</tr>
<tr>
<td>Total</td>
<td>198 866</td>
<td>178 265</td>
<td>377 131</td>
</tr>
</tbody>
</table>
Being a refugee implies discontinuity in all spheres of life both for an individual and for families. Termination of employment and professional advancement paths produces a traumatic effect and has great consequences because it leads to material dependence and poverty. In a situation when unemployment is a problem encountered by the majority of the population in Serbia, the chances of refugees finding employment are very small. The results of a research study of the conditions in which refugees live\(^3\) show that the majority of these people used to have employment, either in public and social firms, or otherwise in the private sector, including agriculture. Today, however, almost half are jobless and more than two-thirds were seeking any work they could find. More than 70 per cent of respondents would like to start their own business if they could provide the initial capital through a loan. Most attractive are the service industries and retail trade, but a nest egg of at least DM 10 000 would first need to be in place.

Almost 90 per cent of refugees living in collective centres have an average monthly income below $50. Notwithstanding other forms of aid, this amount is insufficient to satisfy even basic needs. About 84 per cent of refugees were receiving humanitarian aid in 2000, mainly in the form of food and personal hygiene supplies. The survey also revealed that years of living in unsatisfactory conditions had forced many refugees to work in the ‘shadow economy’. The survey results show that young people with lower education and women are in a more disadvantaged position. As time goes by, aid from relatives and friends is decreasing, among other things because they themselves are living poorly. Most of what income refugees have is used for food and housing, while considerably less is being spent on children.

The consequences of poor living conditions, stress and other kinds of losses show their effects in the health of refugees. Most are suffering from chronic disease. Serious illnesses are frequent, primarily cardiovascular and haematological illnesses, and disorders of the respiratory system, as well as problems with muscles and bones, and with the digestive system. The greatest problem is the shortage of funds to buy medicines and to pay for medical examinations. The nature of their problems has caused psychological changes in almost the entire refugee population.

Nearly DM 140m was allocated from the federal and the republican budgets in the period 1997-2000 for the relief of refugees and displaced people. The share of these resources (without administrative costs) in this period was 1.6% of total government expenditure and accounted for 0.2% of GDP. Adding to this the costs of accommodation, health and social protection, and education, Yugoslavia spent more than 5% of its GDP each year on refugee relief.

Numerous international humanitarian organisations, relying on the Yugoslav Red Cross network, have been involved in assisting refugees and internally displaced people. This mainly refers to food and medicines or special programmes providing psychological and social support. Experience has shown that the problems of refugees are

\(^3\) During 2000, the International Committee of the Red Cross organised a research study entitled FR Yugoslavia: Living Conditions of Refugees and Internally Displaced Persons. The survey encompassed 2 481 people, of whom 48% were refugees and 32% displaced people, while the remainder were from a control group. See Jugoslovenski pregled, 2000: 53.
so significant that most of their needs remain unsatisfied despite the efforts of the international organisations and government bodies. Therefore, solutions must be sought in programmes offering more long-term improvements to the economic and social position of refugees and displaced people. The creation of conditions in which refugees are able independently to support themselves and their families implies both economic independence (employment) and liberation from dependence on humanitarian aid and other forms of donation.

Some of the 639,109 refugees and displaced people who have found refuge in Serbia will continue to depend on aid, so resources must be secured through donations and loan financing aimed at creating jobs in small and medium-sized enterprises where the population of working age could be employed. The development of entrepreneurship and the encouragement of self-employment will contribute to the legalisation of jobs now taken care of within the scope of the informal sector which, for a long time, was the only way to satisfy basic needs. One part of the dependent population (for example, the elderly, people with disabilities and children who do not have parental care) should be included in provisions made within the public sector for institutional and other forms of relief.

Refugees’ needs and their uncertain future

The complexity of the refugee problem and changes in the economic, social, political and civil status of refugees most frequently result in their marginalisation, loss of identity, dependence on the will and interests of others and feelings of insecurity. The unfavourable and uncertain position of refugees and displaced people in Serbia (and elsewhere) very often implies certain restrictions on the exercise of basic human and social rights. The unsettled citizenship issue restricts this part of the population from exercising their civil rights and prevents their free movement or permanent emigration to other countries. Being a refugee also implies restrictions in terms of engagement in the political sphere and the deprivation of their voting rights in elections in the country in which they have been living for almost a decade and where most of them want to stay (see Tables 6 and 7).

Passivisation and avoidance of engagement in political parties represents a real threat of manipulation and objectively leads most refugees into the status of dependence on the political will and interests of others. The possibility of creating different associations and organisations does not satisfy the need for the direct representation of their interests and leads to limitations on their civil status. The results of such a situation are the many restrictions in civil law relations (sales contracts, legal representation and powers of attorney, and the establishment of economic and other relationships). Changes caused by forced movement results in discontinuities in personal and family life in what were relatively stable and already established social relationships. In the new environment, refugees are forced to integrate into an insufficiently familiar community, pressed, above all, by their subjective and objective needs and problems. The

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greater the difference between their former place of residence and their new community, the harder the possibility of adjustment.

Table 6 – Breakdown by accommodation and preferred permanent solution

<table>
<thead>
<tr>
<th>Accommodation</th>
<th>Local integration</th>
<th>Return</th>
<th>Undecided</th>
<th>No answer</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Collective centre</td>
<td>10 939</td>
<td>1 280</td>
<td>7 138</td>
<td>1 782</td>
<td>21 139</td>
</tr>
<tr>
<td>Social institution</td>
<td>1 340</td>
<td>132</td>
<td>354</td>
<td>331</td>
<td>2 157</td>
</tr>
<tr>
<td>Family/friends</td>
<td>64 682</td>
<td>7 909</td>
<td>29 041</td>
<td>9 816</td>
<td>111 448</td>
</tr>
<tr>
<td>Rented flat</td>
<td>96 801</td>
<td>8 092</td>
<td>44 857</td>
<td>14 670</td>
<td>164 420</td>
</tr>
<tr>
<td>Own accommodation</td>
<td>47 965</td>
<td>1 934</td>
<td>11 482</td>
<td>5 762</td>
<td>67 143</td>
</tr>
<tr>
<td>Other</td>
<td>5 794</td>
<td>646</td>
<td>3 131</td>
<td>1 253</td>
<td>10 824</td>
</tr>
<tr>
<td>Total</td>
<td>227 521</td>
<td>19 993</td>
<td>96 003</td>
<td>33 614</td>
<td>377 131</td>
</tr>
</tbody>
</table>

In the first wave of refugees, most were accommodated with friends and relatives but, over time, misunderstanding and conflicts have occurred with greater or lesser consequences. Due to the unfavourable living conditions of families which hosted refugees, expectations on both sides have frequently failed in the new social relations. In spite of the many socio-cultural similarities, and with language as a common denominator, disagreements have occurred between refugees and the local population. The number of refugees living with relatives and friends (111 448) is now much lower than it was in 1993, when 95 per cent of refugees were accommodated in this way. The motives for hosting refugees were close family ties or otherwise solidarity with people (compatriots) coming from the same regions from which they themselves had originated.

In the conditions of economic crisis which have hit Serbia, hosting refugees has required great sacrifice and has meant huge deprivation. Poverty in the resident population and high unemployment have prevented solidarity on a long-term basis. Hosting refugees and displaced people for most families is a financial burden which they are unable to bear. Crowded living quarters shared with refugees and relatives requires considerable sacrifice and self-denial which may be acceptable in the short run but, over time, living conditions become harder. After the first years spent living with friends and relatives or in collective centres, a number of refugees have managed to put together the means to rent (164 420) or to buy (67 143) their own housing. Despite this, over 21 000 refugees were still living in collective centres in 2001 while 2 157 people are in social institutions.

Hardships of refugee life, material losses, psychological and social problems, and other difficulties of adjusting to their new life are decisive factors determining the needs of refugees and their position in relation to any permanent solution of the problem. In the uncertain economic and political circumstances which have now lasted for almost a decade, it is hard for refugees and displaced people to talk about plans for the future. Indecisiveness and a lack of perspective reduce their optimism about making a return
to their original places of residence, as well as the will to do so. However, much depends on current circumstances in the wider environment and in their personal life.

Cessation of hostilities and the relative pacification of the situation in their former places of residence has not considerably changed refugees’ position regarding any permanent solution. The 2001 Census (see Table 7) shows that over 60 per cent of refugees from Bosnia & Herzegovina, Croatia, Macedonia and Slovenia want to integrate into the new social environment. Only 5.3 per cent of the 377 131 refugees are determined to return, while the share of those who are undecided is also high (25.5 per cent).

Table 7 – Breakdown by country of origin and preferred permanent solution

<table>
<thead>
<tr>
<th>Preferred permanent solution</th>
<th>Bosnia and Herzegovina</th>
<th>Croatia</th>
<th>Macedonia</th>
<th>Slovenia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local integration</td>
<td>80 035</td>
<td>147 093</td>
<td>389</td>
<td>629</td>
</tr>
<tr>
<td>Not answered</td>
<td>14 746</td>
<td>18 805</td>
<td>60</td>
<td>148</td>
</tr>
<tr>
<td>Return</td>
<td>9 578</td>
<td>10 381</td>
<td>32</td>
<td>32</td>
</tr>
<tr>
<td>Undecided</td>
<td>29 390</td>
<td>66 465</td>
<td>148</td>
<td>629</td>
</tr>
<tr>
<td>Total</td>
<td>133 749</td>
<td>242 744</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

It follows that, in the forthcoming period, the effects of forced migration and the problems arising from living as a refugee will be problems that will continue to require to be dealt with. The example of the situation in Serbia points to there still being a range of unresolved problems referring to the formal legal status of refugees and displaced people and of the exercise of the rights guaranteed by international standards. Marginalisation and social exclusion are only part of the problems associated with refugees and their acceptance of new behavioural patterns. The younger part of the population is integrating faster in the new social environment through school and through playing with friends of the same age. The population of working age has already acquired some experience in making money on the legal and the informal market as a way of overcoming economic and other kinds of degradation. However, senior citizens, people with disabilities and single mothers are high-risk categories requiring special protection.
It is hard to forecast how many refugees will return to the countries from which they have come, but it is true that most would like to stay in Serbia (and Montenegro). It should also be borne in mind that, in the meantime, a large number have moved permanently on the territory of former Yugoslavia, these being mostly young people and families with small children. It is the older citizens who primarily want to return, to recover their property and to spend their last days in the places from which they have been expelled.

The anticipated economic recovery in Serbia should raise the living standards of the entire population and thus contribute to the improvement of the social position of refugees. This, of course, requires the assistance of the international community in the form of donations intended for the faster employment of refugees and displaced people, as well as the addressing of the citizenship issue and the provision of systematic efforts aimed at their return to their former places of residence if that is what they wish. Hitherto, forms of humanitarian aid have not provided the conditions for the fulfilment of basic needs and, in the future, it will be necessary to place emphasis on the development of programmes aimed at their social integration into the community in which they now live.

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Moldova without Moldovans: labour emigration – a loss or a gain?

Introduction

The phenomenon of migration or, to be more specific, emigration, is considered to be a new one for the Republic of Moldova, but this perspective is only partially correct. The big socialist building sites absorbed Moldova’s excess labour force in the period of the centralised economy, when it was a part of the Soviet Union. Moldova had a preponderantly agricultural economy and was yet the most densely populated of the 15 unionist republics. That is why the soviet period was characterised by a period of intense migration within the Soviet Union, highly encouraged by the state. There was a song that later became a slogan:

Not a particular house or street, but the whole Soviet Union is my home.

From this particular point of view, Moldovans were a stateless people, spread all over the Soviet Union, trapped by the assimilation polices of the former empire.

The 1989 liberation movement gave birth to new songs and to new slogans. In one of them, Moldovan migrants, having homes all over the soviet empire, were bluntly asked to come back to their homes in Moldova. These appeals, however, have had no opportunity to materialise into some consistent policies, even a couple of years later when Moldova obtained statehood and initiated structural reforms. In the period of ten years, the rulers of the country have achieved exactly the contrary – not only have they failed to bring the migrants back home, they have managed to drive out of the country over one-third of its resident population of working age.

Having become a phenomenon of some proportion, emigration is among the most discussed and analysed realities of the transition. Even if it is not entirely new for Moldova, its authorities lack experience of dealing with it – starting with estimates of its size and ending with the promotion of a coherent and broad policy, taking into consideration all its social and financial implications. As a result of poor, if consistently applied policies, labour emigration has no legal ground and is, therefore, often treated as a purely negative phenomenon which drains Moldova’s workforce.

In fact, it is not an entirely negative tendency and it could even bring some benefits to the country if policy makers manage to find the positive aspects and use them to the advantage of the whole society. Besides, its negative sides could be alleviated through proper policies in areas like labour market and property reform.

Private and ownerless

Creating employment is a task for economic rather than social policy, while the existence of a private sector is a necessary precondition for the development of an adequate labour market. Yet, without proper stimulation, the private sector will not be able to meet expectations and become ‘the driving force of the economy’. The immature private sector is exactly the ground on which both an under-developed economy and an imbalanced labour market have appeared. However, what are the employment opportunities available for the two-thirds of the Moldovan population which are of working age, and what are the main vectors present on the Moldovan labour market?

Property reform in Moldova was formally completed by the end of 1995 and resulted in some measurable results, quantitatively speaking. In the same year, *The Economist* named Moldova ‘a model of correct reform’ and a ‘perfect laboratory for running reforms’.

As regards its qualitative dimension, as later developments have shown, the results were less gratifying. It was hoped that the re-distribution of property, which is, after all, a re-distribution of wealth, would have an impact in the creation of new employment opportunities for highly-educated professionals. Even if, at the initial stage, some ‘agile and connected’ individuals – basically, the nomenclature – could have gained capital related to the re-distribution of wealth, later developments, given the existence of correct policies, should have sought to channel this primary capital towards production activities, involving trained labour. It did not happen because of the lack of investment culture among the former nomenclature. Meanwhile, an improper approach to the solution of the problems in the economy considerably delayed the consolidation of the middle class, recognised as a primary pillar of socio-economic stability.

The newly-born three million shareholders failed to ensure an efficient corporate management environment for the 2,400 privatised enterprises, and so the reformed state property became practically ownerless. Besides the former state companies, the largest share – over 80 per cent – of the Moldovan private sector belongs to the newly-created enterprises that have commenced operations since 1995. The qualitative results, as in the case of the restructured private sector, have not met expectations – the huge number of firms has not resulted in a productive economic model with a complex labour market.

Having recognised private property and entrepreneurship in the Constitution as driving forces of the economy, the state, nevertheless, did not stimulate them with taxes, credits and protection. There could, and should, be potential demand for Moldovan products; however, even in such traditional sectors, for internal producers, as food and beverages, and light industry, the country’s internal markets are highly penetrated by foreign products because the majority of new enterprises have established businesses in sectors requiring low investment and human potential – trade, construction and services.

Over the last few years, business, generally, has sunk into the shadow economy, and the best human potential of the country has left to go abroad. The bicycle theory worked in Moldovan society – as long as economic development did not move forward, it was pulled backwards by the gravitational pull of corrupted interests. It was in 2000 when *The Economist* published a sorry article, titled “Can Moldova get worse?”
Newly-established enterprises constitute a sector oriented towards ‘survival’, helping a large number of people earn a living. However, its low profile often leads to the deskilling of employees, not to mention limited career opportunities for recent graduates. The range of occupational demand in the private sector is, presently, a simplified one, replicating the sector’s low profile occupational pattern.

Public and predatory

Despite the low and irregularly paid wages, there is no shortage of demand for employment opportunities in the public sector. This is so mainly because, as a result of insufficient financing, the phenomenon of corruption has become normal behaviour in most public activities – all of them controlling a vast area of endeavours and each containing something that the private sector might be interesting in buying.\(^2\) State policies have encouraged corruption through an ambiguous legislation, combined with an excessive involvement of the state in the economic life of the country. According to the Law on Licensing, there are thirteen ministries, three departments and ten other state bodies issuing licences for 106 types of activity.\(^3\) Licensing procedures and controls through tax officers deliver the most common opportunities for predatory corruption in the public sector.

Besides, it is not uncommon for the general public to ‘buy’ services that the public sector should be offering anyway – about two-thirds of Moldovans consider that it is simpler to solve their problems with state officials using unofficial means, and over 60 per cent do give bribes.\(^4\)

The possibility to make some illegal earnings is one of the main factors that determines the attractiveness of employment opportunities in much of the public sector, including, but not limited to, public services. As these corruption-producing mechanisms are present not just in the horizontal, but also the vertical, dimension of the public sector, a solidaristic component between participants is necessary to ensure success. Given the predatory profile of the public sector, the promotion of professionalism based on performance is, so far, an unrealistic task, being replaced by the advancement of mediocrity and servility.

Labour – ‘made in Moldova’

Given that Moldova’s balance of external trade for consumer goods is negative, cheap labour is the main ‘product’ that Moldova exports. In ten years of transition production has decreased, but the excess labour force has increased, mainly as a result of unemployment following the economic crisis. Besides the good human potential inherited from the socialist system, there is still the possibility of receiving a good education in Moldova – during the transition period, the number of private education institutions which have opened has increased. There are also opportunities to study in


Romania and, sometimes, farther west. However, as only one in eight of a total number of 79,000 Moldovan students obtain employment within the country, it is rather difficult to confirm that Moldova presently benefits from a proper ‘return’ with regards to its investment in human capital. Furthermore, skilled labour is, thus far, exported to its own prejudice and at its own expense, mainly because of the sporadic and illegal character of the emigration process.

The phenomenon of labour migration in the Republic of Moldova is multi-dimensional and associated both with an irreversible loss of intellectual capital (the ‘brain drain’) and the temporary loss of a skilled labour force employed for less skilled, or even seasonal, work abroad. The second form is especially related to illegal employment abroad after reaching the host countries on a tourist visa.

In fact, ‘temporary loss’ is a not quite accurate means of describing the impact of the temporary, low profile employment abroad of local skilled labour. Human capital, like material capital, has a propensity to depreciate unless it is periodically ‘upgraded’ through training and practise. From this point of view, it is unlikely that the 11,000 teachers who have abandoned their jobs because of the low and delayed wages will ever come back to teaching, or, even if they do so, it is questionable whether they will actually be able to practise. The same could be said about thousands of representatives of other intellectual occupations – doctors, engineers, etc. There is also a third aspect to the problem, related to criminal activities referred to as ‘human trafficking’. The proportions of this process – the number of its victims, as well as the losses and negative impacts – can not be underestimated.

The authorities have failed so far to develop a tracking mechanism for migrants, so the figures quoted with regards to the migration process are still ‘unofficial’ and ‘estimates’. For example, according to unofficial data, some 600,000-800,000 people are earning a living abroad; a number which registers a continuously rising trend. The profile of migrants is quite complex, but the certain thing is that the vast majority are people of an age where they are at their most productive, i.e. between 30 and 40 years old.

As a result of labour emigration, currency inflows to Moldova – again, based on estimates – equalled some $250m in 2000. (To judge the size of emigration, this figure can be compared with the country’s projected state budget for 2002, which amounts to MDL 3.59bn (approximately $280m) in revenue and MDL 3.91bn (approx. $305m) in expenditure). As for ‘human trafficking’, it is known only that a number of victims totalling just over 350 have been returned to Moldova.

The illegal character of the migration process has positive and negative social and financial impacts for both the labour ‘importer’ and ‘exporter’. The ‘importer’ benefits to a certain extent from cheaper labour, but it will have sooner or later to face the problem of shadow economies and, even, the development of criminal sectors. The ‘exporter’ benefits from currency inflows and a decreased share of a marginalised population living on the edge of survival, but it will register, as an immediate negative result, a deficit in the state and the social budgets, as well as longer term negative trends, mainly surrounding the qualitative dimensions of the problem. These are, no doubt, the

5 CISR (2001), op. cit.
ones that should be of most concern to decision-makers. However, their ignorance of
the phenomenon may result in an intellectual crisis: an economically inert population,
combined with an unbalanced labour market, provides no chance for the self-sufficient
growth of the country.

Even the immediate currency inflows to Moldova, which are one of the main positive
outcomes of labour emigration, carry longer term costs. Such inflows are channelled
towards the sole benefit of the migrants and their families and, consequently,
they have implications for the principle of social solidarity within a society. Incomes
obtained abroad do not reach the most vulnerable layers of society – in particular, the
old and the disabled – but also those otherwise fully capable people who are not able
to undertake all the moral and material costs of emigration. These are the people who
are not able to adjust to the new ‘jungle law’ of a transitional economy. The costs of
illegal migration are spread again over the same vulnerable layers of society, which are
consistently marginalised as a result of weak institutions and bad economic and social
policies.

As a result, a situation is appearing in which everybody is surviving in particular
and all are dying in general: efforts at the individual level are directed towards the
objective of survival, while society remains split and failing to achieve economic self-
sufficiency. This means that, even though people are surviving on an individual level,
the country as a whole remains one of the poorest in Europe.

The immediate neighbours of Moldova – Russia and Romania – might become the
most important future ‘importers’ for its labour force. Unlike Moldova, these countries
have already overcome the period of indeterminate goals and nostalgias for the past.
Their objectives are, more or less, well-defined and rest on future economic develop-
ment.

In consequence, they are quite attractive to Moldovan labour. According to some
unofficial estimates, there are approximately 100 000 Moldovan inhabitants who are
already in possession of a Romanian passport and it is expected that their number will
increase. At the same time, one can notice Russia’s trend to launch some appeals of a
nature similar to those popular in Moldova in the late eighties – it is asking Russians
all over the territory of the New Independent States to return to their country. The reason
for doing so might be the need for labour in Russia, a country with an extensive land
mass and which is rich in natural resources.

Under these circumstances, Moldova – a country at the junction of eastern Europe,
the Balkans and the CIS, with over one-third of its total labour force already abroad, is
facing the danger of becoming a state without a population.

Conclusion

Emigration of the labour force is a factor present in many countries due to economic
globalisation. Therefore, emigration can not be considered an entirely negative pheno-
momenon for the Republic of Moldova; it can only be considered as a new challenge
that the government should face. To benefit from the positive sides of the phenomenon,
it is necessary that the state defines a clear policy, with well-calculated risks and a clear
mechanism of spreading the costs over several sectors. Such a policy should not just
target migration as an isolated development.
Some countries have had the opportunity of benefiting from some ‘investment returns’ after being manpower ‘exporters’. For example, the Chinese diaspora that emigrated many years ago is now making much investment in China.\textsuperscript{6} For Moldova’s human potential, temporary emigration could become an ‘upgrading opportunity’. As mentioned above, the Moldovan labour force is, generally, well trained. At the same time, it lacks some skills that are needed in the process of the reforming of society. As a result of the former soviet, state-owned economy and centralised totalitarian government, Moldovans, although not skill-less, are short of skills in a market economy and in democratic government. This shortage is one of the impediments to the successful implementation of reform in Moldova and the country’s future integration with Europe – an idea which, in 2001, attracts the support of some 51 per cent of Moldovans.\textsuperscript{7} In 2000, the figure was just 38 per cent, although some 77 per cent thought that the economy was a particular area in which there should be extensive integration.

Arising from the significant number of Moldovans who are already in possession of Romanian passports, as well as from the population’s apparently continually growing desire to emigrate, one could draw the conclusion that the process of Moldova’s integration is already happening, despite its uncertain external policy. Opinion poll results\textsuperscript{8} show that 62 per cent of the population would already like to leave Moldova (permanently or temporarily), with young people being those who hold this opinion in particular. If the recent proposal of the Moldovan President to revise the country’s Constitution in order to permit dual citizenship for Moldovans is supported by Parliament, it is possible that integration will occur faster than anyone ever expected.

Exclusion of the country from the enlargement process of the European Union might imply Moldova’s preservation of its traditional marginal status between the zones of influence of regional and global superpowers – it has variously represented a frontier zone against Ottoman expansion into Europe in the Middle Ages, the western frontier of the Russian Empire at the end of the 18th century, and a buffer zone between Soviet expansionism and Europe between the two World Wars.

From this point of view, labour emigration – under the condition of a broad and calculated approach from the Moldovan authorities – could, and should, help Moldova integrate and overcome the frontier status which is specific for a country located on all the possible peripheries – that of the Balkans, that of eastern Europe and that of the CIS.

\textsuperscript{6} ibid.
\textsuperscript{8} ibid.
The social and political problems raised by the emigration of Turkish workers

Introduction

Important changes have been observed after the 1950s in the structure of Turkish society. Particularly in rural areas, people who had hitherto depended on agriculture migrated to the cities, some to work in factories and others to marginal jobs (such as peddling, street vending or as construction labourers). This migration from rural areas later expanded into a lasting mass exodus to the industrialised countries of the west.

With a negligible rate of population increase which, in some cases, fell almost to zero, western nations had reached a situation in which they were no longer able to supply the labour required by the rapid growth of their industries. This labour deficit provided job possibilities for an increasing number of young people from under-developed countries which, coincidentally, had high levels of population growth. The shortage of local employment possibilities, the low level of national wages and the inadequacy of living standards further contributed to the orientation of labour forces towards foreign countries and to the realisation of a movement in labour migration.

The sending of workers abroad was started by the Turkish Labour and Employment Agency in 1961. At first, a worker exchange agreement was signed with the Federal Republic of Germany. After similar agreements were signed with Austria, the Netherlands and Belgium in 1964, France in 1965 and Sweden in 1967, the large scale despatch abroad of workers from Turkey was launched.

1. General outlook

Besides the matter of the migration of labour itself, social policy also considers the protection of workers and their families as a very important matter to be regulated by international law. As a matter of fact, Article 19 of the European Constitutional Social Law clearly defines this in ten paragraphs under the heading The Rights to Protection and Assistance of Working Migrants and their Families.

Migrant workers in their new countries were faced with a number of problems, mainly caused by difficulties in adjusting to the countries’ cultural, social and economic structures. The most important of these were: ignorance of the country’s language; insufficient awareness of their social rights and their consequent failure to take advantage of them; housing problems; and trouble in adapting to a strange environment.

The home countries of migrant workers faced many similar problems to those which were in the position of procuring them. Trained labour in such countries was already very scarce and considerable investment had been undertaken in them to compensate for this shortage. The migration abroad of a skilled labour force, trained after so much cost and so many endeavours, further aggravated the already existing shortage of skilled labour.
Turkey’s developing country was thus transformed in the sixties into a European spare labour pool. Greece and Italy sent fewer and fewer workers abroad but the share of the western labour market held by Yugoslavia and, particularly, Turkey greatly increased.

Workers who went abroad later started to return home. Most returnees come from age groups which are still considered to be economically active and we can observe that, at this age, professional adaptation takes on greater importance. Another point worth considering is that the education levels of such workers is well above the general average in Turkey: many have finished high schools or vocational institutes and some have even achieved university degrees. The comparatively high education level of migrant workers is another indication that migration generally involves skilled and well-qualified workers, with small farmers and crafts workers also contributing significant numbers.

The main causes of this emigration are economic; workers’ hopes of opening an independent business and becoming their own boss is another.

2. The migration event and related social developments

Both migration movements, from rural areas to the cities and, later, the mass migration to European countries, thus consisted not only in a change of location but also a full change of environment. A rural population which, up to then, was used to agricultural activities began to operate machines in factories. In place of their village houses, they now had to live in city apartment blocks, or in the unhealthy quarters of city suburbs. Some who were deprived of most of their additional incomes were forced to subsist on meagre daily wages.

The migration event has been influenced by many effects which have been examined by a number of thinkers.¹

M. Kiray, who has examined the effects of migration on people in Turkey, observes the following findings:

In reality, the most important causes of migration from rural areas consist of 52% in the forfeiture of their land and 22% in unemployment. These ratios are a clear indication that the human-soil relationship in the rural environment has fundamentally changed, such that “villagers” are no longer villagers, and that such events have the nature of an irreversible process.²

According to N. Abadan Unat:

Large-scale migration movements create important changes in the lives of population groups with a vast number of members, and also induce deep differences in the professional occupations and prestige of the people concerned.

This sociologist, who has studied closely the migration of Turkish workers abroad, comments that three-quarters of former crafts workers or service employees, half the construction workers and almost all sales workers became production workers in the Federal Republic of Germany.3

3. Causes of worker migration

The two most important social causes of the migration of workers – unemployment and inequalities in the distribution of income – are explored in detail in the following sub-sections. Apart from these, other important reasons for worker migration include: inequalities between regions; imbalanced city-rural living; the failure to deliver a speedy and balanced industrialisation programme; and the lack of participation in socio-economic activities by large groups of the population.

a) Unemployment

One of the most important problems Turkey faces is unemployment. Besides the purely economic issues it creates, unemployment is a phenomenon involving many other social and personal elements. As a result of the particular position of labour, which differentiates it from other elements of production, in particular its symbolism of the productive power of human beings and the weaknesses of their position compared to that of capital, and also as a result of the social burden and consequences of remaining unemployed for a period of time, unemployment should be seen as a very important social problem. Its effects on unemployed individuals entail profound problems of a personal nature.

As presently understood, however, unemployment transcends its personal aspects to become a social issue:

... Remaining unemployed in spite of one’s willingness and capacity to work is not one’s fault, but rather a failure of the established organization. It is caused by the establishment’s failure to provide work at current wages, or by its inefficiency in using natural resources to create full employment. In other words, if, in a national economy and in spite of their willingness to work, some people still remain unemployed, this is not because they are lazy, vagrant or incapable but rather because the economic organization has failed to create a sufficient demand to ensure these people’s employment.4

As a consequence of the acceptance that unemployment is both a social and a personal issue, it follows that a wide range of measures are needed to solve it or to alleviate its problems. For example, the Unemployment Insurance Institute is a result of the understanding that unemployment is not a question of destiny but rather a social problem.

The significance of the social dimensions of unemployment have been stressed by various writers. As mentioned by Beveridge:

The worst part of unemployment is not the resulting loss of extra material prosperity as compared to full employment; but rather two of its aspects which are particularly ominous: one is that unemployment creates in the jobless person a sentiment of being superfluous and unwanted. The other is that unemployment raises in the lives of people fright which ultimately conducts to hatred.⁵

In the same context, authors have directed a large part of their writings to such serious problems as the fatalism induced by poverty, the lack of basic subsistence requirements, despair and social divisions, all caused by similar conditions to those which prevailed at the time of the Industrial Revolution or of the Great Depression. By preventing the normal flow of incomes, upsetting the rhythm of daily activities and altering relationships within families and society, mass unemployment negatively affects all areas of economic and social lives and, as has been indicated by real events occurring during these periods, destabilises the social order with the resulting adverse consequences for social peace.⁶

On the other hand, unemployment not only affects society by wasting its productive resources, but it also weighs heavily at the individual level, creating serious problems by turning off the flow of family income. One can not fail to consider the catastrophic effects of unemployment at the individual level. As we know, working is a way of life for humanity. Having a job not only develops a person’s confidence and self respect, but also allows pride in creating new values and reinforces the sentiment of social belonging. The absence of working possibilities brings about negative psycho-social attitudes such as a lowering of morale and increasing hostility towards society and the economic system, with the resulting breakdown of family relationships.⁷ In societies where continuous mass unemployment is endemic, such attitudes promote a feeling of alienation and, instead of a desire for productivity, are capable of creating a ‘social bomb’, ready to explode on the outskirts of the cities.

These social and psychological aspects of unemployment, as well as their magnitude, stress the importance of finding a solution to all these issues and undergoing a process of balanced development.⁸ In this regard:

⁸ B. Ersel (1999), op. cit.
Not more than 200,000 jobs are available in our country for the 425,000 people added every year to the active population, and efforts must be made to find in foreign countries working opportunities for the rest.\(^9\)

These figures have increased with the years. Every day, large masses look in vain for jobs on the local market, where very few, however, find employment. This, naturally, is the result of an insufficiency in the investment needed to ensure new job opportunities.

b) Inequalities in the distribution of income

The other most essential problem in Turkish society is the important inequalities which can be observed in the distribution of national wealth. This unequal distribution has been the object of many academic studies.

Research by Bulut and Timur published in 1968 reveals very significant data. The researchers classified income into three categories – namely low, medium and upper – and conducted their studies by dividing these into two further sub-groups consisting of low-medium and medium-upper incomes. They found that the difference between the lower and upper income groups reached the enormous disparity of 1:30, where the lower income group averaged Lire 499 and the upper income group Lire 15,135. Accordingly, the 54% of the population placed in the lower group have a share of total income of just 1.49%, while the upper and medium-upper group, which make up 8.7% of the population, have 44%.\(^10\) The conclusions of this study show the significant extent of the disparity in the distribution of individual incomes which exists in Turkey.

According to figures published by the State Planning Authority and the State Institute of Statistics, the ratio between the number of people engaged in agriculture to the total population of Turkey stands at 65%. However, this sector has just one-quarter of the income of those employed in transport, and one-fifth of that of people engaged in trade, and in industry and other sectors. The worst distribution of income, consequently, appears in the agricultural sector, producing inequalities that are clearly tangible.

Another study carried out on a group of 587 workers who went abroad,\(^11\) determined that the largest part (71.2%) of this group consisted of workers, public officials and those responsible for small manufacturing businesses. Furthermore, a breakdown of their reasons for migrating is as follows:

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Causes | Number of workers | % of total
--- | --- | ---
Difficulty with livelihood | 368 | 62.4
Lack of job opportunities | 67 | 11.4
To repay debts | 5 | 8.0
To save money | 79 | 13.4
Education and other causes | 60 | 10.2

NB More than one option possible

As can be seen, the main reason for migrating is the difficulties of sustaining a livelihood. Other studies carried out on the subject yield practically the same result. We can therefore observe that, due to the inequalities in income distribution, the hardships of livelihood have reached an unsustainable level and that, consequently, going abroad is perceived as the only route to salvation.

4. General evaluation of approaches to the problems of worker migration during the period of the Five-Year development plans

a) First Five-Year Development Plan

The number of workers abroad at the time of the preparation of the First Five-Year Plan was not particularly large, and it can be clearly seen that the related problems were not taken up seriously during this period. The only section of the Plan which refers to this subject, named *Human resources, employment, training and research*, makes the following provisions:

One other aspect of employment policy foresees the export of the excess labour force to the western countries who are experiencing a shortage. However, even though Turkey has a surplus labour force, it is a country where a shortage of skilled labour is felt. The export of such labour will worsen this shortage even more and urgent steps must be taken to prevent this situation.¹²

The First Five-Year Plan did not explore the problems related to employment in foreign countries, but it did, nevertheless, identify the fundamental reasons which had lead to the phenomenon. One other particularity of the First Five-Year Plan is that the sundry elements in its foreign exchange budget did not take into consideration income from foreign exchange provided by workers, and neither did it advance any suggestion on the subject. Accordingly, it may safely be stated that the First Five-Year Plan did not evaluate the question of workers abroad and, in particular, those in western Europe.

b) Second Five-Year Development Plan

The most important feature of this Plan is that, for the first time, it mentioned the effects of workers’ foreign transfers, an item which was henceforth present in all subsequent Plans.

Nevertheless, the transfer of workers’ foreign exchange was, at this point, still not considered as a continuous and dependable source of resources, although some suggestions are made regarding incentives for the direction of workers’ foreign exchange savings towards productive investments. It can, however, be observed that this potential had yet to be assessed at its real value.

Problems leading to employment abroad are examined extensively in the Second Plan, with the pressure of local unemployment considered as being alleviated by employment in foreign countries. It was nevertheless observed that migration abroad enhances the imbalance within the country, as explained below:

The positive effect on the balance of invisible transactions has largely exceeded the Plan’s targets and the importance gained by the amount of foreign exchange transferred home by workers abroad is a development which was never foreseen in the First Plan…\(^{13}\)

... 38% of the workers who went abroad in 1964 are professionals... which does not accord with the aim of sending unqualified workers, and that some 60% of these workers come from our country’s western regions further contradicts the chosen principles.\(^ {14}\)

The period when the First Five-Year Plan was made was very different from that when the Second Plan was elaborated. The Second Five-Year Plan was prepared at a time when employment abroad had already reached large proportions.

The following points were stressed in the Second Five-Year Development Plan:
1. it declares that unemployment and unsatisfactory living conditions in the country were decisive causes behind migration
2. it insists on the importance of the foreign exchange transferred by workers and on the industrial qualifications gained by such workers abroad
3. it considers the risk of the important problems which may appear as a result of the deep differences existing between social, community and economic conditions in Turkey and those in foreign countries
4. it underlines the possibility that migration will lose its importance after a certain period of time.

c) Third Five-Year Development Plan

It must be noted that the Third Five-Year Development Plan gives less importance to foreign employment than does the Second Plan. In fact, emigration to foreign countries is itself also mentioned on fewer occasions in this Plan. It does, however, draw attention to the accelerating exodus of trained workers (crafts workers) and to the effect of the departure abroad of some 88 000 of such people increasing the domestic need for them by 26%.\(^ {15}\) The Third Plan stresses that foreign employment is already causing, and will continue to cause, certain problems and considers this in terms of the exodus of skilled labour.

\[^{13}\text{DPT., İ.B.Y.K.P. p. 31.}\]
\[^{14}\text{DPT., İ.B.Y.K.P. p. 141.}\]
\[^{15}\text{DPT. Ü.B.Y.K.P., p. 81.}\]
In the Preface, the Prime Minister at the time makes reference to the importance of workers’ foreign exchange transfers to the country’s balance of payments. Nevertheless, the Third Plan stresses that, ‘Dependence on foreign sources should be diminished,’ and that one should not count on workers’ foreign exchange incomes as these were not a reliable source, being dependent on fluctuations in the local economic climate – although this is contradicted elsewhere by the statement that, to a certain extent, one should be able to count on such transfers. In fact, the Plan says that:

... Thanks to workers’ foreign exchange transfers, the current account deficit of the Second Plan has greatly diminished, with a corresponding increase in foreign exchange reserves...\(^\text{16}\)

The Third Five-Year Plan notices some points which contradict certain principles of social justice, namely the variations in working conditions, social security and labour organisations between the different countries in which Turkish workers are employed.

Finally, in the section on Measures, the Plan deals with the problems caused by working conditions abroad and those to be faced on the return home of such workers, but offers only some rather superficial recommendations on the subject.

d) Fourth Five-Year Development Plan

The initial development of the Fourth Five-Year Plan coincided with a period which may be considered as the most important one from the point of view of the labour force and foreign exchange transfers. At this time, however, labour migration and foreign employment were starting to lose their importance while income from workers’ transfers dwindled almost to nothing. This was one of the reasons why employment abroad does not hold a significant place in this Plan.

Besides, the Plan provides no suggestions for solutions to the existing problems, seemingly abandoning them all to their own devices.

The issues are handled in the Plan as follows:

... After 1973, in consequence of an economic crisis, instead of importing new workers countries normally accepting foreign workers rather opted for policies favouring a better integration in their societies of existing ones. For example, the Federal Republic of Germany facilitated the extension of residence permits by granting open-ended permits to those who had resided longer than five years and unlimited rights to live in Germany for those who had stayed longer than eight. With these developments, rather than importing new workers, countries accepting migration now turned to their local stock of labour, their children and even to “their expected progeny”.\(^\text{17}\)

The Fourth Five-Year Plan deals rather superficially with all these subjects under such various headings as Emigration of Workers, Balance of Payments, Turkey’s Relations with the European Market (AET), Working Life, Widespread Popular Enterprise, etc., and recommends that the following measures be taken:

16 DPT. Ü.B.Y.K.P., p.121.
17 DPT. D.B.Y.K.P., p. 137.
1. the organisation of adequate programmes abroad and locally to provide workers’ children with Turkish culture in the best possible way
2. provide workers with a state-sponsored system for owning a house back home
3. give workers an opportunity to increase the value of their savings by investing them in companies and ventures guaranteed by the state.

Most of the relevant themes are handled within the chapter on *Widespread Popular Enterprise*:

... A large number of joint partnerships were created with the savings of workers abroad. This development first appeared at the time of the 2nd Plan but, in spite of the potential it promised, its integration proved unattainable due to the lack of knowledge and experience of its founders and the indifference of the public sector... Most of the 300 enterprises started during the past 10-12 years have been unsuccessful, some because they were conceived for purely political purposes and others because they were viewed simply as a means of channeling funds to the country. Some 70% of these enterprises failed miserably because they were either started in the wrong places or for the wrong products, or due to inefficient management.\(^{18}\)

e) Fifth Five-Year Development Plan

The 5th Five-Year Development Plan refers to workers’ migration simply under the heading *Workers’ Incomes*. It does not elaborate on the subject, but simply outlines certain expectations and forecasts regarding the amounts of transfers:

... A 3.8% increase in the yearly foreign exchange income is expected as a result of the sums brought back by returning workers and also by the monies sent home by workers employed in the near-east. The amount, which is expected to reach 1.62m dollars in 1989, will reach 1.93m dollars in 1990.\(^{19}\)

However, the Plan fails to offer any suggestion for incentives to activate workers’ transfers and/or proposals to increase their amount. It would appear that the previous measures simply remained in place.

f) Sixth Five-Year Development Plan

Under the sub-heading *Principles and Policies* of the section on *Problems of Workers Abroad*, the Sixth Five-Year Recovery Plan makes the following suggestions:

... to continue bringing to citizens living abroad services and information destined to maintain their ties with Turkey and to preserve national identities...

... to continue activities and efforts aimed at resolving the problems of workers living abroad, as well as the protection of all their rights and privileges including their social security rights and improving their working conditions...

... to undertake in co-operation with the respective countries efforts to improve the adaptation of workers and their families living in western Europe to their social environment and particularly to solve the issues related to education and working conditions...

The Plan also contains certain remarks which had not hitherto appeared in previous ones; and thus it would seem that the matter had been taken up in earnest:

... to pursue all matters and undertakings related to the gaining and the preservation of the social rights of workers employed abroad and their families; and to update such rights to current conditions.

... to try to sign labour and social security treaties with countries with whom such agreements do not exist, and maintain efforts to update the ones already in force with European countries...

... to elaborate arrangements ensuring the implementation of the Turkish social security system regarding our workers employed by Turkish contractors in foreign countries... 20

As we all know, the Development Plans are drawn up purely for orientation purposes. The implementation of such plans is expected, as is the application of all the plans, measures and determinations mentioned therein. However, it is almost impossible to verify whether or not this has been carried out and no authority has the rights or powers of sanction to pursue the provisions of the Plans that have not been implemented.

Still, from the point of view of workers abroad, and compared to the previous Plans, the Sixth Plan’s novel approach on the issue, and the extensive manner by which it is handled, was a very encouraging sign.

7) Seventh Five-Year Development Plan

Under the same heading Problems of Workers Abroad as in the previous Plan, the Seventh Five-Year Development Plan declares that:

The population of workers and their families abroad has reached the figure of 3.1 millions in 1994, of which 1.3 millions are employed as workers.

The Plan further notes as follows that most of these workers have changed their status:

… By becoming employers instead of employees, ever increasing numbers of our workers living in European countries have changed their status and fully integrated their communities. Aiming to attain better living conditions and to take better advantage of economic, social and political rights, some of them consider obtaining foreign nationalities. Furthermore, it is also becoming very important to put to use Turkish capital abroad with the aim of assisting the Turkish economy.

Nevertheless, and in spite of this remark, the Plan simply reports the wishes of workers abroad but nevertheless fails to offer a solution or recommend any measures be taken in respect of them. This continues in other parts of the Plan, where still further problems are mentioned:

… Dual citizenship as an institution has been admitted by our laws, but formalities are slow especially in countries where the acquisition of new citizenship is conditional to egress from Turkish nationality, a permit which takes very long to obtain…

… That our nationals living abroad are unable to make sufficient use of their rights to vote or be elected poses another problem…

5. What have been the effects of migration?

It appears that almost none of the hopes attached to migration abroad have been realised. The country has fallen into a far more serious economic crisis and is in need of assistance from western economies.

The positive effects of migration on those individuals who have participated in working abroad, and on their families, can be easily observed. One can not deny its relative effect on unemployment in Turkey, not to mention the partial respite that foreign exchange income has provided for the balance of payments.

The occurrence of migration is dependent on the economic climate in the host countries: it may develop, continue or stop altogether. Stagnation in the economies of these countries, or other fluctuations, may leave the migrating workers unemployed, raising the possibility of the host countries returning them home and slowing down, or stopping altogether, new recruitment. Such negative occurrences will have amplified effects on the countries of origin of migrant workers; those who were counting on workers’ transfers will suddenly find themselves deprived of such incomes, and they may, if the worst comes to the worst, be subject to a mass influx of returning workers, raising unemployment to a level higher than it was in the first place.

Furthermore, it should be kept in mind that investments made with workers’ transfers have not necessarily been made in harmony with the development needs of the country, but rather incorrectly and haphazardly, according to the wishes and aspirations of individual workers.

Economic managers counting on workers’ transfers have taken a number of measures to draw such funds home. In 1975, for example, the attempt was made to attract foreign exchange deposits with higher rates of interest, ranging from 1% to 1.75%. On top of that, extraordinary measures, such as loans guaranteed by exchange-indexed deposits, facilitating easy imports for such account owners, have been taken which have risked upsetting the whole economy. However, in spite of these measures, workers have still not felt confident enough in their country’s economy to remit their savings.

One daily newspaper noticed in Institutional Investor magazine an article which defined Turkey as the ‘Great Borrower’, explaining that, after refusing to borrow for 52 years since the institution of the Republic, the 1975 Turkey was back again to its Ottoman tradition.21

Just like any country unable to pass through the major structural changes needed for real recovery, so Turkey too has been obliged to reinforce its dependence on foreign

countries and workers’ migration abroad. Relying on migration, the political powers continued and have even increased their extravagant expenditure.

Funds transferred by migrating workers have had an inflationary effect in Turkey, and one cannot deny that they have also had a significant effect on the prices of land and housing.

Furthermore, a simple comparison between incoming foreign exchange and the expense made by the country of origin in the education and training of those workers clearly shows the extent of the loss suffered as a result of having an emigrant workforce. This situation, in a way, must be considered as a transfer of resources from developing countries to developed ones.

The effect of workers’ migration on the rural sector also cannot be denied. As a result of migration, Turkish villages which consisted of closed communities attached to traditional values have been suddenly confronted with an opening up to the outside world. This appeared as an unbelievable and significant event. There is little that can be done besides accepting the situation as a fact, but it should perhaps not be exaggerated: ultimately, workers who leave home to work abroad have no other income than the wages they are paid for their efforts.

6. Characteristics of returning workers

We turn next to the study of those workers who have returned home, to examine the sort of qualifications they have acquired and to learn about their adaptation aptitudes after a stay abroad, and to establish information about their new jobs, occupations or investment patterns.

a) Levels of education and training

Education is, naturally, a factor of primary importance for the effectiveness of returning workers. The diversity of its provision also explains their varying degrees of adaptation to local conditions after their return. In addition, as was the case during their migratory lives, education emerges as the dominant variable in returning workers’ economic decisions and continues as such during subsequent life phases.

b) Location of residence

The particularities of the area of residence selected by workers after their return will affect to a large degree the process of their economic adaptation and integration. As such, there are significant differences between the economic and social possibilities offered by rural, urban and semi-urban regions, with each having a large effect on the attitudes of returning workers following their decision as to where to live.

Studies show that approximately 48.5% of returnees settle in departmental capitals, some 32% choose the suburbs while only 17.8% choose to settle in villages.22

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22 Research by I. Yasa, for the chapter “Returnees in the Ankara department, suburbs and villages”, in H. Sami Güven (1996): Social and political problems related to international workers migration, Uludağ University, p. 82.
Still, an important number of those settling in the cities and suburbs have not fully severed economic ties with their original villages, preferring to obtain rental incomes from their rural possessions.

c) Age groups

The age groups of returning workers have a direct influence on the level of economic re-integration they can achieve, as well as their choice of jobs and the type of investment they make.

Some 74% of returnees are under 50 and 47% under 45, while the proportion aged 55 and above is only 8%. We can note from this that most workers return at an age when their level of economic activity is still considerably high, and that we must therefore realise how important it is to return these people to active life via integration in the local economy.

7. Economic benefit from workers’ migration

We can observe one particular economic benefit from workers’ migration. This is the development of the following organisational structures and economic models:

1. village development co-operatives
2. workers’ companies.

Such institutions have been created spontaneously, but we must note that governments have had little or no consistent policies on the subject and have never been able to institute proper supervision of their activities.

Village development co-operatives and workers’ companies were created to offer something which governments had failed to provide: the first to improve the possibilities of going abroad; and the other to direct towards and maximise workers’ earnings in consistent investments.

a) Village development co-operatives

This was initially a public project whose main object was to promote and further the economic and social development of villagers via the provision of funds for eventual investment and, in particular, to facilitate the sending of their members to foreign countries – in which queue the founders of such co-operatives had priority place.

However, the project soon turned into a typical bureaucracy model in which peasants were encouraged, in fact they were practically forced, to join the co-operatives in order to take advantage of the possibilities offered by the state and to secure opportunities for employment abroad. Rather than a solution to the need of development of the village itself, these co-operatives therefore developed as a result of villagers’ fundamental urge to go abroad as soon as possible.

23 ibid. p. 18.
b) Workers’ companies

The origin of the idea to create workers’ companies is particularly interesting. It was conceived in the minds of some intellectuals pursuing higher studies or working in Germany:

The idea matured in 1963 with the backing of the financial consultant for the then Labour Ministry and the Ministry of Finance in Bonn. The concept was later explained to the workers who agreed to give their financial support. This is how the creation of the first workers’ company was realised in 1964.26

Workers who at first preferred to use their money for the acquisition of durable goods for themselves and their relatives later turned their investments to areas such as land, houses or businesses. They started to create companies and even laid the foundations for factories in their areas, aiming at gaining some prestige for themselves and securing job opportunities for their relatives. For this purpose, they generally conceived their investments along the lines of factories abroad where they were employed as a group. This was the reason why some were dubbed ‘kinfolk factories’.

Workers’ companies were mostly created under the initiatives of foreign-based intellectuals (particularly in Germany), but benefited from the support of local governors and heads of municipalities in Turkey.

However, as a result of conflicts of interest with local merchants and industrialists, many such companies were smothered at birth. A number of politicians, too, took a dim view of such efforts and were also the causes of their demise.

Conclusions

The mass migration of workers, which so many hoped would contribute to the development of the country and act as a means of redressing the foreign exchange deficit, regrettably has not lived up to these expectations.

Some of the workers have returned, but a large number still remain abroad. It is almost certain that there will be a high rate of return from the first generation, which lacks a resettlement tradition and whose attachment to their rural background is very strong. The possibility of second and third generations – i.e. the children and grandchildren of the first group – remaining abroad is higher.

The creation of the village development co-operatives has been a successful factor in economic recovery both for villages and for the villagers; most, however, have been considered as just another means of gaining a priority place in the queue to be sent abroad and have served only this purpose.

Workers’ companies, created with workers’ savings and intended to provide jobs for their local relatives and others from their country, have remained unsuccessful as

26 The Labour Minister in question was Bülent Ecevit; the Financial Consultant in charge was Zeyyat Baykara, and the intellectuals studying and employed in Germany were Necati Telger and Ömer Yılmaz. An interview was made between the author of this article and Necati Telger, who gave an oral history of these companies. B. Ersel (1985): Workers’ companies in Turkey viewed from the angle of capital diffusion, unpublished doctoral thesis, Ankara, p. 47.
Workers’ migration can be considered as a transfer of resources from developing countries to developed ones – meaning that it increases even further the development gap between developing and developed countries. However, what is of major importance is the organisation of a society which has no need of migration abroad; a society which can desist altogether from such migration and where all resources are kept within the country. This can be achieved only by constant effort and systematic work, and by careful international monitoring of the application of the international principles contained in bilateral labour treaties, as well as by the improvement and humanisation of the living conditions of workers abroad. Needless to say, such will be doomed to failure if it is left to individual, incoherent attempts.

Social policies and measures to protect migrant workers may only be achieved through the concerted action of the countries providing labour and through international organisations like the ILO. This may be difficult to achieve, but it is not an unattainable goal. The solution may ultimately best be attained through the abolition of the culture of dependency.
The Balkans ‘brain drain’ – its meaning and implications

Introduction

Perhaps such a discussion should begin with historical realities regarding the precedent of a ‘brain drain’. Most people, including experts, do not refer to the mass exodus from east and south-east European countries to the United States between 1880 and 1920 as a ‘brain drain’. That was simply considered a natural by-product of the economic, social, political and religious tumult occurring in those regions at the time. No doubt, significant ‘brain power’ emerged in the US during this heyday, the forty-year period which saw the peak of European immigration to the US. It is the nature of that ‘brain power’, however, which we must address.

No one would doubt that the vast majority of immigrants who went to the US between 1880 and 1920 were formally ‘uneducated’. Arriving primarily in New York, whether Polish, Italian, Greek, Serbian, Bulgarian, etc., these immigrants brought a rough equality with them – mass poverty, unemployment, hope and no formal education. This is quite significant when contrasting the emigration of a century ago and the phenomenon of emigration as it is evolving today.

Those who discuss the ‘brain drain’ today offer the limited context of migration within the narrow perspective of income and formal education. In addition, observers focus only on the current perceptions of migration patterns throughout Europe and the United States. Between 1880 and 1920, the issue of qualifications did not exist. In fact, this was barely mentioned regarding eligibility to immigrate. Whether among the general population or at the borders, few in the US questioned the wisdom, both humanitarian and practical, regarding the advantages of allowing a mass exodus into their own regions. Perhaps by focusing on the current European Union (EU) and the previous US example of the 1880-1920 period, we can alter, or redefine, our current priorities concerning the ‘brain drain’.

To illustrate our point, it is not realistic to argue, expect or believe, in the current Balkan context, that the region, collectively or individually, should legally prohibit any (or all) kind of refugees. Currently, immigration policy, especially in the US, supports such logic. Balkan countries today, primarily the former communist ones, are doing exactly what is asked of them since communism collapsed over fourteen years ago: they are pursuing pro-market, pro-European reforms with the intent of joining the EU. The whole purpose of the EU is to promote a kind of ‘United States of Europe’. This would be carried out by applying what has been termed the ‘Bruxelles Consensus’ in such a way as to apply EU capital concerning a workable European recovery founded on different socio-economic bases, i.e. open borders, reduced transaction costs for

business, a European-sponsored policy of reducing structural gaps between regions and, above all, promoting a growing and open migration in both directions, i.e. poor to rich and rich to poor. Therefore, it makes no sense, as some or many have argued, to limit or restrict the so-called ‘higher trained’ from leaving Bosnia, Bulgaria, Serbia, Croatia, among others, to live and work within the EU.

The logic of the ‘brain drain’ in Europe

The primary logic we are using here concerns that the necessity for a ‘brain drain’ has created itself through the EU’s own integration process. By insisting that the former Balkan communist countries ‘educate and train’ their populations as quickly and efficiently as possible, this guaranteed the glut of ‘over-trained’ people now wishing to leave. No Balkan country, including long-time EU member Greece, has stopped the over-production of highly-trained people. For Greece, EU membership has, in fact, increased this trend. The larger question should be: why does the EU promote membership and transition policies for Balkan countries that lead precisely to this phenomenon, or crisis? Part of the answer is so obvious that one wonders whether the EU intended it in the first place.

After the collapse of communism, the one institution that remained with any credibility at all was that of education. The most realistic feature of any transition of a former communist country is to promote and solidify that which it does best: in the case of communism, that was to educate. The EU’s transition and inclusion process then hoisted the ‘marvellous mantra’ of the ‘unlimited possibilities’ concerning a rapid transition to democracy and EU membership. In other words, the pace of economic change would occur naturally, leading to full-fledged democracy led by employment opportunity. However, just the opposite has happened. Instead, institutional performance, i.e. democracy building, has moved far ahead of job creation and the vaunted guarantees of the free market. So, who is to blame for this process: the EU or the powerless reformers in the Balkans desperately trying to meet unrealistic and over-pressured demands from Brussels? The answer, obviously, is Brussels: should the EU now insist on restriction mandates from the Balkans, this would reduce the credibility of the EU’s rules of incorporation regarding membership with the EU.

Therefore, we shall pose the all-important question regarding the Balkans: what does the ‘brain drain’ mean? It means precisely the inability of rules concerning EU transition ethics to fit the realities of their rhetoric. The so-called Balkan ‘brain drain’ problem emanates from, and has its roots in, the narrow definition Brussels offered east European countries regarding market mechanisms and the establishment of democracy. For the EU to state that the ‘brain drain’ is causing a problem, one has to assume that Brussels is primarily holding east European transition governments accountable for this newly-established phenomenon. This conveniently allows the EU to remove itself

from the debate over responsibility for the current emigration wave of west to east in Europe. In purely political terms, it means that the EU cannot admit that its own job creation programme and policies have failed, that it has not met the expectations set out as the 1990s began. Is it wise, therefore, to blame and hold responsible those very same east European governments who uniformly carried out most of the EU’s policy demands precisely to obtain EU membership? It seems not.

An example of the failure of EU transition ethics concerns our observations from an experienced Slovakian perspective. Most, if not all, Slovaks naturally support the idea that they have the right, both legal and human, to emigrate to any EU member state and obtain the kind of employment for which they are trained. When we then ask whether it is OK for Ukrainians, Russians, Bulgarians, Serbs or Romanians not joining the EU to immigrate to Slovakia in search of better opportunities, the response is a uniform ‘no’! Balkan peoples have no such rights to move west, but Slovaks naturally do. We do not blame Slovaks entirely for this perception. It has been cultivated, in no small measure, by the consistency of the pronouncements coming out of Brussels: the only hope for former communist countries in transition throughout eastern Europe is to adopt any ideas coming from Brussels. In such a situation, how could the political, economic and social responses of eastern and, especially, Balkan area populations be any different!

