



CARIM EAST – CONSORTIUM FOR APPLIED RESEARCH ON INTERNATIONAL MIGRATION

Co-financed by the European Union

The Economic and demographic effects of labour migration in the EU Eastern partners and Russia: a synthesis report

Olga Kupets

CARIM-East Research Report 2012/26



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CARIM-East
Creating an Observatory of Migration East of Europe

Research Report
CARIM-East RR 2012/26

**The Economic and demographic effects
of labour migration in the EU Eastern partners and Russia:
a synthesis report**

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Olga Kupets, The Economic and demographic effects of labour migration in the EU Eastern partners and Russia: a synthesis report, CARIM-East RR 2012/26, Robert Schuman Centre for Advanced Studies, San Domenico di Fiesole (FI): European University Institute, 2012.

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CARIM-East – Creating an Observatory East of Europe

This project which is co-financed by the European Union is the first migration observatory focused on the Eastern Neighbourhood of the European Union and covers all countries of the Eastern Partnership initiative (Belarus, Ukraine, the Republic of Moldova, Georgia, Armenia and Azerbaijan) and Russian Federation.

The project's two main themes are:

- (1) migration from the region to the European Union (EU) focusing in particular on countries of emigration and transit on the EU's eastern border; and
- (2) intraregional migration in the post-Soviet space.

The project started on 1 April 2011 as a joint initiative of the European University Institute (EUI), Florence, Italy (the lead institution), and the Centre of Migration Research (CMR) at the University of Warsaw, Poland (the partner institution).

CARIM researchers undertake comprehensive and policy-oriented analyses of very diverse aspects of human mobility and related labour market developments east of the EU and discuss their likely impacts on the fast evolving socio-economic fabric of the six Eastern Partners and Russia, as well as that of the European Union.

In particular, CARIM-East:

- builds a broad network of national experts from the region representing all principal disciplines focused on human migration, labour mobility and national development issues (e.g. demography, law, economics, sociology, political science).
- develops a comprehensive database to monitor migration stocks and flows in the region, relevant legislative developments and national policy initiatives;
- undertakes, jointly with researchers from the region, systematic and *ad hoc* studies of emerging migration issues at regional and national levels.
- provides opportunities for scholars from the region to participate in workshops organized by the EUI and CMR, including academic exchange opportunities for PhD candidates;
- provides forums for national and international experts to interact with policymakers and other stakeholders in the countries concerned.

Results of the above activities are made available for public consultation through the website of the project: <http://www.carim-east.eu/>

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Abstract

This paper summarises the findings of country studies on the main economic and demographic effects of labour migration in the EU Eastern partners and Russia. The major positive effect of labour migration in the sending countries is that it provides temporary relief on domestic labour markets and helps reduce unemployment, particularly in economically-deprived areas. An inflow of labour migrants from other countries helps address existing skill shortages and finance pay-as-you-go pension schemes that are coming under considerable pressure because of population ageing. But the boost to pensions is small because of the widespread informal employment of migrants. Demographers of the sending countries worry that large-scale outflows of native workers which significantly exceed inflows of workers from other countries depletes population and changes its age structure. This, of course, is particularly dangerous for ageing societies. Findings on the economic effects of migration through the return of skilled workers are mixed and remain largely conjectural. Overall, labour migration contributes to the economic development of countries at both ends of the migration spectrum to a lesser extent than it should. This may be attributed to the fact that there are still no enabling conditions for effective brain circulation, productive investments and supply chain relations among migrants in the observed countries.

1. Introduction

Labour migration has become a livelihood strategy for many people from the CARIM-East region¹ because of a lack of employment and income opportunities in their home countries. Russia is the main destination for labour migrants from the six Eastern Partnership countries. But EU countries are increasingly important as well. At the same time, the ageing population which is already observed in the CARIM-East region (Table 1),² and the associated labour shortages in growing economies result in an increasing demand for foreign labour, particularly in some specific sectors and occupations. So, Azerbaijan, Belarus, Ukraine, and Moldova are increasingly becoming destinations for labour migrants from neighbouring and distant countries. The same countries often act as temporary stopover points for individuals from developing Asian and African countries who are in transit to the EU.

Table 1. Proportion of population aged 65 or over (%), 1990-2050

Year	Armenia	Azerbaijan	Belarus	Georgia	Moldova	Russia	Ukraine
1990	5.6	4.2	10.6	9.3	8.3	10.2	12.2
1995	8.4	4.7	12.5	11.3	9	12.1	13.8
2000	10	5.6	13.4	12.5	10	12.4	14
2005	12	6.8	14.4	14.6	11.2	13.8	16.1
2010	11.1	6.6	13.6	14.3	11.2	12.8	15.5
2015	11	6.1	13.8	14.9	11.9	13.4	15.5
2020	12.6	7.3	15	16.5	14.1	15.2	16.5
2025	15.5	9.8	17.2	19.1	16.5	17.4	18.1
2030	18	12.9	19.2	22	18.5	19.1	19.5
2035	18.5	14.3	20.1	23.4	19.1	19.4	20
2040	18.5	15	21.1	24.5	19.7	20.1	20.9
2045	19.4	15.6	22.2	25.5	20.9	21.1	22.1
2050	21.7	17.1	24.1	26.8	23.7	23.1	24.1

Source: Population Division of the Department of Economic and Social Affairs of the United Nations Secretariat, World Population Prospects: The 2010 Revision (medium scenario), <http://esa.un.org/unpd/wpp/index.htm>.

International labour migration is likely to increase further in the region due to: existing income differentials and other economic disparities between countries; broader access to information about living conditions and employment opportunities in potential receiving areas; established inter-country migration networks; and intensifying ageing trends in destination countries that shape demand for foreign labour. Given this, the economic and demographic impact of labour migration in the CARIM-East countries many of which are simultaneously the countries of origin, transit and destination, becomes a topic of debate for migration issues.

There are numerous summary reviews on migration between developing and developed countries show (Bauer et al., 2005; Chappell and Sriskandarajah, 2007; IOM, 2005; World Bank, 2006; de Haas, 2010). These show how labour migration has the potential to serve as an engine of growth and

¹ The CARIM-East region covers all countries of the EU Eastern Partnership Initiative (Armenia, Azerbaijan, Georgia, Belarus, Moldova and Ukraine) and Russia.

