

The Implication of EU Membership on Immigration Trends and Immigrant Integration Policies for the Bulgarian Labor Market

INTERNATIONAL PROJECT
(2007 – 2008)

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Introduction

Dear Colleagues and Friends,

The present volume contains the research findings of the successfully implemented international project “The Implication of EU Membership on Immigration Trends and Immigrant Integration Policies for the Bulgarian Labor Market”. The transatlantic initiative of the Economic Policy Institute (EPI) was conducted within the period June 2007 – May 2008 thanks to the kind financial support of the German Marshall Fund of the United States (Washington) within the frameworks of the GMF Key Institutions Program on Immigration and Integration (Berlin). The project was conducted in close cooperation with partnering organizations from Hungary and the United States of America. The consortium involved the Council on Social Work Education, Alexandria, VA; Katherine A. Kendall Institute; the Institute for World Economics to the Hungarian Academy of Sciences, Budapest and the Institution for Hungarians in Neighboring Countries, Budapest.

In general, the transatlantic concept sought to examine the most topical and complex issues related to immigration and integration of immigrants into the labor market in Bulgaria. The specific goals of the action were to:

- Analyze the recent developments/changes of the immigrant flows, as a direct consequence of the Bulgarian accession to the European Union;
- Address the important issue of ensuring higher levels of migrant employment in the Bulgarian labor market;
- Examine what role can immigration play in filling labor shortages/gaps, caused by emigration;
- Elaborate and publicly discuss advocating policies towards the Bulgarian Government.

The international project aimed at laying down the groundwork for profound public debate and society’s engagement in the specific field of integration of immigrants and refugees in the Bulgarian society. The special focus of the conducted research was on the adjustment of immigrants to the host country’s living conditions and their integration into the local labor market. Applied and successfully-working Hungarian and U.S. migrant models and policies were shared in an effort to assist the process

of developing the existing governmental policies in Bulgaria towards immigrants and thus to ensure higher levels of migrant employment, professional and language training, re-qualification of immigrant workers, etc.

As part of the project and within the time period June 2007 – March 2008 were implemented the following research and public activities:

- Two transatlantic expert meetings in Sofia (organized on December 10 and December 13, 2007);
- One day study trip around the Sofia municipality – the expert team conducted meetings at the Temporary Detention Centre for Foreigners in Busmantsi and the State Agency for Refugees (December, 11 2007);
- One day study trip to Svilengrad - Border Check-point with Turkey (December 12, 2007);
- Publishing of a research edition on immigration trends and foreign citizen's integration into the Bulgarian labor market (March 2008).

We are aware of the limits of the current edition to make you a part of the transatlantic project “The Implication of EU Membership on Immigration Trends and Immigrant Integration Policies for the Bulgarian Labor Market”. Nonetheless, it is in EPI's major goals profile and line of activity to publish and disseminate project's findings and thus to actively contribute to widening the beneficiaries' circles. EPI believes this is the proper strategy to provoke higher networking and international cooperation and we would like to thank the colleagues, friends and actors who have inspired, trusted and supported us throughout the years. We thank once again our donor - the German Marshall Fund of the United States.

Last but not least, herewith the team of the Economic Policy Institute also would like to express its enormous gratitude to Mr. Danail Dimov, Director of the Temporary Detention Centre for Foreigners in Busmantsi; Ms. Ivelina Novakova, Work and Labour Office Expert, Integration Centre for Refugees of the State Agency for Refugees with the Council of Ministers and Mr. Nikolay Chilingirov, Head of Border Police Station in Svilengrad for their excellent cooperation within the whole duration of the transatlantic project.

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Immigration to Bulgaria – Preconditions and Possible Developments

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Introduction

By acquiring the status of an EU member-state country (on January 1, 2007), it is expected that in the next years and decades, Bulgaria will undergo a transition from a country of traditional net-emigration through the state of a transit country and finally to one of net-immigration. At present, the Bulgarian accession continues to play an important role for a lot of people of Bulgarian origin from Southeastern and Eastern Europe (especially from Macedonia, Ukraine, and Moldova) to apply for Bulgarian citizenship. However, Bulgaria, as a full-fledged member of the European Union, is attractive to people, not only from these regions, but also from different countries in the Middle East and North Africa.

Besides, despite the stable economic development in the past few years, some key economic indicators of Bulgaria still remain the lowest in the European Union. As a result, brain-drain and emigration of labour force - even though not with previous grave dimensions - are further observed. These recent trends cause serious shortages on the domestic labour market that could be partially filled with third-countries' nationals. Furthermore, due to the fact, that an integral state policy towards attraction of immigrants is still in progress, the current process of filling labour gaps is predominantly privately managed by several big Bulgarian companies employing foreigners in their industries.

Taking into consideration the above mentioned and following its long-term objectives to explore and analyse most up-to-date issues and to encourage pro-active dialogue and public discussions, the Economic Policy Institute, Sofia, held a four-day transatlantic workshop on December 2007 in Sofia as a part of its project *“The Implication of EU Membership on*

Immigration Trends and Immigrant Integration Policies for the Bulgarian Labor Market". The initiative was organised with the kind support of the German Marshall Fund of the United States, Washington within the framework of its Key Institution's Program on Immigration and Integration.

In this regard, the paper aims at revealing the developments described above on the base of the findings during the two transatlantic expert meetings and two study-trips within the four-day long event in December. Furthermore, it prioritizes also the revealing of economic pre-conditions speaking in favour or against possible immigration to Bulgaria and its role in solving problems on the country's labour market.

Migration in Bulgaria – Overview

At the risk of stating the obvious, demographic development of each country is a key national, social and security priority. For this reason, its main patterns as birth, mortality, and population growth rates are of enormous significance for each country's future development not only in terms of population number as whole but also if labour market, productivity and social insurance systems are considered. Nevertheless, nowadays, effects of even deteriorating demographic situation could be more or less alleviated through implementation of balanced immigration policy. However, it is proved that such kind of short-term solutions have long-term implications that can not be ignored. It is beyond any doubt that "importing" of skilled and well educated labour force is a primary aim of almost every developed country in the world and since the competition between them is particularly high such "importing" is not a working option for less attractive countries. When it comes to Bulgaria, possible solutions may include attraction of Bulgarian emigrants and/or foreign citizens of Bulgarian origin to return/come to the country.

First and foremost, before dealing with immigration to Bulgaria in detail, a brief overview of country's migration trends and demographic development and is to be provided.

The Balkans and South East Europe as a whole are said to be a migrant area. Traditionally, for economic and political reasons, outward migration is an option for most people in this region. Similarly after the collapse of the socialist system and the fall of the Iron curtain, outward migration has become quite important. In this regard Bulgaria does not make an exception.

Moreover, migration is a crucial issue for Bulgaria in the framework of the existing demographic condition of the Bulgarian population which is outcome of a prolonged influence of variety of factors. Some of these factors are related to the general demographic trends of the European countries while others are connected with Bulgaria's specific historic, economic and cultural development.

The demographic development is influenced by the demographic processes that are typical for developed countries – low marriage and birth rates and increased urbanization –and by the processes specific to developing countries in transition – increased mortality rate and intensive emigration. The overall result of these processes is the severe demographic crisis that Bulgaria is facing in the recent years.

Taking this into consideration, the current paper aims at focusing on the effects of migration within the aforementioned developments, their role so far and future opportunities migration might provide in facing current challenges both in demographic point of view and on the labour market.

Present implications of migration for Bulgaria have started some 20 years ago. After several decades of free movement restrictions, the democratic changes in Bulgaria after 1989 resulted also in opening up of the borders. Understandably, this led to waves of large-scale emigration. Firstly, the outward migration was on a political and ethnical basis while in the following years emigration has been predominantly determined by economic circumstances and factors.

However, exact data on the volume of emigration is not available since the less complicated border and other related procedures are, the more difficult is to keep track of the people who leave the country, the aim and length of their stay abroad and last but not least their personal perceptions and motivation to leave the country.

Nevertheless, in order to have more or less a general picture of the approximate numbers it is appropriate to summarize the available data on external migration. It is necessary to apply some statistics from reliable sources like the Bulgarian Academy of Sciences (BAS) and the Ministry of Labour and Social Policy. According to BAS the negative migration balance for the whole period 1989-2001 amounts to 670 000. More comprehensive but more serious records as well are provided by Emilia Maslarova, Minister of Labour and Social Policy. "For the last 14 years country's population decreased by more than 1.2 million people, 868 000

of them have left the country mainly due to economic and social reasons”, said Maslarova on January 9, 2006 during a presentation of a report within a meeting of the Consultative Council for National Security to the President of Republic of Bulgaria, entitled “Elaborating of a strategy for demographic development of Republic of Bulgaria”. Furthermore, if estimates of the Bulgarian Industrial Association are considered, as of 2008 Bulgarian emigration numbers more than 900 000 people.

To a big extent, this more or less official statistic is evaluated by approximate estimates. At the same time the number of emigrants from Bulgaria for the same period is indefinable, which let to be concluded that the real number of Bulgarians outside the country is higher.

As of December 31, 2007 the number of people who resided in Bulgaria on a permanent basis was 7 640 240 people¹. Compared to data for 1990, when country’s population amounted to 8 669 269, its number had decreased by 1 029 029 people. According to the same statistics for 2007, 2 960 people have declared officially change of their places of residence from Bulgaria to a foreign country, while the number of foreigners settled in Bulgaria is 1 560. The official statistic defines the former as emigrants and the latter as immigrants. Logically, the migration saldo for the mentioned period is negative and amounts to 1 400 people. Presumably, the number of these legal immigrants is to be considered as relatively precise, whereas the number of the emigrated people is quite questionable due to the nature and the length of the people’s residence abroad as for instance seasonal employment or obtaining education in a foreign country.

Immigration to Bulgaria

As a country suffering form severe emigration, analyses in Bulgaria have predominantly emphasized on outwards migration flows and their economic, social and demographic impacts. This can be also explained with the scale of immigration to Bulgaria in the last decades which is comparatively low. On the one hand it is due to free movement restrictions posed during the communist regime, on the other hand it results from the economic problems Bulgaria faced in the 90s which made the country far from being attractive end-destination for immigrants.

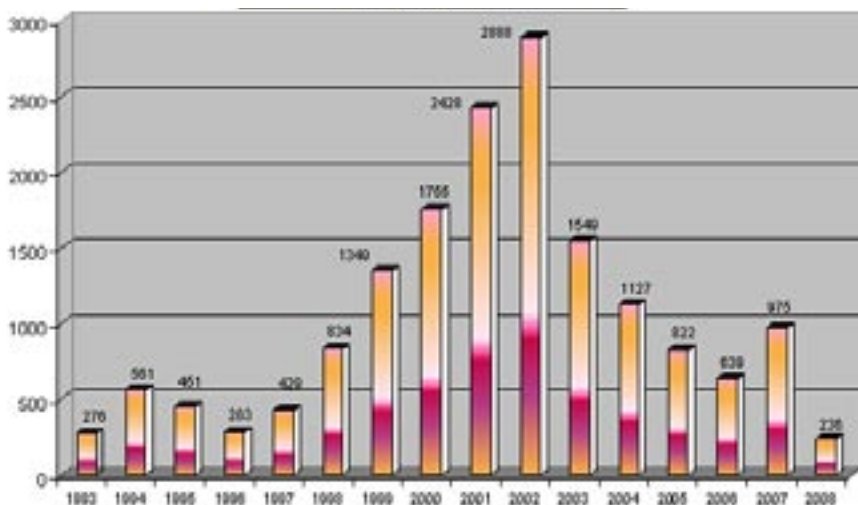
However, despite the mentioned restrictions before 1989, Bulgaria was not absolutely isolated towards the rest of the world in terms of peo-

¹ National Statistical Institute

ple's movement. Following a long-term policy higher education were provided to left-wing students and intellectuals from third world countries who were thought at Bulgarian universities

Furthermore, in the 1980s the need for labour force in certain economic sectors like construction had as a result Vietnamese immigration to the country. Following the purpose of the paper the controlled immigration of Vietnamese workers was the only one example of labour migration as such in Bulgarian history while for its geographical location Bulgaria has always played more or less an important role as a transit country particularly for refugees from Middle East and North Africa. Their number has been varying during the years but in general it remains at a low level.

Graphic 1. Bulgarian State Agency for Refugees - Number of applications submitted (01.01.1993 – 31.03.2008)



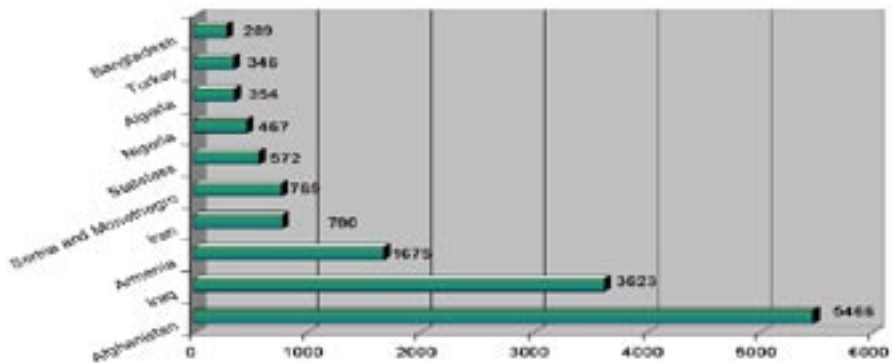
Source: State Agency for Refugees with the Council of Ministers

As it can be seen from the graphic above, an increase in submitted applications is to be observed in 2007 compared to the year before and the prospects for 2008 envisage also at least a slight increase of this figure. It is assumed that to a big extent this development is due to country's accession to EU which facilitated many travel procedures and at the same time is considered as an easier option for (il)legal refugees to enter the older EU members states or at least these with better economic indicators than Bulgaria.

The same trend of increase has been also observed by the experts involved in the project of the Economic Policy Institute on “The Implication of EU Membership on Immigration Trends and Immigrant Integration Policies for the Bulgarian Labor Market”. 12 December 2007 the participants travelled to the border city of Svilengrad. The agenda included both meetings in and visits to immigrant facilities. It began with a visit to the Border Police Station in Svilengrad where the current challenges before the authorities in the border region were presented. According to the up-to-date statistics of the Border Police, the number of illegal immigrants, caught in this border region, experienced a significant increase from 97 in 2006 to 767 as of 12 December 2007.

This statistic supports once again the assumption that Bulgaria is getting more and more attractive if not as an immigrant country but as a transit one moreover that the country is a kind of a gateway to Europe and for this reason it has often been a favourite channel for smuggled drugs, goods and people. What is more, joining the Schengen Agreement, probably in 2011, along with abolishing of systematic border controls between participating countries, will make Bulgaria even more attractive especially for traffickers since once entered the country they will have an unlimited access to other member countries. Of course, such kind of development is to be predicted and according to official statements currently border security technologies undergo steady modernisation.

Graphic 2. Bulgarian State Agency for Refugees - Top 10 Refugee Countries of Origin (01.01.1993 – 31.03.2008)



Source: State Agency for Refugees with the Council of Ministers

As shown in both graphics most of the refugees coming to Bulgaria are from war regions as Afghanistan and Iraq and their numbers were particularly high in the years when the military operations against both countries began. Although it is too early to generalize, 2007 marks a change in refugees' number in Bulgaria which is to increase in the years to come which will not be result from a serious external events or factors but rather than from country's EU member status.

Demographic Implications

After concentrating on migration from and to Bulgaria in its both directions, this section is concerned with their demographic dimensions. Several demographic indicators are also provided since they are essential not only as a precondition and/or result from emigration but also play a crucial role in the arising public debate in Bulgaria concerning possible immigration to the country.

Table 1. Population in Bulgaria as 31 December of the following years

Year	Total
1990	8 669 269
1995	8 384 715
2001	7 891 095
2005	7 718 750
2006	7 679 290
2007	7 640 240

Source: National Statistical Institute

Although country's population continues to decline, some positive tendencies were observed in the recent year which is mainly due to the economic stabilization and the (See Table 1). These trends find their expression in higher birth rates and life expectancy which determinates overall population decline at slower pace (by 39 000 people or 0.5% compared to 2006). However, external migration is further negative and average age of population is going upwards from 39.9 in 2000 to 41.5 in 2006.

According another demographic indicator as of 31 December the population in Bulgaria at working age amounts to 4 817 000 (63.0%) which marks a slight drop as well. It is alarming that this percentage remains almost the same during the last few years while the number of younger

population decreases rapidly. Compared to the respective previous year in 2007 it dropped by 14 000 people and in 2006 by 23 000 (Table 2.)

Table 2. Population by working-age status

Year	Total	Age Groups		
		under working age - %	at working age - %	over working age - %
1990	100	21.6	55.5	22.9
1995	100	19.1	56.6	24.3
2001	100	16.3	59.2	24.5
2005	100	14.8	62.4	22.8
2006	100	14.6	62.8	22.6
2007	100	14.5	63.0	22.5

Source: National Statistical Institute

As a conclusion from the data above it might be pointed out that it is 2007 when population growth rate marks the lowest decline since 1995 – 37 655 or -5.0%.

Main Indicators

The below outlined indicators seek to reveal to what extent immigration is a possible solution to the challenges Bulgaria faces at present in terms of shortage of labour force. In general, these key indicator can be divided into two groups – the first one supports the idea of immigration whereas the second one emphasis rather on the human resources within the country and their possible optimizing.

Table 3. Main macroeconomic indicators (%)

Main macroeconomic indicators (%)	Years					
	2003	2004	2005	2006	2007	2008
Real GDP growth on annual basis	5.0	6.6	6.2	6.3	6.2	6.0*
Inflation - annual average rate	2.3	6.1	6.0	7.4	7.6	N/A
Employment rate – total %	52.5	54.2	55.8	58.6	N/A	N/A
Unemployment rate – total %	13.7	12.0	10.1	9.0	6.9	N/A

Source: Eurostat

*Forecast

Analysing the figures in Table 3 it is obvious that Bulgaria is experiencing a positive economic development in the last few years with steady

growth rates and declining unemployment. The latter trend is particularly notable in sectors like construction and tourism where labour force is even more lacking. For this reason, in order to keep this economic development at the same pace as so far, more and more business sectors call for facilitating the process of “importing” foreign workers.

The average exit age from the labour market is another indicator which calls for filling of labour market insufficiencies by immigrants. According to this indicator, that gives the average age at which active persons withdraw from the labour market, Bulgaria, together with Romania, is holding the leading position in the EU. The average exit age for 2005 and 2006 in Bulgaria (60.2 and 64.1) and Romania (63.0 and 64.3) exceed the estimates for EU (27 countries) which respectively are 61.0 for 2005 and 61.2 for 2006. Thus, it is evident that it will be difficult to include more people into the labour market since a relatively high level has been already reached.

See Graphic 3!

Taking into consideration the data revealed above, it is to be underlined; however, there is another group of indicators that are rather sceptical about the demand of foreign labour force. They include figures about labour productivity and life-long learning.

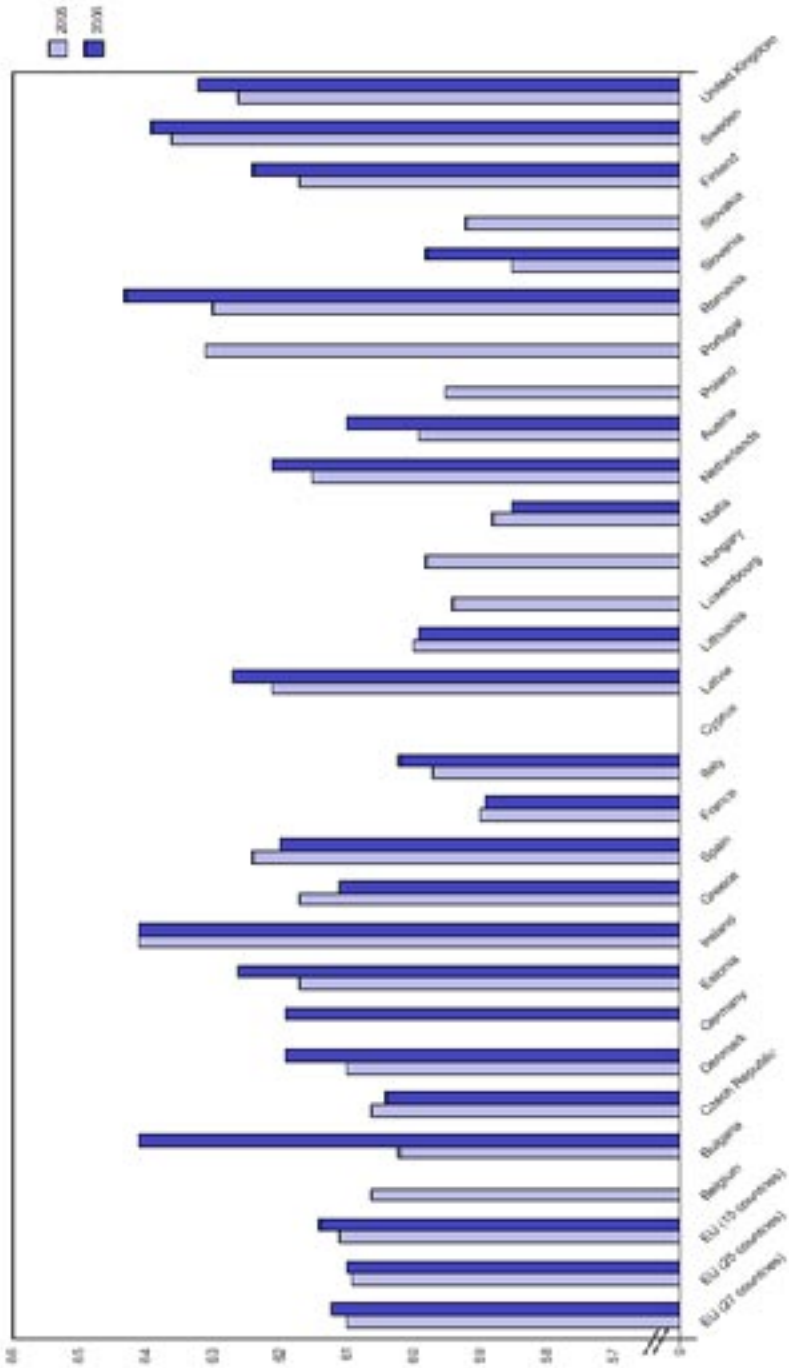
See Graphic 4!

This graphic considers GDP in Purchasing Power Standards (PPS) per person employed relative to EU-27 where EU-27 is equal to 100 since the Gross domestic product (GDP) is a measure for the economic activity. It is defined as the value of all goods and services produced less the value of any goods or services used in their creation. GDP per person employed is intended to give an overall impression of the productivity of national economies expressed in relation to the European Union (EU-27) average. If the index of a country is higher than 100, this country's level of GDP per person employed is higher than the EU average and vice versa. Basic figures are expressed in PPS, i.e. a common currency that eliminates the differences in price levels between countries allowing meaningful volume comparisons of GDP between countries. It is to be noted that “persons employed” does not distinguish between full-time and part-time employment.

The statistics for Bulgaria reveals a slight increase from 35.7% in 2005 to 36.3% in 2006 which is still the lowest level in the Union. Next to the last is Romania with 41.8% and 42.6%.

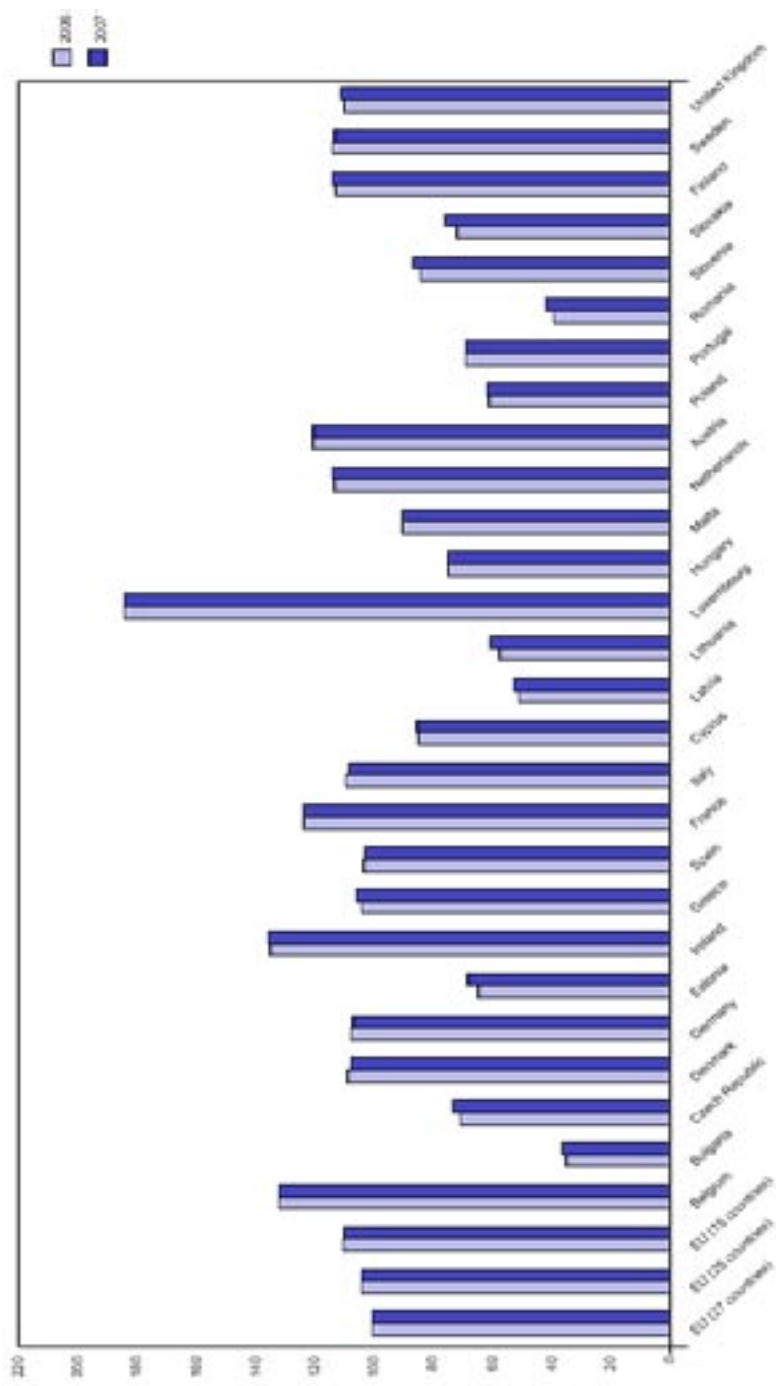
See Graphic 5!

Graphic 3. Average exit age from the labour force – total



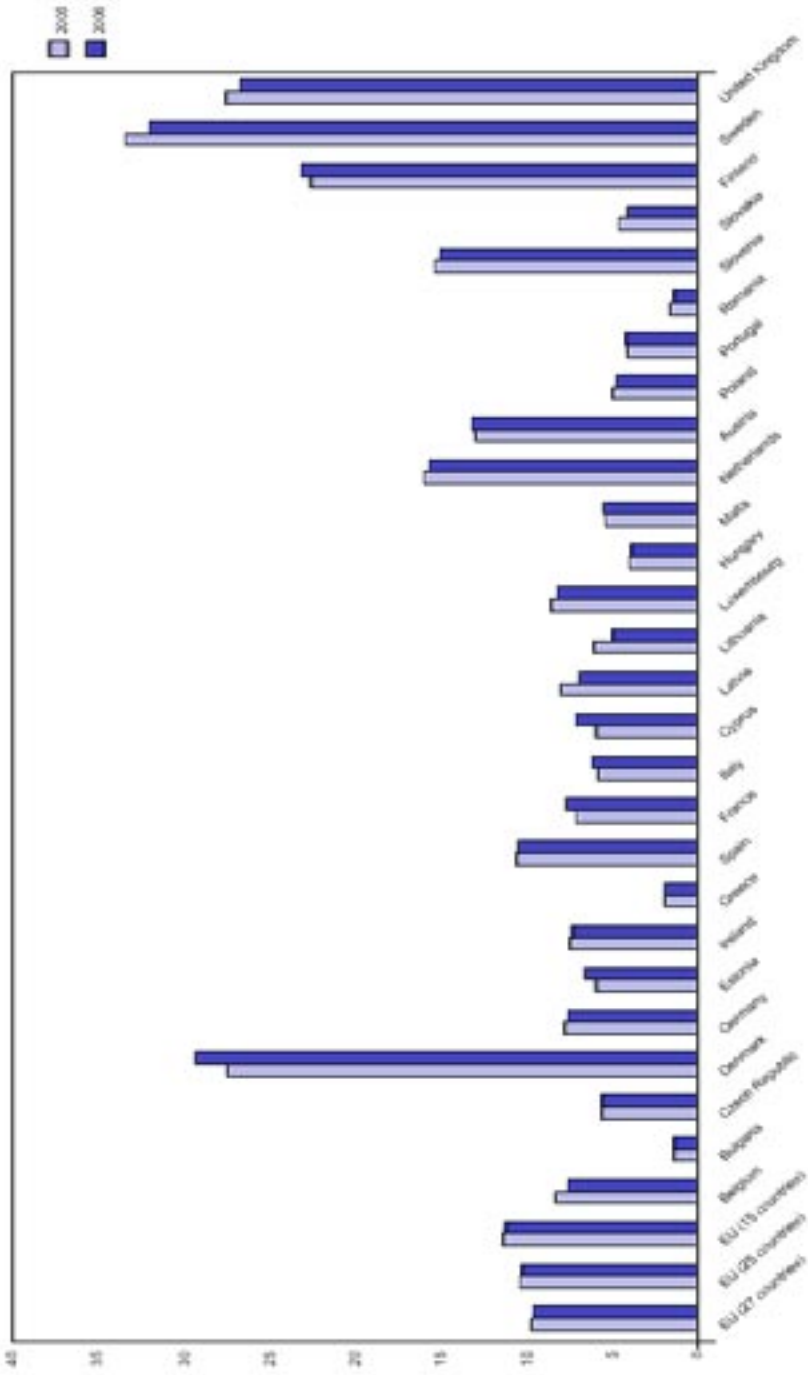
Source: Eurostat

Graphic 4. Labour productivity per person employed



Source: Eurostat

Graphic 5. Life-long learning (adult participation in education and training) - total



Source: Eurostat

Graphic 5 shows the percentage of the adult population aged 25 to 64 participated in education and training in four-week time before the survey. The information collected relates to all education or training whether or not relevant to the respondent's current or possible future job.

As lifelong learning concept is set to be the core of the ambitious EU Lisbon 2010 process, in which the whole of the European Union should become a learning area, it is quite important to compare the data for Bulgaria to these of other EU countries. Again Bulgaria holds the last position with 1.3% of the whole population for both years. The overall estimates for EU (27 countries) show 9.7- 9.6%, while Sweden, Denmark and UK head the ranking with about 30% of their population.

The last two indicators let us conclude that before resorting to labour force “importing” several possibilities do exist and their proper use i.e. increasing labour productivity and involving of greater numbers of the Bulgarian population in lifelong learning programmes may contribute to the overall optimizing of the employed labour force and soften the need of implementation of immigration measures.