This brings us to the issues regarding EU asylum and immigration policy. Slovakia offers a powerful example of the growing dangers, both present and future, regarding the failing EU policies concerning immigration. Here, high Balkan hopes and expectations concerning asylum and immigration are racing dangerously ahead of the realities for Balkan immigrants once they reach the west. For example, in a major interview with the Slovak media, the United Nations High Commissioner for Refugees (UNHCR) in Slovakia, Pierfrancesco Maria Natta, offered lengthy and detailed answers concerning the realities of EU asylum-immigration policy. In the case of Slovakia, which serves as an example for EU policy regarding the actual acceptance of Balkan and other refugees, the High Commissioner was asked how EU entry for Slovakia would influence the country’s asylum policy and how the application of the Dublin II regulation and Eurodac would affect Slovakia. Natta’s response reveals that the EU is harmonising the legislation on asylum between member and candidate countries. However, the result is that those individual countries which were giving different guarantees to asylum seekers are now reducing them to the minimum level, which will become the standard as requested by EU legislation. As concerns Slovakia, that seems to be a good model when the country joins the EU and fits its laws to the required minimum standards, although the situation for refugees will not improve. However, the real problems for Slovakia will start with the Dublin II regulation and Eurodac. The latter will drastically change Slovakia’s asylum conditions, turning it from a transit country to one which is a host country concerning applicants for refugee status. In fact, these two mechanisms together will allow EU countries to send applicants back to the border countries at which they requested asylum. This will surely put an unbearable burden on the Slovak system.

Is it too unrealistic to assume that this policy, when applied to Balkan states after they join, will pose at least as great a threat to stability as that now facing Slovakia? Of course, it is realistic to do so: indeed, the Balkans will face far more serious problems than Slovakia as the nationalist feelings which some Balkan regimes still have make serious development problematic for some particularly Balkan regimes that depend on fomenting nationalism to stay in power. Under such circumstances, it would be very difficult for these Balkan regimes just to adopt EU policy like that in Slovakia, allowing for the direct return of asylum seekers to original host countries. This would be politically suicidal to the nationalist passions which exist at government and/or the institutional level. Joining the EU and carrying out an economic transition as requested by Brussels may be difficult enough if Brussels does not support new policy initiatives. Then, for the Balkans to be expected to adopt Dublin II and the Eurodac legislation, allowing for such a mass return of original asylum seekers to their respective Balkan countries of origin, seems hard to implement.

The original premise on which we focused this article was EU policy since the collapse of communism. Primarily economic and transitional in nature, it encouraged, even guaranteed, that market reform would immediately cause the kind of job and employment possibilities which would allow Balkan regimes not to have to worry about the future of EU immigration policy. Now that everyone, especially Balkan countries, knows this was terrible advice, why should these same Balkan regimes even take EU immigration policy seriously? The answer is that they should not. Nor should they seek physically to prevent the ‘brain drain’ should the EU request them to do so.

Perhaps another term for ‘capital flight’ should be ‘refugee flight’. Remittances to the home country are, obviously, important. Furthermore, the so-called ‘brain drain’ may be a misleading term in connection with the Balkans because ‘uneducated’ or ‘untrained’ migrants leaving the Balkans often, if not most of the time, make more money than do professionals. This point is virtually never the subject of comment. Whether in the US since 1880, or the EU right now, this common occurrence says much about the glaring lack of opportunity for trained professionals emigrating from the Balkans.

To draw an example, the Harding administration in the US, coming to power in the 1920 presidential elections, began to shut the door to Balkan immigration, since which time it has never really re-opened. Part of the answer as to why lies in that, once the twenties had become the ‘roaring 20s’ in US economic parlance, immigration of skilled people alone was seen as a threat to the robust US economy. This is because the vast majority of employment opportunities in the US lay in unskilled areas. The population, including most immigrants, worked primarily in the large industries in which there was a huge need for unskilled labour. Perhaps this is the great lesson we should learn from current EU-Balkan migration policy: the great threat is not from the ‘brain drain’, which represents a relatively small part of the population; instead, the threat is from the mass exodus of everyday working people who make up the sum of the socio-economic power and stability of a particular country. Following the end of the Second World War, there are many examples of uneducated talent leaving the Balkans and going to wealthier, northern European countries. It was common to see them earn greater income than
professionals. The real point here is that a ‘brain drain’ is not a bad thing, if looked at objectively.

As long as EU policy welcomes only professionals from the Balkans, or anywhere else, this makes it harder for EU countries to generate the kind of employment needed to offset the EU’s structural, long-term employment problems. EU countries need to create many more jobs for industrial employees, primarily unskilled, than for professionals. Current EU policy is inadequate for the task. Here, bad EU policy also leads to bad Balkan policy. If only professionals come to the EU, they do get jobs but they do not generate the kind of political pressure needed to force governmental action. At the same time, the unskilled labour force that is forced to remain in the Balkans could have been making far more money working in wealthier countries than professional Balkan people, thus generating far more remittances (a new form of capital flight) back to the Balkans and leading to greater investment in the domestic economy. We should not confuse this point with that made in the previous paragraph concerning an exodus of unskilled Balkan labour to the west being a bad thing. Here, unskilled emigration to wealthier countries works only if there are jobs available for them. If this is the case, then two-way development is a beneficial situation for both wealthy countries and poor Balkan ones. Remittances to the domestic country represent a far greater source of investment and capital for the Balkans than does the current behaviour of global credit markets.

Conclusions

In closing, it is interesting to note that it was non-skilled labour which primarily drove the growth of the US from 1880 up to the present day. The EU, by contrast, in pressing the Balkans for total market reforms regarding prospective EU membership, may itself have created the problem of the Balkan ‘brain drain’. At the beginning of this article, we referred to how the ‘brain drain’ developed as a natural response to the compulsion placed on former communist countries to adopt free markets. Education was the only thriving institution left from communism; therefore, this institution responded more than successfully to the stimulus. The result, now, is a great demand by skilled labour to leave.

If Balkan policy-makers are wise, they will see this as an opportunity to create their own capital markets from which to generate revenue and income from rich countries towards their own. This is the only option that Balkan states really have in the short-run. The EU, by contrast, must elevate its vision regarding what will actually promote development in the Balkans. Opening the door wide to all Balkan immigrants is the answer, not just for the Balkans but for the EU’s overall structural employment problem. Let us hope that wise leaders pay attention.

References


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Sustainable development and emigration: the contemporary Balkans and the European Union

In the years since 1989, about 15% of the population of the western Balkan countries has been involved in migration – some ten million people. Of these, five million have emigrated permanently and about three million are ‘waiting to see’, while 2.5 million returned to their homes in less than a year. In the case of Albania, some 20% has migrated; from Bosnia, the figure is 25% plus a further 25% who are displaced. Across Europe, there are now about one million nationals of FR Yugoslavia, living mainly in Germanic countries; around two million Turks; 600 000 Albanians in Greece and Italy; and probably another million from Croatia, Bosnia and FYR Macedonia combined.

The reasons for emigration from the region are many and varied, but there seem to be three major categories:
1. ethnic complexities and co-existence problems after the break-up of Yugoslavia. Thus, the ethnic majority is only 70% in many Balkan countries, while in Serbia and Bosnia it is much lower
2. economic factors: with collapsing economies throughout the 1990s, per capita incomes became very low, unemployment very high and emigration the only short-term solution. This was especially true for Albania, but there is still the potential from Serbia, Kosovo and Romania
3. political factors: notably, ‘ethnic cleansing’ in Bosnia and Kosovo.

These causes of mass emigration from the western Balkans are important, because they indicate the sort of people who have migrated. Significantly, the ‘brain drain’ critique of these emigrations is not so relevant, largely for the following reasons:
- they have involved many unskilled as well as skilled workers
- the costs of migration to neighbouring countries were low
- much of the migration was illegal and has unclear economic implications
- migrants actually support their home economies through remittances, which they could not do if they had remained unemployed in their home country.

Furthermore, given very high long-term unemployment rates in comparison with eastern Europe, the already-low participation rates could fall with a ‘discouraged work-
er’ effect and erosion of skills. Thus, the emigration of skilled personnel can act as a mechanism to retain those skills and keep them available for future repatriation.

For all of these reasons, it is extremely difficult to apply in the Balkans the existing theoretical literature on migration and development, where the focus has tended to be on semi-skilled migrations and high investment costs, whereas it is the middle class and the educated who migrate. There are varying migratory patterns and motivations across the Balkan region, also making it impossible to generalise. One theory, known as the ‘migration hump’, suggests that, as economic development proceeds, rather than reducing migratory outflows it will actually stimulate them. However, some analysts contend that, in the cases of Albania and Turkey, it would, in the medium term bring them out of the ‘migration band’ and reduce mass emigration. For other Balkan countries, on the other hand, it might increase emigration pressures: ‘aid in place of migration’ is not a serious option for much of the Balkan region, despite the imperative of the area’s economic development.

Globally, remittances are now thought to constitute an extremely important source of external funding, second only to foreign direct investment (FDI). Furthermore, this source of funding has doubled over the 1990s whilst official development assistance has been falling; it is a much more stable source of income than private flows and is expected to rise as the G7 economies recover. There is even evidence that remittances are counter-cyclical and used as insurance against economic ‘shocks’, since the arrangements of temporary economic migrants are intra-familial and designed to protect the family’s interests.

Migrants’ transfers worldwide are conservatively put at $70bn, but this figure is significantly under-stated and is thought to be more like $100bn, or 1.6% of GDP. In the Balkans, Albania is the country where it has the most impact. The figure for 2001 was $700m, as it was also for Croatia. From 1995-99, migrant remittances constituted some 16% of Albania’s GDP, while Turkey’s remittances were the fourth highest in the world. The latest available data show migrant remittances to Albania rather lower, at just over 12% of GDP for 2001 and 2002, and falling. However, this is primarily

5 See, for example, Olesen, H (2002) ‘Migration, Return, and Development: An Institutional Perspective’ International Migration 40/5.
9 World Bank, op. cit.
10 Gammeltoft, op. cit.
a statistical consequence of sustained GDP growth throughout the region, but especially in Albania.\textsuperscript{12}

Thus, migrant remittances are starting to emerge as a new possible strategy for economic development, despite the previous negative perceptions of development economists. The primary point of criticism used to be the actual usage of remittances in that much was spent on consumption; another negative critique is the well-known ‘brain drain’ phenomenon. However, consumption is itself an economic stimulant and too much emphasis should not be placed on this sole aspect. Essentially, economic development depends on:

An optimal combination of FDI, trade liberalization, aid, remittances, return migration, and improved governance.\textsuperscript{13}

The European Union’s relations with south-east Europe

Throughout the 1990s, western Balkan countries were highly dependent on foreign aid, with high trade deficits, very low savings rates and very high unemployment. EU assistance between 1990 and 1999 amounted to some €9bn, while official development assistance was over $13bn: this has led to the analysis of ‘aid-dependency’ as a significant problem of the region.\textsuperscript{14} Around 50\% of EU aid has gone into consumption whereas the European Investment Bank, until 1998, loaned money only to Albania.

After 1999, the EU has undertaken some significant reforms in the western Balkans as part of the Stabilisation and Association Process; these include, \textit{inter alia}, generous trade preferences, contractual relations through formal agreements with the EU and the CARDS programme of financial assistance. However, the Stability Pact has focused especially on border controls (for example, in Albania and Bosnia), general legal frameworks, the creation of non-military border guards, etc. Essentially, this emphasis reflects the self-interest of the EU in dealing with Balkans countries as transit ones, with a policy focus on trafficking and the smuggling of migrants into the EU; it has had little relevance to economic or political development. All serious reports seem to claim considerable success in grappling with Balkan border problems. ICMPD reports major declines in illegal migration, as does Europol;\textsuperscript{15} the Italy/Albania border cooperation has almost entirely stopped illegal border arrivals; and many structural reforms are underway, eg FYROM/Albania, Kosovo, Serbia, Bosnia, Croatia/Bosnia and Croatia/Slovenia.

\textsuperscript{12} ibid., pp. 7-9.
\textsuperscript{13} Olesen, op. cit., p. 141.
Yet, almost nothing is underway in the sense of real economic development. The EU has constructed a system of 21 bilateral free trade agreements, which do not actually constitute a free trade zone because of the issue of different certificates of origin. Furthermore, the 2004 enlargement is expected to have a serious negative impact on the south-east Europe region, including:

- negative trade effects (owing to the lower competitiveness of agriculture)
- reduced FDI (the increased FDI into the western Balkans since 2000 has begun to decline for FYROM and Albania and the new members and candidate members are now more attractive)
- declining EU aid
- new visa restrictions to be imposed on the non-acceding countries.

This latter point is of some interest, owing to a 2003 meeting in Ohrid, FYR of Macedonia, where NATO, OSCE and the EU emphasised the need to tighten Balkan borders. The EU Commissioner responsible for the Balkans mentioned the idea of opening the border to the legal movement of people and goods but no practical measures were agreed; rather, the emphasis of NATO and the Stability Pact remained exclusively on yet further measures for better border controls.

The Thessaloniki Summit, 2003

The Greek Presidency, which had set the western Balkans as a priority area, was massively overshadowed by the war in Iraq and the political fallout from it within the EU. However, limited progress was made, in particular a small increase in funding of €200m; however, two previously widely-advocated ideas were dropped in Thessaloniki: to transfer the Stabilisation and Accession Process and the western Balkans from DG External Relations to DG Enlargement; and to provide additional funding for social and economic cohesion in the region. Thus, the emphasis on stabilisation policies under the Stabilisation and Accession Process as the framework for relations with the EU sets apart even a strong candidate country such as Croatia from the status of Romania and Bulgaria. For the latter, there was an initiative protecting them from the possible negative effects (such as reduced FDI) of delayed accession. This consists of a ‘roadmap’ linking achievement of well-defined benchmarks of reform with phased increases in assistance – an additional 40% by 2006. Thus, in trying to limit the divide between future accession countries and the acceding ones, the EU has actually increased the funding and status gap between the western Balkans and the other EU candidate countries. This, as noted above, is likely to have a deleterious effect on FDI in the region.

17 European Commission, op. cit., pp. 11-22.
18 Uvalic, op. cit.
On a slightly more positive note, the inclusion of visa regimes and a customs union within the Stabilisation and Accession Process is helpful, along with *acquis*-tuned financial assistance (CARDS and the Stabilisation and Accession Process) and access to TAIEX (technical assistance).

Migration and economic development

What of the role of emigration in economic development? This has been central to Albania’s economic growth and avoidance of large-scale debt but it can be developed further. Firstly, the migrant per capita remittances are extremely low for Albania and Croatia, presumably through migrants’ weak (and often illegal) positions in European labour markets. For economic development, it has been suggested that both receiving and sending countries need to re-think their approach to migrants: thus, the host country should try to integrate its immigrant population so that they have higher incomes and are more capable of investing in their country of origin. Developing countries, on the other hand, have to see their emigrants as a source of capital – people with a real knowledge of the culture and laws, and able to stimulate economic growth.23

Secondly, some Balkan migrants may have migrated permanently but others may well not wish to do so. However, the rigid border controls imposed by the EU have tended to accentuate and encourage permanent (even illegal) migrants24 whereas, at the regional level, the idea of circular migration is extremely relevant.25 Thus, the visa control and border system of Schengen is a direct impediment to regional economic development in the Balkans: even the Greek Presidency idea of a visa-free zone (which was never taken seriously) was not a complete solution. Evidence from the Bulgaria/Greece border shows that border crossing actually became more problematic when the visa requirement was removed, owing to the discretionary powers granted to border guards and their arbitrary use of them.26

Finally, it should be emphasised that real innovation in managing emigration and return migration will be imperative for Balkan countries. Each country will need to develop its own balance amongst: utilising migrant remittances; encouraging FDI by emigrant communities; facilitating an appropriate return of some skilled migrants to the domestic economy; and developing the structural possibility of easy circular migration. International agencies, and not only the EU, have a clear role to play in helping national policy-makers provide the good governance which can optimise these valuable resources of human capital.

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22 Gammeltoft, op. cit.
26 Formal complaint submitted to EUMC, Austria against Greece (dated 29/4/2003); personal interview with NGO on Bulgarian immigrants, Athens, December 2002.
Rossitsa Rangelova and Katia Vladimirova

Migration from central and eastern Europe: the case of Bulgaria

Introduction

The new social and economic environment in conditions of European integration and, in a broader scale, globalisation provide new opportunities for free cross-border movement. The collapse of the previous system of centrally planned economies in central and eastern Europe led to the emigration of many people from this region to the west.

The result of the political and economic changes in Europe was that the population in EU countries increased from 1990 to 1993 by over one million each year. The restrictive measures undertaken by western countries towards immigrants have led to a decrease in migration inflows. According to Eurostat, the migration balance for the total EU in 1998 was about 380,000 people. Experts foresee a new increase in migration inflows as a result of EU enlargement.

This observed phenomenon has increased researchers' interest in population mobility and, in particular, labour force mobility from central and eastern Europe. Basic questions are: how mobile are people in these countries? To what extent has their geographic mobility been driven by economic incentives? What are the economic and social consequences both for the host countries and the countries of origin? What are the prospects for potential emigration from these countries? How can migration flows be regulated?

Bulgaria is of particular interest in this context. The country was among the most concerned countries in the region regarding the socio-economic crisis in the 1990s in terms of the so-called push factor. People in Bulgaria are strongly inclined to emigrate. The experience of the country is rather indicative of migration trends from the central and eastern European region, which could provide reliable implications for useful conclusions and an adequate migration policy both in the national and the international perspective.

The paper presents the emigration process in Bulgaria since 1989: the scale, profile and reasons for migration; potential for emigration; and the economic, demographic and social consequences for the country and for society. Empirical data is used to shed light on patterns of people's mobility during the 1990s, as well as in the years to come. The analysis is focused not only on emigrants.\footnote{Since 1990, the National Statistical Institute (NSI) in Bulgaria has used the UN classification for 'emigrant' as a person who leaves his/her country permanently or for a long time (more than one year) and 'immigrant' as a person who arrives in a given country for a long time to reside (more than one year).} The purpose is to outline the specificity of current migration from Bulgaria as a country from eastern Europe integrating into the EU and facing the challenges of the modern globalising society. Finally, some implications for the development of an adequate migration policy are given.
Scale of migration from Bulgaria since 1989

To get a better idea of the current trends in migration from Bulgaria, one has to take into account that, during the previous forty years up to the end of 1980s, the country’s population did not take part in freewill movement abroad. Following 1989, a massive external migration began, which gradually decreased in the following years but which has still been significant in comparison with that in other former socialist countries.

The first emigration wave was of an ethnic character and concerned Bulgarian Turks. In 1989, over 220 000 people left the country, moving mainly to Turkey as a reaction to the forcible change of their names in 1985.

After the collapse of the centrally planned economy, a new type of emigration to developed industrial countries can be observed. In the years after 1989, Bulgaria’s transition to a market economy has been accompanied by the consequences of a large-scale emigration of primarily young and active people. The emigration wave was a result of the lifting of administrative barriers and restrictions, the very large difference in standards of living between Bulgaria and developed countries, the reticence of the regime of the 1945-1989 period, etc. In the first few years, external migration from Bulgaria was driven mainly by disparities in earnings and unemployment; people were often willing to accept a job which did not match their education or professional qualification. According to data from the NSI, in the following years emigration varied between forty and seventy thousand people per year. From 1989 up to now, over 750 000 people have emigrated, i.e. about 9% of the total population in 1989 (or nearly one in ten Bulgarians).

Seasonal emigration has also appeared. One of the new phenomena which has turned into a serious problem for post-communist societies in central and eastern Europe is the ‘brain drain’, i.e. the emigration of scientists and highly-qualified experts. In the 1989-1995 period alone, the proportion of these people from total employment in the science, science service and higher education sectors is around 15% in Poland, 13.8% in Estonia, 11.5% in Bulgaria, etc. Almost one-third of them left for the USA, 16% for Germany and about 10% for Canada (Minchev, 1999).

Reasons for migration

Reasons for migration are among the most considered issues of migration outflows from central and eastern Europe. Surveys by the International Organisation for Migration (IOM) facilitate an analysis of them from the quantitative perspective (see Table 1).

For the vast majority of Bulgarians, the main reason for migration is economic hardship in the home country. At the beginning of the 1990s, the basic argument was the rather lower living standards in comparison with EU countries. In the case of Bul-

2 The average age of people who have left the country is 41 (Minkov, 1994).
3 According to the data of the two population censuses in Bulgaria – 1992 and 2001 – the number of emigrated people is about 177 000, i.e. nearly 22 000 yearly. The total number of Bulgarian settlers who have returned home is 19 000 (Kalchev, 2001: 175). It is estimated that the Bulgarian diaspora is about one-third of the total population of the country (7.801m in 2003).
garia and Romania, income per capita (GDP per capita in terms of PPP) is presently about 27-29% of the average of EU countries (Rangelova and Vladimirova, 2004).

At the beginning of the 1990s, most people who planned to live and work abroad were dissatisfied with their current financial situation. The transformation recession in central and eastern Europe in the 1990s caused a sharp decrease in economic activity and, in turn, high unemployment. Under these conditions, the prevailing part of skilled people in the region encountered the restriction of their professional realisation and their prosperity. The traditionally low pay of highly-qualified personnel, and their considerably higher earnings in developed countries, has also provided a strong motive for migration. The lack of favourable conditions and infrastructure for high-skilled people with the initiative to develop their own businesses in the country of their origin is another reason for migration.

After 1992-1993, the economic nature of external migration has more and more begun to dominate. The restrictive measures of a number of main host states on the immigration of people from other countries have, to a certain extent, depressed migration processes and led to a change in the social and demographic profile of migrants. In the case of Bulgaria, this was followed by an increase in the number of young and well-educated people amongst emigrants.

In principle, Bulgarians show a strong disapproval of illegal migration. Over 70% of the respondents in the 2001 survey by the National Statistical Institute (NSI) regard illegal migrants as undermining the image of Bulgaria. They also realise that illegal migrants make the legal travel of Bulgarians abroad more difficult. At the same time, they point out that the main reason for illegal migration continues to be the economic hardships in the country.

It is interesting that, in 2001, economic reasons are pointed out as the predominant reason for migration mostly by unmarried respondents, by respondents below the age of 30 and by respondents who reside in larger cities, as well as by respondents who occupy a higher social position and enjoy a higher standard of living (IOM, 2001: 13).

The motives for migration are strengthened to a great extent by the lack of funds for the development of science, education and high technologies in central and eastern Europe, including equipment, adequate infrastructure, etc.
Table 1 – What is the predominant reason for which Bulgarians decide to leave Bulgaria?

<table>
<thead>
<tr>
<th>Reason</th>
<th>1996</th>
<th>2001</th>
</tr>
</thead>
<tbody>
<tr>
<td>Economic reasons</td>
<td>77%</td>
<td>77.1%</td>
</tr>
<tr>
<td>Disappointment with Bulgaria</td>
<td>6%</td>
<td>6.8%</td>
</tr>
<tr>
<td>Adventure/change</td>
<td>4%</td>
<td>4.2%</td>
</tr>
<tr>
<td>Career development</td>
<td>1%</td>
<td>2.8%</td>
</tr>
<tr>
<td>Curiosity</td>
<td>3%</td>
<td>1.8%</td>
</tr>
<tr>
<td>Relatives abroad</td>
<td>1%</td>
<td>1.3%</td>
</tr>
<tr>
<td>False perceptions about the west</td>
<td>2%</td>
<td>1.1%</td>
</tr>
<tr>
<td>Political reasons</td>
<td>1%</td>
<td>0.8%</td>
</tr>
<tr>
<td>Ignorance and confusion</td>
<td>1%</td>
<td>0.6%</td>
</tr>
<tr>
<td>Ethnic reasons</td>
<td>1%</td>
<td>0.3%</td>
</tr>
<tr>
<td>To enjoy human rights</td>
<td>0%</td>
<td>0.3%</td>
</tr>
<tr>
<td>Cultural reasons</td>
<td>1%</td>
<td>0.2%</td>
</tr>
<tr>
<td>Religious reasons</td>
<td>0%</td>
<td>0.1%</td>
</tr>
<tr>
<td>Do not know</td>
<td>1%</td>
<td>1.4%</td>
</tr>
<tr>
<td>No response</td>
<td>1%</td>
<td>1.3%</td>
</tr>
</tbody>
</table>

Source: IOM 2001 study on potential migrants from Bulgaria.

The second reason for migration (although pointed out by a number of respondents which is about eleven times smaller) is disappointment with Bulgaria. Some people are disappointed in the path and speed of the transformation to a market economy. The political, social and economic changes do not correspond to their own expectations. Part of these people look at the political changes with distrust and do not see a good perspective for the country in the near future. It is interesting that, contrary to the achieved political and economic progress in the country at the end of the 1990s, the proportion of disappointed people in 2001 is higher than that in 1996.

Traditionally, Bulgarians are eager to learn more about other countries, different people and their traditions. At present, they are taking advantage of the freedom to travel, in contrast to the previous period when it was very strongly restricted. This is the explanation for the relatively large importance of factors such as adventure or change of environment and curiosity given by respondents in the IOM survey.

Some people aim to meet challenges, to prove themselves as professionals in an unknown environment (abroad). Some of them just want to take higher paying jobs to 'make money'. In other words, they want to make a large amount of money in a short space of time.
Career development is a factor marking a significant increase in 2001 in comparison with 1996. A considerable number of young people are going abroad to study at university or to pursue a professional career. One should also take into account here Bulgarians who were employed abroad before 1989 (in foreign trade offices or branches of Bulgarian firms) and who, after the collapse of the previous economic and political system, stayed there keeping their previous work (including contacts, equipment, know-how, etc.) or in developing their own business.

Other reasons like political, religious, ethnic, cultural, human rights, etc. are of negligible importance and even mark a decrease within the period under consideration (see Table 1).

Profile of potential emigrants from Bulgaria

According to the last population census in Bulgaria (2001), people aged between 15 and 60 years number 5.029m. About 754 000 of them, i.e. 15% (meaning one in every six), declare that it is likely that they will move to live, work or study abroad for more than one year. These people could be regarded as potential migrants from the country.

Official data on the profile of potential migrants can be obtained basically from two sources in Bulgaria.

The first source is the sample study of about 2 500 people aged from 15 to 60 which was carried out by the NSI during the population census of March 2001.4

The density of potential emigrants differs according to gender: the male population is characterised by a density which is nearly twice as high as the female population (nearly 9% compared to 5%). As a result of this difference, nearly two-thirds of potential migrants are male.5

Five basic groups of potential migrants can be formed, depending on willingness to travel and the reason for staying abroad, as well as the likelihood of moving abroad in the next few years (see Table 2):

a) I group – potential settlers. These are people who plan to live in another country or who are likely to resettle in another country (8.5% of total respondents)
b) II group – labour migrants. These are people who want to move to another country to work or study for more than one year, or who are either very likely or to a certain extent likely to do so (6.8% of total respondents)
c) III group – short-term migrants. These are people who are likely or to a certain extent likely to go abroad to work or study for a shorter period – i.e. for several months but no longer than one year (4.5% of total respondents)


5 The density of potential emigrants is measured by the coefficient of potential emigrants, which is the number of potential emigrants per 1 000 people – both in total and by category of population. The scope of emigration is measured by the percentage of the number of emigrants by the different category of potential emigrants as a part of the total number of potential emigrants.
d) IV group – potential tourists. These are people who plan to travel abroad as tourists or guests of their relatives (10.9% of total respondents).

e) V group – people who do not travel abroad. These are people who express a definite intention to travel abroad but who, for one reason or another, have almost no chance of doing so in the next few years (69.3% of total respondents).

The study of migration from a given country concerns mainly the first two groups, i.e. so-called long-term potential migration. The absence of these people from the country has an impact on demographic development, human capital and labour potential status, as well as on socio-economic development in general. Migrants from these two groups are also important to the relevant international organisations and different states in view of the ongoing processes of globalisation and European integration. It is indicative that, according to a similar study in 1996, the scope of the first two groups was about 25%, whereas in 2001 it had decreased to 16%.

The data in Table 2 show that, in the first three groups, the proportion of males is higher than that of females, i.e. men are more willing to resettle and/or to undertake long-term or short-term migration, while in the fourth group (potential tourists) and particularly in the fifth group (people who do not travel abroad), the proportion of women predominates. The conclusions tend towards the weaker mobility of women in comparison with men, with the latter group having a stronger disposition to take the risk of changing their places of residence and to face new challenges (Rangelova, 2004b).

Table 2 – Distribution and intensity of potential external migration groups by sex, 2001 (%)

<table>
<thead>
<tr>
<th>Sex</th>
<th>Migration groups</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>I group</td>
<td>II group</td>
</tr>
<tr>
<td>Male</td>
<td>9.5</td>
<td>8.6</td>
</tr>
<tr>
<td></td>
<td>57.3</td>
<td>64.6</td>
</tr>
<tr>
<td>Female</td>
<td>7.4</td>
<td>4.9</td>
</tr>
<tr>
<td></td>
<td>42.7</td>
<td>35.4</td>
</tr>
</tbody>
</table>


According to the socio-demographic typology of migrants produced by the NSI from the statistical significance of the relationships between different variables and the groups of people willing to emigrate from Bulgaria, the most important factor which influences migrant behaviour is age, followed by educational level and place of residence, while the weakest is the influence of sex, followed by ethnic group.6

6 The value of the c2 coefficient for the age variable is 1322.4; while it is 868.3 for educational level; 458.3 for place of residence; 235.0 for sex; and 223.4 for ethnic group (Kalchev, 2002: 70).
The second source of information on migration from Bulgaria is the national representative survey conducted by the International Organisation for Migration (IOM). It is based on a questionnaire containing 59 questions and covers some 2 000 interviews with respondents from 18 to 60 years of age throughout the country. This survey has been carried out three times, in 1992, 1996 and 2001, which allows us to follow changes over time in this particular process (see Box 1).

One advantage of the two sources being available is that they supplement or, in some cases, overlap each other. Thus, we can use a larger number of indicators and can also judge the reliability of some of the data. This is the case, for example, with the distribution of potential migrants by (juridical) marital status. The two studies show similar distributions of potential migrants by marital status in 2001. According to the NSI, the density in all groups of potential migrants is systematically higher for single (unmarried) people, being 9% in the first group and 14% in the second. In second place by density of potential migration are divorced (separated) people – respectively 5% and 10% for the first and the second group.

The second (IOM) study allows us to follow the trend in the 1990s of the increasing proportion of single people, from 16% in 1992 to nearly 22% in 2001, at the expense of a declining proportion in other categories – married, widowed and separated. The proportion of married people even slightly declines – from 72% in 1992 to 71% in 2001.

Migrants from Bulgaria will continue to be mainly young people, as expressed most strongly in the NSI study (see Table 3). The availability of the sub-divided five basic groups by willingness for migration gives an opportunity for more detailed analysis.

### Table 3 – Distribution of potential migrants by age, 1992-2001

<table>
<thead>
<tr>
<th>Age</th>
<th>1992</th>
<th>1996</th>
<th>2001&lt;sup&gt;a&lt;/sup&gt;</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-29</td>
<td>24%</td>
<td>24%</td>
<td>23.6% (30.9%)&lt;sup&gt;a&lt;/sup&gt;</td>
</tr>
<tr>
<td>30-39</td>
<td>29%</td>
<td>24%</td>
<td>22.7% (22.2%)</td>
</tr>
<tr>
<td>40-49</td>
<td>21%</td>
<td>26%</td>
<td>25.6% (23.9%)</td>
</tr>
<tr>
<td>50-59</td>
<td>13%</td>
<td>23%</td>
<td>24.7% (22.9%)&lt;sup&gt;c&lt;/sup&gt;</td>
</tr>
<tr>
<td>60 and over</td>
<td>13%</td>
<td>3%</td>
<td>3.4%</td>
</tr>
</tbody>
</table>

Source: IOM 2001 study on potential migrants from Bulgaria, International Organisation for Migration, p. 43.

<sup>a</sup> The percentages in parentheses are according to the sample NSI study carried out during the 2001 population census. See Book 3 Territorial Mobility of the Population, Vol. 6 ‘Sample Studies’, p. 102.

<sup>b</sup> According to the NSI study from 15 to 29 years of age.

<sup>c</sup> According to the NSI study from 50 to 60 years of age.

The prevailing part of potential migrants have secondary education. In the first three groups of the NSI study, their proportion is about 55%. The proportion of people with lower than secondary education in the individual groups is about one-quarter while that of those with higher education varies between 16% and 21%. The share of illiterate people is less than 1%. The IOM study shows a trend of a decreasing proportion of
potential migrants with lower educational levels in favour of those with higher education (see Table 4).

**Table 4 – Distribution of potential migrants by educational attainment, 1992-2001**

<table>
<thead>
<tr>
<th></th>
<th>1992</th>
<th>1996</th>
<th>2001*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Basic</td>
<td>26%</td>
<td>18%</td>
<td>19.3% (24.3%)</td>
</tr>
<tr>
<td>Secondary/high school</td>
<td>26%</td>
<td>19%</td>
<td>18.6% (11.9%)</td>
</tr>
<tr>
<td>Secondary/vocational</td>
<td>31%</td>
<td>39%</td>
<td>37.7% (37.5%)</td>
</tr>
<tr>
<td>College/bachelor</td>
<td>5%</td>
<td>8%</td>
<td>6.4% (7.7%)</td>
</tr>
<tr>
<td>Higher</td>
<td>12%</td>
<td>16%</td>
<td>18.0% (17.8%)</td>
</tr>
</tbody>
</table>

Source: International Organisation for Migration 2001 study on potential migrants from Bulgaria, p. 43. 
* The percentages in parentheses are according to the sample study of the NSI during the 2001 population census. See Book 3 *Territorial Mobility of the Population* Vol. 6 ‘Sample Studies’, pp. 102-103. The total does not sum to 100 because in this study additional groups of people with lower than basic education are included.

**Box 1 – Profile of potential Bulgarian emigrants**

‘The average potential migrant is a highly mobile, well-educated young person, more often male than female, rather single than married, and inhabiting the capital or other larger towns in Bulgaria. This reflects a significant shift in the social profile of the potential migrant since, during the last decade of transition, it was the poorly educated people who prevailed in the group of potential migrants. The average potential Bulgarian migrant is a temporary labour migrant. He is most likely to stay abroad for shorter period of time than is usually thought. The survey showed that the majority of Bulgarians who plan to migrate would not wish to spend more than 3 years in a foreign country and would rather work there for a while than to permanently settle.’

Source: IOM 2001 study on potential migrants from Bulgaria, p. 3.

We can foresee that, due to the insufficient economic and social activity in the country, its still not well-developed labour market and the insufficient level of trust in the democratic potential at the present stage of Bulgaria's development, we ought not to expect a decrease in migration in the near future, in particular of young people (see Box 2). The main reason which motivates people to emigrate is the opportunity to find a job which could guarantee a higher standard of living for the migrant. This motivation is supplemented by the pursuit of professional realisation and personal expression.

7 Forecasts based only on theoretical models or data from third countries often prove wrong, e.g. emigration from Greece and Portugal after they became EU members was much lower than expected (see Hazans, 2003).
Box 2 – IOM: The Third Migration Potential Study for Bulgaria, 2001
Main findings in figures:
- One in every four Bulgarian citizens aged 18-60 have explicitly declared the intention to migrate within the next two years while two-thirds of respondents have no intention to live or work abroad in the near future.
- 43% of young people aged 18-30 are willing to migrate.
- 23% of respondents with a university degree are potential migrants.
- 32% of respondents who are content with their current financial status intend to live or work abroad in the near future.
- Only 6% of all respondents aged 18-60 firmly plan to resettle in another country, while 31% prefer to work abroad for a couple of years and 35% for a couple of months.
- Nearly half of all respondents do not speak any foreign language and 39% would begin to learn a foreign language should they consider to migrate.
- 72% of respondents would stimulate their children to work abroad for a shorter or longer period of time.
- One-half of all respondents find friends and relatives the most credible source of information on migration.
- 10% of adult Bulgarians listen to official information on migration from the Bulgarian government and 8% to the official information of foreign governments; 11% consider rumour or word of mouth to be a viable source of information.
- 17% of potential migrants prefer to work for a shorter or longer period in Germany, while 12% would wish to settle there permanently; 11% of those who wish to migrate would choose the USA as a destination country for either working for shorter or longer periods or permanent settlement.
- Turkey dropped down the lists of preferred destination countries from third to eleventh place.
- 78% of respondents who do not wish to migrate cite ties with their family and friends as a reason strong enough to deter them from leaving Bulgaria; relations with family, friends and society as a whole constitute a significant reason which binds 62% of all Bulgarians aged 18-60 to their homeland.
- 92% of all respondents quote as a reason for illegal migration the lack of employment in Bulgaria.

Findings from a similar study of the thirteen central and eastern European countries which are candidates for accession to the EU, ten of which have been full members since 1 May 2004, plus Bulgaria and Romania (for which accession is expected to take place in 2007) and Turkey, contribute very much to the outline of a more comprehensive picture on migration outflows from the region under review (see Box 3) They also reflect new trends in the migration process which are very useful regarding EU enlargement policy.
Box 3 – EUROBAROMETER: Study on accession and candidate countries (thirteen in number) for membership of the EU (April 2002)

Conclusions:

- we should not expect mass migration from the countries which are new members of the EU. The expectations for the coverage of migration within the following 15 years are from 1% of their population (realistic variant of the forecast) to 3-4.5% (pessimistic variant).
- the profile of emigrants from central and eastern European countries could induce a negative effect on new members of the EU. According to the study, most people going to migrate are 15-24 years of age, highly educated and single by social status. Thus, the countries of origin will stand a ‘brain drain’ in the size of 2-5% from this age group, while in Bulgaria and Romania in particular this proportion could reach 10%.
- unemployment provides a reason for a decision to emigrate, but it is not the main one. Only about 2-3% of unemployed people express a willingness to emigrate. Many people who have a strong desire to emigrate have taken a current job in their own country. Among the motives for emigration, they cite higher payment, security and professional realisation. In fact, students are much more inclined to emigrate in comparison with the unemployed. If we take into account only employed people, the intention to migrate among students is four times higher than that of the whole group.
- the education of potential migrants is high (secondary) or even higher (academic). This should compensate for some of the eventual negative consequences for the host countries.
- among the main motives for migration from Bulgaria and Romania are financial reasons (54.1%), family/personal reasons (11.4%) and dissatisfaction with present housing status (14.4%). The predominance of financial reasons can be explained taking into account that the two countries are the poorest among the candidates for EU accession.
- the most attractive countries for immigration are as follows: Germany, according to two-thirds of potential migrants; Austria, indicated by over 10% of interviewed people; Italy and the UK, by about 5%; and Sweden, by nearly 3%.
- most people desire to emigrate temporarily to earn money but not to live permanently in the host country.


Geographical destination of Bulgarian migrants

According to the NSI sample study, the most attractive countries for permanent settlement are the USA and Germany. One in four (26%) potential migrants from the first group want to resettle in the USA, while one in five (20%) want Germany. The other favoured destination countries for resettlement are Spain (7%), Canada (7%), the UK (6%), Greece (4%), Turkey (4%), etc. The most attractive countries for labour migrants are again Germany (26%) and the USA (15%), followed by Greece (10%), Spain (10%), the UK (8%) and Italy (6%).

According to the IOM (see Table 5), the most attractive destination country, regardless of whether potential migrants envisage working or settling there permanently, is Germany (16.6% and 11.5% respectively). Nearly 80% of respondents who have previously worked in Germany would like to return there to work. Germany is attractive to young people because it offers a range of free-of-charge undergraduate and postgraduate courses which are open to foreign students. Germany is followed closely by the USA in the ranking of most favoured destination country (10.9% and 11%, respectively). Yet, the USA holds second place in the classification scheme chiefly because of the large distance of the continent from Bulgaria; it is clear that the USA attracts 38% of respondents who wish to develop their professional skills abroad and pursue a successful career. Greece occupies third place in the scale of most favoured destination countries for temporary migration (6.8%) but is in sixth place in the list of most pre-
ferred countries for permanent migration (2.4%). Turkey is the country with the highest decline in migration pressure from Bulgaria in comparison to 1996; the drop in permanent migration is from 19% in 1996 to only 1.6% in 2001 (Vladimirova and Rangelova, 2004).

Table 5 – Destination countries of potential migrants in Bulgaria by age, 2001, % of total age group

<table>
<thead>
<tr>
<th>Country</th>
<th>Under 29</th>
<th>30-39</th>
<th>40-49</th>
<th>50-59</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Germany</td>
<td>20.7</td>
<td>19.0</td>
<td>16.2</td>
<td>11.1</td>
<td>16.6</td>
</tr>
<tr>
<td>USA</td>
<td>16.7</td>
<td>12.6</td>
<td>9.4</td>
<td>5.5</td>
<td>10.9</td>
</tr>
<tr>
<td>Greece</td>
<td>5.9</td>
<td>6.2</td>
<td>8.5</td>
<td>6.8</td>
<td>6.8</td>
</tr>
<tr>
<td>Italy</td>
<td>5.9</td>
<td>3.3</td>
<td>3.3</td>
<td>1.4</td>
<td>3.4</td>
</tr>
<tr>
<td>Great Britain</td>
<td>6.3</td>
<td>3.1</td>
<td>2.6</td>
<td>1.6</td>
<td>3.4</td>
</tr>
<tr>
<td>Canada</td>
<td>4.7</td>
<td>4.3</td>
<td>2.8</td>
<td>2.1</td>
<td>3.4</td>
</tr>
<tr>
<td>France</td>
<td>2.9</td>
<td>1.9</td>
<td>3.7</td>
<td>3.3</td>
<td>3.0</td>
</tr>
<tr>
<td>Turkey</td>
<td>2.3</td>
<td>2.1</td>
<td>1.1</td>
<td>1.6</td>
<td>1.8</td>
</tr>
</tbody>
</table>

If you plan to work for several months abroad, which country would you prefer?

If you plan to settle permanently abroad, which country would you choose?


NSI provides information on the number of ‘departures’ from the country, giving an indicative picture of Bulgaria's population mobility. For example, in 1997 the administration of the Ministry of Internal Affairs has registered over three million departures (Table 6). The visits of Bulgarians to neighbouring countries predominate (nearly 85% of the total number of visitors). In the first place is the former Yugoslavia – about one-third of all departures – followed by Turkey (17%), Romania (over 15%), Greece (nearly 8.5%) and FRY Macedonia (close to 8%), etc. In nine out of ten cases, the purpose of the travel is private – indicated as tourism. This information is very
indicative of the scale of the so-called ‘suitcase trade’ practised semi-legally by many Bulgarians, in particular those living close to the border, who are unemployed and without other perspectives for earning money. The 'suitcase trade' is a specific and widespread form of migration from post-totalitarian societies. In this way, one can explain the higher percentage of visits to the former Yugoslavia in comparison with Turkey, where ethnic Bulgarian Turks have relatives and which was expected to host a larger number of visits; Bulgarians have taken advantage of the situation in the former Yugoslavia in the 1990s due to the war conflicts, the embargo and shortages of some goods found there. Considering these data, we should not underestimate that these dynamic visits reflect also visits between relatives in neighbouring countries looking for an opportunity for business or tourism.

Among the neighbouring and other geographically close countries, Ukraine takes first place in terms of the percentage of Bulgarian visitors having a professional purpose (it is a large-scale country, closer than Russia and offers opportunities for business), followed by the small-scale country Cyprus, which has a similar number of visitors (due mainly to it being an offshore zone, presupposing favourable conditions for business and work), Greece and Turkey, to which the percentage of professional visits are higher than those to the former Yugoslavia.

The biggest number of travelling Bulgarians is those who leave for Germany (over 75 000), followed by Austria and the Czech Republic (nearly 40 000 each), the UK, France, Hungary, Poland, Switzerland, etc. (Table 6). Some European countries – Sweden, Finland and Denmark – are shown with a very low percentage of visits by Bulgarians, although these have the highest proportion of professional visits. This situation is most typical of Canada, where one-half of visits are professional, and also of the USA, where every fifth person pursues this purpose.
Table 6 – Bulgarian visitors abroad by country and purpose of visit in 1997

<table>
<thead>
<tr>
<th>Region and country</th>
<th>Purpose of visit</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Private</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Number</td>
<td>% of total</td>
</tr>
<tr>
<td>Europe</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Germany</td>
<td>67 338</td>
<td>89.8</td>
</tr>
<tr>
<td>Austria</td>
<td>38 242</td>
<td>96.7</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>37 531</td>
<td>97.8</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>22 287</td>
<td>93.6</td>
</tr>
<tr>
<td>France</td>
<td>22 229</td>
<td>93.7</td>
</tr>
<tr>
<td>Hungary</td>
<td>18 434</td>
<td>98.0</td>
</tr>
<tr>
<td>Poland</td>
<td>17 337</td>
<td>96.7</td>
</tr>
<tr>
<td>Switzerland</td>
<td>14 575</td>
<td>97.2</td>
</tr>
<tr>
<td>Spain</td>
<td>7 240</td>
<td>93.5</td>
</tr>
<tr>
<td>Netherlands</td>
<td>7 155</td>
<td>94.5</td>
</tr>
<tr>
<td>Belgium</td>
<td>7 123</td>
<td>93.2</td>
</tr>
<tr>
<td>Sweden</td>
<td>2 507</td>
<td>74.0</td>
</tr>
<tr>
<td>Denmark</td>
<td>1 863</td>
<td>89.5</td>
</tr>
<tr>
<td>Slovakia</td>
<td>1 683</td>
<td>94.4</td>
</tr>
<tr>
<td>Finland</td>
<td>1 537</td>
<td>89.8</td>
</tr>
<tr>
<td>Yugoslavia</td>
<td>1 105 801</td>
<td>99.7</td>
</tr>
<tr>
<td>Turkey</td>
<td>508 201</td>
<td>99.2</td>
</tr>
<tr>
<td>Romania</td>
<td>463 411</td>
<td>99.4</td>
</tr>
<tr>
<td>Greece</td>
<td>254 996</td>
<td>98.8</td>
</tr>
<tr>
<td>FRY Macedonia</td>
<td>234 665</td>
<td>99.5</td>
</tr>
<tr>
<td>Russia</td>
<td>47 720</td>
<td>97.7</td>
</tr>
<tr>
<td>Ukraine</td>
<td>15 106</td>
<td>96.0</td>
</tr>
<tr>
<td>Cyprus</td>
<td>14 044</td>
<td>96.3</td>
</tr>
</tbody>
</table>

Migration from central and eastern Europe: the case of Bulgaria

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## Labour market participation of emigrants from Bulgaria

Considering participation in foreign labour markets by migrants, we can divide them into three basic groups: those who are connected with the 'brain drain' phenomenon; legal labour migrants; and illegal migrants.

One can expect some specificity in the occupational participation enjoyed by the first group, where the main factor is the level of education and a high level of professional qualifications. This group is followed by legal labour migrants, for which the differences evolve mainly from professional specificity. In the most unfavoured situation are illegal emigrants, particularly women, who are the lowest-skilled in this group in comparison with the other two and who, in most cases, have no choice in looking for a job. The most likely way for them to move abroad is via so-called ‘people trafficking’. This group is smaller than the other two, while ethnic Roma prevail among the women. The differences in foreign labour market participation for people in this group remain drastically poorer in comparison with the other two groups. But, due to the lack of information, any consideration of the problems should be limited to speculation on the basis of information that is only sporadic and scant.

The biggest group is that of labour migrants and thus this is the one of greatest interest for study. We have data available on the labour market participation of Bulgarian emigrants in Greece and in Spain, which countries are similar in terms of the promotion of the growth of service sector employment.

### Differences between Bulgarian emigrants in Greece and Spain

Statistics on Bulgarian emigrants in the two countries

The first and significant migrant outflow to Greece was at the beginning of the 1990s, while migration to Spain began later on.

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8 Markova, E (2004). The authors of this article know Dr. Markova from the commencement of her study, when she was a postgraduate student at the University of Athens (Greece) using a scholarship under the PHARE-ACE programme. We met her in 1997 in Athens, when she carried out the first stage of the survey. It should be stressed that the surveys conducted by Dr. Markova are unique and valuable studies of Bulgarian migrants although they are not statistically representative and thus serve mainly as an illustration of the processes of migration.
According to the Athens Labour Centre in 1993 there were 7,000 Bulgarians in Greece out of a total of 66,000, excluding those coming from Albania. In 1998, a programme on the legalisation of foreigners was implemented and, thus, we can now rely on more reliable information. Out of 373,200 foreigners illegally living in Greece, only 6.5% come from Bulgaria while almost 65% are from Albania. At that time, around 24,000 Bulgarians applied for legalisation in Greece.

Different to Greece, there is an old practice of the legalisation of foreigners in Spain. According to the rules, illegal migrants should register themselves in their respective municipality. The total number of Bulgarians in Spain in 2002 (the number living both legally and illegally) was 29,700. Some 15,500 of these are legal migrants, of which 39% are women. The larger part of legal migrants live in Madrid – 4,650 – twice the number in Valencia and about four times the number in Segovia, Valladolid and Catalonia.

The profile of interviewed migrants

In 1996, Dr. Markova interviewed 107 Bulgarians immigrants in Greece, almost all of whom (97%) were living there illegally. In 1999, she interviewed a new set of 153 Bulgarian immigrants in Athens and Crete, this time only 31% of whom were illegally working in the country.

Women dominate this particular sample (75%), while people with secondary education also prevail. Less than half of them are married but few live together with their spouses in Greece. The pattern of emigration from Bulgaria in the 1990s is, in general, individual.

Interviews with a set of 117 Bulgarians in Spain were carried out at the end of 2003. They took place mainly in two working class regions in Madrid, where Bulgarian immigrants are highly concentrated. The distribution of the sample is as follows: 61% are living illegally; 6% are working under tourist visas; and 33% are legalised citizens. The survey is still in progress (in 2004).

Men account for 52% of the people interviewed, of whom 60% are living illegally in Spain. More than half of the interviewees (53%) are young people between 18 and 35 years of age. Almost all of them are from the so-called first wave of immigration, moving mainly in the 1998-2003 period (and most of them in 2002). Two-thirds of the interviewees have secondary education, in most cases with a technical qualification, while 17 have a university degree. More than half (53%) are married and have moved to Spain together with their spouses and children. In contrast with the experience of

According to data provided by Dr. Markova, there are about 2.5m foreigners in Spain, nearly half of them illegal migrants. In this context, questions arise about the official policy of host countries towards immigrants, trying to balance between the advantages to employers of using immigrant labour on the one hand and, on the other, the effort to restrain immigration inflows in the interests of the domestic population. This question, however, is out of scope of this article.

It is imagined that the town of Shumen in Bulgaria has ‘exported’ one-fifth – i.e. about 6,000 – of Bulgarian emigrants in Spain, as most of these people live in one district in Madrid. There is also a large group of emigrants from the town of Pleven (nearly 2,500) and from the region of the Rhodope Mountains.

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10 It is imagined that the town of Shumen in Bulgaria has ‘exported’ one-fifth – i.e. about 6,000 – of Bulgarian emigrants in Spain, as most of these people live in one district in Madrid. There is also a large group of emigrants from the town of Pleven (nearly 2,500) and from the region of the Rhodope Mountains.
Bulgarian emigrants in Greece, the pattern in Spain is that the husband arrives first and afterwards other members of the family or relatives join him.

Nearly 60% of those interviewed in Spain claim they will return to Bulgaria.

Labour market participation

The opportunities for newly-arrived Bulgarians in Greece and Spain to find work are similar – in caring for small children and the elderly, housekeeping, etc. for women; in cleaning, both for men and women; and in working in construction-related crafts and the agricultural sector for men. Advertising and the delivery of brochures, flyers, etc. for nightclubs, restaurants, pubs and so on are very likely to be initial labour engagements for a large part of newly-arrived Bulgarians in Spain.

Those Bulgarians who are caring for small children and the elderly in Greece live as a rule in the houses of their employer in the beginning, in view of being ‘at their disposal’ 24 hours per day. This is not a common practice in Spain.

Some men find a first job in Spain in construction companies managed usually by Bulgarians, which does not require knowledge of the Spanish language. This kind of employment demands in practice a working time of 10-12 hours a day, but it is low-paid. The situation is similar for Bulgarian men who have found their first job in the construction sector in Greece although there, as a rule, company managers are Greeks.

In the second half of the 1990s, one can observe positive changes in the labour market participation of Bulgarian women. Firstly, there is a slight decline in the proportion of women taking a job which demands they be ‘at the disposal of the employer’ 24 hours a day (housekeeping, caring for the elderly, etc.). At the same time, the number of self-employed women is increasing – for example, setting up a beauty parlour, organising the printing of a Bulgarian newspaper, etc.

Bulgarian men who have legalised status in Spain most often work as skilled builders, drivers or specialist distributors. Some of them have registered construction firms, or firms for the maintenance of houses. In most cases, this is a family business in which Bulgarian relatives are engaged. Bulgarian women who have legalised status in Spain work most often in the service sector – in cleaning, catering, communications, the retail trade, etc.

Bulgarians living legally in Spain who have become drivers earn over €2 000 monthly. Bulgarians who were interviewed there claim there is no difference in the wage between them and Spanish people doing the same work. On the other hand, Bulgarian migrants in Greece claim that there is such a difference and that it is up to 40% in favour of local people. According to the official data of the largest Fund for Social Security in Greece (IKA), registered and insured emigrants in September 2003 earned from 60% to 80% of the wage of Greek colleagues for carrying out the same work.
The facts and figures presented in this article show important dissimilarity with the positions of the two authors, W. T. Bagatelas and J. Kubicova (2003).* Considering Bulgaria's patterns of migration, the two authors limit their 'closer look' to Greece and Turkey as destination countries which, as the data from many sources show, are quite not 'the whole story'. Without giving data or facts (with the exception of some data from the survey of Dr. Markova), they aim to provide:

Enough credible information to withstand the temptation to see any Bulgarian brain drain as a permanent weakness retarding the ability of Bulgaria to develop.

In commenting on this article, we can give at least the following counter-arguments:

- for a long time, there have been traditionally good relations between Bulgaria and Greece. At present, Bulgarians emigrate to Greece not because it is an EU member state, but because it is a neighbouring country which is wealthier than Bulgaria, being an EU member. There are also good political relations between Bulgaria and Turkey which have withstood many challenges and which provide a good example of the resolution of ethnic problems. Considering migration at the level of human relationships, between the three neighbouring countries there is no political considerations which amount to any 2:1 scheming.

- considering the ‘brain drain’ process, Greece is perhaps not the most appropriate country in the world. As the authors say, this is a country promoting growth in service sector employment which presupposes labour market demand. This is the reason by which we can meet Bulgarian teachers gathering olives and oranges, nurses providing childcare and eldercare, and so on. But Greek people know and respect Bulgarian education and science. For many years (over at least three decades), Greek students have been studying in universities in Bulgaria (at both graduate and postgraduate level). Part of them are concentrated at the University in Veliko Tarnovo, situated in northern Bulgaria. Here, one can look for an explanation for the dominance of Bulgarian immigrants in Greece coming from this region of Bulgaria which was cited several times by the two authors: the willingness for migration of people from this region could be due to the good informal contacts and friendship which has been created between Bulgarians and Greeks (although this does need further study).

Another place having a concentration of Greek students is Plovdiv, the second largest city in Bulgaria, situated in the southern part of the country.


Consequences of migration for Bulgaria

**Economic**

**Positive**

Money transfer (remittances) to relatives in Bulgaria

This transfer ensures living and additional income for the family and relatives in the country of origin. In a national context, this is a way to increase the volume of foreign currency coming into Bulgaria and such money helps the state balance of payments.

According to the Agency for Bulgarians Abroad at least 300 000 emigrants have, since 2003, been transferring to their families monthly small amounts ranging from $100 to $300. This money could be treated as social assistance coming from remittances instead of from the state budget.

The remittances come mainly from labour migrants (both long-term and short-term, i.e. the second and third groups in the NSI classification) and less from settlers (the
first group), who have been investing their money in houses, cars or the education of their children in the country where they live. The amount of money sent by emigrants from Bulgaria is increasing from year to year. For example, revenues from private transfer in 2002, including primarily remittances from Bulgarians abroad, were $499.8m while in 2003 they were $675.7m, an increase of $175.9m.

The Central Bank of Bulgaria reports that, up to 2002, the annual transfer of money to Bulgaria was higher than annual FDI inflow into the country.\textsuperscript{11} This is partly because the inflow of FDI in the recent past has not been significant. At present, remittances are second in importance in foreign currency revenues after FDI. The Central Bank also reports that the money received from European pre-accession funds within the January-November 2002 period were $100.8m, four times less the money sent by Bulgarians from abroad through official banking channels.

Moderation of labour market problems

In particular, this concerns the high unemployment rate in Bulgaria (18% in 2001 and 12.4% in 2004). Migration mitigates the pressure on the domestic labour market and, at the same time, reduces the weight of the system of social payments.

Higher professional qualifications and labour market participation

Migrants not only realise both these two factors but also obtain international experience, in particular those who are highly skilled. However, even migrants do not realise significant financial wealth on their return; they are a source of the transfer of professional and managerial skills, supplying in the following years a new quality of labour and useful experience gained abroad.

Better prosperity

Despite the point in the previous paragraph, returning migrants coming back to start their own businesses in Bulgaria do have more financial means to achieve their goals.

A more realistic idea of their own country

Bulgarians living abroad are able to make some comparisons which are, in many cases, favourable for their own country. Most of them declare that, living abroad, they become stronger patriots and are more willing to help the country in one way or another.