² According to the classification of countries according to their position in the demographic transition suggested by World Bank (2007), Belarus, Georgia, Russia and Ukraine are “already old” and the other countries (Armenia, Azerbaijan and Moldova) are “aging” countries. This classification uses a threshold of at least 10 percent of the projected population by 2025 in the 65 years and older age group.

development for countries at both ends of the migration spectrum. In destination countries, an inflow of labour migrants can: help address skill shortages and a declining labour supply; increase the labour-market participation of native highly-skilled females; and help finance pay-as-you-go pension schemes and social security systems, which are coming under considerable pressure because of population ageing. In countries of origin, an outflow of working-age population can: (i) provide some temporary relief from unemployment and reduce competition in the local labour market, thus improving the relative position of local workers; (ii) enhance development outcomes (reduce poverty and improve living standards, increase productivity and economic growth, enhance gender equality and social cohesion) through remittance flows and the transfer of technologies, skills and investments by return migrants and their families; and (iii) empower labour migrants and their families via collective organisations that operate across borders and "political remittances". If workers migrate to countries in the same region, labour migration may also play a positive role in deepening regional integration.

On the other hand, there are concerns over the economic effects of labour migration that contribute to negative public perception. In countries of origin these include the following:

- emigration of highly-skilled people deprives sending countries of their precious skilled workforce ("brain drain") in which states have invested many years of education. This loss of human capital may hamper the development process over the medium to long term;
- migrants and household members rarely invest their money in entrepreneurship and productive activities; remittances rather fuel conspicuous consumption and inflation in origin regions and reduce work efforts among recipients;
- labour migration may increase income inequality and spatial (inter-regional) disparities in wealth and development levels;
- labour migration of one or two parents can detrimentally affect educational outcomes and the economic activity of the children left behind;
- reliance of governments of sending countries on large-scale labour migration may retard their efforts to address the issues of employment expansion and economic and social improvement in their countries.

The main concerns in destination countries which often lack consistent objective evidence are the following:

- migrants take away jobs from local populations;
- an inflow of foreign labour is driving down wages;
- migrants may be a heavy burden on the country's social welfare system;
- labour migrants take money out of the host countries;
- immigrants and labour migrants make crime problems worse and threaten cultural values and identity.

The impact of labour migration may vary from country to country depending on the volume, composition, and characteristics of migration flows, as well as on demographic and economic conditions in both sending and receiving countries. The purpose of this comparative report is to summarise the highlights of seven-country studies in the CARIM-East region which focus purely on the effects of labour migration but not on remittances, permanent migration and Diaspora.³ Based on the country-specific findings, the report offers a review of common and dissimilar trends, including the economic and demographic effects of labour migration. There are several comparative studies on migration in CIS countries (Tishkov et al., 2005; Ivakhnyuk, 2006a; Mansoor and Quillin, 2006;

³ There are special country studies on remittances and their impacts in the CARIM-East countries, which will be published as research papers on the CARIM-East website. The first paper in this series reviews existing empirical evidence on the impact of remittances in the whole CIS region and in Ukraine in particular (Kupets, 2012a).

Uzagalieva and Chojnicki, 2008; Abazov, 2009; Ryazantsev, 2009). But there is a need for a better understanding of the changing role of labour migration in the development of the EU Eastern partners and Russia in response to the changing migration policy of the EU towards its Eastern partners.

Throughout this paper, the term “labour migration” refers to a cross-border movement of people for the purposes of (temporary) employment in a different country. The term “labour migrants” refers to persons who migrate or who have migrated from one country to another for a limited period of time with a view to being employed there. However, it is often difficult to distinguish between temporary labour migration and permanent migration. Many of those who originally intend to stay and work abroad only temporarily often become permanent immigrants as circumstances and opportunities change. On the other hand, many of those who seek permanent migration often have to undergo many temporary migrations before achieving settlement in a desired destination. Furthermore, many of those who initially migrate for non-economic reasons (family reunification, education, refugees and asylum seekers, etc.) eventually end up seeking employment in their destination countries. For the sake of clarity, we follow Iontsev and Ivakhnyuk (2012) and do not classify people who take up permanent residence (immigrants) and then found employment in the destination country as labour migrants.

Therefore, official migration statistics on the number of departures from and arrivals to the country under observation in the CARIM-East region, based on registration forms (coupons) filled in by migrants at the place of residence,⁴ is not relevant here. The major problem of this statistical source is that it covers legal and predominantly permanent migration. Labour migrants staying for 12 months and more abroad still keep their permanent residence in their home countries. Therefore, they are not covered by this statistics unless they get citizenship of the other country and de-register from their place of residence in the home country. Because of existing institutional barriers many foreign workers arriving for a temporary stay are not captured by the registry data, even in the case of legal entry and employment. Alternative sources on labour migration, including *ad hoc* migration surveys and registries of relevant state agencies such as Ministries of Labour, Public Employment Services, and State Migration Services, lack consistency and regularity (see Table A.1 in Annex). Some sources in the same country provide contradictory figures that might differ tenfold: because of the differences in the definition of labour migrants; because of the period covered (including whether the figures refer to stock or flows); because of sample design and the methodology of extrapolating the survey results outside the sampling universe. Existing statistics on officially employed nationals working abroad or foreign workers greatly underestimates the real number of labour migrants because of the non-coverage of informally employed workers (many of whom are also irregular migrants). It is biased towards certain professions and countries.

For these reasons, reliable and comparable data on labour migration in the CARIM-East countries are not currently available. This hampers a rigorous empirical analysis of the economic effects of labour migration in the region and leaves room for speculative assumptions and judgements. This report summarizes the estimates made by the authors of seven country studies on the basis of available country-level statistics. It also carefully examines the other migration issues highlighted in the country studies and the relevant literature.

The rest of this paper is structured as follows. The next section provides a brief survey of the main trends and characteristics of labour migration in the CARIM-East region. Sections 3 and 4 summarize the economic and demographic consequences of labour migration, respectively, in sending and receiving countries in the region. Section 5 concludes with policy implications.

⁴ See explanatory notes on statistical data collection on migration in the CARIM-East countries at: <http://www.carim-east.eu/database/demographic-and-economic-module/>.

2. Main trends and characteristics of labour migration in the CARIM-East region

An analysis of existing surveys on labour migration conducted in Armenia, Belarus, Georgia, Moldova, and Ukraine as sending countries and in Azerbaijan as a destination country ⁵ along with findings of the Russian case study (Iontsev and Ivakhnyuk, 2012) and other analytical reports reveals the following trends and characteristics of migration in the region:

- Russia is the top choice for labour migrants from the other CARIM-East region though it is not always considered by potential migrants as the preferred country for work abroad (GfK, 2008). According to *ad hoc* surveys on migration, Russia as a major country of destination accounted for: 48.1% of Ukrainian labour migrants who had worked abroad at least once during 2005-2008 (UCSR, 2009); 36.5% of absent migrants and 57.3% of returned migrants in Georgia as of November-December 2008 when the survey was conducted (IPPR, 2010); 61.7% of Moldovan labour migrants working abroad in 2010 (own estimates based on Moldovan Labour Force Survey data in 2010); and 96.2% of Armenian labour migrants in 2002-2007 (ILO, 2009).⁶ This outcome is explained by shared language and history, the visa-free regime and low barriers for entering the Russian labour market, relatively low travel costs and easily transferable skills, personal and community ties, and better access to information about job opportunities. Flows of Russian migrant workers, though much less sizeable than inflows of foreign workers into Russia, go to all parts of the world, but the most attractive destination country is the US (Iontsev and Ivakhnyuk, 2012);
- the second most popular destinations or at least the most desirable places for migration are EU countries: e.g. Greece for Georgian workers (IPPR, 2010); Italy for Moldovan and Ukrainian workers (World Bank, 2010; UCSR, 2009); France for migrants from Armenia (ILO, 2009); and Cyprus for officially employed Russian nationals.⁷ However, mobility from Moldova, Ukraine, and Georgia towards the EU is not gender-balanced, as flows are predominantly female;
- these migration patterns change in response to a changing economic and political environment. For example, migration flows between Georgia and Russia are found to decrease over time (the share of migrants heading to Russia was 19.3% in 2006-2008 compared to 71.8% in 1991-1993), probably due to worsening relations between Georgia and Russia (IPPR, 2010). Moldovan migrants seem to reorient from Russia towards higher-income EU countries in the Mediterranean region where they have developed migration networks (World Bank, 2010). Meanwhile, migration to Russia seems to be used by Moldovans as an initial source of funding for later migration towards the EU. Many Azeris continue to seek employment in Russia despite the increase in demand for workers in the national labour market, due to high economic growth and increased economic activity led by the oil sector (Ganguli, 2010). At the same time, Azerbaijan has gradually become a destination for foreign workers from many countries including Georgia and Russia (IOM, 2009);

⁵ Armenia: three nationwide surveys conducted by OSCE/ Advanced Social Technologies – Labour migration from Armenia in 2002-2005, Labour migration from Armenia in 2005-2007 and Returnee Survey 2008 (covering the period between 2002 and 2007) (ILO, 2009); Belarus: GfK/IOM Human Trafficking Surveys in 2006 and 2008 (GfK, 2006 and 2008), Georgia: GDN/ CRRC Migration Survey in 2008 (IPPR, 2010) and IOM Labour Migration Survey in 2003 (IOM, 2003); Moldova: ETF Migration Survey in 2006 (ETF, 2007), GfK/IOM Human Trafficking Surveys in 2006 and 2008 (GfK, 2006), and IASCI/CIVIS quantitative and qualitative research in 2010 (World Bank, 2010); Ukraine: ETF Migration Survey in 2007 (ETF, 2008), IOM/World Bank/The Open Ukraine Foundation Labour Migration Survey in 2008 (UCSR, 2009), and GfK/IOM Human Trafficking Surveys in 2006 and 2008 (GfK, 2006 and 2008). To the best of our knowledge, there has been one *ad hoc* labour migration survey carried out in Azerbaijan in 2008-2009, but it analyzes characteristics of foreign workers employed in the Azeri economy (IOM, 2009) and not Azeri nationals working abroad.

⁶ Definition of labour migrants and the methodology of migration surveys differ between the countries, so the presented figures should be compared with caution.

⁷ See statistics of Rosstat for Russia at http://www.gks.ru/bgd/regl/b11_36/IssWWW.exe/Stg/d1/05-19.htm.

- Ukrainian migrants are more “visible” in Russia and the EU destination countries because they represent the largest inflows in absolute numbers. But migration rates (the share of labour migrants relative to the labour force of the country of origin) are higher for the smaller countries such as Moldova or Armenia;
- economic factors, namely low wages, lack of job opportunities in the home countries, and desire to earn quick money abroad and send back home are the most important factors influencing the decision to move abroad. Other potential factors, such as professional and skills development, difficult socio-economic and political conditions in the home country, family reasons and existing social networks abroad are usually found to be of much less importance;
- the jobs held by labour migrants in Russia, the EU and other destination countries are mostly low-skilled and do not correspond to the education level of migrants. And this is despite the fact that qualified work in one's profession is the preferred option for potential migrants in all the countries (reported by 36% of Moldovan respondents that are ready to consider working abroad, 38% of Ukrainian respondents and 49% of Belorussian respondents in the GfK survey in 2008). Despite downgrading, migrants typically gain from migration because of: higher earnings (financial capital); new friends, trade and business links (social capital); a knowledge of alternative ways of doing things; and new skills acquired while working in different areas abroad (human capital). The same cannot be claimed for the countries as a whole because labour migration accompanied by downgrading and skill waste reduces the potential benefits of migration for both sending and receiving countries;
- migration of highly-skilled professionals – teachers and public health professionals in particular – with their subsequent downgrading during work abroad has long-term severe consequences for human development in the sending country. The loss of teachers from the Moldovan educational system has already resulted in a deterioration in teaching. Whereas the large-scale migration of Moldovan health workers (over 40% of trained health professionals during 20 years) contributed to acute staff shortages in the health sector, especially in the countryside (World Bank, 2012). Compare this to the international migration of teachers. This does not cause damaging shortages and qualitative losses in the Ukrainian education system because of the oversupply of qualified teachers locally, associated with a rapidly shrinking school-age population since 1995 (Kupets, 2012b);
- on the other hand, foreign workers migrating to Azerbaijan from developed economies are found to work in highly-skilled jobs, which generally correspond to their previous employment in the home countries (IOM, 2009). The authors of that report conclude that these people did not have to make huge career changes, but rather they had to change where they lived. The same can be said about highly-skilled migrants (top managers, professionals and skilled workers) officially employed according to temporary employment contracts and moving from/to Armenia, Belarus, Russia, and Ukraine. However, the share of such flows in total labour migration flows, including irregular and undocumented migration, is negligible (see, for example, Table A.1 in Annex);
- the next question is the outflow of researchers and university professors from Russia and Eastern partners (intellectual migration). Limited empirical evidence from Russia and Ukraine (Ivakhnyuk, 2006b; Kupets, 2012b) reveals that intellectual migration changed its nature compared to the 1990s when it was large-scale and permanent. Now it is increasingly temporary and often circular in nature, suggesting a pattern of “brain circulation” rather than a permanent draining of skills from one place to another as in the 1990s. The brain drain phenomenon is still an issue in Moldova, particularly among the young, but intellectual migration becomes more opportunity-driven rather than needs-driven (World Bank, 2010). These positive changes in intellectual migration are likely to bring significant benefits to the migrants themselves and to sending and receiving countries. However, there are also barriers in many countries of the CARIM-East region: non-recognition of academic titles and degrees obtained abroad, weak incentives for performance, outdated equipment and organizational

inertia in local universities and research institutions. These often hinder effective cooperation and the exchange of best practices in higher education and science. They also discourage many prominent researchers from a return to their countries of origin. Furthermore, an outflow of young researchers and postgraduate students attracted by better science facilities and opportunities for professional development abroad aggravates the problems of reproduction and the “refreshing” of staff in science and education (Iontsev and Ivakhnuyk, 2012; Kupets, 2012; World Bank, 2010);