Migration – Effects and Implications

The restrictions some Western countries imposed in the 1990's led to selective functions of migration. Priority was given to young and well educated people. Furthermore, the state has made investments in their educational and vocational development and they easily adapted to the market economy requirements. The loss of these proactive people may turn out as a burden to transforming of Bulgarian economy into more efficient and high technological one.

The emigration of young and well-educated people has been accompanied by emigration of low-skilled labour force in the recent years which nowadays has as a result shortage of labour force in labour intensive sectors as construction which by definition demands not only for well qualified employees.

Furthermore, since its accession to the EU, Bulgaria enjoys facilitated travel requirements and restriction towards Bulgarian traveling or living within the Union despite the restrictions some old member states imposed in regards to their labour markets. For instance, the German government announced in the second half of 2007 that those Bulgarians who have completed their education in Germany can remain and work in the country. This means leakage of intellect which Bulgaria must be able to retrieve. These people will be necessary for Bulgaria provided that there are investments

and EU funds which Bulgaria should acquire and use in the years to come.

Nowadays, it is absolutely clear that in Bulgaria there is already a shortage of work force – weavers, builders and people who are directly connected with production. It seems that unemployed people in Bulgaria are in deficiency.

It is logical that in such case Bulgaria should turn to its neighbours like Macedonia, Serbia and others who are not EU members. Bulgaria should facilitate the process of gaining Bulgarian citizenship in order to keep from making the mistake which Europe made in the 1950's of the last century when they workers from Eastern Europe were not imported because of the Iron curtain. Then the working places were occupied by persons from North Africa, Turkey and Asia which led to the present crisis with the communities of immigrant workers. They failed to integrate themselves in the local communities but their children as well. This led to a strong social division which is turning into cultural stratification. Basing on this experience, Bulgaria should prevent this from happening.

In 2007 Bulgaria received 12 411 applications for Bulgarian citizenship. Six thousand of them came from Macedonian citizens, and 1 000 from Moldovans according to information announced by the Vice President Angel Marin, whose jurisdiction includes the power to grant and revoke citizenship. Between 2002 and 2007 applications numbered 39 076, of these, 13 925 were from Macedonian citizens. However, 711 applications submitted by Macedonian citizens in 2007 were based on false documents, claiming Bulgarian ancestry, which shows that their decisions are motivated more by pragmatism than by a desire to return to a homeland – real or imagined since having a Bulgarian citizenship means at least an easy access to the EU.

For certain groups of immigrants the immigration to Bulgaria is temporary, and they look upon Bulgaria as a country where they will prepare for further emigration. In the meantime, the number of people who want to live in Bulgaria without having any prior connection to the country is increasing. In 2007 the number of immigrants – primarily from Turkey, Afghanistan, Iraq and Palestine – who tried to enter Bulgaria illegally rose by 64 percent in comparison to 2006, so data of Bulgarian Border Police authorities.

Since massive emigration has already pushed up wages at a much higher level than supported by productivity increase, immigration is more often seen as a possible solution for filling labour gaps and “letting the steam”. In this regard, some related administrative procedures are to be simplified.

At present, there are several institutions in charge of migration management are: a) visas are issued by the Ministry of External Affairs and its consular units; b) stay permits, issuance of formal identification documents and the exercise of compulsory administrative measures are in the field of the Ministry of Interior which is also responsible for border control; c) the Ministry of labor and social policy issues work permits for foreigners; d) asylum seekers are provided with support by the State Agency for Refugees with the Council of Ministers which is also in charge of granting of particular status; e) applications for asylum and Bulgarian citizenship are approved by the Ministry of Justice and President's office.

When access to the labour market is concerned, in general, two residence regimes are applied – for EU citizens and non-EU citizens. Understandably, for the former legal procedures for receiving long-term residence has been facilitated while for the latter other regulations are in force. In this regard, visa "D" is required for foreigners of non-EU citizenship, including non-EU citizen family members of Bulgarian citizens.

Since the largest flow of immigrants to Bulgaria consist of non-EU countries and it is expected that this will be the case also in the future, access to the market of larger groups of migrants will be further regulated by visa "D" regulations.

If a non-EU, non-asylum seeking foreigner is to work on a labor contract in Bulgaria, firstly his/her Bulgarian employer should submit an application for a labor permit before the Ministry of labor and social policy. What is more, foreign employees within the respective Bulgarian company should not be more than 10% of the total number of employees. Furthermore the foreign employee should be paid a minimum salary significantly disproportionate to the minimum salary received by Bulgarian employees. Last, but not least, relatively high administrative costs are necessary (about 1300 Bulgarian Lev/ 670 Euro) during the whole triple-level procedure, which requires it's consideration once before the Ministry of labor and social policy in order to receive the work permit; once before a diplomatic and consular mission of Bulgaria abroad in order to apply for receiving a visa "D," and lastly before the Ministry of Interior for receiving a stay permit.

Conclusion

According to official information, Bulgaria's green card system, giving right to foreigners to live and work in the country, will start functioning

in 2008. In spite of the fact there are about 260 000 unemployed people in Bulgaria and the low labour productivity, Bulgarian business faces workforce shortage and that is why foreign workers must be attracted. Although more and more companies on the market have difficulties in employing personnel, this will be found very controversially by most Bulgarians moreover that measures towards attracting Bulgarian emigrants are still missing. Furthermore, announcements for importing of workers from Vietnam or the Philippines will further cause disapproval among the local population, not only because their different ethnical and cultural background, but also due to the not very far-sighted perspective of such decision and the negative experience some western states gained with immigration and integration in their countries. For these reasons, decisions makers in Bulgaria should carefully examine all opportunities and threats immigration may provide and last but not least they should not succumb to the pressure of the business since its goals often proved to be with short-term implications, rather than with long-term effects.

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Integration of Immigrants into the Labor Market – Best Practices in France, Germany, Netherlands, Spain and the United Kingdom

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Abstract

This part of the research project aims to reveal the integration policies implemented by the five EU countries (France, Germany, Netherlands, Spain and UK) which could be considered as the hot spots of migration inflows in the last two decades both from EU27 nationals and non-EU27 nationals. Large experience of the authorities in these countries dealing with the issue in the context of the aging population in Europe could be considered and applied in the decision-making process in Bulgaria. After becoming full-fledged member state of the EU Bulgaria inherited the key role to manage an important part of the external borders of the Union. The pressure of the migration inflows to the country will further increase after entering the Schengen zone in the period 2011-2013.

We use the labor market as a point of departure to our research work considering that the inclusion of the foreign nationals into the local labor market will on one hand contribute to fostering their integration in the society and filling the enlarging gaps in certain sectors of the labor markets. In the first part of the paper we made a brief review of the immigration trends and labor market statistics in the five targeted countries. Afterwards are drawn some of the best practices in the integration of immigrants in the labor market. In the final section “*Recommendations for*

Adjusting Successfully Working Immigrants' Strategies in the Bulgarian Context" are made some suggestions and recommendations for the measurements that could be useful in building adequate immigration policy in the case of Bulgaria.

I. Immigration Trends in France, Germany, Netherlands, Spain and United Kingdom

France

The immigrant population over 15 years of age in France during the year 2002 was 2,974,900. According to the results of the 2002 employment study, the immigrant labour force amounted to 1,623,786 people, which was 6.2% of the total labour force. Out of all these 1,190,110 were employed on the labor market. The immigrant labour force was made up of more men (59%) than women. Each year, approximately 100,000 immigrants joined the labour force, which represented 12.5% of all new workers. This number has fluctuated over time, between 65,000 or 9 % per year (1995 and 1996) and 120,000 or 16 % (1992 and 1998). In 1999, the immigrant population accounted for 9 % of the employed labour force, excluding the public sector. In most of the cases immigrants have been engaged under fixed term contracts (13%) or part-time (19%), as compared to French nationals. The labour force participation rate of women has increased significantly over the period of 1990 to 1999 (from 41 to 57.1%).

In 2004 according to the National Institute for Statistics and Economic Studies (France) approximately 4.9 million immigrants were living in France, which represented 8.1% of the total population. 40% of them had the French nationality that they have acquired by naturalization or marriage:

- 1.7 million immigrants, (35% of the immigrants and 2.7% of the total population) were originating from a European Union country. The progressive fall of the number of Italian, Spanish or Polish immigrants is compensated by the arrival of immigrants coming from other countries. The number of Portuguese immigrants remained stable compared to the year 1999. The immigrants coming from extra community European countries were in high rise – 250,000 people.
- 1.5 million immigrants, (31% of the immigrants and 2.4% of

the total population) were originating from North Africa. The number was in rise of 220.000 compared to 1999.

- 570,000 immigrants (12% of the immigrants and less than 1% of the total population), were coming from sub-Saharan Africa. This figure was 45% higher than in the year 1999. Every 2 Africans out of 3 came from old French colonies.
- 830,000 people, (17% of the immigrants and 1.3% of the total population), came from the rest of the world, mainly from Asia. The share of Asia (including Turkey) in the immigrant population was 14% in comparison to 12.7% in 1999 and only 3.6 % in 1975.

The passage from an immigration of work (primarily male), to a policy of family regrouping in the middle of the years 1970 involved a growth of the feminization of the immigrant population, within which men and women are today in an equal number. The immigrant population is a little older than the non-immigrant population, because the majority of its members arrived in France after the age of 15 and their children born in France are considered among the non-immigrant residents. The educational level of the immigrants is in clear progression. Today, a quarter of the immigrants have a diploma of higher education, (four times more than in 1982). The majority of the immigrants reside in Ile de France¹ (40%) or in South-East. One inhabitant of the Paris area on six is an immigrant.

Immigration towards France is mainly of African origin (the North and Black Africa). The source of the migrants changes quickly: nearly two thirds are coming from North Africa, in particular from Algeria and Morocco, as compared to a little more than half five years ago. We can notice a fall of the entries on family grounds, passing from 109.800 entries in 2004 (63.1% of the total) to 102.500 in 2005 (60.8%). On the contrary, the entries for reason of work recently increased, passing from 20,900 in 2004 to 22,800 in 2005, which is an increase from 12% to 13.5%. In spite of a reduction of 16% of the requests for refuge in 2005 (42,000 new requests), in 2006 France remained the OECD countries which recorded the greatest number of requests.

France's new immigration and integration law, adopted on July 25, 2006, aims to overhaul France's immigration system by giving the government new powers to encourage high-skilled migration, fight illegal migration more effectively, and restrict family immigration. Although

¹ Region around Paris.

the new law is applied for just few months now (it entered into force in early 2007), one of its pillars has been already considered as unsuccessful. The number of people deported for not having the required documents reached only 13,000 by the end of July 2006, which is half of the Interior Ministry's goal for the year 2006 of 25,000, inciting protests from tens of thousands of French citizens. Those unrests serve as a proof for the fact that it will not be easy for France pass the transition to a selective immigration system that 1) emphasizes employment-driven immigration at the expense of the 113,000 immigrants who arrive in France annually for family-related reasons and 2) that carries out a robust campaign against illegal migration.

Germany

Since the 1990s, analysts have constantly paying attention on Germany's ongoing need for immigrants in order to bolster economic development, maintain a dynamic workforce and deal with the rapid aging of the country's population. In 2003, the number of legally resident foreigners in Germany was 7.3 million, which comprised 8.9 % of the total population. Citizens of the former guest worker countries continued to make up the largest share of this number, which notably included 1.9 million Turkish citizens, of whom 654,000 were born in Germany. Another 575,000 Turks had been naturalized since 1972 and were not show up in statistics of the foreign population.

In addition to the data presented above, the foreign population also included 1,050,000 people from the former Yugoslavia, 600,000 Italians, and 355,000 Greeks. Other important countries of origin included Poland (325,000) and Austria (190,000). About 25 % of the total foreign population was from EU member states, and an additional 55 % came from other Western and Eastern European countries like Norway, Switzerland, Russia, Ukraine, and Hungary. Overall, 80 % of the foreigners came from Europe, while almost 12 % were Asians.

Since the asylum law was tightened in 1993, illegal immigration has been constantly growing. However, there were no reliable estimates on the number of illegal migrants staying in Germany. In contrast with countries like the US, Greece, or Italy, a legalization program for undocumented immigrants has not been carried out, or even seriously discussed in political circles.

In 2001, the government counted an estimated 1.1 million refugees in the legal foreign population of 7.3 million. That included 301,000 recognized asylum seekers and their family members, along with another 164,000 refugees whose applications for asylum were still being processed. There were also 416,000 de facto refugees and foreigners whose deportation was suspended — those who either did not apply for asylum but enjoyed temporary protected status, or whose application was not accepted but could not be returned to their home countries for a variety of reasons and therefore received a temporary residence permit. Another 173,000 of the 1.1 million refugees were Jews from the former Soviet Union who came to Germany since reunification. An interesting moment is the fact that the members of the last group were not required to prove that they, as individuals, have been persecuted in order to immigrate to Germany. As reported by the Federal Statistical Office on the basis of provisional results, 662,000 persons immigrated to Germany in 2006 and 639,000 persons emigrated. This results in net inward migration of 23,000 persons. That was 46,000 immigrations less and 11,000 emigrations more than in 2005. Consequently, net inward migration decreased strongly from the previous year (–71%), following a decrease by just 4% from 2004 to 2005.

In 2000, a new citizenship law came into force, the first such measure in nearly 90 years. For the very first time, children born to foreigners in Germany automatically receive German citizenship, if the family could prove that one of the parents has been a legal resident for at least eight years. There is also an option that children could hold the nationality of their parents, but they must decide to be citizens of one country or the other before the age of 23. This provision became an obligatory circumstance when the German conservative opposition to the ruling coalition did not accept “dual citizenship”. Such a citizenship has been granted only in exceptional cases - e.g., temporarily or if the applicant’s country of origin impedes the process of releasing him or her from citizenship. However, the latest figures on naturalization at the same time show that dual citizenship is still very significant. In 2002, 43 % of those who became German citizens could retain their original nationality, while in 2001 the share was even higher, reaching 48 %.

The demographic effects of the new citizens have already become visible. In 2000, 41,300 children born of parents with non-German citizenship became German by birth. In 2001 the figure was 38,600. Without

the new rule, these children would have appeared among the statistics on the foreign population and therefore would have increased the number of foreigners by at about 80,000 people.

In August 2000, Germany introduced a “green card” system to help satisfy the demand for highly qualified information technology experts. In contrast with the American green card, which ensures permanent residency, the German version limits residency to a maximum of five years.

Netherlands

During the forties and fifties of the last century, many people from the country’s former colony, the Dutch East Indies, came to the Netherlands. At the same time, many people left the Netherlands during the fifties and sixties. Encouraged by the Dutch Government they headed for countries such as Australia, Canada and the United States. Thus, starting in the sixties, the Netherlands gradually became de facto an immigration country. Large groups of people from a wide range of countries came to the Netherlands. Three factors were the real reason for this immigration trend: decolonisation, economic growth and international developments.

With an ageing population, a strict immigration policy, and recent migration trends, the Netherlands could be facing some troubles in the future. While immigration into the state was on the rise, more and more people were emigrating from the country. In the year 2006 over 2005, net migration flows for the Netherlands increased significantly. A surprising number of people emigrated from the country, which has outpaced immigration since 2003. However it was a fact that at that time immigration (while on an increase in the last few years) was not particularly high as compared with earlier years. The highest recent immigration trend was in 2001, with 133,404 people immigrating to the country that year.

The figures, released by Statistics Netherlands, show that the number of people immigrating to the Netherlands increased by 9192 from 2005 to 2006. In 2005 the number of immigrants who settled in the country was 92,297. In 2006 the number was 101,489. The increase is attributed mostly to Dutch emigrants returning home, as well as the influx of new EU citizens coming from Eastern Europe. The second largest group of immigrants was from Poland. Numbers of migrants from traditional sources of immigration such as Turkey, Morocco and Suriname were reducing.

In 2005, the number of people who emigrated from the Netherlands

was 92,297. In 2006, the number was 132,682 - an increase of 40,385. The rising emigration numbers could possibly be attributed to lower housing prices and attractive mortgage taxes in neighboring countries such as Belgium and Germany.

Coupled with low birth rates and an ageing demographic, the population of the Netherlands is expected to drop in the coming years if something is not done. Some possible solutions have been recently announced by an Advisory Board to the Dutch Government which are to implement a better immigration strategy to bring in skilled foreign workers and to reduce barriers to lesser skilled workers where possible.

Spain

During the last decade, foreign population in Spain has surged from 0.35 million in 1991 to almost 2.7 million in 2003, that is, which represented an increase of 1 % to 6.25 % of the total population. There was a clear regional concentration of the foreign population in Madrid and the Eastern part of Spain. South America and Africa were the main areas of origin of the immigrants (about 30% and 20% respectively). About 50 % of the immigrants had secondary studies, while around 15 % had tertiary studies and almost 60 % of them arrived after 1995. Finally, the foreign population was relatively young with about 60 % of the immigrants in the 20-44 age group, and men of 25-34 years of age being overrepresented.

According to municipal rolls, foreigners living in Spain on January 1, 2005 totalled more than 3,700,000, which was an equivalent of 8.5 % of the total population. If we look at country of origin, the main groups were Moroccans (with nearly 511,000 persons), Ecuadorians (498,000), Romanians (317,000), Colombians (271,000) and British (227,000). As a whole, these represented nearly half of all foreigners on municipal rolls. Given that at the end of September 2005, the number of those living in Spain with current residence permits (issued by the competent authorities apart from figuring on municipal rolls) was close to 2,600,000, the total number of immigrants without regular status still was around one million persons (600,000 less than at the end of 2004), in spite of the process for gaining normal status which began in February 2005.

Currently, there is no doubt that the majority of immigrants come to Spain in search of work. According to the Labour Force Survey, in the third quarter

of 2005 nearly 2,267,000 immigrants were employed mainly in services (59 %) and construction (21 %). In industry and agriculture, the proportion was much lower (12 % and 8 % respectively). The greater part (around 85 %) held a job with low qualifications clearly below their educational level, which in 80 % of the cases stood at a medium or higher level). As may be expected, the increase in immigrant labour has had a favourable effect on total registrations with Social Security to the point where close to 45 % of those registering in the past four years were immigrant workers.

United Kingdom

In 2001, 4.8 million immigrants lived in the UK, which amounted to 8.47 % of the total population, or 9.75 % of the working age population. Since then, Britain has experienced a further increase in its foreign born population, and the share of foreigners in the working age population in 2005 reached 11.5%.

The percentage of foreign born individuals in the working age population in Britain increased from 8.35 % in 1993 to 9.09 % in 1999 and to 11.5% in 2005. Immigrants to the UK had on average higher educational attainments than native born workers. In 1992, 1998, and 2005, respectively 10, 13 and 16 % of the native born population in Britain left full time education after the age of 21. For the same years at about 22, 28 and 35 % of the immigrants were living in the UK for more than two years, and 44, 52 and 45 % of the foreigners arrived in the UK less than two years earlier. On the other hand, while 69, 64, and 57 % of the native born population in 1992, 1998, and 2005 left full time education before the age of 16, this was the case for 45, 39, and 31 % of immigrants who where in the country for more than 2 years, and 16, 14 and 14 % of immigrants who arrived within the previous 2 years. All numbers refer to shares in the working age population. The occupational distribution of immigrants who have been in the UK for more than 2 years was similar to that of native born workers. However, recent immigrants (arrivals over the last two years) downgraded considerably, working in jobs that were less skilled and lower paid, with the exception of professionals which include engineers, scientists, medical doctors, professors, architects, lawyers, etc.

An estimated 591,000 people arrived to live in the UK for at least a year in 2006. This was slightly more than the previous highest estimate of long-term immigration of 586,000 people, recored in the year 2004. Of

all immigrants, 510,000 (86 %) were non-British citizens in 2006. Of all immigrants, 161,000 (27 %) had a 'definite job to go to' and 70,000 (12 %) arrived 'looking for work'. EU citizens were more likely to migrate to the UK for work related reasons than for citizens outside the EU. 61 % of non-British EU citizens came to the UK for 'work related' reasons. In contrast, only 32 % of citizens from outside the EU cited 'work related' reasons. London remained the most common destination for international migrants, with 29 % arriving there in 2006. However, this was down from 43 % in 2000. The other English regions and UK countries either retained or increased their share of immigrants over the same period.

II. Labor Market Characteristics in France, Germany, Netherlands, Spain and United Kingdom

The European labor market is characterized by territorial fragmentation. Thus, the difference between the unemployment levels in the EU member states is considerable and the regional variations within these countries are often even greater. Although there is a certain correlation between the level of economic activity (measured in GDP per head) and the level of unemployment, the correlation is still not strict at all. In some of the EU countries with a high average living standards, the unemployment rate is essentially high (in the case of Germany and France). The EU labor market is characterized with substantial immobility of the labor force. The overall figures show that less than 0.5 % of the workers in EU move to a different region every year. Currently, there is a process in Europe of outsourcing the industrial activities with low added value from Western European countries to Central and Eastern Europe.

France

At the end of 2007 the unemployment rate in France was 10 % and has not been below 8 % for the past twenty years. In this regard, there is room for discussion on the precise quantitative effects of strict employment protection and the minimum wage. These effects - combined with the uncertainty over the cost of dismissal to the employer and the fact that the minimum cost of labour exceeds the potential productivity of a number of low skilled workers - appear to be responsible for a large part of the high level of structural unemployment, especially among certain groups, such as youth and the long-term unemployed. These policies are intended

to place part of the responsibility for income protection and security of employment on employers. Over the years the response of employers to these increases in labour costs has tried to reduce the demand for labour even though reductions over the last decade in social insurance contributions for low paid workers have increased employment prospects for the low skilled. High employers' social insurance contributions have the same effect on the demand for labour at wage levels where these reductions no longer have an impact. On the other hand, the interaction of taxes, social security contributions and social benefits have led to poor labour market performance by tending to reduce the supply of labour.

In 1999, the unemployment rate for immigrants reached 22 %, as compared to 13 % for the total population. The 2002 figures also showed that 24 % of immigrant workers were unemployed as compared to the overall figure of 16 %. Even more alarming was the fact that 16 % of immigrants with higher education degrees were unemployed, compared to 8 % of the general population.

Germany

In the year 2007 Germany registered strong economic performance and increasing export figures. The economic upturn has affected the labour market. The unemployment figures were falling, while the number of employees liable for compulsory social insurance contributions was rising, together with the job vacancies. The average unemployment rate for the first ten months of 2007 was 8.6%. For 2006 it was 9.8% and for 2005 - 10.7%.

There are 42.09 million people of working age in Germany. In May 2007, 3.806 million of them were unemployed and 26.56 million were in jobs subject to compulsory social insurance. Three groups of people have been experiencing the above-average rate of unemployment: those aged over 50 (26.6 %), foreigners (14.7 %) and the under-25s (10.1 %). The average employment rate for 2005 and 2006 was respectively 66.0 % and 67.5 %. At the same time, policy programmes for long-term unemployed were targeting in particular older workers and young people to the age of less than 25 years. In 2006 the long-term unemployment rate (12 months or more) for the whole workforce was 5.5 % while for the people less than 25 years it was 19.5 %. Part-time employment in Germany for 2005 and 2006 was 24.0% and 25.8%. Employees with contracts of limited duration for 2005 were 14.1% and for 2006 were a bit higher - 14.5 %.

Netherlands

The unemployment rate in Netherlands in the first 10 months of 2007 was 3.29 %. The presented rather low figure was due to the existing Dutch policy to make paid employment financially attractive to citizens. One indicator was the increase of income by the transfer from social security benefit to a job at minimum wage level. In order to avoid a poverty trap, the introduction of a new tax system in 2001 has widened the gap between the minimum wage and social security benefit. Real wages were again much higher than the minimum wage level. In 2005 the average level of the lowest wage scales was 120.2% of the minimum wage. Moreover, since 2003 the employed person's tax credit was raised annually, providing for a step-by-step increase into 2007. In addition, the extra allowances for employees aged 57 and over were increased since 2003.

In the past few years, Dutch governments have been successfully trying to encourage labour market participation. Recent measures include the closing of early-retirement routes and greater emphasis on activating (long-term) unemployed, the partially disabled and social assistance recipients. Nonetheless, labour supply is still restrained by comprehensive social entitlements for those out of work, which benefit almost 17 % of the working-age population. In addition, the tax-and-benefit system and labour-market policies continue to discourage participation of several groups and to incite working short hours.

Although unemployment in the state is still low, the incidence of long-term unemployment is relatively high in comparison to countries with similar low unemployment rates reflecting the generosity of unemployment benefits. The duration of unemployment benefits has been reduced from 5 years to a maximum of 38 months, which represented a welcome move. However, benefit duration remained rather long in comparison with the international standards, especially for workers with long seniority. In combination with non-decreasing benefits, that was likely to dampen job-search incentives and create paths into early retirement.

Immigrants have traditionally made an important contribution to increasing the labour supply, as first-generation immigrants and their children constitute at about 19 % of the labour force. At the very beginning of the 2006 the Social and Economic Council has given advice to the Government on the question how to promote social innovation in the Netherlands. In this context social innovation meant to increase labour

productivity by modernising the organisation of work and utilising manpower. Recently, on the basis of this advice a Centre for Social Innovation has been established. This centre has a fund of € 2 million per year for the coming five years to invest in projects in this area.

The Netherlands has a special position as far as part-time work is concerned. Some 20 % of men and 73 % of women work fewer hours than the normal working week. Important factor in the promotion of part-time work was the introduction of three laws to encourage part-time work and to improve the situation of part-time workers:

- the Equal Treatment Act (Full-time and Part-time Workers) of 1996, stipulating that part-timers should not be treated less favourably than full-time workers;
- the revised Working Hours Act of 1996, which provides more opportunities for employers and employees to come to an agreement on working hours;
- the Working Hours (Adjustment) Act of 2000 which gives employees and civil servants the right to increase or reduce their working hours, irrespective of their reasons for doing so.

Over the last decade flexible work has also become an important aspect of the Dutch social policy. In consultation with social partners was issued legislation with the intention to find a balance between flexibility for employers and security for employees. On the basis of consensus between employers' organisations and unions, the Flexibility and Security Act came into force on 1 January 1999. The aim of the Act was to create a balance between flexibility and security, between the employers' ability to manage their companies flexibly on one hand and job and income security for employees on the other. The Act limited the number of times an employer could have a consecutive temporary contract with the same employee.

In 2002 of all employees, 11.7 % were working in jobs on flexible contracts. Of those 25 % were working through temporary employment agencies, almost one third were on-call workers and 43 % were working on a temporary basis. The Dutch practice reflects the concept of flexicurity, the combination of both flexibility and security. According to a comparative research, the Netherlands are currently showing the highest rate of flexicurity. Part-time employment in Netherlands for 2005 and 2006 was 46.1 % and 46.2 %. Employees with contracts of limited duration for 2005 were 15.5 % and for 2006 were 16.6 %.

Spain

Unemployment rate in Spain for the first 10 months of the year 2007 was 8.17 %. The Spanish economy grew steadily in 2006 with up to three points in comparison with the previous year. Economic growth and employment rates were registering better and better results. The strength of domestic demand was underpinned by the dynamism of private consumption and the increased gross fixed capital formation, with a significant recovery of investment in capital goods. Final consumption expenditure in 2006 was moderate, owing, principally, to the deceleration of final consumption expenditure on the part of the authorities, however household consumption expenditure remained stable. There was a significant increase in gross fixed capital formation; in particular the new burst of investment in capital goods, which maintained the trend toward recovery initiated in 2003. All these resulted in positive trend in employment, with slight moderation in the fourth quarter of 2005 in year-on-year terms, which, combined with the bigger rise in the active population, served to explain the lower rate in the fall in unemployment. On average in the 2006 financial year, figures show highly favourable evolution of the labour market, reflected in a higher rate of generation of employment and reduction of unemployment than in 2005.

As at December 2005, there were 2,102,937 people registered as unemployed - a little more than in previous years. Out of them, 40.51 % were male and 58.35 % female. The breakdown by sector was the following: agriculture 3.10 %, industry 14.32 %, construction 11.65 %, services 22 %, and no previous employment 10.69 %. The Public Employment Service had 17,164,965 contracts registered in 2005, a 4.97 % increase in comparison to 2004. Of these, 1,542,838 were indefinite and 15,622,127 were permanent. Part-time employment in Spain for 2005 and 2006 was 12.4 % and 12.0 %. Employees with contracts of limited duration for 2005 were 33.3 % and for 2006 were 34.0 %.

United Kingdom

Compared with most other OECD countries, the United Kingdom has relatively few distorting labour market regulations. As a result, job-to-job mobility between similar industries is relatively high, suggesting that resources shift quite smoothly. The labour market is also better at getting the unemployed back into work than labour markets in the

country's large European neighbours, although some Scandinavian economies have much higher unemployment outflow rates.

Strong economic growth over the past decade helped to reduce the unemployment rate from around 8 % in 1996 to a low of around 4.5 % in 2004. Since this was the same year that the United Kingdom opened its labour markets to workers from the new EU member countries, an influx of migrants helped to fill skill vacancies and cool inflationary pressures in the labour market. Since then the unemployment rate has crept up to around 5.5 %, but it was unclear whether increased immigration is partly responsible. In general, the UK's workforce grew at an average annual rate of 0.7 % between 2000 and 2005. The fastest growing region was Wales with an average workforce growth of 1.4 %, while expansion of the workforce in the East of England was the slowest at 0.4 %.

Despite the significance of manufacturing in the UK, the sector and its workforce have been in decline for many years, as the economy restructures away from traditional industries towards service sector activities. Indeed, employment in the sector declined by 3.9 % on average per annum between 2000 and 2005 – resulting in a reduction of approximately 821,000 in the manufacturing workforce. Regardless of the decline of manufacturing employment, the UK labour market is currently considered as the most successful of the major European economies. Employment rates are markedly higher than the eurozone average, and dynamic job creation has encouraged significant inward economic migration from the new EU member states.

Approximately 75 % of the population of working age in the UK is in employment, however, at a regional level, employment rates vary from 79 % in the South East to 69 % in Northern Ireland. The average rate of unemployment was 5.3 % in 2006, although this has increased from the 4.8 % recorded in 2005. In the first eight months of 2007 the average unemployment rate stayed almost unchanged at the level of 5.32 %. London, despite of its dynamic economy and highly paid workforce, also has the highest rate of unemployment - 7.7 % - as areas of extreme wealth co-exist with areas of relative deprivation and joblessness. This is a pattern that is repeated throughout the UK, with unemployment rates varying greatly between different local authorities districts in the same government office region.

The number of people in employment for the three months July-September 2007 was 29.22 million. This was the highest figure since

comparable records began in 1971 and was up to 69,000 over the quarter and up to 178,000 over the year. Total hours worked per week were 937.8 million, up 0.3 million over the quarter and up 10.4 million over the year. The inactivity rate for people of working age was 21.2 % for the three months to September 2007, unchanged over the previous quarter, but up 0.2 over the year. The number of economically inactive people of working age increased by 8,000 over the quarter and by 127,000 over the year, in order to reach 7.97 million. Part-time employment in United Kingdom for 2005 and 2006 was 25.4 % and 25.5 %. Employees with contracts of limited duration for 2005 were 5.7% and for 2006 were 5.8 %.