Emigrants form a Bulgarian lobby abroad

Apart from more informal ways, several NGOs have been organised: the Foundation ‘New BGeneration’, ‘Bulgarian Easter’, and the National Centre for Migration. They are mainly aimed to link representatives of the Bulgarian government with migrant societies for the purpose of the effective usage of Bulgaria's potential abroad. In the current government, there are several successful ex-migrants (yuppies) who have returned to the country and are doing their best for its economic prosperity.
The process of globalisation that is underway, i.e. the liberalisation of labour mobility, changes the standpoint of migration, in particular with regard to the ‘brain drain’. The latter is considered to be the natural consequence of differences in the economic and technological environments in individual countries. As a result, multicultural relationships between representatives of different societies, made easier by modern transport and communication links, are developing. In these conditions, highly-skilled migrants could easily move from one country to another in pursuing a personal career. This phenomenon is observed in world practice, including in central and eastern Europe. Even if emigrants come back to their countries of origin, in most cases this is only temporary and, some time later, they move again. 'Brain drain' is gradually turning into 'brain circulation' looking for 'brain gain' (Rangelova, 2004a).

The idea of migration as a by-product of globalisation means that migrants from Bulgaria would be replaced by immigrants in the country. It should be stressed, however, that migration takes place under conditions of international competition.

**Negative**

**Lower return on investment in public education**

In Bulgaria, like in most other countries, taxpayers invest a particular amount of money in education and training. If, however, many young people migrate and live abroad, the social return from such investment is reduced and taxpayers are, in fact, subsidising the human capital and productivity growth in the host countries. Obviously, the greater the ‘brain drain’, the lower return on Bulgaria's public investment in higher education. Apart from the directly negative consequence for the national economy of a lower return on its investment in education, other negative consequences could appear. For example, due to the difficulty in justifying an increase in such investment in subsequent years, the latter could remain at a lower level which would be of detriment to young people preferring to stay in the country.

**Marginal impact of remittances on economic growth**

Taking into account the much lower level of income in Bulgaria, which has caused the mass migration from the country, it is evident that money transfers are spent mainly on consumption. Due to the limited domestic production, this refers to the consumption of mainly imported goods, although there is a gain via VAT returns. In this way, we can account for the unforeseen levels of increased consumption. It turns out that Bulgaria’s 'export' of people, thanks to their income, is enabling the government to report successful economic development. Furthermore, this increased consumption theoretically allows inflation pressure to appear which means it could make the local currency more expensive.

**Less tax returns in the country**

The outflow of people from the country leads to reduced tax revenues which reflects negatively on the state of the pension and health funds in the country. This is very important for Bulgaria due to the poor overall situation.

**Reduced rents from innovation**

The disadvantages of the emigration of skilled labour for the country of origin are obvious. If the most talented scientists and entrepreneurs go abroad, host countries will
come to own more patents and will take advantage of this. For the country of origin, this means a likely reduction in the proportion of good jobs in the economy in the future.

Undesirable specialisation of economic activity in the country of origin

Owing to the absence of highly-skilled specialists in the labour market in the home country, economic activity is predetermined and would adjust to the available level of human capital.

Negative effects on entrepreneurship and business creation

As a rule, migrants are more adventurous and ready to run risks than are people living in the country of origin. This is why the absence of active and highly-skilled people from their domestic country limits the chance of creating and developing business there. In the case of Bulgaria, this is happening within the very important period of economic transformation and its intense aspiration for marked progress.

Migration practice and demotivation

The people left in the country of origin could be demotivated, as a consequence of migration, to develop constructive economic and social behaviour; they may well be influenced by the successful examples of fellow countrymen (and women) that the right – and only – way of personal success is migration from the country. In fact, this is a way to encourage migration out of the country.

Demographic consequences

A process of de-population, accompanied by a growing ageing of the population, has been observed since 1990 as the mark of the continuing deterioration of the demographic situation in the country. At present, Bulgaria is among the ten countries in the world which have the largest share of the population aged 60 years and over, following just after Italy, Greece, Germany, Japan, Sweden and Belgium.

12 Different studies in Bulgaria refer to the practice in villages in the Rhodope Mountains, from which many older people have emigrated to Spain and send money back to their children. As a result, the latter are not motivated to look for jobs or organise a business. They are called ‘remittance people’ because they rely only on the money sent back by their parents.
### Table 7 – Basic demographic indicators for Bulgaria, 1989-2003

<table>
<thead>
<tr>
<th>Indicator</th>
<th>1989</th>
<th>1995</th>
<th>2003</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population – at year-end (thousand)</td>
<td>8,993.4</td>
<td>8,384.7</td>
<td>7,845.5</td>
</tr>
<tr>
<td>Birth rate – per 000 people</td>
<td>12.6</td>
<td>8.6</td>
<td>8.5</td>
</tr>
<tr>
<td>Mortality rate – per 000 people</td>
<td>11.8</td>
<td>13.6</td>
<td>14.3</td>
</tr>
<tr>
<td>Rate of natural increase (per 000)</td>
<td>0.8</td>
<td>-5.0</td>
<td>-5.8</td>
</tr>
<tr>
<td>Life expectancy at birth – years, including:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>male</td>
<td>71.2</td>
<td>70.6</td>
<td>71.8</td>
</tr>
<tr>
<td>(1989-91)</td>
<td></td>
<td>(1999-01)</td>
<td></td>
</tr>
<tr>
<td>female</td>
<td>68.0</td>
<td>67.1</td>
<td>68.5</td>
</tr>
<tr>
<td>Average age – years, including:</td>
<td>37.3</td>
<td>38.9</td>
<td>40.8</td>
</tr>
<tr>
<td>in towns</td>
<td>..</td>
<td>36.8</td>
<td>38.8</td>
</tr>
<tr>
<td>in villages</td>
<td>..</td>
<td>43.3</td>
<td>44.7</td>
</tr>
</tbody>
</table>

Source: National Statistical Institute, Sofia.

The deteriorating demographic situation in Bulgaria is a result of the increased mortality rate – although a more important factor is the rapid drop in the birth rate, i.e. the extremely low rate of fertility (Table 7). In principle, migration causes a loss of people of fertile age. This is why the emigration of many young people has also influenced very strongly the level of de-population in Bulgaria. In our view, there are not many reasons to rely on the declared intention of migrants to return to their home country; world experience shows that many people who have the intention of returning do, in fact, stay in their host country for ever. The last statement is confirmed by the current observed global migration which finds its expression in a more intensive labour force mobility.

Bulgarian demographers foresee that, as a result of the deteriorating demographic situation, the country, like other European countries, should after 2012 be in the position of needing to import a labour force.

### Social consequences

The social consequences ought to be considered from different perspectives. The lack of information, however, limits a study of migration processes by gender. No doubt as a positive consequence of migration we can regard a development of professional skills abroad and the realisation of a successful career. Emigration corresponds to modern phenomena in the world – more contacts with other people and cultures, more information, better professional realisation, etc. Such people are confronting closely the problems of international integration, social cohesion and a modern life style. It is very important also that they have the opportunity to expand their outlook and knowledge of other countries and other cultures and participate in the modern processes of...
dynamic co-operation between people all over the world, the creation of a foreign lobby for Bulgaria, etc.

In a narrower sense, social consequences by gender are reflected in family relationships.

For parents

Living separate for a long time, each of the two partners in a family changes, building in themselves a stronger feeling of self-dependence which could create problems when they start living together again. This factor is expressed in different ways for the partner who has left the country and the one who has stayed at home. Often, these partners confront the different expectations, and even moral values, concerning the family mainstay and the bringing up of children. As a result, one could expect disorder or even the upset of the family and the inter-generation equilibrium. There are, of course, happy exceptions.

Impact on children

In many cases, migrant parents leave their children to stay with relatives in the domestic country. The consequences of this could lie in two directions:

- positive: children have a better material status and they have a good example of active parents taking risks and facing challenges for the purpose of the prosperity of their family and children. These parents could take their children abroad to teach them and/or so that they can meet other realities or, just as easily, spend money on their education abroad
- negative: in the very important period of growing up, the children are far away from their parents.

Concluding remarks

In terms of information on migration

1. Up to now, empirical data on migration from Bulgaria is gathered from several sources – population census, population registers, administrative sources, border statistics and sociological surveys. However, there are still serious lapses in the gathering of information on external migration, in particular on labour migration. Taking account of the very dynamic pattern of emigration from Bulgaria in the last fifteen years, and its significant consequences for social and economic life in the country, the administration has to provide, based on the monitoring of migration flows – by age, sex, education, period of living abroad, purpose of visit, how remittances are spent, etc. – information on consumption and investment, including in small businesses, for example. At present, the expectations are connected with the setting up of a modern network between the Ministry of the Interior (passport control, border police), the National Statistical Institute, the Customs Agency of the Ministry of Finance, the Agency for Bulgarians Abroad and other internal institutions.

The necessity of the provision of information on international migration and migration policy comes from the situation that external migration is not a temporary
phenomenon: it will develop in the future depending on factors and preconditions which are both external and internal for Bulgaria and it will continue, having its impact above all on the demographic situation in the country.

2. In view of EU enlargement and the specificity of migration for the continent, cooperation with Eurostat should be developed, in particular concerning the creation of so-called ‘mirror statistics’ between the countries involved in migration.

*In terms of migration policy*

1. There is evidence that Bulgaria is likely to experience a significant outflow of skilled labour when current EU members open their labour markets, unless an economic catching up with current EU members occurs more quickly than expected. Concerning migration trends by group, younger and better educated individuals are more likely to move. Very well-paid workers are less likely to emigrate and, in contrast, the youngest and most educated emigrants are the least likely to return.

2. The reasons for migration from Bulgaria give a hint to the ways in which it may be limited. There are two basic reasons: the crisis wrought by the transition to a market economy; and the lack of an adequate national policy towards Bulgarians abroad. Above all, Bulgaria needs to achieve further significant economic progress. This will contribute to a decrease in migration, in particular in labour migration (i.e. the biggest share of migrants).

3. Labour market participation of migrants from Bulgaria is connected primarily with their educational level and professional skills; the higher the level of skill, the more likely its professional realisation.

4. In the modern international reality, migration should be directed towards combining both public and individual interests, as expressed in the Institute of Migration slogan ‘Managing migration for the benefit of all’. It has to contribute to a better development of integration processes in Europe and should, at the same time, support the regional interests of south-east European countries and, in particular, Bulgaria.

*References*


Rangelova, R (2004a) ‘Should Europe Worry about the Brain Drain to the USA?’ *Economics* No. 1, pp. 67-71 (in Bulgarian).


Migrations of the labour force from Serbia

Introduction

Migratory movements of the Serbian population have been caused by various historical, demographic, economic, political and social factors. Frequent wars, ethnic conflicts and economic under-development have very frequently resulted in massive migrations to other countries. The migration process itself passed through several phases, each with specific dynamics. The first movement of emigrants from the territory of ex-Yugoslavia was directed towards certain overseas countries, such as the United States of America and Australia. During that period, the number of migrants within Europe was of smaller significance. After the Second World War, the labour force surplus found jobs in foreign countries. Political crisis, ethnic conflicts and disintegration of the country during the 1990s resulted in forced migrations within the former Yugoslav republics, as well as in a new wave of external migrations.

The migration problem in Serbia has not been analysed in depth and, therefore, some important limitations exist to a comprehensive insight into the current situation and into the perspectives regarding future trends in the movement of the labour force. The lack of adequate statistical resources imposes a need to use the incomplete resources of national services, immigration countries and the international organisations. Some difficulties also arise in the effort to classify Yugoslav migrants per republic due to the existence of unique records in the past. Therefore, any analysis must necessarily refer to partial studies and estimates which have many gaps.

Migration background

From the mid-1960s, when economic migration from the territory of ex-Yugoslavia began, the phenomenon of international migration has experienced significant changes. Furthermore, some issues previously considered as different – for example permanent versus temporary migration, economic versus humanitarian, voluntary versus forced, etc. – are nowadays considered a single phenomenon with various aspects.

Economic migrations have some joint features, whereas the characteristics between migrants exist in terms of their ethnic origin, education level, geographic background, age, gender and host country. Regarding character, they can be permanent or temporary, legal or hidden, planned or spontaneous, organised or unorganised, etc. The following three basic types of migration are typical of the Serbian area: regular migrations; irregular migrations; and migrations of refugees. Emigration has been particularly enhanced following the crisis of the 1990s, as well as the problems of the forced settlement of people within the former Yugoslav republics, i.e. their movement to ‘third countries’.

The major form of external migration in Serbia is motivated by the search for work. Vladimir Grečić, a noted commentator on the issue, writes:

In the period from 1965 to the end of 1992, on the basis of bilateral agreements and other documents, by means of the mediation of the competent federal and republic organisations,
232 267 FRY citizens were employed, mainly in Germany, Austria, Switzerland and France. Employment abroad culminated in 1970 when 47 018 people from Serbia and Montenegro went to work abroad. In the above-mentioned period, according to the estimates of the Federal Office of Employment Affairs, about 85 000 citizens found jobs without the mediation of the competent services, out of which about 70 000 unskilled and semi-skilled workers found seasonal jobs and about 15 000 people had high qualifications. This was performed with the direct engagement of employers and with the application of the national laws of the host countries. The working and residential status of our migrants was sometimes irregular and our competent organisations had no possibility of getting an insight into the number of workers, their qualification structure and destination countries (Grečić et al., 1998: 59).

Mass movements for the purpose of ‘temporary employment abroad’ from the area of former Yugoslavia had started in the early 1960s. In the search for employment, a number of workers went to western European countries, while the number of migrants leaving for overseas countries decreased. Migrants from Yugoslavia took an increasingly important role in the European economy which needed additional labour. According to data from the competent services, there were around 40 000 Yugoslav citizens in European countries during the 1950s, but that number significantly increased from the middle of the following decade.

The qualification structure of migrants corresponded with the demand for certain profiles of workers, with these being predominantly unskilled and skilled workers: people with secondary, two-year post-secondary and university qualifications were able to find work in Yugoslavia and they were not permitted to work abroad as easily. Pursuant to their level of qualifications, Yugoslav workers performed the most harsh and low-paid activities and, therefore, a significant number of them opted to return to the country and start their own business with the money earned. At that time, there was a campaign to help returnees, including the conclusion of inter-republic contracts of employment and, after 1974, the establishment of annual plans for employment abroad.

At that time, the precise number of migrants from Serbia could not be easily determined: many migrants (both employed and unemployed) went abroad with the help of their friends or at the request of employers, so that the real figures were higher than official statistical data. The following decade, however, was characterised by a decrease in people ‘temporarily employed abroad’.

Negative impacts of the transition crisis

The aggravation of the economic condition in the country, political conflicts, a civil war and the sanctions imposed by the Security Council of the UN are the main characteristics of the Yugoslav area in the last decade of the twentieth century. Ethnic conflicts and war led to the forced movement of people within the ex-Yugoslav republics and foreign countries. The negative effects of the crisis both influenced the dimensioning of the migrations and changed their character and content.

The armed conflicts and war in ex-Yugoslavia enhanced the homogenisation of the inhabitants in terms of their national affiliation – which resulted in massive movements of refugees. The number of refugees on the territory of Serbia and Montenegro rose with the growing intensity of the war. Even though a number of refugees have returned
to their homes, the number of displaced people still remains high. It has been estimated that there were more than 2.5m refugees and displaced people in Yugoslavia during this period: large numbers of them were on the territory of FRY (about 700 000) and Croatia (about 400 000), but high populations were also found in Austria (about 200 000), Germany (250 000), France (100 000), Sweden (about 80 000), the Netherlands (about 50 000), Switzerland (50 000), etc. These numbers are even greater if one takes account of political refugees and asylum seekers.

In previous decades, refugees and the domicile population migrated to European and overseas countries, but a real number of migrants is difficult to establish. Estimates which take into account statistical data from immigration countries show that the scope of migration from FRY during the 1990s was about 400 000 people. The greatest number of migrants went to Germany (34%), Switzerland (12%) and Italy (6%). Other European countries accepted about 21% of our migrants while other migrants went to Canada (7%), the USA (6%) and Australia (5%).

### Table 1 – The structure of asylum seekers in Germany (1995-2002)

<table>
<thead>
<tr>
<th>Year</th>
<th>FRY</th>
<th>Albanians</th>
<th>Roma</th>
<th>Serbians</th>
</tr>
</thead>
<tbody>
<tr>
<td>1995</td>
<td>26 217</td>
<td>21 980</td>
<td>6 983</td>
<td>340</td>
</tr>
<tr>
<td>1996</td>
<td>18 085</td>
<td>15 706</td>
<td>4 617</td>
<td>390</td>
</tr>
<tr>
<td>1997</td>
<td>14 789</td>
<td>12 538</td>
<td>2 703</td>
<td>276</td>
</tr>
<tr>
<td>1998</td>
<td>34 979</td>
<td>30 794</td>
<td>84.8</td>
<td>1.1</td>
</tr>
<tr>
<td>1999</td>
<td>31 451</td>
<td>20 790</td>
<td>66.1</td>
<td>34.1</td>
</tr>
<tr>
<td>2000</td>
<td>11 121</td>
<td>3 792</td>
<td>34.1</td>
<td>40.2</td>
</tr>
<tr>
<td>2001</td>
<td>7 758</td>
<td>3 122</td>
<td>42.5</td>
<td>30.0</td>
</tr>
<tr>
<td>2002</td>
<td>6 679</td>
<td>2 835</td>
<td>2 003</td>
<td>250</td>
</tr>
</tbody>
</table>

Note: the drawing of differences between Yugoslav asylum seekers started in 1999.
Source: Bundesamt für die Anerkennung ausländischer Flüchtlinge.

The lack of possibility for regular employment abroad increased the number of asylum seekers, who tried to resolve the problem of their refugee or other status in such a way. This wave of migration was primarily directed towards Germany, Sweden and Switzerland. According to some estimates, there have been more than 200 000 asylum seekers originally from ex-Yugoslavia in the various European countries since the beginning of 1993 – a number which was on the increase. There are no precise data about asylum seekers from Serbia, but the states with the greatest number of asylum seekers can be identified:

In Sweden, there are 40 000 asylum seekers from FR Yugoslavia, mostly Albanians from the territory of Kosovo and Metohija. During the first six months of 1994, 17 194 asylum seekers came to Germany from Serbia and Montenegro; again, mostly Albanians from the territory of Kosovo and Metohija. There are about 15 000 asylum seekers in France and also about 15 000 in Switzerland. All these countries, and especially Germany and Sweden, make measures for
the return of most asylum seekers to their home countries with the explanation that they are actually economic migrants (Grečić et al., 1998: 70).

In comparison with the situation during the two preceding decades, the number of people from Serbia (and Montenegro) migrating to overseas countries has visibly increased. The structure of migrants has also seen some substantial changes. During the 1990s, there were about 80 000 Yugoslav migrants in the USA (25 000 of them from FR Yugoslavia), 78 000 in Canada (28 400 of them from Serbia and Montenegro) and 48 500 in Australia (20 500 of them from FR Yugoslavia). The enactment of stricter norms regulating the employment of foreigners in European countries directed people overseas instead. So, immigration quotas were expanded during the 1990s, especially for scientific-research personnel and people with university degrees, together with their family members. Also, people aged 21 to 44 with fluency in a foreign language were in a more favourable condition than other categories. In 1993, Canada issued 7 000 emigration visas for citizens of FRY, Australia 3 000 and the USA 1 100, which is twice the number in comparison with previous years. Citizens migrated mainly through foreign embassies without the possibility of any control or influence by the competent Serbian services, which may be interpreted in terms of the sanctions of the Security Council of the UN towards FR Yugoslavia.

Highly-skilled migration

A special form of the migration of the labour force from Serbia is the so-called ‘brain drain’, which was intensified by the political and economic crises during the 1990s. This represents a new trend in comparison with the situation in the early migration years, characterised as it was by the movement abroad of a largely unskilled labour force. Existing empirical research studies show that the sanctions of the international community at this time accelerated the process of movement to European and overseas countries: decreased possibilities for business trips and contacts abroad induced a highly-skilled emigration due to the lack of a perspective on employment and promotion.

Research so far points out that the migration of experts is a disturbing trend, because of the increased number of young and talented people looking for a future abroad. Emigration intentions are extremely strong in young researchers and students in the final years of their studies. According to the statistical data available in immigration countries, before the outset of ethnic conflicts and civil war, approximately 250 highly skilled experts migrated from the territory of FR Yugoslavia to overseas countries per year (OECD Observer, 1994). During 1993, the United States of America accepted 422 experts from ex-Yugoslavia and Canada even more. Namely, in 1993, Canada issued about 7 000 emigration visas, with almost one-quarter of that number relating to the highly-skilled. The USA Census from 1990 showed that 154 267 of their inhabitants were born in ex-Yugoslavia. About 12% of that number had university degrees. (Grečić et al, 1996: 33).
According to estimates, during the last three decades about 40 000 highly-skilled and expert people have left Serbia (and Montenegro). Research studies\(^1\) show that, in the period from 1979 to 1994, 1 256 researchers from scientific institutes alone went abroad and that the real figures are higher (about 10% of employees in all scientific research institutions). The structure of migrants show that they are researchers with the highest levels of education: 329 of them had PhD diplomas, while 261 had masters degrees and 666 of them had graduated from various faculties. Their educational profiles differ, but most commonly they were educated in the fields of electrical engineering, physics, mathematics, chemistry and medicine. The ‘brain drain’ varies in its intensity; however, the greater number of highly-skilled people from Serbia went abroad in the period from 1990 to 1994, from the Institute of Nuclear Sciences ‘Vinca’ and the Institute ‘Mihajlo Pupin’; then from the Medical, Mechanical, Technical-Technical and other faculties of the University of Belgrade.

Table 2 – ‘Brain drain’, 1979-1994

<table>
<thead>
<tr>
<th>State</th>
<th>Participation in migration as whole</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>34.6%</td>
</tr>
<tr>
<td>Canada</td>
<td>28.1%</td>
</tr>
<tr>
<td>Australia</td>
<td>9.2%</td>
</tr>
<tr>
<td>Great Britain</td>
<td>8.2%</td>
</tr>
<tr>
<td>Germany</td>
<td>6.1%</td>
</tr>
<tr>
<td>Switzerland</td>
<td>4.0%</td>
</tr>
<tr>
<td>Italy</td>
<td>3.1%</td>
</tr>
<tr>
<td>Netherlands</td>
<td>2.4%</td>
</tr>
</tbody>
</table>

Source: Highly skilled and scientist migration from Yugoslavia (Grečić et al, 1996: 35).

In comparison with previous migratory trends, some changes can be easily observed. The greatest number of researchers went to the USA (316 in total, 99 of them with PhD degrees), Canada (258 – 55 with PhD degrees) and Australia. European countries were destinations for those with work permits, as were those overseas countries which issued emigrant visas. From the perspective of qualification structure, medical doctors and medical staff in general were most commonly employed in European countries.

More than 50% of migrants were below 40, and three-quarters of them were below 45. In such a way, Serbia lost top quality staff in their most active working and life periods.

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\(^1\) These are studies for the Ministry of Science and Technology and the Institute of International Policy and the Economy in 1993, 1994 and 1995 on the number, professional structure, level of scientific title, age and other characteristics of personnel who had gone abroad.
Research from 1995\(^2\) shows that migrations are influenced mostly by the factors of self-improvement and policies attracting scientists and highly-skilled personnel. According to this research, 24.8\% of the pool stated that the main cause for their movement abroad was ‘low level of living standards’, 18.7\% ‘future uncertainty’ and 6.2\% ‘housing problems’. The following answers were also noted: ‘material-technical conditions unfavourable to scientific work’ (5.5\%); ‘economic instability’ (5.5\%); ‘insufficient possibilities for the affirmation of scientific work’ (2.1\%); ‘lack of scientific information’ (2.1\%); ‘war in Yugoslavia’ (1.8\%); ‘political instability’ (1.4\%); ‘lack of possibilities for the realisation of own ideas’ (1.4\%); ‘obstinacy of the bureaucracy’ (1.6\%); and ‘other reason’ (8.3\%). Regarding the attracting factors, the most important were as follows: ‘high salaries’ (21.2\%); ‘material-technical conditions favourable to scientific work’ (15.2\%); and also ‘high standards in scientific research’ (7.2\%); ‘better living conditions in general’ (6.6\%); ‘widely available scientific information’ (4.7\%); ‘better status of researchers in society’ (3.7\%); ‘stability in the country to which I am attracted’ (2.1\%)’ and ‘other reason’ (8\%).

The greatest number of respondents would go to Canada (18.5\%) and the USA (10.7\%) but a significant number would opt for ‘any foreign country.’ Speaking of overseas countries, an important place for Yugoslav highly-skilled migrants is also New Zealand, being a desirable destination for 7.4\% of respondents, and Australia (4.5\%). Due to the development of its knowledge-based economy, Canada attracted the greatest number of migrants from FR Yugoslavia and, in particular, those with high qualifications. According to USA classification, the registered inflow (of people with regular immigrant visas) was 2 200 active people with expert and technical specialities. During 2001, 6 240 people from Serbia and Montenegro went to the USA, of whom 110 were experts from the category of scientists and engineers. The greatest number of citizens went to America on the basis of family reunion or in some other ways, while only 61 had immigrant visas within the category of ‘employment preferences’, i.e. on the basis of engagement in employment.

Table 3 – Immigration to Australia, 1995-2000

<table>
<thead>
<tr>
<th>July-June fiscal years</th>
<th>Family migration</th>
<th>Expert migration</th>
<th>Special category</th>
<th>Humanitarian migration</th>
<th>Out of programme migration</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>1995-96</td>
<td>569</td>
<td>84</td>
<td>5</td>
<td>2 346</td>
<td>45</td>
<td>3 049</td>
</tr>
<tr>
<td>1996-97</td>
<td>432</td>
<td>53</td>
<td>3</td>
<td>1 571</td>
<td>38</td>
<td>2 097</td>
</tr>
<tr>
<td>1997-98</td>
<td>273</td>
<td>83</td>
<td>–</td>
<td>1 124</td>
<td>70</td>
<td>1 550</td>
</tr>
<tr>
<td>1998-99</td>
<td>333</td>
<td>151</td>
<td>10</td>
<td>2 286</td>
<td>132</td>
<td>2 912</td>
</tr>
<tr>
<td>1999-2000</td>
<td>282</td>
<td>134</td>
<td>1</td>
<td>1 681</td>
<td>258</td>
<td>2 356</td>
</tr>
<tr>
<td>Total</td>
<td>1 889</td>
<td>505</td>
<td>19</td>
<td>9 008</td>
<td>543</td>
<td>11 964</td>
</tr>
</tbody>
</table>

Source: Department of Immigration and Multicultural and Indigenous Affairs.

The movement of experts (the ‘brain drain’) out of Serbia will have negative impacts on the demographic, economic and social development of the country, but this problem is not now seen as important and there are no discussions at the national level about it. Losses caused by the massive brain drain are not only in terms of schooling (estimated to be $100 000 per expert) but also in upbringing, nourishment, health insurance, etc. It is also of concern that many students in Serbia still see their place in foreign countries due to unresolved problems such as unemployment, low salaries, the impossibility of accessing advanced training, etc. This means that the brain drain will continue and that the factors influencing the return of these people should be investigated.

Usage of the intellectual diaspora

The century-lasting migrations of Serbians, together with their intensified emigration and increased movement during the last decade, has resulted in the creation of a huge ‘Serbia diaspora’ in the world. Nowadays, this diaspora includes various groups of migrants, such as political refugees, visiting workers, emigrants, those expelled from their homes and ethnic and racial minorities, as well as the overseas communities. Regarding its diaspora, Serbia is interested in the possibilities of the return of migrants and the help it could gain from its previous citizens, especially its university-educated people.

Researchers into international migrations (Shuval, 2000: 41) have pointed out the determinants which influence the probability of return and the issue of ‘the usage of the intellectual diaspora’ pursuant to the established strategy. Special attention is paid to the category of scientists and engineers, which represents an educational human resource, with people having a professional career and experience in highly-developed economies, in significantly better conditions than those in the country of origin, which can be used to support their country of origin. There are two types of ‘brain gain’: the return option; and the diaspora option (the latter means the mobilisation of the diaspora).
Table 4 – Serbian & Montenegrin diaspora at the beginning of the 21st century (000)

<table>
<thead>
<tr>
<th>A. Overseas countries</th>
<th>1 203</th>
<th>B. European countries (except neighbouring)</th>
<th>1 178</th>
<th>C. Neighbouring countries (old and new countries)</th>
<th>1 571</th>
</tr>
</thead>
<tbody>
<tr>
<td>USA</td>
<td>650</td>
<td>Germany</td>
<td>450</td>
<td>Bosnia and Herzegovina (Republika Srpska)</td>
<td>1 200</td>
</tr>
<tr>
<td>Canada</td>
<td>200</td>
<td>Austria</td>
<td>200</td>
<td>Croatia</td>
<td>180</td>
</tr>
<tr>
<td>Latin America</td>
<td>50</td>
<td>France</td>
<td>140</td>
<td>Macedonia</td>
<td>70</td>
</tr>
<tr>
<td>Australia</td>
<td>150</td>
<td>Switzerland</td>
<td>110</td>
<td>Romania</td>
<td>35</td>
</tr>
<tr>
<td>New Zealand</td>
<td>8</td>
<td>Benelux countries</td>
<td>35</td>
<td>Hungary</td>
<td>15</td>
</tr>
<tr>
<td>South Africa</td>
<td>25</td>
<td>Scandinavian countries</td>
<td>70</td>
<td>Albania</td>
<td>8</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>70</td>
<td>Greece</td>
<td>8</td>
<td></td>
<td></td>
</tr>
<tr>
<td>‘Third World’</td>
<td>50</td>
<td>Italy</td>
<td>25</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Russia</td>
<td>30</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Slovenia</td>
<td>60</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Other countries</td>
<td>50</td>
<td>Total</td>
<td>3 954</td>
</tr>
</tbody>
</table>

Author’s estimates based on main immigration statistics and census data (Grečić).

The ‘brain drain’ from Serbia towards the EU, the USA, Canada, Australia and other countries is caused partially by the determination of people to base their further development on knowledge-based economies. According to some estimates (Mahroum, 2001), changes in European legislation have been made in order to attract highly-skilled people. The European Commission considers the introduction of the ‘green card’ for migrants in the Union as an advantage in terms of ‘third world’ experts. The national legislation of certain countries regulates a special position for scientists, professors and some categories of leading experts, while the procedure for the family reunion of such groups is also facilitated.

Discussion about the consequences of the uncontrolled ‘brain drain’ from Serbia is not followed up with an appropriate strategy for migratory movements, return, contact maintenance and the usage of intellectual potential. The creation of national interests in the direction of establishing and improving co-operation with migrants in other countries is inhibited by the lack of state and scientific-research institutions dealing with this issue and, therefore, co-operation with and usage of the potential of the diaspora tends to be developed either spontaneously or else through personal contacts. From
the perspective of researchers, many problems have occurred as a result of the lack of adequate data sources in the period after the republics became competent for migration policies.

Most migrants experience a need to maintain contact with their country of origin and have dreams or the intention of returning. Reasons for return can be different although the most important can be listed as follows (Gerase, 1974):

- **failure** – migrants who were not able to find jobs both to survive and to send funds to their country of origin
- **conservatism** – migrants who realised they were not able to integrate in a different cultural milieu far away from their country and family
- **retirement** – many migrants, after they have saved enough money, want to live comfortably in their country of origin
- **innovation** – groups of experts interested in the development of their country of origin (Gerase, 1974).

Experience shows that the first three of these groups opt to return to Serbia. Highly-skilled experts, however, stay abroad longer and more frequently decide to stay there permanently and to change citizenship. In the following decades, one can expect important migratory movements towards countries with better conditions for career development, although experience in 2000 showed that experts of Serbian origin can be attracted to return to the country. It will be important for Serbia to use the connection with its diaspora and to create an intellectual network for the purpose of communication and to deploy the knowledge and experience achieved abroad.

A relationship with those previously migrated enables potential migrants to access many sources of data which can be used in order to decrease risks and migration costs: information (technical as well as legal) on procedures; financial help; perspectives on employment; administrative help; emotional solidarity; etc. Immigrants are a bridge for other immigrants in the geographic sense (receiving country) as well as in terms of employment area (conditions for employment), settlement area, etc. This type of migration channelling can sometimes be one of the forms of limitation for individuals outside the network. (Grečić)

**Future trends in external migrations**

Low economic rates, the privatisation process and economic restructuring with negative effects on the labour market (a high unemployment rate, labour surpluses, unfavourable conditions for employment), as well as relatively low salaries and limited conditions for professional advancement, will all have an intensive influence on the migration of the labour force towards foreign countries. It can be expected that the existing trend of emigration amongst young educated people shall continue in the future, but immigration trends on the whole will also depend on a series of external factors. Aggravated conditions for legal employment in the EU will contribute to the orientation

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3 Migration issues are not sufficiently researched in Serbia and, therefore, a small number of scientific papers deal with the consequences of the transition crisis and unemployment on the emigration of the labour force. The Ministry of Labour, Employment and Social Policy and the National Employment Service do not possess data on workers in foreign countries after 2000.
of migrants towards overseas countries, whereas the issue of political refugees and asylum seekers will remain unresolved.

In the period of war conflict and sanctions, the migration of workers from Serbia was almost completely halted. At the same time, a process of the intensified pressure of workers from central and eastern Europe began so that, according to some estimates, there were approximately 300 000 nationals of candidate countries legally employed in the EU, accounting for 0.2% of the EU labour force (roughly 6% of the total non-EU labour force of 5.3m). In Austria, which has the highest share of workers from candidate countries, they account for 1.2% of the labour force; in Germany, they account for 0.4%. Germany and Austria host 70% of workers from candidate countries who are in the EU but, even in these two, candidate country workers still account for only about 10% of all workers from outside the Union (Maas, 2002: 5-6).

Table 5 – Unemployment rates in Serbia (ILO definition, 2003)

<table>
<thead>
<tr>
<th>Age</th>
<th>Total</th>
<th>Females</th>
<th>Males</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>14.6</td>
<td>15.8</td>
<td>13.8</td>
</tr>
<tr>
<td>15-24</td>
<td>44.8</td>
<td>49.3</td>
<td>42.0</td>
</tr>
<tr>
<td>25-34</td>
<td>23.5</td>
<td>26.4</td>
<td>21.3</td>
</tr>
<tr>
<td>35-44</td>
<td>13.8</td>
<td>14.1</td>
<td>13.6</td>
</tr>
<tr>
<td>45-54</td>
<td>9.3</td>
<td>10.8</td>
<td>8.0</td>
</tr>
<tr>
<td>55-64</td>
<td>6.7</td>
<td>4.6</td>
<td>7.9</td>
</tr>
</tbody>
</table>


After the ‘democratic changes’ in Serbia in 2000, people thought that the severe economic situation would be enhanced relatively quickly and that there would be more favourable conditions for employment in the country. Yet, the re-establishing of connections in the field of scientific-technical co-operation also enabled the liberalisation of employment conditions for the highly-skilled and, furthermore, facilitated the procedure for obtaining visas. The negative consequences of the transition crisis in Serbia during the past several years has stimulated experts to look for employment abroad since the causes for their leaving have not been eliminated. Even though the negative consequences of the ‘brain drain’ are evident, the state has not implemented a strategy to stop the migration of highly-skilled people and to introduce measures for their return.

Partial studies show that the majority of students (70%) plan to leave the country. The most commonly-mentioned causes are the lack of possibilities for advanced training and financial problems (salary, flats, etc.). According to the results of research studies on students’ emigration intentions (Grečić et al, 1996), the most attractive destinations include Canada, the USA and Australia. The most important factors in migration are the following: the low standard of living (29.9%); uncertainty (19.4%); inability to realise their ideas (10%); and economic instability (5.8%). The factors which have the most attracting influence for students to go abroad (the so-called ‘pull factors’) are the following: the possibility of high salaries (22.7%); better conditions...
for scientific work (14.7%); and the high level of scientific research (14.1%). Those choosing to stay in Serbia like to work in their country, believe that the situation will get better and are afraid of the uncertainty they would encounter abroad. In terms of stopping the migration of young people, the students suggest the following measures: provide stimulating salaries (29.3%); to solve housing problems (14%); and to spend more on scientific research work (24.5%).

A particular part of the problem refers to inadequate migration policies and undefined strategic directions for the future. The transfer of competencies to the level of the republics requires the resolution of issues regarding the political, the normative (enacting new laws regulating employment abroad pursuant to the practices of immigration countries) and the organisational sphere. The Ministry of Labour, Employment and Social Policy and the Ministry of Foreign Affairs remain the key bodies in the field of the regulation of issues concerning external migration, but the activity of these services during the previous period has been inadequate. That part of those activities dealing with co-operation with the bodies of other countries and international organisations should be updated, especially in terms of the preparation, conclusion and implementation of international contracts in the field of employment, social insurance, etc.

The existing organisation of activities dealing with migration from Serbia is not rational and efficient, which creates practical problems on the occasion of needing to asserting one’s rights from abroad. The lack of a database represents a particular difficulty in the analysis of migration trends and their projections for the future. Scientific research projects which could be a basis for the creation of a migration policy, gaining insight into current trends, better regulating the organisational issues, estimating the losses, making provision of the conditions for return and creating options for the usage of the capacities of the diaspora have not been carried out in the last few years. Improvement of the institutional capacities and the creation of a database on the structure of the available labour force must be adapted to European standards and immigration policies because the most significant number of migrants will move towards the EU.

Conclusion

The contents and directions of labour force migration from Serbia are primarily motivated by economic factors. The negative trends present on the labour market, massive unemployment, low wages and uncertainty have forced a great deal of the population of working age to look for jobs in developed countries. At the same time, the economic progress of European countries, a favourable migration policy and the increased demand for an additional labour force have created the necessary conditions for the rapid employment of people. During the last few decades, some important changes have occurred in terms of existing migration trends, which became more dynamic, and also concerning changes in the qualification structure of migrant workers, the accelerated movement of experts and increased movement to overseas countries.
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Migration between Greece and Turkey: from the ‘Exchange of Populations’ to the non-recognition of borders

Migration between Greece and Turkey – in either direction – carries with it multiple connotations concerning national identity and allegiance, ethnicity and even the existence of agreed and defined national borders. Thus, there is relatively little migration, touristic or otherwise, between the two countries; indeed, the most pressing migration concern for both Greece and Turkey is that of clandestine migration and asylum-seekers. This concern is also shared by other EU countries, which see both Greece and Turkey as primary transit routes for illegal migration to northern Europe.

The stage is set with a brief description of the 1920s ‘Exchange of Populations’ between Greece and Turkey, and the contemporary legacy and its implications. Following this, I examine what is known about recent illegal migrations across the Greek-Turkish border, such as principal points of entry to Turkey and known points of entry into Greece. Specific issues such as the notorious minefields along the River Evros (Meric, in Turkish), and the poorly-functioning Greek-Turkish Readmission Agreement of 2001, are examined in the light of recent data, along with an evaluation of the recent Turkish claims of illegal migration from Greece into Turkey. Finally, I offer an overall picture of the situation, suggesting that interstate relations constitute a core component of the management of unauthorised migration flows. The strained nature of recent Greek-Turkish relations has negative implications not only for migration management, but also for the human rights of illegal migrants and asylum-seekers in the near east.

The Asia Minor atrocities and the ‘Exchange of Populations’

Toward the end of the Greek Army’s disastrous three-year Asia Minor campaign, the region’s Christian population fled as terrified refugees to various ports around the city of Smyrna in Asia Minor. The Turks entered Smyrna in September 1922 and eyewitness accounts testify to the violence and horrors which rapidly ensued – although not only from the Turkish side (Pentzopoulos, 1962: 46). Hundreds of thousands of refugees arrived at Greek ports, destitute, starving and desperate for assistance. Since the fighting had indirectly involved the Great Powers, an armistice was rapidly signed by the British (thus averting an Anglo-Turkish war) and there was a call for a peace conference at Lausanne. Such was the background to the Lausanne Conference and the Exchange of Population Conventions of 1923.

Throughout the Ottoman period, and despite the efforts of the ‘millet’ system to enforce different statuses according to religion (Roudometof, 1998), the population exhibited multiple and complex identities that ill-suited emerging nation-states such as Greece, Bulgaria and later Turkey. Language, for example, was not a defining feature: many Greeks in Asia Minor (known as Karamanli) actually spoke Turkish which they wrote in Greek script. Others spoke Greek but notated it in Arabic or Latin characters;
and many ethnic groups, such as Vlach, spoke Greek but refused to be called Greeks. Local identities, or class identities, tended to be as important as language or ethnic identity. Even religion, which clearly divided the population into Muslim and Christian, was less divisive than might be imagined. Religion in the Balkans was to some extent a pragmatic issue, riddled with superstition whilst trying to minimise risk and hardship – at the extreme, representing a form of insurance rather than devotion to the religion’s fundamental beliefs. There was also significant intermarriage between Christians and Muslims, multiple conversions between religions and adoption of various Islamic practices by the Christian population (Mazower, 2003: 70-71). Throughout the Ottoman period, there was:

A large number of ethnic groups… [with] intricacy, variability and fluidity of ethnic categorization and identification. (Vermeulen, 1984: 226)

Kemal, the leader of the new Turkish nation state, insisted that there was no place for Christian minorities in the republic – with the clear problem that Greece, already badly drained by wars, might collapse under the strain of accepting over one million refugees into a population of 4.5 million (Clark, 2006: 46). After difficult and dramatic negotiations, a final peace settlement was made with Turkey on 24 July 1923. A component part of the Treaty had already been signed in January and this document was the Exchange of Greek and Turkish Populations which was the first time in history that a compulsory transfer of a large number of people was officially adopted as a means of solving a minority problem. International response to it was mixed, with many commentators viewing the procedure as barbaric and a dangerous precedent, whilst others saw it as a realistic policy and subsequently advocated similar ideas in the years preceding World War II (Pentzopoulos, 1962: 53).

According to the Treaty, all Turkish nationals of the Greek Orthodox religion established on Turkish territory (other than Constantinople) and all Greek nationals of Muslim religion established on Greek territory (other than the newly-acquired region of Western Thrace) were to be forcibly exchanged. Thus, the distinguishing criterion chosen for compulsory resettlement was exclusively that of religion: the result was that a minimum of 1.3 million Greeks were expelled from Turkey and some 500 000 Muslims were sent to Turkey. All were dispossessed of their property – which, in the case of many of the bourgeois Greek refugees, was substantial – and this loss of property was subsequently confirmed by the Ankara Treaty of 1930. The Lausanne negotiations had left some 150-200 000 ‘Greeks’ in Constantinople and a similar number of Muslims in Western Thrace; the Treaty stipulates the legal obligations and other conditions imposed on the country hosting each minority. These conditions still pertain.

After Lausanne…

The Muslims left in Western Thrace were not of one clear ethnic group, but were cast in the Treaty as the official Minority of Greece; in reality, it consists of at least three groups. These are Anatolian Turkish-speaking migrants who settled in the region in the Ottoman period; various native populations, such as Pomaks, who converted to Islam in the 16-17th centuries and are slavophone; and Roma, some of whom are Rom-
speaking (Dragona, 2004: 170). The Lausanne Treaty effectively froze in time the socio-religious structures of 1923, so the Muslims of Western Thrace (unlike those in Turkey) have mufti who, alongside their religious role, also have civil and judicial functions. Furthermore, the mufti are not elected but are appointed directly by the Greek state – a system opposed by the residents who frequently elect their own unrecognised mufti. Over the twentieth century, the economic situation of the Minority has remained dire whilst Greeks in the region have prospered. Numerous repressive measures adopted by the Greek authorities, including the notorious removal of their Greek citizenship from those who dared to travel to Turkey, have inclined even the non-Turkish speaking component of the Minority into public identification as Turkish. Throughout the Ottoman period, Christians had informally referred to non-Arab Muslims (e.g. Kurds, Turks, Albanians) as ‘Turks’ (Quataert, 2000: 173); despite this long tradition, such identification is prohibited under Greek law and they can only identify themselves as Muslims.

By the late twentieth century, the number of Greek Muslims was unknown owing to state connivance in data collection, such as not asking the appropriate questions in censuses. Academic estimates for Thrace range from 115 000 to 130 000, of which at least 48% are Turkish-speaking (Dragona, 2004: 170-1). There is also a sizeable number of the official Minority who had left Thrace, because of the poor economic conditions there, and relocated in the Greater Athens area: again, there are no data. Unlike their kin in Thrace, these Muslims are not protected by the Lausanne Convention and have no rights concerning religious freedoms, such as access to mosques or the correct funeral rites. Currently, there are no mosques permitted outside of Thrace and no possibility of other than Orthodox funeral rites: even Christian requests for cremation are denied.

If the situation of the Minority in Greece seems bad, it has been arguably worse for Greeks in Turkey. The number of remaining Greeks in Istanbul, who were at a minimum of 150 000 in 1923, is indicative by itself: despite the presence of the globally-important Orthodox Patriarchate, there are now fewer than 2 000 mostly elderly people constituting the Greek Orthodox minority there. A mass exodus of the population occurred twice: in 1955, over tensions in Cyprus when Turkish mobs ran amok in Istanbul’s Greek neighbourhoods; and, again over Cyprus, in 1964 when Turkey expelled several thousands of resident Greek nationals (Clark, 2006: 88). Throughout the twentieth century there have been continuous disputes between the Patriarchate and the Turkish state, too numerous to discuss here, but which reflect an essentially repressive environment for the Christian minority.

Both countries’ treatments of each other’s minorities over the twentieth century have clearly been less than required by contemporary international standards, although both Greece and Turkey insist that they have followed the Lausanne Treaty to the letter. However, the very limited migration between the two countries indicates the persistence of religious-ethnic divisions – most of which were actually manufactured by leading Greek and Turkish politicians prior to, and during, the Lausanne negotiations. By 2006, there were some 1 000 Turkish nationals with valid residence permits living in Greece, although nearly 8 000 (presumably Kurdish asylum-seekers with various statuses) declared themselves as Turkish in the 2001 Census. Schengen visas granted
by Greece for temporary visits of Turkish nationals are also few – some 44 000 in 2003. These are very small numbers for a country the size of Turkey adjoining a relatively prosperous EU country.

Illegal transit migration through Turkey into Greece

Detected irregular migration through Turkey, according to Turkish official data, peaked in 2000 and apparently has been in decline since. Turkey, and Istanbul in particular, is a focal point for illegal migration from the middle east; entry points are mainly on the Iranian and Iraqi borders, such as Van province (Icduygu and Toktas, 2002: 33). Transit migrants tend to be from the middle east (Iran and Iraq) and Asia (Pakistan, Bangladesh, Sri Lanka) and Africa (Nigeria, Somalia, Republic of Congo) (Icduygu, 2004a: 8). Table 1 shows the principal source countries of transit migrants for the period 2000-05.

Table 1 – Apprehended transit migrants in Turkey, 2000-05, top five source countries

<table>
<thead>
<tr>
<th>Country of origin</th>
<th>2000</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Iraq</td>
<td>17 280</td>
<td>18 846</td>
<td>20 926</td>
<td>3 757</td>
<td>6 393</td>
<td>3 591</td>
<td>70 793</td>
</tr>
<tr>
<td>Pakistan</td>
<td>5 027</td>
<td>4 829</td>
<td>4 813</td>
<td>6 258</td>
<td>9 396</td>
<td>11 001</td>
<td>41 324</td>
</tr>
<tr>
<td>Afghanistan</td>
<td>8 746</td>
<td>9 701</td>
<td>4 246</td>
<td>2 178</td>
<td>3 442</td>
<td>2 363</td>
<td>30 676</td>
</tr>
<tr>
<td>Iran</td>
<td>6 825</td>
<td>3 514</td>
<td>2 508</td>
<td>1 620</td>
<td>1 265</td>
<td>1 141</td>
<td>16 873</td>
</tr>
<tr>
<td>Bangladesh</td>
<td>3 228</td>
<td>1 497</td>
<td>1 810</td>
<td>1 722</td>
<td>3 271</td>
<td>1 524</td>
<td>13 052</td>
</tr>
<tr>
<td>Others</td>
<td>53 408</td>
<td>53 978</td>
<td>48 522</td>
<td>40 684</td>
<td>27 380</td>
<td>24 221</td>
<td>248 193</td>
</tr>
<tr>
<td>Total</td>
<td>94 514</td>
<td>92 365</td>
<td>82 825</td>
<td>56 219</td>
<td>51 147</td>
<td>43 841</td>
<td>420 911</td>
</tr>
</tbody>
</table>

Source: Icduygu, 2006: Table 4.

The departure points from Turkey are mostly in the west – either in the coastal areas, such as the provinces of Istanbul and Izmir, or close to the border with Greece, such as Edirne province (Icduygu and Toktas, 2002: 32). More recently, there is informal evidence of illegal migration into Bulgaria and then on to Greece (Yaghmaian, 2005). The proportion of migrants taking each route varies according to the effectiveness of border controls at the time: for example, as patrols around the Greek islands increased, more illegal migrants attempted to cross into Greece through the land border of River Evros. Table 2 gives some recent unpublished data on apprehensions by the Greek authorities.
It can be seen from the Table that border apprehensions by the Greek authorities have been increasing markedly as regards the land border with Turkey, from 7 000 in 2004 to 17 000 in 2006. Apprehensions by the coastguard have remained at a constant level over the last few years, although the above data for the Greek-Turkish coastal area are inconsistent with smaller numbers for all of Greece obtained from the Ministry of Merchant Marine.

The land border with Turkey was defended with landmines in 1974, after the Turkish invasion of Cyprus. Following 2004, Greece has been a State Party to the Mine Ban Treaty, and information has recently been made available. Out of a total of just over 1.5 million land mines of various types, 24 751 anti-personnel mines were recorded on the River Evros minefield bordering Turkey; by April 2006, 10 002 of these had been cleared in accordance with Greece’s treaty obligations (Landmine Monitor Report, 2006). Additionally, measures were taken in 2005 and 2006 to reinforce existing double-fenced perimeters with barbed wire, in order to prevent illegal immigrants from cutting through. Over the period 2001-5, Landmine Monitor reported 67 casualties, of which 47 were killed and 20 injured; most of these were migrants. The Ministry of Defence estimates that, between 1987 and 2004, 66 people were killed and 149 injured on the Evros minefields (Landmine Monitor Report, 2006). A record of injuries from the River Evros is maintained by the University Hospital of Alexandroupolis which, over the period 1991-2003, treated 169 cases out of which fifteen were dead on arrival, four died after arrival and 48 were severely injured (Anagnostoulis et al., 2006). Presumably, the total number of deaths over this period is the sum of the two sources, i.e. 66+19=85; moreover, the increased annual rate of deaths since 2000, as recorded by Landmine Monitor, is probably related to increased illegal migrant crossings of the border.

Distinguishing asylum-seekers from illegal migrants

There is no lawful way for asylum-seekers to arrive in Greece, and also no practical way to arrive as migrant workers, so all asylum-seekers arrive in Greece in the same way as do illegal migrants. Roughly half of asylum-seekers in Greece over the last decade are nationals of Iraq, Turkey and Iran – of which the majority are Kurds who...
arrived in three waves after 1990 (Papadopoulou, 2004: 170). Apart from those who are detained at the border, there are presumably also large numbers who escape detection. However, many do not apply for asylum in Greece for several reasons. After 2001, the recognition rate – even for clearly vulnerable nationalities – has been the lowest in the EU, e.g. 0.3% for 2002 (Papadopoulou, 2003). Secondly, the reception conditions and general treatment of refugees are amongst the worst in Europe so there is little point in struggling to achieve the status. Thirdly, by registering with the Greek authorities asylum-seekers deprive themselves of the right to apply in another EU country: thus, their intention is frequently to ‘move on’ to a more hospitable environment (Papadopoulou, 2003: 350-2). Others, most notably Kurds, feel at home in the Greek culture and economy owing to similarities with their own experiences: they are more likely to stay and try to integrate into Greek society. Recent research has noted the supportive role for Turkish and other middle eastern asylum seekers accorded by Greek society, particularly in those areas populated by the descendants of the 1923 Population Exchange (Papadopoulou, 2004: 178). Overall, however, it is extremely difficult to distinguish between genuine asylum cases and economic migrants, owing to the massive overlap between these categories. Furthermore, the number of recognised refugees remains unknown but is thought to be diminishing, rather than increasing, as so few new awards are made and previously recognised refugees either leave Greece or become illegal immigrants. Similar problems are found in Turkey with respect to asylum policy (Baldwin-Edwards, 2005).

Greek-Turkish rapprochement

In late 1999, what has been termed ‘earthquake diplomacy’ took hold of Greece and Turkey (Morris, 2005: 117). For the first time since 1923, Greeks and Turks found their common roots in 400 years of shared destiny, ultimately leading to Greek support for Turkey’s application to join the EU. At the same time, regional initiatives were being developed by SECI and the Stability Pact for combating trans-border crime: thus it was that, in 2000, Greece and Turkey came to sign an Agreement on Combating Crime, Especially Terrorism, Organised Crime, Illicit Drug Trafficking and Illegal Immigration (Icduygu, 2004b: 308). In 2001, the Foreign Ministers of Greece and Turkey signed a Protocol on detailed co-operation procedures between the Ministry of Public Order, in Greece, and the Interior Ministry, in Turkey, for the readmission of citizens of either country or of a third country who had entered either country unlawfully.

The readmission agreement was slow to start, although Greece was keen to control the eastern border more effectively. By 2006, it had become clear that there were considerable delays and problems, even though Turkey was accepting some readmissions. According to the Greek authorities, between April 2002 and November 2006, they had submitted 1 892 cases (covering 23 689 people), out of which Turkey accepted to take back 2 841 people although in reality it took only 1 463. Table 3 shows data for the last three years.
Amongst the problems mentioned by the Greek state are complaints that the Turkish side has not been implementing certain specific articles of the Protocol. In particular, Article 12, designating six border posts for readmission, is not being applied as all transfers have to be made at Evros; this involves significant transport and other costs for the Greek side. Greece also complains that the compensation of €75 per immigrant is, on occasion, increased to €400 or even €1 000, without basis in the Protocol. An additional issue, which is counter-intuitive, is that Turkey claims readmission to Greece of some 8 000 illegal migrants who crossed into Turkey from Greece over the period 2002-2006.

Given the serious lack of real information and independent analysis, it is difficult to comment upon any of these issues. Certainly, the complexity of illegal border-crossing in the region, along with the rapidly-changing strategies of the traffickers, makes it possible that migrants are crossing into Turkey from Greece. The most likely scenario would be that they had originally transited through Turkey and Bulgaria, and had mistakenly re-crossed the River Evros. However, the numbers are rather high for such a geographical error to be made repeatedly. A more powerful explanation can be found in various reports, some of which have been substantiated by UNHCR, that both Greek and Turkish border police routinely expel migrants across the River Evros (Yaghmaian, 2005). In one case, the Turkish authorities forced 200 Africans to sign a document in Turkish, saying that they had entered Turkey through Greece (BBC News, 24 July 2001). More recently, there have been press reports of immigrants drowning in the river after being denied access to both Greek and Turkish territory.

The primacy of inter-state relations in migration management

Subsequent to the rejection of the Annan Plan for Cyprus, and the extreme difficulties for Turkey in accommodating Cypriot demands for border and port recognition, Greek-Turkish relations have soured. The rapprochement which seemed to herald a new era has been, at least temporarily, scuppered; again, over Cyprus, as it has been throughout the post-WW II period. There are also disputes with Greece over territory and the Aegean borders which, apparently, is one cause of the problem with border posts in the Readmission Protocol. Yet, the Protocol was agreed and signed only in 2001.

The logical conclusion is that state relations are paramount, not only for the management of the common borders but also for the protection of ethnic minority groups on each other’s territory. The damage to the human rights of illegal migrants may seem
a minimal cost to both Greece and Turkey, but there is also damage to the reputation of both countries. The inability of an EU member state to guarantee appropriate behaviour from its border guard is a serious deficit and one which is increasingly being noted in European and international circles. Similarly, the failure of Turkey to respect fundamental rights (or, for that matter, the provisions of the Readmission Protocol) is hardly a positive contribution to its EU membership bid.

In spite of the positive changes which began in 1999, there is still a sense that both Greece and Turkey are stuck in some strange time-warp, located in 1923, which hardly serves any purpose. On the basis of nationalist ideology, which was needed a century ago for the formation of new nation states but which is now dysfunctional, Greece and Turkey are failing to co-operate and, ultimately, failing to act in their own interests.

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The impact of the migration of health care workers on the countries involved: the Romanian situation

Abstract
This article examines the east-west migration of health care workers in the context of EU integration. Taking as its starting point three research studies carried out by the author into attitudes towards migration and the quality of professional life of Romanian health care workers, the article pinpoints some of the major policy issues implicit in the migration debate, including the need of western states for labour to support their own health care systems and their ability to attract it in the context of a free market from states whose health care systems are less able to support the loss of personnel in this way. The article develops a formal theoretical model of the ‘push’ and ‘pull’ factors implicit in migration decisions and, in the context of an examination of the causes of migration, focuses on the factors which facilitate and discourage such decisions. It concludes with a study of the effects of migration, focusing largely on the health care systems of departing countries but also encompassing the impact in destination ones.

Keywords: Romania, health care systems, health care personnel, east-west migration policies, free movement of labour, EU integration and the internal market, ‘push’ and ‘pull’ factors, model of migration decisions, loss of training investment.