- most of the labour migrants from the CARIM-East region are concentrated in a few economic sectors abroad. Those sectors are usually the ones where it is quite difficult to recruit native workers because of the hard, low-paid and non-prestigious types of work (so called migrant niches). Men usually perform hard manual work in construction, manufacturing and mining, repair of cars and household appliances, utilities and services, and agriculture. Women provide various services to private households (looking after children/ elderly people, cleaning, cooking, etc.) or they work in trade, hotels and restaurants, health care and social work, and agriculture;
- an increasing demand for female migrant labour is caused by an ageing population and increasing living standards in destination countries including Russia (Iontsev and Ivakhnuyk, 2012). This leads, in turn, to the further feminization of migration flows from Belarus, Georgia, Moldova, and Ukraine. The opposite trend with respect to the involvement of women in migration observed in Armenia may be attributed to: a national mentality; and the negative perception of female migration; as well as to increased employment opportunities for women in the Armenian labour market (ILO, 2009);
- labour migrants often work in the informal sector and lack legal status in destination countries. For example, the number of workers illegally present in Russia is estimated at 3-4 million in winter time and at 5-7 million in spring and summer, when seasonal workers arrive (Iontsev and Ivakhnuyk, 2012). The share of labour migrants from Belarus, Moldova and Ukraine who worked abroad illegally in 2008 amounted to respectively 28.9%, 25% and 20.6%, (GfK, 2008). According to the survey of Russian employers representing small and medium businesses carried out in 2010, the major reasons for the informal employment of foreign workers are: time-consuming and expensive procedures for migrants' registration (36% of respondents); opportunities to save money paying lower wages to irregular migrants (26% of medium business representatives and 23% of small business representatives); and the avoidance of taxes and social security contributions (22% of respondents in both groups); not to mention the higher flexibility of migrant workers who are easier to fire, punish and manage (Iontsev and Ivakhnuyk, 2012). Such situation makes labour migrants vulnerable to exploitation and abuse from recruiters, employers, and local authorities. According to GfK human trafficking surveys in 2006 and 2008, there are thousands of people in Belarus, Moldova and Ukraine who suffered from one of three trafficking situations: "travelled abroad because they were offered a job, but upon arrival they were locked and forced to work at an enterprise/on construction/in the agricultural field for no or little pay"; "travelled abroad because they were offered a domestic or nursing job, upon arrival were locked and forced to work for no pay"; and "travelled abroad because they were offered a job, but upon arrival their passport was taken away and they were forced to work in the sex business". Human trafficking decreased in Moldova and Belarus between 2006 and 2008. But it slightly increased in Ukraine (GfK, 2008). The consequences of human trafficking are grave for its victims and for the countries concerned;
- labour-market outcomes for many migrants working in Russia and other neighbouring countries (including Poland, the Czech Republic, Slovak Republic, Hungary, Romania, and Turkey) often create incentives to migrate only temporarily or, more typically, with frequent returns home. Temporary and circular labour migration seems to benefit the receiving countries as it helps satisfy certain labour market needs in sectors that experience fluctuating demands for low- and middle-skilled workers. Furthermore, there are virtually no social and

political implications for the receiving country in terms of the integration of new residents (McLoughlin and Münz, 2011). For the sending countries, it alleviates labour market pressures providing unemployed or underemployed workers with access to employment and income opportunities abroad, but without long-term brain drain. A special concern, however, is the access of temporary migrant workers to training/human capital formation and their social protection, in particular access to long-term benefits such as retirement incomes (Holzmann and Pouget, 2010). The latter issue is of particular importance for most countries in the CARIM-East region due to ongoing demographic changes (shrinking and ageing population).

3. Effects of labour migration on sending countries in the CARIM-East region

3.1. Labour market

One of the most cited benefits of labour migration in the literature is that it provides some temporary relief from unemployment when the sending country is unable to create enough jobs for its nationals. Estimated hypothetical unemployment rates in three countries of the CARIM-East region would be several times higher had people not migrated abroad or had all labour migrants returned at once (Table 2). Georgian experts highlight that under current conditions of social protection, when less than 1% of the unemployed receive unemployment benefits, this would be equivalent to a social catastrophe (Tukhashvili and Shelia, 2012).

Table 2. Impact of labour migration on the unemployment rate

Country	Year	Actual unemployment rate	Hypothetical unemployment rate	Source
Georgia	2010	16.3%	34% if the number of labour migrants is taken at 350,000; 42.2% in the case of 500,000 labour migrants	Tukhashvili and Shelia (2012)
Moldova	2010	7.4% (total) 5% (rural) < 10% (urban)	26% 30% >20%	Ganta (2012)
Ukraine	I half of 2008	6.2% 6.2%	12.2% 9.8%	Poznyak (2012) IDSS (2010)

Note: The basic assumption is that all labour migrants would be unemployed in their home countries.

Moldova is a classic case where migration is a serious alternative to unemployment, particularly in rural areas. It is estimated that the unemployment rate in rural areas would be four times higher if all labour migrants returned home (Ganta, 2012). The recent economic crisis, one of the consequences of which was a 5% decrease in the number of labour migrants in Moldova between 2009 and 2008, has resulted in an increased unemployment rate from 4.0% in 2008 to 6.4% in 2009 and to 7.4% in 2010. Another effect of labour migration in Moldova is a shorter duration of job search among the unemployed living in households with migrants (by 4 months on average) compared to the other unemployed. This might be explained by lower incentives to search for a better paid job due to remittances from abroad (Ganta, 2012).

Besides, there is evidence of moral hazard being induced by migration and remittances in Moldova as the members of households with at least one labour migrant abroad are more inclined to be outside the labour force than individuals living in households without migrants. The differences in inactivity rates are particularly large in younger age groups and among inactive females (Ganta, 2012).

On the other hand, Belorussian experts (Bobrova and Shakhotska, 2012) highlight that labour migration is ineffective in terms of reducing labour market pressures in their country. As after all, most workers who go abroad have been employed before migration, while the unemployed are not actively involved in migration processes. The same applies to Ukraine: according to the Labour Migration Survey conducted in 2008 out of 1,264,000 labour migrants in 2007, in the first half of 2008 only 37.2% were unemployed before moving abroad.