III. Immigrants Integration Strategies on the Labor Market in France, Germany, Netherlands, Spain and United Kingdom

This section offers a typology of integration strategies and policies for immigrants in the selected EU member states: France, Germany, Spain, Netherlands and UK. It outlines their main trends and focuses on the scope (personal and material) and the nature of these programmes, as well as their implications (positive or negative) for the position of the immigrant.

During the past years, migrants have seriously contributed to the increase in the total labour force. Between 1995 and 2005, their number as well as their share in the total labour force increased in most EU-15 member states and especially in those of Southern and Northern Europe. Regardless of these facts, the European Commission said that despite the employment growth has been impressive during recent years the European Union will miss employment targets set out in the Lisbon strategy². Approximately 6.5 million jobs were created in the last two years and another five million are expected to be created in 2009. However, for the EU to reach its Lisbon strategy targets, 20 million jobs will have to be created by 2010. With skills shortages and an aging population continuing to be a problem for the 27-member bloc, migration from outside the EU could provide a partial solution. In a recent EC report on the subject of encouraging employment growth, immigration was cited as an important factor in continuing to encourage global competitiveness

² Adopted by the EU leaders in 2000.

France

The territorialized policies of integration characterize the French model, while other countries prefer antidiscrimination policies, multiculturalism, or the granting of local political rights. The French authorities have traditionally been very protective of their domestic labour force, and put many bureaucratic obstacles in the way of companies wishing to recruit foreign workers. Their attitude is changing due to an acute shortage of IT professionals, which is affecting the performance of many French companies. New procedures have recently been introduced to make the process faster and easier. However, despite these significant improvements, France remains one of the most heavily 'protected' labour markets in Europe. All French work permit applications are dealt with by the local Direction Departementale du Travail, de L'Emploi et de la Formation Professionnelle (DDTEFP) on a town by town basis. It is therefore impossible to give absolute processing times as it varies depending on the workload of the local office. There are two types of permit for France Temporary Secondment and Full Work Permit:

- *Temporary Secondment* - This is for a non French company which needs to place their employees on it's client's site in France. This can be applied for by the foreign company but needs the full co-operation of the French client. The seconded employee must remain in the employ, pay, and line management of the foreign service provider. The maximum duration of these permit is 18 months and may then be extended for a further 9 months.
- *Full Work Permit* - This is applied for by an established French company who wish to directly employ a non-EEA national. The candidate must be a full time employee and paid in. There is no time limit on this permit.

France's new immigration and integration law, adopted on July 25, 2006, aims to overhaul France's immigration system by giving the government new powers to encourage high-skilled migration, fight illegal migration more effectively, and restrict family immigration. The new immigration and integration law has four main objectives:

- recruiting skilled workers;
- facilitating foreign students' stay;
- tightening the rules on family reunification; and
- limiting access to residence and citizenship.

Recruiting skilled workers

The new law authorizes the government to identify particular professions and geographic zones of France that are “characterized by recruitment difficulties.” For those identified employers, the Government plans to facilitate the recruitment of immigrant workers with needed skills or qualifications. However, this means employers who are not on the government-selected list may have more difficulty (or may face longer waiting periods) obtaining residence permits for migrant workers they wish to employ.

Facilitating foreign students’ stay

The new law would require foreign students to receive approval to study in France from their country of origin. Once in France, foreign students who receive a masters or higher degree would be allowed to pursue a “first professional experience” that contributes to the economic development of both France and the student’s country of origin. The student will be granted a six-month renewable visa to look for and take up work in France.

Tightening the rules on family reunification

In an effort to prevent immigrant families from becoming dependent on France’s welfare system, the law also requires immigrants to prove they can independently support all family members who seek to come to France. More precisely, they must earn at least the French minimum wage and not be reliant on assistance from the French state. Access to government assistance is also limited to European Union citizens. Those who reside in France longer than three months without working or studying, must be able to support themselves without relying on social or medical benefits from the French government. Another modification to the family reunification policy is that spouses of French citizens must wait three years (instead of two) before applying for a 10-year residence permit. Four years of marriage are required for the spouse of a French citizen to apply for French citizenship. Finally, an immigrant found to be practicing polygamy can have his or her visa revoked. Furthermore, an immigrant must now wait 18 months, instead of 12, to apply to bring a family member to France.

Limiting access to residence and citizenship

Sarkozy argued that the previous (1998) law “rewarded” immigrants who broke the law by offering them legal status after being residents for 10 years. The

new law changes simplify the procedure whereby the Government can directly deport unauthorized migrants who are refused the right to stay in France.

Access to both citizenship and legal residence is dependent on the newly defined requirements of integration. For the first time in French history, a law explicitly states the integration responsibilities of immigrant. Specifically, immigrants must sign a “welcome and integration” contract and take French language and civic courses. Before applying for permanent residence, immigrants must accordingly prove that they are “well-integrated” into French society. The government understands integration in this regard to mean that the immigrant respects and complies with the principles of the French Republic and has a sufficient knowledge of the French language.

The integration contract (*contrat d'accueil et d'intégration* or CAI) in France equally seeks to formalise the obligation between the immigrant and the state. The latter will undertake to provide quality newcomer support services while the former will have to complete training integration requirements consisting of: a language course, vocational training, and civic and social orientation. The integration contracts, which last for one year, will specify language courses (between 200 and 500 hours) covering one-year periods and are renewable twice (for a total of three years).

Germany

In 1991 a new naturalization law marked the first breach in the opposition to the permanent inclusion of foreigners in German society. During the 90s the new arrivals were beset by the problems of high unemployment, social marginalization, and insufficient linguistic integration. Shortcomings in the educational system with regard to the teaching of linguistic skills and the acquisition of educational qualifications deprived large numbers of young foreigners of the opportunity to pursue a career and acquire social standing. Most asylum seekers and refugees were not allowed to work and were denied the permanent residence status that would have protected them from deportation. In 1998 the integration of foreigners into German society was depicted as an important task by the local federal authorities. In 1999 was introduced an amendment in the law of naturalization and the period of residence in Germany, required to qualify for naturalization was reduced to eight years. Aging of the Ger-

man population provoked widespread political response and a consensus policy on the necessity of organized immigration.

Despite Germany's long history of recruiting foreign workers, the turn toward a more organized and focused recruitment of highly skilled labour in 2000 marks a watershed. This change, coupled with a demographic shift toward a more elderly population and a continuing low total fertility rate (now at 1.4) led to a broader discussion about a formal immigration policy that takes these factors into account.

Supporters of new legislation pointed to demographic deficits and growing shortages of qualified personnel. Opponents countered by spotlighting a persistently high unemployment rate, which in 2000 stood at 9 % for the total working population, but hit 16 % for foreigners. Opponents also questioned the German society's capacity to integrate more foreigners. Both groups, nevertheless, agreed on the need to improve the integration of foreigners.

In 2000, the Government appointed a commission to work out proposals for an immigration and integration policy. In July 2001, the commission presented a report titled "Structuring Immigration, Fostering Integration". It highlighted well-known demographic developments, such as increasing life expectancy, low birth rates, and a workforce that was shrinking due to the aging population. In light of such developments, the commission argued for initiating a controlled immigration program for foreigners with favorable characteristics for integration into both the labour market and society. They proposed the implementation of a point system as a tool for selecting 20,000 immigrants per year, based on criteria of education, age, and language skills. In the event of urgent labor shortages, another 20,000 immigrants should be let into the country on a five-year basis. By that time, the authorities will have gathered some experience, and changes and improvements can be made.

Furthermore, the commission recommended certain measures to speed up the asylum procedure and make it more difficult for fraudulent applications to succeed, while rejecting proposals to eliminate the "fundamental right of political asylum" guaranteed by the Constitution. Finally, the commission report calls for serious efforts to foster the integration of immigrants, citing knowledge of the German language as a crucial point.

A law was introduced to parliament in November 2001 by the ruling Social Democrat and Green coalition picked up on several commission

recommendations, including highly qualified migration and integration. The immigration of those who plan to establish a business was also welcomed, and there was no cap on the numbers of such entrepreneurs. However, companies could only hire temporary migrant workers outside of the categories outlined above if there were no Germans (or foreigners such as EU nationals, who are legally treated as Germans) available for the work. The legislation also provided for language classes for immigrants in the future — with failure to attend possibly translating into difficulties in extending residence permits.

The law arrived at a time when immigration itself was in transition. In a trend that could be seen across many developed countries, low-skilled laborers, recruited to feed an economic boom, were (and still are) giving way to a generation of skilled workers who are more carefully selected to meet the needs of the information age. Despite vocal criticism by the opposition, the law was passed by both chambers of parliament. It was subsequently signed by President Johannes Rau in March 2002 and was set to take effect on January 1, 2003. However, it was procedurally contested by the country's conservative opposition, which successfully filed a lawsuit in the Federal Court. In December 2002, the court blocked the immigration law. In January 2003, the Government re-introduced the unchanged law, since the court objected only to procedural failings in how it had been passed. In May 2003, the bill again passed the lower house of parliament. However, a month later it was voted down in the Upper Chamber, where the federal states were represented and the opposition parties had a majority. Subsequently, difficult negotiations between government and opposition failed to achieve a compromise.

In June 2004, the long-running and difficult negotiations finally led to a compromise. The agreed-upon legislation picks up several recommendations submitted in the 2001 report of the government-appointed commission, and parts of that year's proposed immigration bill including sections on labor migration and integration. However, the core of the law - the innovative point system for selecting immigrants - has been eliminated at the demand of the opposition Christian Democrats, who have the majority in the upper house.

The law, which finally passed both chambers in early July, will allow highly qualified non-EU-workers such as scientists or top-level managers to obtain a residence permit of unlimited duration at the outset. However,

companies can only hire non-EU workers if there are no Germans (or foreigners such as EU nationals, who are legally treated as Germans) available for the job. Under other provisions of the legislation, foreign students will be allowed to stay in Germany for a year after finishing their studies to look for a job. Finally, asylum seekers who are persecuted because of their sex will be recognized as refugees.

For their part, the Christian Democrats negotiated to obtain provisions that facilitate the deportation of foreigners for reasons of national security. This appears to be connected to security concerns that dominated negotiations in the wake of the September 11, 2001 terrorist attacks in the United States, and later the terrorist attacks in Spain on March 11, 2004. Besides allowing the deportation of foreigners on the basis of a “threat prognosis” supported by factual evidence, the new law will make it easier to deport religious extremists.

However, the potential for migration from Eastern Europe is declining. The birth rate in many of the new member states has been low since political transformation at the beginning of the 1990s. As in Western Europe, a decreasing number of people will be of working age. Therefore, it seems that Germany will not be “swamped” by migrants from the new member states – though at the same time, this means those migrants may not be available to solve the demographic problems of Germany’s aging population. Either way, there is still a need for highly qualified workers in Germany. The initial closure of the labour market to citizens of the new EU states and non-EU citizens, which will be changed little by the immigration law, is likely to channel them to traditional immigration countries such as the United States, Canada, or Australia.

It remains to be seen if the new immigration law will help attract highly qualified migrants to Germany - one of the main goals of the legislation from the beginning. Many analysts are skeptical about what it will accomplish in this regard, since the point system that was widely touted as the best way of reaching this goal has been eliminated. However, the true test of a new approach would not only be how well an immigration law helps Germany meet its need for workers, but also how successfully it eases the handling of domestic concerns about integration and national identity.

The new German Immigration Act, which came into force on 1 January 2005, provides for highly qualified persons to be granted permanent

residence and permission to work from the outset, rather than five-year work permits as was previously the case. They must have a concrete job offer and get permission from the German Employment Agency. The new law also makes an attempt to reduce bureaucracy. Would-be immigrants will now report to one central place, most likely the German embassy in their home country, to receive work and residency permission.

With the introduction of the new German Immigration Act on January 1, 2005, foreigners need to obtain only a German residence permit, which gives them the right to work, rather than separate residence and work permits. Citizens of the US, Australia, Canada, Israel, Japan, New Zealand, and Switzerland may apply for their residence and work permit while remaining in Germany as visitors. Citizens of these countries, however, are not allowed to work in Germany until after their work and residence permit application is approved. Citizens of most other countries are required to apply for and obtain a residence and work permit prior to entering Germany at their German consulate. In Germany, the new Immigration Act provides a compulsory integration programme consisting of language training aimed at giving participants a good command of German together with an orientation course in which immigrants learn about the German legal system, history and culture. The stated aim of the integration policy is to make the newcomer autonomous in everyday life.

Most notably, the reforms regularized the status of “tolerated” asylum seekers, raised the minimum age of family reunification for spouses from 16 to 18, and required those wishing to naturalize as German citizens to vow that they accept the rule of law and democratic norms of German society. Anyone wishing to immigrate to Germany must now also pass a basic German-language test. Policymakers also incorporated a recommendation from the Interior Ministry’s evaluation of the 2005 law when they reduced the minimum investment level for entrepreneurs wishing to immigrate to Germany from 1 million euros to 500,000 euros. Also, these immigrants will need to create five new jobs instead of 10 as previously required. The changes are intended to make Germany a more attractive destination for foreign entrepreneurs.

A second set of reforms updated Germany’s integration program for immigrants. Notably, these reforms will increase the maximum number of hours of German language instruction from 600 to 900, decrease

the amount of federal subsidies offered to those immigrants who cannot fully afford to pay for the courses, and impose financial penalties for immigrants who are required to take the courses but fail to enroll. Although the subsidy structure will change, the federal government also has decided to increase the integration course budget by 14 million euros to 154 million euros starting in 2008.

Netherlands

The Netherlands have experienced sustained growth over the past several years partly due to its favourable position within Europe and its flexible labour force. It remains an attractive country for investment and for foreign nationals to work.

A new policy instrument apropos of the new philosophy was the civic integration courses that aimed to facilitate the initial integration of newcomers. This instrument for integration was developed at the local level among a number of cities in the Netherlands beginning in the early 1990s. In these reception courses, newcomers were given a toolkit comprising Dutch-language training material and information about how important institutions in Dutch society function. Before entering the Netherlands, newcomers are obliged to pass an exam that proves their language skills and knowledge about Dutch culture and society. Once admitted, they have to follow civic integration courses. The granting of renewals of temporary and permanent permits is subject to successfully passing these courses.

Before an employer can apply for a Netherlands work permit for a non-EEA national, it is normally necessary to show that attempts have been made to fill the position from the local and EEA labour markets. These attempts should include advertising in national newspapers, websites, industry publications, etc. However, the local employment service, or *Arbeitsamt*, will run searches for EU nationals with the appropriate skills by using the European Employment Services placement network (EURES). Usually Dutch employers should also have looked into training existing employees.

A few years ago the local Dutch labour authorities recognised certain shortages in some types of IT and Telecoms skills and work permit applications could be lodged for relevant IT / Telecoms positions without showing details of the above detailed recruitment search. Due to the current IT situation in Europe, it is not as easy to obtain work permits for IT

professionals but it is still easier to do so in comparison to other highly-skilled occupations, and usually does not involve the need to advertise.

Unfortunately, the application process for Netherlands work permits often means that candidates can not even visit the Netherlands to attend meetings while the Netherlands work permit application is being processed, unless they are non-visa nationals.

One attractive aspect of employing foreign nationals in the Netherlands is that many will qualify to receive 35% of their income tax-free. The effect of this is to make the overall tax burden similar to that faced in the UK. After having lived in the Netherlands for three years on a work permit it is often possible for an individual to obtain permanent residence. Thereafter they are free to take up any lawful employment and no longer require an employer-sponsored work permit. The number of temporary work permits granted to workers from the countries that joined the EU in 2004, mainly for low-skilled employment, rose to almost 60 000 in 2006 (0.6% of the working-age population) under a sector based transition arrangement. All remaining restrictions were abolished for this group in May 2007. People coming from Bulgaria and Romania remain subject to the strict labour market test applicable to all workers from outside the EEA. In many cases, this test entails a bureaucratic process to prove that no job seeker is available within the EEA. If labour shortages persist, the government should consider implementing a transition scheme for Bulgaria and Romania similar to the earlier scheme for the other new EU member states.

Spain

In 2005, Spain announced a general amnesty for illegal immigrants. By registering with the relevant authorities, formerly illegal immigrants were able to legitimise their presence in Spain.

EU nationals

In 2005 Spain announced that it will be opening its borders for workers from all EU countries in spring 2006. Therefore, as of that date, if you are an EU national you will not need a work permit to work in Spain — you can enter the country as a tourist and register with the Spanish national employment office (*Instituto Nacional de Empleo - INEM*) to look for a job. You then have 90 days to find employment — you can obtain an extension after that date or leave Spain and re-enter for a further 90 days.

Once you find a job, you will need your employment contract in order to apply for your residence permit.

Non-EU nationals

Residents non-EU who wish to work in Spain must obtain a work permit. They must also obtain a visa before moving to work in Spain. Work permits must be applied for at the Foreigners' Office (*Oficinas de Extranjeros*) or to the provincial office of the Ministry of Labour (*Delegación Provincial del Ministerio de Trabajo*), if you are already in Spain. If you are not in Spain, a work permit must be applied for at the Consular office of your home country. The provincial labour offices (*Direcciones Provinciales de Trabajo, Seguridad Social y Asuntos Sociales*) will decide whether the work permit will be issued or not.

United Kingdom

Contrary to continental approaches, the focus in Britain has not been on how newcomers can blend into the society, but on how society can achieve equal treatment of different groups.

The most important thing to understand in UK work permits is that in the UK the employer applies for the work permit and the work permit is granted for a particular employee. If you are an individual hoping to work in the UK, you cannot apply for a work permit. If you have a work permit for the UK, you can't change jobs without getting a new work permit. As with the initial application, extensions of work permission can be requested for up to five years. All applications for extension must be made before the current leave to remain expires. Note that extensions cannot be applied for in the case of Multiple Entry Work Permits but a fresh application for a further permit can be made once the individual concerned is outside the UK.

In 2002, a new opportunity to work in the UK for up to twelve months was announced under the work permit Sectors Based Scheme (SBS). The UK Government identified various skills shortage areas in the UK economy and the sector-based work permit scheme was introduced to address these shortages.

The accession of the new European Union member states in 2004, particularly Eastern Europe, brought in a larger than expected wave of immigration to the UK. In response, the government decided to phase

out the program by 31 December, 2006. However, with the addition of Bulgaria and Romania to the EU on 01 January, 2007, the government decided to extend the program to nationals of these countries.

The sectors based scheme only covers the Food Manufacturing Industry. During 2008, the United Kingdom will be overhauling its immigration law and implementing a points based system for non-European Union migrants wishing to come to the UK to work, study, and train.

The new immigration system will be broken into a five tiers. Each tier will have different conditions, entitlements, and entry requirements for migrants wishing to work in the UK.

Below is the current outline that the government has provided about the new points based tiered immigration system.

The five tiers are outlined below:

- **Tier 1:** For highly skilled migrants, entrepreneurs, investors, and graduate students. This is designed to replace the Highly Skilled Migrant Programme (HSMP), the Entrepreneur and Investor schemes, and the International Graduates Scheme.
- **Tier 2:** This is for skilled workers who have a job offer. This tier will encompass the current UK Work Permit rules.
- **Tier 3:** For a limited numbers of lower skilled workers to fill temporary shortages in the labour market.
- **Tier 4:** Students.
- **Tier 5:** For youth mobility and temporary workers, such as those who come under Working Holiday agreements with other countries.

Tiers 3 and 5 are temporary migration schemes and migrants who fall under these tiers will not be able to switch to a different tier from within the UK. The UK has also suspended Tier 3 in favour of migrants from the EU; however, this may change depending on labor market demands. Tiers 1, 2, and 4 will be eligible to switch to another tier once they are in the UK if they can meet the requirements of that tier. Tiers 1 and 2 can potentially lead to settlement if the permanent residence requirements are met at the time of application. Each tier will require the migrant to score a sufficient number of points to gain entry clearance or leave to remain (permanent residence) in the United Kingdom. Points will be awarded for various criteria specific to each tier. In all tiers, points will be awarded for criteria which indicates that the individual is likely to comply with immigration requirements. In Tiers 1 and

2, points will be awarded for criteria such as age, previous salary or prospective salary, and qualifications; a system similar to the current Highly Skilled Migrant Programme (HSMP) which has proven very successful. All migrants applying under Tiers 2-5 will be required to have sponsorship from a licensed sponsor (an employer or educational institution). The certificate of sponsorship assures that the migrant is able to perform the particular job or course of study. Highly skilled Tier 1 migrants do not require a job offer and thus do not require sponsorship. Dependents are allowed to come to the UK with the main applicant. However, they will not be allowed to work if they accompany a student under Tier 4 or a temporary worker under Tier 5 if -- in both cases -- the individual has been given less than 12 months leave to remain in the UK.

The UK has introduced a number of new UK immigration, naturalization, UK visa, work permit and UK working visa categories in the last few years. The points based skilled immigration category the Highly Skilled Migrant Programme (HSMP) introduced in January 2002 has proved to be very successful. A Summary of UK HSMP Changes, as of 17 November, 2006 has been placed here.

However, the HSMP is being replaced by Tier 1 of the UK's new five-tier points based system which will encompass all work, study, and training immigration routes into the country. People seeking extensions to their HSMP visa are now required to extend their leave to remain under Tier 1 for General Highly Skilled Migrants. Starting in April 2008, applicants located in India are required to file initial highly skilled migrants under Tier 1, followed by the rest of the world in summer 2008. The UK has also suspended Tier 3 in favour of migrants from the EU; however, this may change depending on labor market demands. Tiers 1, 2, and 4 will be eligible to switch to another tier once they are in the UK if they can meet the requirements of that tier. Tiers 1 and 2 can potentially lead to settlement if the permanent residence requirements

IV. Recommendations for Adjusting Successfully Working Immigrants' strategies in the Bulgarian Context

Currently, when the European Union enlarged to 27 member states, public opinion is sensitive to intra-European immigration and its impact on domestic unemployment rates.

The Bulgarian integration policy of immigrants into the labor market

should be coordinated within the intra-European policy. The point of departure should be from the position of still in a way developing country and the comparisons with the national integration strategies of the analyzed five developed countries (France, Germany, Netherlands, Spain and UK) should consider the large economic divergence. However, the successful implementation of the mentioned above strategies in the Bulgarian reality could be used as instruments to foster the convergence process.

Operating in the Bulgarian labor market, the local authorities in the past 15 years tackled large migration outflows with approximately 1.2 mln. people leaving the country. Despite the fact that unemployment rate in the state has decreased to the level of 6.6 % at the end of 2007, the ageing population will force the government to adopt immigration as a labour market strategy to fill the already existing labor market gaps. Through implementing strategies for integration of foreigners into the Bulgarian labour market policymakers should on one hand develop programs for the immigrants who are already in the country and on the other hand for those who will be attracted in the coming years in an effort to avoid shortages of employees in certain sectors.

In the last few years, the Bulgarian Government has already stated a policy of attracting back to the country emigrants with Bulgarian citizenship. However, in parallel to this initiative the state's authorities should provide opportunities for the immigrants on the Bulgarian labor market, thus avoiding any social contradiction which may occur. It is a fact that the economic actors as well as the authorities are not in a position to forecast precisely their future labor needs. Quantitative forecasts are difficult to make more than one or two years in advance for sectors, and more than six months for individual companies.

In general, the employment of migrants in the five targeted countries shows greater fluctuations than total employment in the host countries, since it is more sensitive to cyclical variations. The individual characteristics of migrants such as skills, professional experience, length of stay, and other issues related to their concentration in certain economic sectors and (in some cases) to various forms of discrimination, make them more exposed to overall economic trends. The presence of immigrants in the labour market of the host countries seems to confirm the segmentation theory, since foreign workers are willing to meet labour needs when activities at the bottom of the social scale become unattractive

for nationals. Moreover, the foreign labor force may facilitate labour flexibility in countries where the geographical and sectoral mobility of the native population is limited as is the case in Bulgaria. Currently, the unemployment rate in Sofia region is approximately 1.5 % while in some northern cities in the country the unemployment rate is significantly higher, reaching the levels of 15-20 %. The absence of any proportional allocation of foreign direct investments on regional basis also fosters the process of depopulation in some border areas.

The integration of immigrants in the labour markets of France, Germany, Netherlands, Spain and UK is closely related to their overrepresentation in certain employment sectors. This is, first of all, the result of the restrictive rules governing migrants' employment in the public sector of the host countries. Apart from that, the occupation of migrants in particular sectors mainly depends on the total employment in those sectors. The EU membership of Bulgaria makes the country attractive destination for immigrants not only for living but also as a departure point aiming immigration in the western countries through Bulgarian citizenship. This fact as the responsibilities which come for Bulgaria for being an external border of the Union impose tightening legal requirements concerning the immigration as well as better managing of the migration inflows. All the five countries have already implemented strategies for attracting highly qualified workers who are supposed to be a prerequisite for gross added value in the economy.

Among the foreign labour force, self-employment is also an important element in the integration of immigrants into the labour markets of the host countries. In this respect, the situation clearly differs from one EU member state to the other. The number of selfemployed foreign workers is relatively higher in Spain and the United Kingdom, and lower in France. However, this picture is fairly different when self-employment for foreigners is compared with the total figures for selfemployment. If we exclude agricultural activities, foreign self-employment accounts for the largest share of total self-employment in Germany. In general, the degree of participation of foreigners in non-salaried activities is related to the share of self-employment in the total employment of the host country and to the nationality of foreigners as well. We considered that it is easier for EU citizens than for third-country nationals to enter certain professions. In this respect Bulgarian business climate should be further

improve in terms of legislation of self-employment as well as in terms of part-time work and job places with fixed-term contracts.

For many reasons, foreigners are more vulnerable to unemployment than nationals. Economic trends and the nature of jobs taken on by foreigners determine both the disparities of unemployment figures between foreigners and nationals and the differences in the frequency of being without a job. Moreover, the demographic structure of the foreign population and such characteristics of migrants as age, length of stay in the host country, gender, skill level and knowledge of the language of the host country, play an important role in explaining their vulnerability to unemployment.

In any case, the presence of migrants on the labor market is not only related to migration flows but also to participation rates. Such factors as age, educational level, professional experience and family structure usually determine whether a person can participate in the labour market. Especially for foreigners, the participation rates are also related to the length of their stay and to their knowledge of the language.

Putting great emphasis on national policy initiatives for a particular group, increases the risk of subdividing foreigners into various socio-economic categories, and of becoming even more selective as regards their rights and the degree of their socio-economic integration. The best instrument for reaching high levels of social integration is through integration on the local labor market.

Basic prerequisite for integration on the labor market is knowledge of local language. Many countries throughout Europe implemented compulsory language tests for managing the migration inflows. Currently the Bulgarian system for integration of immigrants does not have enough capacity to provide adequate language courses. In terms of workforce integration, successful initiatives at the local level have provided immigrants the means for gaining the relevant skill sets to enter specific economic sectors, including further education and language instruction if needed.

Another key issue is implementing the regional policy on national level in terms of preventing the depopulation by providing jobs opportunities in different border areas and small towns by attracting foreign direct investments (FDI) and providing adequate infrastructure, housing and social services. An appropriate tool for fostering inflows of FDI could be offering of different tax reduction or even covering the minimum wages of the employed immigrants. Currently the Bulgarian

government implements such policy to decrease the unemployment rate among local citizens through stimulating employers to create more job places by ensuring minimum wages from the national budget.

An effective practice which is in use in Netherlands is signing an agreement between the government and the leading companies in the country for hiring with priority a certain number of immigrants for jobs, which require only low-skilled employees. This instrument could be effective only in countries with very low levels of unemployment which usually experience insufficiency of low-skilled employees such as seasonal workers in tourism or agricultural sectors.

Our recent research studies show that Bulgarian integration system is rather centralized and is focused mainly in the capital Sofia. Although reaching the strong and effective decentralized models in France and Germany are by far too optimistic aim for the local authorities any efforts in this direction will give positive results.

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The Migration Policy of The Republic of Bulgaria – Contemporary, Realistic, Balanced and Ensuring Stability

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The democratic changes in the Republic of Bulgaria, the process of expanding the European Union to the East, as well as the economic, political and cultural globalization on world scale, basically changed the character of the migration situation in the country. Up to 1989 Bulgaria, as the other countries belonging to the former socialist block, was characterized mainly as a closed state with restricted emigration as a result of exit visa regime. With the democratic changes in 1989 Bulgaria became an active subject within the European and global migration system. With the accession of ten new states from Eastern Europe to the EU on May 1, 2004 and the succeeding accession of Bulgaria and Romania on January 1, 2007 moved the Eastern border of the Union and created conditions for the facilitating of the migration in EU by citizens from other states within Central and East Europe, the former Soviet republics and countries from the Middle East and Asia. In contrast to the period before 1989 when Bulgaria had a limited migration profile after the democratic changes the country participates actively in the migration processes at European and world level. Bulgaria does not make an exception as regards the world trends of increasing population mobility due to the fast technological development, the accessible transport and communications.

With the development of Bulgarian economy the tendency for gradual transformation of the country from emigrant to transit and recently to an immigrant country is observed. With the adoption of the European legislation in the field of immigration, the securing of residence is assigned as compulsory condition for full rights membership in EU. Adapting of the legislation included introduction of strict requirements for providing visas to citizens from “risk” countries, approving and improving the laws

for combating the traffic of people and implementation of contemporary technologies for catching trespassers of the borders. The current migratory situation in Bulgaria shows patterns that are typical for the other EU member states from South Europe which turned within short periods from emigration countries to countries attracting immigrants.

The successful managing and regulation of the migration processes proved to be an important tool in terms of development in the frameworks of the globalizing world economy. This fact highlights the migration and immigrant integration issue as a key feature at national, regional and global level. Furthermore, the world witnesses a global redistribution of labour force which is an irreversible process that should be managed wise in interest of sending and receiving countries and migrants as well. Otherwise, inefficient migration processes management could lead to growing shadow economy, building up of tension in host countries and last but not least humiliation, exploitation and abuse of illegal immigrants.

Consequently, development and implementation of Bulgarian migration policy should be not only bound to the national interest of Bulgaria but also consistent with the obligation resulting from the full-fledged EU membership in this field, the new tendencies in global and regional perspective and the established international standards. A shortage of labour force has been already observed on the Bulgarian labour market in several business sectors and for this reason Bulgarian economy needs a well balanced acceptance of foreign workers.

Bulgarian migration policy should support the development of the domestic economy. The national interest concerning this issue requires first and foremost active measures to be taken in order to be attracted foreign citizens of Bulgarian origin. In this regard, legislation initiatives are to be launched which concern their settlement, education and work in Bulgaria.

Information on the current migration situation 2006 – 2007

The year 2006 is characterized by the increased flow of foreign citizens, who have crossed the borders of the country. The number of foreigners continuously or permanently residing in Bulgaria rises with small rates, but steadily during the last years. The number of the foreigners who were granted Bulgarian citizenship rises, whereas for the last years it was doubled. The number of EU citizens residing for long

steadily rises, as is the case with British citizens whose number is doubled every year.

According to the provisions of the Law for Foreigners in the Republic of Bulgaria:

- short-term residence is up to 90 days – Art. 23, para. 2;
- long-term residence is up to 1 year – Art. 23, para. 3, point 1;
- permanent residence is without time limit – Art. 23, para. 3, point 2.