Introduction
The migration of medical staff can be seen as one of the main effects of globalisation, since it implies major social and personal changes, both for those leaving a country as well as for the ones left waiting at home. The phenomenon of the migration of health care workers has been termed the ‘care drain’ or the ‘health care brain drain’. By the migration of health care workers, we mean the movement of this category of employees from their native country (also called the departing country) to another country (also called the destination country). Considering the necessary time required to train a health care worker, we believe that the migration of this category of employees should be taken as a part of the ‘brain drain’ process and as an even more accurate assumption in the case of the migration of doctors.

In researching this social phenomenon, we were concerned about the causes that encourage migration, i.e. about the circumstances that favour its development and sustain its impact, both in departing countries and in destination ones. Thus, it is important to develop models of migration which look at the timings of these movements, decisions to relocate, choice of country and so on.
The EU situation

As stated in an ILO document (ILO, 2006: 1), it may be highlighted that the media has drawn attention to a leaking of staff from eastern countries to western ones without having any real proof of such a phenomenon being displayed, thus creating more of a media hysteria. A very important question may, however, be drawn: is there a consistent migration of health care workers from eastern Europe towards western Europe? The difficulties of a real social investigation are, once again, revealed by the lack of a monitoring system at pan-European level. To shed some light on this issue, this article presents a case study of the data we hold at this moment on the situation in Romania.

It is obvious that there is a certain attraction of salary levels in western Europe compared to those in eastern Europe; under these circumstances, the present fluctuations in western countries will be overcome by an east-west flow of labour. For example, in the UK, about one-half of new employees in health care departments, and nearly one-quarter of newly-employed doctors, are foreigners. This shows that, without the migration factor, the UK health system could collapse (ILO, 2006: 17). It must be stated, however, that, even though compared to eastern countries salaries in the UK are considerably higher, nurses have started to leave their current jobs, being more drawn to job offers in the US and Australia.

For institutional reasons, the European Union supports the migration of health care workers (like any other kind of migration inside an integrating Union in what is termed mobility) in order to compensate for the lack of staff in the western part of Europe. The mobility of health care workers is a very big issue for the EU on the following grounds: it is said that this will lead to a better labour market in the Union with which to deal with globalisation (for example, to ensure equilibrium between lowly-staffed areas and more heavily-staffed ones); it contributes to workers gaining new skills; it trains workers to adapt to the demands of new labour markets; and it eases living standards and the working environment (ILO, 2006: 24). One part of the mobility strategy is those directives which concern the recognition of qualifications at the European level. There are situations in which the decisions of the Commission have led to a stressing of the demand for more health care staff: for example, the directive concerning working time has led to a demand for personnel as a result of the cutting back of employees’ working hours.

Even though some European states are confronted with acute labour force shortages, they do not have specific policies on migration because of the desire to minimise the negative effects and maximise the positive ones; this attitude leads to other unresolved issues and even the reaching of extreme situations (as in the case of Italy, which encouraged illegal migration and acted impulsively towards the problems caused by some immigrants, problems caused by their own ignorant attitudes). In some cases, there has even been an informal selection of immigrant workers based on their ethnicity.

Case study: Romania

We have analysed the migration of medical staff as it applies in Romania for two particular reasons: it fits the profile of those eastern countries which are relevant sources of migration for western Europe and, at the same time, we have enough information
on this area through our own research studies. In the following pages, we will present some results from three research studies we carried out in 2006 and 2007. The 2006 study was called *The quality of the professional life of health care employees and migration trends, 2006* (Rotilă, 2006); in 2007, this research was continued (Rotilă, 2007a) and a further research study developed from it called *Consequences of health care workers’ migration from Romania: health care managers’ prospects, 2007* (Rotilă, 2007b).

The study *Consequences of health care workers’ migration from Romania: health care managers’ prospects, 2007* (Rotilă, 2007b) was accomplished with the help of the Ministry of Health of Romania. The subjects of the research study were all health care managers, the objective of the study being to find out the impact of migration on those involved.

**Figure 1 – Do you have a lack of personnel as a result of migration?** (Rotilă, 2007b)
It is clear that 60% of managers perceived the cause of staff shortages to be migration by health care workers. Concerning the percentage of health care units noticing shortages, 36% of unit health care managers reported a major shortage of staff, while just 25% declared that they did not have a staff shortage problem.
Figure 3 – Is the professional level lower because of migration? (Rotilă, 2007b)

Figure 3 shows that almost 60% of managers believe that the migration of health care workers is the cause of a lower level of professional training.

Figure 4 – What are the factors that could determine people remain in your hospitals? (Rotilă, 2007b)
Concerning the measures of migration control, the most important is enhancing salaries in conjunction with instituting better working conditions.

Studies of health care staff working in Romania showed the following results:

Figures 5 and 6 – Are your rights as employees respected? (2007 and 2006)

In 2007, only 54% of respondents answered that their rights as employees were being respected although, compared to 2006, we can see an improvement in this area. If we look at those who do not believe that their employee rights are being respected, we can see a year-on-year growth of about 5%. I investigated this perspective as part of the indicator called working conditions, an indicator that is also part of the ‘push’ factors influencing migration.

Figures 7 and 8 – Do you feel motivated in your profession? (2007 and 2006)

From a modern management perspective, we can see an important lack of motivation amongst respondents, about 50% referring to themselves as being unmotivated by their jobs. Compared to 2006, we can see a significant decrease in the percentage of those who report they are motivated (also reflected in the sizeable percentage of people
who are unsure whether or not they feel motivated in their work, implying indifference towards this aspect), as well as a slight increase in unmotivated respondents.

Figure 9 – Do your working conditions allow you to practise quality nursing? (Rotilă, 2007a)

![Pie chart showing the distribution of responses to the question about working conditions allowing quality nursing.]

About 40% of respondents consider that their working conditions do not allow them to offer quality health care, or else allow them to do so only to a small degree; this situation reveals the importance of considering this factor as part of the motive for migration.

Figures 10 and 11 – Are you appreciated by patients? (2007 and 2006)

![Pie charts showing the distribution of responses to the question about patient appreciation.]

(Rotilă, 2007a)  (Rotilă, 2006)
Considering the percentages here, we can state that there is something of a problem in the relationship between patients and health care system employees. This problem is noticed by staff (even if quality analysis would show that this has other causes from the patient or employee point of view). Compared to 2006, we can see a decrease in the percentage of people who consider themselves ‘frequently’ appreciated by patients and an increase in the percentage that do not consider themselves at all appreciated by patients.

**Figures 12 and 13 – In your opinion, is a badly-paid but safe job better than a well-paid but insecure one? (2007 and 2006)**

Comparing 2006 to 2007, we can see an important growth in the percentage of people that do not believe a poorly-paid, but secure, job is better than a better-paid, but insecure, one. This indicates a change in mentalities concerning jobs; a switching of interest towards higher salaries, albeit with additional risks.

It can be highlighted that more than half of those who appreciate the safety of their job are tempted to migrate; in contrast, 9% of respondents are not tempted to migrate even if they do prefer better salaries to a secure job. This can lead to the demonstration of a certain preference for working inside the country. Over half those who indicated that salaries are not sufficient for a better living standard prefer a better-paid job, even if it is insecure, assuming in this way a preference for risk. We must consider that 49% of respondents are part of the category that wants to migrate. This once again shows a tight link between salary levels and a desire to work abroad.
Figures 14 and 15 – Do you have colleagues working abroad? (2007 and 2006)

The response to this question indirectly indicates, on the one hand, a high rate of migration and, at the same time, that this works in such a way as to influence migration decisions. Comparing 2006 to 2007, we can see the same percentage of respondents declaring that they had colleagues working abroad, which shows a constant level of migration.

Figures 16 and 17 – Are you tempted… to work abroad for an attractive salary (2007)? … to work in another country (2006)?

Sixty five per cent of respondents declare being tempted by the prospect of working abroad because of the higher salary which indicates, once again, the problem of poor salaries as being the main cause of migration. Compared to 2006, we can see very few changes. The majority of respondents tempted to migrate have colleagues that have already left, which suggests that their success in doing so offers a pressure to migrate.
Figure 18 – Do the opportunities offered by Romania’s integration with the EU motivate you into thinking about working abroad? (Rotilă, 2007a)

For 61% of respondents, integration within the EU represents an opportunity to find better-paid jobs in EU member states.

Figure 19 – Which of the following reasons could persuade you to work in a foreign country? (Rotilă, 2007a)
The main cause of possible migration is the possibility of higher rewards. It is clear that financial reasons are the most important factors given by respondents in their decision to migrate for work reasons.

Figure 20 – What reasons would prevent you from taking the decision to work abroad? (Rotilă, 2007a)

We can see here that the main obstacle that can occur to the making of a decision to migrate is family obligations, as highlighted by 48% of respondents. Taking second place is age. Concerning the reasons that would prevent migration for work, the family obligations here refer mostly to marriage. In addition, we can observe that the category that does not feel the need to migrate for a better salary tends to be married; a situation in which we can assume that the husband/wife has a better salary.
Figure 21 – What salary would be sufficient to make you ignore an offer to work abroad? (Rotilă, 2007a)

Over 36% of respondents consider that a salary of €500-€800 would definitely keep them from migrating, while more than 46% of respondents believe that a salary of over €800 would do so. These data indicate that expectations of salary levels are higher than are presently being received, but lower compared to the average salary level in EU countries. The results show that most employees would migrate for a salary of €500 to €800 or more, which highlights once again the financial motive and also the poor salary levels in health care, shown in their discontent regarding salaries in the country.

Summary

In conclusion, we can highlight the following data:

*The study on The quality of the professional life of health care employees and migration trends, 2006 showed the following conclusions:*

Employees do not have a good opinion of the health care system while interest in health care reform is low because the outcomes have not met their expectations. The majority of health care staff stated that they were not able to provide quality services under their present working conditions. Also, respondents stated that they have insufficient salaries to ensure a comfortable standard of living. The same percentage of employees stated that migrating offers a good opportunity for financial comfort. Sixty four per cent of respondents take account of leaving to work in other countries; their main reason is financial.
The Quality of the professional life of health care employees and migration trends, 2006 study showed these main points:

About 40% of respondents stated that their present working conditions do not provide them with the means to deliver quality health services, or to do so only in a small way. The answers of 52% of respondents showed that an insufficiency of resources and the poor management of those that do exist are considered to be the main causes of the problems in health care.

We saw that 52% of respondents consider that political interference in the management system is the major cause of a problematic health care system. Half of those interviewed indicated that they do not feel motivated in their jobs, linking this in particular to their salary level. The trend towards migration in the health care system was the same in 2007 as it was in 2006: 65% of respondents are tempted to migrate for a better salary, while 86% declared that they have colleagues working abroad, which shows the breadth of the phenomenon. The main reason for migration was ‘low salaries’.

The Consequences of health care workers’ migration from Romania: health care managers’ prospects, 2007 study indicated the following highlights:

Romania has to deal with a high rate of migration of health care workers, determined by major differences between salary levels in Romania and in other countries (Italy in particular). The massive amount of migration leads to a decrease in the level of the professional training of staff, thus interfering with service quality. The Romanian health care system is confronted with a lack of trained staff, a problem which is growing worse. The principal measure to control migration would be a significant increase in salaries, accompanied by an improvement in working conditions.

It must be pointed out that, in Romania’s case, the difference between the salary levels of those employed by the Department of Health in the country and those employed abroad is very large both in relative numbers (the sum of the gain) and also in real numbers (the sum of the goods that can be bought): prices, for the same product, are much higher in our country than those abroad.

Currently, we consider that the migration of health care nurses is the most common problem; in the case of doctors, the picture is not so much one of a massive migration following EU integration but one of a more gradual migration that encompasses two

1 We should mention here that, despite the research being developed in conjunction with the Department of Health, all parties having access to the totality of information developed, the Ministry does not recognise the results of the study: the Minister of Health, Mr. Eugen Nicolaescu, stated in the media that the study was inaccurate. This contradiction between the data shown by the studies and the statements of politicians concerning the state of the health care system comes from the desire to create a better image of the system than is actually the case, as well as from the economic interests of the politicians in this area.

2 The study Consequences of health care workers’ migration from Romania: health care managers’ prospects, 2007 (Rotilă, 2007b) indicated that, out of 2,288 employees that migrated in the first nine months of 2007, 1,835 were health care nurses, 339 were doctors and 54 were from other, higher levels of medical staff.
very important categories: young people capable of overcoming cultural and linguistic barriers; and skilled specialists, most often overqualified for their positions. In both situations, this reflects a choice which is leading to a decrease in the average training level of those who remain in the country.

The causes of migration

In analysing the causes of migration, we consider it necessary to research two groups of factors that occur in the migration process: factors which are decisive and factors which are facilitative. In addition, separating them into two categories might sometimes have a relative sense, since some of the facilitative factors may be able to act as decisive ones; and vice versa.

Decisive factors

In looking at the decisive factors, we developed a simple division into two sub-categories: ‘push’ factors, i.e. those at work in the origin country pushing people to migrate; and ‘pull’ factors, i.e. those at work in destination countries which attract people to migrate.

Push factors

These refer to conditions existing in the origin country, migration being caused mainly by:
- low salaries in the origin country
- the lack of decent working conditions
- the lack of professional and educational opportunities.

It is clear that this list of push factors is not exhaustive; it indicates only the most important issues. We ought also to consider other factors, such as the insufficient resourcing levels of the health care system, which leads to insufficient resources for delivering quality services; the surplus staff and unemployment amongst this category; and other causes which are determined by the social and economic conditions applying inside the country. In some cases, for example, corruption is a push factor in Romania, especially through money being demanded from people in order that they may be employed.

3 We should point out that this is about the potential elite and the present elite that is placed in the second category concerning job applications; for the last of these, they have most often had prior contact with the western system.

4 That has multiple causes; in Romania, we have the following: corruption; nepotism; and the lack of a selective value mechanism.

5 This can be interpreted in terms of a moral choice in the context of practitioners stating that they know how a patient should be treated but that they cannot carry it out for reasons to do with the lack of resources; many lives lost are the result of this. In this case, there is a gap between science and possibilities that might lead to some problems of a professional guilty conscience.
Pull factors

These determine the level of attraction in the working arena through:
- better earnings
- better working conditions
- the existence of professional opportunities
- the material and professional success of those that have already left
- the enhanced standard of living.

We might talk about a degree of causality in the existence of the pull factors as being necessary in analysing migration trends, since the demand for medical staff in some western countries is a relevant indicator in this way. Trends concerning migration in Europe must be viewed within the circumstances of demographic movements, migration causing a growth in the population and ensuring the necessary level of workforce. We can see that the aging of the western population (caused by a growth in life expectancy and a decrease in the birth rate) is leading to a general workforce deficit; the predictions in this area up to 2050 are dire, national and EU-level politics being dependent on them. We might observe that the rate of aging of the population influences the shortage of medical staff in two main ways:
- decrease in employment
- aging of the workforce
- increase in demand for health care services.

Facilitative and discouraging factors

We consider that we should separate those factors that act to facilitate the migration of health care staff from those which determine the migration of this social-professional category, and that we must also establish what relationship exists between all the factors.

Facilitative factors

We do not intend to provide an exhaustive enumeration of all these factors, but we consider that, among the factors that are likely to facilitate an increase in the migration of health care staff, we have the following:
- growth in the accessibility of long-distance transport
- presence of recruitment agencies
- increase in the exchange of information, favoured by the internet
- international and inter-state agreements, as well as between union organisations
- immigration policies developed by states and regions that have a shortage of medical staff
- international standardisation of the forms of professional training
- agreements concerning the recognition of diplomas
- increase in services that benefit migrant workers through the legal framework created by the EU or by inter-state agreements.

Considering the orientation of the EU towards creating a single labour market, it is expecting that this will encompass a recognition of the diplomas for each and every country, which may imply an emphasis of migration from eastern to western Europe.
Key in this sense is the EU directive which establishes that a medical professional registered in the system of any one country may practise in any other EU state. As long as this remains a facilitative factor as regards migration, it is left for us to determine the impact.

The trend towards a standardisation of medical equipment is also a facilitative factor in migration because it indicates a unification of the professional abilities required in this field.

Among other facilitative factors, there are the linguistic conditions which refer to the greater accessibility of English-speaking countries, as well as of other related countries (for example, for native Romanian speakers it is easier to learn to speak Italian or Spanish).  

A decision to migrate is attained by several factors at the same time, such as those concerning the personal situation and those that depend on personal and professional status.

In Romania’s case, the possibilities of migrating to the west, especially Italy, as well as the status of these jobs in the destination countries compared to other jobs that Romanians choose abroad (in the context of a powerful nationwide migration), has led to an increase in the rate of training in this field. This indicates that the migration of medical staff must be seen in the general context established by the phenomenon of migration both in destination and in departing countries. Thus, if there is a powerful trend towards migration in a country, this will lead to an increase in the number of employees of the Department of Health considering migrating and in those who actually decide to do so, as well as in the numbers choosing training in this field as a result of the opportunities offered in this context. Additionally, if destination countries permit it, this phenomenon will further encourage migration as a result of there being more people of the same nationality in the destination country, as well as that health care workers may be accompanied by his/her wife/husband, or other family members, that may also work there. All these elements are part of what we call ‘secondary migration’ factors, helping the ‘push’-‘pull’ system that we identify when thinking of causality factors in the migration of health care workers generally, and especially of health care nurses.

**Discouraging factors**

We should take into consideration in particular the following factors which may discourage migration:

- the necessity of obtaining a visa
- examination costs
- large transport costs

6 Considering the large number of Romanian health care nurses who work in Italy, this assumption seems to be verified.

7 It is necessary to create a theoretical model based on the decision to migrate so as to discover the relationship between the factors that determine it.

8 On this issue, we can consider in some ways the training of health care nurses for ‘export’, an unintended phenomenon that is nevertheless implied within such a development.
The impact of the migration of health care workers on the countries involved

- the lack of accommodation possibilities
- linguistic barriers
- cultural barriers.

In some cases, the absence of one of the facilitative factors may change it into a discouraging one.

The theoretical model

The complex dynamics of the health care staff system in departing countries imply the reception of trained staff in the respective countries and natural exits (retirement, profession changers, etc.), as well as those leaving for other states. We believe there is a need in this particular case to build a theoretical model, a model which could indicate the possible problems and the points that need to be addressed with adequate policy tools. For example, in Romania’s case, the Minister of Health has repeatedly stated that the migration of health care workers does not cause problems in the system because it is not widely manifest and because those who leave are quickly replaced.\(^9\) If this were true, we would have a situation (real only in theory) in which there would be a considerably large rate of migration and no side effects for the departing country. We consider that the need for a model of this kind is sustained by the complexity of factors that interfere in the process, it being analysed within the greater context of the dynamics of the labour market which are specific to every country in the EU.\(^10\) Also, the migration of health care workers needs to be set within the issue of migration in general, since it is linked to a number of factors that are found in both processes.

After analysing the ways in which all these factors interact, we have drawn the parameters for the resultant theoretical model in Figure 22.

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9 As shown in the study data that looked at managers in the health care system; they oppose the Minister’s position, stating numerous problems that have arisen along with the migration of medical staff.

10 Examining the European Union context, we can ask ourselves if migration in the traditional way actually occurs, given that the freedom of movement of workers is one of the principles that governs this area.
We have sketched here only the general directions of the forces involved; an explanation of the relationships that emerge between each of the factors is also necessary. For example, we can ask what is the effect of ‘push’ factors in the absence of ‘pull’ ones? In order to answer this question, we must start by establishing the relationship between the two factors and then between these two and the facilitative ones as well. If most of the ‘push’ factors survive in the absence of ‘pull’ ones, and if, under these circumstances, the number of exits from medical professions is still at a high rate, then the locus of the determining causes can be identified within departing countries, making any measures by destination countries to stop migration useless.

The effects of migration

We believe that an analysis of the effects of migration should be oriented in two ways: their effects on departing countries; and their effects on destination countries. In both cases, discrete mechanisms and consequences are implied. Obviously, a theoretical model of migration should include, in another layer, its effects, one of these being able to react as causes that imply the increase or decrease of migration, or as facilitative or discouraging factors.

The effects on departing countries

We may consider the several side-effects of migration on departing countries as follows:

A decrease in the level of professional training of staff remaining in the country

We may identify that this has two sources:

- the high percentage of well-paid employees that leave and the departure of those with experience
- those who fill vacant positions (when put out to competition) are often selected by bribe and not by a fair, qualitative selection.

Effects on society’s need for a functioning health care system capable of ensuring quality health care services

In this domain, the level of vulnerability of the system matters, migration having a side effect especially on the attempts of developing countries to improve their health systems (Buchan et al., 2005: 3). We should point out that the functioning of health care workers in the system is affected as well as the whole existing nationwide process of migration. For example, in Romania, the situation created by migration has led to major problems as a result of a decrease in the number of paying citizens contributing to the social security health care system. The majority of Romanian citizens working

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11 In some cases, contests are transformed into auctions. Amongst ‘professional folk’, there are rumours of bribes paid to employers of thousands of euros, the average sum being somewhere between €2 000 and €3 000. We consider this aspect needs to be taken into serious account in a separate study to obtain correct and thorough information.

12 Estimates refer to three or four million citizens who have migrated for work, but with the caution that there is no certain information upon their number.
in other states are people active in the labour market and paying social security contributions in the country in which they are working; at the same time, these people have family members living in Romania (some of them children, elderly or unemployed people) and who benefit, without any payment, from the services of the social security health care system. We can state in this case that the solidarity principle is being violated by citizens working in other states and not being alongside their own families.

We should refer at this point in the EU context to the portability of pensions, but we do not have a particular instrument for other rights deriving from social security. We believe that building a social security system and a health care system is required on a pan-European basis. In this way, this can contribute to ensuring a balance between citizens’ right to move inside the EU and the need to support national health care systems. We consider that the solution presented from this point of view, at the EU level, is to guide contributions towards the family; in this way, part of the contributions paid by working members may be oriented towards the location of other family members who are insured, even if they are not contributing members, and who benefit from medical services. In this context, we believe that a definition should be offered as regards the family that includes the principle of solidarity.13

‘Loss’ of investment made in the training of departed staff

Those who depart demonstrate good skills in linguistic and cultural integration; an indicator of their higher level of training.

Loss of important human resources, the training of which takes several years

(NB in medicine the training period both for nurses and doctors is a lengthy one). It is possible that staff migration has a selective character; that people more qualified and more bold are more tempted to make this step, a situation that can lead to a reduction of capacity in the supply of medical services. This loss needs a coherent strategy regarding human resources in the health care system based on predictions and simulations of the effects of migration.

Concerning the lack of medical staff in eastern Europe, to the migration of health care workers we can add the link between the expansion of the economy and the necessary increase of workers in the medical sphere,14 which leads to stress being places on the fault lines. In Romania, for example, the large number of health care immigrants may be added to economic growth. That there is no recognition at the official level emphasises the initial trends. Even if some health units do not claim labour shortages, such a situation is arrived at by an unequal geographical apportionment nationwide. Yet, we do not have an exact number for those who have left, for nurses trained, for employees, etc. so as to allow us to make a fair assessment of the staffing situation and to generate staffing strategies.

13 In other words, the solidarity principle ensures the functioning of social security health care.
14 Through this connection, we are aiming at an increase in the standard of living which implies a growth in life expectancy, one of the components of which is also an increase in the quantity and quality of health care services.
We can also indicate the following side-effects of health care migration:

- a decrease in the training capabilities of the new generation (a decrease in teachers, trainers, etc.) which can have a long-term effect on the ability to generate new entries to the profession
- a decrease in the general training level set by the selective values effect of migration
- a reduction in the exchange of experience between generations
- an overloading of the staff remaining with extra tasks (an increase in the volume of work), which might lead to an increase in migration trends
- frustration and lack of motivation for those that have remained in their own country
- increasing staff shortages.

If we consider the level of financial reward as a symbol of social value, the lower level of salaries in the Department of Health compared to other departments is rather grim; this can interfere in terms of encouraging migration, especially in the case of the area of long-term staff training. Evidently, the long period of time necessary for training in the health care field is one of the elements that should be taken into consideration when assessing migration and migration trends. The difference in the level of reward of those who have migrated and of those who are still at home is a very effective stimulant to strive for higher income in the country (even if that means taking money or accepting any kind of bribe from patients or, in extreme cases, even demanding such). This difference acts to demoralise workers concerning the level of recognition in their work as demonstrated by such low salaries.

We believe what needs to be established is the ways in which factors determining the lack of staff in western countries can imply staff shortages in departing countries, thus increasing the shortage (and, if so, there should be an estimate as regards the timescale for this). For example, if we consider the lower birth rate and increased life expectancy (factors that may well lead to a decrease in entries to the health care profession, as well as an increase in the demand for medical services), we should anticipate the moment when each of these factors will act to increase the present shortages. Concerning entries to the profession in the case of eastern European countries, it needs to be taken into consideration that the general level of migration can lead to major labour force shortages, shortages that might have an effect on entries to the health care profession as well. From a certain perspective, it is more efficient to act by increasing health care professions in destination countries in order to reduce migration.

In the context of the massive migration of Romanian health care workers, we may ask ourselves how this process can be evaluated; in other words, should this be seen as a positive or a negative phenomenon; or should we take into consideration the complexity of the situations that create the conditions which could be interpreted both positively and negatively?

The migration of health care workers is not always linked to problems in the functioning of health care systems if there is a decent strategy to lure medical personnel; we have the example of the Philippines, India and Cuba which have invested in training medical staff and then ‘exported’ it, looking for a long-term goal, such as in what those workers bring when they return. To take account of such advantages, there should be certain dynamics in the process and that those who leave do not take all their family with them in order that they return periodically. In other countries, though, even a small
percentage can cause very negative effects. Therefore, we should consider the effects of migration more thoroughly considering both the positive and the negative implications, in both departing and destination countries.

Besides the standard model of migration from departing countries to destination ones, we should be careful of other models that interfere, or that might interfere, such as the leaving of destination countries and the return to departing ones. When considering a return to departing countries, we can refer to positive effects, such as the exchange of competences (the reverse of the ‘brain drain’ flux), the financial consequences and the positive changes in mentalities.\(^\text{15}\)

We must also consider that, in the migration field, the rewards from migration are a very important financial resource for under-developing countries, one that is more stable than direct investment or foreign aid (Dilip, 2003). Under these circumstances, we should take a better look at the context of the migration of health care workers in eastern and south-eastern Europe. Considering the high qualifications of this socio-professional category and the European Union context, we should also consider definitive migration, i.e. along with their families, since this is likely to lead to a further decrease in the financial area. We can also notice that, when considering migration, there is a higher rate amongst women and, as studies have shown (Connell and Brown, 2004, for example), women are more selfless than men in the same situation as they send a larger amount of money home. It is obvious, then, that we need to take a better look at incomes remitted to departing countries. This can be explained also by the high rate of earnings of these workers, perhaps the highest amongst migration workers, a fact which leads to increased financial resources.\(^\text{16}\)

When we have a situation of a natural evolving growth but a weak economy, migration can be seen as providing an emergency door for the economy of that country and for the well-being of some of its citizens (Connell and Brown, 2004). However, given the demographic predictions in Europe, I do not think such situations can really occur and have a significant effect.

**The effect on destination countries**

Undoubtedly, the primary effect of migration in destination countries is a positive one, which is the resolution of staffing problems without the need for extra efforts by the state or private institutions to put together the resources to train this type of staff. Plus, in most cases migration involves young workers, without any family with them, and the most they do is pay their taxes to maintain social security systems. The sums paid by migrant workers often help to balance the social security budgets of destination countries. However, there will never be a case of a win-win situation taking departing

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15 Here we mean the modification of mentalities especially concerning civic spirit, starting from our observation that migration is followed by changes in individual values. Obviously, we consider negative changes as well as positive ones.

16 It must be observed that these enhanced financial possibilities can act towards increasing the level of remittances or, otherwise, as a stimulant for bringing the family to destination countries, this leading in turn to a shortage of remittances.
and destination countries together, despite the remittances that migrant workers send home.

The effects of migration are far more complicated than this, though, and not all are as positive for destination countries. For example, like a medicinal treatment applied to an organism, the solving of organisation’s internal staffing problems via the hiring of workers from abroad may inhibit proper policies aimed at training their own staff. Even if it is possible to talk about compatibility in forms of training (especially in this new EU context), some differences are retained that can affect the functioning of systems in destination countries. Furthermore, migrant workers are there for work and so extra hours are often demanded from them despite the lesser salary. This might create pressures to decrease salaries more generally, a decrease that affects native workers directly.

Cultural differences and the long periods of time that are required for the cultural integration of working migrants may cause some problems to health care systems; to solve this situation, some intercultural training of nurses specifically to eliminate the cultural prejudices that can interfere with the treatment of patients is a good idea (Nichols, 2007). Foreign workers remain under a xenophobic shadow which can surface at any given time, especially in states that have just opened the gates of their health care systems for foreign workers but without having any culture of migration or the intellectual resources to integrate working immigrants. We can identify Italy in this case where subsequent to several Romanian incidents on Italian soil involving Romanians, and in particular as an effect of the media and political manipulation of these, a massive anti-Romanian wave was stirred up all over the country. This led to pressure on Romanian nurses working in Italy who now avoid speaking their language in public places. It is obvious that this kind of reaction has made some Italian citizens uncomfortable knowing that it is Romanians who are treating them.

Trends

The rapid development of the Department of Health, caused by the increasing number of types of health care services that are offered and of their complexity, also leads to an increase in the number of health care workers. The development of the Department of Health is directly connected to the level of increase in the economy, OECD studies even indicating a direct link between an increase in the number of medical staff required and the level of increase in gross national product (Simoens et al, 2005). At the same time, there is a powerful connection between an increase in the demand for health care workers and the standard of living of the population, other studies verifying a direct link between an increase in the number of doctors and nurses and the level of patient satisfaction and safety (WHO, 2002).

17 Paradoxically, despite the economic increase registered in the past five years, the percentage of health care workers is still lower.
18 Relevant in this way is the difference between economically-developed countries and those in development concerning health care workers as a percentage of total workers (ILO (2002) Statistics of employment in health services refers to the International Standard Industrial Classification of all Economic Activities (ISIC, Ref. 3, 1990)).
The increase in the demand for medical staff is also connected to advances in technology. We must also observe that the Department of Health is one of the few government departments in which technological evolution has determined a continuing increase in the demand for medical staff capable of working with these new technologies. This is a distinctively human-centred department, fitting into the ‘services’ category (even if, in the EU, health departments have not been retained within this category), where people take care of people. This means a low rate of replacement of the labour force with technological innovations.

The trends in this field are an increase in the level of migration of health care workers, determined by the maintenance and, sometimes, a forcing of the pace of ‘push’ factors, as well as a continuing lack of health care workers in destination countries that determine the ‘pull’ factors. If we consider destination countries as well-developed countries, economically speaking, then, even in circumstances of a growth in the development of departing countries, this will lead either to a maintenance of their status as destination countries or else they will become departing countries too. The western model is evidently leading, in circumstances of sound economic development, to a demographic decrease which implies the following:

- a decrease in the birth rate, having its main causes as: the decline of the family; the desire for financial security, thus restricting the number of children to a maximum of one or two per family; the desire for professional success (women’s desire for careers having a negative effect on the birth rate); etc.
- an aging of the population as a result of an increase in life expectancy.

We should observe that the aging of the population is associated with an increase in demand for health care services, especially if we consider the development of living standards. This population category has the greatest financial resources and is more open to pay for necessary treatments, something which determines extra pressure on the system. Moving the model of elderly treatment within the family to an institutionalisation of them is also a factor that enhances demand for health care services.

Practical policies

To resolve the shortages of health care staff in some western countries, some authors (Aiken et al., 2004: 69-77) have suggested that two measures be set down: nationwide investment in training the necessary staff; and building the professional skills of staff in developing countries to ensure staff where needed. This second model refers to the case of the Philippines, where the state has an ‘export’ policy for health care workers.19

One of the problems faced by those responsible for health care policies is observing the freedom of movement of skilled health care staff, and the possibility of their leaving to working abroad, without this affecting the fundamental right of the population to minimum health care services (Hamilton, 2004).

The visa system (for non-EU citizens) is a way of restricting the phenomenon of migration (where desired), as are work permits; they both work as instruments of con-

19 The Philippines government is interested in the amounts of money sent to families back home.
trol. The recognition of qualifications might be added to these. Also, through the in-
ternational codes of recruitment of health care workers, some recruitment from partic-
ular countries might be prohibited because of problems with the security of their health
systems. In this way, some attempt is made to balance the right of the citizen to free
movement with society’s right to have a functioning health care system.

We state as principal recommendations for these kind of policies the following
(Buchan et al, 2005: 4):

- establishing an international monitoring system for the migration of health care
  workers
- developing an accurate policy in departing countries to overcome the lack of staff
  caused by migration
- orienting studies towards the identification of the costs and benefits of the migra-
  tion of health care workers
- distinguishing the good practices in this field from the bad
- improving the image of health care workers in departing countries; poor image
  being one of the causes that determine migration.

Promoting the image of health care workers in society may be an effective method
of restraining migration with regard to policies both in departing and in destination
countries.

To intervene in recruitment companies is effective only to a small degree; real
potential here may, however, be attained by establishing some codes of ethics within
the Department of Health. Migration happens because of the system of supply and
demand operating within the market mechanism, extended by the development strategies
of such companies. Ethical recruitment codes can improve the fate of health care
workers who migrate and can sometimes reduce migration. This is accomplished by
turning down attractive offers of bribes and, when working with state institutions, by
avoiding recruitment from states that have a shortage of staff. Studies and evaluations
concerning the best and worst practices on this kind of migration are also necessary
(Buchan et al, 2005: 24).

It is important to identify those factors that can contribute to keeping staff in their
own countries, factors that are not only economic in nature; starting from this point,
some good retention strategies need to be established and put into practice. For the
migration of nurses, we should consider the trends already present at the time of the
research because they have a double function: they possess a level of prediction con-
cerning the phenomenon; and they also take into account ‘fluidity’ and level of attrac-
tion to other variables that often lead to re-orientations.

A very good example of such a policy concerning the migration of health care staff
is offered by Buchan et al. (2005: 26), indicating some compensatory elements that
have not yet been put into practice, such as compensating departing countries for their
expenditure on professional training and educational support. It is obvious that, in this
EU context, the accent being placed upon freedom of choice of workplace makes it
hard to establish such compensation. However, the lack of any kind of compensation
leads to a situation where well-developed countries benefit from the few resources of
those which are in development.
A solution is thought to lie in reaching some agreements on this matter between states, agreements that will take into consideration the interests of each of the states, thus determining a win-win situation; except that this kind of agreement cannot be set at the level of EU states because, in the context of Community law, labour migration has a powerful ‘internal market’ character. Given the level of professional training and the EU context, we might consider that there is an implicit interest in stimulating the migration of medical staff because it contributes to the creation of a European framework in this field via the implicit transfer of the ‘know-how’ that could ease the problems.

Conclusions

In dealing with the problem of the migration of health care workers, the main obstacle is the lack of standards and methods which are common to all the countries as a first step in discovering the necessary information to identify the extent of the phenomenon. Through a study of the law as it should be, we believe that the establishment of these kinds of mechanisms may be enforced. A very important role in this way is, therefore, to be played by the professional organisms of every state.

Many of the conditions that encourage migration concern human rights (the right to migrate being one of them), so naturally we cannot limit the effects just by eliminating the causes. Nevertheless, the question still remains whether migration should be stopped or only its effects, in circumstances in which the migration of health care workers needs to be viewed within the wider perspective. In other words, some communities benefit from this phenomenon while others do not. As long as the length of this phenomenon causes major problems for this particular professional category, the measures that envisage an improvement in the status of the job (salaries, recognition of social status (through appropriate salaries, for example), and so on) might determine an increase in the number of persons choosing this profession.

The problem of migration raises an ethical question: is it morally acceptable for developed countries, in order to cover their shortages, to ‘import’ staff from developing countries, causing important disturbances in so doing? This question may be answered in several ways. First of all, one aspect concerns people’s rights to move around and choose their workplace. Thereafter, an ethical problem is raised by the existence of ‘push’ factors which can be interpreted in line with a negative view of departing countries (Buchan et al, 2005: 25).

Many implications of the migration of health care workers have been identified throughout several studies, but we believe that insufficient attention has been brought to the subject; that elements of its foundation have not been sufficiently researched, elements on which I have tried to shed some light in this article. The necessity of thorough research in this field is even more important in the EU area, where stimulatory policies for the circulation of the labour force can have unseen effects as regards health care workers.

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Arben Tabaku

Ethnic Albanian rings of organised criminals and the trafficking and smuggling of human beings: an international, regional and local perspective

Abstract

Located on the Balkan peninsula in south-eastern Europe, in a perfect situation bridging east and west, with more than three-quarters of the country mountainous and about 40% of the land forested, and with access to the Adriatic and Ionian Seas and proximity to Italy and Greece, Albania after the fall of the Communist regime and the opening of the borders became a haven for different types of trafficking. The trafficking of women and children became a major issue from the 1990s. In the period between 1997 and 2001, Albanian organised crime groups operating in western Europe reached their peak. Nowadays, Albanian OC groups continue to be involved in trafficking and smuggling of human beings. Albania is no longer an important transit or destination country, but it remains an origin country for the trafficking of young women for sexual exploitation.

Keywords: Albanian OC groups, trafficking, smuggling, re-trafficking, origin/transit/destination country, sexual exploitation.

Introduction

After the collapse of the Communist regime in 1990, Albania was engulfed by deep conflicts, crises and disturbances of a political, social, economic and security nature. With the opening of its borders, the country was faced with an emigration of almost biblical proportions, both legal and illegal, to European countries, initially to Greece and Italy and from there to other European nations. The first wave occurred in the early ’90s, when several embassies in Tiranë were occupied by several thousand people asking for political asylum in other European countries. This was followed by large groups of people emigrating towards Greece and a massive wave of Albanian emigrants using the main sea ports to reach Italy.¹ This initial mass movement out of Albania was partly for political reasons, but the vast majority who left did so to seek work and earn more money than they could in Albania.

At that time, illegal migration was not considered a serious offence in Albania and smuggling channels were perceived as ‘beneficial’. This, along with the lack of experience in the building of a modern democracy, particularly a police service, and a lack of international attention, introduced incentives for the smuggling of migrants.

¹ According to the Italian authorities, there are about 350 000 officially registered Albanian citizens currently living in Italy of whom 152 000 are females.
Albanians, who were used to living in a Stalinist and isolationist state with no freedom of thought and opinion and under hard living conditions, suddenly came into contact with high European standards and were determined to get those benefits as soon as they could. With a view to faster enrichment and easy money, they were involved in minor and serious crimes and quickly developed criminal networks and links to other criminal organisations. This, in turn, led to the spread of Albanian criminal tentacles.

The question arises why there was such a sudden outburst of Albanian criminality. First of all, the disruption and breakdown of the activities of the Italian Mafia provided the opportunity for other ethnic-based crime groups to move in. Secondly, Albanians, particularly Kosovars, began to develop the sense of collective identity required for these groups to mobilise their activities. The virulent anti-Albanian campaign of the early ’90s served to radicalise Kosovars. Thirdly, the process of democratisation that swept throughout eastern Europe in 1989-1990 began later in Albania. The country’s efforts at democracy and providing basic foodstuffs for its population preoccupied the government, and an unfortunate by-product of this period became the increasing levels of crime.

On the other hand, hostility toward Albanian communities overseas reinforced ties among them. Feeling excluded abroad, they saw crime as the only possible way to emerge. The hierarchical, homogenous and almost exclusively ethnic group structure; deftness and speed in actions; the use of moral and physical violence and/or brutal forms of blackmail; rigorous discipline, individual submission and strict and maximum caution; links between all members based on loyalty, honour and clan traditions (and the use of the Kanun to ensure allegiance);\(^2\) and the involvement in multiple criminal activities facilitated the supremacy and rapid escalation of Albanian organised crime in Europe and elsewhere. The trafficking of human beings, mainly women and girls for prostitution, and drugs trafficking became the principle business of Albanian criminal groups.

The second wave of legal (the ‘brain drain’) and illegal (the spread of Albanian criminal tentacles) mass emigration occurred in 1997, after the collapse of the pyramid schemes. With the complete breakdown of the state, the destruction of infrastructure, borders uncontrolled or in the hands of gangs and three quarters of a million weapons looted from army depots, chaos was spread all over the country and criminality and corruption became embedded in the Albanian government and in society. This created an ideal environment for criminals in many regions of Albania to develop their criminal activities, including trafficking in human beings. The largest sea ports were used as main routes for the transport of victims by speedboat. Another characteristic of the short-lived rebellion of 1997 was that there was an upsurge of migrants fleeing for their personal safety.

\(^2\) I personally think that this is, in fact, a misuse of the Kanun, the old Albanian customary laws. All that is happening is not due to or according to the Kanun, but the improper functioning of the state allows criminals to use it as a shield. Criminal offences currently committed by Albanian perpetrators and/or organised groups have nothing to do with the application of the Kanun, but with killers and murderers who use the Kanun blood feud as an alibi.
The result was that the number of women trafficked for the purpose of exploitation and prostitution increased and unchecked competition among traffickers commenced. Additionally, armed vigilante groups started on revenge attacks and to protect girls from the threat of trafficking. It became very difficult and dangerous to recruit Albanian girls, so perpetrators drew their attention to foreign women, mostly from eastern Europe where it was much easier to take advantage of their wish to go to the west.

The third wave of mass migration occurred during the Kosovo conflict that took place between 1998-1999. During the crises in Kosovo, more than half a million of Kosovar refugees entered Albania while many Albanian citizens migrated to Europe claiming Kosovar nationality. The crises in Kosovo mainly introduced incentives for weapons trafficking; however, trafficking and the smuggling of people flourished as well.

Several international media outlets, journals, research studies, papers and articles were focused on the Albanian exodus, mass illegal emigration and criminality. Albanians were often depicted as ‘people of rubber boats’.

Concrete steps and a real response to the trafficking of human beings were undertaken after 2001-02, when several initiatives were introduced to improve the legislative, institutional and strategic framework and to encourage inter-agency and international co-operation in order to address more effectively the trafficking of human beings. Notably, these initiatives include:

- the incorporation of trafficking in human beings as a criminal offence in the Albanian legislation (2001) and several other legislative reforms
- joint police operations with other national and international law enforcement agencies (2002 onwards)
- education initiatives amongst vulnerable, unemployed and lowly-educated women in rural areas
- the establishment of the National Victim Referral Mechanism (2006)
- the establishment of the Responsible Authority and the setting-up of regional committees in the fight against trafficking in human beings strategy (2006)
- the ratification of several international conventions and other bilateral agreements with neighbouring countries.

Crime statistics indicate that, since 2001, there has been a constant decrease in offences related to people trafficking, although illegal migration still remains a matter of concern, especially along Albanian-Greek green borders. Poor economic conditions...
in Albania and the strict visa regime in Greece force hundreds of ‘work migrants’ to cross illegally the land border with Greece, the only neighbouring EU member state.

Ethnic Albanian OC groups involved in the trafficking and smuggling of human beings

The ethnic Albanian OC groups involved in the trafficking and smuggling of human beings have undergone several development stages. During the first stage, immediately after the fall of Communism (from 1991-1996), the first organised criminal groups were established which were mostly active in the smuggling of people from Albania. This covered illegal immigration mainly to Greece and Italy. About 25 criminal organisations based mainly in Vlorë grew out of the emigration flows. During the second stage (1997-2001), Albanian OC groups were active in the smuggling and trafficking of human beings, including foreigners, from and through Albania to various EU countries. Until 2001 (the peak), it is estimated that 100 000 people were trafficked either from or through Albania to various EU countries. In 2002 (stage 3), police, prosecution and other regional/international law enforcement agencies organised joint operations aimed at reducing the trafficking and smuggling via speedboats in Albania almost to zero.\(^7\)

After 2003 (the current stage), significant progress has been made in combating the trafficking and smuggling of human beings. A number of criminal groups have been prosecuted and dismantled. However, Albanian OC groups are still involved in trafficking and, mainly, smuggling of human beings. Albania is no longer an important transit or destination country but it continues to be an origin country for the trafficking of women for sexual exploitation.

Albanian criminal groups are now complex organisations with fluid and flexible structures. Violence, hierarchy, homogeneity and exclusive ethnicities are no longer the core characteristics of ethnic Albanian OC groups; they are adapting to the socio-political environment of western Balkan countries. For instance, they have changed the way they manage the business of trafficking. Increasingly, victims and traffickers travel with valid documents using legitimate routes and crossing official border points using vehicles, airplanes and ferries.

The criminal groups involved both in the trafficking and smuggling of people are composed of 3-7 members. They are based on friendships and family relations, but only the head of a group has a permanent position: other members move from one group to another dependent upon tasks and requirements. Tasks are delegated to particular members of the group dependent upon skills. There are members recruiting people (recruiters); providers of transport to borders (transporters); members who accompany

\(^7\) In 2002, Albanian State Police organised nine operations in the fight against illegal trafficking. Two of them were regional operations (‘Mirazh I’ and ‘Plowshares’) carried out in the framework of SECI Centre. Others (‘Puna’, ‘Gjuetia e Çakejve’ and ‘Liqeni’) were carried out in cooperation with other national law enforcement agencies. Forty eight criminal groups were disrupted. Two hundred women were rescued from trafficking (12 foreigners) and 486 women were returned from other countries, of whom 453 were settled in rehabilitation centres and 31 were integrated into society.
people while crossing borders (guides); and members who accompany people to the
territory of other states.

The most extensive concentration of organised criminal groups involved in both
the trafficking and smuggling of people is in the southern region of Albania (Gjirokas-
tra), but often criminal groups from one region act also in other regions. Recently, some
organised criminal groups involved in the trafficking of human beings have been dis-
rupted by police activity or have changed the commodity and are involved in other
cries. Membership of organised criminal groups is composed mostly of criminals of
Albanian nationality and citizenship, but in the border regions there are also citizens
of neighbouring countries or former Albanian nationals who now have citizenship in
neighbouring countries.8

Almost all organised criminal groups are/were multi–crime oriented. Besides the
trafficking of human beings, they are/were involved in a variety of other crimes such
as the trafficking of guns, vehicles and drugs; money laundering; the smuggling of
people; and the falsification of documents.

Modus operandi

The use of couples – trafficker and victim – was a typical form of Albanian traf-
ficking in the past but now there is a more organised network in which victims are
recruited by individual traffickers but managed collectively.

In several regions, perpetrators act like individual criminals but co-operate strongly
with other criminals. In comparison to some other countries with strong structured
organised groups, current cases of the trafficking of Albanian women show that there
are 1–3 perpetrators involved who recruit a victim, ensure transport and facilitate a legal
or illegal border crossing.

In other cases with a strong international dimension, at least 3–6 people are involved
and monetary transfers are carried out in cash. Sometimes even 2–3 relatives work
together and exploit women. Cases when the family is aware of the exploitation of a
daughter abroad are known. For example, Roma families are actively involved and
have an economic thinking about the trafficking of children and sexual exploitation of
girls.

Perpetrators of Albanian nationality are, mostly, the first link in the chain but, at
the later stage in transit or destination countries, foreigners or emigrants are involved.
Both men and women are involved, but with different roles. Women take on different
roles as recruiters, mediators and supervisors. In particular, they facilitate the recruit-
ment process. In destination countries, some women take on the role of supervisor.

As regards crossing the green border, there is a person available in every region
called the ‘dealer’, as a first link in the chain of a smuggler group and the first point of
contact between ‘smuggled people’ and smugglers. The dealer is responsible for fi-
nancial arrangements and organises the whole process.

8 Thus, criminal groups in the north-eastern region (Kukës) have some members from Kosovo;
Albanian citizens of Greek nationality are members of organised criminal groups operating in
the south (Gjirokastër); and some members of criminal groups active in the north-western region
(Shkodër) come from Montenegro.
For smuggling people to Italy through Greece, the mountainous green border from Albania to Greece is crossed and migrants are subsequently transported to Italy by ferry. The whole process is well organised, with the involvement of other criminals providing fake documents for migrants. Fake documents are delivered either in Albania but, mostly, in Greece. In Athens, there are Albanian criminals specialised only in the production of forged documents. Albanian immigrants living in Italy facilitate the smuggling process. Sometimes immigrants pay a part of the price for their smuggling in Albania and part in Italy. Bearing in mind the tough conditions for the integration of illegal migrants in destination countries, it is assumed that, through a procedure for payment partly after their arrival in destination countries, there is a risk and space for the exploitation of those who are not able to pay the full price.

Legitimisation of illegal proceeds

Members of organised crime groups often invest profits from the exploitation and trafficking of people in legitimate business ventures, e.g. bars and restaurants. Due to their previous illegal activities and contacts within the criminal environment, the potential for using such ‘legal premises’ for the exploitation of women for prostitution is significant. Another form of re-investing the money is its use in another field of criminality. Many drug traffickers started their criminal careers with the exploitation of women for prostitution, where the potential for profit is huge.

It is said that the strength of the local currency is derived from three sources:
1. money from workers abroad sent back to their families (remittances), which represents approximately 1/5 of GDP
2. money sent via projects of the EU and other international donors; and, above all:
3. money generated from criminal activities, mainly illegal trafficking and smuggling.

Albanian organised criminal activities are strongly linked with the unknown scale of the grey or informal economy. It is estimated that economic and financial crimes such as fiscal evasion, money laundering, corruption and falsification are currently the most widespread forms of organised criminality. These types of crime heavily rely on the weakness of the Albanian banking system, tax and customs institutions.

Albania is a base of operations for the conduct of criminal activities in other countries, and the proceeds from these activities are laundered in Albania. Criminal assets are often introduced in the Albanian economy through the purchase of land and property, tourist agencies, nightlife services, shopping centres, TV/radio networks, business investments, etc. The construction industry remains particularly vulnerable. On top of that, Albania remains largely a cash economy: about 33% of the money in circulation is outside the banking system.

9 According to some sources, it is estimated that there is approximately $15-18bn in Albania waiting to be laundered.
Re-trafficking and internal trafficking

It is reported that many victims, either before or after being provided with assistance and leaving rehabilitation centres, are re-trafficked. Assistance providers believe that the main reasons for the re-trafficking of returned women is a combination of a lack of support from their families and insufficient support from the government. They perceive negatively the experience that, in spite of the denouncements of perpetrators and exploiters, these are not punished properly.

There is also the issue of the insufficient protection of victims, in cases when women have denounced traffickers, as one of the reasons behind re-trafficking. A certain number of women have been re-trafficked to eliminate risks to their lives.

Another problem occurs when, even if assistance is provided to women and they are able to be re-integrated in the working process, their income is again too low and they either find old connections to traffickers or else the perpetrators themselves find them and re-traffic them.

Re-trafficking has different forms; women are either re-trafficked abroad or within the country. On the one hand, the number of internationally-trafficked victims is decreasing, but the current phenomenon is that victims are increasingly exploited in Albania.

Traffic of women

There are several ‘push factors’ in why some regions of Albania became centres for trafficked women in the past. One of the most important was, and still is, the economic situation in some regions and for some social groups (the Roma community), as well as the desire to find the possibility of a better living standard, mostly abroad. Unemployment and poverty are seen as major contributors to the vulnerability of women to becoming victims of trafficking.

Over the last few years, especially since the establishment of the legislative and institutional framework for fighting this negative phenomenon, there has been a decrease in the cross-border trafficking of women and girls for the purpose of exploitation for prostitution. Some organised groups have been disrupted recently: their members have left the country or else changed the commodity of their illegal activity. However, there are still cases of trafficked victims being repatriated and deported, mainly from EU countries.

The exploitation of women reaches a higher level in the capital and cities where there is a demand for sexual services. Increased efforts to address the cross-border trafficking of Albanian women have resulted in a decreased number of these cases but an increase in the exploitation of women for prostitution in Albania as perpetrators seek alternative business opportunities. This change of modus operandi has been visible since the establishment of the Serious Crime Court and facilitated by the availability of premises from which to conduct business, such as bars in some cities. The punishment for trafficking offences is higher than that for the exploitation of prostitution, so perpetrators very quickly calculate the lower risk of exploiting victims in the country.
An obstacle to investigation is the reluctance of women to denounce exploiters. This occurs both in cases of forced exploitation and cases where there is an agreement with the perpetrator for the woman to receive a certain percentage of the profit.

Related offences to trafficking in human beings

Generally, the crime statistics of the Albanian State Police do not provide a clear picture of the real level of criminality: there are discrepancies in its presentation by different institutions, e.g. the data of the Ministry of the Interior and those of the General Prosecution Office.

One of the quantitative indicators in assessing whether the trend is increasing or decreasing is the number of trafficking-related offences. These figures reflect only known cases, so they do not indicate the real extent of the phenomenon.

Systematic data recording commenced in 2004, following the legislative and institutional reforms initiated in the ASP.

Figure 1 – Number of cases reported: trafficking/smuggling of human beings, 2004-2007

Figure 1 shows that there has been a constant decrease in criminal cases of the trafficking of people. The trafficking of children (mainly in the Roma community) for begging and of young women for prostitution still constitutes a day-to-day concern for the ASP, while the smuggling of people continues and its extent is not known.

10 The extent of trafficking can also be measured from the numbers of women/children deported from foreign countries to Albania and the victims of trafficking identified among them. These data are incomplete, so have not been presented in this paper.
Related offences to the smuggling of human beings

After 2004, there has been a decrease in the total number of criminal cases of illegal border crossings (see Figure 1).

Concerning the offence of providing assistance for illegal border crossing, there was an increase in the total number of cases in 2005 in comparison to 2004, following which there was a slight decrease in 2006 and 2007 compared to 2005. The increased statistical figures do not necessarily always mean an increase in a particular crime in general: higher detection rates are sometimes the consequence of improved border management, the increased efforts of law enforcement or the use of new detection methods and special equipment.

Increased or decreased trends in illegal migration need to be compared with the data provided by the authorities in the respective countries in which Albanian citizens have entered or in which they unlawfully reside. Therefore, it is acknowledged by the ASP authorities that the extent of smuggling is not known. Nevertheless, the smuggling of human beings remains a phenomenon connected to the poverty factor as well as the restricted freedom of movement for Albanian citizens.

In the Albanian context, illegal migration has been considered as a solution to an immediate problem. It is part of the strategy of an Albanian household. The large sums of money that Albanian migrants pay and the risks they take indicate their determination to find work, earn and save money and help themselves. Currently, emigrants’ remittances to Albania are estimated to represent about 15-20% of GDP. This is indicative of work migration being one of the main sources of income generation for a considerable number of households in Albania. Therefore, without a more sophisticated approach to work migration, illegal migration will continue to be a wager which Albanians might lose, but in the context that they know they will definitely lose if they do not migrate.

Trafficking and smuggling routes

In general, the identified routes used for the smuggling of people are often identical with those used for the smuggling of illegal goods. For a period of time between 1990 and 2002, the illegal trafficking and smuggling of people from Albania mainly via ‘sea routes’ to Italy and Greece was typical. At present, however, the ‘sea routes’ are more used for the transportation of cannabis and heroin.12

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11 Criminal offences related to the smuggling of human beings are stipulated in Articles 297 (Illegal Border Crossing) and 298 (Providing Assistance for Illegal Border Crossing) of the Albanian Criminal Code.

12 According to police findings in Italy, only one speedboat carrying illegal migrants, trafficking victims and drugs reaches the Italian coast each week. The price for such services has increased dramatically and is now thought to be between €1 000 and €2 500.
Following several measures taken by the government, new routes to bringing victims out of Albania have been discovered.

Current land routes towards the main destination countries used by traffickers are as follows:

- Albania – Italy
- Albania – Greece – Italy
- Albania – Macedonia – Greece, and through Piraeus to western European countries
- Albania – Italy – Belgium – Netherlands – United Kingdom
- Albania – Montenegro – Croatia – Slovenia – Italy
- Albania – Kosovo – Serbia – Croatia – Slovenia – Italy/other EU countries (Belgium, Germany, England)/Switzerland – USA – Canada

Both the legal crossing of borders through border crossing points and illegal crossings via green and blue borders are used by traffickers. In border crossings through border crossing points, fake documents are predominantly supplied. Supplying traffickers and smugglers with fake documents is an important service provided by other criminals.

International dimension of Albanian OC groups

There are links between organised criminal groups in Albania especially with criminals in neighbouring countries and in some destination countries. Of concern is that Albanian criminal groups abroad have a very strong structure and links in several countries. Unlike the Italian Mafia abroad (e.g. in the US during the last century), which operates independently of Mafia groups in the homeland (Italy), Albanian OC groups operating abroad have strong links with, and are managed from, homeland OC groups. Due to the development of the communications infrastructure, a lot of work is done in Albania.

According to the Italian authorities, even if Albania is no longer the main country of origin and transit for victims of trafficking, the network for the sexual exploitation of women in Italy is managed mainly by Albanian criminals. Albanian perpetrators constitute 29% of foreigners under investigation, arrested and sentenced for people trafficking-related offences.

Ethnic Albanian criminal groups operating abroad are active both in drugs trafficking and the trafficking and smuggling of human beings. It is sometimes difficult to distinguish between ethnic Albanians and Albanians who are or were citizens of the state of Albania. However, apparently all other criminal groups are co-operating with Albanian criminal groups.

13 The decreased trend of using ‘sea routes’ and the search for other trafficking and smuggling routes is connected both with the legislative measures adopted and counter-trafficking efforts undertaken by the Albanian government (Moratorium on Vessels; establishment of the Anti-Trafficking Centre in Vlora).
Some recommendations

- legislation
  It is desirable to ensure that there is a common interpretation regarding the applicability of the legislative framework provided by international and national legislation to cases of the internal trafficking of human beings.