The side effect of large-scale labour migration is that it can create labour shortages in certain industries or high emigration areas when economies of the sending countries are growing. Lack of labour can lead to a substitution of capital for labour in the production process, reducing long-term job opportunities. It can also harm the development of labour-intensive sectors of strategic importance, e.g. the IT sector in Armenia. Due to this, 55% of the surveyed companies in Armenia reported the negative potential effect of labour migration on key industries (ILO, 2009). At the same time, local employers cannot offer the same working conditions, and remuneration, as in the international labour market. These issues are also quite important in Belarus, Ukraine, and Azerbaijan where labour shortages are an issue in such fast-growing sectors (at least before the economic crisis in 2009) as construction, trade, hotels and restaurants, IT, and (in Azerbaijan) the oil sector. The Moldovan government that builds development programmes based on employment expansion is starting to think about potential difficulties in meeting labour market needs (Ganta, 2012).

Labour shortages may become even more acute over time as working-age population is shrinking due to natural population decrease, while long-term labour migrants, many of whom have already settled abroad, are less likely to return. According to projections made by the Institute of Demography and Social Studies in Ukraine, the first signs of labour shortages in Ukraine will show up in seven years, but in ten to twelve years this problem will be more tangible. The estimated demand for foreign workers of working age until 2061 is about 8 million (Poznyak, 2012).

Economic theory suggests that skill shortages can lead to an increase in domestic wages, at least over the short term. But it is not happening in the region under consideration because of wage rigidities inherited from the Soviet economy and the large size of the informal economy. In some sectors and occupations local employers are more likely to hire foreign workers or internal labour migrants rather than to increase wages for local workers to attract them to these jobs.

3.2. Return migration and skills

Return migration is one of the major channels through which labour migration can directly benefit the development of the sending country. Returnees may be more effective than foreigners in transferring knowledge back home because of their understanding of local culture (World Bank, 2006). There may also be private returns to migration experience in the form of an earnings premium for wage earners and a productivity advantage for entrepreneurs if migrants return with improved skills.

The positive selection of migrants in terms of education and skill level found in Belarus, Georgia, and Russia (Bobrova and Shakhotska, 2012; Tukhashvili and Shelia, 2012; Iontsev and Ivakhnuyk, 2012) tends to have a negative effect on labour productivity and human capital base. It creams off some of the most enterprising and productive workers. Furthermore, due to downgrading and skill wastage during employment abroad, highly-skilled migration does not bring the productivity gains. The transfer of skills and knowledge brought by the returnees from abroad and indirect incentives for youth to invest in tertiary education does not take place or takes place on a small scale. As a result, labour migration in its current form does not seem to increase the present and future stock of human capital. Besides, it is not likely to enhance the employability of return migrants in the local labour markets.

In Armenia, where highly-skilled individuals (with tertiary education in particular) have lower migration activity, there is more optimism in this respect. According to the survey of return migrants

in 2008, two thirds of Armenian returnees assessed their migration experience as rather useful or very useful in terms of acquiring or enhancing knowledge and skills. More than half of them found it useful in terms of enhancing language skills, each third returnee stated that he or she improved job-related knowledge and skills, while the others benefited from the migration experience in terms of know-how in modern technologies and soft-skills. About 40% of the returnees claimed that migration experience increased their chances of finding good employment in Armenia. Interviewed employers from sixty-four major companies in different sectors confirmed that employees who had previously studied or worked abroad would usually take managerial positions and would be offered higher wages. Overall, most employers believed that the return of skilled migrants who are likely to share new experience and knowledge with their colleagues would have a positive effect on their companies and on the entire sector in which they were active (ILO, 2009).

However, the hypotheses about return migration which is mainly based on general knowledge and subjective views need to be tested empirically. In doing this it would be necessary to take into account the sample selection on return migration by comparing the labour market experience of return migrants to non-migrants. According to one such study in Ukraine (Kupets, 2011), return migrants are found to be significantly more likely to work in the non-farm informal sector than in the formal sector when compared to non-migrants. But this effect becomes insignificant when the results are corrected for the sample selection into return migration. At the same time, return migrants are found to be more likely to be unemployed over formal non-farm workers and this effect is stronger among returnees with re-migration intention. The author concluded that these results might support the hypothesis about the adverse effect of past migration experience on employment outcomes in Ukraine due to: skill waste experienced by Ukrainian workers in the host countries; disadvantages faced by return migrants; and the low chances of finding suitable work in Ukraine because of the high reservation wage among (former) migrants.

3.3. Return migration and entrepreneurship

It is expected that past migration experience will have a positive impact on the entrepreneurship activity of return migrants: compared to non-migrants, returnees have a higher propensity to set up entrepreneurial activities creating jobs.⁸

Let us imagine that all Ukrainian migrants working abroad as their own-account workers and employers (respectively 16% and 4.7% of all labour migrants in 2007-2008) had remained in the same employment status on their return. In this scenario the unemployment rate would have decreased from 6.2% to 5.6% or 5.4% depending on the number of employees hired by each entrepreneur among returnees (3 or 5 employees on average) (UCSR, 2010; Poznyak, 2012). Certainly, this could have brought additional money to the Ukrainian budget through taxes. Even if all these new entrepreneurs had paid taxes according to the simplified tax system for small entrepreneurs, as of 2010, this could have brought about EUR 18 million from the entrepreneurs themselves and about EUR 24-40 million in personal income tax from their employees. What is more, the employment of registered unemployed by these entrepreneurs could have saved anywhere between 43 and 72 million in State Unemployment Insurance Fund (Poznyak, 2012).

However, return migration is still on a limited scale in Ukraine, and it often occurs due to the temporary nature of employment abroad, personal and family reasons or failed migration experiences (Kupets, 2011). Furthermore, the share of own-account workers and employers was only 2.8% in the sample of return migrants extracted from the Labour Migration Survey, compared to 3.2% among non-migrants (without taking into account individuals engaged in subsistence agriculture). So, in fact, very

⁸ This positive effect of return migration with respect to entrepreneurial activities has been found in several sending countries, including Turkey, Pakistan, Egypt and Albania (Dustmann and Kirchkamp, 2002; Ilahi, 1999; Wahba, 2004; Piracha and Vadean, 2010).

few returnees were innovative actors of change who invested in their own business and created jobs. This was because of existing entry barriers, the high administrative costs of operating a business, inadequate enforcement of contracts and other barriers to doing business in Ukraine.

Despite the significant progress of the Georgian government in improving the business environment in recent years, less than 15% of return Georgian migrants were able to start small businesses, predominantly in trade and various services for households (Tukhashvili and Shelia, 2012). The major problem mentioned by respondents in doing business is monopoly power and lack of free competition. Another study in Georgia finds no direct link between return migration and entrepreneurship or land ownership (IPPR, 2010).