As to the beginning of 2007 year, over 55 000 foreigners had been registered in the country. On the territory of the town of Sofia live 35 % of them, in Plovdiv and its district – 9 %, Varna and its district – 8 %, Burgas and its district – 5 %.

Characteristic indicator, showing the number of foreigners, is the number of the people who have **permanently settled** themselves in the country, i.e. who have acquired the right for long-term residence. During 2006 statute for long-term residence was received by over 14 000 foreigners, with 20 % more than the previous year. Statute for permanent residence in the country was granted to 3 100 persons, or with 1.5 % more than the number from the previous year.

Predominating grounds for allowing long-term residence of foreigners in the Republic of Bulgaria according to the Law for foreigners are: students, studying on regular bases – over 5 600 in 2006, followed by persons executing commercial activity in the country; persons, who have grounds to be given permission for permanent residence or have married a Bulgarian citizen or accompany a permanently residing in the country foreigner; members of the family of a foreigner, having obtained license for a long-term residence; foreign specialists, residing in the country on the bases of international contracts in which Republic of Bulgaria is a party.

Among the residents who have obtained statute for permanent residence in the country the largest number is that of the citizens of the Republic of Turkey – over 900 in 2006, followed by Russia, Ukraine, Macedonia and China. In comparison to year 2005 Chinese citizens who were granted permission for permanent residence are two times less.

Predominating grounds for allowing the statute of permanent residence in accordance with the Law for foreigners in The Republic of Bulgaria are: marriage with a Bulgarian citizen – over 1000 for 2006, following by persons of Bulgarian nationality or with permanently residing in

the country foreigner, born on the territory of Bulgaria who have lost their citizenship, underage children of Bulgarian citizens or of permanently residing in the country foreigners, persons who have lived legally and without interruption on the territory of the country during the last five years.

By the end of year 2006 there are around 1000 citizens from third countries who are working with work permit in the country. According to the granted permissions the countries rank as follows: Turkey – over 200, followed by Macedonia – over 160, Ukraine, India, USA, Serbia, Russia, China and so on.

An important element of the migration situation in the country is the file with applications for obtaining Bulgarian citizenship. Most of the applications are filed in by citizens from Macedonia and Moldova. As basic motive the citizens of Macedonia and Moldova point out their origin and self-consciousness in order to utilize the benign procedure for obtaining Bulgarian citizenship. The total number (of citizens of Macedonia, Serbia, Moldova, Albania, Ukraine, Russia, Montenegro) increases from a little bit over 2 500 in 2001 to a bit over 14 000 in 2006. The total number of individuals who were granted Bulgarian citizenship with a Decree from the Vice President of the Republic of Bulgaria is rising from over 3300 individuals in 2002 to over 6600 in 2006.

With the accession of Bulgaria as a full rights member of EU an increase of the willing to obtain Bulgarian citizenship citizens from third countries, utilizing the benign procedures, foreseen by the Law for Bulgarian citizenship to individuals of Bulgarian origin is observed.

During the last years the tendency of consolidated interest towards permanent settling in Bulgaria on behalf of citizens from the European Union is getting bigger and bigger. Explicit interest for receiving statute for a long-term residence is delineated on behalf of British citizens, with 50% more than the previous period, whereas the tendency for the last three years is stable. The large number of German and Greek citizens is retained, as well as expressed desire to acquire statute for long-term residence in the country on behalf of citizens from Cyprus and Italy is also reported. Predominating grounds for long-term residence are: studying (students on regular bases) – over 5600, followed by people performing business activities in the country, permanent residence or marriage to a Bulgarian citizen or to a permanently residing in the country foreigner and gathering of families of foreigners with long-term residence permits.

The result from the scrutinized movement shows that by the end of year 2006 there are 536 citizens from the European Union on the Bulgarian labour market. The number of the employed from the neighbouring countries Rumania and Greece is 130 persons.

Information on the economic situation and labour market

The Bulgarian economy keeps its dynamic development. During 2006 Bulgarian economy noted a record-breaking growth with 6,1%. On the bases of the data, gathered by the National Statistic Institute (NSI), the gross domestic product of the country reached a nominal value of 49,09 billion Leva (25,09 billion Euro). As a whole the growth of the Bulgarian economy remains relatively high since year 2002, despite of the observed slight retardation after year 2004. Basic prerequisite for the positive development of the GDP during the last several years is the expansion of economic freedom. Over 69% from the GDP is produced by the private sector. The basic factor for the growth with regards to the final utilization is the domestic demand.

Following the steady economic growth, the average working salary is raising during the last couple of years with almost 10% per year in nominal expression basically due to the stable macroeconomic environment. This keeps on influencing positively the development of the labour market in the country. The tendency for constant, stable flow of foreign investments in Bulgaria continues.

Demographic tendencies

A firm tendency for reducing the number of the population in the country is set up. The basic problems in the demographic development of the country are the reduction in the number of the population and the deterioration of its age structure. By the end of 2006 the estimated constant population in Bulgaria is 7 718 750 people. For one year only, compared to 2005, and as a result of the bigger number of deaths than births, the number of the population decreased with more than 42 000 people, or with about 0,5 %. One of the main problems continues to be the ageing of the population. The average age of the population, generally for the country in 2006 is 41,2 years, whereas during 2001 it had been 40,4. The average duration of people's lives for the period 2003-2006 is 72,55 years. The observed tendencies for ageing of the population during the last years

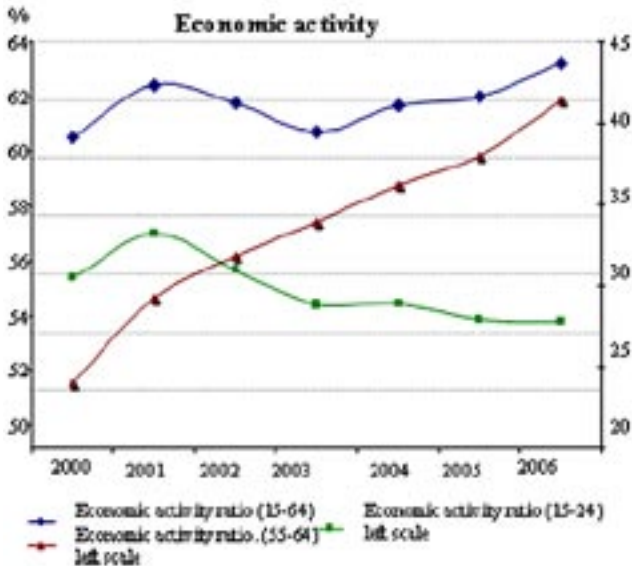
condition the necessity of continuing the policy for raising the economic activity of the population by increasing the age, wherefrom the necessary labour force for the development of the economy will be secured.

Economic activity

The level of economic activity of the population belonging to the group from 15 to 64 years of age increases from 60,7 % during 2000 to 64,2 % for 2006. Notwithstanding the observed growth in the activity level, there are still around 36,8 % from the population in the group from 15 to 64 years of age who are outside the labour force, whereas 1/4 from the people within this group want to work, but are not looking for a job due to various reasons. The activity level of young people (15–24 y.o.) for 2006 is averagely 27,7 % (bigger part from this group still belong to the education system). For the same period the level of activity among the adults (55–64 y.o.) is 41,4 % as compared to 38 % average for 2005.

The economic activity to a large extend depends on level of education. During 2006 economically active are 85,5 % from the individuals with university education as compared to 72,4 % during 2005. Considerable increase in the economic activity is observed among people with lower education degree, respectively: 73,2 % for the people with high school degree, 38,2 % for people with primary school degree and 25,6 % for people with elementary degree or lower degree of education.





Employment

During the last years stable tendency for increasing the number of employed individuals is observed in the country. For year 2006 the employed at the age from 15 to 64 years of age are 3 055,8 thousand. The employment coefficient for the same period is 58,3 % with 2,5 percentage points more than the previous year. The tendency from the last years for smooth increase in the employment coefficient is preserved, but nevertheless it is still considerably lower than the one in EU-25 – 64,3 % for 2006. The employment coefficient for individuals with graduated university education is 82%, with graduated high school education – 67,3 %, with primary – 31,2 %, with elementary and lower – 16,7 %. The fact that the level of employment among people with high school education and acquired vocational qualification (71,5 %) is rather higher than the level of employment of people with general high school education (58,2 %) is indicative.

Regional differences

One of the basic problems on the labour market in Bulgaria during the last years is the availability of considerable and stable regional differences. With regards to all indexes, the terms of the labour market in the South-West region are most favourable, while the level of economic activity and employment are lowest in North-West region – respectively 40,7 % and

35,7 %. Unemployment rate has decreased in all regions for planning, notwithstanding that there is still essential difference between the level of unemployment for the whole country – 6,7 % and the level of unemployment in the North-Western region for planning over 12 %. Increase in the degree of dispersing of the indexes for economic activity and for employment in the regions for planning was observed during the period 2003-2006. Positive tendency is observed only with regards to the unemployment level. This tendency is preserved during the first half of 2006 as well.

Unemployment

During the last years the unemployment has dropped considerably. The current rate for the end of 2007 is calculated as 6,7 % – the lowest level since the changes started 18 years ago. Stable tendency of decrease is also observed with registered unemployment. Within the educational structure of unemployed, the biggest relative share is still occupied by the individuals with elementary or lower education – 60,6 %, followed by the ones with high school degree – 33,1 %. The share of unemployed with university degree in the totality of registered unemployed remains unchanged – 6,4 %. Within the vocational-qualification structure of the unemployed, the share of unemployed with no qualification is still predominating – 64,7 %. In 2006 the number of the unemployed with workers' skills decreases by 18,0 %, while the number of the unemployed specialists decreases by 17,6 %.

Information about the Bulgarians living abroad - inseparable element of Bulgarian nation

There is no single answer to the question what is the number of Bulgarians living abroad. The information is quite fluctuating due of fact that different estimates do not match to each other and an official statistic data is missing. Nevertheless, there are several sources of information which could be referred to. Firstly, it is the information that is provided by Bulgarian diplomat and consular representations, data-bases of the State Agency for Bulgarians Abroad and estimates of Bulgarian communities in the countries of residence. Furthermore, to be considered are sources of scientific nature – historical, statistical and demographic studies and data (both Bulgarian and foreign), documents, memoirs, etc.

Generally speaking, persons of Bulgarian origin living in other countries are: persons without Bulgarian citizenship, persons with Bul-

garian citizenship or persons with double citizenship. Having in mind the conditional nature of this statement, almost one million people with Bulgarian citizenship live abroad.

National migration and integration strategy

The already outlined trends of the labour market in Bulgaria and of the migration processes at global, regional and national level gave the opportunity for defining the frameworks of the Bulgarian migration and integration policy towards third-country nationals. These guidelines were elaborated as of March 2008 as part of a project on National Migration and Integration Strategy that is envisaged to be in force during the period 2008 – 2015.

Understandably, this strategy is bound to the National Employment Strategy, National Strategy for Demographic Development of the Republic of Bulgaria, National Housing Strategy, National Poverty Reduction and Social Exclusion Strategy, National Health Strategy and further strategic documents concerning the respective policy field.

The project on National Migration and Integration Strategy places an emphasis on the following two strategic objectives aiming at supporting Bulgarian economy and efficient controlling of migration processes as well:

- attracting of Bulgarian citizens and foreign citizens of Bulgarian origin for permanent settlement in the country
- implementation of new and adequate policy towards admission third-country nationals.

These two objectives should be fulfilled in mutual synergy and following the national interests of the country and its citizens.

For these reason, it is not by accident that Bulgarians abroad are highlighted as a main priority within the migration and integration policy which present two inseparable processes that could reach the desired beneficial results only if they are applied together.

In order to achieve the first strategic objective the implementation of two programmes is foreseen. The first one aims at attracting back to the country Bulgarians that have left it in the last two decades. The second programme includes measures for attracting of foreigners of Bulgarian origin and facilitating their permanent settlement in Bulgaria. In this regard, issuing of a “green card” is to be launched. However, it will not be a typical “personal document” and will not substitute the residence permit but it will provide a set of rights available only on the territory of the

country. Furthermore, this approach will exist parallel to the procedure for granting Bulgarian citizenship. It is also to be pointed out that “new” Bulgarians are expected to contribute to the development of the Bulgarian economy and society as workers, self-employed persons, entrepreneurs, creators, etc. and also by paying taxes and investing in Bulgaria and thus supporting Bulgarian agriculture, tourism, transport, culture, etc., as, actually, other Bulgarians do. The endmost objective is their long-term settlement in Bulgaria instead of in other EU member states.

As regards the second strategic objective it prioritizes the following areas: admission of foreigners to the domestic labour market, their integration into the Bulgarian society, efficient control of the external borders, struggle against illegal immigration and trafficking, mechanisms for returning of migrants and regulation of the migration processes.

Further steps include the introduction of annual branch quotas regulating the admission of foreigners, foundation together with the social partners’ organizations of a special Council in charge of determination of the volumes of these quotas and concluding of agreements on employment of foreigners in the country. The basis of these activities is provided by eleven principles for integration of foreigners in the Bulgarian society and the EU tendencies in the field of migration issues as a guidance for the policy Bulgaria will implement in the years to come as a full-fledged EU member state.

It is to be emphasized that a foreign citizen is allowed to enter the labour market after a Bulgarian employer has announced a job vacancy and it is proved that for the respective position there is neither Bulgarian applicants, nor citizens of other EU member states or foreigners with a permanent stay permit in Bulgaria. The employer is responsible for the acceptance of the foreign workers by ensuring payment or conditions allowing a satisfactory way of life. On the contrary, the foreign employee is obliged to return to the country of origin after contract expiration. This aims at fostering circular migration and avoidance of “brain-drain”-effects in the home countries.

The above described draft-strategy is elaborated by team of experts not only from the concerned governmental bodies and units but also from syndicates, NGOs and academia. This draft document underwent several stages of discussions in different formats as working groups and national councils and finally, after a broad public debate the Council of Ministers is about to approve it in due course. The strategy will be in

force till 2015 and will be divided in four-year stages in order to keep track of the dynamics in the development of the migration processes at national, regional, European and world level.

Co-operation within the EU

After January 1, 2007 Bulgaria become not only a full-fledged member of the EU, but also was given the opportunity to participate in the decision-making processes in the Union and thus to contribute and influence the developments on Community level, including the issues concerning free movement of people, migration and immigrant integration. The involvement in the EU policy and practice results from the obligations the Republic of Bulgaria has assumed with the Treaty of Accession 2005 and also from the regulations and directives, the existing practice and initiatives in the field.

In terms of the free movement of people Bulgaria does its best to give a proof to its European partners that Bulgarian citizens do not pose a threat to the labour markets in the other EU countries. Unfortunately, there are still EU countries which keep transition periods before full opening up of the procedures of free movement of workers. However, a positive development in this regard is to be observed since increasing number of member states with imposed transition periods begin to re-examine their positions on the basis of own analysis and data concerning their experience with Bulgarian labour force so far and growing needs of the domestic employers.

Bulgaria has an extensive experience in successful applying bilateral agreements in the field of employment and social security (Germany, Spain). According to the Treaty of Accession between EU and Bulgaria and Romania, during the transition periods the acting agreements remain only as a subsidiary mechanism until these periods are abolished.

When it comes to the European Migration policy, it attains more and more common European nature – through a series of initiatives and directives (launched by the Commissioner Ferattini) and initiatives for partnerships with third countries as well. Nonetheless, this process advances consequently with respect to the national rights and competencies in the field.

The Directives to be elaborated are as follows:

- Proposal for a Directive of the European Parliament and of the Council providing for sanctions against employers of illegally staying third-country nationals
- Proposal for a Council Directive on a single application procedure

for a single permit for third-country nationals to reside and work in the territory of a Member State and on a common set of rights for third-country workers legally residing in a Member State

- Proposal for a Council Directive on the conditions of entry and residence of third-country nationals for the purposes of highly qualified employment
- Proposal for a Council Directive – seasonal workers
- Proposal for a Council Directive – intra-corporate transferees
- Proposal for a Council Directive – remunerated trainees

In 2007 the European Commission issued two guidelines concerning the following topics:

- Circular migration and mobility partnerships between EU and third countries;
- Applying the Global approach towards migration for East and Southeastern regions bordering on the EU

The initiative concerning signing partnership agreements between the European Commission and a group of member states on the one side and a respective third country on the other side has acquired real dimensions. In 2008 some of the first pilot partnership agreements will be signed with countries from two different regions – East Europe and Central Africa. These partnerships will include elements that are prioritized and initiated by the European Commission and but also bilateral/multilateral agreements, initiatives and projects of particular EU member states and third countries. In this regard, Bulgaria has proposed the inclusion of several countries in these pilot partnership agreements – Moldova, Macedonia and Armenia. Traditionally, Bulgaria has good relations with these countries and they are known for the Bulgarian communities living there.

The first country to participate in these partnerships is Moldova and a pilot partnership agreement is already in progress. It is fully in accordance with Bulgarian national interests since, as already mentioned, a considerable Bulgarian community lives in the country and it is proved that Moldovan people interested in work, education and life opportunities in Bulgaria are predominantly of Bulgarian origin. Other country to take part in similar partnership agreement is the Republic of Cape Verde.

Bulgaria has undertaken steps towards conclusion of bilateral agreement with the Republic of Moldova in the sphere of social insurance and at present negotiations are in progress. Another initiative on the part

of the Bulgarian government envisages the launch of consultations as a preparation of an agreement that aims at regulation of labour migration with Moldova. These initiatives are meant to enter the common European approach for mobility partnership with Moldova. Furthermore, Bulgaria will render cooperation through expertise and sharing best practices.

As a conclusion it should be emphasized that migration issues in Bulgaria have been always resolved transparent and after holding public debates. On the eve of Bulgarian membership in the EU in December 2006, after a broad discussion, the Council of Ministers of Bulgaria decided to apply the Community law as regards the admission to the labour market of EU-citizens. It was in 2004 when a special Interdepartmental working group has been founded in order to ensure discussion and resolving of migration and integration issues at expert level. The format of this Interdepartmental working group is based on the principle of broad representation and thus it encompasses about 50 experts from different administration bodies with competency in the field and the respective stakeholders. This approach proved to be well-working and productive and could be highlighted as a “good practice” within the process of implementation of national migration policy.

Of enormous significance are also the good interrelations with the non-governmental sector and media since only in this way Bulgarian society will be better prepared for realizing and accepting the challenges of the global migration processes and the advantages of a contemporary, realistic and balanced migration policy aiming at stability and development – a policy that Bulgaria claims to implement consecutively.

Activities of the State Agency for Refugees with the Council of Ministers

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The right of asylum is a fundamental human right, stated in Art14 (1) of the Universal Declaration of Human rights – “Each person has the right to seek and receive asylum in other countries when persecuted”.

When having joined the Geneva Convention of 1951 related to the status of refugees and the New York Protocol of 1967 Republic of Bulgaria responsibly implements the assumed engagements for providing a just refugee status procedure, a right of asylum, social and health insurance and support, a free access to education, professional training and qualification conditions aiming at better social integration process; to the aliens, seeking protection and asylum on its territory.

On the 2nd of October, 1996 the Republic of Bulgaria ratified the European Convention of Human Rights and Fundamental Freedoms. Thus our country acknowledges the right of protection to persons who because of well-founded fear of persecution for reasons of race, religion, nationality, membership of a specific social group or political opinion and/or conviction have left their countries of origin and are not able or do not wish to take advantage of their countries of origin protection.

According to the recent data of the UNHCR the number of the refugees in the world has increased by 14 % only for 2006 and has reached over 10 million people. Pursuant to the report the increasing number of the refugees is to a great extent due to the situation in Iraq, that has

forced over 1,5 million Iraqi people to seek asylum in other countries till the end of 2006.

A great part of the refugees in Bulgaria are also Iraqi. The countries that the refugees in Bulgaria originate from are 81 in number. Following Iraq are Afghanistan, Iran, Armenia, ex – Yugoslavia, etc.

The implementation of the assumed engagements of Bulgaria is realized by the State Agency for Refugees with the Council of Ministers in close and effective cooperation with the Representative of the United Nations High Commissioner for Refugees, the International Migration Organization, governmental and non – governmental organizations.

The State Agency for Refugees with the Council of Ministers coordinates the actions of the governmental institutions in connection with the granting of a specific protection of aliens on the territory of Republic of Bulgaria.

The state policy on the matters of the asylum, the refugees and their integration in the Bulgarian society is realized in correspondence with the international legal acts for refugee protection and with the attainments of the European legislation in the sphere of asylum and also with correspondence with the Constitution of the Republic of Bulgaria and the other Bulgarian Laws. In order to obtain a comprehensive and adequate protection the Law on Asylum and Refugees is effectively applied. The Law on Asylum and Refugees is considered with the requirements of the Geneva Convention of 1951 related to the status of refugees and the New York Protocol of 1967 for the refugee status; and it is in correspondence with the attainments of the European legislation in the sphere of asylum.

Pursuant to the Law on Asylum and Refugees the following territorial units function connected to the State Agency for Refugees with the Council of Ministers:

- Registration – and - reception Center in the capital Sofia; with 450 persons capacity. Its functions are: implementation of summary procedures and general form procedures for granting a refugee status – implementation of an entire registration of the aliens, seeking protection in the Republic of Bulgaria; considering the protection applications, the organization of summary and general form procedures, accommodation, medical examinations, social and psychological assistance till the enactment of the decision on the protection application.
- Registration – and - reception Center in the village of Banya,

Nova Zagora Municipality; with 70 persons capacity. Its functions are: accommodation, social activities, psychological consultations, general form procedures and also work with unaccompanied under-age children – refugees who need special care.

- Integration Centre for Refugees in the capital Sofia – there the following activities take place: planning and organizing training in Bulgarian language; professional training and qualification at the appropriate professional offices; social protection of aliens; cultural, sport and other activities, necessary for the integration of the foreigners, who are seeking or have received protection in Republic of Bulgaria. In the Centre a Reception Office is realized in order to organize the social consultation of the refugees with provided status and included in the National Program for Integration of Recognized Refugees. During the receptions the Centre works together with the non – governmental organizations: the Refugee and Migrant Unit of the Bulgarian Red Cross, the Association for Integration of Refugees and Migrants and Caritas Bulgaria,

The Bulgaria's accession to the European Union in 2007 sets new responsibilities before our country in the process achieving the common European purpose – creation of freedom, security and justice zone. The observance and the safeguarding of human rights founded on common democratic values, such as equality, solidarity, respect, prevention of discrimination, appreciation of the ethnic and cultural diversity, are a part of this common purpose.

With the adoption of the Law on Asylum and Refugees, as well as many legal acts and documents, regulating the rights and the responsibilities of the refugees, Bulgaria made its serious steps towards the elaboration of policy for integration of refugees in the Bulgarian society. The achieved positive changes in the process of integration of refugees in the Bulgarian society are the result of the long standing joint efforts of the State Agency for Refugees with the Council of Ministers, the Representative of the United Nations High Commissioner for Refugees, the Bulgarian state institutions and non governmental organizations working with refugees.

In the sphere of integration the priority is the maximization of the positive impact of migration upon the society and the economy; the development of measures for implementation of the best integration policy

aiming at the achievement of the maximal positive impact of migration upon the society and the economy; the prevention of isolation and the social elimination of the immigrant communities. Thus a contribution to the understanding and the dialogue among religions and cultures based on the fundamental values of the EU will be produced. Besides the administrative cooperation among the EU member countries will continue stabilizing, in order to support the processing of the applications and the receiving of third country citizens.

The practical cooperation among the EU member countries is a key element towards the efforts for the foundation of a common European system of asylum. It promotes the raising of knowledge and comprehension of the legislation decrees and procedures of the EU member countries and it provides a basis for legal harmonization as well. The purpose is the proceeding of the development of united standards in the protection granting procedure and the guaranteed access to the procedure at the inner and at the outer borders of the EU. The development of an effective united procedure will provide an effective migrant and refugee policy for the EU member countries

NATIONAL PROGRAM FOR INTEGRATION OF REFUGEES IN REPUBLIC OF BULGARIA

The long term National Program for Integration of Refugees has been adopted in May, 2005. As a document regulating the cooperation and improving the coordination between the state institutions and the non-governmental organizations in the sphere of refugee integration, the Program has been prepared on the basis of a thorough analysis of the legislation and the practices. It comprises the fundamental principles and goals of the integration of refugees in Bulgaria. The Program is directed towards all the aliens granted conventional or humanitarian status in Republic of Bulgaria for the acquisition of equal access to the rights, for active and equal participation in development of the Bulgarian society.

The Program outlines the activities to be undertaken by the state institutions, non-governmental organizations and the local authorities in order to create economic, social, political and cultural preconditions for the integration of refugees in the Bulgarian society, in compliance with the 1951 Geneva Convention related to the status of refugees and the 1967 New York Protocol, as well as other international legal acts in the

field of human rights, the Constitution of the Republic of Bulgaria and the domestic legislation.

The basic purpose of the Program for integration of refugees is the providing of opportunity of newly recognized refugees to learn Bulgarian language, to acquire profession, to get acquainted with the structure of the state, the state institutions, the ethnic characteristics and habits; so that they could find realization in the society, financial independence and self-reliant life. Within the frameworks of the Program they receive social assistance, health insurance, payment for accommodation and everyday necessities.

The Program is financed by the state budget.

The adoption and the implementation of the National Program for Integration of Refugees create conditions for complete integration of the refugees in the Bulgarian society. The achieved progress in the sphere of the observation of human rights is confirmed and develops; a tolerant and friendly disposed atmosphere is created in the Bulgarian society.

The Program will promote the state institutions and the non-governmental organizations in Bulgaria to accept the challenges in the sphere of asylum and refugees and will develop their capacity in the management and opening up of the resources from the European Refugee Fund and other funds and programs.

RIGHT OF WORKING, EMPLOYMENT AND QUALIFICATION OF THE REFUGEES

The recognized refugees have equal to the Bulgarian citizens rights, concerning the right to work and economic initiative. Their labour legislation relations are regulated by the Labour Legislation of the state. The regulations in the labour sphere are harmonized with the international and the European legislation.

A basic goal in providing of employment of the refugees is to secure their access to the labour market and their stable settlement there. This appears to be quite difficult because as far as the professional structure of the refugee community is concerned, it is dominated by persons with low qualification or without qualification; and the tendency at the labour market is directed towards decreasing of the elementary employment and the increasing of the employment of the medium or high qualification employees.

The construction of the civil society and the stabilization of the democratic principles in the country determine the necessity of encouraging of the integration of persons who experience difficulties at the labour market by increasing of their employment correspondence and realization abilities. In the conditions of the market economy relations the recognized refugees can be registered in the Labour Bureau Directorates as active employment seekers, and consequently they acquire the right of employment mediation, professional information and consultation, directing to vocational training and prequalification courses and aid in finding job. The refugees often lack documents, proving a completed educational level or acquired qualification in the country of origin; and that is the reason for their registration in the lowest category of unemployed – primarily educated and without qualification; and that fact positions them in the unskilled workers rank.

The male refugees are situated in a more favourable position than the female. The highest percentage of the male refugee employment is in the sphere of trading, car repairs, construction business and fast food restaurants.

The women – refugees and the aged refugees are especially hindered to participate actively in the labour and social life. The women – refugees are in most of the cases primarily educated or even illiterate. The low educational level, the lack of professional qualification and labour habits are a prerequisite for a long lasting unemployment of the female refugees.

Besides the tendency for decreasing of the refugee unemployment, the measures and the activities reflected in different educational and training programs; the refugees remain among the risky labour groups and they meet numerous difficulties in finding job.

The restricted abilities for professional realization are due to:

- None or poor knowledge of the Bulgarian language;
- Lack or loss of labour habits and abilities;
- Lack of education and professional qualification documents;
- Reserves of the employers to hire refugees or the existence of discrimination practices on the labour market;
- Cultural and religious differences, especially concerning the employment of the Muslim women;
- Insufficient knowledge of the rights and obligations on the labour legislation.

Measures and recommendations for overcoming of the refugee unemployment and the successful integration and adaptation of the refugees on the labour market

For improving the conditions for the refugee integration in our society and for the rise of their economical activity, it is necessary to develop definite activities and to implement them as active labour market measures:

1. Activities directed to providing conditions for complete social integration of the refugees by increasing of their employment adaptability.
2. Encouragement of the employment access by training and professional qualification improvement.
3. Realization of activities and programs supporting the labour market integration of the refugees.
4. Stimulation of the employers to open places of work for acquiring qualification by working on probation or serving as an apprentice for at least 6 - months period and a following job engagement.
5. Introduction of financial stimulus as well as tax concessions for employers who hire refugees.

The decrease of the disproportion between the supply and demand of labour power is of substantial importance for the future increase of employment and decrease of unemployment. The possession of abilities demanded on the labour market promotes better adaptation towards the labour market alterations and prevents the social elimination.

As a result of the high economic growth, the opening of new places of work and the economic migration, our country will more often face the problem of the lack of properly educated, trained and qualified labour power. Meanwhile there still exist a great part of the “unused” workers. The activation and the increasing of the labour supply, accompanied by the raising of the adaptability of the labour power are the basic components for restriction of the shortage. Our priority activities are the integration activities and programs stimulating the refugees to stay longer at the labour market and the access to training and educational opportunities. The reformation and the proper directing of the active labour market policy; the improvement of the effectiveness of the activities and programs will contribute to the increasing of the economic activity and the employment level.

Legal Dimensions of Immigrant Access to Employment in Bulgaria: A Contextual Analysis

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This paper aims to illustrate the current legal landscape and practical challenges facing immigrants in Bulgaria as regards integration into the labour market. These challenges are significant, and the current legal procedures specific, demanding, and often confusing. Coupled with an ill-defined and incomplete formal immigration policy and systematic disregard for the rights of asylum-seekers, legal employment opportunities for many immigrants are extremely difficult to access. Many are left no choice but to enter the informal economy, where abuse, exploitation, fragile circumstances, and potentially dangerous and illegal work characterize the unregulated environment.

The paper will proceed in three parts. It will begin, in *Historical Background*, with a contextualization of current policy through summary of previous experience and history of state initiation of and response to migration and minority politics. The second section, *Current Legal Structures for Immigrant Access to Employment*, will introduce and discuss contemporary legal requirements and restrictions placed on immigrants in Bulgaria. *Issues, Challenges, and Recommendations* details positive and negative aspects of the Bulgarian legal approach and aims to briefly suggest areas of improvement and practical steps towards the realization of effective, fair, and humane policy. Such policy not only respects the potential and necessary contribution immigrant labour may provide to the social and economic development of Bulgaria, but also shows respect for the common humanity and universal rights afforded all human beings regardless of citizenship.

Historical Background

Few nations in history have experienced the intensive regional scrutiny on market and labour policy as those about to ascend to, or newly ascended to, the European Union (EU). Fewer still have experienced the added pressures associated with hosting an EU 'external land border'. While market access, support for human rights, geopolitical stability, and any number of other topics are regularly touted as central foci of European governments towards newly ascended states, without fail issues of immigration are rigorously and exhaustively politicized, debated, and publicized in an effort to reinforce (and occasionally question) notions of control on the European 'frontier'. The demands on regulation are significant, particularly in the face of a rapidly re-adjusting economy and state structure such as that brought about through dramatic social and political change - such as the transition from communism to democracy and the development of EU standard 'free market' policies.