- improvement of the operational capacity of the ASP
  Develop a proactive approach in investigations of trafficking-related offences based on intelligence-led investigative techniques without reliance solely on the testimony of victims.

- strengthening inter-agency co-operation
  Involve all the relevant ministries and governmental bodies in drafting amendments to the relevant legislative acts. Improve co-operation between prosecution offices and courts and victim assistance providers to provide information regarding the results of proceedings.

- strengthening regional and international police co-operation
  Strengthen bilateral, regional (western Balkan) and international police co-operation in order to exchange operational information and experience on the development of patterns and trends in the trafficking of human beings.

- sustainability of capacities within ASP
  Eliminate the frequent changes and transfers within the respective ASP structures in order to maintain the knowledge and skills delivered and obtained through training initiatives.

References


Labour migration from east to west in the context of European Union integration

Abstract

The enlargement of the European Union (EU) has increased the importance of the issue of migration. The discussion up to now has been focused mainly on migration from central and eastern European countries to western European ones; much less attention has been given to the impact of migration on the economic development of sending countries as well as immigration in them. This paper aims to contribute to a more balanced view of migration regarding both sides of the debate. The article analyses labour migration from and in central and eastern European countries over the last twenty years and discusses the participation and integration of such migrants in the EU labour market. The main hypothesis of the article is that the differentiated labour inflows of immigrants in the two EU regions (western and eastern EU member countries) could have asymmetric impacts on the quality of the labour force (human capital) as well as on economic development, depending on the extent of the substitution and complementarity effects among groups of natives and foreign-born workers.

Keywords: migration, central and eastern Europe, European Union, labour market

Introduction

After the political changes in central and eastern Europe\(^1\) (in 1989), a large wave of emigrants from these countries fled to western Europe as well as some other countries.\(^2\)

Under the conditions of the latest EU enlargement (with central and eastern Europe – ten countries on 1 May 2004 and two others on 1 January 2007), the free mobility of labour has transformed into a kind of internal mobility of the labour force. The liberalisation of the EU labour market and the growing demands for the economic and political integration of central and eastern European countries into the EU have brought migration to the top of the policy agenda. This is recognised in almost all the documents of the European Commission but a satisfactory, legitimate solution has thus far not been found.

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\(^1\) In this paper they are also called new member countries or new EU member countries.

\(^2\) We consider labour emigration in the broad sense of this concept, which means people who cross national borders legally or illegally and remain outside their countries of birth or citizenship for a longer period, generally for at least a year. We include people who can resettle or stay abroad who take a job, as well as students or other people staying there temporarily and being potentially employed in the host countries. Commuting is a special form of labour migration.
Labour force mobility from central and eastern European to other countries within the EU changes national and regional labour markets. It has an impact in a different way on individual countries and societies depending on whether they are host or sending countries. The result is that some advantages, challenges and problems may be observed in the two types of countries.

The EU faces a great challenge: to turn the economy of this community into a very dynamic and competitive one based on the broad application of new technologies, the development of innovation and education, new jobs and social security. For the new member countries, these challenges are even greater.

The central and east European region has a specific status within the European migratory area due to its geographic location and economic situation. Statistics describing migrants of long-term and permanent residence show that, in the last decade, the countries of this region have gradually become an attractive target for immigration. This phenomenon leads to a greater diversity of migrants in the EU and, therefore, of its human capital. The flows of transit migrants heading ‘further to the west’ are routed through the territory of central and east Europe and, for this reason, it is often described as a buffer zone (with the countries themselves often being termed transit countries). Most of these countries are located on the new outer eastern EU border.

This article is focused on labour migration from and in central and eastern Europe. It aims to contribute to a more balanced view of the process of labour migration, regarding both sides of the debate. The main hypothesis is that differentiated labour inflows of immigrants in the two EU regions (‘old’ and ‘new’ EU member countries) could have asymmetric impacts on the quality of the labour force (i.e. human capital) quality and thereafter on economic development.

The paper is organised as follows. It starts by offering a short overview of population mobility from the new member countries to western European ones in the context of labour market developments in the enlarged EU. Subsequently, the economic impacts of migration relevant to the labour market are presented both as regards the host and the sending countries. It is recognised that migration produces a wide range of both positive and negative economic effects in the host and the sending countries. These issues are followed by a short overview of labour immigration in the new member states. The concluding part discusses the strategies and policies of European migrants related to the labour market.

Population mobility from the ‘new’ to the ‘old’ EU countries

The enlargement of the European Union (EU) increased the importance of the issue of migration, both as a process of the free movement of labour from the new member countries and as a fear within the EU-15 of ‘massive migration from the east’.

The new migration flows depend mainly on the level of economic development and the demographic situation both in the sending and the host countries. As a rule, the

3 These are as follows: Bulgaria; the Czech Republic; Estonia; Hungary; Latvia; Lithuania; Poland; Romania; Slovakia; and Slovenia.

4 It turned out, that after the 2004 and 2007 enlargement of the EU, the real number of migrants from central and eastern Europe in the EU-15 was much lower than the predicted number.
level of demand in the labour market in the host countries is a very powerful pull factor; while poor living conditions and limited prospects for higher living standards in the countries of origin constitute the basic push factor for migration.\(^5\)

The immigrant labour structure in EU-15 countries depends, on the one hand, on the shortage of labour in different labour markets;\(^6\) and, on the other, on the EU strategy for a knowledge-based economy and on the highly-skilled labour force which is necessary for this purpose but which is limited in number.

The intensity of migration can be illustrated by the data on net migration rates (Table 1). The data on net migration, derived from population statistics and available for most countries over relatively long periods of time, suggest that several countries have experienced strongly negative net migration rates over extended periods of time (i.e. the outflows dominate the inflows). During the early years of the transition to a market economy, the Baltic countries were typical of the most intensive migration (reflecting the return migration of ethnic groups). Bulgaria, Poland and Romania also experienced high negative net migration rates. The other countries, such as Hungary and the Czech Republic (and also Slovenia apart from the very beginning of the transition and Slovakia apart for the first few years of the new century), are ones where the average migration balance was positive. Bulgaria and Romania became important source countries well before their accession in 2007. In response to the large inflows after the first EU enlargement, Ireland and the United Kingdom chose to restrict access to their labour markets to people from Bulgaria and Romania in 2007. The most attractive destination countries then became Italy and Spain.

**Table 1 – New member countries: net migration rates, 1992-2007 (%)**

<table>
<thead>
<tr>
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<tbody>
<tr>
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<td>-17.1</td>
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<td>-6.1</td>
<td>-2.1</td>
<td>-2.1</td>
</tr>
<tr>
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<td>0.0</td>
<td>-6.5</td>
<td>0.0</td>
</tr>
<tr>
<td>Slovenia</td>
<td>-1.1</td>
<td>0.1</td>
<td>1.7</td>
<td>3.6</td>
</tr>
<tr>
<td>Romania</td>
<td>-0.9</td>
<td>-0.5</td>
<td>-6.1</td>
<td>-0.3</td>
</tr>
</tbody>
</table>

\(^5\) According to Eurostat data, nearly 27 million foreigners live currently within the EU area, which is less than 5% of the total number (i.e. of about half a billion people). Approximately 6.4 million foreigners live in Germany; 4 million in France; 2.7 million in the United Kingdom and in Spain; 2.6 million in Italy; and so on. Most foreigners come from non-European countries. The share of migrants in the different countries varies from 39% in Luxemburg to less than 1% in Slovakia, while the average share is between 2 and 6%. It should be taken into account that the definition of migration is within the competence of individual EU countries and that Eurostat produces total data on the number of migrants as given by them.

\(^6\) The rapid increase of labour demand in western Europe, in particular after 1997, has provoked more intensive population mobility.
De-population in western Europe resulted in steady immigration in the region. An ageing population and slow economic development also gave rise to increasing immigration there. The demographic trends in central and eastern Europe are akin to these, but even worse in comparison with those of western Europe. The data in Table 2 show that a natural decrease in the population is typical of all the new member countries except for Slovakia (but, even there, the increase is minimal; 0.2 per 1 000). In the EU-25, the natural increase is also low (0.7), but the coefficient of net migration (3.7 per 1 000) considerably offsets this figure. In none of the central and eastern European countries could similar indicators be detected. Judging by net migration, most of them turned into sending countries although some did become receiving countries.\(^\text{7}\) Net migration in Slovenia and the Czech Republic is much closer, but lower in comparison with the EU-25 (3.6 and 3.5 per 1 000 respectively). The comparatively good positions in terms of net migration within the two countries are due mainly to the inflow of citizens from countries with which they formed one entity, i.e. before 1991 and 1993 respectively. The higher levels of mortality in the region also contribute to less favourable demographic developments compared with the EU-25; with the exception of Slovenia and Poland, mortality is higher everywhere in the region. The number of deaths per one thousand head of population is especially high in Bulgaria (14.6), Latvia (14.2) and Hungary (13.4).\(^\text{8}\) It is alarming that mortality is worsening, especially among men of working age. These developments have a deep impact not only on the age structure and the overall size of the labour force, but also on the employability of the older (or even younger) age groups.

<table>
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<tbody>
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<td>-3.0</td>
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<td>1.7</td>
<td>1.1</td>
<td>1.7</td>
</tr>
</tbody>
</table>

Sources: Eurostat; and IMF staff calculations (see R. Bems and P. Schellekens, 2008).

For example, the proportion of Poles in the total number of migrants from central and eastern Europe in the EU is about 24%; Romanians, 19%; Bulgarians, 4%; etc.

Mortality depends also on the age structure. The high mortality rate in Bulgaria is probably linked to the large outflow of mainly young people from the country which has occurred in the last couple of years. The result of this has been that the age composition of the country has deteriorated.
Table 2 – EU-25 and the new member countries: demographic indicators per 1 000 head of population (2005)

<table>
<thead>
<tr>
<th>Country</th>
<th>Population (000)</th>
<th>Live births</th>
<th>Deaths</th>
<th>Natural increase/decrease</th>
<th>Net migration</th>
<th>Effective increase/decrease</th>
</tr>
</thead>
<tbody>
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<td>EU-25</td>
<td>457 216</td>
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<td>9.7</td>
<td>0.7</td>
<td>3.7</td>
<td>4.4</td>
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<td>7 450</td>
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<td>-5.6</td>
<td>-1.8</td>
<td>-7.4</td>
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<tr>
<td>Czech Republic</td>
<td>10 241</td>
<td>10.0</td>
<td>10.5</td>
<td>-0.5</td>
<td>3.5</td>
<td>3.0</td>
</tr>
<tr>
<td>Estonia</td>
<td>1 333</td>
<td>10.6</td>
<td>13.1</td>
<td>-2.5</td>
<td>-0.3</td>
<td>-2.8</td>
</tr>
<tr>
<td>Hungary</td>
<td>10 007</td>
<td>9.7</td>
<td>13.4</td>
<td>-3.8</td>
<td>1.7</td>
<td>-2.1</td>
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<tr>
<td>Latvia</td>
<td>2 290</td>
<td>9.3</td>
<td>14.2</td>
<td>-4.9</td>
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</tr>
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<td>8.9</td>
<td>12.9</td>
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<td>5 431</td>
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<td>9.2</td>
<td>-0.4</td>
<td>3.6</td>
<td>3.2</td>
</tr>
<tr>
<td>Romania</td>
<td>22 330</td>
<td>10.2</td>
<td>12.3</td>
<td>-2.1</td>
<td>-0.5</td>
<td>-2.6</td>
</tr>
</tbody>
</table>

* The current number of EU member countries (27) excluding Bulgaria and Romania.

Source: Eurostat, Chronos Database; data on population are taken from the A. Maddison series, see www.ggdc.net

Up to now, the new member countries of the EU have shown differentiated behaviour concerning labour market integration. The outflow of people from Slovenia, the Czech Republic, Hungary and (in part) Estonia has been rather modest, while Poland and the other two Baltic countries (Lithuania and Latvia) have revealed high migration trends. High levels of migration may be observed in Slovakia, mainly within its geographic proximity – Austria, Czech Republic and Hungary.

The likely number of Hungarians working in one of the EU countries is about 25-30 thousand. The estimated figures since joining the EU have increased to about 50 thousand. Most Hungarians work in Austria (22 000), while the second most preferred destination is Germany (12 000) and then the UK (1 000). Up to several thousand people work in the other ‘old’ EU members (Fóti, 2007: 60). A recent survey carried out by the European Central Bank (2006) shows Germany as the most preferred country for citizens of the ‘Višegrad Four’, i.e. the Czech Republic, Slovakia, Poland and Hungary; 37% want to migrate here. The other preferred countries are Austria, 24.4%; the UK, 6.4%; France, 4.1%; etc. whereas only 2.8% of them would choose another new member country.

From the official data of the National Statistical Institute (NSI) in Bulgaria (which, in contrast to Hungary, is a net sending country), an average of 45 000 people per year
emigrated in the 1990s, most of them being young people which has aggravated the problem of an ageing population. From 1989 up to now, nearly one in ten Bulgarians has emigrated. The most attractive countries for permanent settlement are two – the USA and Germany.\(^9\)

Migration from the east is destined mainly for the countries of western and southern Europe: mainly Germany and the United Kingdom, but also Italy, Spain, Ireland and Belgium. The attractiveness of these countries mainly comes from conditions in their own labour markets and an insufficient labour supply in specified activities; a comparatively easy access to labour, both for legal and illegal foreigners; a labour policy which is favourable to foreigners; a higher price of labour in comparison with that applying in the country of origin; etc.\(^10\) Emigrants are included mainly in the service sector, construction and, albeit less likely, in industry. The shortage of labour in some southern countries (Italy, Greece, Spain and Portugal) opens the opportunity for mainly illegal employment in agriculture.

Another group of countries are the Scandinavian ones where migration is relatively less intensive. This is due to precisely the opposite conditions being found there: a restrictive migration policy, including successful measures against illegal migration; a low level of unemployment; a lack of, or otherwise hampered, access to the labour market or to opportunities to carve out a professional career; more difficult adaption to the demands of employers on the local labour market; etc. At the same time, Scandinavian countries are among the most developed. This experience, as well as that of many empirical studies, disproves the main hypothesis of the neo-classical theory of migration: it turns out that the differences in GDP per capita between countries is not a sufficient factor for migration and these differences alone could not explain this phenomenon.

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\(^9\) According to the latest NSI forecast, migration from Bulgaria will gradually decrease and, after 2010, the number of migrated people is expected to be 6-8 thousand annually. They will continue to be mainly young people. After 2020, it is expected that the number of immigrants in the country will exceed that of emigrants. Concerning migration trends in central and eastern Europe by group, younger and better-educated individuals are the ones more likely to move. Very well-paid workers are less likely to emigrate and, in contrast, the youngest and most educated emigrants are the least likely to return.

\(^10\) In the case of Bulgaria, even the price of the lowest-skilled illegally-taken job in a host country is higher than that of highly skilled work in the country of origin (except for some jobs in foreign-owned companies).
Labour migrants abroad can be divided into three specific groups (Rangelova, 2006: 50-73):

a) *Highly-educated migrants*, including students\(^{11}\) may work abroad during their course of study and/or continue working after finishing it. All these people are connected with the so-called brain drain. Many bright researchers and faculties do their best to move abroad and work at prestigious scientific centres or universities in developed countries in order to practise their profession in a more productive manner. There is empirical evidence that, for academic migrants from the new member countries, unemployment could not be considered as a 'push' factor for their inclination to emigrate.

b) *Legal labour migrants*, both educated and uneducated. It is clear why this group is the largest in comparison with the other two: legal labour migrants are important because they have an effect on labour markets both in the host and in the origin countries, as well as because of the sharpened sensitivity in the former due to the active mobility of the population in central and eastern European countries (Rangelova and Vladimirova, 2005: 201-223)

c) *Illegal migrants*. The number of emigrants in this group is the smallest in comparison with the other two. These people carry out some labour activity in a drastically different way in comparison with the other two groups.

There are differences between the figures produced by well-known research institutes on migration, but there are at least three major issues which have been proved (Inotai, 2008: 156-157). Firstly, the anticipated number of migrants turned out to be much higher than the real number of immigrants after the 2004 and the 2007 enlargement of the EU. Secondly, during the first wave of enlargement, a much higher wave of migration from Bulgaria and Romania, not yet members in 2004, took place almost unnoticed. Even now, there may be more Romanians (between 2.5 and 3 million) working in the EU-27 than Poles. The figure for Bulgarian migrants, at nearly 800 000,

\(^{11}\) According to Eurostat, the number of young people in the EU-27 who study in another European country is growing annually by approximately 5%. Up to now, however, this growth has paralleled the general growth in the number of students, i.e. the percentage of internationals has remained relatively constant – at nearly 2% of the total number of students. Cypriot and Luxembourger students have been the most mobile, given the few local universities while over 10% of Maltese students have studied abroad in another European country. They are followed by Greek, Irish, Slovak and Bulgarian students, who are all significantly more mobile than the rest of their European peers (6% to 8%). At the other end of the scale, i.e. those who are least inclined to study abroad, are Polish and British students. Similarly, Romanians are in no rush to study in European higher education schools. For example, the Romanian population is nearly three times as big, but the number of Bulgarian young people in a European university is larger than that of Romanians by about 4 500 students. Moreover, when it comes to registered international students in Romanian universities, they number about 1 500 such students less than the number in Bulgarian ones (Vass, 2007: 125-133).

It should be taken into account that the best students from central and eastern Europe migrate to western higher education schools without returning to their home country. However, no authority in a new member country takes any interest in what happens to students who have left their country to study abroad and in what happens to those who hold undergraduate or graduate degrees from prestigious universities.
Economic effects of immigrants on the host EU country’s labour market

There are a large number of theoretical studies on the long-run consequences of immigration for host countries. It is recognised that, in the short-term, immigration usually has negative consequences – a rise in unemployment, wage pressure on markets with flexible pay, more use of welfare provision – but, in the medium- and long-term, the influx of new labour contributes to economic growth. From the perspective of the neo-classical growth model, international migration is a positive mechanism that accelerates convergence in income per capita and wages, thereby producing equilibrium flows among capital-abundant receiving countries and capital-scarce sending ones.

The proponents of migration note the positive economic role that immigrants can play, for instance in terms of addressing specific labour shortages and the problems linked to ageing populations. Opponents of migration, on the other hand, fear adverse impacts on the labour market, on public finances, on social conditions and on the distribution of income.

Some of the EU-15 countries have long traditions in immigration. In general, immigrants have a positive impact on the adaptation of the labour market and in realising economic growth. Italy, Portugal, Spain, Greece and Ireland, known in the past as typical sending countries, have gradually turned into receiving countries.

Economic migrants are usually motivated and mobile, so their entry into the western European labour market may help to moderate the excessive growth of labour costs and thus maintain international competitiveness. Immigration may also boost demand for goods and services and help to moderate excess demand for labour in specific sectors or regions.

Among other economic effects on host countries, immigration is generally seen as an exogenous change in the labour supply for fixed capital stock as immigrants are normally considered to be endowed with little physical capital. From such a perspective, a standard supply and demand model would predict wage decreases and employment losses. Western European public opinion is generally hostile to further migration on account of high and persistent unemployment and widespread fears that economic growth will no longer lead to increased employment. Various studies, however, reveal that immigrants’ damping effects on wage growth are much smaller than is commonly supposed and affect only limited sectors of the economy.

There are available data on the labour realisation of Bulgarians in Greece and Spain, which countries are similar in terms of labour supply for immigrants, mainly in the service sector (Markova, E (2004) ‘Legal Status and Migrant Economic Performance. The Case of Bulgarians in Spain and Greece’ paper presented at the conference To Be A European. Bulgaria and Europe in Europe: Past, Present and Future University College London, 5 March 2004).
Despite there being no obvious relationship between immigration and unemployment, concerns are often expressed that immigration will lead to higher unemployment and lower wages for the native population. These concerns are especially evident in many European countries, where unemployment rates are higher and the proportion of long-term unemployment is greater than in many non-EU OECD countries. In theory, the labour market impact of immigration depends on how immigrants’ skills compare with those of nationals in the host country.

In general, the presence of immigrants in the EU labour market could be considered from different perspectives: firstly, it is a favourable factor for cultural diversity; secondly, in the near future it will lead to stronger competition in the struggle for jobs between local people and foreigners; thirdly, it could also be a factor in the intensification of economic progress by means of opening new jobs both to foreigners and to local people.\(^{13}\)

In many publications we can find arguments that the increasing inflow of a low-paid labour force from central and eastern European to western countries will decrease wages in host countries, in particular in some professional labour markets. Eurostat data for the three countries which did not undertake migration restrictions after 1 May 2004 – Ireland, the UK and Sweden – show that non-closure of labour markets had a positive influence on their economic growth. This experience has stimulated other western European countries to act in a similar way.

Typical of migrants from the former socialist countries is the relatively high proportion of women. Over the previous decades, they had been encouraged both to educate themselves and to participate actively in paid work and set out a professional career. In this way, they obtained economic independence, skills and the will to get on the labour market. The observed increase in the employment rate in western Europe over the last decades is accompanied by the so-called externalisation of housework (domestic staff, cleaning staff, care for old people and children). This means more and more employed people, in particular women, preferring to hire others to do domestic work for them. There are two basic groups of people related to this purpose: native-born low-income people; or women who have emigrated from central and east European countries. The latter, as usual, are educated but their diplomas are not valid in western Europe.

In general, labour force mobility from central and eastern Europe to other countries within the EU changes national and regional labour markets there. Immigration in cen-

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13 International migration has long been a concern in both originating and receiving countries. At the beginning of this decade, the debate was focused on the role that immigration may play in easing the economic and budgetary impacts of the declining and ageing OECD populations. The impacts of immigration concerned five themes linked to migration in OECD countries: (a) What are the consequences of immigration for labour market performance? (b) What role can immigration play in easing skilled labour shortages in specific sectors? (c) What are the budgetary impacts of immigration? (d) To what extent is immigration a solution to ageing and declining OECD populations? and (e) What are the consequences of migration for economic development in the source country? (see J. Coppel, J-C. Dumont and I. Visco, 2001). On these issues, see also: G. J. Borjas (1993); F. Daveri and R. Faini (1999); United Nations (2000); etc.
central and east European countries, which is mainly from non-EU countries, also contributes to the changes in the labour market in Europe. Labour force mobility has different impacts on individual countries and societies. Modern labour markets could be analysed in the following way: emigration from a given country means immigration in another country (or countries). The disadvantages coming from large-scale emigration and the ‘brain drain’ from sending countries should lead (and they really do) to advantages in the receiving countries.

Migration and its consequences for the sending country’s labour market

The discussion so far has been focused mainly on migration from central and east European countries to western European ones and on the impact of migration on potential host countries. Much less, if any, attention has been given to the impact of migration on socio-economic development and prospects in the sending countries. This article tries to realise a more balanced view of migration regarding both sides of labour migration.

It is recognised that emigration produces a wide range of economic effects in sending countries, both positive and negative.

Depending on the initial situation and the internal flexibility of the national labour markets of sending countries, the results of migration can be very different. In addition, differences in short-term and longer-term prospects have to be taken into account. The most positive short-term impact is on the decrease of unemployment. In the 1990s, migration from central and eastern Europe mitigated the severe social problems caused by the high unemployment rate and the pressure on the national labour markets. This was particularly important for countries with high unemployment rates: Poland; Slovakia; Romania; and Bulgaria. In this case, the budgetary impacts are positive because fewer unemployment benefits must be paid.  

The disadvantages for the country of origin of the emigration of its skilled labour force are obvious. A skilled but low-paid labour force coming from the new member countries to ‘old’ Europe is very valuable for many employers there. Central and east European countries, however, worry because many of the best specialists are leaving their own countries looking for higher payment and better living standards. The migration of medical doctors and other medical specialists from central and eastern Europe, in particular from Romania, Poland, Bulgaria and Hungary, has been increasing over the last years. Health reforms and the problems of health care systems in central and eastern European countries make medical specialists choose rather to leave than to stay in the country of origin. There is a large number of vacancies in the health care sector in west European countries. Due to administrative barriers or other circum-

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14 A substantial proportion of low-skilled workers from the under-developed regions of a country who used to commute within the framework of a national labour market have seized the opportunity to look for a job in other European countries.
stances, however, these specialists often take jobs which do not match their qualifications.¹⁵

High hopes are connected to the transfer of technology inspired by migrants. In reality, however, the technology-related ‘brain drain’ is much more sizable than the ‘brain gain’. Countries with large-scale emigration are increasingly facing labour shortages in high-tech areas, with negative implications for foreign direct investment in general and technology transfer in particular.¹⁶

The large-scale emigration of mainly young and, in labour terms, active people has led to a declining labour force in central and east European countries. There have been examples that the decreasing labour available to agriculture has resulted in technological changes in production via the initiation of investments in the mechanisation of this sector. Such gains can, however, easily be converted into losses if a large number of migrants happens to emerge from among the young, relatively well-educated and mobile parts of the population which have stable or improving employment prospects at home. The problem may be aggravated if the internal mobility of labour is low and surplus labour in one region or sector is not ready to flow to other regions or sectors. In addition, if a large part of the mobile population from a depressed region leaves the country, intra-country regional differences are likely to widen and catch-up chances will be reduced (or at least substantially delayed).

The outflow of people from a country leads to a reduction of tax revenues which reflects negatively on the state of the pensions and health funds in the country.

The sending country loses part or all of its long-term investment in human resource-building. Young and skilled people have benefited from taxpayer money during the many years of education in their native country. If, however, they migrate abroad, the social return from such investment is reduced and taxpayers are, in fact, subsidising human capital and productivity growth in the host countries. Obviously, the greater the ‘brain drain’, the lower the return in the new member countries on their public investment in higher education. In turn, this investment will generate additional growth in the new target country but not at home. There is widespread evidence, however, that a large number of young post-university (or generally post-education) migrants accept jobs that have nothing to do with their previous education. The result is that previous investments will be either substantially downgraded or completely lost.

¹⁵ According to a national survey within the UK (2007), nearly 47% of all migrants from central and eastern Europe with higher education or some professional skills have taken jobs for low-skilled people: domestic staff; cleaning staff; caring for old people and children; hotel staff; etc. In contrast, official data in Bulgaria show that, over the first eight months of 2008, 1 230 nurses left the country, mainly on account of the low salaries (about €150 per month). Nearly 830 of them have legalised their education certificates and 400 have not – which means that the latter do not intend at all to practise their profession. At the same time, the health care sector in Bulgaria badly needs medical staff.

¹⁶ Theoretically, given that any ‘brain gain’ can only be exploited if the native country is able to create an attractive environment (absorption capacity). But, even in this case, the balance of costs and benefits is generally negative to sending countries, particularly in the first stages of migration.
Throughout the current decade, high economic growth has led to the emergence of labour force shortages in some of the new member countries. Several sectors are facing serious labour shortages, such as agriculture, retail trade, personal and social service activities and, not least, the construction sector. The situation in the latter is particularly contradictory since part of what remittances are made are expected to flow into the construction industry and the housing market. In general, to increase the labour supply there are several basic approaches, such as attracting immigrants into the country and/or by increasing the pay of local workers, thus keeping them in the country, or by attracting migrants to return. In this context, labour shortages have become rapidly accompanied by higher wages mostly, but not exclusively, in shortage sectors since wage increases have a ‘demonstration effect’ and, with some delay, they also reach the wage levels and structures of other sectors which do not have serious labour shortage.\[17\]

The additional negative of rapid wage increases (generally decoupled from productivity increases) can be observed in terms of growing inflationary pressures, as observed in the Baltic countries, Bulgaria, Romania and Poland. This may seriously hinder the implementation of national convergence plans aimed at fulfilling the conditions for introducing the Euro.

Migration generally has different impacts on selected regions of a given country. Unemployment-driven migration affects disproportionately those regions which have high levels of unemployment, while ‘brain drain’-related migration is concentrated in more developed parts of the country (based around universities). In addition, first-wave patterns of migration may generate second-wave migration from the same region based on family and relative networks.

The current world financial crisis, followed by the reductions in economic activity, has brought an expected reaction amongst migrants – to come back or, at least, to transfer more money (savings) to their country of origin. Due to the increased unemployment in host countries, many migrants at least think about the option to return (even temporarily) to the country of origin.

Considering the intra-country impacts of migration, it should be noted that migration from desperate rural areas to urban centres in some European countries has contributed to de-population and a backwardness of the abandoned regions. Such a process is fully contrary to the cohesion policy of the EU financed by substantial transfers from the common budget.

Immigrant labour structures in ‘old’ EU countries depend, on the one hand, on the shortage of labour supply in different labour markets and, on the other, on the EU strategy for a knowledge-based economy, demanding a highly-skilled labour force. The new EU member countries have similar (even more severe) demographic problems but they can not compete with ‘old’ EU countries in attracting the necessary immigrant

\[17\] In 2007 alone, wages in the construction industry grew by 20% in Poland, 25% in Romania and 35% in Latvia. Polish companies struggling to attract labour to their activities in or around Warsaw had to increase not only salaries (to about €700a month) but offer free-of-charge transport or even accommodation – but without success (Inotai, 2008: 162).
labour force. Thus, the serious problems concerning the competitiveness and productivity of their economies grow deeper.

Migrant remittances are the most frequently discussed positive consequence for sending countries. These come mainly from labour migrants (both long-term and short-term) and less from settlers who have invested in houses, cars or the education of their children in the host country. Money transfers tend to grow over time. These transfers ensure living and additional income for family and relatives in the country of origin.\textsuperscript{18} In a national context, this is a way to increase the volume of foreign currency coming into the country of origin, while such money helps the state balance of payments.\textsuperscript{19} Money remitted is a significant factor in economic growth as far as it is used for higher consumption and investment. Such funds also help the development of regions from where migrants have gone abroad.

Taking into account the much lower level of income in new member countries, it is evident that money transfers are spent mainly on consumption. Due to limited domestic production, they are spent mainly on imported goods. In this way, we can account for unforeseen levels of increases in consumption. It turns out that the ‘export’ of people from central and eastern Europe enables governments to report (thanks to the remittances) successful economic development. Furthermore, increased consumption theoretically entails an inflationary pressure which means it could make the local currency more expensive. In this sense, we can speak of the marginal impact of remittances on economic growth in the sending countries.

Migration is likely to affect different sectors of the economy differently, which could generate some imbalances. At present, particularly strained situations have emerged in some sending countries in such sectors as agriculture, the construction industry, health care, university education or selected hi-tech sectors, with very different skill and education requirements.

If the most talented scientists and entrepreneurs leave for abroad, host countries will come to own more patents and will take advantage of this. For the country of origin, this means a likely reduction in the proportion of good jobs in the restructured economy. Due to the absence of highly-skilled specialists in the home country, economic activity will need to adjust more or less to the available human capital.

In obtaining higher skills and wider contacts abroad, emigrants can contribute to the expected positive changes in the economic and social life of their own countries. In many cases, migrants, in particular highly-skilled professionals, develop a successful career abroad and obtain international experience. They have learned cultural lessons and thus they are able to transfer the professional and managerial skills and experience they gained while abroad (Rangelova and Vladimirova, 2005). Such people confront

\textsuperscript{18} In general, migrants send more money to their relatives during economic crisis in the country of origin.

\textsuperscript{19} According to the Agency for Bulgarians Abroad since 2003 at least 300 thousand emigrants have been transferring to their families small amounts ranging from USD 100 to USD 300 monthly. These amounts could be treated as social assistance coming from remittances instead of from the state budget. The amount of money sent by migrants to Bulgaria is increasing from year to year.
in close detail the problems of international integration, social cohesion and a modern lifestyle.

Migrants from the new member countries could become more effective for their countries of origin: coming back and, having sufficient financial means, migrants could start their own business. The last statement is particularly important in the context of the general assumption that, if risk-taking people are more inclined to migrate, returning migrants should also be more risk-taking than the average in the population. However, risk-taking supported by some amount of money has two important ‘regulatory’ aspects. The first is the age of the returnees. The later they return, the higher the likelihood that their basic behaviour will not be directed towards business ventures but towards the quiet life. This second aspect is connected with the given economic and socio-political environment in the country of origin. The higher the unpredictability and non-transparency of the latter, the lower the level of risk-taking activities.

Migrants’ network-building promises a number of advantages. It focuses on sharing the success of migrants with native people. Migrants in developed countries may be able to generate additional trade and investment flows, encourage tourism and improve the financial stability of the home country. Diasporas can successfully contribute to the positive image-building of their home country. In many cases, diasporas can also have a certain bargaining power in shaping relations between their host and native countries in political, cultural and economic terms.

In a long-term perspective, however, central and east European countries will need to cope with a combination of two factors: de-population and an ageing population like in developed western European countries but in the conditions of low-income economies. As far as migrants are mainly young, educated and ambitious people, the demographic crisis has been deepened and this leads to negative effects on the quantity and quality of human capital.

Such an exodus of brains can be explained. On the one hand, gifted young people abroad find themselves in an environment that guarantees high-quality education and internationally-recognised degrees. On the other hand, such students may be offered good financial incentives and, for the most competent among them, the opportunity to advance their career within universities, research institutes or large-scale multinational companies. It goes without saying that the receiving country draws great benefits from capitalising on these foreign talents. If they do not return to their home countries, such countries lose added value potential that could help their economic development.

As a rule, migrants are more adventurous and ready to take risks than are people living in the country of origin. The absence of active and highly-skilled people from the sending countries limits the chances for creating and developing businesses there. In the case of central and east European countries, this has happened simultaneously with the very important period of political, economic and social transformation and the requirement for marked progress to be made.

Some people left behind in the country of origin are, as a consequence, de-motivated to put into practice a creative economic and social attitude to national progress. In many
cases, they are tempted by the successful examples of their peers, demonstrating that the only right route to personal success is migration.\textsuperscript{20}

There is no doubt that working abroad may have widespread positive impacts on the medium- and longer-term development of the sending country. However, the size of this influence, as well as its time horizon, is far from being predictable: both factors are predetermined to a great extent by the migration policy implemented both in the sending country and abroad.

Labour immigration in the new EU member states

Labour immigration in three central and eastern European countries is briefly discussed below: two of them – Hungary and the Czech Republic – are host countries regarding net migration; while Bulgaria is a sending country.

The age structure of immigrants in Hungary is favourable from the point of view of economic activity because most of them are young and of an active age in labour terms (25-49 years). Immigration has been especially visible since 1997. Regarding the structure of immigrants from the point of view of the country of origin, it can be assumed that income and wage differences, as well as a common language, traditions and culture have played the most important role. Around 40\% of all immigrants come from Romania, where the largest Hungarian minority lives (about 1.5 million people), and the wage differences are considerable. There is also a number of immigrants from Ukraine, which is also a country of origin for many ethnic Hungarians (Fóti, 2007: 49-66).

The Czech Republic attracts different groups of incoming migrants according to the push-pull theory, in which the key factors include job demand, favourable economic opportunities, political freedoms and cultural and linguistic proximity in the host country, etc. The largest proportion of economically active migrants are men of active labour age. The majority of the holders of job permits are from the former Soviet republics, in particular Ukraine. Current migration into the Czech Republic has a predominantly economic character. Roughly 70\% of all officially-registered foreigners in the Czech Republic are economically active. Their real numbers are probably much higher because official statistics do not include foreigners who work in the informal economy and holders of permanent residence permits.

The experience of Bulgaria is particularly interesting because of its specificity as a typical south-eastern country located at the heart of the Balkans. The country is an EU member, in contrast to neighbouring countries which are pursuing the same aim. Bulgaria provides an outer border for the EU which means that, in many cases, it is treated by immigrants as a transfer country. In a broader sense, economic migrants come from different geographical regions and countries: Russia; Ukraine; the Arab world; China;

\textsuperscript{20} Studies in Bulgaria refer to practice in villages in the Rhodope Mountains, from which many adults have migrated to Spain and send money regularly to their children in Bulgaria. The latter are known in the terminology on migration as ‘remittance people’. They are not motivated to look for jobs or to organise a business, relying only on the money sent by their parents or other relatives.
neighbouring countries; and others. Labour immigrants enter mainly from lower-developed countries.

There are essential differences between emigrants from and immigrants in Bulgaria on the basis of educational level, professional skills and participation in economic activity.

According to the data of the Employment Agency in Bulgaria, the number of foreigners coming from non-EU countries and taking jobs is continually increasing, markedly so after the country entered the European Union. Immigration in Bulgaria differs from immigration in developed western European countries on the basis of the following features (Rangelova, 2008: 133-152):

- immigrants in western European countries are treated as ‘periphery’ workers, marginalised from the economic centres of their society, as well as people who have to take jobs that the local people do not want. Immigrants in Bulgaria are regarded as people who can be hired but who can also hire employees
- there are almost no immigrants hired by Bulgarians, but there are quite a few Bulgarians hired by immigrants. That means that immigrants create jobs rather than take them away from Bulgarians
- immigration in Bulgaria began later and is relatively smaller in number than immigration in developed western countries
- migrant inflows in Bulgaria are incomparably smaller in number than those of migrant outflows from the country
- immigrants have not been desperate and extremely poor people in their countries of origin. Neither are they impoverished people in Bulgaria (excluding refugees)
- for many of them, Bulgaria is not the terminal but a transfer country in their intention to move to western Europe
- there are two basic groups of labour immigrants playing a comparatively more important role than others in the Bulgarian labour market: the first comes from the near and middle East; and the second comes from China. There are some differences between these two ethnic groups of immigrants:
  - the employment structure of Arab immigrants by activity is as follows: in the retail trade – nearly 47%; in the service sector – about 28%; in wholesale trade – over 20%; and in production activity – only 4.3%. Highly-educated immigrants are not willing to agree to the very low pay in Bulgaria and prefer to develop their own businesses. In the vast majority of cases, Chinese people are low educated and are engaged in two economic sectors: restaurants; and trade (wholesale and retail). Arabs are the main competitors of Chinese people in the two economic sectors. More aggressive Chinese people succeeded in ousting Arabs from some of their easily conquered positions earlier – at the

21 Immigration from non-EU and non-European countries to western European countries has a long tradition and is an important factor in the labour market and economic development of the EU, but this issue is outside the scope of this article.

22 The specificity of the two groups of people was revealed by a survey carried out at the beginning of the current decade (see Anna Krasteva (Ed.) Immigration in Bulgaria, 2005 International Centre for Minority Studies and Intercultural Relations: Sofia.)
beginning of the 1990s. Some Arab immigrants came for the first time to Bulgaria in the last two decades, while the rest were already studying there in universities in the 1970s and 1980s

- immigrants from Syria, Iraq and the Lebanon are typified by easier and better levels of adaptation compared with other nationality groups of immigrants. This could be explained by them being the biggest and the oldest migrant colonies in the country

- Arab migrants are predominantly men. Women are less in number and do not carry out paid work. Most women do not speak the local language, making their integration into the local population more difficult. Chinese women are as active and as ‘visible’ as their husbands (partners)

in terms of economic activity, immigrants could be regarded as ‘representative’ of their countries of origin. In the host countries, they are even more enterprising and more ready to take risks. Together with the positive side of this feature, we can mention the observed practice of smuggling, in particular among Chinese people.

The new EU countries face even more severe demographic problems than those in ‘old’ Europe but the result of the serious problems of productivity and the competitiveness of their economies is that they can not compete with the latter in attracting the necessary immigrant labour force. Given the large-scale migration of specialists and other educated and skilled people from central and eastern Europe to western Europe, who often take jobs which do not match their qualifications, it could be claimed that this is a loss mainly for the sending countries which have invested in these people as regards their education but not used them on the labour market. However, this is also a waste for the whole EU economy.

Owing to the still-limited number of immigrants in central and eastern Europe, their presence on the labour market has not yet created problems but, in the light of their increase in number, it is possible to envisage complications in the future.

Notwithstanding the favourable age structure of immigrants in central and east European countries, it is difficult to demonstrate that immigration has, so far, had any meaningful impact on the demographic situation. If the possible demographic impacts of migration are considered, it is clear that the current patterns and trends do not lend support to any significant effects, not only because their total number is comparatively small but also because the fertility pattern of most migrants is similar to that of the native population.

Labour migration policies in the EU

The opening up of the labour market of the EU-15 to new members in 2004 and 2007 constituted one of the toughest chapters in the negotiations process for accession. Based on justified or unjustified fears, and as a result of different national labour market policies as well as the priorities of public opinion, the EU-15 introduced a seven-year transition period for the complete opening of the enlarged market for one of the four freedoms of the single market (the free circulation – or mobility – of labour). The United

23 The share of the foreign-born population in several western European countries amounts to 10% or higher, but the same indicator hardly exceeds 1% in most new EU member countries.
Kingdom, Sweden and Ireland immediately eliminated previous obstacles to the free flow of labour, while other countries followed suit in 2006-2007. At present, only Austria and Germany, and to some extent France, have serious barriers.

The new EU member countries applied the same labour market policy as their EU-15 counterparts: they opened up their labour markets to citizens of those countries that behaved in the same way with their citizens; and kept them closed, or under control, with those who applied the same rules. In 2007, most new member countries abolished any kind of restriction on the inflow of Bulgarian and Romanian labour, while only two EU-15 members (Finland and Sweden) followed the same practice. Hungary, which opened up its labour market only partially, was the sole exception (in 2007 in 219 different activity areas; and in 2008 in all areas but only for skilled workers). The United Kingdom, which had played a pioneering role in 2004, started to introduce some restrictions on potential migrants from the two new member countries in 2007. Bulgaria disregarded the reciprocity principle and did not introduce any barriers to labour coming from other EU member countries.

Central and eastern European countries face another serious challenge: how could they develop competitive economies, improving for this purpose their human capital. This means that, in conjunction with other efforts, they need to take measures to mitigate migration from their own countries. In order to be able to compete with other EU countries, new member countries have to achieve higher economic development based on human intellectual potential.

Population mobility within the EU is a subject of labour market policy. Labour force mobility and the consequences that follow are predetermined by the level of education systems, the competitive level of individuals, differences in living standards and living conditions, etc. Migration systems present some similarities across countries, but institutional arrangements vary widely and do have an impact on the size and composition of migration flows (Box 1).
### Box 1. Immigration labour policies in selected European countries

Austria accepts immigrants based on yearly fixed quotas as a percentage of the labour force in the country. The required number of immigrants is estimated by the Austrian Institute for Economic Studies. So-called important workers are able to obtain a permit to work in the country on the basis of different quotas. This is the mechanism to attract highly-qualified employees. In order to obtain a permanent permit for work, a given immigrant should have at least five years legal residence in Austria and should have applied firstly for a labour licence and, after that, receive an individual work permit. This procedure shows that the Austrian system is very complicated, operating on the basis of considerable administrative discretion, which implies why it has not been able to attract enough immigrants, including highly-skilled ones.

The system in Portugal is similar to that in Austria. The decision to admit immigrants into the country are taken by the administration and are based on estimates of labour market need. According to these estimates, a yearly quotas for immigrants is defined. In reality, however, the real number of immigrants engaged in the grey economy is more than double this as they come mainly from the ex-colonies of Portugal and from eastern Europe.

The immigration policy in Cyprus is different. It follows the logic of temporary residence for labour immigrants. After finishing the term of the permit, any immigrant should leave the country. There is no system in Cyprus which gives permanent work permits and actual settlement of the immigrant in the country. The result is that most immigrants in Cyprus are low-skilled people looking for seasonal and not highly-paid work.

The immigration labour policy in Ireland is based on the economic demands of the country, depending on the deficit in the labour force and on the skills possessed by immigrants. A basic feature of this policy is that it is based on labour market signals but not on the estimates and discretion of the administration. This makes the system very flexible and effective. There are no limitations on people from other EU countries or from countries in the European economic space settling and working in Ireland. The basic demand of immigrants from outside the European economic space is a work permit. The system of work permits is based on the number of vacancies which employers could not fill with people from the European economic space. To prove the need to employ foreigners, any employer should declare the position at the National Employment Agency and, if there are no local candidates for these jobs within the next month, they could be filled by immigrants. Work permits are given to employers for preliminary defined workers or to employees for a fixed term.

The immigration policy system in Bulgaria is similar to that of Ireland. There is a limitation on a given employer, which may employ foreigners up to 10% of the total number of staff. There is also a requirement for a particular immigrant applying for a job to have passed the so-called ‘market test’, i.e. the job could not be taken by a local person. At present, immigration policy concerning the labour market in Bulgaria is in a very dynamic process of adaptation to the new economic situation – the level of economic progress attained and membership of the EU. Recently, the ‘market test’ was lifted for foreigners of Bulgarian origin. Until recently, the unemployment rate in Bulgaria was high but it has decreased and is now near the average for EU countries (7.75% in 2007). The main economic problem which remains is the very low pay, which does not stimulate foreigners to work in the country.

Source: http://ec.europa.eu

Most European countries have developed different policies, plans and programmes for attracting migrant workers and for their successful inclusion in the labour market, corresponding to the European Strategy for Labour Migrants. Many of these countries apply different numerical quotas or incentives to attract the labour market migrants who are desired and to restrict the less desirable ones. As of today, there is no comprehensive initiative.

National policies in developed countries towards immigrants are predetermined first of all by the needs of the domestic labour market. A crucial point in this policy is...
to facilitate the migration of highly-skilled specialists in the field of new technologies and health care. Low-skilled migrants, or those without good professional experience, could be taken for a period only if they are needed for the economy. This policy is aimed at attracting young and educated specialists from the new EU countries due to the low pay and currently unsatisfactory conditions for establishing professional careers which exist there. Business in some of these countries is not yet well organised to invest sufficiently in the labour force. This leads to further negative consequences for the countries of origin in terms of productivity and the competitiveness of their economies.

The result of large-scale emigration from some new member countries has been that contradictory effects have already become widely felt. In the last decade, most of the governments of these countries have started to evaluate the current situation and shape longer-term strategies for migration. Some basic elements of these strategies are as follows:

- despite a mixed experience, all new members countries continue to emphasise the importance of the free circulation of labour in the enlarged EU
- some countries like Poland, Bulgaria and Romania, with experience of large-scale migration to western Europe, are now interested in attracting labour from their even less-developed neighbours such as Moldova, Ukraine, FYR Macedonia, or even Turkey and Russia
- some half-hearted initiatives have been taken in order to keep mainly highly-skilled people and workers employed in shortage areas at home. Such efforts can, however, barely work efficiently since the most important regulator remains the market and the wage gap between the domestic and the potential target country remains very significant
- active government policies must focus more on immigration in order to substitute for native emigrants. Efforts have been undertaken to seek the return of some migrants, in particular the young, the skilled and risk-taking people, from abroad. However, in designing such instruments, policy-makers have to bear in mind that special privileges are generally not able to compensate for an average socio-economic environment and a lack of business confidence.

In order to avoid, or decrease, the risk of the best students from new member countries migrating to western higher education schools and not returning to their home country, these countries should:

a) facilitate the access of students from central and eastern European countries to foreign higher education institutes
b) capitalise on the foreign university education of students from new member countries upon their return home.

New member countries confront important challenges in terms of migrants’ economic effectiveness: firstly, they invest in the education and training of people who, later on, leave the countries; and, secondly, they have to invest in immigrants to ensure a higher level of professional and language training, re-skilling, etc. At the national

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24 Full liberalisation is scheduled in 2011 for the new member countries that joined in 2004 and by 2014 for Bulgaria and Romania. Future members must calculate on similar, or even stricter, international regulations.
level, this means a double investment. Due to the continuing unfavourable demographic processes in central and eastern Europe as regards the labour market, including large-scale emigration on the one hand and the increase of their economies on the other, labour force shortages may be observed. This is why the new member countries have to study what role immigration can play in filling the labour shortages caused by emigration. What is ‘the price’ of the ‘substitution’ of people from the new member countries by foreigners?

As regards migration, the present and future policy of the EU will lead to significant direct and indirect effects on a number of parameters of economic development, both in host and sending countries. At a superficial level, this concerns the problems of internal regional migration and labour markets.

It is understandable that host countries are interested in a selective migration policy attuned to the needs of their labour markets since such a policy may raise economic growth and social welfare. Host countries could reduce the supply of potential migrants by liberalising trade with sending countries. With the increased integration of EU labour markets, natural immigration laws have only limited effects.

Foreign workers should be permitted to perform seasonal work because, in the peak season, the additional supply of workers compensates for the shortage of labour without reducing domestic employment opportunities. Using simpler and more flexible rules, particularly in certain sectors, a considerable proportion of illegal foreign labour could be channelled into legal forms of work.

As regards policy on illegal migration, there have been some conflicts between the members of the EU. The experience of other regions and countries, including the USA, has already shown, however, that, as regards efficient protection against the inflow of illegal migrants, much room for manoeuvre remains in the policy-making of individual countries.

Until recently, migration policies in the EU were regarded mostly as domestic matters for the individual country. The debate on labour force mobility was encompassed within the elaborated European employment strategy. Over the last few years, however, the EU has conceded this rule and has begun to elaborate a framework for a common migration policy concerning the integration of immigrants (Box 2).
Box 2. EU efforts to build up a common migration policy

The beginning of the working out of a common migration policy dated from the end of 2004 on the basis of the so-called Hague Programme, when the EU approved its ‘Common Principles of Policy for Migrants’ Integration’. In January of the next year, the EU introduced as a first common measure the so-called ‘Green Book’ for the management of economic migration. In December 2005, EU countries accepted the Policy Plan for the Management of Legal Migration, which should come into force in 2009. The basic directions of this policy are as follows:

a) immigrants’ stable integration in labour markets, ensuring that they have access to education and employment services
b) the decline of undeclared employment and a reduction in the size of the informal economy
c) an estimate of real labour market demand within EU countries, and the role of immigrants, taking into account increased competition between host countries.

Thus, agreements on common migration rules have, step-by-step, been achieved. A specific directive focuses on seasonal migration (mainly in agriculture, construction and tourism). At the same time, the EU has accepted the ‘Global Approach to Migration’, mainly concerning policies related to the eastern, south-eastern and Mediterranean EU neighbours. Subsequent to July 2004, the EC has presented three annual reports. In 2008, it suggested a Common Framework Directive defining the basic rights of immigrants employed in EU countries as well as a directive concerning conditions for the immigration of highly-skilled specialists. The key term in these documents is employment, including non-discrimination and equal opportunities for migrants in terms of social cohesion, social support and access to education and training.

In September 2008, a new document was introduced – the European Refugees Pact. This is not a legal act but a codex for the 27 EU countries, focusing mostly on individual cases rather than on mass migration. The main priorities are:

1. harmonising regulations for legal migration within the EU, giving priority to family migration combined with labour migration
2. struggling against illegal migration
3. strengthening the border controls of the EU
4. harmonising regulations concerning refugees
5. the north-south partnership.

The document is reliant on the influence of third (non-European) countries to reduce migration from their areas – Morocco, Lebanon, Ukraine.

Despite working on a common migration policy, we should be aware that individual countries are not much interested in co-operation. This is one of the reasons why a successful migration policy has not been developed. For this purpose, inter-governmental links must be strengthened. Future migration policy should have the quality of being selected by individual countries as promising, not simply tolerated just because it has already been accepted.

Source: http://ec.europa.eu

Concluding remarks

The increasing mobility of the population out of restrictive national borders is a natural consequence of the strengthening globalisation processes, in particular European integration and the free movement of capital and goods. More and more labour markets function like communication vessels and this should increasingly be taken into consideration when implementing regulatory policies on employment and migration.

Migration from central and eastern Europe to western Europe is on the EU agenda, and will continue to be so for the next few years: this is not just a mopping-up operation. How much of this will be efficient for the whole European labour market and development? On the basis of well-studied problems, the EU has to develop regulations and an institutional structure to be able to deal with the real situation.
New member countries are likely to experience an outflow of skilled labour to the labour markets of ‘old’ EU countries, unless an economic catching-up with the economies of western countries occurs more quickly than expected.

Due to the lack of an immigration policy up to now in central and eastern European countries on the one hand, and to the increasing importance of this issue for these countries on the other, and as some of them form an external border of the EU, the main points concerning state policy still lie ahead.

The general question is: could the EU organise migration processes in a way to achieve favourable results for all EU countries concerning human capital and economic development? Yes. This is a difficult, but not impossible, policy.

References


Chris Wright

The regulation of European labour mobility: National policy responses to the free movement of labour transition arrangements of recent EU enlargements

Abstract

This article analyses the reasons for the variation in policy responses of the older member states of the European Union with respect to the free movement of workers from the new member states that joined in 2004 and 2007. A combination of domestic political pressures and economic institutional factors, as well as the policy positions of other member states, can explain the differences in the policies adopted. Particular attention is paid to the UK, which was the only large EU-15 state to allow nationals from the eight states that joined the EU in 2004 to work freely in its labour market, but prevented Bulgarians and Romanians from being able to do so three years later.

Keywords: labour immigration, labour mobility, labour market regulation, European Union

Introduction

The principle of free movement of labour, which allows nationals from member states of the European Union (EU) to work without restriction in any other member state, is enshrined in the Treaty of Rome. However, when ten central and eastern European states joined the EU in 2004 and 2007, the fifteen existing western European member states of the EU (‘the EU-15’) were permitted to restrict nationals from the new member states from freely working in their labour markets for up to seven years. The stated rationale behind these measures was to protect EU-15 states against the prospect of increased unemployment, in the event of large inflows of workers from the poorer central and eastern European states.¹ However, van Selm and Tsolakis assert that such measures were driven as much by:

Domestic political concerns in the context of slowing economies, high unemployment and anti-immigration sentiment.²

Whatever the reason for their introduction, the transitional measures used by EU-15 states towards workers from the new EU members were mixed and varied. On the accession of the eight states that joined on 1 May 2004 – the Czech Republic, Estonia, Latvia, Lithuania, Hungary, Poland, Slovenia and Slovakia (the ‘A8’ states) – Ireland, Sweden and the United Kingdom were the only three EU-15 states to allow free movement from the outset. When the EU further enlarged three years later to include Bulgaria and Romania (the ‘A2’ states), only Sweden and Finland opened their labour markets from the date of accession.

This article analyses the reasons for the varied policy responses of EU-15 states to these two EU enlargements.

That member states adopted different transitional measures is perhaps not surprising. Different migration pressures, such as historical links with and geographical proximity to likely source countries, existing migrant communities, language and labour market dynamics, as well as varying capacities to accommodate increased populations, will make some destinations more attractive to prospective migrants than others, thus meaning that policies regulating the entry of immigrants will differ across states. Nonetheless, there are no obvious reasons for the varying responses of EU-15 states to the free movement provisions of the 2004 and 2007 enlargements.

Despite offering some important insights, previous studies that have highlighted the differing strategies used to combat far-right parties, or the protection of national welfare regimes, in explaining the varying policy responses of EU-15 states have lacked sufficient explanatory value. This article argues that a combination of domestic political pressures and economic institutional factors, as well as the policy positions of other member states, can explain the policies adopted by EU-15 states with respect to free movement for A8 and A2 nationals. Particular attention is paid to the case of the UK to illustrate this argument.

The UK is a curious case as it was the only large EU-15 state to allow A8 nationals to work freely in its labour market, but it subsequently prevented A2 nationals from being able to do so. Drawing on over forty interviews with UK government ministers, policy advisers, civil servants and lobbyists, as well as press reports and policy documents, the article examines the reasons for why the Blair government opted for a policy of free movement for workers from the new member states in 2004, but not in 2007. It argues that the Blair government allowed free movement for A8 workers because the economic case for doing so was stronger than in other EU-15 states, while the institutional strength provided by the UK state apparatus enabled the government to override the domestic political pressures which were opposed to such a policy. However, a lack of political will – underscored by increased domestic opposition and fewer compelling

economic reasons – deterred the Blair government from adopting free movement for A2 workers.

Policy responses of EU member states to the 2004 enlargement

The terms of the 2004 and 2007 enlargements of the EU – as agreed in the Treaties of Accession of 16 April 2003 and 25 April 2005 – specified that the existing EU member states were permitted to restrict the right of nationals from the A8 states acceding on 1 May 2004, and the A2 states acceding on 1 January 2007, to work freely in their labour markets for up to seven years. The Treaties established that the existing EU member states would be allowed to review their stances on the second and fifth anniversaries of the dates of accession. Similar transitional measures had been imposed when Greece, Spain and Portugal joined the European Economic Community in the 1980s. In contrast to these earlier membership enlargements, when existing member states imposed similar labour market restrictions, the response of EU-15 states to the 2004 enlargement were mixed and varied. Belgium, Finland, Germany, Greece, France, Luxembourg and Spain adopted restrictive policies whereby essentially no or very limited scope was provided for A8 nationals to work; Austria, Denmark, Italy, the Netherlands and Portugal introduced quotas or work permit schemes for A8 nationals, often to work in specific or shortage sectors; while Ireland, Sweden and the UK allowed unrestricted access, although Ireland and the UK did impose restrictions on welfare provision. A number of the states that imposed restrictions subsequently removed them after the second anniversary of accession, either in part or in entirety. These contrasting policy positions were the products of strategic interactions between the EU-15 and their institutional state structures, as well as of domestic political pressures and structural economic factors.

Strategic interactions between member states

Kvist demonstrates that a number of states adopted their respective policy stances in reaction to those taken by other states, a process he terms ‘strategic interaction’. The likely terms of accession for the 2004 enlargement had become apparent by late 2002. At that stage, Denmark, Greece, Ireland, the Netherlands, Sweden and the United Kingdom indicated that they would permit free movement, while the remaining EU-15 states suggested they would impose restrictions of varying degrees.