The majority of Armenian returnees assessed their migration experience as very good or rather good in terms of economic efficiency. But the nationwide representative survey on returnees did not reveal any case of business investment or job creation by returnees (ILO, 2009). As in many other countries in the region, remittances and earnings were mostly used for: the essential consumption needs of the families in Armenia; the purchase of durable goods; and, the real estate, migrants' travel and living costs abroad; and, sometimes, on children's education. Only six persons out of the 75 surveyed permanent returnees, i.e. those returnees who came back to Armenia and were not planning to leave in 2008, managed to save. Four of them were planning to start their own business in Armenia in 2008.

Moldovan migrants are characterized by high savings rates and also have a very high rate of entrepreneurial behaviour and ambition. The reinvested savings and entrepreneurial activities of return migrants are an important plus for Moldova's development and a positive side-effect of migration (ETF, 2008; World Bank, 2010). However, entrepreneurial activities undertaken by migrants after their return to Moldova are often in the informal sector. Some of these businesses are based on informal agreements between Moldovan return migrants and foreigners, usually the employers in the former host country (World Bank, 2010). The other problem is that few Moldovan migrants want to return to their home country. They intend to stay there for ever because they have achieved their migration goals. According to the estimates of Ganta (2012), Moldova can count on two to three thousand returning migrants for good out of more than 300,000 migrants.

3.4. Demographic changes

The large-scale migration of workers from depressed regions and sectors may deplete population further undermining the economic viability of these regions. This will change population age structure, at least temporarily. Labour migration may also affect fertility rates by separating couples across international boundaries, altering the incentives of those who might have children, or reducing the number of individuals of reproductive age. Labour migration may also affect morbidity and mortality rates in the origin countries through its adverse effect on the health of migrant workers, increased disease transmission, and the 'brain drain' of health workers.

The country studies within the current project which have the most fruitful results in this demographic part are the following:

- **Armenia:** permanent emigration including labour migration caused a decrease in the share of men (1.2 percentage points in 2002-2009) and in the share of women aged 25-34 years and further ageing of population. The number of births in 2009 would have increased from 44,413 to 46,658 children (5%) if females in reproductive age were not labour migrants in 2002-2009. On the other hand, it is estimated that due to a quantitative factor the number of registered deaths in Armenia would have been 5.8% more (1,598 persons) in 2009 if Armenians have not gone abroad. What is more, there is some undocumented evidence about the positive impact of migration on marriage and fertility rates through the improving living standards of youth and its negative impact on population health through disease transmission (Yeganyan, 2012).

- **Belarus:** available statistics on permanent migration including labour migration (labour migration in a broad sense according to Bobrova and Shakhotska, 2012) reveals that Belarus is a destination country, whereas the analysis of the demographic effects of labour migration in a narrow sense is missing. So, there are no relevant findings in this section.
- **Georgia:** fertility rate in 2010 would have increased from 1.83 to 2.05-2.12, and the number of births would have increased from 62,600 to 70,200-70,500 (over 12%) if females in reproductive age were not labour migrants. Labour migration is found to have negative health impacts for about half of surveyed migrants. Due to the labour migration of the working-age population, share of people aged 60 years or more in the *de facto* population is higher than in the *de jure* population. There are some ethnic peculiarities of labour migration flows in terms of destination countries. Demographic and labour market pressure in the regions with a high concentration of internally displaced persons increased international migration among the local population (Tukhashvili and Shelia, 2012).
- **Moldova:** labour migration changed the age and sex structures of population: the share of young men (15-24 years) in the rural *de facto* population decreased by 1.7 percentage points, and the share of men aged 25-34 years decreased by 1.8 percentage points in 2010. Though labour migration has a significant direct socio-demographic impact only on rural male population, which accounts for 21% of the *de jure* population, many more people are affected indirectly through family relations (Ganta, 2012).
- **Ukraine:** the adjusted number for the *de jure* population at the beginning of 2008, taking into account labour migration, is estimated at 45,609,300, compared to 49,192,300 according to the State Statistics Service. The share of people aged 65 years and over in this “adjusted” *de jure* population is slightly higher (16.5% vs. 16.3%). The other effects are not estimated because of the lack of reliable statistics (Poznyak, 2010).

3.5. Poverty reduction and development

Labour migration provides opportunities for household members affected by migration to finance essential human needs (including nutrition, housing, and education), to ease liquidity constraints, to smooth household consumption and, therefore, to improve living standards. Hence, labour migration can reduce the incidence of poverty in migrant-sending areas, with an ambiguous impact on the extent of inequality across households. Labour migration can have a positive effect on economic growth through remittances. But it can also hinder economic growth over the long run because of adverse demographic, education and health impacts.

There is strong survey-based evidence supporting the positive impact of labour migration on the living standards of households in the CARIM-East region. However, no detailed studies on the impact of labour migration on poverty reduction in certain countries or regions exist to date. An empirical study based on a large sample of countries including Belarus, Moldova, Russia and Ukraine finds the following: a 10% increase in the share of international migrants in a country’s population would lead to a 1.9% decline in the share of people living on less than USD 1 *per person per day* (Adams and Page, 2003). But the data for the countries under observation are of poor quality and relate to permanent migration, so this finding is not appropriate for our study. Other macroeconomic impacts of migration of workers from the CARIM-East region and their return (beyond remittances) are also poorly investigated.

Analyzing the role of labour migration in the transition process, Korobkov and Zaionchkovskaia (2004) highlighted that labour migration served as an effective mechanism for the transition to a market economy. Migration, they argued, allowed the economic survival of population during the crisis in the 1990s and the formation of the middle class in post-Soviet societies. Abazov (2009) mentioned the positive role of labour migration with respect to the empowerment of women. This is

particularly important in the three Caucasus countries, where patriarchal social and cultural norms and gender roles have been particularly strong.

Labour migration is seen by policymakers in the CARIM-East region as an “objective process” employed by those who want to escape from social problems and local underdevelopment. However, they ignore the side-effect of labour migration and remittances, a low-equilibrium developmental trap (World Bank, 2011; Kupets, 2012a). Crony capitalism and monopolization of the economy, corruption, underinvestment in public infrastructure and services, bureaucratic hurdles to doing business and weak rule of law are blocking the development potential of these countries. Labour migration relieves the pressure to change these structural barriers: a public moral hazard problem. This results in: a vicious cycle of high migration outflow; lack of reforms and real improvements; lack of jobs at home; low trust in economic and political institutions; and high migration outflow again. Therefore, labour migration seems to work as a safety valve relieving the pressure of a pressing problem rather than resolving it (Ellerman, 2005). Unfortunately, labour migration has not, to date, been effectively used by the governments of CARIM-East countries as a path to development.

3.6. Social welfare system and the social protection of migrants

As labour migration and remittances provide temporary relief from unemployment and poverty, they may release resources from social funds and provide government with an extra degree of fiscal freedom. On the other hand, large-scale migration of working-age people and the associated output loss to the economy may adversely affect tax revenues in the sending country.