Underscored in these international debates are subtle, and occasionally insidious, notions of access and economics. Free movement and employment access within the union are implied (if not actualized¹) central tenets of EU membership and citizens of new member states may for the most part reside and work in any other member state. The implications for those not holding citizenship however are not only more severe, but also more invisible. Many immigrants in Bulgaria, frustrated by impossible legal obstacles, are forced to leave the country, face extended and inhuman detention and deprivation of rights, enter the informal economy, or worse.

Bulgaria, one of three countries sharing a land-bridge to Asia and the Middle East at the base of the Black Sea, has long experienced migration flows, but maintains no political or academic tradition of analysis concerning this phenomenon. The post-communist "discovery of immigration" (Krasteva 2006: 26) is still in its early stages, and historical context is critical to understanding the current state of legal and social immigrant conceptions.

From the early days of Ottoman occupation to independence in 1878, and continuing through to the second World War, the dissolution of the 'Soviet Bloc', the Balkan Wars, and up to the current day Bulgaria has

¹ In 2006 the European Commission expressed 'strict conditions' on Bulgarian and Romanian access to labour markets upon accession. The United Kingdom took these restrictions further, announcing in 2006 that new citizens of Europe from Bulgaria and Romania would be "restricted to existing quota schemes to fill vacancies in the agricultural and food processing sectors." **HOME OFFICE OF THE GOVERNMENT OF THE UNITED KINGDOM** (2006) Controlled Access To UK Labour Market For New Accession Countries.

struggled with strong and persistent conceptions of national identity, popular migration, and far-reaching diaspora (see: Loizos 1999, Vassilev 2001, Helton 1992, Skran 1998, Dacyl 1990, Mintchev 1999). Since 1950 Bulgaria has seen two large-scale exodus movements of Turkish Bulgarians. The first, between 1950 and 1952, saw nearly 160,000 ethnic Turks cross into Turkey. Subsequently, during the decade between 1982-1992, 350,000 ethnic Turks “fled from collective oppression, enforced Bulgarianization, and economic problems” although 150,000 of these are reported to have returned in the years since (Fassman and Munz 1994: 532).

Bulgaria is an ethnically plural state, tracing clear, and at times xenophobic,² differentiating lines around minority ‘migrant’ communities.³ Communist era policies reinforced notions of collective uniformity, often subjugating minorities. Indeed, the communist government worked to “shore itself up by manipulating the majority’s nationalist sentiments, [it] had created a polarizing conflict along ethno-religious lines by subjecting the Muslim Turkish minority in Bulgaria to a campaign of cultural and linguistic assimilation” (Vassilev 2001: 37). This policy of forced assimilation amounted to persecution of Muslim Bulgarian nationals as demonstrated through the case of S. Kalaydsiev, J. Anguelov, A. Mladenov v. Decision 13/1985 of the Athens Court of Appeal Council (Helton 1992: 381-382). The advent of democracy threatened to inflame ethnic turmoil when the forced assimilation policy - termed the ‘national revival’ campaign under the Zhivkov regime in the mid-1980’s - officially ended and minority rights were officially (if not practically) restored (Vassilev 2001: 37) in 1989.⁴ No official recognition of multiculturalism currently exists,⁵ and increasingly popular nationalist parties in Bulgaria have denied the existence of Bulgarian ethnic minorities within the country in an effort of create nationalist fervour (Vassilev 2001: 37). The effects of this are socially dramatic, presenting extreme difficulties for, resentment towards, and suspicion of immigrants.

² See Iliana Savova as cited in **HERSHMAN, G.** (2007) *The Other Expats: Bulgaria’s forgotten foreigners languish in limbo and the state seems indifferent. Vagabond.*

³ This is perhaps most clearly demonstrated through treatment towards the Roma population and Bulgarian Turks - both considered to differing degrees ‘migrant’ minority communities.

⁴ According to Vassilev, “the decision to renounce the ‘revival process’, made public on 29 December 1989, sparked nation-wide protests by Bulgarian nationalists to resist the new policy.” These protests included slogans such as “Bulgaria for the Bulgarians” and objected to what they called “the governments ‘policy of national nihilism’” **VASSILEV, R. V.** (2001) *Post-Communist Bulgaria’s Ethnopolitics. The Global Review of Ethnopolitics*, 1, 37-53.

⁵ The Bulgarian Government does however publicly recognize the existence of a Muslim Turkish minority in Bulgaria, and although not officially registered as such, the ethnic Turkish-dominated Movement for Rights and Freedoms (MRF) [is] the largest and most influential ethnic minority party in Bulgaria” Ibid.

However, Krasteva identifies three exceptions to the “strictly controlled” movements to, from, and within Bulgaria during the communist years. Perhaps not surprisingly, these were based in reassuring political advantage (see: Mintchev 1999: 148), and include the emigration of Bulgarian Turks to Turkey, the immigration of students “with the specific purpose of providing higher education to left-wing intellectuals as part of a long-term strategy for the preparation of world revolution,” and the immigration of sympathetic activists from neighbouring countries (Krasteva 2006: 26). While these were very specific movements with geopolitical goals, economics ultimately provided for a fourth migration. Not unlike predominant Western trends, the appeal of labour-related immigration led to the loosening of otherwise extremely restrictive conditions and Bulgaria accepted ‘guest worker’ (*Gastarbeiter*) Vietnamese in the 1980s (European Intercultural Workplace 2006: 18, Krasteva 2006: 26).

Two significant modern events have deeply shaken established efforts towards near-total migration restriction. The first is the onset of the ‘changes’ and advent of democratic governance in 1989 and the second is accession to the EU in 2007. According to Mintchev,

After the fall of the Berlin Wall, considerable changes occurred in the mechanical movement of the Bulgarian population. During the period 1989-1997, over 650 thousand people emigrated from the country permanently. According to data from 1994, for the period 1986-1992, Bulgaria exported 19.6 million years of ‘life’ and 11.4 million years of ‘labour’ (1999: 148).

The onset of EU membership represents the second stage in an evolving process of ‘opening up’ Bulgaria not only to foreign economic investment (and subsequent business-related migration of people and monies) but also to Bulgarian emigration at an unprecedented level. According to current statistics produced by European Union, projections of negative population growth in Bulgaria due to emigration surpass any other country in Europe all the way through to 2050, the year beyond which the research group ceases projection (Eurostat 2004). This level of exodus has significant consequences for the labour market. While remittances represent a potentially immediate benefit for the Bulgarian economy, the cost

of highly-skilled emigration is high (Markova and Reilly 2006)⁶ and of great economic concern to the Bulgarian Government (Chompalov 2000: 3). Simultaneous, the necessity for qualified labour in Bulgaria consequently increases in an environment less-attractive to citizens tempted by promises of higher-wages in newly-accessible Western European markets. At the same time, low-skilled labour in the EU market presents potential benefit to Bulgarians unable to find satisfactory wages for the same work at home, again creating gaps to be filled. Bulgaria *needs* immigrants.

Current Legal Structures for Immigrant Access to Employment

1. GENERAL OVERVIEW OF THE LEGAL FRAMEWORK CONCERNING MIGRATION POLICY IN BULGARIA

Bulgarian legislation related to the integration of migrants into the labour market, indeed Bulgarian legislation in the sphere of migration in general, has experienced and continues to experience dynamic adjustment and changes since the early 1990s. This adjustment has been notably intensified during recent years with the push towards harmonization of Bulgarian laws and norms with International and European standards. In January 2007 Bulgaria became an EU member state and began hosting an external border of the EU. Together with a number of positive new adjustments following this event, the accession has demanded stronger and more repressive state policy on restriction of movement and immigration regulations. This process has been justified in the name of concerns for security and combating illegal activities. In search of the crucial balance between state interest in migration regulation and its obligation to respect the human rights of all people - including migrants - Bulgaria is in the initial steps of formulating and implementing just, appropriate, and comprehensively sustainable responses to the opportunities and challenges of migration, and current systems demand significant improvement.

The general legal framework of migration regulation in the country is composed of series of norms, allocated at Constitutional, legal and sub-legal level, regulating the rights and obligations of the different mi-

⁶ It is important to note that lack of substantive data and “interpretive problems” affect discussions surrounding ideas of ‘brain drain’ Bulgarian economic development. See: BAGATELAS, W. T. & KUBICOVÁ, J. (2003) Bulgarian emigration - a closer look. *South-East Europe Review*, 4, 27-36, MINTCHEV, V. (1999) External Migration and External Migration Policies in Bulgaria. *South-East Europe Review*, 2, 123-150.

grant groups, as well as the specific regulation procedures together with the structure and functioning of the corresponding institutions.

Article 26(2) of the Constitution of the Republic of Bulgaria (henceforth the ‘Constitution’) ensures all foreigners the rights proceeding from the Constitution except those which specifically require Bulgarian citizenship.⁷ Article 19, which details economic activity, declares the Bulgarian market to be based on free economic initiative and suggests that the economic activity of foreign persons shall enjoy the protection of the law. The right to equality before the law, however as presented in Article 6(2), applies only to citizens. Citizenship, as elaborated in article 25(1) shall be granted to “anyone born of at least one parent holding a Bulgarian citizenship, or born on the territory of the Republic of Bulgaria, should he not be entitled to any other citizenship by virtue of origin. Bulgarian citizenship shall further be acquirable through naturalization.”

Article 22 of the Constitution, the so-called ‘Foreigners Clause’, restricts foreign access to ownership of land and the acquisition of certain rights. However, this article was amended in 2005 by the Treaty concerning the Accession of the Republic of Bulgaria to the European Union so as to provide for the legal ownership of land by foreigners and foreign legal persons. The revised article entered into legal recognition on January 1, 2007, as Bulgaria entered the European Union.

A small number of national laws are in place to further regulate the status of foreigners in Bulgaria. Some of these include: the Law for the Foreigners in the Republic of Bulgaria; the Law on Asylum and Refugees; the Law for Entering Residing and Leaving the Republic of Bulgaria of European Union Citizens and Members of their Families, the Law of Protection from Discrimination, which protects “all individuals on the territory of Bulgaria”; the Law of Encouragement of Employment; the Law for the Bulgarian Identification Documents; the Law on Bulgarian Citizenship; the Law of Fighting the Illegal Traffic of People. These laws provide for some clarification - and some confusion - of legal provisions, however Bulgaria remains without an articulated and comprehensive formal policy concerning non-citizens present within the territorial bounds of the state.

On the sub-legal level, the Bulgarian state employs a number of regimes for control and maintenance of migration systems through the

⁷Article 26(2) of the Constitution declares that “Foreigners residing in the Republic of Bulgaria shall be vested with all rights and obligations proceeding from this Constitution, except those rights and obligations for which a Bulgarian citizenship is required by this Constitution or by another law” **CONSTITUTION OF THE REPUBLIC OF BULGARIA** (1991), 39th National Assembly of the Republic of Bulgaria.

application of the Law for the Foreigners in the Republic of Bulgaria. Demonstrations of such mechanisms are tangibly evident in visa controls (the issuance and denial thereof as well as the determination of duration and access), residency and employment permissions, permits for non-profit activity, permissions for economic and investment purposes, and the like. The most disturbing demonstration of sub-legal mechanisms affecting immigrants is without question the use of administrative detention for the physical restriction of non-citizens (see: Ilareva 2007a, 2007, Hershman 2007). The detention of foreigners has a long history in Bulgaria - with cases of prolonged airport detention (sometimes exceeding many months) reaching into the early 1990's (Hughes and Liebaut 1998). Even more disturbing has been the documented trend towards practical obfuscation of the asylum process and systematic denial of internationally recognized rights and procedures. The blocking of asylum claim submission and the forcible deportation of foreigners has on multiple occasions amounted to *refoulement*, a violation of international law under Article 33 or the 1951 Convention Relating to the Status of Refugees and Article 3 of the 1984 Convention Against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment which Bulgaria ratified in 1993 and 1986, respectively.

Similarly divided into hierarchical structure are the various 'categories' of immigrants themselves, ranking from those recognized with legal rights and access to those undocumented and unrecognized by the Bulgarian state. These different immigrant categories can be roughly separated into four main groups:

- Immigrants with short-term or long-term (prolonged or permanent) stay permits;
- Refugees,⁸ foreigners with humanitarian status, temporary protection or asylum protection;
- Asylum seekers;⁹
- Undocumented Immigrants.

⁸ The term 'refugee' has a very specific meaning in international law, and the Bulgarian state is obliged to this definition: a refugee is any person who "owing to well-founded fear of being persecuted for reasons of race, religion, nationality, membership of a particular social group or political opinion, is outside the country of his nationality and is unable, or owing to such fear, is unwilling to avail himself of the protection of that country; or who, not having a nationality and being outside the country of his former habitual residence as a result of such events, is unable or, owing to such fear, is unwilling to return to it" Article 1(A)(2) **CONVENTION RELATING TO THE STATUS OF REFUGEES** (1951) Geneva, United Nations Conference of Plenipotentiaries on the Status of Refugees and Stateless Persons convened under General Assembly resolution 429 (V) of 14 December 1950.

⁹ Asylum Seekers are those people who have entered the territory of Bulgaria with the intention to request formal protection from persecution under the definition of 'refugee' above.

The corresponding institutions dealing with the administrative organization of migration management are:

- *Ministry of External Affairs* and its consular units, where entry visas are issued;
- *Ministry of Interior*, responsible for border control and the internal regulation regarding the processing of migrants. This regulation affects stay permits, the issuance of formal identification documents, and the exercise of compulsory administrative measures;
- *Ministry of labour and social policy*, where work permits for foreigners are issued;
- *State Agency for Refugees* towards the Council of Ministers, which regulates the different forms of protection offered asylum seekers and takes decisions regarding the granting of particular status;
- *Ministry of Justice* and the *President's office*, where approval for Bulgarian citizenship and for asylum by order of the President, are issued. These organs are also responsible for granting permissions for non-profit activity.

These bodies function under specific regulation towards management of immigration in Bulgaria. An essential part of immigrant integration in Bulgaria is conditioned by the regulation of entry and stay regime for foreigners, arranged in the Law for the Foreigners in the Republic of Bulgaria (henceforth the 'Law on Foreigners'), Law for Entering Residing and Leaving the Republic of Bulgaria of European Union Citizens and Members of their Families (henceforth the 'EU Citizens Law), and the Law on Refugees and Asylum (henceforth the 'Law on Refugees').

There are two main entry and stay regimes on the territory of Bulgaria, short term stay and long-term stay.

Short term stay is not of much concern for the purposes of labour discussion, as it permits up to 90 days stay in the country for a period of six months and does not grant the possibility of engagement with the labour market. Non-EU citizens with short term stay must enter on the territory of Bulgaria with visa "C," issued at a diplomatic or consular mission of Bulgaria abroad. Such a visa is not needed for citizens of the EU or other countries parties to specific international or interstate agreements.

The *long-term residence* regime applies in regard to foreigners who want to reside *continuously* (with a permitted period of stay up to a year) or *permanently* (with a permitted indefinite period of stay) in the Republic of Bulgaria. The legal procedure for receiving long-term residence has been greatly facilitated for citizens of the EU with the entry into force of the EU Citizens Law. The main relief in this case comes from dropping the necessity for EU citizens pursuing employment to enter in the country with the otherwise required visa type “D”. Visa “D” is required for foreigners of non-EU citizenship, including non-EU citizen family members of Bulgarian citizens. The grounds for issuing such a visa and obtaining long-term residence are explicitly referenced in Articles 24 and 25 of the Law on the Foreigners in the Republic of Bulgaria¹⁰ and can be applied for different individual intents, such as: a labour contract, commercial activity, investment, non-profit activity, marriage, and education.

The regimes of entry described above are not applied - or at least should not be applied - to the category of asylum seekers, who ought to enjoy a privileged right of access to the territory and the right not to be returned on a place where his life or freedom are threatened. These rights are inviolable¹¹ and detailed in the Law on Refugees.

2. LEGAL RIGHTS TO WORK FOR IMMIGRANTS IN BULGARIA

For the purpose of exploring immigrant integration into the Bulgarian labour market we will look more closely at the rights that immigrants, refugees, and asylum seekers currently enjoy in the country and how these rights are applied in reality. As mentioned above, a considerable step forward is the facilitated procedure for receiving continuous and permanent long-term residence in Bulgaria for EU citizens through release from the visa “D” requirement and additional complications.

The reality in Bulgaria, however, is that the largest flow of immigrants is not comprised of EU citizens, but rather citizens of non-EU countries. As a result, access to the market of larger groups of migrants is still regulated by complicated, cumbersome, and unwieldy visa regulations arranged in the Law on Foreigners. In order for a non-EU, non-

¹⁰ See appendix I

¹¹ While the rights described are protected in Bulgarian and International Law, there is evidence that they are not currently respected in Bulgaria. See AMNESTY INTERNATIONAL (2007) BULGARIA. *Europe and Central Asia: Summary of Amnesty International's Concerns in the Region: January – June 2007*. Amnesty International, ILAREVA, V. (2007a) Bulgaria's treatment of asylum seekers. *Forced Migration Review*, 29, 60-61.

asylum seeking foreigner to work on a labour contract in Bulgaria, s/he must first receive a labour permit from the Ministry of labour and social policy. The application for this labour permit is made by the local employer, whose foreign employees should not comprise more than 10% of the total number of employees, and who should be paid a minimum salary significantly disproportionate to the minimum salary received by Bulgarian employees. In addition, the process is burdened by the triple-level procedure, which requires it's consideration once before the Ministry of labour and social policy in order to receive the work permit; once before a diplomatic and consular mission of Bulgaria abroad in order to apply for receiving a visa "D," and lastly before the Ministry of Interior for receiving a stay permit.¹²

The rights of refugees and asylum seekers are detailed in the Law on Refugees. According to chapter IV, art. 32 of the Law on Refugees, foreigners granted legal status (refugee or humanitarian)¹³ have equal rights to Bulgarian citizens, excluding rights which *specifically require* Bulgarian citizenship. As a result access to the labour market is, legally if not practically, equal to Bulgarian citizens.

In order to facilitate refugee access to employment - and thereby encourage integration - the government established a national plan-for-action program for the integration of refugees in 2002 to be funded by the state and implemented by the State Agency for Refugees in cooperation with governmental and non-governmental organizations.¹⁴ This program includes both language and professional education, as well facilitation of

¹² An immediate example presents itself from the experience of the Legal Clinic for Refugees and Immigrants. In this case, the pursuit of all the mentioned requirements for hiring a US citizen as Project Manager have been considerably difficult and, six months from initiation, the LCRI remains at the initial stage of obtaining a work permit from the Ministry of labor and social policy. This stage alone has required international cooperation on the part of numerous governmental, personal, and institutional entities on four continents. Upon the fulfillment of initial requirements, the application was deemed to require additional support demanding the extra submission of additional documentation of similar difficulty to acquire. This process is financially, practically, and often temporally impossible for many applicants, practically locking out those organizations and individuals without the resources or connections necessary for successful application submission. Such obstacles open the door for corruption in the procedure.

¹³ Pursuant to the Law on Refugees art. 8, par. 1, a **status for refugee** in the Republic of Bulgaria shall be granted to a foreigner, who owing to well-founded fear of being persecuted for reasons of race, religion, nationality, membership in particular social group or because of political opinion, is outside the country of his origin, or owing to such fear, is unwilling to avail himself to the protection of that country.

Pursuant to art. 9 of the Law on Refugees, **humanitarian status** shall be granted to foreigners, who have been compelled to leave their country of origin, because in this country there are real anger of severe aggression like: death penalty of execution; torture, inhuman or degrading treatment or punishment; severe and personal menaces against the life and personality as a civil person by reason of violence in case of internal armed conflict. Humanitarian status shall be granted on a temporary basis by the time of drop out of the reasons for its granting.

¹⁴ See the National program for integration of refugees in 2005-2007, available at <http://aref.government.bg/?cat=25>

the contact with respective employers. However, the places available are restricted and state funding is not sufficient in spite of the expectation that the National Program for 2008-2010 foresees an increased budget. The non-governmental sector taking a significant role in this sphere is of crucial importance.

Regrettably, the law grants less access and fewer rights to asylum seekers despite the fact that many spend months if not years awaiting the results of their asylum applications. According to art. 29(3) of the Law on Refugees, asylum seekers with ongoing procedure before the State Agency for Refugees “shall have the right to access to the labour market, provided that the proceedings are not finalized within up to one year after the submission of the application for a status due to reasons out of his/her control”. In practice this means that people seeking asylum do not have access to the labour market or to programs for integration when potentially most needed.

Additional difficulty here comes from complications and inconsistencies in the application of the law. For example, in order for the initial protection prescribed in law for asylum seekers to function, one needs to be recognized as an asylum seeker. As a result of recent changes in the Law on Refugees, this happens with the registration of an asylum application, *not with its submission*. In Bulgaria the time between submission and registration has no restriction, resulting in tremendous hardship for asylum seekers as many are obliged to remain indefinitely without legal recourse to basic rights while awaiting ‘registration’. During this limbo period asylum seekers are without any legal status in the country and are correspondingly without access to the labour market, livelihood support, medical care, and in danger of being deported in violation of their internationally protected rights against *refoulement*.¹⁵

3. IMMIGRANTS NOT PERMITTED ACCESS TO LABOUR MARKET

Legal access to the labour market, as well as to any kind of proper activity in Bulgarian society, is granted only to foreigners with legalized stay in the territory. However, the number of undocumented and semi-

¹⁵ The principle of *nonrefoulement* is the cornerstone of International Refugee and Asylum Law. It prohibits the return of refugees and asylum-seekers to countries in which they may face persecution or any form of torture, cruel, inhuman, or degrading treatment. The principle is articulated in article 33 of the 1951 Convention relating to the Status of Refugees and is reinforced in a great number of instruments of international scope. It is widely considered a principle of Customary International Law.

documented immigrants in Bulgaria is significant, and greatly outnumbers those with legal stay.¹⁶ While undocumented immigrants comprise a dynamic group, many demonstrate continuous presence within the territory of the country. It is therefore necessary to establish methods to facilitate the enjoyment of basic rights and livelihood strategies - including employment. Bulgaria is not a signatory to the International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families, and has made little progress to recognize obligations towards the realization of basic rights elaborated in the Universal Declaration of Human Rights which apply to all people, regardless of legal status, and which, in article 23, articulates a universal right to work and to protection from unemployment.

Issues, Challenges, and Recommendations

The following section details practical challenges to the above constructions through the experience of the Legal Clinic for Refugees and Immigrants (LCRI), an independent non-profit organization that provides training in refugee, migration, and human rights law to Bulgarian students and utilizes their skills through the provision of legal aid to immigrant clients.¹⁷ The LCRI is unique in Bulgaria, existing as the only organization training university students by providing them practical experience,¹⁸ and assists immigrants with a wide variety of concerns and challenges.

NON-EU IMMIGRATION

As concerns non-EU immigrants and the process surrounding visa 'D' status entry, Bulgaria could benefit greatly from a streamlining of the procedure and by the facilitation of processes such as to ease access. Demands

¹⁶ The term 'undocumented,' rather than 'illegal,' is appropriate, as it is impossible, in legal terms, for a person to be 'illegal', but rather in the concrete cases they may not dispose of some of the necessary documents according to the requirements of the local migration legislation **ILAREVA, V.** (2007) Immigration Detention in International Law and Practice: In Search of Solutions to the Challenges Faced in Bulgaria. *Statewatch*.

¹⁷ For more information on refugee and immigrant legal clinics see: **ACER, E.** (2004) Making a Difference: A Legacy of Pro Bono Representation. *Journal of Refugee Studies*, 17, 347-366, **HARRELL-BOND, B.** (forthcoming 2008) Starting a Movement of Refugee Legal Aid Organizations in the South. *International Journal of Refugee Law*, 19, 729-735.

¹⁸ While the LCRI works with over 100 clients at any given time, the need for legal aid is an overwhelming one, as noted by the United Nations High Commissioner for Refugees **UNHCR BO SOFIA** (2002) Bulgaria Country Operations Plan 2003. Sofia, The United Nations High Commissioner for Refugees., the lack of resources available to provide and expand legal assistance is a "core problem" in Bulgaria **UNHCR BO SOFIA** (2002) Bulgaria Country Operations Plan 2003. Sofia, The United Nations High Commissioner for Refugees.

placed upon applicants are often insurmountable, shutting out qualified and willing foreign contributors to the Bulgarian economy and labour market. Bias towards larger employers build into visa 'D' requirements de facto excludes the possibility of small organizations (organizations with fewer than ten employees) from legally hiring foreign labour. Similarly, the costs affiliated with the process present an impossible obstacle for many start up and small employers. Recognition of the unique economic value intrinsic in business and organizational diversity should provide impetus to facilitate the growth of these sectors through the facilitation of foreign access.

DETENTION

The tendency towards increasing numbers of asylum seekers and immigrants being deprived of their liberty through the concept of administrative detention is the single most disturbing trend in Bulgaria and threatens fundamental concepts of human freedom, including access to the labour market and quality contributions to the Bulgarian social and economic environment. This procedure creates and maintains physical barriers to social and economic integration and reinforces notions of 'otherness' and false conceptions of criminality. It simultaneously raises alarming human rights concerns.

Detention is executed through imposed orders for deportation of foreigners due to unsettled legal status or threat to the national security, but is wrought with procedural inaccuracies and often applied in violation of international law (Ilareva 2007). It is alarming that asylum-seekers are treated on an equal basis with undocumented immigrants and are detained on orders for deportation, in spite of the fact that the Bulgarian Penal Code and International Law provides asylum seekers special protections in terms of 'illegal' entry. Due to the delay in registration of requests for asylum, applicants often spend months before their procedure in front of the State Agency for Refugees begins, and are often detained for the months following registration. Additional complications in regard to administrative detention relate to an existing vacuum in the Law on Foreigners as to temporal limitation. As a result hundreds of immigrants are detained for months if not years due to a lack of cooperation from consular bodies, statelessness, or through simple bureaucratic mishap and administrative malpractice (Ilareva 2007a). Those detained remain at the provision of the state rather than contributing to the economic de-

velopment of Bulgaria through participation in the labour market. While statistics are hard to find, it is clear that detention is expensive, and a member of the Migration Directorate has cited a cost of 12.20 leva per detainee, per day (Petkov 2007). In another EU member state pursuing similar strategies, the cost of detaining one person for one month “far exceeds” the average monthly household income (Ilareva 2007: 22-23).¹⁹

While there do exist structures in Bulgarian for the supervised release of detainees through local guarantors, the opportunity to find a guarantor while detained is minimal to non-existent due to physical restrictions on social contact, particularly for people without pre-established connections in Bulgaria as is the case with many asylum-seekers. In the case that a guarantor is found, the financial burdens and strict demands of the Migration Directorate can be oppressive and place the option out of reach of many would-be guarantors. Additionally, the daily requirements placed on ‘guarantor released detainees’ to submit themselves daily to the Migration Directorate place additional financial burden on guarantors and make impossible and substantive contribution to Bulgarian society through volunteerism, informal education, social involvement, or other constructive pursuits. Additionally, those released under this program receive no formal status recognition in Bulgaria, forfeit any access to medical care and are not permitted to access the labour market. The result is reliance on the informal economy, where medicines are unregulated, mislabelled, and extremely dangerous and where labour conditions are exploitative and unreliable. Participation in this economy is an illegal activity, criminalizing people who have no other access to life-saving medications or monies to sustain themselves and, at times, their families.

Bulgarian detention practices seriously compromise positive developments in the sphere of immigration and necessitate immediate and substantive review. This review should focus on human rights concerns, access to integration (even if temporary), and temporal limitations on administrative removal of freedoms (see: Ilareva 2007, 2007a). Changes should be implemented to bring Bulgaria in line with and surpass European best practice to demonstrate exemplary leadership in the treatment of immigrant populations.

¹⁹ Simultaneously, state interest in maintaining detention centres may figure around increasing employment rates of citizens. As Ilareva points out, “[a] detention centre creates jobs and business opportunities for many people.” The question then arises as to whether “the deprivation of liberty truly serves higher national interests or... are [there] too many particular interests involved”? **ILAREVA, V.** (2007) Immigration Detention in International Law and Practice: In Search of Solutions to the Challenges Faced in Bulgaria. *Stawatch*.

REFUGEE INTEGRATION

While it is commendable that Bulgaria has recognized the inadequacy of current legislation to fulfil its stated commitment to refugees holding status in terms of equality with Bulgarian citizens as concerns rights and services,²⁰ practical steps towards this goal have been slow to materialize, and current commitments are weakly worded. In terms of efforts to assist in language acquisition - a critical point in integration and in capacity to access the labour market - the government is committed to 'discuss' the 'possibility' of providing compulsory language training for refugees newly granted status (State Agency for Refugees with the Council of Ministers 2005).

The 2005-2007 Bulgarian program for the integration of refugees is a document which is almost entirely forward-looking, rather than grounded in solid policy. It elaborates on potential future courses of action without strict commitment to them. Regarding labour access for example it states that:

A comprehensive approach should be developed in order to successfully provide employment to refugees. This includes Bulgarian language education, individual assessment of the professional knowledge and abilities, directing (sic) to vocational training and prequalification courses and helping (sic) with finding work. The refugees should provided (sic) assistance and help with developments (sic) of small business projects. (State Agency for Refugees with the Council of Ministers 2005)

No report on development since the initial drafting of this program is publicly available, and confusion among assistance organizations about the details of the actual services provided - and access to them - exists. The State has, however, has informally declared that it pays for 'courses and accommodation' for those in the program, a sum of 360 leva per

²⁰ According to the National Program for Integration of Refugees "some of the existing legal acts in the field of social care, health care, education, accommodation and etc. need to be specified, expanded or changed in order to guarantee the full equality of the rights and services for the refugees." **STATE AGENCY FOR REFUGEES WITH THE COUNCIL OF MINISTERS** (2005) National Programme for Integration of Refugees in 2005-2007. <http://aref.government.bg/?cat=25>, State Agency for Refugees with the Council of Ministers.

²¹ This figure was presented in an informal meeting between members of the International Project on Immigration Trends and Immigrant Integration Policies for the Bulgarian Labor Market with State Agency for Refugees officials at their offices in December 2007.

participant.²¹ Practical obstacles to application and acceptance to the program, or qualifications surrounding decisions to admit, are unclear.²² Facilitation of access needs to be made available to all refugees and information regarding the program ought to be widely disseminated in multiple languages. Additionally, State commitment to “involvement on the part of the refugees in the development of the policy for integration” (State Agency for Refugees with the Council of Ministers 2005) is critical to the success of such policy and must be respected. It is advisable that the integration program also be expanded to include asylum-seekers. The benefits of successful social integration cannot be overstated, and the earlier this process is begun, the more fruitful the result.

SUPPORT FOR INDEPENDENT ASSISTANCE ORGANIZATIONS

Support for independent assistance organizations is a critical step towards successful policy, especially in terms of working with less visible or potentially vulnerable populations hesitant to approach government agencies.²³ The provision of independent legal and other assistance to these populations needs to be facilitated and widely supported if integration is to be successful and law respected (see: Acer 2004, Harrell-Bond forthcoming 2008). Support for such organizations strengthens democratic institutions and values social contributions to community betterment.