Of those in the latter category, Germany and Austria, both states being the instigators behind the allowance by the European Commission (EC) for member states to use

7 Boeri and Brücker op. cit. p. 638; Gajewska op. cit. p. 380.
8 Kvist op. cit.
transitional measures, were the most vocal. The German and Austrian governments had successfully persuaded the EC that their shared borders and close economic, historical and cultural ties with a number of the accession states meant they would be the most likely destinations for A8 nationals, which their labour markets would struggle to accommodate.\(^{10}\) In fact, there were many A8 nationals already working in Germany and Austria prior to accession, partly the result of bilateral agreements established after the fall of the Iron Curtain to fill labour shortages, particularly for low-wage and seasonal occupations in the construction, service and agricultural sectors.\(^{11}\) Table 1 shows the high numbers of A8 nationals living in Austria and Germany prior to the 2004 enlargement, both in absolute terms and relative to other EU-15 states. Moreover, a 2001 report on behalf of the EC, which factored in:

> The impact of the wage differential, employment rates and some institutional factors

on migratory movements, had predicted around 335,000 A8 and A2 nationals would move to the EU-15 within twelve months of accession, around 65 per cent of which would go to Germany and some 12 per cent to Austria.\(^ {12}\)

**Table 1 – Stock of A8 nationals resident in the EU-15 member states prior to accession (most recent year)**

<table>
<thead>
<tr>
<th>EU-15 member state</th>
<th>Year</th>
<th>Persons</th>
<th>% of national population</th>
<th>% of A8 residents in EU-15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austria</td>
<td>2001</td>
<td>56,930</td>
<td>0.70</td>
<td>7.16</td>
</tr>
<tr>
<td>Belgium*</td>
<td>2001</td>
<td>13,208</td>
<td>0.13</td>
<td>1.66</td>
</tr>
<tr>
<td>Denmark</td>
<td>2003</td>
<td>9,551</td>
<td>0.18</td>
<td>1.20</td>
</tr>
<tr>
<td>Finland</td>
<td>2001</td>
<td>12,804</td>
<td>0.25</td>
<td>1.61</td>
</tr>
<tr>
<td>France*</td>
<td>2001</td>
<td>25,869</td>
<td>0.04</td>
<td>3.25</td>
</tr>
<tr>
<td>Germany</td>
<td>2001</td>
<td>470,892</td>
<td>0.57</td>
<td>59.24</td>
</tr>
</tbody>
</table>

\(^{10}\) Jileva *op. cit.* pp. 693-695.


### The regulation of European labour mobility

<table>
<thead>
<tr>
<th>EU-15 member state</th>
<th>Year</th>
<th>Persons</th>
<th>% of national population</th>
<th>% of A8 residents in EU-15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Greece*</td>
<td>2001</td>
<td>23 671</td>
<td>0.22</td>
<td>2.98</td>
</tr>
<tr>
<td>Ireland*</td>
<td>2001</td>
<td>235</td>
<td>0.01</td>
<td>0.03</td>
</tr>
<tr>
<td>Italy</td>
<td>2002</td>
<td>38 399</td>
<td>0.07</td>
<td>4.83</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>2003</td>
<td>1 865</td>
<td>0.42</td>
<td>0.23</td>
</tr>
<tr>
<td>Netherlands</td>
<td>2002</td>
<td>55 591</td>
<td>0.35</td>
<td>6.99</td>
</tr>
<tr>
<td>Portugal*</td>
<td>2001</td>
<td>963</td>
<td>0.01</td>
<td>0.12</td>
</tr>
<tr>
<td>Spain*</td>
<td>2001</td>
<td>16 249</td>
<td>0.04</td>
<td>2.04</td>
</tr>
<tr>
<td>Sweden</td>
<td>2001</td>
<td>22 868</td>
<td>0.26</td>
<td>2.88</td>
</tr>
<tr>
<td>United Kingdom*</td>
<td>2001</td>
<td>45 858</td>
<td>0.08</td>
<td>5.77</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>794 953</td>
<td>0.21</td>
<td>100.00</td>
</tr>
</tbody>
</table>

*Figures for these states also include nationals from Bulgaria and Romania.


Boeri and Brücker support the notion that EU-15 states engaged in a process of strategic interaction in devising their policy positions, claiming that the early decisions of Austria and Germany to restrict access ‘fuelled fears’ among other member states that ‘migration flows could be diverted’ into their labour markets.

Decisions to apply transitional periods in individual member states were carefully reviewed by other EU members and affected decisions elsewhere.¹³

Indeed, in the months immediately leading up to the accession, a number of EU-15 states that had previously been committed to free movement changed their positions. Despite its advocacy for membership expansion when holding the EU Presidency in 2002, Denmark decided to revise its position in order to prevent ‘unintended use of social security benefits’ and ‘undue pressure on wages’. The Greek and Dutch governments then followed suit,¹⁴ with the latter citing the reversals of other EU-15 states, as well as prospective labour market burdens, to justify introducing a system of work permits and quotas for A8 workers. The volte-face of the Netherlands in turn prompted the Swedish government to review its earlier pledge. Prime Minister Goran Persson claimed his government:

> Would be naïve if we didn’t see the risks if we were to be the only country welcoming people from eastern Europe to work for peanuts and giving them access to our social benefits.


However, the minority government failed to get majority support from the Swedish legislative assembly to overturn its previous commitment and was thus forced to maintain provisions for free movement.\textsuperscript{15}

The policy reversals of other EU-15 states forced the Blair government in the UK to reconsider its earlier pledge in support of free movement. The week after the Swedish government had sought to impose transitional measures, the Immigration Minister Beverley Hughes said the government would impose restrictions

If an influx of workers poses a real threat to UK jobs.\textsuperscript{16}

In the light of calls from conservatives and sections of the tabloid press to follow the lead of other EU-15 states, Blair pondered introducing a work permit scheme for A8 nationals.\textsuperscript{17} A senior government official says that the decisions of the larger EU-15 economies to impose restrictions:

Certainly made some people nervous and we knew as a consequence that we would get more than we otherwise expected, but we still thought that it would be a good thing.

Indeed, another senior civil servant says that the government decided to maintain its pledge to free movement, despite the reversals of other states, ‘because we thought it was the thing we wanted to do’.\textsuperscript{18}

Ultimately, the government confirmed that A8 nationals would be allowed to work unrestricted in the UK but, in order to prevent the possibility of ‘benefit tourism’, access to welfare benefits was prohibited during the first twelve months of employment. Somerville claims the creation of the scheme was ‘a knee-jerk reaction to tabloid pressure’; an assertion verified by various senior government officials, one of whom says it was ‘put together on a wing and a prayer’.\textsuperscript{19} In justifying the hastiness of the measures, Home Secretary David Blunkett told the House of Commons:

When we first set out our position, only those countries with high levels of unemployment were planning to introduce restrictions on work for accession nationals. Since then, other countries have changed their stance. It clearly makes sense for us to ensure that our approach does not leave us exposed'.\textsuperscript{20}

The Blair government’s stance had a strong bearing on the decision of the Irish government also to allow free labour movement, but with similar restrictions on access

\textsuperscript{15} Boeri and Brücker (2005), \textit{op. cit.} p. 637; Kvist \textit{op. cit.} pp. 301-302, 310-312.
\textsuperscript{17} Nigel Morris (2004) ‘Blunkett backs labour influx as EU grows’ \textit{The Independent} 10 February, p. 15; interview with government official.
\textsuperscript{18} Interviews with government officials.
to welfare. This was not the first time, however, that Ireland had followed the lead of the UK on EU immigration policy matters, a trend largely due to difficulties in policing the border it shares with the UK.

**Domestic state structures and political pressures**

The transitional measures imposed by other member states was thus a factor influencing the policy stances of various EU-15 states on the question of free movement. Another ingredient, which goes further in explaining why some states adopted greater restrictions than others, was state structure, which shaped the response of governments to domestic political pressure. Key to understanding why the Blair government was able to pursue a policy of free movement, vis-à-vis other EU-15 governments, is the strong nature of the UK state. This meant that political obstacles – be it opposition from other parties, organised interests or the broader public – were more easily surmounted in pursuing desired policy objectives. Schmidt and Westrup explain that the UK’s:

> Unitary institutional structures, combined with statist policy-making and adversarial majoritarian politics that made of the government an “elective dictatorship”, also made the imposition of reforms relatively easy, so long as the government had ideas it wanted to implement and the will to do so.

The first-past-the-post, majoritarian nature of parliamentary democracy in the UK makes it difficult for fringe parties to gain representation and rarely results in coalition governments. In the absence of a strong second chamber, governments face few barriers to implementing their legislative agendas. The divide between the Labour and Conservative parties over immigration issues has, at times, been rather stark, as was the case in 2004, but Conservative criticism of the governing Labour Party’s position on free movement did not, therefore, diminish the Blair government’s capacity to implement such a policy, save for the restrictions on welfare access.

Gajewska has emphasised the role of state structure in shaping the responses of EU-15 states to free movement, specifically arguing that those operating in federal systems were more accountable to localised concerns about immigration than those

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operating in unitary states. There is a degree of correlation in this respect – federal states such as Germany imposed restrictions, whereas unitary states such as the UK, Ireland and Sweden did not – but this does not necessarily imply causation. Looking further afield, a number of federal states, such as the United States, Canada and Australia, have among the most liberal immigration policy legacies. However, Gajewska is correct in highlighting the importance of state structure in conditioning the resilience of governments against, or their susceptibility towards, localised domestic pressures. In this respect, the strength of its unitary state, rather than external pressures or interests, has tended to define the parameters of immigration policy in the UK. Statham argues that:

The strong British state executive power that is manifest in the institutional framework and policy approach is also strongly expressed in the public debates about immigration and asylum… The public understanding and subsequent mobilisation about immigration politics is shaped very much from the top-down. The nation state, and in particular the political elite actors, have the leading role in shaping the debate and defining the axis of conflict around which it is constructed.

Indeed, according to those involved in policy deliberations – leaving aside the issue of welfare restrictions – the decision of the UK to allow free movement for A8 nationals was very much an initiative of executive government, not one made in response to interest group or broader public pressures. Blair himself had claimed that successive UK governments – both Labour and Conservative – had staunchly advocated EU membership for central and eastern European states. Various government officials and ministers claim that, in light of the energy invested in building support for enlargement, the views across Whitehall and around the Cabinet table were strongly informed by the possibility that the positive bilateral relations fostered with A8 states would be undermined if their nationals were not afforded the same rights as those from the EU-15. This was an argument forcefully promoted by Foreign Secretary Jack Straw and supported by Blair and Home Secretary David Blunkett. It is not exactly clear why such relations were considered more important by the UK government than those of its EU-15 counterparts, particularly if Schimmelfennig’s arguments are accepted:

Central and Eastern Europe is neither geographically close nor economically important to Britain. The early and strong British commitment to enlargement is generally attributed to the “europhobia” of the Conservative governments. It appears to have been based on the calculation that an extensive “widening” of the [European] Community would prevent its further “deepening” and might even dilute the achieved level of integration.

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25 Gajewska op. cit.
28 Interviews with government officials and government ministers.
Even so, the importance of diplomatic considerations becomes more apparent in the context of the economic motivation for allowing free movement which, again, was largely the consequence of executive action. The championing by UK governments of a widening rather than a deepening of the EU was not simply a product of schadenfreude; its leaders also saw the economic opportunities that would arise from an enlarged common market.\textsuperscript{30} When confirming the government’s decision to allow free movement to the House of Commons in February 2004, David Blunkett said it was because:

The accession of new countries into the European Union opens up new opportunities for trade and labour market flexibility.\textsuperscript{31}

The Treasury was particularly influential in promoting this view within the government, asserting that free movement would allow the economy to grow further without wage inflation.\textsuperscript{32} According to a senior business lobbyist:

The Treasury – and with the benefit of hindsight, rightly – were picking up … that the labour market was tightening, that companies were beginning to struggle to get the labour they needed, and that to continue the flexible labour markets which Gordon Brown knew were pivotal to British economic success … a new intervention was needed, that we would need labour from Eastern Europe.\textsuperscript{33}

One senior civil servant says that this logic extended beyond the Treasury across the government to translate into:

A general view that the British economy would grow faster with less inflation with this group [of A8 workers].\textsuperscript{34}

The influence of state executive power was also evident in the pragmatic considerations that underpinned the decision. Earlier in the decade, the buoyancy of the UK labour market, combined with a restrictive immigration policy, resulted in high numbers of people entering and working illegally, overstaying their visas and falsely claiming asylum, which had created political problems for the government. Through its policy of ‘managed migration’, the Blair government sought – as it turned out, rather successfully – to minimise illegal immigration and false asylum claims by widening the scope for people legally to enter, settle and work in the UK by opening up various channels for labour migration. In this context, David Blunkett and the Home Office promoted the view that, if the government imposed restrictions on A8 nationals in a

\textsuperscript{31} Hansard op. cit. columns 23-24.
\textsuperscript{32} Interviews with business official and government minister.
\textsuperscript{33} Interview with business official.
\textsuperscript{34} Interview with government official.
climate of a high demand for labour, it risked undermining its managed migration policy.35

Weaker state structures can explain why other EU-15 governments were more impressionable than the Blair government as regards the domestic pressures seeking restrictions against A8 free movement. Three types of domestic political pressure are relevant in this respect: party politics; interest groups; and sources of popular pressure, such as public opinion and press coverage. The role of opposition parties in thwarting the plans of the Swedish government to introduce transitional measures may be seen as a consequence of the consensus-based politics of numerous western European democracies. However, the reason why the Swedish government had reneged on its earlier commitment to free movement was due to pressure from the trade union movement, an influential interest group in Swedish politics.36 Despite the increasingly liberal attitudes of European trade unions on immigration policies in recent years,37 this trend did not bear out in a universal manner in 2004. Trade unions in states such as the UK and Ireland supported free movement, but unions voiced opposition in a number of other states – often citing concerns that it could increase unemployment, drive down wages and undermine collective bargaining. For instance, trade union pressure was a factor influencing the restrictions sought by governments not only in Sweden but also in Germany and Austria.38

The weakness of other EU-15 states compared with the UK was also seen in the influence of public and media hostility over government decisions on free movement. Boswell, Chou and Smith assert:

The nature of anti-immigrant sentiment will determine, at least in part, the sorts of constraints that policy makers will face in their attempts to liberalise labour migration.39

It is, therefore, no great surprise that public hostility was a factor influencing the decision of a number of EU-15 governments to impose restrictions. This was not the case, however, in the UK, where public opposition to free movement, augmented by hostility from prominent tabloid newspapers such as the Daily Mail and The Sun, had little influence. Figure 1 demonstrates that immigration and related issues became increasingly salient from the election of the Blair government to the period preceding enlargement. Nonetheless, a long-standing and strong tradition of Euro-scepticism, and similar levels of public hostility to states like Austria and Germany that unequivocally

35 Interviews with government officials.
36 Kvist op. cit. pp. 311-312.
39 Boswell, Chou and Smith op. cit. p. 12.
opted for transitional measures,\textsuperscript{40} did not deter the Blair government’s resolve in allowing A8 nationals to work freely in the UK.

**Figure 1 – Respondents citing immigration and race relations as one of the three most important issues facing Britain today, April 1997 to April 2004 (%) (selected months)**

\begin{figure}[h]
\centering
\includegraphics[width=\textwidth]{figure1.png}
\caption{Respondents citing immigration and race relations as one of the three most important issues facing Britain today, April 1997 to April 2004 (%) (selected months)}
\end{figure}

**Structural economic factors**

If the relative strength of the UK state better equipped the Blair government to override domestic political constraints so as to implement a policy of free movement, economic considerations were the primary motivations behind such a policy. It was seen above that there were multifarious considerations that prompted the UK government to open its labour market to A8 nationals from the date of accession, but the likely economic returns from such a policy were a fundamental factor. Labour shortages arising from low unemployment, fuelled by 15 years of sustained economic growth, meant that competition for jobs between A8 and UK residents was likely to be far less of a problem than in other EU-15 labour markets.\textsuperscript{41} However, most EU-15 governments saw free movement as having a potentially adverse economic impact whereas the Blair government saw the comparative advantages it could gain from opening its labour market to A8 nationals.

\textsuperscript{40} Gajewska \textit{op. cit.} p. 381.

\textsuperscript{41} This was also the case in Ireland, where the rates of employment growth and unemployment at the time of enlargement were the strongest in the EU. See Nicola Doyle (2007) ‘The effects of Central European labor migration on Ireland’ in Jen Smith-Bozek (Ed.) \textit{Labour Mobility in the European Union: New Members, New Challenges} Washington DC: Center for European Policy Analysis, pp. 38-39.
Government ministers justified the UK’s response in terms of the prospective economic opportunities that would be delivered, similar to the way that both Labour and Conservative governments have championed labour market flexibility as a key component of the UK’s comparative advantage.\(^{42}\) When announcing the Blair government’s intention to allow A8 nationals to work freely in December 2002, Foreign Secretary Jack Straw said such a move was ‘in the UK’s interest’ because it would ‘attract workers we need in key sectors’.\(^{43}\) In contrast, the language used by leaders of the EU-15 states that imposed restrictions was often couched in terms of the potential risks that would otherwise be posed to their more protectively regulated labour markets. For instance, German Chancellor Gerhard Schröder said that domestic labour markets, particularly those in areas bordering the accession states, would not be able to accommodate a large inflow of workers.\(^{44}\)

This was also evident in the way that interest groups and the broader community responded to the prospect of free movement. Business groups and trade unions were hostile to such a position in states such as Germany and Austria whereas in the UK these groups were supportive. Public opinion and press coverage towards immigration was similarly ambivalent in the UK and Germany, but concerns about the labour market impact were more apparent in the latter.\(^{45}\) This is consistent with the suggestion of Boeri and Brücker that:

> Negative perceptions of migrants are larger in countries that have more generous social welfare systems and more “rigid” wage setting institutions.\(^{46}\)

This was not simply a question of job vacancies and unemployment; there are also structural explanations for why free movement was a more appealing prospect in the UK rather than in other EU-15 states. Rates of unemployment and/or labour market inactivity were, in fact, lower in a number of other EU-15 states that adopted restrictive policies at the time of accession, such as Austria, Denmark, Luxembourg and the Netherlands, than they were in the UK.\(^{47}\) However, the more flexible nature of the UK labour market meant that it was better placed than other EU-15 states to absorb more


\(^{44}\) Jileva *op. cit.* p. 694.

\(^{45}\) Boswell, Chou and Smith *op. cit.* p. 27.


workers without an accompanying increase in unemployment. Moreover, various ‘system effects’ of the UK’s economic institutions had eroded the capacity of the government and employers to respond to labour shortages through orthodox strategies, such as increasing wages, investing in labour-saving technology or training resident workers. Anderson and Ruhs have argued that the UK was less equipped to respond to labour shortages than its EU-15 counterparts because the self-reinforcing nature of its lightly-regulated financial and labour market institutions meant that many employers were ‘unable or unwilling to train’ new staff, in part due to:

A fear of poaching, the rise of self-employment and the consequent importance attached to on-the-job training and learning by doing.

Responses to the 2004 enlargement appear to be consistent with broader developments in the political economies of EU-15 states over the past few decades. Hall and Soskice have argued that the stance of nation states towards multilateral regulations will accord with whether such initiatives are:

Likely to sustain or undermine the comparative institutional advantages of their nation’s economy.

Compared with its continental counterparts, the more liberal nature of its economic institutions helped the UK use the pressures of globalisation to its advantage, with its less regulated markets, low costs of production and flexible exchange rate attracting the foreign investment that enabled its economy to grow consistently over the decade preceding the global financial crisis. The decision of EU-15 states that imposed barriers to A8 nationals in the form of restrictions or quotas can, therefore, be interpreted as measures of protection consistent with the regulatory characteristics of their labour markets, whereas the UK’s liberal stance was compatible with its more laissez-faire approach to market regulation.

The size of flows of A8 nationals to the UK and Swedish labour markets reinforces the explanatory importance of structural economic differences. Despite also adopting an open labour market policy with similarly low levels of unemployment – and, as noted above, more generous welfare provision for A8 nationals than offered by the UK – the inflow of A8 nationals into Sweden was much smaller. In the years after enlargement, over 200 000 A8 nationals came to work in the UK each year, compared with over 120 000 to Ireland, but only around 5 000 to Sweden.\(^\text{52}\) Strong demand for labour in the UK and Ireland was one reason for these disparities,\(^\text{53}\) but weaker labour market regulation in both states enabled businesses to employ migrant workers on relatively lower wages and conditions, particularly compared with Sweden where much stronger regulation afforded no such scope.\(^\text{54}\)

**Policy responses of EU member states to the 2007 enlargement**

When the membership of the EU was further enlarged on 1 January 2007 through the inclusion of Bulgaria and Romania, similar transitional arrangements applied with respect to the free movement of labour for nationals of the new member states. In contrast to their positions on the 2004 enlargement, the UK and Ireland restricted A2 nationals from freely working in their labour markets. The Blair government introduced annual quotas for some 20 000 Romanians and Bulgarians to work, but only in low-skilled food processing and agricultural jobs, with self-employed workers exempt from restrictions. Finland and, again, Sweden were the only EU-15 states to adopt an open labour market policy from the date of accession, although they were also joined by a number of the states that had acceded in 2004: the Czech Republic; Cyprus; Estonia; Latvia; Lithuania; Poland; Slovenia; and Slovakia. However, as with the 2004 enlargement, a number of other member states fully or partly introduced free movement provisions after the second anniversary of the A2 accession. Drew and Sriskandarajah argue that the economies of Bulgaria and Romania were weaker than those of the A8 states and that:

> The incentive to migrate toward higher wages could be greater.

Thus, the labour market and welfare concerns that had prompted many EU-15 states to introduce restrictions three years earlier were only more apparent on this occasion. These considerations were often:

> Thinly veiled by justifications of consistent policy-making or diplomatic fairness.\(^\text{55}\)

Given the UK’s earlier position, however, such excuses were not available.

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\(^{53}\) Krings op. cit. p. 54.

\(^{54}\) Ruhs op. cit. p. 24.

\(^{55}\) Drew and Sriskandarajah op. cit.
The fallout from A8 enlargement and ‘policy spillovers’

In 2003, a report commissioned by the Home Office was published, indicating that the size of migration inflows to the UK would most likely be modest. Its authors estimated that the average annual net immigration to the UK from the new member states from the date of accession until 2010 would range from 5,000 to 13,000 people, but placed strong caveats on the validity of this estimation, saying that methodological shortcomings – particularly an absence of reliable statistics on net migration flows to the UK and from the A8 states – introduced ‘a large potential error in the analysis’. This ‘lack of good data’ meant that the estimates were made ‘using an entirely different set of sending countries’. The report concluded that:

Any study, no matter what approach it chooses, and on what data it is based, suffers from this serious caveat.  

This warning proved prophetic, as the scale of the inflows was significantly greater than the report anticipated. One year after the 2004 accession, some 200,000 A8 nationals were recorded as working in the UK labour market and, by October 2006, this figure had increased to almost 500,000. Ministers conceded that the scale of the inflow was ‘unpredicted’.

However, the Migration Advisory Committee (MAC) – an autonomous economic advisory body established by the government in 2007 – claims that the report’s estimation of the total emigration flows of A8 workers was, in fact, correct. Where it erred was on the assumption that all EU-15 states would open their labour markets

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56 According to the report, ‘In the period after WWII, hardly any migration took place from the [A8 states] into Western Europe. This implies that studies which attempt to make predictions on the future migration from these countries have to use historical data on countries other than the [A8 states] in the estimation stage… [Therefore] one needs to assume that migration decisions will respond to the same factors in the same way as reflected by data on historical migration countries. Note that two assumptions are implicit here. First, an assumption of invariance across countries. Second, an assumption of invariance across time. The latter assumption means that future migrations react to changes in economic factors in the same way as past migrations. It is most unlikely that these assumptions hold’. See Dustmann et al, op. cit. pp. 29, 58.


58 Liam Byrne (2007) “Business isn’t the only voice” – Key immigration reforms over the last 12 months’ Minister of State for Immigration, Citizenship and Nationality, Speech to KPMG, London 4 June.

simultaneously; the possibility that there would be variation in the transitional arrangements adopted was not factored in. One of the authors later told a House of Lords committee inquiry that he was:

Absolutely sure that if Germany had opened its labour market to the accession countries we would have seen lower inflows to the UK.\(^{60}\)

The experience over the 2004 enlargement made the Blair government much more wary of the ‘policy spillovers’ that could result from the decisions of other EU member states. When it later evaluated the UK government’s restrictions on A2 workers, the MAC noted:

Perhaps the most relevant factor in determining the magnitude of immigration flows is also the most unpredictable: we cannot be certain what actions other EU countries will take in relation to the A2 restrictions … If migrants’ preferred destinations were fixed irrespective of restrictions, the impacts of other member states’ decisions would be more limited. However, an important lesson from the 2004 accession is that preferences are partially constructed in relation to restrictions and opportunities in different countries.\(^{61}\)

This uncertainty had a strong influence on the announcement by the Blair government in October 2006 to restrict labour market access to A2 workers. One senior civil servant comments that the magnitude of the error in predicting the inflow of A8 workers, combined with ambiguity over the positions of other EU-15 states, deterred the government from allowing free movement for Bulgarians and Romanians because:

We couldn’t say on the second accession … “Well, there won’t be all that many, it will be fine”. That [option] wasn’t really open to us.\(^{62}\)

**Domestic political pressures**

The significant media attention garnered by the erroneous predictions amplified the government’s reservations for free movement for A2 workers, as it fuelled broader perceptions that the government had lost control of the UK’s borders. This was not helped by scandals and ministerial resignations over other immigration issues earlier in 2006.\(^{63}\) A consequence of the unanticipated size of A8 inflows was that local public service providers were ill-equipped to accommodate new settlers that had not been planned for. In mid-2006, complaints surfaced from the Local Government Association that the influx had placed pressure on public services, hospitals and schools.\(^{64}\)

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\(^{62}\) Interview with government official.

\(^{63}\) Drew and Sriskandarajah *op. cit.*

\(^{64}\) Robert Watts (2006) “‘Migrants are more enthusiastic, more punctual and better prepared’” *Sunday Telegraph* 27 August, p. 7.
opposition Conservative Party echoed these concerns, as did a number of interest groups, including the media-savvy Migrationwatch UK – a self-styled think-tank that had been consistently critical of the Blair government’s immigration policies – and various peak-level business organisations. The Director-General of the British Chambers of Commerce said that A8 workers had ‘higher-level skills and a far better attitude to work than local people’, but that their ‘vast’ number risked creating ‘significant social problems’. He pondered whether ‘enlargement fatigue’ made it wise to impose working restrictions on A2 nationals. The Director-General of the Confederation of British Industry also claimed it would be a mistake to for the government to:

Throw open our doors to these new member states immediately… The question is about the numbers, the sheer numbers. This is by far the biggest wave of immigration in the history of these islands. It has implications for the social fabric, for housing and education, for the way we live in this country… We should have a pause for breath before the next wave of new comers.

Given the business community’s support for the Blair government’s previous liberal immigration initiatives, it is curious that peak-level business groups supported restrictions on Bulgarian and Romanian workers. One explanation offered for this response is the complaints from local businesses that the economic benefits from A8 immigration were not compensating for the ‘social’ costs. Added to this was a concern among business groups that the government had lost control of immigration. In the words of one business lobbyist:

The business mood shifted because the public mood shifted… The government had appeared to have lost control. It appeared that the government didn’t have the faintest how many people were in the country.

Opinion polling in the run-up to the government’s decision reflected unease in the broader community. Figure 2 demonstrates that immigration became an even more salient policy issue throughout 2006, leading to the government announcement that September, coinciding with sustained press coverage of the increasing number of A8 workers entering the UK. Figure 3 shows that, in the month of the A2 decision, ‘asylum and immigration’ was the third most important issue shaping voting intention, while Figure 4 demonstrates that the issue was not clearly galvanising electoral support for the governing Labour Party.

68 Interviews with business officials.
Figure 2 – Respondents citing immigration and race relations as one of the three most important issues facing Britain today, April 2004 to August 2006 (%) (selected months)

Figure 3 – Importance of key issues to in helping respondents decide which party they would vote for, September 2006 (%)
The disquiet among opposition parties, interest groups and the broader community about the unanticipated inflows of A8 workers and the impact on public services was a major factor in the government’s decision to impose restrictions. In announcing the restrictions, Home Secretary John Reid acknowledged they were partly in response to such concerns.

Economic factors

If the strength of the UK state had been able to withstand opposition to free movement in 2004, its inability to do so in the circumstance of the 2007 enlargement warrants explanation. There had been a solid economic case for granting A8 workers unfettered access to the UK labour market. Despite the size of the inflows, the impact of A8 workers on the UK economy and labour market was seen within the government as positive and a reason to consider continuing the policy of free movement. There was

69 Interviews with government officials.
71 Interviews with government officials.
a view – supported by various studies both at the time and subsequently\(^\text{72}\) – that these workers were having little, if any, negative effects on the wages or employment prospects of UK residents and that, in any case, they were having a positive fiscal impact, contributing to growth and productivity and helping to fill labour and skills shortages across the economy.\(^\text{73}\)

However, there was a view that the economic case for opening the labour market to A2 workers was not as compelling. According to one business lobbyist:

> The economic cycle was different [with] the decision on A2 as against [A8]. Unemployment was going up, growth had slackened, the skill set of Romania and Bulgaria was not the same as the skill set of Poland, there was less use of the English language, a less traditional connection with the UK. So most of our members, particularly the ones interested in skilled labour, didn’t see as big an opportunity with Romania and Bulgaria as they had with Poland and the Czech Republic.\(^\text{74}\)

Moreover, Drew and Sriskandarajah claim that, compared to their A8 counterparts, nationals from the A2 states were ‘less favourably perceived’ by policy-makers in Whitehall:

> Publicly held beliefs about Bulgaria and Romania’s inclinations toward organized crime and corruption were reinforced by the EU Commission’s delay in confirming the 2007 accession date for those very reasons.\(^\text{75}\)

Despite the unfair and prejudicial connotations of these attitudes, they were indeed cited by ministers and senior civil servants as factors underpinning the government’s decision to restrict free movement to A2 nationals.\(^\text{76}\) The government’s political will to replicate its earlier position was thus diminished by the view that the economic advantages likely to be delivered by A2 workers were less clear-cut.

**Conclusion**

The UK government allowed free movement for workers from new EU member states in 2004 because the economic case was more apparent than in other EU-15 states, while the institutional strength of the state enabled it to over-ride domestic opposition to such a position. However, opposition was more widespread and vocal to the prospect of free movement when the EU further expanded. The institutional capacity of the UK state to abrogate such opposition was no weaker, but the economic benefits were less obvious than they had been three years earlier, thus moderating the government’s political resolve. Political imperatives therefore overshadowed the economic imperatives.

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\(^{73}\) Migration Advisory Committee (2008) *op. cit.* para. 5.31.

\(^{74}\) Interview with business official.

\(^{75}\) Drew and Sriskandarajah *op. cit.*

\(^{76}\) Interviews with government minister and government official.
that underpinned the A8 decision, but there appeared to be less at stake for the Blair government in terms of foreign policy considerations. The introduction of a more stringent system of border control and migration management in 2006 also meant that the pragmatic reasons for allowing free movement for A2 workers were not as strong as they had been for A8 ones in 2004.

However, one cannot overlook the importance of ‘events’ in shaping the course of policy; had the size of the A8 inflows been more consistent with expectations, the government may have had greater determination to grant free movement to Bulgarians and Romanians. It has indeed been shown that inaccurate information about the size of immigration flows is likely to amplify negative public attitudes.\(^\text{77}\) Moreover, Freeman points out that:

> It is obvious, of course, that the politics of immigration in liberal democracies fluctuates, that its salience ebbs and flows, and that it exhibits a tendency to go through predictable cycles.

In the ‘good times/bad times dynamic’ of such cycles, periods of immigration expansion often precede popular backlash during which immigrants:

> Are targeted as scapegoats for conditions they may have no part in causing.\(^\text{78}\)

Despite evidence that A8 workers were making a positive economic contribution with minimal negative consequences, the emergence of vague concerns about the capacity of public services to cope should perhaps not be surprising, particularly given the longstanding sensitivity of immigration politics in the UK.

The immigration politics of many other western European states came to be marked by sensitivity, division and restriction after they ended their guest worker programmes in the 1970s. A recent work by Adrian Favell notes the refreshing absence of such politics in relation to the generation of ‘free movers’ within western Europe that have become increasingly prevalent in recent years:

> [While] Britain remains fixated on more “exotic” forms of cultural difference as a threat … nobody notices or complains about the well-spoken French, Italian or German kids working in cafes, trains, hotel lobbies, or bargain airlines. They are unproblematic, and no politician or policy maker need ever make a fuss… They are also more often than not temporary and short-term migrants, who will not be looking for childcare benefits, schools, medical treatment, or retirement care in the long run… The British economy gets an almost free ride on the back of the superior state school systems and cheaper universities of its neighbours. These well brought up, highly educated young Europeans come to Britain with degrees in hand only to work in snack bars and menial office jobs. They are motivated, dynamic, and ideal employees; but they are willing to take a cut in pay and quality of life, just to be in London. The city and the national economy pockets the difference’.\(^\text{79}\)


These characteristics have been echoed in the appraisals by UK businesses of the central and eastern Europeans that came to work after 2004. Unfortunately, despite such praise, and despite the more enlightened position taken by the Blair government in 2004 compared with many of its EU-15 counterparts, the UK ended up returning to the old politics of immigration three years later. Drew and Sriskandarajah claim that:

The restrictive decisions of the majority of the EU-15 member states are reminders of the broader challenges of balancing free movement and national labour market protection.

However, it appears that many nationals from the new EU member states did not go to the EU-15 states after 2004 as ‘immigrants’ seeking permanent settlement, but rather as circular free movers contributing to a new European economic dynamism. It has been estimated that around one-half of the roughly one million A8 nationals that arrived in the UK between 2004 and 2008 have subsequently departed for their home countries or other destinations. Given that EU-15 states have to phase out all restrictions on A8 workers by 2011 and on A2 workers by 2014, they will be forced to regard these workers not as immigrants but as free movers. It can only be hoped that, with this transition, the old divisive politics of immigration is also left behind.

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81 Drew and Sriskandarajah op. cit.


Abstract

Following the end of the Cold War, migration has, due to securitisation policies, been perceived as a source of insecurity by European societies. This has resulted in the introduction of restrictive migration policies in the member states of the European Union (EU). Similar to national migration policies, those that have resulted at the EU level are believed to be also restrictive. According to many academics, EU migration policies owe their restrictive nature also to the securitisation of migration in the EU. Paradoxically, according to projections for the next decades, the European economy is in need of migrants for its renovation. Following these lines, the argument followed in this article is that, despite the EU needing migrants, the securitisation of migration has been taking place in the EU, denoting a paradox in its approach to migration management.

Keywords: societal security, securitisation, migration, European Union

Introduction

With the end of the Cold War, the concept of security has undergone a transformation. Besides the traditional ones, academics have identified new sources of insecurities that are posing challenges in political and socio-economic terms rather than militaristic ones. Migration, being one of them, has become one of the main sources of insecurity for the member states of the European Union (EU). Migration is an interesting phenomenon that is related with many aspects of political organisation and society, and can be shown as the cause of many problems.

The issue has been a hot topic for political and social debates in EU member states since the early 1970s. In these debates, migration has been increasingly linked with security by political actors. In other words, a securitisation of migration may be observed in many member states of the EU. The result is that member states were able to adopt highly restrictive migration policies in the 1980s.1

Today, the EU has many policies to deal with and manage migration. The common denominator of these policies is their restrictive nature, while migration issues have also been securitised in the EU. This securitisation has taken place in three connected themes related to the security of the internal market; the security of the cultural identities of European societies; and the security of welfare systems. The result of the securitisation of migration has been that migration and migrants are perceived by many sections of society as threats to their own survival.

1 In the study, the term ‘migration policy’ is used as a general category to define policies on immigration, asylum-seekers and refugees.
Paradoxical to securitisation and the presentation of migration and migrants as existential threats, the EU needs migrants to renovate its economy. It is known that the EU needs human power in the face of demographic ageing and it needs workers and experts in several sectors. Therefore, the EU has tried to be open to migration and to attract migrants. These two practices are in contradiction with each other and, together, they denote a paradox in the EU’s approach to migration management.

This article seeks to discuss this argument in three main sections. It starts with a theoretical framework for security and securitisation, which is followed by a section on migration to Europe. The last section tries to discuss the securitisation of migration in the EU.

Security and securitisation

It has been identified that security is an essentially contested concept which is always about survival and about the avoidance of threats.\(^2\) Scholars from the Copenhagen School say that security is an inter-subjective term as it is socially constructed through interactions.\(^3\) According to Waever, by whom the concept of securitisation was coined, security is ‘a practice, a specific way of framing an issue’.\(^4\)

Traditionally, security has been examined within the military-political context, in which it has been about the survival of the state and avoiding the existential threats posed to its sovereignty.\(^5\) However, scholars from the Copenhagen School have observed that:

> An existential threat can only be defined in relation to the particular character of the referent object in question,

and, therefore, besides the military-political one, security referents (referent objects) and existential threats can be identified in several other subjects.\(^6\) According to them, there are five such contexts, or sectors, of security. These are the military; the political; the economic; the environmental; and the societal sectors.

These scholars have examined migration within the rubric of societal security. According to them, the referent objects within the societal sector are the large collective identity groups that ‘function independent of the state, such as nations and religions’.\(^7\) Weaver notes that, in order to survive, a society has to preserve its identity. Therefore, existential threats in the societal sector are represented by those develop-


\(^7\) *ibid.* p. 119.
ments that tend to change or impede the preservation of the identities of those collective identity groups.\textsuperscript{8} Weaver et al. comment that:

Societal security concerns the ability of the society to persist its essential character under changing conditions and possible or actual threats... therefore societal security is about situations when societies perceive a threat in identity terms.\textsuperscript{9}

According to this definition:

Societal security is about the preservation of traditional patterns of language, culture, association and religious and national identity, within acceptable conditions for evolution.\textsuperscript{10}

Such a definition of societal security inevitably links it to nations and ethnic groups on the European continent.\textsuperscript{11} According to the scholars, these identity-based collective groups perceive migration as a threatening development for the preservation of their identities. They view migration as a threat to their identities because they think that their identities will be ‘overrun and diluted’ by incomers and, as a result, that their community will cease to be what it is.\textsuperscript{12} In a similar vein, Huysmans says that:

Migration is identified as one of the main factors weakening national tradition and societal homogeneity. It is reified as an internal and external danger for the survival of the national community or western civilization. This discourse excludes migrants from the normal fabric of society, not just as aliens but as aliens who are dangerous to the reproduction of the social fabric.\textsuperscript{13}

Unlike security, the concept of securitisation has a clearer explanation. It is, essentially, the process of:

Taking an issue from the basket of normal politics and putting it into the basket of security.\textsuperscript{14}

Buzan et al. define it as:

The move that takes politics beyond the established rules of the game and frames the issue either as a special kind of politics or as above politics,

\textsuperscript{8} Ole Waever (1996) \textit{op. cit.}.
\textsuperscript{11} Ole Waever (1996), \textit{op. cit.}
\textsuperscript{12} Barry Buzan, Ole Waever and Jaap de Wilde (1998), p. 121.
\textsuperscript{14} Münevver Cebeci (2004) \textit{op. cit.} p. 6.
and as the process of presenting an issue as:

Posing an existential threat to a designated referent object.¹⁵

According to scholars from the Copenhagen School, any public issue can be located within three different categories:

- non-politicised issues (issues that ‘the state does not deal with’)
- politicised issues (issues part of which constitute ‘public policy requiring government decision and resource allocation’)
- securitised issues (issues that are ‘presented as existential threats, requiring measures and justifications outside the normal bounds of political procedure’).¹⁶

In the light of this categorisation, securitisation represents the moving of an issue from the non-politicised or politicised categories to the category of securitised issues.

Securitisation starts with a securitising move, in which ‘a securitizing actor uses a rhetoric of existential threat’.¹⁷ In this rhetoric, the actor ‘dramatizes an issue as having absolute priority’ and, in presenting the existential threat, he or she makes it obvious that this is a matter of survival and, if the threat is not tackled, ‘everything else will be irrelevant’.¹⁸ By calling the issue a security issue, the actor claims the right to cope with it by extraordinary means, to break the political rules of the game.¹⁹

This presentability of any public issue as a security issue also reveals another characteristic of the concept of security: when an issue becomes a security issue in the process described above, it means that security is a self-referential practice.²⁰ Following these lines, security can also be called a speech act, as it is carried out by speaking. In the words of Buzan et al. ‘the utterance itself is the act’.²¹

Securitisation begins with a speech act but, for the issue to be securitised, a significant audience should believe the actor and accept the existence of an existential threat. Only if and when the audience accepts it is the issue moved from the basket of normal politics, starting its treatment within the rubric of securitised issues. If the audience accepts that there is an urgent existential threat, it tolerates violations of rules. In this way, the claim of the securitising actor to use extraordinary measures to deal with this existential threat is seen as legitimate (by the audience) and, therefore, the securitising actor manages to break free of the procedures or rules with which he or she would otherwise be bound up.²² With this last step, securitisation is completed.

The securitising actor is the person or group that performs the speech act. They do not have to be official, but they must hold a position of authority since it is this that provides the legitimacy with which an issue may be declared to be an existential threat in the eyes of the audience. Mostly, it is political leaders, bureaucrats, governments,
lobbyists and pressure groups who become securitising actors. The actor is the person who decides whether an issue is going to be tackled as an existential threat. However, as described above, it is the audience who determines securitisation; it is the audience that the speech act tries ‘to convince to accept exceptional procedures because of the specific nature of some issue’. If the audience does not accept the speech act, then it remains an incomplete securitising attempt.

Lastly, it should be kept in mind that security is always a negative practice and that securitisation represents a failure in dealing with an issue within the framework of normal politics. Ideally, all issues must be tackled as issues of normal politics. Therefore, even if in some cases the securitisation of issues is unavoidable, ‘desecuritization must be the optimal long-range option’.

Migration to Europe

Migration to Europe is an old, recurrent phenomenon. People have been migrating from different geographies to Europe for a long while and for a variety of different reasons. Migration to Europe reached its peak in the aftermath of the Second World War, when European economies expanded rapidly. In these years, migrants were seen as valuable contributors to European economies. During the 1970s, European states slowed their recruitment of foreign labour and, in the following years, a gradual shift took place from liberal immigration policies towards stricter ones.

Despite the stricter policies and regulations of European states, people continued to migrate through family ties and refugee flows. Today, Europe is the home of 56.1 million migrants and it is the second most attractive destination after the US for potential migrants from all over the world. In line with this, all European states are now net immigration countries.

The member states of the European Union do not want to accept this, and they have been introducing policies to restrict migration, but the projections of the coming decades show that Europe needs migrants.

Europe needs migrants firstly because European society is demographically ageing. According to projections, demographic ageing will see the population of the EU-25 fall by 48 million by 2050. In addition to that, the result of a decline in fertility and the increase in life expectancy in Europe will be that the proportion of old people within the population will increase. In other words, demographic ageing is seeing to it that the

23 ibid. p. 41.
24 Barry Buzan, Ole Waever and Jaap de Wilde (1998) op. cit. p. 29. ‘De-securitisation’ can be explained as the taking of an issue out of the security basket and putting it back into the basket of normal politics. Then, the use of extraordinary measures is given up and the issue will be replaced by the normal political rules of the game (Münevver Cebeci (2004), op. cit.).

According to figures from Eurostat, the working age population of the EU-25 (excluding Romania and Bulgaria) will fall from 303 million to 297 million by 2020, while the number of old aged people in the population will reach 110 million by 2030. According to these projections, the number of people that can be employed will decrease gradually which, in the end, will hamper the economic growth of the EU. Furthermore, it is known that the EU needs skilled people mainly for the IT sector, as well as unskilled people as a seasonal workforce.\footnote{Christina Boswell (2005) op. cit.}

The EU has been trying to overcome these challenges since the late 1990s.\footnote{For instance, the EU launched the Lisbon Strategy in 2000. The Strategy sets a new goal for the EU ‘to become the most competitive and dynamic knowledge-based economy in the world’ over the next decade. According to EU institutions, immigrants can play an important role in the realisation of the Lisbon Strategy (Deniz Genç (2005) Multiculturalism and Immigrant Integration in European Societies unpublished Masters thesis submitted to Marmara University European Communities Institute: Istanbul, pp. 54-72.}

In all its communications on the issue, the EU has persistently underlined that the most important thing that can positively change this situation is migration.\footnote{Commission of the European Communities (2006) op. cit.} According to EU officials, receiving skilled migrants will be a solution to the challenges posed by the demographic ageing of society and for the level of technological development in the EU, which is falling behind in competition with other nations due to the lack of a skilled workforce.\footnote{EurActiv (2008) ‘An EU ‘Blue Card’ for High-Skilled Immigrants?’, 22 April http://www.euractiv.com/en/socialeurope/eu-blue-card-high-skilled-immigrants/article-170986, pp. 1-3 [last accessed 31 January 2009].}

In line with these arguments, the EU developed the ‘Blue Card’ initiative for highly-skilled migrants in October 2007. Being the main policy initiative of the EU to attract skilled migrants from all over the world, the EU Blue Card is modelled on the Green Card used in the US. If it enters into force, the Blue Card will establish a single application procedure for non-EU workers to reside and work within the EU.\footnote{Spiegel Online International ‘EU Targets Skilled Migrants’ 23 October 2007 http://www.spiegel.de/international/europe/0,1518,-513083,00.html p. 1 [last accessed 31 January 2009].}

In addition to this initiative, the European Commission was expected to propose guidelines to attract seasonal workers for the agricultural, construction and tourism sectors in 2009.\footnote{EurActiv (2008) op. cit. p. 2.}
Following these initiatives then, in the words of Kofi Annan, ‘The message is clear; migrants need Europe, but Europe also needs migrants’. In line with this, according to EU officials, receiving migration is the most important and effective tool in overcoming the problems that the European economy and society are going to face in the next decades. Therefore, the EU is seeking to attract migrants: skilled ones in the short-run; and unskilled ones in the long-run.

The securitisation of migration in the European Union

In the 1970s, there was a thematic change in how the issues of migrants and migration were approached. In this period, for mostly economic reasons, the positive ‘contributor’ image of the migrant turned in the minds of Europeans to a negative ‘public order de-stabiliser’ one. In the 1980s, migration policy discussions in the member states of the European Union became more about protecting public order and preserving domestic stability which were, according to policy-makers, endangered by migration. These arguments paved the way for the criminalisation of migrants and the securitisation of migration in the member states. The securitisation of migration was, in turn, followed by the establishment of restrictive national migration policies.

It can be inferred from the material on migration to Europe that the issue has been a very important subject as regards political and societal debates in the member states of the European Union since the early 1970s. However, the issue could become an important one for the European Communities only in the mid-1980s. With the establishment of the Trevi Group, an ad hoc Working Group on Immigration in 1986, the Europeanisation of migration policy started to take place and only after that did the EU begin to make policies on migration.

Similar to the national migration policies of member states, migration policies at the level of the EU are also restrictive. Huysmans comments that they are driven by ‘restrictive and control-oriented imperatives’ and, therefore, the regulations on migration made at the EU level had the point in common that they all ‘emphasize the need for the restriction of population flows’. This restrictive nature of European migration policies has a lot to do with intergovernmental co-operation between the member states. Member states have used the European framework in advancing this co-operation, whereas the European institutions have been more restricted in this field. Despite the communitisation of the field after 1997, the backbone of migration policy – the securitised understanding – had already been created and was there to stay. Therefore, it would not be wrong to say that, when migration issues were moved to the European

level, they had already been securitised in the member states. Similarly, Kostakopoulou says that:

The European Communities have adopted the member states’ own discourses on the securitisation of migration policies.\(^\text{39}\)

Hence, the securitisation of migration in the EU can not be separated from that applying in the member states.

According to Huysmans, who focuses on the logic beneath the securitisation of migration in the EU and in the member states, rather than focusing on the process, there are three related themes used in the securitisation of migration.\(^\text{40}\) These are the themes of internal security, cultural security and the crisis in the welfare state. This article follows Huysmans and examines the logic of securitisation in the field of migration in the EU and in the member states.

*Migration versus internal security*

As regards the internal security theme, it was indicated that the borderless nature of the internal market would have a side-effect, while it would also:

Facilitate the illegal and criminal activities of terrorists, international criminal organizations, asylum-seekers and immigrants.\(^\text{41}\)

This discourse was put forward by the security professionals who came together for the Trevi group and the Police Working Group on Terrorism, which together prepared the ground for the creation of the Schengen Agreement. Their professional status and their obvious capacity to define security questions made them convincing in the eyes of the public.

These professionals:

Produced and distributed the internal security knowledge that articulated a continuum between borders, terrorism, crime and migration.\(^\text{42}\)

Bilgiç notes that this discourse indicated immigrants and refugees as sources of insecurity for Europe and that, by linking migration with organised crime and terrorism, the internal security theme was able to construct an assumption that ‘migration is a security threat, which must be effectively controlled’.\(^\text{43}\) The link was constructed so successfully that this understanding became a common sense and, as a result, European Community policies were easily able to connect the abolition of internal borders with the need to strengthen external border controls.\(^\text{44}\) It is said that the 1990 Convention

\(^{40}\) Jeff Huysmans (2000) *op. cit.*
\(^{41}\) *ibid.* p. 760.
\(^{42}\) *ibid.* p. 761.
\(^{44}\) Jeff Huysmans (2000) *op. cit.*
Applying the Schengen Agreement of 1985 is the best example of the securitisation of the internal market, which formally links immigration and asylum with terrorism, transnational crime and border control.\(^{45}\)

**Migration versus cultural security**

The cultural security theme is about presenting migration as a threat to cultural identity. This theme has worked in three different ways. First of all, strict border controls have a cultural dimension. The EU has strengthened its borders against people coming from third countries who are culturally, and sometimes racially, different.\(^{46}\) This can also be interpreted as an ‘otherisation’ process in which the EU has, by demarcating a thick and almost impregnable border to the outside, created a continental dichotomy of ‘us’ and ‘others’; ‘Europeans’ and ‘third country nationals’.

Secondly, in the last decades, European institutions have persistently been calling on member states to step up their efforts towards integrating immigrants in their societies. According to academics, integration can be explained basically as the ‘adaptation of immigrants to the culture of the host society’.\(^{47}\) Huysmans notes that, by their nature, integration policies indirectly assume that a culturally uniform, homogenous society existed before the migrants came and brought their cultures with them.\(^{48}\) In his view, European institutions have, in their continuous highlighting of the need to integrate immigrants, confirmed the nationalist desire for this pre-existing culturally homogenous society while, at the same time, identifying immigrants as obstacles to the realisation of it. Furthermore, this understanding says that it was migrants who ruined the culturally homogenous space, cementing the perception that the different lifestyle and culture of migrants threaten the cultural identity of the society.

Thirdly, the EU has been trying to establish multicultural and non-racist European societies. It has been aiming at this for several reasons, the most prominent of which is the fear of a return to the old (19\(^{th}\) century) Europe in which racism and extreme nationalism were common practice.\(^{49}\) In the last decade, a rise in racist, xenophobic and extreme nationalist acts have been observed in Europe. It is thought that the Common European Asylum and Immigration Policy will be a remedy for these problems and that it will assist in the establishment of multicultural and non-racist societies. Therefore, the EU has called for multiculturalist practices in member states and for campaigns against the revival of nationalism, racism and xenophobia.\(^{50}\)


\(^{46}\) Jeff Huysmans (2000) *op. cit.*

\(^{47}\) Han Entzinger and Frank Biezeveld, quoted in Deniz Genç (2005) *op. cit.* p. 35.


\(^{49}\) According to Waever, the fear of a return to ‘old Europe’ is a very powerful theme on which the security identity of European integration has been built. Racist and nationalist practices fragmented Europe in the 19th century and led the way for the world wars, so European integration has taken ‘old Europe’, racism and nationalism as its ‘other’ and has sought to develop multiculturalism in European societies (paraphrasing Jeff Huysmans (2000) *op. cit.* p. 770).

\(^{50}\) Deniz Genç (2005) *op. cit.*
However, in doing this, it is, in a way, highlighting the cultural difference that migrants carry. It also highlights that migrants carry different cultural identities which once more brings the issue to the argument that European cultural identities are threatened by those of migrants.51

Migration versus welfare systems

The last theme in the securitisation of migration in the EU and in member states is about presenting migration as a threat to the welfare systems of Europe. The result of successive economic crises and the rise of unemployment in the 1980s has been that competition for the benefits of European welfare states has intensified.52 In such an environment, foreigners in the labour market (migrants and asylum-seekers) have become more visible to the eyes of Europeans and a tendency to see them as rivals in the distribution of benefits may be observed. Migrants are increasingly seen as ‘having no legitimate right to social assistance and welfare provisions’.53 According to many Europeans, migrants are not a part of ‘them’, so they should not be recipients of benefits. With this understanding, ‘the notions of solidarity and distribution of welfare are coined with the notion of nationality’.54 Huysmans terms this ‘privileging of national citizens in the distribution of social goods’ as ‘welfare chauvinism’.55

In its radical form, welfare chauvinism depicts migrants as people who reap the benefits of welfare systems illegitimately; migrants are shown as exploiters who commit welfare fraud. In a more moderate version, welfare chauvinism tries to legitimise the establishment of restrictive migration policies by using problems in the European economies. In this view, economic recessions decrease employment opportunities for migrants and, when they are unemployed, their costs as regards welfare systems increase. According to this view, migration should be restricted not because migrants commit welfare fraud but ‘because the welfare system should first provide benefits and welfare for its “own” people’.56 In their discourses, welfare chauvinists use metaphors such as ‘flood’, ‘invasion’ or ‘swamping’ of migrants. Geddes says that these words can be accepted as an anti-immigration vernacular and adds that these metaphors ‘frame the debates about international migration and present it as a threat to welfare security’.57 Huysmans mentions the same thing and comments that such metaphors:

Portray immigrants, asylum-seekers and refugees as a serious threat to the survival of the socio-economic system.58

It may be noted that the EU sustains welfare chauvinism in many of its regulations. Most importantly of all, it favours free movement of the nationals of member states in

51 Jeff Huysmans (2000) op. cit.
54 ibid.
56 ibid. p. 769.
the labour market and social policy areas, whereas its strategy for third country nationals is based on a refusal of the economic rights granted to EU nationals.

Conclusion

Migration is a multi-faceted phenomenon that is related to many aspects of political organisation and society, and it is such a meta issue that it can be shown as the cause of many problems. For Europe, migration is not something new; Europe has always received migrants. However, in the 1970s, they became a main topic of political discussion on public order and domestic stability in the member states of the European Union. In these discussions, migrants were shown as the causes of economic and societal problems and were criminalised by political actors. The result has been that Europeans have started to perceive migration as one of the main sources of insecurity. By constructing this perception, the political actors have been successful in securitising the issue. The securitised understanding of, or approach to, migration has also been successfully transferred to the EU level, where the Europeanisation of migration policies started to take place in the 1980s.

Migration was securitised in the EU by the use of three related themes on internal security, cultural security and the crisis of the welfare state. Together, these themes have been used to depict migrants as potential contributors to terrorist activities and organised crime; as a threat to the cultural identity of society because of their different cultural background; and as people who reap the benefits of the welfare system illegitimately and who commit welfare fraud to exploit the system. Securitisation through the use of these arguments became successful in the EU and it resulted in the introduction of highly restrictive migration policies.

Interestingly, and despite the issue of migration being securitised by the EU through the presentation of migration and migrants as existential threats to European society, the EU’s economy and society are in desperate need of migrants for the purposes of renovation. For that reason, the EU has introduced several measures to attract migrants. The EU wants to attract up to 20 million skilled migrants by 2030, as well as unskilled migrants in the long-run. This denotes a paradox in EU migration management because, on the one hand, the EU is trying to attract migrants; however, on the other hand, it has securitised the issue of migration. These two practices of the EU contradict each other concerning its approach to migration management. As long as the issue is securitised, Europeans will be against receiving new migrants as they will not be able to differentiate between skilled and unskilled migrants in their normal lives.

In conclusion, it can be said that Europe needs migrants; however, the securitisation of migration at both the national and the European level cements the presented negative image of migrants and strengthens the argument that migration poses an existential threat. If the EU wants to attract migrants to satisfy the well-being of its economy and society, it has first to fix this paradox. Fixing this paradox means that the EU must initially de-securitise the issue of migration since securitisation is:

59 ibid.
A negative practice, always a failure in dealing with an issue within the framework of normal politics,

while ‘desecuritization must always be the optimal long-range option’.\textsuperscript{61}

\textsuperscript{61} Barry Buzan, Ole Waever and Jaap de Wilde (1998) \textit{op. cit.} p. 29.
Anna Rocheva

Adaptation of labour migrants as a function of social management

Abstract

The twentieth century has already been named an era of migration; Russia has not avoided this trend and, moreover, has faced an enormous flow of immigrants. The new social situation deriving out of this situation calls for adaptation to take place in the framework of the formal and informal institutions of the host society. The goal of social management is to optimise the existing system of institutions; this article is an attempt to cover several directions of adaptation from the perspective of the new institutional approach and social management.

Keywords: labour immigration, adaptation, institution

Introduction

The collapse of the USSR became the turning point of the process of the ‘opening’ of the borders of Russia together with the other countries in the Commonwealth of Independent States (CIS). This process took place within the broader framework of globalisation and, speaking more locally, that of European integration. Migration has become an integral part of the contemporary world economy; most of all, the migration of the labour force – labour migration. This has resulted in the appearance of interdependence between countries sending and receiving migrants.