Another concern, which is particularly relevant in the CARIM-East region, is that labour migration, particularly irregular migration with prevailing employment in the informal economy, creates migration-related risks: work injury and professional diseases, discrimination, exploitation, etc. Here there are no formal instruments. On the other hand, the viability of social security systems and national budgets in the sending countries are put under strain by the following factors: the widespread informal employment of migrants abroad; the inactivity of returnees between migration periods in the case of circular flows; and the inactivity or underemployment of household members sending migrants abroad relying on their earnings. Labour migrants and their family members back home often fail to contribute to the system. However, they *do* apply for pension and various benefits and take advantage of free access to public services such as education, health care, public housing, etc.⁹ Such “free-loading” on health, education, and welfare systems leads to Pareto inefficient provision of public goods and raises equity, fairness and reciprocity concerns.

For those who work abroad legally, there are concerns over the portability of their social and pension benefits from the host country. According to Holzmann and Pouget (2010, pp. 7-8), “portability of acquired rights conditioned on appropriate bi- or multilateral agreements which often do not (yet) exist, take years to develop, and their effectiveness is unknown... In the absence of effective bi- or multilateral agreements this makes pension and social security contributions a wage tax to the detriment of take-home wage of the temporary migrant and to the financial benefit of the receiving country”.

The EU Mobility Partnerships with Moldova and Georgia could be a suitable framework to pursue such bi- or multilateral agreements and to cooperate in the field of double taxation and the portability of rights. But the assessment of the Partnerships reveals that they seem to be much more focused on ensuring the implementation of the readmission agreements and border management activities rather

⁹ Although this problem exists in most migrant-sending countries of the region, only the Moldova country study (Ganta, 2012) mentioned it. Further efforts should be spent on finding strong empirical evidence for this important issue.

than on other migration issues.¹⁰ A new EU-ILO technical cooperation project “Effective Governance of Labour Migration and its Skill Dimensions” started in Ukraine and Moldova in 2011. It is expected to contribute to better social protection of potential and current migrant workers and to strengthen the capacity of national stakeholders to design and implement rights-based labour migration schemes, including bilateral agreements on social protection.¹¹

4. Effects of labour migration on receiving countries in the CARIM-East region¹²

4.1. Labour market

Conceptually, the immigration and inflow of temporary migrant workers may lead to a reduction in wages and/ or employment prospects of those natives, who are substituted by the immigrants, or/of former immigrants from other regions, with whom they compete for similar niches in the labour market. On the other hand, it may lead to wage gains and/or improvements in the employment prospects of those natives who are complements to the immigrants. For example, there is evidence that female immigrants employed in the outpatient and home care of the elderly exert positive effects on the labour supply of highly-skilled native females in ageing countries such as Italy and Spain (Barone and Mocetti, 2011; Farré et al., 2011).

A summary of existing studies and an analysis of the impact of foreign workers on employment and wages in Russia, carried out by Iontsev and Ivakhnyuk (2012) for this project, have been revealing. They show that the employment of foreign workers in certain sectors of the Russian economy did not lead to higher unemployment or lower wages among the local population. This is explained by the fact that “labour migrants predominantly occupy those niches of the Russian labour market that, for one reason or another, cannot be filled by Russian workers”. In other words, temporary migrant workers are not substitutes for natives. Furthermore, in many sectors of the economy (housing and utilities, municipal public transport, and the service sector) demand for foreign labour remained high in 2008-2009 despite the economic crisis and the associated increase in the unemployment rate. Russians did not want to do these low-skilled jobs preferring unemployment benefits.

According to Iontsev and Ivakhnyuk (2012), there are “migrant niches” in the Russian labour market, including: low-skilled work in construction; cleaning of houses and offices; the repair of cars; motorcycles; and household appliances; and some auxiliary work in wholesale and retail. As a result, a large proportion of jobs occupied by migrants – from 35% in the regions to 50% in Moscow – is in fact “reserved” for them. In the other 50-65% of cases migrants compete with the local workforce and often win in this competition because they are ready to work for lower wages and without social benefits. They are also able to work longer hours and harder, and are more disciplined than natives (e.g. “they do not abuse alcohol and they do not get distracted by family issues”). What is more, there is evidence of ethnic business when enterprises owned by immigrants employ migrant workers belonging to the same ethnic group.

In terms of the impact of labour migration on the labour force participation of highly-skilled Russian women, this impact is fairly small to date. But it is expected to increase over time with the growing prosperity of Russian households and with increased opportunity costs of time for highly-skilled native females. For Russian women actively participating in the labour market and entrepreneurship, babysitters (two thirds of which are migrant workers) are, in fact, the single most

¹⁰ See <http://www.easternpartnership.org/publication/mobility-and-migration/2011-08-23/assessing-mobility-partnerships-between-eu-and-moldova>.

¹¹ See http://www.ilo.org/budapest/what-we-do/projects/WCMS_168106/lang--en/index.htm.

¹² This section is mainly on the effects of migration on Russia. The other country studies do not analyze this issue from the viewpoint of the receiving country.

important condition for participation (Iontsev and Ivakhnyuk, 2012). Demand for migrant workers in the elderly care sector in Russia is not so large as in Italy or Spain, but it is likely to increase because of ongoing ageing in the population.

Overall, migration flows of working age population in ageing societies may be beneficial for receiving countries as they help relieve scarce labour supply and as they reduce wage-push inflationary pressure. It is estimated, that in view of structural problems in Russia (e.g. skills mismatch) and shrinking working-age population the accumulated labour shortage will exceed 14 million people by 2020. This deficit “threatens to become the most serious obstacle on the path of planned investment projects in the country” (Kolesnikova and Sokolova, 2008; cited by Iontsev and Ivakhnyuk, 2012).

4.2. Economic growth and development

Theoretically, foreign labour that brings enough human capital may positively affect total factor productivity and, therefore, foster economic growth in the receiving country. However, if immigration increases the availability of low-skilled labour, incentives of firms to invest in R&D may be reduced, leading to lower technological progress. The existing empirical evidence on the effects of immigration on productivity and economic growth in developed countries is mixed (Bauer et al., 2005).

The Russian economy seems to benefit from labour migration, notwithstanding its heavy bias to low skills. According to the estimates of the Russian authorities and researchers, labour migrants from CIS countries working in Russia created 6-9% of GDP in 2008, not only through their contribution to production but also in terms of consumption.