UTILIZATION OF THE PRIVATE SECTOR AND IMMIGRANT VOICES

The private sector is a critical player in the discussion, and should be encouraged to facilitate immigrant access as much as possible within the confines of the law. Successful integration depends to a large extent on private sector initiative, and encouragement through financial relief and government initiative would have a significant positive impact. Similarly, utilization of immigrants’ particular experience and perspective may serve to provide unique and highly successful contributions to policy and economic development initiatives which concern them. Bulgaria has rhetorically espoused its appreciation for and commitment to the value of

²² It has been suggested by a refugee assistance organization in Sofia, for example, that knowledge of Bulgarian is a requirement for acceptance to the integration program, thereby shutting out those who most desperately need the assistance and significantly narrowing the number of actual applicants. Such a requirement serves to defeat the purpose of the program.

²³ Undocumented immigrants, trafficked people, survivors of tortures, and others may, for any number of valid reasons, be hesitant to approach authority figures and government officials for crucial advice, assistance, and information.

ethnic diversity (State Agency for Refugees with the Council of Ministers 2005) and should work to utilize and celebrate that diversity to its advantage socially, economically, and geopolitically. Similarly, appreciation and respect for Bulgarian community input is essential to success.

Conclusion

Bulgaria has a long history of migration and has faced dramatic changes in approach to immigrants and emigrants over the course of the last half century. Developments away from the ‘forced assimilation’ policies of the mid-1980’s and into democratic and European Union institutions should be commended, however there is great room for improvement in terms of access, respect, and treatment of foreigners within the Bulgarian territory. Current access regimes are heavily tiered and hierarchically fashioned and corresponding regulations obstruct access to all but the most privileged of immigrants and organizations, frustrating the capability for social and economic integration of great numbers of foreign contributors to economic and social growth. These structures demand review as the potential benefits of wider access are significant.

Detention of immigrants needs to be reconsidered or substantively regulated. Detention costs present an economic drain and the social and economic potential of detainees (if regularized) is considerable, if temporary. Additionally, immigrant integration procedures are not currently adequate and should be expanded beyond current capacity and restriction to refugees, thereby involving wider portions of the immigrant community, including those members in process of status regularization.

Finally, support for and utilization of the private sector, independent assistance organizations, and Bulgarian and immigrant community input are absolutely fundamental to the success of immigration policy in Bulgaria. The contribution made by these elements can not be over emphasized.

Appendix 1.

Articles 24 and 25 of the Law for the Foreigners in the Republic of Bulgaria, regulating non-EU citizen access to extended stay and the labour market.

Art. 24.

(1) (amend. – SG 29/07) A permission for long stay shall be able to receive foreigner who have a visa under Art. 15, para 1 and:

1. (Amend., SG 42/01; amend., SG 112/01) wish to work under legal terms of employment upon permit by the bodies of the Ministry of Labour and Social Policy;
2. (Amend., SG 42/01; suppl., SG 37/03) carry out commercial activity in the country according to the legally established order, and as a result of this activity at least 10 positions have been opened for Bulgarian citizens, unless agreed otherwise by an international agreement, ratified, promulgated and enacted in the Republic of Bulgaria;
3. are admitted to regular education in licensed educational establishments;
4. are foreign specialists staying in the country by force of international agreements to which the Republic of Bulgaria is a party;
5. (amend. – SG 29/07) have grounds to have permitted permanent stay or have married with a foreigner with permanent stay in the country;
6. (Amend., SG 42/01) are representatives of foreign commercial companies registered at the Bulgarian commercial - industrial chamber;
7. (suppl., SG 37/03) are financially ensured parents of foreigners with permanent stay in the country or of a Bulgarian citizen;
8. (amend., SG 70/04) have started long treatment in a medical establishment and dispose with financial resources for healing and maintenance;
9. are correspondents of foreign mass media and have accreditation in the Republic of Bulgaria;
10. are pension ensured and dispose with sufficient resources for

- maintenance in the country;
11. (amend., SG 37/04) implement activity under the Law for encouragement of investments;
 12. implement activity by order and request of persons who have made investments in the country by the order of the Law for the foreign investments;
 13. (Amend., SG 42/01) are members of the family of a foreigner who has received a permission for long stay;
 14. (New, SG 42/01; amend., SG 37/03, amend., SG 63/05 – in force from 01.01.06; amend. – SG 29/07) are parents of a foreigner or live in concubinage with a foreigner who has obtained a permit for continuous stay on the grounds of Art. 22, para 3;
 15. (New, SG 42/01; amend., SG 112/01) wish to carry out free-lance practice upon permit by the bodies of the Ministry of Labour and Social Policy in compliance with art. 24a;
 16. (New, SG 112/01) wish to carry out non-profit activity upon permit of the Ministry of Justice under conditions and by an order determined by an ordinance of the Minister of Justice, in coordination with the Minister of Interior;
 17. (new – SG 29/07) have acquired statute of special protection as per Art. 25 of the Law of Fighting the Illegal Traffic of People;
 18. (new – SG 29/07) are members of the family of a Bulgarian citizen under Art. 2, para 2.

(2) The persons of para 1 shall have ensured home, maintenance, obligatory insurances and insuring according to the legislation of the Republic of Bulgaria. The normatives for this shall be determined with an act of the Council of Ministers.

(3)(new – SG 63/05, in force from 01.01.06) the requirement under Para 1, item 2 for opening of at least 10 working positions shall not refer to citizens of the Member States of the European Union, as well as to citizens of the other Member States of the Common European Economic Space.

Art. 24a. (New, SG 42/01; amend., SG 112/01)

(1) (suppl., SG 37/03) A foreigner who wishes to stay continuously on the territory of the Republic of Bulgaria with the purpose of carrying out free-lance activity can obtain a visa for continuous stay or a permit for continuous stay if he meets the legally established requirements for

entry and stay in the country, presenting to the diplomatic and consular representations, respectively to the offices for administrative control of the foreigners, the following documents:

1. application in a form;
2. permit for carrying out free-lance activity.

(2) The permits for carrying out free-lance activity shall be issued by the bodies of the Ministry of Labour and Social Policy.

(3) The conditions and the order of issuance, refusal and revoking permit for carrying out free-lance activity by foreigners shall be determined by an ordinance to be issued by the Minister of Labour and Social Policy in coordination with the Minister of Interior and the Minister of Finance.

(4) Not issued shall be visa for continuous stay for the purpose of carrying out freelance practice to a foreigner in the cases under art. 24, para 1, item 1 - 13 and 16.

(5) Foreigners who meet the legally established requirements for carrying out the respective free-lance activity shall be released from the requirement for issuance of permit if this is stipulated by an international agreement party to which is the Republic of Bulgaria.

Art. 25. A permission for permanent stay shall be possible to receive the foreigners:

1. of Bulgarian ethnic origin;
2. (amend. – SG 29/07) five years after the marriage with a foreigner staying permanently in the country;
3. (amend. – SG 29/07) small or below age children of a foreigner with permanent stay in the country and who have not been married;
4. (Amend., SG 42/01) parents of Bulgarian citizens when they provide the due legally established support, and in the cases of acknowledgement or adoption - upon expiration of 3 years from the acknowledgement or adoption;
5. (amend. – SG 29/07) stayed on legal grounds without interruption on the territory of the country during the last 5 years, provided that in the cases under Art. 24, para 1, item 3 only half of the term of stay shall be recognised;
6. (amend., SG 11/05) invested in the country over 500 000 US\$ by the lawful order;
7. (New, SG 42/01) who are not persons of Bulgarian origin, born on

the territory of the Republic of Bulgaria, lost their Bulgarian citizenship according to emigration agreements or by their own wish and they wish to settle permanently on the territory of the country.

8. (new, SG 37/03) who, by December 27, have entered, stay, or were born on the territory of the Republic of Bulgaria, and whose parent has married a Bulgarian citizen;

9. (new – SG 29/07) members of the family of the Bulgarian citizen, if they have stayed continuously in the territory of the Republic of Bulgaria during the previous five years.

Art. 25a. (New, SG 42/01) Permit for stay in the Republic of Bulgaria, without the presence of the requirements of this law can be obtained by foreigners who have contributions to the Republic of Bulgaria in the public and economic sphere, in the sphere of the national security, science, technology, culture or sport.

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Immigration, Gender, Labour

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Feminization of migration

Gender and labour is an inescapable aspect of any encompassing study of migration (Apitzsch 2007). The topic is central for a large number of studies (Hersent and Ziadman, 2003). It is due to three main reasons:

- The feminization of migration. If in the eve of the modern migration phenomenon women have been a tiny minority of the flows, this tendency has been reversed in the 70s onwards and now women account for half of the migrant population in Europe;
- The types of women migration patterns are also evolving: from family reunification to labour migration. If in the classical model women accompanied their parents or husbands, today more and more often they undertake the migration alone in the search of better professional or labour opportunities;
- The theoretical sensitivity to the female migration is also increasing. Women studies have contributing a lot to developing the gender perspective.

The theoretical field of gender and migration is strengthening by the significant support of the European commission. I'll quote just two examples:

- Integration of female (im)migrants in labour market and society. Policy assessment and policy recommendations. Project funded by the 6th Framework program of the EU covering 11 European countries.
- Network in ethnicity and women scientists with participation of 8 countries (including Bulgaria). The project I also funded by the 6th Framework program.

The first one is illustrative of the comprehensive ambition of sev-

eral projects: to present the state of the art combining the women point of view (biographical narrative interviews with female migrants) with the policy perspective (interviews with administrative officers, statistical and comparative analysis, policy recommendations).

The second is quite unique. If most projects focus on discrimination and inequality in the access to the labour market, NEW project studies women in the top, female representatives in the intellectual elite.

The present article aims at analyzing the first study in Bulgaria of gender and migration. It is conducted by CERMES and directed by the author¹. It includes both quantitative and qualitative methods, a survey and biographical interviews. The article presents some preliminary results, the project being in progress.

Four portraits

The Japanese

She looks like a young girl – with a slightly tilted sports cap and artistic clothes. Bulgaria is just another stop in her global routes. Paradoxically, she found a job on the Internet – she saw an advertisement and responded.

She taught Japanese to the children in a taekwondo club. She also helped run a bed and breakfast which another migrant, a young Bulgarian, had opened with his savings when he came back from abroad.

She had lived in Australia, toured Ireland, found it curious everywhere she went, but she didn't stay long anywhere, she doesn't want to settle. She is not sure where she want to go, rather she is sure she doesn't want to live in Japan – too regulated, too strong social control, too strictly defined roles, the girls of her milieu have to get a good education, then marry well...

She impressed me with her taste for second-hand shops. Laughing, she recounted of the Bulgarians' amazement that a Japanese woman would wear second-hand clothes. But she is attracted by the discovery, the uniqueness of these clothes, every item being one of a kind. You dig, you search and there is a chance to find yourself, to be different from the others.

Indeed she was the opposite of our stereotypes of the Japanese people – she laughed loudly, made many funny faces, did not hurry, generously gave of her time. We try to catch the typical, while she enjoys the unique, the different.

¹ The project "Invisible communities: being a woman abroad" is funded by the Trust for civil society.

The Lebanese

No one knows the Arab community better than her. No one is better known to the Arab community than her. She is present at all events – from the celebrations of the national holidays of the different communities to the celebrations in the many Arab schools (Lebanese, Syrian, Palestinian, Iraqi), at the exhibitions of oriental artists, at receptions and discussion forums, at sad events commemorating the death of famous Arab political leaders and at festive events. She not only attends events but she initiates some: she gathers women – Bulgarian and Arab – on March 8, 2008, interviews them a propos in the pleasant atmosphere in order to give them a more subtle image of themselves, organizes competitions.

She is initiator and publisher of the most successful immigrant's magazine in the country – considering the scope of its readership, its financial autonomy, and as a bridge above the political, religious and national differences.

Her whole life is intercultural dialogue. She publishes the magazine in two languages she has perfect command of Arabic and Bulgarian. She has friends both among the Arabs and among the Bulgarians. She is invited as a dear guest by the Arab communities in Bulgaria and by the Bulgarian communities in the Arab countries.

The African

“Where are you from?” is the first question she is invariably asked. She always wonders what to answer, because she is from Bulgaria, she was born here, Bulgarian is her mother tongue. However, people don't listen to the way she speaks but look at her appearance. Her Nigerian father and Bulgarian mother have endowed her with exotic beauty.

She feels constantly people's eyes on her – because she is young, and because she is beautiful, and because she is different. So she made it a part of her job – airhostess, fashion model, singer. She has a gift for everything – languages, communication, movement. She succeeds so easily that she never does only one thing at a time. From the catwalk she goes to the university to take an exam, then sets out for the next flight.

To appear as a representative of a visible minority when actually you are a member of the majority, is a dual fate. It may be stigmatic or it may be a chance for a brilliant career. She chose the latter, to transform the difference into success. If her occupations are artistic, her studies are quite serious – political sciences.

Bulgaria is her homeland, but because mixed blood runs in her veins, and because she discovers the world with curiosity, she feels comfortable in mobility, in movement.

The Afghan

She arrived in Sofia by chance. She had left her tumultuous country in search of a better life. The trafficker has been paid to bring her and her kids to Germany. One day she woke up in the train, the trafficker has disappeared; she had no documents and no idea where she was. . .

Because Afghanistan is a major asylum seekers' sending country, she got relatively easy a refugee status. Her husband joined the family, as well as her brother and sister with their siblings. The big family is here, all well established, all having their small or medium business. She still dreams sometimes of Germany, yet the kids are so happy in Bulgaria that they laugh at her: "You can leave; we stay here with our friends". The neighbors love them and joke that they speak better Bulgarian than themselves.

Four types of labour migration

The first is of the global nomads, who travel round the world, often on unpredictable routes, and sometimes land in Bulgaria. The second portrait pertains to the integrated immigrant, who feels Bulgaria as her second motherland, she works dedicatedly both for her community and the relations of her compatriots with our country. The next portrait reflects the paradoxical attitude of the Bulgarians towards otherness. Many of us still cannot accept that Bulgarian citizenship by birth may be held by people who look different. The last portrait refers to another type of migration – the asylum seekers.

Despite the differences of all kinds – nationality, age, type of migration, education – the four women have a fundamental characteristic in common – all of them are active, they have interesting jobs and feel self-confident. This is the main peculiarity of the female migration in Bulgaria which will be detailed and developed in the article.

Men vs. women

In immigrant communities, especially in countries with new migration such as Bulgaria, the ratio men/women is very different from the normal ratio in the population. In our country, three quite different cases are apparent. In the Russian community the women definitely predomi-

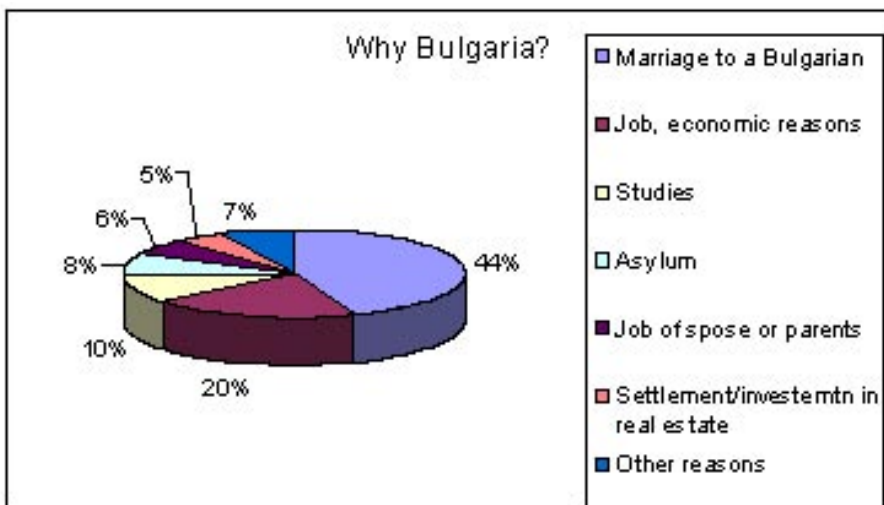
nate, in the African community the women are an exception. The Arab community is somewhere in between, but there again the men outnumber the women, who are barely one third of the group.

The gender imbalance is striking also in the refugee community: only one woman per five men among the asylum seekers. There are thirty countries without applications for asylum from women. The number of women is almost equivalent to the one of children with the notable exception of the Afghan group where the kids are 2.5 more numerous than women.

The mixed marriages are also unevenly distributed. They are a rule in the Russian community, often referred to as the “Russian daughters-in-law”. There are almost no Arab women married to Bulgarians. The same is to a great extent valid for the Chinese and the Afghan communities.

Why Bulgaria?

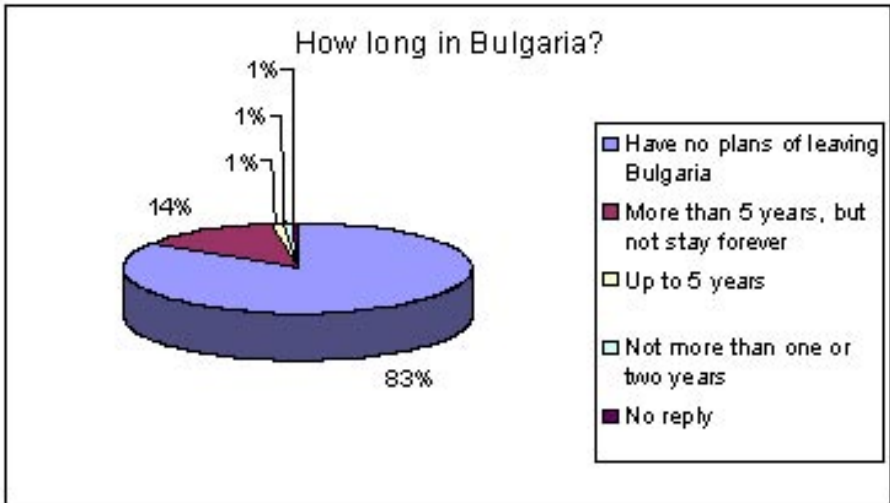
What makes women leave their homeland and choose Bulgaria – labour opportunities, studies or family? The first reason happens to be romantic – love. Nearly half of the women immigrants in our country come with their husbands. The other reasons are no different from the men’s – 20% come to seek a job or because they have already found one, 10% come to get higher education. Some flee their countries and seek asylum in Bulgaria (8,9%), others, on the contrary, decide to invest in housing – still a small share (5,2%) but with a tendency to grow is the category of immigrants, who have financial resources and invest them in real estate, attracted by the low compared to European standards prices and the good climate.



How long in Bulgaria?

For several migrants Bulgaria is still a transit country. Another tendency is emerging – a dynamic category of women professionals whose carrier is international and they move like one of the personages in the beginning of the article from Japan to Australia to Ireland to Bulgaria or like another informant - from France to Senegal to Estonia to Bulgaria. For both categories Bulgaria is a stop in their labour migration.

For those who have already settled Bulgaria looks quite hospitable and over 4/5 have no plans of leaving it.



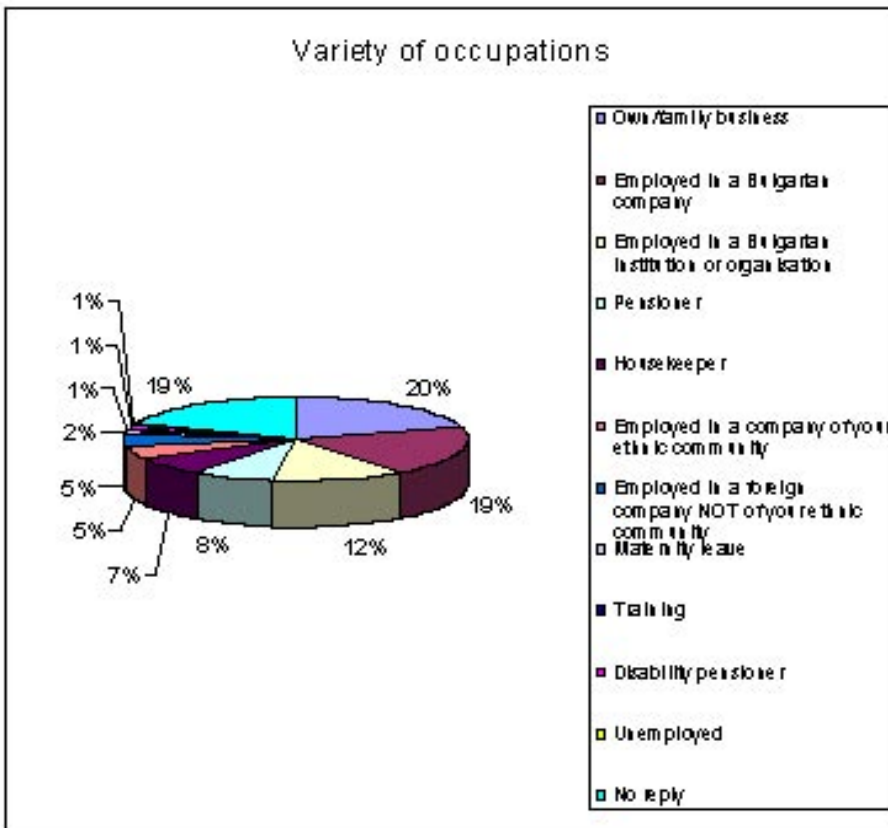
Labour

Like the Bulgarian women, female immigrants are active: they work in the private businesses – mostly of their community, but also in Bulgarian ones. The latter is very uneven: there are almost no Chinese, Arabs, Afghans who work in Bulgarian companies². The Russians, Ukrainians and other immigrants from former Soviet Union are very well integrated and almost evenly present in different professional fields. They are also employed in the administration.

If several studies in the western countries analyze the difficult access of migrant women to labour, the Bulgarian case looks quite optimistic: very few declare themselves unemployed. Those figures, of course, should be dealt with precaution. First, the survey includes few asylum seekers

² While the opposite is very often the case: Bulgarians working in immigrants' companies.

and refugees and the rate of unemployment is the highest in their group. Second, we observe a high percentage of no reply to this question. Some of the reasons for the reticence are cultural: the social role of women is conceived in a different way in the various groups. Some immigrants devote themselves to the kids and family – this peculiarity is most prominent in the Arab, Afghan, Iranian communities, whereas it is rather an exception in the Chinese and Russian groups. The understanding of the other reasons for the no-answers of this question should be investigated further.

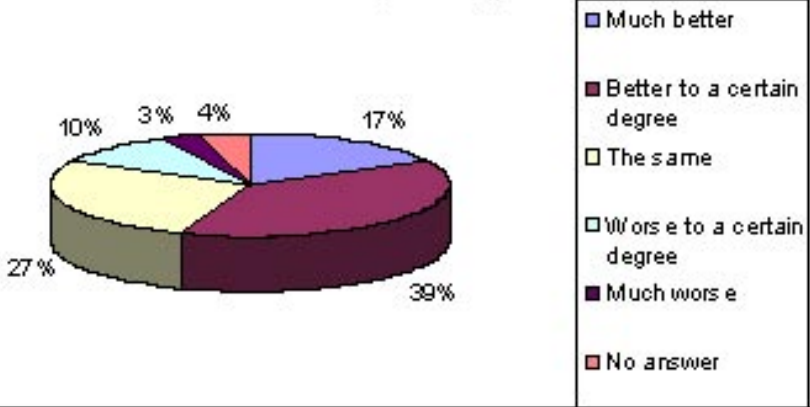


A more detailed look at the occupations shows that immigrants are both white and blue collars, yet much more concentrated in the former: among the most qualified are medical doctors, pharmacists, the experts in the communication and financial sector. Women immigrant work predominantly in the commerce, services, restaurants, tourism. Relatively few occupy unqualified jobs.

Commerce	32,00%
Restaurant, café, bar	8,40%
Teachers	6,30%
Services	5,20%
Administration	4,20%
Pensioner	3,70%
Unemployed	3,70%
Manufacturing	3,10%
Health sector	3,10%
Tailor	2,60%
Transport	1,60%
Social work	1,60%
Housekeeper	1,60%
Communications	1,00%
Economist	1%
Doctor	1%
Construction	1%
NGO	1%
Advertisement	0,50%
Worker	0,50%
Dentist	0,50%
Nurse	0,50%
Cleaner	0,50%
Bank	0,50%
Printing house	0,50%
Pharmacist	0,50%
Insurance	0,50%
Media	0,50%
Tourism	0,50%
Accounter	0,50%

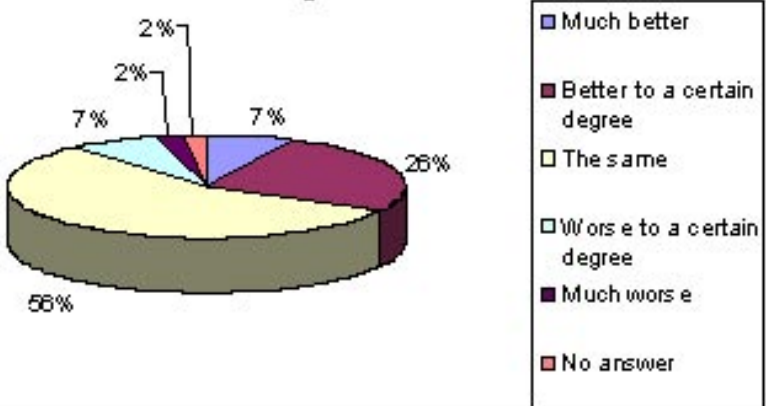
There is one important indicator of integration: the satisfaction. Bulgaria proves to be a favorable new homeland – more than half of the female immigrants (56%) feel better materially here than in their own countries. A positive finding that is unexpected for many Bulgarians. Only one of every ten female migrants complains of her deteriorated material status and for just 3,1% the situation today is much worse.

Your financial situation in comparison to the one before coming to Bulgaria



The comparative aspect of satisfaction has two axes: the pre-migration situation and the host society. Concerning the latter we see one of the most significant results of the survey: female migrants (56%) feel they are in line with the host society and live like the average Bulgarian. Even more important, one third is better off than the majority of the local population. Only one per ten women complains she live under the Bulgarian standard.

Your financial situation in comparison to most Bulgarians



These results are complemented by the answer to the question of the advantages of the immigrant life in Bulgaria. Job opportunities are the main advantage according to more than one tenth of the respondents. Several appreciate the education, especially the tertiary one and the larger horizons for their kids in terms of professional development and carrier opportunities. The tolerance and cordiality of Bulgarians are appreciated by most and according to one quarter of the respondents this is the main advantage of being a foreigner. A few are really impressed how nice people are and how they do their best to please them. The network theory applies also to the case of migrant women in our country – the main reason and facilitator of their lives here is the existence of a large and strong community of their co-nationals.

Advantages of the immigrant women' life in Bulgaria

Friendly attitudes, nice people	19.4%
No advantages	16.8%
Beautiful nature, good climate	14.1%
Here we have a job and better standard	11%
Peace	5.8%
More independent, free and autonomous life	4.7%
My family is here	3.7%
Till 90ies calm and regulated life and relationships	2.6%
Member of EU	2.6%
Bulgarian is like a homeland	2.1%
Good universities	1%
Knowledge of different country, traditions and way of life	1%
Good cuisine	1%
I feel Bulgarian	1%
Everybody is doing his best tries to please me	1%
Opportunities for studies and carrier of my kids	0,5%
More dynamic country	0,5%
Better services	0,5%
There are already a lot of persons of my community	0.5%
The same religion	0.5%
One gave us a flat	0.5%

Life in immigration is often described in terms of deprivation, discrimination, difficulties. Immigrant women in Bulgaria also face several problems: the list of disadvantages is longer than the one of advantages. Several frustrations and discontents are shared by all leaving in nowadays Bulgaria: corruption, inefficient administration, difficult access to kindergarten, bad infrastructure, costly and deteriorating health system, etc. Others are specific to foreigners: intolerance and discrimination, difficult access to Bulgarian citizenship, disqualification, nostalgia. One sees the illustration of quite general rule: for getting recognition the foreigner needs to invest much more efforts. It's valid also for women. Being migrant lady means accumulating these two disadvantages. An interesting result of the survey is that women immigrant in Bulgaria complain mainly as immigrants, much less as women. In the answers we do not feel special discrimination or deprivation only because of gender. A few feel as a restriction the moral obligation to marry to a man of their group. This restriction however refers much more to the traditional culture of some communities than to the Bulgarian society.

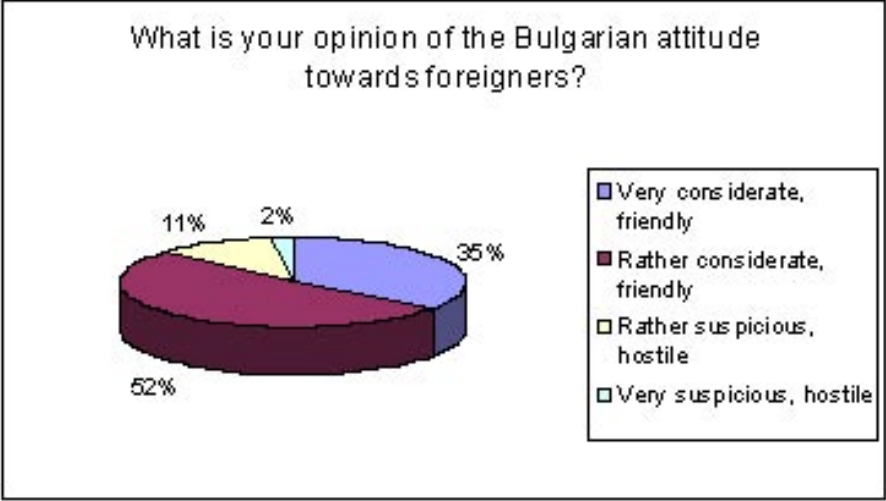
It's worth noting than even when the question concerns disadvantages, a few (8,4%) answer positively, that everything is fine, life is nice.

Disadvantages of the immigrant women' life in Bulgaria

Intolerance, lack of respect	9,4%
Difficulties in finding a job corresponding to the qualification, difficult professional realisation	8,4%
Low income	8,4%
No disadvantages, life is nice	8,4%
Difficulties in acquiring Bulgarian citizenship	6.8%
Difficulties in understanding, communications and inclusion	6,3%
Difficult initial social adaptation	5.8%
One remains always a foreigner	4.7%
Nostalgia, I miss my relatives and friends	4.2%
Difficulties and problems connected to the 17-years transition	2.6%
Not clear, trash everywhere	2.%
Laws change and are not respected	2.1%
Bureaucracy	1.6%
Not easy to find what you need	1.6%

Corruption	1.6%
Too hard work	1.6%
Expensive education in the Bulgarian schools	1%
Discrimination when looking for a job	1%
No special housing for foreigners	1%
No rights to vote	0.5%
Difficulties in sending kids to the kindergarten	0.5%
Deprived of some rights	0.5%
One has to invest more efforts to prove oneself	0.5%
Bad law for foreigners	0.5%
Not merits, but connections	0.5%
Conservative views of Bulgarians	0.5%
Roads, infrastructure	0.5%
Inefficiency of social services	0.5%
Lack of mutual help	0.5%
Racism	0.5%
Deteriorating health system	0.5%
Criminality	0.5%
One has to marry a man from her nationality	0.5%

Discriminated or tolerated



Whether owing to their material security or out of female delicacy, most of the interviewed spoke of the Bulgarians in flattering terms – over 80% rate our attitude to otherness as friendly. Field work nuanced these data with facts of discrimination. The women are not spared hostile and unfair treatment. All the more so, that they take as theirs the experience of their children and strongly suffer from the acts of xenophobia and discrimination on the part of schoolmates and even teachers.