Russia is not a traditional immigrant-receiving nation (like Canada, the USA, Australia, New Zealand) but it is now trying on this new role: according to the statistics of the World Bank, Russia stands in second place in the world among countries receiving immigrants after the United States of America.¹ The Russian Federation is the main point of attraction for immigrants in the CIS region. According to the basic economic law of demand and supply, migrants from neighbouring countries are able to find jobs in the labour market of Russia, which features an imbalance resulting from a lack of an unqualified or low-skilled workforce. It is labour migrants from CIS countries coming in on a visa-free regime that constitutes the majority of the immigrant flow to Russia (including, but not limited to, Tajikistan, Uzbekistan, Kirgizia, Ukraine, Moldova).

Taking the position of a receiving country accordingly leads to experiencing the positive and negative effects of labour immigration, which Russia faces like other host countries:

the economic effects include that the costs of the labour force, and consequently costs in general, go down.
migrants are consumers of commodities and services on the market of the host country, which means that the market grows.
labour immigrants might contribute to opportunities for the vertical mobility of the ‘local’ workforce occupying unpopular workplaces.
in the case of legal employment, the state budget receives tax proceeds.
the demographic structure can benefit from it.
labour migration can be a way of recruiting a highly qualified and/or rare workforce.

On the other hand, effects of another kind cannot be overlooked:
this can lead to a deterioration in the situation of local labour markets.
an uneven distribution of labour immigrants on the territory of the host country, i.e. their concentration in the most developed regions and the big cities.
possibilities of social tension and the promotion of discriminatory practices.
risks of the marginalisation of labour immigrants resulting from the adaptation process proceeding in a direction undesirable for both immigrants and, in the end, the host society.

Successful adaptation can be a factor contributing to the elimination of marginalisation. The goal of social management, therefore, is the promotion of adaptation in this direction, as opposed to marginalisation.

Adaptation is understood as a process of the mutual adjustment both of newcomers and of the receiving society, resulting in the appearance of new social patterns. In accordance with this new institutional approach, adaptation takes place within the framework of the host society and is influenced by its institutions (both formally and informally). The adjustment processes are regulated by the institutions, i.e. the rules of the routine interactions and the mechanisms for their maintenance; at the same time, the institutions are created and transformed by individuals. Thus, more specifically, the goal of social management can be put as follows: to guarantee the effectiveness of the institutions for successful adaptation.

Material and methods

For this research study, the following hypothesis was set up: formal and informal institutions might not be favourable to the adaptation of labour immigrants in St. Petersburg.

Formal institutions do not exist in all spheres; instead, informal ones appear. Moreover, informal structures might exist even as alternatives to formal ones, i.e. in parallel. However, such informal institutions might be connected with illegal practices and thus contribute to marginalisation and adaptation in this direction, which would be negative for both sides.

The hypothesis was examined in the case of a construction company in St. Petersburg, which is a popular destination for immigrants.

Migration can serve as a reliable indicator of the level of differentiation in the socio-economic development of regions, and it can be proved as regards the distribution of labour immigrants in Russia: the most popular regions are those which are economically the most developed: Moscow region; Han’ty-Mansyisky and Yamalo-Nenecky autonomous districts; Sverdlovsk region; Primorsky kray; and St. Petersburg.

The majority of labour immigrants in Russia are employed in the construction sector (43%). However, some difficulties were apparent when searching for a construction company which was prepared to let in a researcher due to the practice of illegal employment: letting an outsider in means the risk of some information coming out. The situation was worsened as a result of the economic crisis: two companies rejected participation, explaining it by saying that all topics connected with labour immigrants were banned as they had not paid them salaries for three months already. It is worth mentioning that participation was rejected despite assurances of anonymity and despite all the research taking place through social networks which could serve as an additional guarantee.

Finally, however, a construction company was found. It is estimated by its head and co-owner as a ‘middle-sized company’ in St. Petersburg: ‘neither big nor small’. It has now been operating on the market for the last eight years. It serves as a subcontractor on several sites both in St. Petersburg and in the suburbs, mainly in finishing work but also in construction itself. I carried out semi-formal interviews with the head of the company, as well as with the site supervisor and some workers on a construction site (both from St. Petersburg and from CIS countries, namely Ukraine, Kirgizia and Tajikistan). During the interviews, I covered different aspects of adaptation, namely: obtaining information about labour migration to Russia (the rights and requirements determined under the laws of the Russian Federation, opportunities for and different spheres of employment; etc); the resolution of legal matters (migration registration, work permits); sorting out the questions connected with employment (looking for a job, agreement with an employer either orally or in written form, etc); and developing social relationships. I should mention that all the migrants had come for a period of time to work and to earn money (usually for some purpose: marriage; house construction; etc). Their families are in their native countries and this creates an interesting position of theirs, occupying a place in the middle between their country of work and their country of origin. They work in Russia for a period of about one year (the length of a work permit) then return ‘on vacation’, before coming back again. Their whole life course and life planning is special.

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The research also required an analysis of the laws of the Russian Federation which are devoted to the question of labour immigration from CIS countries (which does not require a visa), as well as some basic international norms (conventions) and the bilateral and multilateral agreements which exist between Russia and the countries which are exporters of labour.

Theoretical basis of research into adaptation

In general, adaptation can be understood as a two-sided process: the first part is ‘fitting in’ to the society in which settlement takes place and functioning successfully in the new environment; the second is acceptance by the host society. The outcome is the appearance of new social patterns.

There are at least two main sociological perspectives which can be mentioned when speaking of adaptation. The first, which can be called normative (E. Durkheim, T. Parsons, R. Merton), presupposes that there are some supra-individual substances existing in society – social facts – which have a compulsory character:

They consist of manners of acting, thinking and feeling external to the individual, which are invested with a coercive power by virtue of which they exercise control over him.6

Adaptation is seen as a process directed by them and, in its course, a person learns all the necessary patterns, norms and values and thus enters the social system. A person learns the cultural patterns and, while his/her opportunities of influence remain limited, innovative change can only take place on the side (whether constructive or disruptive). Thanks to this, the structure of social action obtains structural supports which are both high and stable.7 Stability, equilibrium and balance between the needs and interests of an individual and the social environment serve as the goals of the adaptation process; with a view to ensure that social control is functioning, it checks the level of accordance with the dominant values and thus the whole system is oriented towards the normative order.

Robert Merton enriched this approach by paying attention not only to the goals defined by culture but also to the opportunities for their realisation. Moreover, he declared that the normative structure of society, which calls for adaptation every time a person takes up a new role in a specific situation, was essentially conflictual. Merton created a typology of modes of adaptation: conformity; innovation; ritualism; retreatism; rebellion – each of which is defined in two dimensions: the extent of acceptance/rejection of the goal; and the ease of access to the means of its realisation.8

In the framework of the second – interpretative – approach (A. Schutz, P. Berger, T. Lukman), a person obtains a more active role in adaptation. In the course of everyday interactions within his/her ‘native’ society, he/she uses the schemes and patterns which

are ‘set by default’ and which do not require any additional explanation. Fundamental to this approach is Weber’s sociology, whose primary focus is on the subjective meanings that actors attach to their actions in their mutual orientations. Therefore, a person always directs his/her actions in accordance with the generalised ‘other’ (the G. H. Mead concept); he/she must permanently interpret social reality, which calls for the continual modification of behaviour and its adjustment – even more so, if we recall the situation of an alien. When an alien gets in touch with a host group, he/she faces the problem of interpreting the actions of others, as he/she does not know all the patterns required for correct interpretation and, thus, the adequate action in response. Thus, the adaptation of an alien means a process of getting to know the patterns used in the host society in the process of interaction, in the result of which there appears shared knowledge. Social control in its various forms can enable some patterns of constructs after they turn into standards of behaviour.9

Classical theories of assimilation (Park, Burgess, Gordon) can be seen as related to the second, interpretative approach. They presuppose that the final result of adaptation is inevitable assimilation, i.e. the substitution of the norms, values, etc. of the ‘old’ society with those of the new. Assimilation is understood as the final stage of adaptation: contact; competition; conflict; accommodation; assimilation.10 Therefore, at the last stage (which can be reached by a second generation), a migrant group is melded into the receiving community.

However, this assimilationist approach has narrowed the research perspective and, lately, the possibility of the successful functioning of a single ‘melting pot’ has been questioned; despite the recent advocates of this approach,11 social sciences recently tend to acknowledge a plurality of the results of adaptation, instead of there being a single result (assimilation), and that this plurality depends on multiple factors.12

The neo-institutional approach offers another interesting perspective in the sense that, even though its main thesis is that ‘institutions matter’, it nonetheless pays attention to the actor as well. Moreover, it differs from normative theories in its view of a person as an active individual. Institutions shape routine interactions, but they can be created and transformed by individuals.

An institution can be defined as an:

Interrelated system of institutional elements – formal and informal – facilitating, motivating, a governing and economic action\(^\text{13}\)

as well as encompassing mechanisms for their enabling and support. The distinction between ‘formal’ and ‘informal’ institutions is not a strict dichotomy but, rather, a continuum in which the indicators of formality are connected with written fixation and state enforcement: formal institutions are defined in the laws and usually created on purpose; informal institutions appear spontaneously. It is important to note that informal institutions are not bound to illegal practices; secondly, they might embrace not only some historically-derived norms and traditions but also some innovative strategies.\(^\text{14}\)

However, once appeared or having been created, an institution can continue without being effective – above all, in the sense of decreasing transaction costs. Institutions limit the set of alternatives available to the actor and, as such, they contribute to the elimination of uncertainty – and, consequently, to the elimination of the risks and costs of information and co-ordination. The effectiveness of an institution can be measured with the help of indicators connected with its significant transaction costs; but there are costs which are very difficult to calculate: for example, time spent on information search and in queues, bribes and the losses resulting from improper control and supervision. The maintenance of institutions means that they reproduce themselves, in which there are three factors involved:

- they allow society to function in its contemporary conditions (perhaps in the absence of purer forms of the market)
- institutions are internalised
- institutions are embedded in the inter-related system of institutions in such a way that it is hard to modify one without dealing with the others.\(^\text{15}\)

Therefore, adaptation takes place in a context structured with institutions, each of which is associated with higher/lower transaction costs; in which institutions may be created and modified by actors, social groups, etc. However, it is not so easy to deconstruct an institution in the case of its ineffectiveness. At the same time, adaptation can be seen as a function of social management which, on the level of the whole society, is understood as a mechanism of internal self-regulation as well as the:

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Goal-oriented and value-oriented interaction of actors of management practices which guarantee satisfaction of needs and realization of interests of managed and managing parties with the help of reaching consensus and shared aims.

Research results

Having analysed the laws of the Russian Federation devoted to the issue of visa-free labour immigration from CIS countries, and conducted interviews, I can draw the following conclusions. Formal institutions do not exist in all the spheres listed above. However, these spaces are not staying empty and are being filled by informal institutions. Moreover, the latter can appear and act in parallel with formal institutions in cases where they are estimated by individuals as less costly. What is interesting is that informal institutions are being built into formal ones. The problem, however, is that the informal institutions are likely to be connected to illegal practices.

All information about migration is spread through the social networks of potential immigrants. At the moment, there are no effective formal institutions which cope with this task. In creating channels of information for potential immigrants, it is important to bear in mind that the majority of immigrants come from villages (kishlaki) which are not provided with the internet or simple computers; so, any attempts to upload necessary information (such as the requirements of contemporary Russian laws) on the websites of the Federal Migration Office deliver only a very small impact. Moreover, information there is displayed in two languages: Russian and English. This does not correspond with the needs of immigrants (some of them hardly speak Russian, let alone English). Recently, a test version of an information bank has been created within the framework of the bilateral agreement between Russia and Tajikistan, but it includes information concerned only with employment opportunities (available workplaces, employers, regions).

Coming to Russia requires preparation if a person is to see a reductions in the risks. Preparation implies a search among friends, relatives, fellow countrymen, etc. already working in Russia. In this situation, weak ties can help a lot: starting from initial accommodation, the obtaining of registration and work permits, to the job search.

Despite the immigration reforms of 2005-06, the requirements for obtaining work permits and registration are quite strict. A migrant is supposed to be registered during the three working days after arrival in the presence of some ‘receiving party’ (this can be an employer or a ‘local’ person). The amount of work permits that can be issued is assigned annually for every region but can be adjusted. Nevertheless, the mechanism for the calculation of quotas is not clear and serves as a source of instability and insecurity. Figures are gathered by local government from employers; all information is then stored at the centre and the Ministry of Health and Social Development, together with the Ministry of Economics and the Federal Migration Office, makes a decision on the final figure and its distribution between the regions, economic sectors and countries of origin.

However, this tool is not properly adjusted to the circumstances: employers do not have to declare their need for immigrants and, therefore, the figures are lower than the real needs at the country-wide level and the quotas come to an end earlier than at the end of the year. Employers, for their part, do not see the necessity of participating in this system: an employer can work with a labour immigrant regardless of whether he or she has addressed a request to the appropriate authorities. Sometimes, a conflicting situation might take place in which employers who have taken part in this system cannot employ any immigrants as quotas are over before they have satisfied their need for staff.

The second negative effect is the opportunity for personal influence on the calculation of quotas by some politicians: for instance, the statement in December 2008 of Prime Minister Vladimir Putin on the necessity to lower the quotas by 50%. Ultimately, the quota was not cut so sharply, but such statements do contribute to the instability and uncertainty which might lead to further developments in the illegal obtaining of work permits.

In cases where a migrant is not able to carry out the necessary requirements to obtain all the documentation, he/she can be provided with the assistance of a mediator. The services of mediators can include the execution of all papers, organisation of transfers and job search. The operation of mediation institutions differs considerably: for instance, the documents which are provided to a ‘client’ may be legal, even where the means of doing so has been illegal. In this case, this is seen as an ‘extra service’ performed legally, but with some additional payment. It can be connected to illegal practices (a mediator can take money and cheat; a mediator can provide a person with fake documents).

Similarly, there is no developed labour market for the employer and the potential employee. A check of qualifications is carried out on the spot through the performance of test tasks. Furthermore, the price paid for following the formal rules of employment is higher for the employer than are the penalties for their breach. Thus, illegal employment is practised.

The search by employees for work is carried out with the help of social networks as well; in this search, one of the most important factors is that the employer is known as reliable, above all in terms of the payment of salaries. Reputation and trust, together with a circle of people who can work themselves as well as recommend others, are assets in the employee search. These means serve to decrease the risks.

Illegal employment is considered less costly, but there are no written agreements between employer and employee. Again, what plays an important role here is trust, which is often built on personal relationships not necessarily with the head of the company but with the site supervisor who serves as his or her deputy on a specific building site.

Even having all the necessary paperwork does not secure a migrant against bribes and it hampers their successful adaptation, even in the sense that it prevents him or her from familiarisation with the city space. Bribes become a universal means of resolving
problems: starting from questions of illegal employment with the police and the Federal Migration Office, to deals with the emergency services in cases of the injury or even death of a migrant, since construction is a dangerous sector.

The high risk of bribes when walking in the city, together with the hard physical work and the long working day and week, prevent migrants from broadening their social networks; of course, poor mastery of the Russian language and xenophobia among some ‘local’ people also contribute to this. There is a risk of the establishment of discriminatory practices in social perception, as well as its assessment as normal.

It was mentioned at the outset that Russia is not a traditional immigrant-receiving country and does not have experience in acting as a ‘melting pot’; declarations of the further liberalisation of the policy on migration are met negatively; and it is restrictive means that are seen as the major tool in eliminating illegal labour migration. This mood can also be traced to the level of the St. Petersburg government: in the framework of the city programme ‘Tolerance’ (a programme for the harmonisation of inter-ethnic and inter-cultural relations, for the prevention of xenophobia and the promotion of tolerance), there is a section devoted to the adaptation of labour immigrants. Only 4% of all the arrangements in this programme were devoted to migrants and their adaptation and integration; their main focus was raids and the checking of the paperwork of immigrants, which was performed mainly by the committee for the issues of law, order and security.

Conclusions

The Russian Federation is second only to the United States of America in the amount of workforce it imports; its scant experience in dealing with immigration leads to Russia facing difficulties as do other receiving countries. Migration is a controversial process: it has the potential for advantages which Russia can exploit, as well as disadvantages and risks, among which is included marginalisation. Adaptation closely associated with illegal practices is unable to prevent this risk; thus, social management seeks to create the conditions for adaptation in the direction required. This will require a monitoring of the situation: what formal and informal institutions operate in the field and the extent to which they are effective.

At the moment, it can be said that the lack of formal institutions that might be considered effective in the sense of costs leaves sufficient space for the appearance and operation of informal institutions that can be connected to illegal practices. This is connected with a special kind of adaptation from which neither society nor migrants benefit.

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The implementation of migration policy in Ukraine: autonomous or directed?

Abstract
This article focuses on the Ukraine as a major transit route to EU countries. The author argues that EU policy has attempted to make Ukraine into a ‘safe third country’ by delegating questions of migration control and border protection. However, by not ensuring that the measures are properly embedded, the policy is failing both the EU and Ukraine in leaving domestic policy geared apparently to the cause of international interests and implicating a lack of domestic ownership and weak and paralysed institutions. The author is also critical of the approach to refugee policy within Ukraine, which has been damaged both by political sclerosis, stalled reforms and a plethora of domestic organisations, departments and responsibilities resulting from a lack of political will. This has left domestic policy vulnerable to the EU in policy terms and implementation in the hands of donor-driven international migration organisations. The author concludes that Ukraine is unable to cope with its societal and political consequences in this area or fulfil its international obligations, and that the situation facing migrants remains precarious.

Keywords: migration, border control, securitisation, re-admission, refugees, asylum seekers, EU resourcing, NGOs, detention camps, institutional racism, xenophobia, hate crime.

Introduction
Images of people trying to reach the European Union (EU) by crossing the Mediterranean Sea have been broadcast quite extensively in the media, provoking both a public and a political response. In contrast, another major route for migrants and refugees to the EU receives rather less media attention: a large number of refugees and migrants attempt to enter the EU through Ukrainian territory, seeking to cross the border between Ukraine and either Slovakia, Hungary or Poland. The most important routes for irregular migrants and refugees lead from South Asia and Africa through the post-Soviet space to the EU. In addition, there are routes for migrants from the former Soviet Union itself.

Following the EU enlargements in 2004 and 2007, Ukraine now shares a 1 400 km-long border with the EU and has thus gained special importance as regards the European migration system and the EU border regime. Due to its strategic geographic location, its essentially unsecured border with Russia, visa-free travel for citizens of CIS states and a lack of effective readmission agreements, as well as insufficient law enforcement, Ukraine has become a transit and buffer zone for various migration flows towards the EU as well as a destination country of second choice for asylum seekers and migrants.
Throughout this article, I argue that the European Union has negligently assigned Ukraine the task of dealing with refugees and migrants who are stranded in Ukraine on their way to the EU. The EU has sought to create a policy field from the outside via political and financial conditionality measures and by attempting to turn Ukraine into a ‘safe third country’. The measures are not embedded in and, therefore, are remote from Ukrainian reality; the EU has created Potemkin villages,¹ which it then deliberately mistakes for reality.

Relations between the EU and its neighbours are largely determined by questions of security, reflecting the wide understanding of security prevalent in the EU, including economic and social security. Thus, one might define the relationship between the well-to-do core of the EU and its periphery – including Ukraine – as a ‘political deal’ (Vobruba, 2007: 9) with the aim of safeguarding intra-EU security. The core considers the periphery as a source of both economic and political conflict, as well as a protective zone, i.e. as both a problem and a solution in combating illegal² migration and transnational crime. To this end, the EU has assigned Ukraine the tasks of exclusion (Vobruba, 2007: 10-11), especially concerning questions of migration control and border protection. The principles of safe third countries and safe country of origin systematically encompass Ukraine within the EU asylum regime (Knelangen, 2007: 263).³

In practical terms, the Ukrainian authorities protect the EU’s eastern border, control their own territory and either readmit undocumented migrants or else prevent them from reaching the EU. At the same time, Ukraine has requested reciprocity in financial and political terms (Knelangen, 2007: 268). A general EU-Ukraine readmission agreement has been concluded in exchange for the greater facilitation of bilateral visas for Ukrainian citizens and for further support with economic and political reforms. The readmission agreement entered into force in 2008 and concerns all those who have been apprehended as ‘illegal’ migrants in the EU (both Ukrainian and third country nationals), having crossed Ukrainian territory on the way (Kokhan, 2007: 2).⁴ In 2008, the EU provided €30m to Ukraine to readmit migrants.

Moreover, various instruments, programmes and funding have been devised to enable Ukraine to accept refugees according to the specifications of the Geneva Convention Relating to the Status of Refugees (1951) – and thus it no longer serves only as a transit state.⁵ Not surprisingly, most EU funds dedicated to migration issues have been spent on the enhancement of border protection. In this context, Ukraine has concluded

1 Russian minister Grigorii Potemkin is said to have built these façades on Ukrainian territory in the 18th century to impress Empress Katarina II.
2 Official UN terminology uses ‘irregular migration’ and ‘irregular migrant’, or ‘undocumented migrant or alien’, rather than ‘illegal migration/migrant’. The latter is used in national legislation and regulations in the EU and emphasises the interests of the state, while the former stresses migrants’ human rights (ICPS/IPA, 2006).
3 Details on this issue are provided by Vobruba (2007) and Knelangen (2007).
4 Ukraine does not benefit from the agreement since there are virtually no EU citizens or people crossing the EU who enter Ukraine illegally. Due to a lack of functioning readmission agreements with other countries, it is likely that readmitted third country nationals will remain in Ukraine (ICPS, 2005; Speer, 2010).
5 An overview is provided by Geiger (2007) and Zimmer (2009).
a working agreement with the European Agency for the Management of Operational Co-operation at External Borders, FRONTEX. Activities are mostly aimed at improving co-operation among troops on Ukraine’s various borders with the EU.

Transit migration and immigration to Ukraine

Many transit migrants originate from countries whose citizens may enter Ukraine without a visa and only violate the law when they attempt to cross Ukraine’s western border. For others, the very stay in Ukraine is ‘illegal’: in particular, Chinese, Vietnamese, Indians, Iranians, Pakistanis, Tamils, Iraqis, Afghans, Kurds and Palestinians, as well as Somalis, west Africans and Egyptians, but also Belarusians, Georgians, Moldovans and citizens from other CIS states, use Ukraine as a transit country.

The size, composition and legal status of immigrant groups in Ukraine have all changed fundamentally since 1991. During the Soviet era, migrants mainly arrived on the basis of study and labour agreements with other socialist countries. They had secure status based on residential permits and regular incomes. At the beginning of the 1990s, the Ukrainian state rather generously accepted refugees who fled ethnic conflicts in the former Soviet Union. Later, the number of migrants and refugees from outside the post-Soviet space increased, especially from Afghanistan, many of whom have been granted asylum.

Many new arrivals, however, are not refugees according to the definition of the Geneva Refugee Convention, but remain in Ukraine without applying for refugee status because they cannot pass across the EU border. For others, the administrative barriers to successful applications are too great. Additionally, many people from the former Soviet Union enter Ukraine on a visa-free basis (for up to ninety days), or on a student, business or tourist visa, but become ‘illegal’ by over-staying. For many migrants, not only is access to EU territory blocked, but also the way back to their countries of origin. Thus, Ukraine involuntarily turns into a destination country for migrants (Knelangen, 2007: 269), many of whom do not have secure residential permit status.

In 2000, the Ukrainian Ministry of the Interior estimated that between 20 000 and 30 000 undocumented migrants were living in Ukraine; other organisations, however, put the number much higher, at 500 000 to one million. Three years later, the numbers were still contradictory. The United Nations estimated that up to six million undocumented migrants were residing in Ukraine in 2003 (Uehling, 2004). From 1991 to 2003, the Ukrainian Border Guards arrested more than 91 000 people, while the Ministry of the Interior detained about 10 000 people between 2001 and 2003. In 2007, the Border Guards detained 36 000 people – a rise of more than 100 per cent compared to 2005 (Söderköping Process, 2008b). Presumably, the number of people who successfully cross the EU border is two to ten times higher. Among the arrested, the number of CIS

6 More information on FRONTEX can be found here: http://www.frontex.europa.eu [last accessed 22 January 2011].
7 So far, Ukraine has not implemented the stricter visa regulations demanded by the EU.
8 The Ministry of the Interior is responsible for searching for irregular migrants on Ukrainian territory, while the State Border Guards detain illegal border crossers and decide on the expulsion of foreigners and stateless people (Pribytkova, 2007).
citizens has been rising, currently making up about sixty per cent. During the last
decade, more than ninety per cent of the ensuing deportations took place to Russia
(Oliynyk, 2006).

Ukrainian refugee policy

The Ukrainian government passed its first refugee law in 1993, but implementation
only started in 1996. In the second half of the 1990s, reforms stalled; in 2002, Ukraine
ratified the Geneva Refugee Convention and became a member of the International
Organisation for Migration (IOM). A new refugee law was passed in 2003 and reformed
in 2005; yet, the legal framework does not entirely conform with international norms
as refugee status is not complemented by subsidiary or humanitarian protection. The
parliament has, since 2007, been expected to pass a new law introducing the required
changes but, due to the continuing political crisis, this project has been put on the
backburner. However, as we will see below, even the implementation of the laws which
are operational is inadequate.

Ukraine lacks a central authority dealing comprehensively with migration issues
(UNHCR, 2007). Despite several attempts at reform, refugee and asylum policy con-
tinue to be characterised by conflicting, overlapping and lacking competencies, as well
as a lack of funds and never-ending reforms. The State Committee responsible for
migration and refugee questions has been reorganised eleven times since 1996
(Amnesty International, 2010: 6). It co-ordinates its activities with the ministry of For-
eign Affairs, as well as with the Interior, Labour and Social Policy and Health Policy
ministries, and with the State Border Guards, but the degree of effective co-operation
is poor (Hammarberg, 2006: 26). The State Committee deals with legal migration,
including the recognition of refugees, whereas the Ministry of the Interior and the State
Border Guards are concerned with the regulation and prevention of irregular migration
(Pribytkova, 2007). In 2008 and 2009, the government sought on several occasions to
transfer responsibility for refugee and asylum affairs to the Ministry of Internal Affairs.
However, the President repeatedly vetoed this decision (Amnesty International, 2010;
Kotnyuk, 2008; Ryzhuk, 2009), accusing the government of violating the Constitution.
Obviously, the material interests of various authorities played a decisive role in this
conflict since Ukraine expects greater funding from the EU in this policy field.

According to international and Ukrainian law, no action may be brought against
people who enter the country illegally as long as they intend to apply for asylum. During
the asylum procedure, expulsions are prohibited. People who apply for asylum are
normally released from custody and obtain identity cards. If migrants are arrested and
apply for asylum, the Border Guards and the Ministry of the Interior are obliged to
forward their application within 24 hours. However, not all migrants have the possi-

According to Ukrainian law, a refugee is a person who is not a citizen of Ukraine and who, due
to reasonable fear of persecution on the basis of race, religion, nationality, membership of a
particular social group or the possession of a political opinion, resides outside his country of
origin and cannot return there. The same applies to stateless people. Furthermore, the situation
of asylum seekers and migrants is regulated by the Law on the Legal Status of Foreign Citizens
and Stateless People, the Ukrainian Constitution and various administrative regulations.

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bility of filing an application, often due to ignorance and insufficient funding at the regional level.

Those who have the chance of applying for asylum are faced with the following legal procedure. The responsible State Committee for Nationalities and Religion is a central state authority with its headquarters in Kyiv and it is this body which determines the granting of refugee status and which must substantiate rejections. Migration services in 24 Ukrainian regions, established in 2006, carry out initial questioning and accept applications. On the basis of documents and questioning, the respective officials decide whether to pass on the application to the State Committee in Kyiv for a decision. If applications are rejected, applicants can appeal, namely to the State Committee (within one month) or to the court (within one year). If the State Committee rejects the application once more, the applicants can take legal action. After a final rejection in all instances, deportation is pending. However, the Ukrainian state lacks resources for deportations and many rejected asylum seekers go into hiding.

Both the inadequate funding and the staffing of the responsible authorities have adverse effects on the adequacy of the asylum procedures. In 2007, the migration service in Transcarpathia lacked, for example, elementary equipment such as paper, a computer or a camera for taking pictures of asylum seekers. Low salaries lead to high staff turnover and vacancies, which hamper the continuing and smooth co-operation with other organisations. In 2007, the migration service in Kyiv employed only three people who accepted documents and carried out initial interviews, which led to three-month waiting periods for an appointment. In 2002, 2006 and in 2007, the State Committee temporarily stopped working so that no applications were processed at all (Andrysek and Rantal, 2008; Pribytkova, 2007: 7); while, in 2009, the fight over responsibilities led to further disruptions. Without valid documents, applicants are breaking the law and can be stopped on the street at any time.

Formal responsibility for migration and asylum policy lies with the Ukrainian authorities, but international governmental organisations (IGOs) and Ukrainian non-governmental organisations (NGOs) play a decisive role. The latter assume genuine state tasks, such as the provision of the humanitarian support and legal advice for detainees and applicants which is required by law. However, without the financial and technical support of international and supranational organisations, these NGOs would cease to exist. In the context of political exchange, international donors compensate for the financial weakness and the lacking political will of the Ukrainian state. The most important international organisations are the UNHCR, the IOM and the Delegation of the EU Commission, all of which have offices in central Kyiv. The IOM has been present in Ukraine since 1996 and is assisting the Ukrainian authorities with the development of a migration management system and the harmonisation of national law with EU law. Furthermore, it deals with the control of irregular migration movements and also supports the State Border Guards. The UNHCR supports and consults the Ukrainian government with regard to legislation and monitors the implementation of the Geneva Refugee Convention.

10 Interview with a representative of NEEKA, held in Mukachevo on 1 June 2007.
11 Interview with a representative of HIAS, Kyiv, held on 7 June 2007.
Not only does the EU exert strong influence on legislation – it is also the main donor in this policy field. Most EU money, however, is not targeted directly towards the Ukrainian government but is spent on measures implemented by IGOs, especially the IOM (Geiger, 2007: 65-67). With their projects, the EU, the UNHCR and the IOM finance almost all activities directed at asylum seekers and refugees in Ukraine and assume various co-ordination tasks. The EU capitalises on the expertise and experience of these agencies and, in the case of UNHCR, its role and reputation in protecting refugees and human rights, immunising itself to criticism. Geiger (2007: 76) therefore labels IGOs as the ‘transmission belts’ of EU policy. Both the IOM and UNHCR collaborate with several local implementing partners: UNHCR, for example, co-operates with and supports NEEKA and Caritas in Mukachevo (Transcarpathia); the South Ukrainian Centre of Young Lawyers (SUCYL) in Odesa; and HIAS (Hebrew Immigrant Aid Society) in Kyiv. NEEKA mainly offers social support for refugees and asylum seekers; while Caritas, as well as HIAS and SUCYL, consult asylum seekers regarding applications for refugee status and represent them at authorities and in court.12

It is apparent that the activities of Ukrainian NGOs, funded by the IGOs, are indispensable to creating the very social and organisational preconditions for the initiation of asylum procedures. In the medium term, the EU is thus turning Ukraine into the desired ‘safe third country’.

Problems of refugees in Ukraine

Asylum seekers who would like to remain in Ukraine mostly live in the cities, where they can find work more easily and rely on established (ethnic) networks. Those who want to cross the EU border typically stay in Transcarpathia, where approximately half of all asylum applications are filed. Most applicants are arrested while attempting to cross the border illegally and are taken to regional detention camps.

Until recently, the detention camps, which are subordinate to the State Border Guards, were characterised by overcrowding, decay and bad hygienic conditions, as well as a lack of food.13 The camp for men in Pavshino, for example, close to Mukachevo near the Hungarian and Slovak borders, has a capacity of 200 people; yet, in the summer up to 700 men – mainly from Asia and Africa – were detained there. When a report by Human Rights Watch (2005) disclosed the conditions in the camp, increasing pressure from foreign NGOs and governments led to the partial improvement of the situation, while the operation of the camp was officially terminated in September 2008. The detainees were partly relocated to newly-built camps in Volyn and Chernihiv regions (www.dw-world.de, 24 October 2008). In addition, there is special accommodation for women and children with fifty places, which is mostly overcrowded. In the city of Chop on the Hungarian border, migrants from the CIS are detained in a prison. Deportations from the prison primarily concern Chechens, who are sent back to Russia. Often, local NGOs do not gain access to the camps to fulfil their tasks of social and

12 Interviews with the respective NGO representatives conducted in June 2007.
13 For a long time, it was not clear which government body was actually responsible for administering the camps (ICPS and IPA, 2006; Oliynyk, 2006).
legal protection. Moreover, Ukraine has forcibly returned asylum seekers and even recognised refugees to countries where they are at risk of being maltreated, for example in Uzbekistan or Sri Lanka (Amnesty International, 2010: 8).

More than 5,000 asylum seekers, of whom 2,275 were still living in Ukraine in early 2007, have been granted protection since 1996. In addition, 800 to 900 people have become Ukrainian citizens. In early 2007, 3,000 asylum seekers were registered. Every year, 1,000 to 1,500 people apply for asylum. Most refugees were recognised from 1997 to 2001, whereas only 296 people were recognised between 2002 and 2007. Up to 2001, the recognition rate was about fifty per cent; presently, it is 2.5 to 3 per cent and has thus reached ‘normal’ EU levels. In the years since 1996, fifty per cent of applicants have come from Afghanistan, 30 to 35 per cent from CIS states and about 10 per cent from Africa. The structure of accepted refugees looks similar. In addition, Ukraine hosts refugees from Iraq, Syria and Iran (Söderköping Process, 2008a).

Around one-half of recognised refugees are registered in Kyiv and 25 per cent in Odesa, while the rest reside in other major cities. Refugees must renew their status every year. According to the law, they enjoy to a large extent the same rights as Ukrainian citizens, including freedom of movement and residence, and the right to education, medical care, family reunification, marriage, work, business activity and social and legal support. However, their actual integration into Ukrainian society is problematic. Many legally-guaranteed services and benefits for asylum seekers and refugees are not granted. The Ukrainian state supports refugees neither financially nor with language courses nor special integration programmes. There is only a single state-run accommodation for asylum seekers (in a suburb of Odesa), which was substantially financed by the EU (Andrysek and Rantala, 2008), although others are currently being built or planned.

Xenophobia and racism

A recent increase in hate crimes (ranging from vandalism to murder) against migrants, foreign students and asylum seekers has alarmed international organisations and human rights activists (Zimmer, 2010).15

The Ukrainian population has little information about the issue of, and the situation faced by, refugees. Foreigners are perceived as a source of violence, chaos and illness and increasingly serve as scapegoats for social problems. Sometimes, reports on undocumented immigration are published in the media – almost exclusively with a negative bias. It is normally interpreted as a crime to which one has to react with repressive measures. The public discourse on immigration is thus characterised by securitisation

14 A detailed study of ‘non-traditional’ immigrants has been submitted by Braichevska et al. (2004).
15 International organisations and foreign, as well as some Ukrainian, NGOs have reported on hate crimes since 2005. Most of the victims are Roma and Jews. However, the number of crimes committed against students, refugees and migrants from Asia and Africa has increased.
Moreover, state authorities at times act in a discriminatory way. Racial profiling is widespread, i.e. people with dark skin are disproportionally often subject to identity checks, including people from the Caucasus, mainly from Georgia and Armenia. Officially, these checks serve to combat illegal migration but they can also lead to arbitrary arrest and to corruption (Coyash, 2008; Manukjan, 2008). Often, police officers are not familiar with the documents of asylum seekers or recognised refugees (Amnesty International, 2008: 31). Victims are normally afraid to report crimes because the police also tend to act in a racist way, while maltreatment in police custody has been reported (Amnesty International, 2008: 29). International organisations and Ukrainian NGOs are critical of the police service for its low level of sensitivity and experience in dealing with ethnic minorities, and have recommended awareness training (Human Rights First, 2008: 1).

On the whole, the situation stabilised in 2009, when the number of racially-motivated crimes declined. International organisations and Ukrainian experts, however, caution of the need not to speak of a reversal of the trend, because the decline is not linear. Moreover, the number of attacks on homosexuals and anti-fascists seems to be on the rise (Lihachev, 2010).

Up to 2008, it was only the international organisations that perceived the growing number of obviously racially-motivated crimes to be a problem, whereas the Ukrainian political elite continued to cultivate the image of a tolerant society. Racist attacks on diplomats and the persistent pressure of international organisations, however, compelled the government to act. The government and other state authorities have, since late 2007, initiated a number of measures and activities. Many ministries and law enforcement authorities have established special departments or envoys which have devised plans to combat racism and xenophobia. Initially, the measures did not envisage preventive components (Zimmer, 2010). Moreover, law enforcement remains problematic. Two relevant articles in the Criminal Code which refer specifically to racist motivations (Articles 161 and 67) are hardly ever applied. Instead, many racist crimes are prosecuted as ‘hooliganism’. Legal changes in the Criminal Code dating from November 2009 have not yet yielded results. When the Ministry of the Interior established a unit for ‘ethnic crime’, the head assumed that he would have to spend most of his time investigating crimes committed by foreigners; in February 2008, however, he reported spending about eighty per cent of his time solving crimes committed against foreigners. Yet, until 2009, the authorities only registered crimes committed by foreigners (Amnesty International, 2008: 11). Most authorities (mainly the police and the secret service) focus on protecting embassies and dormitories for foreign students and on fighting right-wing groups, mainly skinheads (Lihachev, 2008). Skinheads are perceived and portrayed as the only perpetrators and, consequently, the societal foundations of xenophobia are obscured.

16 An appalling example was published in the weekly Zerkalo Nedeli which addresses an educated public (Vedernikova, 2008).
Right-wing groups and their supporters, as well as the lack of political correctness among some established politicians, have their basis in society. Under the surface of a peaceful society there is a breeding ground for right-wing violence. Ukrainian society does not seem prepared to welcome and integrate non-Slavic people, and social distance from other nationalities has been growing since 1991 (Panina, 2005a). Eastern Slavs (Ukrainians, Russians, Belarusians) are tolerated, while ‘historical’ neighbours such as Poles, Moldovans, Jews and Crimean Tatars are accepted to a lesser degree. Groups which do not have ‘historical’ roots on the territory of present-day Ukraine are disliked. This is especially true of ‘new’ minorities, i.e. people from Africa or Asia. Refugees and asylum seekers are mostly perceived as illegal migrants and as a threat to public welfare and health (ECRI, 2008: 16). Some ethnic groups, such as Arabs or Chechens, are linked with violent conflicts and terrorism and are met with widespread disapproval (Panina, 2005b).

Again, concrete commitment and measures against racism and xenophobia are dominated and financed by IGOs and western governments, while Ukrainian NGOs are only slowly taking up the issue. Countermeasures taken by the Ukrainian state arouse the suspicion that they are addressed to and tailored for the international community, not Ukrainian society.

Conclusion

In conclusion, Ukraine is unable to cope with the societal and political consequences or fulfil its international obligations. In the field of refugee and asylum policy, the Ukrainian government has adopted a wait-and-see attitude – by expecting the EU to fund certain projects before taking measures itself. The Ukrainian government is certainly not free in choosing its policy goals, but it does not even implement those measures which have been agreed and adopted. Instead, it is the IGOs that turn out to be the most dynamic actors; refugee and asylum policy are almost entirely donor-driven. If funding ended, the local NGOs would cease to exist.

Both the Ukrainian government and the EU primarily focus on ‘combating’ undocumented migration. There is a growing trend towards the securitisation of migration policy – largely imported from an EU which emphasises justice and home affairs, while the willingness and the capacity for a humane treatment of asylum seekers lags behind. Migration policy will certainly not become a political priority in Ukraine, especially as the Ukrainian authorities consider the EU to be responsible for ‘illegal’ migrants. EU institutions, in turn, deem the Ukrainian authorities as too weak to devise and implement policy. But in so doing, they paralyse the government and relieve it of its legal and political responsibilities. To put it bluntly, the EU – partly via other IGOs – creates the policy field and defines, finances, supervises and partly implements the measures to be taken. The erected facades are readily interpreted as indicators which allow the classification of Ukraine as a ‘safe third country’. However, the human rights situation for migrants and refugees in Ukraine remains precarious.
References


Lela Rekhviashvili

Survival strategies of the poor and marginalised – The case of internally displaced people in Georgia

Abstract
This article identifies the survival strategies of the group of internally displaced people in Georgia over the last twenty years following the ethnic and civil wars that have affected the development of the country since independence. The author has undertaken qualitative in-depth research among individuals and organisations working with the displaced, with the aim of identifying trends and tendencies concerning the occupational patterns, income-generating activities and level of integration of internally displaced people. The article uncovers the constraining circumstances on the way of finding individual and group solutions to problems, and also discusses what ways have been found to cope with poverty and marginalisation. Survival strategies have, for the most part, been based on finding shelter within the large informal sector of the Georgian economy – but this is likely to lead to further problems given the general attack on the scale and sweep of informalisation, although the Georgian government has now developed an assistance strategy.

Keywords: poverty, vulnerability, marginalisation, integration, internally displaced people, conflict, survival strategies, labour migration, aid, networks, informal economy

Introduction
The post-Soviet transition in central and eastern Europe has been referred to as the ‘second great transformation’ and especially its early period has been compared to the time of the Great Depression. The drastic increase in poverty was mostly ascribed to a collapse in GDP which rivalled that of the Great Depression of the 1930s. The difficulties caused by the existence of multiple tasks – economic and political transformation and, sometimes, state building – were exacerbated by civil and ethnic wars in a couple of cases. The severity of the poverty, inequality and social insecurity experienced was perceived most harshly in those states that suffered conflicts and violence.

In post-socialist states, the conflicts evolved into the marginalisation of certain groups, usually going hand-in-hand with the definition of ‘outsiders’ versus ‘insiders’ along ethnic, national and racial lines. However, in the Georgian case of displacement in the 1990s, we may see that ethnically Georgian displaced people were still marginalised from the general population of Georgia.

This article explores the issues of survival and integration of internally displaced people in Georgia. For almost twenty years, those who were displaced have remained marginalised, vulnerable and poor relative to the rest of the Georgian population.
That the internally displaced are, after twenty years, still poorer and more vulnerable on average compared to the general population is surprising for at least two reasons. Firstly, they are ethnically Georgian and therefore ought not, on the basis of purely ethnic considerations, to have been so excluded. Secondly, the overall economic conditions of the general population in Georgia was also very poor; thus, the starting points of the displaced and the general population would not have been substantially different.

This article uncovers the question of why those who have been internally displaced in Georgia as a result of the ethnic conflicts of the early 1990s remain poor and marginalised and also, in discussing their survival strategies, shows what have been their solutions for survival. It investigates the specific circumstances that have affected the formation of coping mechanisms to fight poverty and vulnerability, and also describes what types of mechanism have been developed by internally displaced people throughout the last twenty years of displacement.

Observing the constraints on successful integration and the solutions adopted by the internally displaced has two values. On the one hand, it contributes to the literature studying poverty and the consequences of ethnic wars in the region. The current paper shows that ethnic tensions are not the only ones which have caused social conflict and the exclusion of vulnerable groups.

On the other hand, it should be instructive both for the Georgian government and for civil society organisations working in the area of displacement. In the last three years, in sharp contrast to much of the 1990s, there have been greater governmental efforts, as well as extensive donor aid given to Georgia, in order to resolve the long-lasting problems of the internally displaced. However, comprehensive data on, or in-depth research into, their socio-economic circumstances are, respectively, both poor and rare, and qualitative research like this should be of great value to policy-makers as a means of identifying the needs of the internally displaced.

Data and limitations of the research

In this article, I rely on in-depth qualitative interviews conducted during August and at the beginning of September 2011 in Tbilisi, Georgia. I talked to representatives of from the Ministry of Internally Displaced People from the Occupied Territories, Accommodation and Refugees of Georgia, as well as international and national non-governmental organisations, experts and researchers on the issues facing internally displaced people. Half the respondents I interviewed were themselves internally displaced. They shared their personal stories as well as their observations concerning the group of internally displaced people in Georgia. In addition, numerous reports and current research studies have been used to complement the qualitative data I obtained.

1 Interview with a representative of the Ministry of Internally Displaced Persons from the Occupied Territories, Accommodation and Refugees of Georgia, 11 September 2011. The representative explained in the interview that numerous reports and studies are usually conducted when government or NGOs receive money from donors to identify the needs of the displaced; however, these studies are mostly focused on specific problems and do not research in a comprehensive manner the overall socio-economic circumstances of IDPs.

2 The translation of the interviews from Georgian into English were made by the author.
The article aims to identify the trends and tendencies concerning the occupational patterns, income-generating activities and level of integration of internally displaced people. These trends and tendencies might not apply to a majority of individuals from the heterogeneous group of the displaced, but it concentrates on that part of the group that remains socially and economically vulnerable.

Transformation and socio-economic developments

Georgia has been undergoing a post-communist transformation since the 1990s. The country has only a short experience of independent state-building in modern times, declaring independence in the wake of the dissolution of the Soviet Union in 1992. The transformation has proved to be highly troublesome:

The process of state building in the South Caucasus has been much slower than expected by Western States.\(^3\)

Political transformation, much like most post-Soviet Union countries, has been problematic. Georgia remains classified as a transitional-hybrid system, but its democratic score has been deteriorating steadily during the last decade (4.33 in 2001 to 4.93 in 2010).\(^4\)

In terms of economic development, Georgia has been slow to make progress in structural reforms compared to its near neighbours. In the second decade of transformation Georgia has, subsequent to the 2003 Rose Revolution, pursued revolutionary reforms, drastically liberalised the economy, removed regulations, invested heavily in infrastructure, cut and re-organised public administration and significantly reduced levels of corruption compared to neighbouring states. A radical increase in state capacity has been underway, which has also meant a higher capacity of the state to deal with the informal sector and extract greater taxation revenues.

High growth rates (peaking at 12% annual growth in 2007) were experienced between 2004 and 2008, although economic growth was then hampered by war and economic crisis. Positive growth resumed in 2010, however, and further recovery is expected.\(^5\) Nevertheless, improvements in poverty and the rate of inequality have not been impressive.

Indeed, despite substantial economic growth rates over several years, positive changes in terms of poverty reduction have not been that apparent. The World Bank registered a figure for absolute poverty of 54% in 2003, and 23% in 2007. However, the data is based on national estimates and is disputed:

As an alternative indicator, initial estimates published by the IMF suggest that absolute poverty has increased marginally, from 27 percent in 2004 to 31 percent in 2007… In addition to the

5 European Training Foundation (2010) Labour Markets and Employability, Trends and Challenges in Armenia, Azerbaijan, Belarus, Georgia, Moldova and Ukraine European Training Foundation.
Internally displaced people and continued vulnerability

After this brief presentation of the overall characteristics of the country, I turn to the issue of internally displaced people – the group on which this research is focused. The cause of displacement was the ethnic conflicts that erupted simultaneously with, or shortly after, the dissolution of the Soviet Union and the declaration of independence by Georgia. Georgia experienced ethnic conflict with two secessionist regions: South Ossetia and Abkhazia. From Abkhazia, 300 000 ethnic Georgians fled:

Primarily to the region on the Georgian side of the administrative border with Abkhazia, and to the Georgian capital, Tbilisi,\(^7\)

while 60 000 were displaced from South Ossetia. By 2009, there were between 220 000 and 247 000 people displaced from the conflicts in 1990s and, after the Russia-Georgian war of 2008, around 37 000 more people were displaced.

This article focuses on those people displaced as a consequence of the conflicts of the 1990s. The first, and biggest, caseload of people who left Abkhazia and South Ossetia have now been displaced for almost twenty years, and they are referred to as the ‘old’ displaced.

According to various reports and data sources, after almost twenty years of displacement internally displaced people remain disadvantaged compared to the rest of Georgian society. Indeed, they are a segment of the population that has stayed extremely vulnerable:

Compared to the rest of the population, internally displaced people remain more vulnerable to poverty. Unemployment among the displaced population is extremely high, as only 20 percent of the displaced are employed and earn regular wages.\(^8\)

Statistical analysis of the Georgia Household Survey in 2009 shows that noteworthy differences continue to persist between the general population and the internally displaced in terms of economic status, living conditions and educational attainment. Significantly more internally displaced people describe themselves as ‘poor’ or ‘extremely poor’ than do the rest of Georgian citizens.

The most recent survey conducted by the Caucasus Research Resource Centre (CRRC) in 2011 also indicates that living conditions and access to employment are highly unsatisfactory among ‘old’ displaced people. In the CRRC survey, only 18 per

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cent of all displaced people said that they had a job, compared to 30 per cent nationwide.9

The persistent vulnerability of internally displaced people, and their relatively poor socio-economic recovery, indicates a need for attention to the issue from policy-makers and researchers. The main questions that need to be discussed are: Why are displaced people in a worse socio-economic situation after twenty years of displacement? And what are the constraints on the successful integration of displaced people? In order to respond to these (and many other) questions, we need to identify what solutions internally displaced people have been pursuing during their displacement, what occupational choices have been available and used by them, and what have been the coping strategies deployed to overcome their social and economic problems.

Fortunately, there are numerous quality surveys, studies and reports concerning internally displaced people. Many studies are available which describe the gaps and the achievements of the national and international responses to the needs of the internally displaced and which assess the effects of public policies and aid made available to displaced people, or the lack thereof. However, most researchers and respondents among those NGOs which are working on displacement issues continue to complain about the lack of comprehensive data on the socio-economic conditions of Georgia’s nationwide population, as well as of those facing its internally displaced population.

The current paper aims to ask the essential research questions from a different angle. Instead of asking what has been done for internally displaced people, I intend to ask what internally displaced people have themselves done in search of solutions to their problems. I align with the perspective that rejects perceiving the poor and marginalised as ‘passive’, or as ‘victims’ and ‘excluded’ people.10 I will rather adopt an approach which focuses on the differing exposures of poor and marginalised groups and their solutions as a ‘creative and resistive process of everyday practice’.11

The research-reporting aspects of this article proceed in two parts. In the first part, I discuss the circumstances that have affected and shaped the formation of the coping strategies implemented by those who have been displaced. The second part of the articles discusses the solutions that have been pursued by the displaced in their quest for survival.

Coping strategies of internally displaced people

Circumstances which shape coping strategies

The objective reality of there being over 200,000 internally displaced persons has not been a favourable one as regards their socio-economic well-being. The group was characterised by a lack of physical and financial resources, and the national response to their needs was weak or non-existent. At the beginning of the 1990s, they were

entitled only to a marginal degree of assistance and were allowed to use state buildings that were out of use after the transformation. It was only in 2007 that, for the first time, a nationwide strategy was formed to handle the issues of displacement in a systematic manner – and the implementation of this started only after the August war of 2008. Throughout the 1990s and much of the 2000s, internally displaced people did not receive adequate support, and that can be named as the most obvious, objective reason for their continued problems.

However, the way that people found solutions to their problems was also influenced by the perceptions of their own reality and those of the societies they entered. When we are talking of the solutions that these people found at a time when governmental support was lacking, we should also take into consideration the other types of factors that influenced their solutions. This includes the dominant political discourses concerning conflict, return, displacement status, the perceptions of the displaced about the role of the state and the barriers to integration in the rest of Georgian society.

**Hope of return**

For many years after displacement, people retained a belief that they would return back home shortly after the conflict. That encouraged passivity as well as a lack of motivation to think of long-term solutions and of integration into the local communities that they entered. Most of the interviewees for this research underlined that, for many years, displaced people did not start searching for solutions and tried to cope with unbearable living conditions in the hope that it was only a short and temporary condition before their return. One of the interviewees, herself displaced from Sokhumi, the capital of Abkhazia, who had been working on issues of displacement and conflict resolution since 1994 with local and international non-governmental organisations, described the situation flowingly:

The main message [from the government] was: ‘Please bear the situation for a little while, live as you are living now and we will return you home.’ And I think people believed.

After observing numerous collective centres where internally displaced people were residing, she concluded that people were ‘sitting on their bags’, always ready to leave and not thinking of any personal strategy other than waiting to depart:

I realised how destructive was the message that promised return. People believed. As it is easy to believe in this type of positive message, one can put aside plans and hope that life will continue after return.12

The emphasis on return that was reinforced by the government over many years discouraged integration. Integration was perceived by the internally displaced as to entail giving up on their right of return. For politicians, avoiding integration was, on the one hand, favourable to feed that sentiment in society that hoped for the restoration

12 Interview with a representative of a Georgian non-governmental organisation working on conflict resolution and displacement, 31 August, Tbilisi.
of *de facto* power over the breakaway regions;\(^{13}\) on the other hand, the promise of return silenced dissatisfaction with the quality of life and the lack of assistance, and suppressed channels for the political participation of the displaced people.\(^{14}\)

Only after 2004 did the Georgian government start gradually to consider integration as a solution and, after the 2008 war, to acknowledge that return would not be possible in the foreseeable future and that long-term solutions for the displaced had to be found.\(^{15}\)

The hope of return has faded away throughout the years. In the survey conducted by Caucasus Research Resource Centre in 2009, a small portion of respondents (26 per cent) indicated that they believed that the breakaway regions would be re-integrated in the coming decade, although overwhelmingly the largest group (49%) was composed of those who responded that they did not know. The CRRC report indicates that different interpretations of this figure are possible: it may mean that displaced people who have been waiting for a return to be possible over nearly twenty years simply felt that ‘do not know’ was the most realistic answer at that point; members of networks of displaced people have suggested that it may reflect a degree of denial and the difficulty among some respondents of accepting a situation that was currently not in their favour.\(^{16}\) However, this figure also shows that a majority of people are no longer living with the illusion of foreseeable return, and that this had hindered the development of coping mechanisms in the initial years.

**Expectations of the government**

Another important aspect affecting the formation of coping mechanisms has been the high expectations that the internally displaced carry concerning governmental support. The poor in many developing countries have never been entitled to state welfare, but communist societies were, for decades, living under regimes that provided deficient, but still generous and universal, social welfare. Studies researching welfare systems in post-socialist countries have concluded that, compared to the rest of the developing world, societies in post-socialist countries tend to put high expectations on the government.\(^{17}\)

Most of the interviews conducted with the displaced and with international observers, as well as with the Ministry of Internally Displaced Persons from the Occupied Territories, Accommodation and Refugees of Georgia, showed that displaced people in Georgia have always expected, and continue to expect, help and support for accommodation from the Georgian government as well as monetary transfers. The representative of an international NGO, the Norwegian Refugee Council, underlined that even

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\(^{14}\) Interview with a representative of a Georgian non-governmental organisation working on conflict resolution and displacement, 31 August, Tbilisi.


those internally displaced people who are no longer dependent on state aid and who are economically self-sufficient, still want to continue receiving the little state aid that they get.\textsuperscript{18} She explained that some of the displaced still retain a ‘dependency mode’ and that those who have become successful and who have recovered economically see aid not as much as support for the needy but as an entitlement for having been displaced.

In interviews with displaced people themselves, throughout my current and also previous research,\textsuperscript{19} it was apparent that interviewees talked of state aid many times. Even if they had found individual solutions, they would not just speak of their own recovery path but constantly mention that they did not get any help from the state, or they would mention a dissatisfaction with the aid they received. This approach seems somewhat paradoxical as the internally displaced have received absolutely marginal support throughout many years, and one would thus expect that their expectations about welfare provision would have been lowered. However, what has happened is that the internally displaced feel frustrated and disillusioned many times over; they have almost given up hoping for help, but still consider their hopes to be just and, therefore, expect to receive state support and compensation.

We need once more to underline that the heterogeneous group of displaced people would not be similarly affected because of expectations about state-provided assistance and welfare; however, these expectations have slowed people down on the path of finding individual solutions, as regards at least a part of the group, and have encouraged a passivity.

\textit{Attitudes towards internally displaced people and the problems of integration}

Integration and the establishment of social networks is one part of a coping strategy that leads to an opening up of educational and occupational opportunities. The lack of integration is one of the major explaining factors for the still-remaining socio-economic differences between internally displaced people and the general population of Georgia. Studies conducted to discover how well internally displaced people have integrated show mixed results. On the one hand, they illustrate that a majority of the displaced – and one-half of the respondents in the CRRC survey – consider themselves as part of Georgian society:

Nearly half reject the widespread assumption that internally displaced people are discriminated against because of their status. But the fact that 27\% say they feel discriminated against and nearly as many chose to answer inconclusively, suggests there is much room for improvement in terms of the integration of the internally displaced.\textsuperscript{20}

\begin{flushright}
\textsuperscript{18} Interview with a representative of an international non-governmental organisation, 5 September, Tbilisi.  \\
\textsuperscript{19} Rekhviashvili, L \textit{Limits of Civil Society: Response to the Needs of Internally Displaced Persons in Georgia After the War of 2008} CEU eTD collection, Budapest.  \\
\textsuperscript{20} Frichova (2011) \textit{op. cit.} p. 4.
\end{flushright}
Furthermore, network analysis shows that the internally displaced mostly interact within the group of displaced people rather than with the wider population.\textsuperscript{21}

Internally displaced people from Abkhazia and South Ossetia are ethnic Georgians, so one would not expect barriers to integration on the basis of ethnicity. However, the in-depth interviews that I conducted for the current study give greater insight into a discussion of the problems surrounding integration.