The common myth that migrants take money out of Russia through remittances was debunked by the Head of the Federal Migration Service of Russia K. Romodanovsky in 2010 who argued that “for each dollar earned by a guest worker, the Russian budget got up to 6 dollars” (Iontsev and Ivakhnyuk, 2012). Likewise, the myth disseminated by xenophobes that migrants contribute to a higher crime rate in Russia can be debunked by a careful analysis of the crime statistics of the Russian Ministry of Interior: foreign citizens and stateless persons were responsible for 1.9% of all registered crimes and 3.4% of all solved crimes in Russia in 2011. And the most widespread type of offence among foreign nationals was the use of false documents (Iontsev and Ivakhnyuk, 2012).

Because of persistent myths on the impact of labour migration in Russia, sustained in part by the state, there are anti-migrant feelings, xenophobia and ethnic clashes. As a result, labour migration is often seen as a “problem that needs to be resolved”. It is not seen as a critical source for Russian development (Iontsev and Ivakhnyuk, 2012).

4.3. Public budget

Labour migration may affect the public budget of destination countries through an increased tax base. What is more, temporary migrants with a formal job contract are also likely to experience serious limits on the portability of their pension and social rights, which could represent a gain for social welfare systems. An indirect positive effect of labour migration on the public budget may be the increased labour supply of natives, especially highly-skilled females. On the other hand, migration may negatively affect the public budget of destination countries through the expanded demand for public services and the receipts of public transfers. What is more, the informal employment of foreign workers may have adverse effects on total tax revenues and social security contributions.

Positive effects of labour migration in terms of GDP and contributions to the budget have been already mentioned before. A negative effect in the form of unpaid taxes because of the widespread informal employment of foreign citizens (4-5 million workers) is estimated at 150-200 billion roubles.

For comparison, one and a half million foreign workers employed legally in Russia paid at least 70 billion roubles in 2011 (Iontsev and Ivakhnyuk, 2012).

5. Conclusions

Principle 15 of the ILO Multilateral Framework on Labour Migration (2006) says that “the contribution of labour migration to employment, economic growth, development and the alleviation of poverty should be recognized and maximized for the benefit of both origin and destination countries”. Labour migration may contribute in an important way to the economic development of countries at both ends of the migration spectrum. However, this will only happen if migrants find the enabling conditions to develop and then successfully apply their skills, to make productive investments and to enhance supply chain relations.

However, our analysis of the economic and demographic effects of labour migration in the EU Eastern Partners and Russia shows that the benefits of labour migration are of limited scale (if relieving labour market pressures is not taken into account) whereas the major costs are associated with population and human capital depletion. The major reason for this is that labour migration is not mainstreamed into national employment, poverty reduction and development strategies. The governments of sending countries in the region tend to address labour migration as a problem rather than to see it as an opportunity. And receiving countries try to take advantage of large inflows of desperate migrant workers for their benefit alone. As a result, there are still no enabling conditions for human capital formation, brain circulation and productive investments by migrants.

Other similar problems in the CARIM-East region include:

- the challenges of shrinking and ageing population, expected skill shortages and, therefore, the increased importance of return migration and immigration in the near future;
- the existence of negative attitudes in the mass media and the community which are shaping the images of migrants in home and host societies;
- lack of reliable statistical data on labour migration and remittances with long-time series, the careful analysis of which would probably help debunk common myths and negative attitudes;
- prevailing negative attitudes among experts and speculative interpretation of migration effects, with focus on certain negative aspects of labour emigration (e.g. demographic changes) without considering possible benefits for economic development.

Under these conditions, governments face the difficult tasks of dispelling the misunderstandings surrounding labour migration and creating effective migration management systems. These must take into account the interests of the various stakeholders involved for the benefits of all. National research community and NGOs should help their governments to design a win-win-win migration strategy and to communicate effectively and migration policy effectively to the wider public.

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Annex

Table A.1. Available data on labour migration in the CARIM-East countries, 2006-2010

Type	Country	Indicator	F/S*	2006	2007	2008	2009	2010	Source
Temporary labour emigration	Armenia	Labor migrants, i.e. persons who left Armenia in 2005 – 2006 to find employment abroad and stayed there for at least three months, irrespective of whether they found employment or not	S	96,000-122,000					ILO(2009) based on Labour Migration Survey in 2005-2007 and Returnee Survey 2008
	Belarus	Labour migrants as of 14 October 2009 (Census time)	S				41,800		Bobrova and Shakhotska (2012), based on Census
		Estimated annual number of labour migrants	S				200,000		Bobrova and Shakhotska (2012), own estimates based on Census
		Labour migrants, i.e. people currently working abroad	S	151,000		138,000			GfK (2008) based on Human Trafficking Surveys
	Moldova	Annual permits granted from Moldovan authorities to Moldovan nationals to permanently reside or temporarily stay abroad (renewals are excluded)	F	3,010	3,276	3,237	3,138	2,193	CARIM-East database, based on Bureau of Migration and Asylum

		Labour emigrants, i.e. employed Moldovans (aged 15-64) residing abroad	S	307,000	333,800	307,700	293,200	309,700	CARIM-East database, based on Labor Force Survey
		Labour migrants, i.e. people currently working abroad	S	435,000		633,000			GfK (2008) based on Human Trafficking Surveys
	Russia	Nationals employed abroad according to formal employment contracts	F	65,747	69,866	73,130	66,285	70,236	CARIM-East database, based on Federal Migration Service
	Ukraine	Nationals employed abroad according to formal employment contracts	F	61,369	73,184	80,374	74,510	80,401	CARIM-East database, based on Public Employment Service
		Labour migrants, i.e. individuals of working age (women 15-54, men 15-59 years) who have been abroad for employment at least once during 2007 – I half of 2008	S		1.3 mln.				UCSR (2009)
		Labour migrants, i.e. people currently working abroad	S	1,091,000		750,000			GfK (2008) based on Human Trafficking Surveys

Temporary labour immigration	Azerbaijan	Migrant workers	S			4,367			IOM(2009), based on Ministry of Labour and Social Protection
	Belarus	Foreign nationals temporarily employed in Belarus according to formal employment contracts	F	4,502	7,335	6,204	4,178	5,066	Bobrova and Shakhotska (2012), based on administrative statistics
	Georgia	Number of persons whom were granted temporary residence permits	F				2,725	4,858	CARIM-East database, based on Civil Registry Agency
	Moldova	Annual work permits granted to foreign nationals	S	828	1,002	1,136	590	813	CARIM-East database, based on Bureau of Migration and Asylum
	Russia	Annual work permits granted to foreign nationals	S	1,014,013	1,717,137	2,425,921	2,223,596	1,640,801	CARIM-East database, based on Federal Migration Service
	Ukraine	Foreign nationals temporarily employed in Ukraine according to formal employment contracts	F		7,383	12,003	12,439	8,939	CARIM-East database, based on Public Employment Service
		Annual work permits granted to foreign nationals	F	9,060	16,297	20,449	8,011	6,264	

Note: * F refers to flows, S refers to stock.