Female migrants in Bulgaria – active, self-confident, integrated

The portrait of the female migrant in Bulgaria is quite positive. This is the striking difference in comparison with most of the studies on gender and migration in western European countries.

The woman immigrant in our country is active, integrated, satisfied person, who has retained her language, culture and relations with the community of her compatriots, but who feels Bulgaria as her second motherland.

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The Meaning of the EU Common Basic Principles for the Integration of Middle East Immigrants in Bulgaria

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The purpose of this paper is to analyse the situation of the integration of immigrants from the Arab Middle East states in Bulgaria through the Common Basic Principles for Immigrant Integration Policy in the EU, adopted by the Council of the European Union. It is based on data collected for a doctoral thesis. The analysis uses national strategic documents, policy drafts and fieldwork-generated background information. The paper is structured in five parts: a description of the studied immigrant communities; introduction of the common EU policy for the immigrants; summary of the Common Basic Principles for immigrant integration policy; the integration experience of the studied cohort (bottom-up approach); and the policy axes of the integration.

Immigrant integration is emerging on the political agenda of the new member states more as a result of the development of a common policy than as a rationalised need of their societies. Like the Western democracies, they are affected by migratory movements, but the scale is not as significant yet, and certainly not comparable.

In Europe there is a great diversity of approaches to the questions of “how” to promote integration. As a concept and a practice integration is not uniform not only as a result of the specific immigration histories, but also of the role of governments and civil society. An important open question is which groups are or should be the targets of integration policy, which is in the focus of the present analysis.

The long-term goal of integration is most often to achieve self-sufficiency of the immigrants: for the governments it is important that they

lead an independent life in terms of jobs, housing, education and participation in the life of society. The European Commission's first *Annual Report on Immigration and Integration*¹ demonstrates that in all member states access to the labour market and language skills, and a sufficient level of education constitute the weightiest objectives for securing successful integration. Unavailability or low-quality housing and immigrant overrepresentation in deprived urban neighbourhoods are problematic for most, predominantly the earlier, member states. This dimension of integration draws the attention to local and urban policies and to the central role of local authorities in the process of integration.

Although the common European policy is still heavily focused on social and economic issues, the emphasis on the importance of the socio-cultural domain, the personal dimensions of integration and the frequency and intensity of social interactions is increasing. This approach prioritizes the need for including immigrants into the civic, cultural and political fields in addition to the economy. Moreover, the interpretation of integration as a reciprocal process suggests immersion on the attitudes of the recipient societies and their citizens, structures and organizations. All these aspects are intertwined and mutually amplifying their effects. The ultimate attainment of this approach is expected to be social cohesion and equality in diverse societies.

Fair and effective integration policies necessitate a proper balance of responsibilities. Integration is a shared responsibility and involves the participation of many actors: different levels of government, economic and social partners such as employees, unions, business associations, religious organizations, civil society structures, migrants' associations, the media and NGOs. Roles are determined by their specific competences and powers. Political leaders for example are an important player in promoting a positive attitude towards immigrants and in countering xenophobic and discriminatory moods. Employers may provide access to jobs, vocational training and language teaching, facilitate access to housing, create a favourable environment and inform the public debate about the economic benefits of immigration. Organizations of all types are involved in the process of acceptance of intercultural realities through their equal opportunity policies and corporate social responsibility actions.

The role of the media in informing the public's attitudes towards

¹ Communication from the Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions, Brussels, 16.07.2004, COM (2004) 508 Final

newcomers is paramount. Relatively small portions of the public have direct interaction with them and their attitudes and perceptions are very much influenced by the images created in the media.

In the Bulgarian political domain the immigrants are not considered a target of political decisions, but rather a solution of existing problems that necessitate active interference. No political platform or program of any of the political parties pays attention to the foreigners settled in the country or the immigration flows and their management. The government radar, on the other hand, discerns them only as manpower in its demographic strategy².

The National Implementation Plan to the National Demographic Development Strategy of the Republic of Bulgaria (2006-2020) envisages the drafting of national immigration policy. Four categories of immigrants are particularly targeted:

- Bulgarian citizens living abroad;
- The Bulgarian diasporas wishing to acquire Bulgarian citizenship;
- Foreign citizens of Bulgarian origin;
- Persons who have already immigrated to Bulgaria.

The immigration phenomenon as subject of various social sciences has various definitions, but they do not differ substantially and are essentially the same. The concept is defined in a variety of official documentation of international organizations and national authorities. If we apply the immigration definition of the United Nations Organization, “*the phenomenon where a person leaves his or her country of origin in order to settle in another for a period of at least one year*” it becomes evident that the first target category identified in this plan does not qualify as “immigrant” and therefore does not belong to this policy. It also becomes evident that the guiding line of the strategy is to invest maximum efforts in preserving the national homogeneity.

New member states, and Bulgaria as one of the latest among them, have historically placed emphasis on addressing minority issues rather than immigrant integration. Also, there is no agreement whether immigrants, however identified, should be considered as one group. More often they are addressed as individuals or as members of communities defined by national or ethnic origin, religion, by the reason of their arrival (economic migrants, refugees or family members) or by their skills (high/low-skilled).

² National Strategy for demographic development of the Republic of Bulgaria (2006-2020)

The problem with all data on the topic, not just for Bulgaria but for the whole of Eastern Europe, is that they are less than comprehensive and derived from a variety of sources, concepts and definitions. In Bulgaria there is no systematic and officially accessible statistics of the number of foreigners in the country. The publicly available data from unofficial channels are scarce and contradictory. What is more, the classification of the migrants in various categories is in a state of confusion, which further hampers the desegregation of the data and might lead to wrong estimates and assumptions. The very few publication on migration in Bulgaria³ do not employ the categorisation set out in the Law for Foreigners by status of the sojourn, which distributes them into short- and long-term residents (the latter being divided into long-term and permanent residents), but use their own classifications. Thus the quoted figures are at best tentative. The most reliable and the least questionable are the data on the number of permanently residing foreigners in the country at the end of 2004 of the National Statistical Institute. The source of this information is the register of long-term stay permits issued by the Ministry of the interior in the period 1991 – 2004. Unfortunately, foreigners originating from the Arab Middle East states are included in the “other” category, which makes the exact numbers impossible to extract.

According to their own estimates⁴ the foreigners from the Middle East residing in Bulgaria are around 10,3 thousand, or roughly 10% of the migrants in Bulgaria. One of their routes for arrival is through Turkey. In the last two decades Turkey has increasingly experienced large, diverse inflows of foreign nationals, including transit migrants, illegal labour migrants, asylum seekers and refugees, or smuggled and trafficked persons. The irregular migration flows are mostly transit migrants en route to other countries, notably Western Europe, through Bulgaria.

Other demographic features that characterize the studied population are the lack of gender balance and the manifestly high education status. Together with the African, Kurdish, Vietnamese and Afghan groups, the group of Arab middle East settlers is one of those where the discrepancies in the gender proportions are the most expressed (3/4 men to 1/4 women)⁵. The majority are married and the percentage of mixed mar-

³ Migration trends in Selected EU Applicant Countries, Volume 1: Bulgaria. ИОМ 2003; Имиграцията в България, съставителство и научна редакция Анна Кръстева. София: ИМИР. 2005

⁴ Data collected from interviews with the leadership of the immigrant associations and the embassies of the respective states to Sofia.

⁵ According to a survey of the sociological agency Alpha Research conducted in July and August 2007. (*For comparison's sake the Africans are almost entirely male.*)

riages is high. The education status in aggregate average values is higher in this group than that of the local population, which is largely due to the fact that the majority has initially arrived in the country to pursue higher education. The dominant part resides in the country for more than 10 years and has the status of long-term or permanent sojourn (over 50%). More than 80% do not have plans for moving elsewhere.

The labour markets as a dimension of the host country context are probably the most important in their sociological aspect, i.e. the ways that specific groups of immigrants get classified on them. Generally speaking, the employers could either be indifferent to a specific group or they could form positive or negative attitudes. The preferential treatment rarely occurs, unless the employers are of the same nationality. Describing the studied population through employment, we get a two-dimensional picture. If we do not count the professionals employed in the civil service – a relatively small share of the early arrivals of the socialist period, working in the foreign ministry's administration and other government structures as translators or experts – the remaining categories are located along the axis employers – self-employed – wage workers.

The first category is formed by the business owner employers with capital investments and developed productions. The law obliges them to provide at least 10 jobs in the country to be able to stay. Quite a few in fact have more than 100 Bulgarian ethnic employees (falling in the medium-size enterprises according to the standard). Only in Sofia there are no less than 1000 registered firms of Lebanese and Syrian nationals. The working conditions and salaries in these enterprises are not below the level of those offered by the rest of the private businesses.

The self-employed are predominantly petty traders of goods or services - retail trade, catering (fast food and restaurants) or barber shops, but there is also a visible number of medical doctors and some private clinics. The third category of the hired workers is in fact the only one to which the market is prejudiced. Their chances of finding employment in private businesses owned by Bulgarians are trifling, much more as a result from the prejudiced distrust that was already pointed out than from any negative experience. The problem is not that the employers have negative expectations but that they have none. Simply put, the Bulgarian employers do not know them and are not willing to take any risks by hiring them. Nonetheless, the employment rate among the migrants

from the Arab Middle East is higher than the country's average.

The latter category is the one that relies most heavily on the network. Without financial and skills capital they find themselves in the unfavourable situation of uncertainty and vulnerability. Thus the only source they can rely on in order to be able to stay is their "kin". In the outlined circumstance what they could lean on, not counting the illegal sources of income, are the businessmen of their own nationality who are usually ready to offer a helping hand. To sum up, the community of Arab Middle East immigrants does not create a threat to the jobs of the local residents because it occupies a separate labour market niche. Neither does it add to the burden of social assistance to the unemployed.

The employment dimension of the integration has a strong gender aspect. In the spirit of their traditionally conservative culture men routinely first migrate on their own, later followed by the women. To marry Bulgarian women is a frequent choice, although some of the migrants return to their country of origin to find a wife. The migrant women accompanying their husbands are placed in a culturally alien environment, to which they have great difficulties to adapt. Many remain at home as housewives, have very limited linguistic competences (and limited opportunities to practice the language) and their social contacts are often confined to their community. This makes them heavily dependent on their spouses and the information about the surrounding world is to a great extent "interpreted" for them. Thus the men turn into "gatekeepers" of the community. Even when they have some employment, the women rarely exit the community.

From economic point of view, this immigrant group is characterized by intense economic activity. If the entrepreneurial business success is taken as a dependent variable, the values in this community would be higher than the average in the broader economic environment. However, this economic contribution is largely unknown to the broader public and remains unrecognized.

The Council of the European Union adopted the Common Basic Principles for Immigrant Integration Policy in the EU (CBPs)⁶ in 2004. In September 2005 the European Commission put forward a Common Agenda for Integration, which provides a framework for the integration of third-country nationals in the EU⁷. The cornerstones of this frame-

⁶ Council Document 14615/04

⁷ COM(2005) 389

work are proposals for concrete measures to put the CBPs into practice, both at EU and national levels⁸. Furthermore, the Common Agenda provides supportive EU mechanisms to facilitate this process, developing a distinctive European approach to integration through cooperation and exchange of good practice. Taking this approach as a point departure, the integration model of the Arab immigrant communities is further analysed in the conceptual framework of the CBP.

CBP 1 and 2: Integration is a dynamic, two-way process of mutual accommodation by all immigrants and residents of member states.

Integration implies respect for the basic values of the European Union.

To apply these principles in their policy, member states are encouraged to consider and involve both immigrants and national citizens in integration policy and to communicate clearly their mutual rights and responsibilities. The Commission's conclusion is that structural initiatives targeting the host population to reinforce its ability to adjust to diversity are still underrepresented in national strategies. Although discussions of the integration of immigrants are increasing at the EU level, at the national level the responses are slower. Three are the European countries that currently have mandatory integration programs for third-country nationals – Austria, Germany and the Netherlands.

In this text integration is understood as the efforts of the authorities to *incorporate* various foreign-born, or descendants of foreign-born, into the larger community. The essential reason why the immigrants need to be included is that they were not “born in”. The recent reactions of second or successive generations in some Western European states have shown us that inclusion is a process rather than an act, and that the process may be long. Furthermore, the process is not the same as the attempts to integrate those who were “born in” but nevertheless suffer from various forms of exclusion, namely the local minorities.

The government policy forms the first stage in the immigration process because it affects the likelihood of establishing successfully in a country and in the respective legal framework. The government support is important insofar as it gives the newcomers access to resources that might otherwise be inaccessible. If for the immigrants with professional or business skills the government assistance is a way of faster social inte-

⁸ The European Parliament, the European Economic and Social Committee and the Committee of the Regions welcomed the developing of the EU integration framework in their respective opinions

gration and economic mobility, for those lacking such resources it could turn either into a means of permanent social dependence or of economic marginalization.

Most often the newcomers arrive where other members of the community have already settled. As we know from the observations of the sociologists, the existing communities mitigate the shock of the cultural change and protect the newly arrived from the societal prejudices and the initial economic hardships. More importantly, the process of socio-economic achievements in this context is normally driven by networks. The ethnic or national networks provide the sources of information about jobs and economic opportunities, the sources of jobs inside the community and the sources of credit and support for entrepreneurship.

Although the intentions to formulate an immigration policy are already on track to realization, the government currently lacks a policy for the immigrants. The “immigration policy” is the policy that regulates the migration flows: there is the Law for the Foreigners regulating the entrance and stay in the country and the Migration Directorate with the ministry of interior, which exercises administrative control on the foreigners on the country’s territory. As a matter of fact, the law does not contain “immigrant” status - the law, as well as the broader public political discourse use the terms “refugees” and “foreigners”. The latest legislative amendments introduced certain liberalization of the regime in view of transposing the EU directives for the free movement of people and goods through the state borders. These amendments permit longer stay in the country of foreigners wishing to perform freelance or non-profit activities and thus broadened the opportunities for settlement.

The “immigrant policy” refers to the integration of foreign-born residents. In Bulgaria no political consensus exists as regards the necessity for management and stimulation of the immigrant population. As already mentioned, none of the political parties considers this to be a priority area. A paradox can be found in the administrative arrangements as well: although the country receives very few refugees, it has well developed administration to tackle this issue; in comparative perspective the numbers of immigrants are much larger, but no administrative arrangements have been made for their integration.

As is currently the case a variety of institutions are engaged in the process: the ministry of foreign affairs issues entry visas; the interior

ministry is responsible for the border and administrative control – issuing of identity cards and stay permits, as well as extraditions; the ministry of labour and social policy issues work permits and permits for freelance employment to foreigners; the presidency is in charge of the naturalization and the ministry of justice issues permits for performance of non-profit activities of foreigners in the country. All of them are part of the “immigration policy”, but there is no coordination unit in the picture and no institution is involved in the integration of migrants, i.e. responsible for the “immigrant policy”.

For the immigrants’ perspective the absent government policy is an issue, especially after Bulgaria became an EU member state as of 1 January 2007. Logically, they are becoming more demanding to the authorities based on the comparisons they make with the existing arrangements in the West European part of the Union.

One important and policy-relevant characteristic feature of group of immigrants under consideration is that they are communities with good level of organization. In Bulgaria there are associations or forums of the Lebanese, Syrians, Palestine, Iraqi. When expressing an opinion of questions of public relevance, they often speak as representatives of their organized communities, especially on issues that have been internally debated. As settlers already belonging to the nation, it appears as a common understanding from their point of view that the country has sufficient capacity to accommodate migrants on its territory and it would be in its interest and to its benefit to purposefully manage the professional and financial resource that they provide.

From a researcher point of view it is important to make one clarification as regards the studied cohort. In the course of my fieldwork I was repeatedly corrected when referring to my respondents as “Arab”, since this is not how they self-identify. Without denying their Arab belonging, they often insisted on national identification, meaning Lebanese, Syrian, Palestine, Jordan etc.

There is agreement in the literature that within a particular cultural and/or societal context there operate a plurality of identities, each of which is based on a social classification that can change over time. Increasing research evidence shows that individuals can have multiple identifications even within a single identity criterion that derives from the various ways in which individuals and groups categorize each other

in social interaction. In the data collection process there were many respondents who introduced themselves as Lebanese Bulgarian, Palestinian Bulgarian or even Arab European etcetera.

The European identification has a special meaning for the Middle East migrants. In a sense their interest in the Bulgarian EU membership is higher than that of the local population because living in Bulgaria for them was a predetermined choice.

The latest results⁹ from the public opinion polls on the country's EU membership among the Bulgarian citizens show high approval rates of 80% against 17% disapproval. At the same time only 24% of the sample population in the conducted surveys expresses positive expectations to this membership (young people, people with higher education, freelance professionals, business owners) while 62% do not expect any significant changes in their lives. The opinions of the effect of Bulgaria's joining the European Community¹⁰ show the following results: 59% the situation has not changed; 13% it has improved and 28% it has deteriorated.

The attitudes among the immigrants are in the positive section of the scale¹¹, which could be explained with the fact that the majority are in the higher education/high status/high income category and to a greater extent recognize their individual opportunities in the context of the membership, including mobility. Also, to be part of Europe for them seems to be a source of satisfaction and pride – a major condition for acceptance and respect of basic values.

This belonging has a special meaning for the women, interpreted through their roles and freedoms in the society. The feeling they build is of being more “modern” and “progressive”. An indirect illustration of this experience is how they use the word “European” to describe men who are less traditional in their understanding of the place and functions of women.

CBP 4 and 7: Basic knowledge of the host society's language, history and institutions is indispensable to integration; enabling immigrants to acquire this basic knowledge is essential to successful integration.

Frequent interaction between immigrants and member state citizens is a fundamental mechanism for integration.

In 1995 Alejandro Portes studied the economic well-being of various immigrant communities in the United States. The study showed that

⁹ From May 2007, The European Commission Representation in Bulgaria.

¹⁰ Personal assessment of the situation in April 2007.

¹¹ According to data from interviews without statistical validity.

some groups¹² do better than other groups¹³ due to the social structure of the communities where the new migrants arrive. The successful communities are capable of offering the newly arrived assistance in providing informal ways of crediting, insurance, child care, learning English and finding a job. The less successful demonstrate a more short-term engagement to the host country and their abilities to provide important services to their members are much lesser.

The relation between this social capital and immigrant inclusion is complex. Individuals acquire their networks differently. How well immigrants can participate fully in the receiving society depends, along with other factors, on the type of social capital they are able to acquire both within ethnic communities and in mainstream society such as the workplace, schools, and the society at large. The practice shows that the concept is useful in designing policies that promote diversity without divisiveness in multicultural societies because social capital may foster mutual understanding and respect between different groups. Three basic types of social capital have been identified by the social scientists: bonding, bridging and linking.

Bonding refers typically to relations among members of families and ethnic groups. Bonding social capital is viewed as a possible contributor to the concentration of immigrants in urban areas. Through generations of migration, some ethnic groups have developed an infrastructure such as business and social services that often parallel those in the mainstream society, hence the term “institutional completeness”. Co-ethnics provide valuable information on the local labour market. As well, these ties can provide a social safety net by meeting material and financial needs during lean times and caring for children and elders. On a structural level, retention of home language and of ethnic identity derives from a greater institutional completeness and viability of the ethnic group.

Bonding is typical for the Arab Middle East immigrant communities. Family bonds are traditionally strong in the Lebanese, Syrian, Jordan and Iraqi societies and reproduced in the new host society. Very often the establishment of one family member leads to the arrival and settlement of several others (immediate family or relatives). In this sense, bonding accounts for the geographical concentration, which is mostly, although not exclusively, in Sofia, Plovdiv and Varna. The women in the group,

¹² Like the Koreans in LA and the Chinese in San Francisco

¹³ like the Mexicans in San Diego or the Dominicans in NY

being more confined to the home, miss the bonding opportunities of their home country and their process of adaptation is slower. *“In my home country I can always find a relative or a friend to spend my time with because many women are in the same position and stay at home. Here it is different. I’m alone most of the time, I cannot easily find company to have coffee or smoke hookah with and I feel isolated.”*

The ethnic restaurants have become one of the “bonding spaces” where the migrants gather to communicate and celebrate holidays and occasions. This is also one of the main places for the meetings of their associations, which do not have formal offices. The main purpose is to provide social services and assistance to members, information about legal and administrative formalities and business opportunities, as well as alternative crediting.

Bridging refers to relations between ethnic and other social groups. Most immigrants generally do not want to remain in their own ethnic community, nor do they wish to reproduce their home country in the receiving nation. As they immerse in their new country, immigrants are becoming “the locals”. They become citizens, learn the language, and become aware of the values and norms of the receiving society. Bridging capital enables immigrants to fully participate in their adopted country socially and economically.

The Lebanese and Syrians are probably the most active in their bridging efforts targeted at the host society. The most indicative fact in this respect is that they say they have more Bulgarian than Arab friends and feel pretty comfortable living in the country. Also, they make active efforts to increase the knowledge of the public about their culture and self-organize to learn about the host culture. For instance, the “1001 Candles” TV show of the Lebanese association was running once a week for two years, telling about traditional and modern art, music and literature, rites and customs, traditional practices and food, about Lebanon and featuring many guest speakers. The only reason why it ceased its existence is that the anchor (an orthodontist by profession) is too busy to be able to continue. Another bridging effort, aiming to increase the mutual familiarity and understanding, is the Maraya magazine, published in Bulgarian and Arab languages. It is the imitative of women. Similar to the TV program, it is equally striving to communicate with the broad public and bond the immigrants (women especially) together. The desire

to be part of the Bulgarian society is obvious, but equally obvious is the pride of being of Arab origin: „*It is truly enriching to be a representative of two civilizations*”. The Arabs in Bulgaria are not trying to disguise their ethnic identity; rather they want their cultural “story” to be heard, they want to “translate” themselves in their new home country. „*We love Bulgaria. We hope that Bulgaria likes us in return. All our lives we’ve been trying to prove that we are Bulgarians.*”

Linking refers to relations between different social strata in a hierarchy where different groups access power, social status and wealth. However, the acquisition of social capital is a two-way street. To accumulate linking capital not only requires the willingness of immigrants to connect with the society at large, but also the willingness of the receiving society to accept newcomers. Through linking, ethnic groups, regardless of immigration status, are able to have a say in the type of society that they want.

There is evidence of bias against this particular group of foreigners in the Bulgarian society. This attitude is nourished by a variety of sources, both international and local: the world-wide acts of terrorism, more or less isolated criminal deeds committed by representative of these nationalities among other pieces of media reality, and to a much lesser extent everyday interactions. I have heard opinions that they have taken possession of the urban market places and sell low quality goods, that their attitude to women is discriminatory and explicitly sexual, that they are drug dealers etc. These impressions are however used to label the entire community, wherefrom the reluctance to get to know them.

CBP5: Efforts in education are critical to preparing immigrants, and particularly descendants, to be more successful and more active participants in society.

This principle calls for attention towards scholastic underachievement, early school-leaving and all forms of immigrant youth delinquency and for policy intervention in the education sphere. Many initiatives promote respect for diversity in the educational environment and support for teachers. However, immigrant children and youth face specific challenges that should be further addressed.

The existence of own schools of the Arab immigrant community is telling of three important features of this group. Firstly, education is important for them and they have organized and invested resources to provide the conditions they consider the best for their situation. Secondly,

these schools provide the education and the schooling conditions that the community wants for its children: they can study both the host society's and their own ethnic language and culture, and the girls can attend the classes in the outfit that is specific for their confession, which is problematic in the regular schools. Thirdly, the schools provide employment for many members of the community. Before the opening of these schools many of the families usually provided home education to their children, managed by the educated mothers.

In Sofia there are several private schools of the Middle East migrants' community - Iraqi, Lebanese, Palestinian, Syrian. The majority of the children attend these schools, mostly because of the Arab language classes. The interest to Arab language acquisition is expressed: for example the Armenian School organized specialized classes with just 13 students in the first year that increased to 45 in the second and are now 70 by initiative of the parents. In the mixed families where the wife is Bulgarian the children learn Arabic at school and practice it mostly when they visit their father's relatives. In rare occasions the families decide to transfer their children from the specialized private to a regular school. The reasoning behind this is often that the child needs a better knowledge of the host country, if he or she were to live there and therefore the language of the home country is less essential. The problem that emerges with this situation is that the children at the private schools have fewer opportunities for close everyday contacts with other (the host) cultures and rarely participate in common national educational initiatives.

The summarized picture of the Arab community presence in the Bulgarian society thus appears to be: private business, civic activities, cultural presence, diversity in education. And their mission, formulated by the organized structures, is as follows: *"Our role is to change the negative image of the Arabs in the Bulgarian society and the European context"*. In contrast with the Chinese group they do not isolate in their housing solutions. There is no concentration in specific neighborhoods. The housing practice is rather a reflection of their economic achievements: when a family's financial situation improves, it moves to a better part of the city. Since the neighbors are very important in their culture, they usually maintain close and friendly connections in the neighborhood.

It may be due to the early stage of immigrant presence in the country but the migrants in general have not searched for active political expression

or representation of their interests on the decision-making level. However, they did use political agency, predominantly in crisis situations and by way of self-representation, by officially announcing their support when Bulgarians were taken hostages in Iraq, by sending delegations to the president of the country to express solidarity with the nation, by condemning violence and expressing readiness to cooperate, by their active position on the case of the Bulgarian medics convicted in Libya. On a more everyday level representatives of the community participate willingly in public discussions. Although they prefer to avoid the topic, the migrants have political affiliations and those who have the right vote in elections.

CBP8: The practice of diverse cultures and religions is guaranteed under the Chapter of Fundamental Rights and must be safeguarded, unless practices conflict with other inviolable European rights or with national law.

Member states also have a responsibility to ensure that cultural and religious practices do not prevent individual immigrants from exercising other fundamental rights or from participating in the host society. The Commission conclusion is that while the importance of inter- and intra- faith dialogue, as an element of broader intercultural initiatives, is widely recognised, measures to reinforce this aspect often appear as ad hoc responses to current events.

Naturally, most of the immigrants from the Arab states are Muslims. It seems there are three important characteristics of this Muslim immigration to a secularized orthodox country like Bulgaria that shed light over the integration model which has developed here. The first is the dominating secular spirit in the country. It is well known that the freedom of confession is one of the cornerstones of human rights. At the same time, even before 9/11 and certainly after it and post the recurrent violent actions in different west European countries the religions are perceived as a source of division in democratic societies. In popular speech the “secular society” defines religion as one (of many) forms of voluntary association. Such perception of religious faith, however, neglects the fact that religions have for long centuries been among the leading characteristics of the societies and cultures in the course of their historical development, and have had major political, social, economic and cultural consequences.

According to the latest published data of the National Statistical Institute around 82,6% of the citizens of Bulgaria self-define as Orthodox Christians and around 12,2% as Muslims. These are the two dominant

religions in the country. Also represented are confessions like catholic, various forms of Protestantism, Judaism, Gregorian Armenian Christians etc., or a total of 36 officially registered confessions. Since 1998 the governments have been active in promoting religious tolerance and seeking to achieve understanding between them. Nevertheless, although there is no exact data on the proportion of practicing believers, most observers are of the opinion that a very small percentage, no more than 1,5% of the population regularly attend religious services.

In other words Bulgaria fits into the definition of a secular state. And although the Muslims are generally more zealous in their faith, anyone expecting signs of the religious devotion familiar from the Arab states (for instance head-scarved women, scarcity of alcohol and the like) would quickly conclude that religion plays a somewhat different role in the lives of Bulgarian Muslims. Religious rituals are more important insofar as they show respect for a family's traditions. The few exceptions are to be found in closed and geographically isolated communities. Religious celebrations are often feted across the boundaries of faith, which builds bridges to other communities and maintains particular affiliations. A word one often hears in the field is "respect", and the emphasis is placed on inter-ethnic harmony. That is to say, the seeming distance between Muslim and Christian Orthodox can be non-contradictory in a secularized reality.

The second characteristic is the institutional development of Islam in the country, which is another determining factor. In Bulgaria there are four Islamic schools functioning (including one university), a Muslim cultural center, theological university forms and primary religious schools. The public schools offer facultative religious educatory courses. After the successful introduction of optional Islam classes in the primary schools in 2002, using the textbook proposed by the Chief Mufti and approved by the Ministry of Education, in 2004 the ministry agreed to also assist them financially. According to ministry data the classes are attended by some 18 000 pupils in the primary and secondary schools.

Most of the Bulgarian Muslims, the majority of them ethnic Turks, are followers of a moderate form of Sunism. Concerns exist that Muslims of Bulgarian ethnicity (Pomaks) and Roma Muslims, particularly those living in remote (usually mountainous) areas, are susceptible to "fundamentalist" influences (often locally referred to as "Arab" or "Wahabi"), associated with foreign funding of mosque construction and training of

imams in Arab countries. Opponents of the Chief Mufti within the Muslim community have accused him of failing to counteract or even fomenting the spread of Islamic extremism; none of these allegations have however been proven. Perhaps it is more important in terms of the country-specific background that Islam in Bulgaria has strong political ties and has become a major identification marker in the Bulgarian society.

The third essential point has to do with the attitudes, held by immigrant Muslims in Bulgaria. There are two predominant attitudes: the “*neighborhood*” attitude and *indifference*. The first one is more characteristic of the earlier arrivals of the socialist time. Spending their high school years in Bulgaria and the friendships they have made in that period seems to have created an emotional attachment to the country in general. The way migrants express this attitude is: “The Bulgarians are my neighbors and in Islam the neighbor is very important, almost a part of your family”. In the other group the respondents, although Muslim by confession or at least by belonging, show indifference to the topic of religion in general.

CBP10 and 11: Mainstreaming integration policies and measures in all relevant policy portfolios and levels of government and public services is an important consideration in public policy formation and implementation.

Developing clear goals, indicators and evaluation mechanisms are necessary to adjust policy, evaluate progress on integration and to make the exchange of information more effective.

The major challenges that still must be faced with regard to these principles are outlined as effective sharing of information, coordinating with all tiers of government and stakeholders and paying due attention to the mainstreaming of gender equality and to the specific needs of migrant youth and children.

Measuring integration is difficult and ambitious task. The question how to do it does not have a universal answer: through mixed marriages? Through the number of enterprises found by the immigrants? Through citizenship? Or through the successes of immigrant children at school? Judging by the objective indicators of the Arab immigrants’ socio-economic profile like education and employment, income, economic activity, citizenship and participation the conclusion will be that the majority are sufficiently integrated into the society. But the question

remains why then their children, some of which were born in the country, are different from their peers.

It is true that the integration is a voluntary act. Its successful realization is to a very large extent an expression of the free will of the individuals and their personal prioritization of goals. Nevertheless, the consistent policies also play an important role in the process.