One barrier, for some part of displaced people from Abkhazia, has been a language one. Interviews indicate that, in the initial years, integration was most problematic for children, who went to schools and who were confronted with hostility due to their status, poverty and language difficulties. Most of the Georgians displaced from Abkhazia are from Mingrelia, a region that speaks a different language. Even though Mingrelians are, ethnically, Georgian and they usually speak both Georgian and Mingrelian, for many people, and also for many displaced children living in Abkhazia, Mingrelian and Russian were the languages in primary use. Some of my respondents remembered the hardships of the first years of schooling during their displacement as they were excluded and isolated on many occasions because of language barriers. They also remember being excluded for simple things like poor clothing, poor availability of books or notebooks at school and also, sometimes, simply because of their status as displaced.\textsuperscript{22}

The general poverty of the Georgian population at the beginning of the 1990s contributed to a hardening against the process of integration in several ways. After independence, the Georgian population experienced two ethnic wars and one civil war, and a drastic deterioration of socio-economic standards. The caseload of displaced people (over 200 000 people) was perceived, on many occasions, as competitors in the absorption of the already-shrinking level of public resources. In addition, the Georgian government was unable to provide housing, so the displaced were officially allowed to enter public buildings that were not in use. The way this happened was that the displaced were searching for, and entering, empty buildings on their own initiative, and only afterwards would the government approve and legitimate their stay. In the media and among the population, this process was called ‘invasion’ and carried negative connotations.

The displaced have frequently been perceived as a burden on the already-suffering Georgian population. Some interviewees mentioned the word \textit{chamotreuli}, which is a derogatory word for someone immigrating, while the displaced are still referred as \textit{chamotreuli}; even the somewhat neutral Georgian word for refugee \textit{itolvili} carries a negative connotation for displaced people as well as for the rest of the population. On top of this, my respondents also explained that the non-displaced Georgian population neighbouring the living spaces of displaced people frequently expressed dissatisfaction that international humanitarian aid covered only displaced people:

\begin{flushright}
\textsuperscript{21} Mayorova, Olga, Beth Mitchneck and Joanna Regulska (nd) “Post” Conflict Displacement: Isolation and Integration in Georgia: the case of IDPs from the Abkhaz Conflicts Arizona University.
\textsuperscript{22} Interview with IDP activist, 3 September, Tbilisi.
\end{flushright}
We are also in the same poverty, why should they get aid and not us?23

These are painful and sensitive aspects in the interaction between the internally displaced and the rest of the Georgian population. However, one cannot discuss the problems of integration without discussing these types of conflict.

Moreover, we should also mention patterns of displacement as a constraint on integration. In terms of place of residency, there are two large groups of the internally displaced: those who live in collective centres, around 40 per cent of the overall displaced population; and the rest, who are privately accommodated.24 In general, the data concerning privately-accommodated internally displaced people is less available, but they are considered to be the ones who have managed to find individual solutions and are better integrated in society; consequently, researchers often conclude that:

Internally displaced people in collective centres are much more vulnerable than the privately-accommodated displaced.25

Inhabitants in collective centres integrate mostly with other displaced people and the probability of their widening their social networks is very low. In order to build social capital and networks, studies have suggested the development of:

Relationships between collective centres so that individuals and groups can share resources, information and social ties.26

These are time- and group-specific problems that might not arise in another country and, in addition, neither have some of these problems arisen for the newly-displaced (as a consequence of the August War in 2008) within Georgia.

Existing coping strategies

*Occupational choices and income generation and social networks*

Data on the occupation and sources of income of internally displaced people is the most scarce, and is frequently non-existent. Studies are available comparing poverty and employment opportunity among the internally displaced and the general population; however, much less in-depth knowledge exists concerning the variety of income-generating activities among the displaced.

According to the recent CRRC data, only 18 per cent of the displaced reported themselves to be employed. The survey, conducted in private and collective accommodation:

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23 Interview with a representative of a Georgian non-governmental organisation working on the issues of displacement, 31 August, Tbilisi.
24 Interview with the Ministry.
Found that 69 per cent were unemployed and that 83 per cent of households described their economic situation as ‘hard’, ‘very hard’ or ‘extremely hard’.  

This and other sources of data do not differentiate between formal and informal employment, and also do not show on what income sources displaced people are dependent.

Based on the interviews I conducted with experts and researchers, I discuss here the coping mechanisms and income generation activities that displaced people are believed to be pursuing. Based on this kind of qualitative observation, it is hard to talk of numbers and proportions, but we can identify the trends that are observed by people working on displacement issues.

There are three major income generation activities associated with the survival strategies of the displaced. First, small-scale informal trade and services has been the solution for many; second, emigration; and third, for a small portion of the internally displaced, access to international aid has been vital in developing human capital as well as in acquiring jobs.

**Trade and services**

The previous section described how the formation of coping strategies was shaped by displaced people’s hopes of return, high expectations of welfare and the constraints on integration. The occupational patterns of the displaced reflect these problems. These patterns reflect the exclusion of displaced people from positions requiring high-skilled workers, in combination with feelings of temporary stay and instability among the displaced themselves.

My respondents observed that the solution for the displaced has been, and frequently remains to be, to pursue small-scale and, most of the time, informal trade opportunities. The grocery markets of Georgia, called bazari in Georgian, have been a shelter for many internally displaced people. One of the displaced female interviewees commented:

> The easiest thing was to buy little things and sell for a slightly bigger price. Even today half of our collective centre trades in bazari.

Besides street vending, some have managed to open small shops for second-hand clothes, pastry shops and little cafes. Selling services and working at unstable, informal jobs in construction have also been widespread.

**Emigration**

Emigration and a dependence on remittances is another widespread solution for displaced people. Statistical data here is also not available, but most reports of internally

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27 Walicki, N The Default Option: Local Integration of IDPs in Georgia Internal Displacement Monitoring Centre (IDMC) of the Norwegian Refugee Council (NRC), prepared for the 2nd Expert Seminar on Protracted Internal Displacement.

28 The word originates from the Persian bāzār.
displaced people mention that many families are split, with some members living and working abroad.\footnote{Walicki, \textit{op. cit.}}

According to reports and interviews, the primary emigration destination has been Russia and other CIS countries. People displaced from Abkhazia (relative to those displaced from South Ossetia) have, in particular, migrated to Russia. The representative of a Georgian NGO explained that Abkhazia, being a seaside resort, was heavily visited by Russians during communist times and that Georgians living in Abkhazia had strong networks in Moscow and other Russian cities that defined their places of destination. Recently, after the political situation between Russia and Georgia grew tense, many Georgians had to move back, but many of them fled to Europe and the US shortly after their return.

Even though labour migration might be a solution economically, it might also affect the vulnerability of families:

A migrant family member may help improve the economic situation of a household, but those left behind often acquire additional vulnerability due to a lack of physical capacity in the family.\footnote{Tarkhan-Mouravi (2009) \textit{op. cit.} p. 26.}

\textit{International aid and civic activism}

For a relatively small proportion of internally displaced people, the capacity building projects of international organisations have served as a window of opportunity. Vocational training and educational camps for displaced people have been vital in the development of necessary human capital among displaced young people, many of whom have established various movements and non-governmental organisations that are continuing to work on conflict and displacement issues and which are receiving national and international grants for their activism.\footnote{This information might suffer from a problem of selection bias, since it is based on interviews with displaced people that have themselves benefited from capacity building activities and who are part of civil society organisations. It is hard to estimate how widespread has been the coverage of beneficiaries by international and national civil organisations, but at least a small group of people have certainly based their survival on these resources.}

\textit{Social networks}

The use of previously-existing social networks, which have further evolved after displacement, has been one of the major solutions to the problems of internally displaced people. However, for displaced people living in collective centres, integration into wider society and the establishment of social networks has been an obstacle to economic recovery, as pointed out above: in-group integration in collective centres has been more intense. At the same time, it seems like those who are privately accommodated also initially had better social networks, since they frequently were able to live together with relatives or otherwise access better income-generating opportunities. Partially, it was this which allowed them to avoid living in collective centres.
The interviewees discussed one peculiar aspect concerning collective centres: some collective centres are, on the whole, more successful in terms of economic well-being than others. They pointed out that, if several people, or families, in one collective centre managed to find occupational solutions then, because of enhanced networking inside the centre, the rest of the population of that centre was also relatively successful.

Therefore, collective centres are, overall, heterogeneous as there is not much networking between them, or between centres and the general population. However, networking is high inside collective centres, so centres seem to be individually more homogeneous regarding socio-economic circumstances.

Conclusion

After twenty years of displacement, internally displaced people remain poor and vulnerable compared to the Georgian population. Following displacement, they have suffered for many years from a lack of government aid and scarce private resources. The reason for their continued marginalisation is that the group and individual solutions of the people concerned have been hampered and constrained by problems of integration, the hope of return, high expectations of state aid and a feeling of temporary stay. Their survival strategies have, for the most part, been based on finding shelter within the large informal sector of the Georgian economy, as well as in emigration and social networking which have, in turn, been restrained because of the issue of hampered integration.

Knowledge and a deep understanding of the current coping mechanisms of internally displaced people are necessary tools in understanding the socio-economic problems of one of the most vulnerable groups in Georgia. In order to address the needs of the displaced, it is important to understand the sources of their vulnerability. It becomes apparent from the research that shelter within informal networks and the informal economy has been one of the major solutions for internally displaced people. In recent years, the Georgian government has formulated a strategic plan which aims at the social and economic integration of the internally displaced, so both the specific problems and the solutions which these people have established need to be taken into consideration. In addition, the state capacity of Georgia is increasing, while the informal sector is coming more and more under attack and, consequently, the government should take into account the effects of the formalisation of the economy on the poorest and the most vulnerable.

Ultimately, further research is needed to identify how the fight against corruption and the shadow economy has affected the survival strategies of internally displaced people. Further research also needs to focus on the peculiarities that the government needs to take account of to achieve their successful integration into Georgian society and to help their dependency on the informal sector via the offer of durable solutions.
Biljana Čavkoska

Freedom of movement of workers as a condition for implementing the Europe 2020 strategy for employment and growth

Abstract
This article aims to analyse freedom of movement of workers in the context of the new strategies for EU growth and employment. Freedom of movement of people, especially workers, is one of the four freedoms of the EU internal market. Migrant workers who move to another member state enjoy certain rights stipulated by EU laws and are important in terms of fulfilling the employment gap and creating new jobs. Europe 2020 is the EU’s growth strategy for the next period and embodies five ambitious objectives – employment; innovation; education; social inclusion; and climate/energy. Each member state has adopted its own national targets in each of these areas, while concrete actions at EU and national levels underpin the Strategy. These goals will not be fulfilled if freedom of movement is not realised, whereas the agenda for new skills and jobs has the objective of creating the right conditions to modernise labour markets. The author goes on to analyse the elimination of impediments to freedom of movement regarding the goals set in the new strategy.

Keywords: freedom of movement of workers, migrant workers, growth, employment, 2020 Strategy, financial crisis, sustainability, economic and social cohesion, poverty, inclusion, labour markets, employment structural change, qualifications

Introduction
The basic idea behind the creation of the European Union is the internal market, which envisages the free movement of people, capital, services and goods. The creation of the internal market is the central raison d’être of the EU’s existence. The free movement of people is, therefore, one of the four freedoms of the internal market and the right to movement is a basic right for European citizens. However, the realisation of this freedom has been tougher than the practice of the free movement of capital, services and goods. Therefore, the EU is still taking subsequent actions to realise citizens’ freedom of movement. In the beginning, people’s freedom of movement was available just for the working population but, later on, freedom of movement has included all categories of citizens, students, retired people and people who are not economically active.

Over the years, the European Union has made efforts to change its approach towards third country nationals, especially as regards the working population, as one of the conditions for the fulfilment of the goals of the Lisbon Strategy. The European Union has adopted important primary and secondary law, while there is important case law from the European Court of Justice. Furthermore, Association Agreements seek to regulate the freedom of movement of third country workers via the provision of articles...
for the free movement of such workers in the European Union, and vice versa. For a long time, Association Agreements have provided the basis of laws regulating the freedom of movement of third country workers, while the European Court of Justice has played an important role in interpreting articles for the freedom of movement of workers and giving these direct effect in the national laws of member states.

In the last two years, the European Union has adopted secondary laws for improving the status of third country workers, especially for highly-qualified ones. The entry of highly-qualified workers into member states is important for the realisation of economic growth and development, such as the goal of decreasing the rate of unemployment.

Free movement of workers in the EU – what does it mean?

Direct effect of Article 39 TEC

The central legal questions concerning the free movement of workers are the direct effect of Article 39 (ex-Article 48) of the Treaty establishing the European Community: setting down the meaning of the term ‘migrant worker’, as well as certain rights of the migrant worker’s family members. The Treaty on European Union establishes the concept of European citizenship, thereby giving certain rights and obligations to European citizens, as well as limited rights and obligations to non-EU citizens.

The Treaty of Amsterdam moved important issues regulating the status of non-EU citizens from the third to the first EU pillar, thus making it part of the acquis communautaire.

The European Court of Justice has played an important role in interpreting the meaning of Article 39 on the free movement of workers. The Court constantly points to the meaning of the free movement of workers and the realisation of the principle of non-discrimination based on nationality. Article 12 of the TEU explicitly forbids any form of discrimination based on nationality when putting into practice the Treaty’s Articles. The Council of Ministers has jurisdiction in compliance with Article 251 to adopt acts forbidding discrimination based on nationality.

The definition of the term ‘worker’ has been of major interest to the European Community. In the Hoekstra case, the European Court of Justice interpreted that the definition of ‘worker’ is not a question of the national law of the member state, but that it is in the interest of all member states to interpret this term uniformly. Interpreting this term uniformly implies that it is crucial in terms of establishing the internal market.

The most important goal of the internal market could not be achieved if the term ‘migrant worker’ was to be defined by the national law of each member state. Two questions are particularly important in this judgment. Firstly, the Court gave the term ‘migrant worker’ a communitarian emphasis, meaning that the Court gave directions for its application in the member states. The second important meaning is that the Court interpreted this term extensively, because the realisation of free movement is one of the four freedoms and a conditio sine qua non for the realisation of the internal market.

1 Hoekstra v Bestuur der Bedrijfsverening voor detailhandel en Amachten, 6 ECR 177.
Rights of migrant workers

Article 39 of the EC Treaty entails important rights for migrant workers when moving from one member state to another:

- the right to look for a job in another member state
- the right to work in another member state
- the right to reside there for that purpose
- the right to remain there
- the right to equal treatment in respect of access to employment, working conditions and all other advantages which could help facilitate the worker’s integration in the host member state.²

The problems with EU worker mobility over the years

The freedom of movement of workers within the European Union has been implemented across the years but has had to face legal, administrative and practical problems in its realisation. Today, the European labour market offers more and better rules for the EU’s migrant workers. The European Union has adopted new legislation for the protection of migrant workers and has increased the flexibility of the labour market. The mobility of workers within the EU was very low at the time when the EU legislation on freedom of movement of workers was adopted.

2006 was nominated the year of mobility for EU workers. The European Commission nominated this year in this way because of the low percentage of EU citizens who migrated for work to another member state from their country of origin: only 2% of EU workers used the right of mobility in compliance with EU legislation. Thus, it was necessary to apply additional measures. This percentage was maintained unchanged over the thirty years of implementing legislation on workers’ freedom of movement. One survey reported that only 30% of EU citizens said that, in some period of their life, they intended to change their place of origin vis-à-vis the other 70% that had no intention of moving to another member state.³ Women, older people and low-skilled workers are the main categories of people who wanted to change their current place of residence and search for work in other member state although, as we can see, most European citizens do not intend to change their country of origin. In most cases, the situation is due to current satisfaction with the work that people are carrying out. However, more than 40% of workers expect to change their current job, because of their professional careers or simply because they want to make changes to their life.⁴

Mobility in the EU is basically understood as a way of improving flexibility, managing labour inequalities and improving economic growth.⁵ The European Union has aimed to improve mobility at the level of the EU across the years. Thus, the European Commission has adopted special measures like its Action Plan for Skills and Mobili-

³ MEMO 06/83, Brussels, 20 February 2006.
⁵ Master’s thesis: Alexandra Lewarth, 2002/03, p. 34.
ty, creating such things as the European information web pages for work mobility. The European Commission has confirmed that worker mobility is expected in the future, especially for highly-qualified workers as a result of policies, technical improvements and rapid economic integration.

The European page for work mobility is a concrete instrument in terms of establishing improvements in mobility. The page gives a clear picture of workers who are searching for a job as a result of the public advertisement of job vacancies standing at one million at any given moment. The page is visited by 500,000 people every month, providing an opportunity for a short biography and information on working and living standards in other member states.

The European Commission has also promoted the EURES Network, in order to facilitate freedom of movement of workers in the European Economic Area and Switzerland. This system has replaced the European system for the international publication of job vacancies and applications for work. The partners in EURES are public employment services, trade unions and other workers’ associations. The most important tasks for EURES are:

- to disseminate information and advice on the potential mobility of workers in the European Economic Area
- to assist in the employment of foreign workers
- to give advice and rules for workers and employees in cross-border areas.

The EU 2020 Strategy for Employment and Growth

Europe 2020 is the growth strategy for the decade between 2010 and 2020, and focuses on the three mutually reinforcing priorities of smart, sustainable and inclusive growth. This programme aims to deliver high levels of employment, productivity and social cohesion and to deal with the adverse effects of the financial economic crisis. The Europe 2020 Strategy has set five ambitious objectives, all to be attained by 2020, on employment; innovation; education; climate/energy; and social inclusion. Each member state has adopted its own national targets in each area and has also set its own measures at national level to underpin the Strategy. The engines driving this growth are knowledge and innovation; greener and more efficient use of resources; higher employment; and better social and territorial cohesion.

In this direction, the European Union had also implemented its Lisbon Strategy. The goal of the Lisbon Strategy was to make the European Union ‘the most dynamic and competitive knowledge-based economy in the world’ by 2010. At the time, it was already recognised that the reform agenda needed to achieve this very ambitious objective could not be pursued at EU level alone, but that reforms at the level of member states were also necessary as, in many of the policy fields involved, competence remained at national level.

6 COM 2002/0072 final.
7 https://ec.europa.eu/eures/.
For many commentators, however, the overall direction of the Strategy was still flawed, but the realisation of this came too late to allow it to shift its course. The 2007 financial and economic crisis was the final blow to the Strategy, cutting EU growth and boosting unemployment numbers to historically low figures.\textsuperscript{10}

The financial crisis influenced different countries differently. It was strongest in countries like Spain and Ireland \textit{vis-à-vis} more sustainable EU member states economies, such as Germany and France. Germany and France increased their employment rates among their populations aged 20-64 from 66\% to 70\%. Germany managed to increase its employment rate from 67\% in 2004 to 75\% in 2010.

According to Eurostat data, 2.3\% of EU citizens (11.3 million people) were residing in a member state other than the state of their origin in 2008. According to a recent Eurobarometer survey, 10\% of citizens included in the survey, from different member states, replied that they had lived and worked in another country at some point in the past, while 17\% intended to move freely in the future.\textsuperscript{11}

Regarding problems with movement and the impact of financial crisis, the European Commission proposed, and the European Council adopted at its 2010 Spring Summit, the Europe 2020 Strategy. The main objective of the Europe 2020 Strategy is to bring together the economic, social and environmental agendas of the EU in a more structured and coherent way. The idea is to mainstream some fundamental political objectives both at EU level (through the use of funding programmes and policy initiatives), as in the context of EU-driven national reforms. The 2020 Strategy aims to enhance policy synergies and, at the same time, reinforce the European integration process by offering a stronger vision and governance model.

The Strategy lays out five targets to be achieved by the European Union by 2020:

\begin{itemize}
  \item 75\% employment rate for the 20-64 age group
  \item 3\% investment rate in research and development
  \item 20/20/20 climate and energy targets (the reduction of greenhouse gas emissions by at least 20\%, a share of final energy consumption coming from renewable energy sources increased to 20\%, and a 20\% improvement in energy efficiency)
  \item an improvement in education levels (a reduction of school drop-out rates and an increased share of the population having completed tertiary or equivalent education)
  \item a promotion of social inclusion, including a reduction in poverty.
\end{itemize}

The first three targets were already the drivers of the Lisbon Strategy, and were therefore adopted without major debate by the member states, but the education and social objectives were new and were not immediately attributed with measurable targets. In addition to measurable targets, the 2020 Strategy also introduced a series of

\textsuperscript{10} Pirgmaier, Elke (2008) \textit{Lisbon and Sustainable Development Strategies in the EU: How does mutual recognition take place in practice?} Research Institute for Managing Sustainability (RIMAS), University of Economics and Business Administration: Vienna, Austria. Supervision: Reinhard Steurer, PhD.

actions and policies grouped under three main headings: smart growth; green growth; and inclusive growth.

In its 2020 paper, the Commission was still vague in describing the tools and programme under which the agenda would be realised.\(^{12}\)

In respect of freedom of movement of workers, three initiatives are more important to be realised. Under the initiative *Youth on the Move*, the European Union, through the Europe 2020 Strategy, aims to enhance the performance and international attractiveness of Europe’s higher education institutions and to raise the overall quality of education and training. Under the topic *An Agenda for New Skills and Jobs*, the EU aims to modernise labour markets, ensure the sustainability of European social models and empower people through the acquisition of new skills so as to adapt to new conditions and potential career shifts, reduce unemployment and raise labour productivity. Under the agenda of the *European Platform Against Poverty*, the EU aims to ensure social and territorial cohesion, such that the benefits of growth and jobs are widely shared and that people experiencing poverty and social exclusion are enabled to live in dignity and take an active part in society.\(^{13}\)

How will freedom of movement of workers influence the goals of the Europe 2020 Strategy for Employment and Growth?

Freedom of movement of workers is important for fulfilling the needs of the workforce in EU member states. The realisation of this principle means a lowering of the unemployment rate at EU level during the time of crises. However, in order to respond effectively to the challenges and opportunities of globalisation, European policy-makers recognise that the EU has to become a more innovative and competitive economic player.

One important tool for achieving this goal is migration from one member state to other in EU border territories, such as immigration from third countries. A carefully-planned immigration could lead to younger, more dynamic European societies, enhancing the exchange of people and ideas. This could stimulate risk-taking, foster the modernisation of European economies and societies, help to overcome rigid structures and lead to higher economic growth. Today, the size of the labour force in western and central Europe is 227 million. In the absence of immigration, and at constant labour force participation rates, the labour force would fall to 201 million in 2025 and to 160 million in 2050. In order to maintain it at a constant over the analysed period, a net inflow of 66 million labour migrants would be necessary. In 2005, twenty of the then 27 European Union countries had a positive migration balance; the only exceptions being the Baltic States, Bulgaria, the Netherlands, Poland and Romania. Net migration gains were highest in Cyprus (+27.2% of the total population); Spain (+15.0%); and Ireland (+11.4%). In countries like the Czech Republic, Italy and Slovenia, net migration turned an excess of deaths over births into a positive total population change.\(^{14}\)


\(^{13}\) [http://www.bka.gv.at/site/7762/default.aspx](http://www.bka.gv.at/site/7762/default.aspx).

Empirical evidence from several EU countries shows that, in most cases, immigrants are complementary to domestic labour in the labour market and, thus, have no negative effects on the job prospects and wages of the resident labour force. One exception, however, is the construction sector. In many EU member states, the native workforce employed in this sector is highly unionised. Construction workers are, for example, protected against wage competition from immigrants through collective wage agreements and dismissal protection, instruments that have the unintended consequence of attracting more immigrants that would have been the case in their absence. Job mobility is a complex phenomenon and many factors influence it, including the characteristics of the job and the nature of the match between power relations and the job. Any model that is constructed to explain job mobility should include information on at least these three aspects.\(^{15}\)

Free movement of workers, one of the four freedoms enshrined in the Treaty, contributes to economic development and social cohesion in the Union. However, there are a number of barriers to geographical mobility, ranging from legal and administrative obstacles, housing costs, portability of pensions and linguistic barriers to a lack of transparency in the area of job vacancies and in the provision of support for matching job-seekers with job offers. EURES aims to improve labour market transparency by making job vacancies available on the EURES Job Mobility Portal and to provide support for information, advice and guidance services at national and cross-border level.

At the same time, the role of public employment services has changed as a result of the recent economic crisis and the need for more tailor-made services. Public employment services should become lifelong learning providers, offering a wide range of services (such as skills assessment, training, career guidance, matching of jobs and profiles, and client counselling) and catering for the needs of those furthest from the labour market. In addition, EURES should promote new working methods with private employment services.\(^{16}\)

Today, in the wake of the financial crisis, labour mobility has started to increase, mainly due to Europeans becoming more willing to relocate. A report for Deutsche Bank claims that internal migration can be an effective way of reducing disequilibria on labour markets, but some European countries have been alert to the risks of an increase in unemployment on the periphery of Europe.\(^{17}\)

Even so, freedom of movement of workers is an important tool in attaining the goals of the Europe 2020 Strategy for Employment and Growth. In this direction, the work of EURES is important in correlation with those of the employment services.

In addition, one very important question is the equivalence of professional qualifications. Mutual recognition under Community law is automatic in respect of the oc-


\(^{16}\) COM/2011/0609 final – 2011/0270 (COD).

cupational activities of crafts workers, traders and farmers who have completed the relevant period of occupational experience in their domestic member state. Recognition is also automatic for lawyers practising under their ‘home state professional title’ on the basis of an authorisation to practise in their home member state. However, for other professions (engineers, physiotherapists and other professions supplementary to medicine, teachers, accountants, financial advisers, designers, urban planners, lawyers practising under a ‘host title’ and others covered by ‘the General System for the recognition of professional qualifications’ directives, which do not provide for any co-ordination of training), recognition is not guaranteed to be automatic.

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Freedom of movement of workers as a condition for implementing the Europe 2020 strategy


https://ec.europa.eu/eures/
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Information bridge: Bulgaria-Cyprus – Trade union co-operation for immigrant labour rights

Abstract

During 2013-2014, the Confederation of Independent Trade Unions of Bulgaria and the Cyprus Workers’ Confederation (SEK) started to implement a joint project: Information Bridge: Bulgaria-Cyprus. This is a follow-up to a Co-operation Framework Agreement concluded between the two trade union confederations in February 2012. This aims at improving the extent of co-operation between the two trade unions in the defence of the labour rights of Bulgarians working in Cyprus through: establishing an Information Bridge between the unions to encourage the sharing of best practice; increasing the awareness of Bulgarian workers about Cypriot labour legislation; training employment advisers; and establishing an information bureau to operate in both countries better to promote the labour rights of Bulgarian migrants in Cyprus. The improvement of the conditions of Bulgarian workers has had direct and indirect effects, including on the effectiveness of their participation in the labour process as well as regarding an improvement in the working environment micro-climate.

Keywords: immigrants’ labour rights, trade unions, working conditions, work organisation, working time, annual leave, pay, redundancy, discrimination

Introduction

The process of transformation of the Bulgarian economy from planned to market started in late 1989 and it opened the way for deep political, economic and social changes. This process began slowly and has taken place over a long time, due to the unstable political situation in the first years of the transition and the lack of political will to undertake large and unpopular reforms. To this should be added the consequences of the financial and economic crisis of 1996-1997, which led to hyper-inflation, the closure of basic enterprises, bankruptcies and mass unemployment. In this period, emigration abroad was the only hope for people in search of better economic opportunities and social security. In the late 1990s, income per person in western Europe was four times higher than income in Bulgaria, on the basis of purchasing power parity, and labour migration was an attractive choice for the majority of the population.

The first major flows of Bulgarian emigration began in the period of the first severe economic crisis in the country in ninety years, i.e. prior to accession to the EU. Between 1989 and 1999, the population decreased by 700 000 people due to emigration. The peak years for Bulgarians leaving the country was 1990 and 1996, in each of which nearly 85 000 people left. In the subsequent period, about 50 000 people per year left the country. There are no official records of how many Bulgarians live outside the
country but, according to the studies of several NGOs, these number some 1.2 to 1.6 million people.

In recent years, there has been a return of Bulgarians, but a significant proportion remain working abroad.

The interest of Bulgarian citizens in working in Cyprus began before the accession of Bulgaria to the EU, when certain restrictions were imposed regarding access to the labour market for citizens of countries outside the EU. According to unofficial data, Bulgarian migrants in Cyprus numbered about 6,000 people up to 2004, i.e. when Cyprus became a member of the EU. In the subsequent years, the flow of Bulgarian migrants began to grow at higher rates. According to unofficial data, by 2006 Bulgarian immigrants totalled some 18-20,000 people. However, the big wave of emigration to Cyprus began in 2007, when Bulgaria itself joined the EU. Cyprus became a preferred destination for labour migration because Cyprus did not close its labour market to our country. It is important to note that, during this period, the economic situation in Cyprus was characterised by stable economic growth in the country, an increase in production and in consumption, and low unemployment. These indicators provided the opportunity for the rapid inclusion of Bulgarian migrants in the labour market, in comparison to other European countries. In 2010, according to Cyprus social security records, Bulgarians who were legally employed on the island numbered about 11,000 people but, according to unofficial data, Bulgarians permanently living and working in Cyprus were about 20,000; if we also include seasonal workers during the months of the tourist season, their number approximately doubles.

Bulgarian workers in Cyprus represent no less than 18.5% of all EU citizens working in the country. About 80% of all Bulgarian workers are employed in the industry sectors of agriculture, forestry and fishing (3.8%); manufacturing (14.6%); construction (11.0%); hotels and restaurants (26.8%); and trade (23.6%).

Information Bridge project

The Information Bridge project was undertaken during a difficult period in Cyprus, when the island was struck by the economic crisis and under the close supervision of the Troika following the signing of the Memorandum of Understanding. The main aim was to identify the degree to which Cyprus companies had been influenced by the economic crisis and, as a result of this, the Bulgarian citizens that were employees in these companies.

Unemployment in Cyprus due to the crisis surpassed 17%, which makes the recruitment of immigrants increasingly difficult. Bulgarian workers have been influenced by unemployment to the same degree as local workers.

In the effort to reduce unemployment, the government of Cyprus has adopted programmes to promote employment with a priority given to the hiring of locals. In this situation, a sense of insecurity in the workplace grew amongst migrant workers.

Despite the stimulation which Bulgarian workers have provided to the Cypriot economy, they are often placed in unequal conditions of work and pay. In recent years, there have been signals from Bulgarian citizens working, or who have worked, in

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Cyprus regarding violations in terms of pay, social security, working hours, holidays and annual leave.

All this prompted the need to develop a project to improve co-operation between Bulgarian and Cypriot trade unions for the protection of the labour rights of Bulgarian citizens working in Cyprus. The specific objectives of the project were aimed at:

1. the establishment of an ‘Information Bridge’ between Bulgarian and Cypriot trade unions for the exchange of good practice over the protection of workers' rights and the increase of knowledge on the national legislation of each country
2. setting up information bureaus to inform Bulgarian citizens, before departure and after starting work in Cyprus, on their rights, obligations and opportunities for protection
3. training of trade union members to resolve the individual and collective labour disputes of Bulgarian citizens working in Cyprus
4. a study of the problems of Bulgarian workers in Cyprus and the attitudes of Cypriot employers towards foreign workers and especially towards Bulgarians.

Up to now, the main source of information on the rights and obligations of Bulgarian citizens in other countries have been the Bulgarian state institutions, although studies on the problems faced by Bulgarian workers in Cyprus have not been carried out. The Bridge, as a new tool, will increase the chances to resolve disputes over the employment security of foreign workers through an extension of collective bargaining to them. This innovative approach is new not only for the Confederation of Independent Trade Unions of Bulgaria and the Confederation of Cypriot Workers, but for the majority of EU countries. The practice of trade unions establishing an information bureau, which informs the citizens of the despatching state and defends them on the basis of the tools and opportunities available to both trade unions, is almost unknown in other EU countries.

General characteristics of the study

The first stage in the implementation of the objectives of the project was to study the degree of satisfaction with the provision of the necessary working conditions for labour migrants in Cyprus, according to the labour and social security legislation. The first task of the research project was to analyse the subjective assessments of employed Bulgarian nationals in Cyprus regarding their working hours, overtime, pay, ways of using annual leave, the means of terminating a labour relationship and the general working environment; secondly, we wanted to examine the attitudes, motives and needs of Cypriot employers in hiring foreign workers, and Bulgarian citizens in particular.

This is the first study of the main parameters of the working environment in the context of which Bulgarian workers are exercising their right to work in the host country.

The main survey results were presented in two reports:
1. The Problems of Bulgarian Workers in Cyprus
2. The Views and Opinions of Cypriot Employers in terms of the Productivity of Bulgarian Immigrants.
Methodology of study, target groups

The objects of the study were those Bulgarian workers who were exercising their right to work in Cyprus, as well as the representatives of the management of companies which were offering employment for immigrants, and Bulgarian workers in particular.

The target groups were:
- Bulgarian persons over 18 years of age and working in Cyprus
- representatives of the employers – i.e. the management team at the company level.

In the construction of the research programme, two research methods were used:
- quantitative approach:
  The total number of respondents was 228 employed and unemployed Bulgarian people over the age of 18, who had temporary or permanent rights of residence in Cyprus.
  The respondents are from those economic sectors which see the greatest presence of Bulgarian workers:
  - agriculture – 5.0%
  - manufacture – 14.9%
  - construction – 5.4%
  - hotels and restaurants – 24.9%
  - trade, repair of motor vehicles and motorcycles – 7.7%
  - other services (medical and social activities, catering, packaging of food, laundry work, maids, caretakers, security services, babysitters, hairdressers and beauty services) – 42.1%.
- qualitative approach:
  A total of ten representatives of management teams at company level, and from the observed economic sectors, were interviewed for the research.

Results from the study on the problems of Bulgarian workers in Cyprus

The financial and economic crisis in Cyprus increased the anxiety of labour migrants over keeping their jobs. In construction, trade and tourism workers from elsewhere in the EU were replaced by workers from Cyprus. The stagnation in production characteristic of those sectors in which Bulgarian workers had the strongest presence was accompanied by a reduction in pay, redundancies and cuts in bonuses and additional benefits. These effects of the economic crisis created a pre-requisite for the appearance of dissatisfaction with working conditions as well as a sensation of inequality in the workplace.

The summarised results and evaluations of Bulgarian immigrants in Cyprus over the basic parameters of their working environment are outlined in the following subsections.

Overall duration of working time

There is a difference between agreed working hours and time actually worked. Some 35.3% of respondents showed that they actually work more than agreed working
hours. In contrast, adherence to the agreed level of working hours was the case for 62.7%.

Chart 1 clearly highlights the proportion of respondents who worked more than eight hours per day. Only 8.9% of respondents indicated that they had agreed to a working day of more than 8 hours, but the proportion of workers that actually worked more than eight hours increased to 40.3%. In parallel, the share of those who actually worked fewer than eight hours decreased to 16.5%, even though 27.5% said that their agreed working hours was below this level.

**Chart 1 – Comparison between actual hours worked and those agreed in the collective agreement**

The conclusion from an analysis of this data is that observance of the legal norms concerning agreed working hours is only formal. This indicates that good legislation does not resolve problems and that strict controls on its implementation are required.

According to our survey results, 80.0% of part-time workers worked more than they had agreed while for those employed full-time, this share was 29.1%. We can see, from conversations with respondents, that this type of violation is most often applied to part-time workers. Usually, a contract is signed for working time of six hours, but actual working time is usually 12-14 hours. There are mutual agreements with managers over extra hours for the worker, to be worked during the weekend at the end of the season. In reality, the workers concerned are paid 2-3 days prior to the termination of the contract, and this means the additional hours worked are not covered.
Working conditions and payment

One of the more important modes of operation, directly connected with opportunities for rest and relaxation, is working during weekends and holidays.

According to our Bulgarian respondents, 11.5% did not have days off during the week. Furthermore, 78.4% of those surveyed worked during their holidays and, for nearly two-thirds of them (63.5%), this was at the request of the employer.

Payment for holidays differs from statutory labour standards. For 44.4% of respondents, payment was at the same hourly rate. For 26.3%, the additional hours are not paid at all but compensated with a day off. Only 28.1% of Bulgarian workers can show that working during official holidays is compensated in line with the national labour legislation.

Annual paid leave

Cyprus’s national legislation ensures the right to a period of paid annual leave of at least four weeks, with actual entitlement to leave depending on the precise conditions (20 days for a five-day week, or 24 days for a six-day week). The survey found that nearly four-fifths of respondents (79.0%) had no problems in taking paid annual leave. For 21% of respondents, there were cases when they had not used their annual leave, of whom 13.3% said that their employer had not allowed them to use their annual leave.

Trade union affiliation is emerging as an important tool in the observation of labour legislation and the protection of the rights and interests of Bulgarian workers. The section of our questionnaire on trade union affiliation shows that, for 94.7% of trade union members, there was no problems in using annual leave, but the data for those who were not trade union members shows a drop to 87%. Non-union members reported that they were not always allowed to take annual leave at their preferred time.

Another problem that has emerged with a greater degree of frequency is an inability to use up all the annual leave entitlement. According to our interviewees, these problems concern only labour migrants, thus creating feelings of inequality among workers.

Levels of payment

A significant proportion of Bulgarian workers take low-paid jobs. For more than one-half of them, the main reason why they are hired is their low pay compared to Cypriot workers. Compared to the previous year, the trend of an increase in the number of Bulgarian workers on levels of remuneration close to the minimum wage may be observed in the sectors studied. This indisputable truth is clearly shown in the dynamics of wages, which show a decrease compared to the previous year.

These data highlight the levels of low-paid work amongst Bulgarian workers. Workers on the minimum wage for their industry said that, over the last two years, there had been no change in the wage, but that the additional bonuses and social benefits, which are essential for the construction of total earnings, have been withdrawn.

More than one-half of respondents (53.5%) believed that Cypriot workers in the same position received a higher level of wages, while 31.3% said that there was no difference between the two. These suggest the existence of attitudes concerning the
presence of double standards between the different communities in terms of their pay levels.

Termination of the employment relationship

The impact of the economic crisis on the decline in production and in employment is clearly likely to strengthen feelings of insecurity in the workplace for Bulgarian workers. More and more are raising concerns over the programmes which have been introduced to promote employment and in which Cypriot workers hold the priority in terms of hiring decisions. In this situation, it can be expected that the risk of job loss is significant for non-Cypriot workers.

One in five of our respondents (20.8%) said that their employment contract had been terminated before it had expired. Among these, 11.6% reported that the dismissal was without cause and took place without the notice procedure having been followed. For more than two-thirds of respondents (72.1%), however, the employment contract had not been terminated before the expiry date.

Main conclusions from the survey of the attitudes and opinions of Bulgarian workers

The improvement of the working conditions of Bulgarian workers have direct and indirect effects, for example on the effectiveness of their participation in the labour process as well as for an improvement of the working environment micro-climate. Many immigrant problems are caused by the negative effects of the economic crisis and unfair competitiveness.

Based on the data from our study, the following conclusions and findings have been made that provide a sure argument in the process of collective bargaining, for the negotiation of sustainable and adequate measures to improve the working conditions of migrant workers:

- the parameters agreed in individual contracts do not always correspond to the reality. There are registered violations regarding working conditions – increases in working time are not regulated, while there is also improper payments for overtime, working on holidays and official days with payments made at the same (non-premium) rate. More pronounced are violations of the labour and social security legislation in small and micro companies where there is widespread practice of employment in the shadow economy

- a significant part of Bulgarian workers take low-paid jobs, while the incidence of Bulgarian citizens working at wage levels close to the minimum for their sector is on the increase

- unionisation has emerged as an important tool for the achievement of better working conditions and for the protection of the rights and interests of Bulgarian workers. Irregular payment of salaries is more often the case for non-union members (30.5%) than for those who are not members of a trade union (10.3%). The extension of working hours is a problem shared by nearly one-half of non-union (49.5%); while, for trade union members, the figure is much lower, at 29.6%

- there is a clear, distinct difference between trade union members and those who are not trade union members in the extent to which expectations of labour migration
in Cyprus are realised. Membership of a trade union definitely gives greater security and is a corrective factor in the manifestation of gross violations and inequality between workers. Three-quarters (75.6%) of all trade union members stated that their expectations had been realised; for non-union members, this figure stands at 46.8%.

- subject areas in which there is interest in greater information prior to departure and after becoming established in work in Cyprus are: the labour legislation of Cyprus; social security legislation in Cyprus; ways of settling health insurance in Bulgaria for Bulgarians who have worked in Cyprus; and pensions and retirement opportunities in the accumulation of work experience in other EU member states.

Results of the survey of the attitudes, motives and needs of Cypriot employers in hiring foreign workers, and Bulgarian citizens in particular

Following the finalisation of the Information Bridge project, there are some important conclusions that need to be mentioned:

- the majority of employers questioned have seen a reduction in their revenues as a result of the economic crisis, which has forced them to try to find ways to reduce their operating expenditure. This has also served as an excuse to many employers in Cyprus which are not facing any financial difficulties to proceed with unjustified pay cuts.
- following the economic crisis, in some 50-70% of cases, employers have taken the following steps in order to minimise risks and continue in business:
  - wage reductions
  - reductions in employment benefits
  - reduction of overtime
  - encouragement of voluntary redundancies.

It must be stressed, however, that, in cases where trade unions are active in workplaces, the impact from these actions has not been so adverse. Moreover, trade unions have managed to save many jobs that would, otherwise, have been made redundant.

- 40% of employers responded by stating that the number of employees in their enterprises has been reduced.
- 70% of employers stated that they have been forced into reducing employees’ salaries. It is worth noting, however, that these reductions have been universal for all employees (whether they be local, from the EU or from third countries).
- groups of employees in non-speciality and support roles have been those most hit in cases of redundancies.
- there is no indication of any discrimination with regard to recruitment between national and non-national employees. Rather, recruitment is based on qualifications rather than nationality.
- there is a clear indication that Cypriot employers prefer to hire Bulgarian employees, for the following reasons:
  - professional expertise
  - responsible approach.
knowledge of Greek or English

Bulgarian employees are characterised by a high degree of discipline in the workplace.

An end result to the project is that a leaflet was prepared containing important information regarding the employment rights of Bulgarian employees. This leaflet has been handed out to all Bulgarian employees that are employed, or will be employed, in Cyprus. Furthermore, a Centre of Information for Bulgarian Employees in Cyprus has been set up, situated at the SEK’s Free Labour Centre in Limassol. Many Bulgarian employees turn up at the Centre every day for support. The main issues the Centre is called upon to handle on a daily basis are:

- employment advice
- the transfer of social insurance rights to Bulgaria
- filling out documents for the transfer of social insurance rights to Bulgaria
- employment rights in the workplace.

SEK, through its involvement and participation in the National Employment Committee and the Labour Advisory Board, has always worked in favour of, and has supported, every policy, measure and strategy aimed at eliminating all discrimination in employment, both of national as well as EU employees. SEK and CITUB will also continue to work together in the same direction and with the same vision for the future.

The project is the result of the efforts of CITUB and SEK to find a real and effective mechanism for the protection of the labour rights of Bulgarian citizens working in Cyprus.

A Bulgarian expert has been appointed at SEK to deal with Bulgarian trade union members in Cyprus; union membership is one of the means of extracting Bulgarians from social exclusion and including them in society. The major problem is covering workers in the informal sector, which is dominated by labour migrants. For this reason, they are vulnerable and their rights cannot be defended successfully by local unions.

An Information Bureau was opened in Cyprus and Bulgaria subsequent to the project ‘Information Bridge: Bulgaria-Cyprus’. The main task of the Bureau is to inform and present information to Bulgarian citizens working in Cyprus; information which is related to the existing labour legislation and the preventive measures which are in favour of Bulgarians who intend to work in Cyprus. The Bureau provides an access point to Bulgarians intending to work in Cyprus; they can take away printed materials about the labour and social security legislation of the host country, as well as basic information on how to proceed if their social security rights and workers’ rights are violated.
Bruno S. Sergi and Giacomo Morabito

Migration and remittances: the rise and fall of Albania and Kosovo

Abstract

The result of the global financial crisis and the Eurozone crisis has been low levels of economic development in the western Balkans. This article makes a comparative analysis of migration and migrant remittance inflows related to Albania and Kosovo in the last decade. Among the western Balkan countries, they share a common economic, historical, political and social background. In particular, they have very high levels of migration and receive a very significant amount of migrant remittances. Migrants from these two western Balkan countries live in Europe and overseas, and their remittances have had a significant impact on the economic and financial well-being of their households. In particular, we analyse the case of Albania and its future perspectives in view of its high unemployment rate and the recent mass return of unemployed migrants, which is one of the main consequences of the European debt crisis. We conclude by highlighting the economic policies which Albania must adopt in the light of the high unemployment resulting from the mass return of migrants.

Keywords: Albania, Balkans, economics, Kosovo

Introduction

Situated in the south-east of Europe, the western Balkan countries have many common features as a result of a shared history and similar transition experience. From the economic point of view, several factors have impeded the economic development of the western Balkan region, such as the political situation over the centuries. At present, the western Balkans are confronted with the consequences of the worst economic and financial crisis of the global economy. Data show that western Balkan countries have enjoyed high and sustained economic growth starting in the 2000s, but they fell into economic downturn in 2009 and, since then, have followed the general trends on the global and European scales.

The concept ‘migrant remittances’ refers to the transfer of monetary or in-kind resources by migrants to their home country. Migrant remittance flows constitute a substantial amount of the flow of capital between countries. Indeed, remittances from international migrants to their countries of origin constitute the largest source of external finance for developing countries. Migrant remittances represent a valuable source of income for many low and middle-income households in developing countries, as well as a significant source of capital. The contribution of migrant remittances to growth and poverty alleviation could reduce the need to adopt macroeconomic policies to implement necessary structural reforms. Indeed, migrant remittances could contribute to
longer-term growth as regards the political and economic policies of remittance-receiving countries. In addition, institutions often create incentives for financial and business investment as well as savings from remittances.

Academic studies show that migrant remittances have a positive impact on macroeconomic growth and on well-functioning financial markets by lowering the costs of conducting transactions. Most of the economic literature has focused on three main issues:

1. the direct impact of migrant remittances on income distribution, poverty alleviation and individual welfare
2. the subsequent effects of migrant remittances on the economy as a whole, discussing the impact on employment, productivity and growth
3. the contribution of migrant remittances to cover deficits in the trade balance and in the current account.

Migrant remittances represent a significant part of many western Balkan economies and are a source of growth due to the large numbers of migrants who have, in the main, moved to Europe. However, the global financial crisis and the Eurozone crisis have caused a serious decline in remittance payments as global consumer demand has contracted, so trade has plummeted, economies have tightened and unemployment has increased.

Migration flows: between the past and the future

In this article, we compare the cases of Albania and Kosovo which share a close common economic, historical, political and social background. Among the several common factors shared, there has been the phenomenon of mass migration from these two western Balkan countries.

Even if it is a typical phenomenon for the western Balkans, the so-called Albanian diaspora represents a unique case. Compared to the population in the country of origin and in neighbouring countries, it is among the largest in the world and, in terms of its geographic dimension, it reaches almost all inhabited continents. Emigration from Albania dates back to the 15th century, when many Albanians emigrated to Calabria and Sicily (Italy) and Greece, after the conquest of the Balkan peninsula by the Ottoman Empire. During the following centuries, until the establishment of the independent Albanian state (1912), migratory processes continued in the form of interior movements, from the Albanian lands to other regions of the Ottoman Empire or neighbouring countries. These movements led to the creation and consolidation of relatively important Albanian communities in regions of present-day Turkey, Egypt, Syria, Bulgaria, Romania and others.

During the 20th century, the period 1945-1990 marked an almost complete absence of the migratory phenomenon. Indeed, emigration was outlawed and violations severely punished. At the same time, birth rates in Albania were among the highest in Europe although the economy was among the weakest, leading to a consequently huge emigration once the borders were opened in the 1990s. Over the last two decades, around 25 per cent of the country’s total population has emigrated, or about 35 per cent of the active population. Around 1.4m Albanian migrants currently live and work in Italy, Turkey, Greece and Germany. However, the trend of Albanian migrants over the years
has been oriented towards the most developed countries of the west, mainly the United States, Switzerland, Canada and the United Kingdom.

Meanwhile, there has also been a substantial emigration from Kosovo, especially due to economic reasons and the Kosovo War. Recent years show that the Kosovar population has been emigrating despite the measures and the limitations in place (e.g. the lack of visa liberalisation with the EU). In addition, the resolution of the conflict does not seem to have provided sufficient incentive for most migrants to return. According to the 2014 Kosovar Migration Report, the key driving factors in emigration are diverse, including: family union (46 per cent) and socio-economic factors (35 per cent), as well as political factors, a better education, etc.

Actually, there is no registration of the number of Kosovar migrants (or those of Kosovar origin). Estimates vary from 400 000 (according to the 2011 census) to 874 000 residents (estimated by the 2014 Kosovo Human Development Report, based on emigration patterns between 1981 and 2011). The majority of these have emigrated to Germany, Switzerland, the United States, the United Kingdom, France, Italy and Sweden.

Kosovar migration has continued to grow in recent years, although small numbers of migrants have returned to Kosovo. Conversely, the rate of Albanian migration has gradually decreased. The result of this return of migrants has been a cut back on those remittance inflows that, during the last 25 years, have become a key source of financing the Albanian imbalance between the export of goods and the import of services, thereby playing a role in reducing the current account deficit.

Different studies have shown that remittances represent an important and vital source of income in the country of origin. In particular, they affect the mitigation of poverty and daily welfare in education, although their effect is less in terms of overall economic development. The effects of migration as regards the socio-economic development of the country of origin pertain to the following aspects:

- influence on economic and financial area
- influence on brain loss/gain
- influence on the labour market
- influence on demography.

During the 1990s, migrant remittances continually increased, coming to represent 10-20 per cent of Albanian GDP. Large-scale migration has also been a key feature of the Kosovar economy, with migrant remittances accounting for 10-15 per cent of annual GDP. Therefore, remittance income has proven vital to the economic progression as well as well-being of both Albania and Kosovo, since it helps support basic family expenses, bolsters entrepreneurial activity and upholds business growth and transactions.

During the 2000s, there was a growth of migrant remittances, but from 2008 there has been a slowdown against the backdrop of the economic and financial crisis. Compared to 2005, in 2014 there was a decline of about 6 per cent in migrant remittance inflows to Albania while to Kosovo the fall was about 2.5 per cent.
According to estimates, this does not seem likely to affect the Kosovar economic structure in the coming years, in contrast to the economy of Albania that is at high risk. According to data reported by the World Bank, over the last five years there has been a sharp drop in the rate of growth of Albanian GDP, recording in 2013 a decline of more than six percentage points compared to 2008. In Kosovo, there has been a significant drop in GDP growth, with a decline in 2014 of around six points compared to 2007.
The recent decline in migrant remittances is due mainly to the growing rates of unemployment in the EU; the integration of migrants in the host countries (mainly Germany, Greece, Italy and the United States); and the trend of a part of migrants who have returned to their country of origin. According to the 2011 census, some 139 827 Albanian migrants returned during the 2001-2011 period, the majority of these being men travelling back from Greece. Moreover, a study carried out by the International Organization for Migration in 2013 recorded 133 544 returns to Albania in the 2009-2013 period.
The majority of these returns were voluntary and concerned Albanian migrants who were previously in Greece (70.8 per cent), whose debt crisis has had a significant impact also in neighbouring countries. The vast majority of immigrants in Greece are from Albania, which accounts for an estimated 65-70 per cent of the total number of immigrants in the country. The debt crisis has caused a decrease in migrant remittances to Albania as well as in the migration outflow from Albania because of the high level of unemployment due to the lack of labour demand in the country of destination.

High unemployment: a threat to the Albanian economy

At the macro-level, the return of migrants includes those who are high-skilled and experienced, so there will be an increase in the human capital stock of the country which can have a positive impact on economic growth. The return of migrants can also have a positive effect in terms of the transfer of accumulated savings and the opening of new businesses as a result of a desire to invest their financial, human and social capital in their country of origin.

However, migrant remittances constitute an important driver of domestic demand so, on the other hand, a fall in these would lower the standard of living for many households, causing serious hardship for many and negatively influencing some economic indicators, such as the unemployment rate.

Generally, the unemployment rate is low during good economic times and high during recessions. In an economic downturn, the rate tends to under-estimate the num-
ber of unemployed because some people become discouraged and stop looking for work. At the individual level, unemployment reduces household income, limits access to health insurance and contributes to psychological stress. At the community level, a rise in joblessness reflects a lack of employment opportunities and places demands on community services. In the case of Albania, according to data reported by Instituti i Statistikave (INSTAT), the unemployment rate is 17.5 per cent; while in Kosovo, according to data reported by the Kosovo Agency of Statistics (KAS), it is around 35 per cent. In both cases, the unemployment rate seems to be much higher, and a mass return of unemployed migrants – especially to Albania – would lead to a hike in the unemployment rate.

Chart 4 – Annual percentage unemployment rate, 2005-2014

Source: Eurostat (2016)

What could be the most efficient economic policy in order to avoid the negative socio-economic impact, given the high level of the unemployment rate? In a neo-classical approach, return migration seems to be viewed as the outcome of a failed migration experience which did not yield the expected benefits. Here, return migration involves exclusively labour migrants who had miscalculated the costs of migration and who did not reap the benefits of higher earnings. Return occurs, therefore, as a consequence of their failed experiences abroad or because their human capital was not rewarded as expected. Furthermore, the neo-classical economics of migration views the migrant as an individual who maximises not only his/her earnings, but also the duration of the stay abroad in order to achieve permanent settlement and, subsequently, family re-unification. In this framework of analysis, return cannot but be motivated by a failed migration experience in terms of expected earnings, employment and duration.
The Keynes solution

John M. Keynes introduced the notion of cyclical unemployment, which occurs when there is not enough aggregate supply in the economy to provide jobs for everyone who wants to work. Demand for most goods and services falls; less production is needed and consequently fewer workers are required; wages are sticky and do not fall to meet the equilibrium level; and mass unemployment results. With cyclical unemployment, the number of unemployed workers exceeds the number of job vacancies so that, even if full employment was attained and all open jobs filled, some workers would still remain unemployed. Some associate cyclical unemployment with frictional unemployment because the factors that cause the friction are partially caused by cyclical variables.

According to Keynes, the economy might correct itself in the long run, but a natural correction might take an extremely long time. The remedy for cyclical unemployment is an increase in overall spending on newly-produced goods and services, which economists refer to as aggregate demand. Government spending can be used to increase aggregate demand, thus increasing economic activity and reducing unemployment and deflation. Keynesian economists advocate the lack of supply for jobs as potentially resolvable by government intervention. One suggested intervention involves deficit spending to boost employment and demand; another involves an expansionary monetary policy that increases the supply of money: this should reduce interest rates which should lead to an increase in non-governmental spending.

Aggregate demand (AD) refers to total spending in the economy on newly-produced goods and services:

\[ AD = C + I + G + X + M \]

where C is consumption (mostly by households); I is investment spending; G is government purchases of goods and services; X is the export of domestically-produced goods and services to foreign purchasers; and M is the import of foreign-produced goods and services by domestic purchasers.

The chart below shows how output falls with a decline in aggregate demand. The fall in output corresponds with a fall in employment and, therefore, producing a recession (or depression); to return to full employment, aggregate demand must move back to the right (or increase). To facilitate this, Keynes believed that government should increase its spending, decrease taxes (to encourage households and firms to spend) and lower interest rates (to make saving less appealing). According to Keynesian economists, all that is needed is a dose of stimulus to get back to full employment (Yf.e).
Therefore, an increase in aggregate demand can be achieved using an expansionary monetary or fiscal policy.

- an expansionary monetary policy refers to an increase in the money supply; this reduces interest rates and encourages more consumption and investment spending
- an expansionary fiscal policy can be achieved either by reducing taxes to encourage more spending by households and businesses or increasing government purchases.

Conclusions

So, what is to be done? Which policy could be taken by the Albanian government to face the phenomenon of declining remittances from migrants in the light of the negative macroeconomic data? Albania is a key player in the western Balkans, and it should adopt more decisive economic policies. In addition to the negative consequences for economic growth in the long-term, the collapse of migrant remittances could also provoke a political and social deterioration. The so-called ‘Albanian miracle’ of a few years ago may soon be a ‘distant memory’ if appropriate economic policies are not adopted with which to re-launch the Albanian economy.

Actually, stronger national capacities are required in preparing for the future challenges of labour mobility that relate also to the return and re-integration of migrants. The Albanian government has assisted the re-integration of those who returned following the Greek debt crisis, as evidenced by the approval of the Strategy on the Re-integration of Returned Albanian Citizens, 2010-2015. Most have requested government support to re-integrate into Albanian economy and society, including social and health assistance and support for their children’s education. However, few people have
been able to direct their resources towards the country’s development. We have already mentioned that, given the high unemployment rate, the drop of migrant remittances and the return of a part of migrant workers could negatively affect the Albanian economy in the short-term.

The Bank of Albania should continue – at least in 2016 – with an expansionary monetary policy to support the economic growth of the country. The Bank of Albania has, on several occasions since 2011, cut its benchmark interest rate, which currently stands at the record low of 1.25 per cent. Indeed, interest rates at low levels stimulate investments; therefore, in order to promote economic activity and support economic growth, the Albanian government should continue structural reforms, above all to reduce the barriers for business and incentivise the tourism and agricultural sectors.

Agriculture is one of the most important sectors of the Albanian economy and, actually, the sector which makes the greatest contribution to the national economy. Therefore, the Albanian government should consider this sector as strategic, with great potential for internal transformation and for transforming the country’s economy. In conclusion, Albanian policies should thus focus on promoting systematic and aggressive growth, the development of production and the formalisation of businesses in the agricultural sector, as well as the increase of production capacities through financial investment and through the training and development of human capital.

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