The research of the immigrants from the Middle East states in Bulgaria has outlined the following policy-relevant conclusions:

1. Problematizing is not the only possible approach. An immigrant community that does not create a self-sufficiency problem should not be automatically excluded from the policy for the immigrants. The integration policy may involve other approaches that could be more appropriate and beneficial.
2. The central government structures are not the only agent of the policy initiatives. There are policy aspects more pertinent to the local governments or the civil society organizations, especially when they concern the everyday type of interactions.
3. A differentiated approach to the various migrant communities with specific attention to their needs would be more effective.
4. The migrant associations, especially those with an opinion an active attitude, could be key partners in the policy-generating consultation mechanisms. Their capacity remains so far unutilized.
5. The migrant communities have equal right of access to the programs and funds, available for the ethnic minorities (for instance those managed by the NCCEDI).
6. Specific attention should be paid to the incorporation of the private schools attended by the immigrant children into the national educational initiatives.

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Immigrant Integration into the Bulgarian Labour Market: Policy Implications

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Introduction

Bulgaria has a specific status within the European migratory area due to its geographic location as well as its political and economic situation. The Eastern European region plays an important role in the interaction between the developed countries of the EU and other countries of Eastern Europe and Asia. The flows of transit migrants heading "further to the West" are routed through this region, and for this reason it is often described as a 'buffer-zone'. However, the statistics describing migrants with long-term and permanent residence show that in the last nearly two decades Bulgaria is gradually becoming an attractive target country.

This paper reviews immigration trends and their labour market impacts in Bulgaria. The Bulgaria's specificity is analyzed as a host country for immigrants and refugees from different countries of origin and their adjustment to the local economic environment. Some of the main factors driving immigration are briefly discussed. The paper considers mainly the economic and social implications of immigration, in particular the integration of the immigrants into the Bulgarian labour market. The study is focused on the recent developments of the immigrant flows, as a consequence of the political and socio-economic changes in Bulgaria since 1989 onwards and the accession of this country to the European Union (EU).

The paper is organized as follows: *Firstly*, basic demographic indicators for Bulgaria are presented in order to outline the population crisis observed in the last two decades related to depopulation, ageing population, and migration. *Secondly*, the participation of the Bulgarian population in the labour market is described: economic activity, employment, and unemployment. The Bulgarian labour market specificity and the

perspective of its changes in the condition of the going on process of globalization, and integration of this country into the EU labour market are concerned. *Thirdly*, a profile of the immigrant flows in Bulgaria since the beginning of the 1990s is presented: basic demographic indicators, countries of origin, educational level, professional qualification, etc. *Fourthly*, immigrants' participation in the Bulgarian labour market is considered. *Finally*, implications for the present economic and social policy in terms of the topical and complex issues related to immigration flows and integration of immigrants into the labour market in Bulgaria are given.

1. Main demographic indicators for Bulgaria

In the last nearly two decades the dynamics of the population in Bulgaria worsened beyond even the most pessimistic forecasts. (Table 1).¹ In 1990 the yearly rate of natural increase turned its sign to negative and throughout the last 18 years it was steady about minus 5 per 1 000 persons. As a result the total population number decreased by nearly 1.2 million. The tendency of mortality rate dropping until 1960 (when reached 8.1 per 1 000 population) gradually upturned. At the beginning of the 21st century the mortality rate is over 14 per 1 000 population. Nevertheless the reduced birth rates are the main reason for the depopulation. Bulgaria is among the countries in Europe with the fastest rate of depopulation.

Table 1. Demographic statistics for Bulgaria, 1989-2006 per 1 000 population (unless otherwise indicated)

Indicator	1989	1995	2006
Population - to 31.12 (thousand)	8993.4	8384.7	7679.3
Share of urban population (%)	67.3	67.8	70.0
Birth rate	12.6	8.6	9.6
Mortality rate	11.8	13.6	14.7
Infant mortality rate*	14.4	14.8	9.7
Including:			
In towns		14.0	8.6
In villages		16.7	13.1
Rate of natural increase	0.8	-5.0	-5.1
Life expectancy at birth (years)	71.2(1989-91)	70.6	72.6

¹ Population ageing is observed in all developed countries, and those located in Central and Eastern Europe. The specificity of the latter is that in the 1990s this process was combined with the difficult situation of the transition from centrally planned to a market type economy.

Including			
Men	68.0	67.1	69.1
Women	74.7	74.9	76.3
Average age (years)	37.3	38.9	41.4
Including:			
In towns	..	36.8	39.7
In villages	..	43.3	45.3
Rate of demographic ageing	101.4	100.8	99.3
Age dependency ratio	50.4 (1990)	48.9	44.3
Total fertility rate	1.81 (1990)	1.23	1.38

* Infant mortality rate - up to one year of age per 1000 live births.

Source: Statistical Yearbook of R Bulgaria, various issues, National Statistical Institute.

The depopulation process is accompanied by continuing ageing population. This process is more strongly expressed in the rural areas, where about one third of the Bulgarians live, than in the urban. The population ageing leads to increase in the average age which in the 1990s changed faster than in the previous decades, and after 2000 has exceeded 40 years. In 2006 the average age was 41.4 years for the total population, including 39.7 years in the towns and 45.3 years in the villages (Table 1).

Since 1990 the population in Bulgaria has aged considerably in comparison with other countries. According to United Nations' data at the end of the XX century Bulgaria ranks among the ten countries with the largest share of population aged 60 and over, just after Italy, Greece, Germany, Japan, Sweden and Belgium (Rangelova, R., 2002). The proportion of this age group in the villages is twice higher than in the towns of the country. In 2006 the share of the old people (65 and over) reached over 17% of the total population and it is likely to increase further (Table 2).

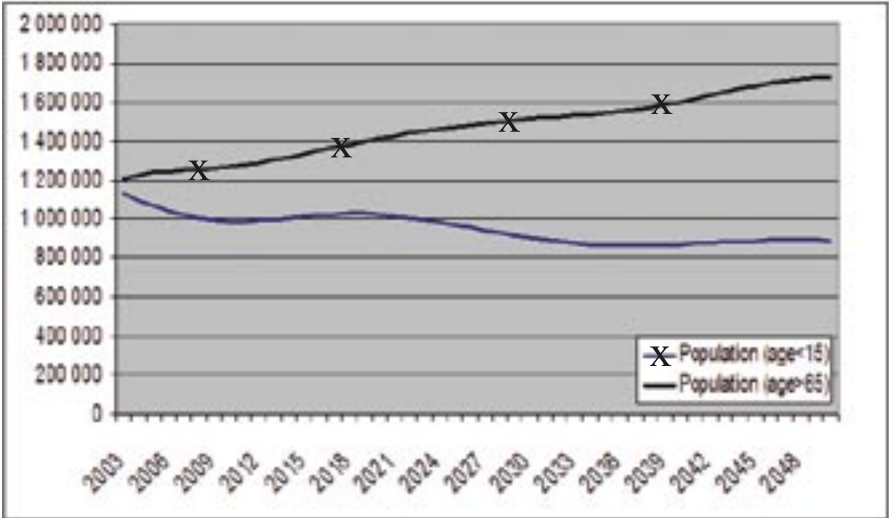
Table 2. Age structure of the total population in Bulgaria, 2006, %

	Total	Male	Female
0-14	13.6	14.4	12.8
15-64	69.2	70.9	67.6
65+	17.2	14.7	19.6
Total	100.0	100.0	100.0

Source: Statistical Reference Book of R Bulgaria. National Statistical Institute, Sofia, 2007, 16-17.

Different projections of United Nations, World Health Organization, International Labour Organizations and individual authors show that the process of depopulation and ageing in Bulgaria will deepen. It is expected that up to 2050 the proportion of the old population (65 years and over) will be over twice higher than that of the young people (Figure 1). According to these projections the number of Bulgaria's population will decrease by roughly 2 million – from about 7.8 million in 2003 to nearly 6 million at the end of the projected period. The proportion male/female will keep slightly in favour of female population.

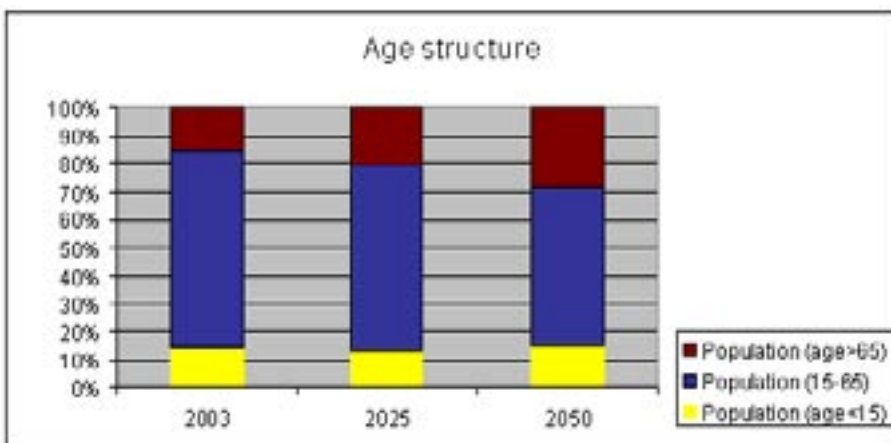
Figure 1. Projection of the population number by age in Bulgaria, young (0-14) and old people (65 and over), 2003-2050



Source: Rangelova R. and G. Sariiski, 2007, 47-66.

The second unfavourable change in the age structure in Bulgaria is the considerably reduction of the working-age population (Figure 2).

Figure 2. Projection of population number in Bulgaria by age group, 2003, 2025 and 2050



Source: Rangelova R. and G. Sariiski, 2007, 47-66.

The changing age population structure was very seriously influenced by the emigration outflows of Bulgarians to other countries. 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 a 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. The main reason which motivated people to emigrate was the opportunity to find a job which could guarantee them a higher standard of living. This motivation is supplemented by the pursuit of professional realisation and making a personal career (Rangelova, R., 2006, 50-73).

By official data of the National Statistical Institute (NSI) in the 1990s on average 45 thousand people emigrated every year. Most of them are young people what has aggravated the problem of ageing population. From 1989 up to now, over 750 000 people have emigrated, which was about 9% of the total population in 1989 (or nearly one in ten Bulgarians).² The main emigration flows are to the USA, Canada, Germany, Austria, Italy, and France.

² There is not yet regular statistics on the real migration from Bulgaria. The empirical data is gathered from several sources – population census, population registers, administrative sources, border statistics and sociological surveys. NSI and IOM organise studies on potential migration.

Table 3. Scale of the migration from Bulgaria, 1989-2005

Period	Number of migrants
1989	218,000
1990-1992	252,000
1993-2000	221,000
Total 1989-2000	691,000
Total 1989-2005	750,000

Source: National Statistical Institute, 2006.

The profile of the potential migrants from Bulgaria, summarized by the results of the International Organization for Migration (IOM) study for 2001 is presented in Box 1. It gives more details and additional information on the demographic changes, including mobility of the Bulgarian population and gives some implications for the development of the local labour market (Rangelova R., 2007).

Box 1. The profile of the potential migrants

"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: *Profile and Motives of Potential Migrants from Bulgaria. IOM study 2001, p.3.*

2. Basic features of the Bulgarian labour market and the perspective of its changes in view of country's full membership in the EU.

The dramatic demographic changes influenced on the size of the labour force in the country. Basic data for the participation of the Bulgarians into the labour market in 2006:

- The total number of **economically active population** aged 15 and over is 3,448 thousand, including 57.2% men and 46.8% women.

- The total number of economically active population aged from 15 to 64 is 3,408 thousand, including 69.4% men and 60.6% women.
- The total **number of employed persons** aged 15 and over is 3,139.1 thousand or 47.1% of the population of the age of 15 and over, including 1,667.0 thousand or 53.1% men and 1,472.1 thousand or 46.9% women.
- **Employment rate** - 52.2% for men and 42.5% for women. In the urban settlements total employment rate is 52.1 %, while in rural areas it is 35.5 %.
- The share of **employed in private sector** of the total number employed persons reached nearly 80%.
- A tendency observed: the larger place of residence and/or the shorter distance to the administrative centres the easier access to the labour market and particularly to a job.
- The overwhelming proportion by employment status is that of the employed persons (87%), followed by self-employed (8%), employers (4%), and the smallest is the proportion of the unpaid home workers (1%).
- Most of the employed persons are engaged in the service sector (close to 60%), followed by industry (nearly one third) and in agriculture and forestry, where the proportion is 9%, which however is a little high for a modern developed country (Figure 4).
- The number of **unemployed persons** was 308.9 thousand or 9.0% of the economically active population, of which 159.3 thousand (8.7%) men and 149.6 thousand (9.2%) women.

Figure 3. Structure of the employed persons by employment status, 2006

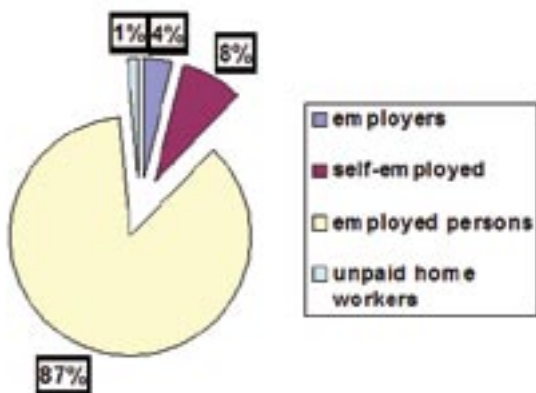
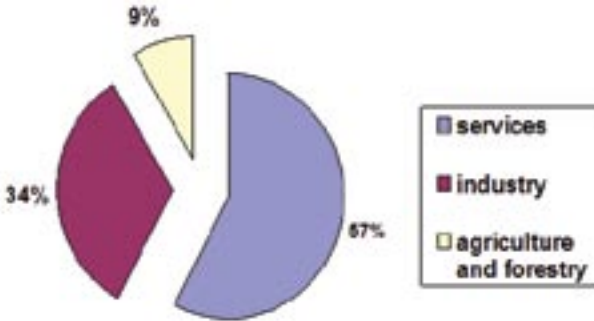


Figure 4. Structure of the employed persons by economic sector, 2006



- By **level of education** women with higher and secondary education are in a better position than men. The opposite is the situation concerning people with basic and lower education, where women prevail, which could be explained by some ethnic gender specificity (Table 4).

Table 4. Structure of people by level of education and gender, 2006 *

Level of education	Men	Women
Higher	40	60
Secondary (high)	52	48
Basic and lower	46	54

* The figures are rounded.

Source: National Statistical Institute.

- According to a national representative survey (“Women, Labour, Globalization”, 2003) the ranking of **the most important factor for access to employment** of both men and women is as follows:
 - Age
 - Level of education
 - Place of residence
 - Language skills
 - Sex

In general this means that age is the first criterion for access to employment, followed by level of education, place of residence, language skills, and sex. This means also that more or less we can not speak about gender discrimination.

- According to the same survey **the pay gap by gender** is on average 67% in favour of men. A survey organized by the NSI for 2004 points out another percentage of gender pay gap – about 72%. This gap is due mainly to the lack of access of women to highly-paid jobs in spite of their comparatively higher level of education.

The following perspectives of the Bulgarian labour market changes in the condition of the country's full membership in the EU could be pointed out:

- As far as the EU model of the economic and social development faces a replacement of the present leading economic paradigm with that to build a knowledge-based economy and to follow the Lisbon strategy (2000) the labour market meets great challenges to get more flexible and at the same time to ensure security of the employed (to create the so-called flexsecurity), to develop businesses and open new jobs; to get more competitive, and to contribute to social cohesion.
- Extending working lives by improving the incentives and opportunities for older workers has become a priority in the EU in order to mitigate the impact of population ageing on labour supply and retirement systems.
- Extending working lives and delaying retirement through policies that promote active ageing is one of the priorities in the revised European Employment Strategy (2003) for the period 2003-2010.

To summarize: the going on demographic processes in Bulgaria and the labour market developments in the current conditions of the accelerating economic activity in the country indicate that still in the near future there will appear a need to import labour force from abroad. In this aspect it is interesting what are the immigrants in this country and what is going on with them in terms of their economic activity?

3. Scale and a profile of the immigrant flows in Bulgaria

The new immigration flows in Bulgaria have appeared since 1898 onwards.³ International Organization for Migration (2003) published a study indicating that the number of permanently and long-term staying

³ A very serious limitation for studying the immigration flows in Bulgaria is a lack of reliable statistical data. It is known that the most reliable are data from periodically conducted population census in Bulgaria, but this opportunity was missed at the last census carried out in 2001. On the other hand, we could not claim that the applied methods for the immigrants counting are precised. For this reason there are big differences among the available data on immigration by individual sources.

foreigners in Bulgaria increased from nearly 45,000 in 1994 to 60,000 in 2002. According to this study the biggest part of the immigrants in 2002 came from Russia (19,113), followed from Syria (1,780), Iraq (390), Iran (275), Afghanistan (129) etc.

Immigration in Bulgaria differs from immigration in the developed Western European countries, USA and others by the following features:

- Immigration in Bulgaria began later and it is incomparable smaller by size than immigration in the developed Western countries.
- The immigrant flows in Bulgaria are incomparable smaller by size than that of the emigrant flows from the country, which is an opposite phenomenon of the observed tendency in the developed countries.
- Unemployment among the immigrants in the developed countries is rather higher than among the local people and immigrants are treated as the 'periphery' of the labour market.
- There are not impoverished immigrants in Bulgaria (without counting the refugees).
- Almost there are not immigrants hired by Bulgarians, but there are quite a few Bulgarians hired by immigrants. That means the immigrants rather create jobs than to take from away jobs from Bulgarians.
- Immigrants in Bulgaria are coming from different geographic regions and countries: Russia, the Ukraine, the Arab world, China, neighbour countries and others. For many of them Bulgaria is not the terminal but a buffer country in their intention to move to Western Europe. This is an important element of the Bulgaria's attractiveness for immigration.

There are two basic groups of immigrants playing a comparatively more important role than the others in the Bulgarian labour market. One of them is coming from the Near and the Middle East and the second one is coming from China. Here you are shortly presented profiles of the immigrants from these groups.

Profile of immigrants from the Near and the Middle East

The changed political and socio-economic situation in Bulgaria

since 1989 created conditions from **immigration flows from the Near and the Middle East**. The number of foreign students considerably decreased in the 1990s but at the same time a big number of entrepreneurs and traders came. It is important that the immigrants are not desperate and extremely poor people in their countries of origin. They are rather representatives of the middle class: 10% of them are highly qualified specialists, 28% had been students or pupils in their countries of origin, 25% had had their own business or had been craftsmen, about 10% had been unemployed and only 6% had practiced low qualified work.⁴

The immigrants from the Near and the Middle East could be divided into two groups: one of them come for the first time in Bulgaria; the rest of them have already been there studying at the University in the 1970s and 1980s. The latter have some knowledge and relations with local people, and they exercise mainly trade and intermediary activity.

The permanently living immigrants from the Near and the Middle East are aged from 25 to 45, which means they are at their best (or good) age for adaptation and professional realization. They are predominantly men. Women are less in number and do not exercise paid work. Most women immigrants do not speak the local language, making integration into the local population more difficult.

Immigrants from Syria, Iraq and the Lebanon are typical by easier and better adaptation compared with other nationality groups of immigrants. This could be explained by the fact that they are the biggest and the oldest colonies in the country.

The immigrants from Arab origin come as a rule from big towns and capitals in their home countries (only 3.6% come from rural areas). This facts predetermine their professional profile. Most of them practice typical urban professions: traders or craftsmen in their own countries. The basic part of these immigrants deal mainly with food stuff: meat, clothing, sugar products, restaurants, auto services, sales of auto spare parts, etc.

Most of the interviewed immigrants claim they are retailers with small capital and limited financial opportunities. They say they have felt pressed by big economic actors in their own countries and the only way for them to go out of the situation is to move abroad.

⁴ A good study on the immigration in Bulgaria is that one edited by Anna Krasteva (2005). Here and after this source is used to depict the profile of the immigrants in Bulgaria. Anna Krasteva organizes studies based on surveys and interviews on immigrants from China, the Near and Middle East, and Africa in Bulgaria in a sociological comparative aspect, and they are may be the best research work on immigration in Bulgaria.

Because of the small initial capital (between 10 and 40 thousand USD) the Arab immigrants combine their funds among them and rent trade premises as partners.

The employment structure of the Arab immigrants by activity is as follows: in whole trade 20.1%, in retail trade – 46.9%, in service sector - 27.8%, and in the production sphere - only 4.3%. The highly educated immigrants can not accept the very low payment in Bulgaria and prefer to develop their own business in order to ensure higher living standards of their families.

Bulgaria is attractive for immigrants because of some market advantages coming from the country's geographic location and the positive perspectives for development. Comparatively the low technological level and tastes of the local population favoured the sooner adaptation of the Arab traders and entrepreneurs at the Bulgarian market.

The Arab immigrants are willing and initiate social contact with Bulgarians trying to keep steady friendly relations. Working in teams with Bulgarians they are loyal to the institution and the employer, and moreover to their colleagues.

Concerning the business ethics of the Bulgarians as employees some foreigners, who are owners of restaurants and snack bars regard Bulgarians as lazier than the Arabs and although they receive any wages, they are used to steal. They acknowledge however that no one Arab man would agree to work for too low payment. On the other hand, the Arabs could not accept the distant attitude of the Bulgarians to the job for which they get money.

Profile of immigrants from China

Chinese people migrated to Bulgaria for the first time after 1989 and their number is gradually increasing. The main their purpose is to make money. That means they are aimed not at surviving in the host country but to achieve a higher economic and social status for them and their families. Their main activity is entrepreneurship.

The profile of the Chinese immigrants could describe in brief as modest, industrious and mobile. Bulgarians think of them as unsociable people. At the same time Bulgarians would hire willingly Chinese people because they regard them as hard-working – twice as much than Arab and African people. Most of the interviewed Bulgarians declare that

they would agree to work for Chinese people because of the curiosity or if they have not another option, as well as depending on the payment. Concerning employment in case at a foreign (immigrant) employer the Bulgarians are mostly reluctant to work for Arabs, followed by Africans and the least prejudices they have towards Chinese immigrants.

The Chinese immigrants are typical of two main features:

- The first one concerns intra-group links among the members of the community and results in the solidarity in view of coping with the difficulties with the people's adaptation to the new life.
- The second reveals the paradox between on the one hand, consolidated and closed community like the Chinese, which on the other hand, is very capable of flexibility, adaptability and innovativeness.

4. Immigrants' participation in the labour market in Bulgaria

In general, presence of immigrants in the Bulgarian labour market could be considered in different aspects: *firstly*, it is a favourable factor for cultural diversity, *secondly*, in a near perspective it will lead to stronger competition and struggle for jobs between local people and foreigners, *thirdly*, it could also to be a factor for intensifying the economic progress by means of opening new jobs both for foreigners and Bulgarians.⁵

Between the two main considered groups of immigrants in Bulgaria (from the Near and Middle East and from China) there are some differences:

- In the vast majority the Chinese people are low educated, and are engaged in two economic sectors: restaurants and trade (whole and retail trade). The Arabs are the main competitors of the Chinese people in the two economic sectors. The Chinese are more aggressive and succeed to oust the Arabs from some of their easy conquered position at the beginning of the transition to a market economy in Bulgaria (at the beginning of the 1990s).

⁵ International migration has long been a concern in both originating and receiving countries. At the beginning of this decade, the debate has focussed on the role that immigration may play in easing the economic and budgetary impacts of declining and ageing OECD populations. The impacts of immigration concerned four themes linked to migration in OECD countries: (a) what are the consequences of immigration for labour market performance? And what role can immigration play easing skilled labour shortages in specific sectors? (b) what are the budgetary impacts of immigration? (c) to what extent is immigration a solution to ageing and declining OECD populations? and (d) what are the consequences of migration on economic development in the source country? (see Coppel, J., Dumont J.-C. and Visco I., 2001). On these issues see also: Borjas, G.J. (1993), Winkelmann, R. and K.F. Zimmerman (1993), Freidberg, R and J. Hunt (1995), Carillo, M.F. et al (1999), Daveri, F. and R. Faini (1999), United Nations (2000), etc.

- The Arab woman is devoted to her family and the children, thus she stay to a great extent ‘invisible’ for the society. The Chinese woman is as much active and ‘visible’ as her husband (partner) is.
- In terms of economic activity immigrants could be regarded as ‘representative’ for their countries of origin. In the host countries they are more enterprising and more ready to get risk. Together with the positive side of this feature we can mention the observed practice in particular among the Chinese people of smuggling.

It was marked that there are not yet regular and reliable data on immigration in Bulgaria. Published data on immigrants’ participation in the labour market are fragmentary and irregular. According to data of the Employment Agency the number of the foreigners coming from countries outside of the EU and taking jobs in Bulgaria is permanently increasing. If they were 1242 in 2007 or about 100 in a month in January 2008 they are 235.⁶ During the whole 2007 the biggest is the number of work permissions of citizens from Turkey (454), followed by those from FYR Macedonia (164), India (110), the Ukraine (93), etc.

The picture about the annual employment process of immigrants we can add with the data in table 5. The data show that in 2007 the total number of unemployed persons with permission for permanent stay in Bulgaria is 1,204 coming from over 44 states all over the world, as the biggest is the number of moving from Russia (852), the Ukraine (144), followed by several states with similar number of registered for staying citizens (from 26 to 18) – Serbia, Poland, Armenia, Moldova. Only 31 unemployed persons are refugees with humanitarian status, as the biggest is the number of coming from Afghanistan (8), Iraq (5), Iran (4) and so on. For the purpose of the present study however it is more important that nearly one in every three persons has got job through the Directorate “Labour Bureau” and about 12% of the unemployed are included in courses for professional qualification. We would reserve our judgments on the presented figures because the Bulgarian reality is still at the beginning of organization, including statistics of the immigrants’ participation in the local labour market and in this case any comment would be imperfect.

⁶ The data do not include the number of the applying for a job foreigners who has not yet received work permission for the procedure has not yet finished.

Table 5. Registered foreign citizens at Directorate „Labour Bureau” in Bulgaria, 2007

Country	Unemployed			Employed through Directorate “Labour Bureau”	Included persons in courses for professional qualification
	Persons with permission for permanent stay	Refugees and persons with humanitarian status	Total		
Total	1173	31	1204	364	100
Including					
Russia	851	1	852	257	73
Ukraine	144	0	144	45	17
Serbia	26	0	26	4	0
Poland	21	0	21	10	0
Armenia	18	1	19	6	2
Moldova	18	0	18	4	2
Kazakhstan	12	0	12	3	1
FYR Macedonia	10	0	10	2	0
Czech Republic	9	0	9	4	2
Turkey	6	1	7	2	0
Azerbaijan	4	0	4	2	1
Greece	4	0	4	2	0
Uzbekistan	4	0	4	1	0
Others	46	28	74	22	2

Source: Directorate „Labour Bureau” in Bulgaria, 2007.

While migration systems present some similarities across countries, institutional arrangements vary widely and impact on the size and composition of migration flows (Box 2).

Box 2. Immigration labour policies in selected European countries

Austria accepts immigrants based on yearly fixed quotas as a percentage of the labour potential in the country. The needed number of immigrants is estimated by the Austrian Institute for Economic Studies. The so-called important workers could get a permission to work in the country on the basis of different quotas. This is the mechanism to attract highly qualified employees. In order to get a permanent permission for work a given economic immigrant should have at least 5 years legal staying in Austria, and should have applied firstly for a labour license and after that twice to receive individual work permission. This procedure shows that the Austria's system is very complicated, using considerable administrative discretion. It implies why the country could not attract enough immigrants, including highly skilled.

The system in **Portugal** is similar to that in Austria. The decisions to admit immigrants in the country are taken from the administration and are based on the estimates of the needs of the labour market. According to these estimates a yearly quotas for immigrants is defined. In reality however more than twice is the real number of immigrants engaged in the gray sector of the economy, coming mainly from the ex-colonies of Portugal and from Eastern Europe.

The **Cyprus** immigration policy is different. It follows the logics of the temporary labour immigration residence. After finishing the permission term any immigrant should leave the country. There is no system in Cyprus giving permanent work permissions and actually settlement of the immigrant in the country. As a result most of the immigrants in Cyprus are low skilled looking for seasonal and not highly paid work.

The immigration labour policy of **Ireland** is based on the economic demand of the country, depending on the labour force deficit and the immigrants' skills. 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 at all for people from other EU countries and the countries from the European economic space to settle and work in Ireland. The basic demand about immigration from countries outside the European economic space is work permission. The system

of work permission is based on the untaken jobs which employers could not satisfied by people from the European economic space. To prove the necessity to employ foreigners any employer should declare his position at the National Employment Agency and if there are not local candidates for these jobs within the next month, they could be taken from immigrants. Work permissions are given to employers for a preliminary defined workers or employees for a fixed term.

The immigration policy system in **Bulgaria** is similar to that of Ireland. There is a limitation for a given employer to employ foreigners up to 10% of the total number of the stuff. There is also a requirement for a given immigrant applying for a job to have past the so-called market test, i.e. the given job could not be taken from a local person. At present the immigration policy concerning the labour market in Bulgaria is in a very dynamic process of adaptation to the new economic situation: the achieved economic progress and the membership in the EU. Recently the market test was lifted from foreigners of Bulgarian origin. Until recently unemployment rate in Bulgaria was high, but it has decreased and now is nearly the average for the EU countries (7.75% in 2007). The main economic problem left is that payment is very low and does not stimulate foreigners to work in the country.

Conclusion and policy implications

- The demographic trends in Bulgaria over the last nearly 20 years and in a long-term perspective are unfavourable in terms of depopulation and high rate of population ageing. Aging population has a number of harmful economic and social consequences, first of all reflecting on the labour force in the country.
- The following tendencies in immigration flows to Bulgaria are observed:
 - The immigration pressure intensifies gradually and smoothly. It has visibly increased since the beginning of 2007 when Bulgaria got a full EU member.
 - Immigrants are moving mainly from low developed countries from the Near and the Middle East, MAGHREB, Asia, and the Balkans.

- Until now there was not tension among the local people and the immigrants in the labour market, but growing up by number it is possible to set in complications. This is why it is necessary to study the process of immigration in Bulgaria.
- Immigrants in the Western European countries are treated as ‘periphery’ and ‘marginals’ of the economic centres of their society, as well as people who have to take unwished jobs from the local people. Immigrants in Bulgaria are regarded as partners who can be hired but can also hire employees. Moreover, they have success where not all Bulgarians can get through in spite of the difficulties which they meet with the language barrier and cultural adaptation.
- There is a general rule: the host countries can play a significant role in reducing immigration pressures through more open markets and greater transfers of technology.
- More or less in all countries tensions are manifested between new arrivals and parts of the native population. Such tensions are partly invoked by the perception of unchecked flows of new immigrants as well as overtly anti-immigrant political parties. Proponents of migration note the positive economic role 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, public finances, social conditions and on the distribution of income. In the case of Bulgaria the size and the impact of the immigrants are still limited, but it does not mean that these issues should be neglected.
- Despite 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 the skills of immigrants compare with those of nationals in the host country.
- Concerning the Bulgarian labour market the following two issues are important:

- (a) Due to the undergoing unfavourable for the labour market demographic processes in Bulgaria, including the large-scale emigration from the country leading to shortages of labour force a very important issue is that of ensuring higher levels of immigrant employment, professional and language training, re-qualification of immigrant workers, etc.
- (b) It is very important for Bulgaria to study what role immigration can play in filling labour shortages/gaps, caused by emigration. What is 'the price' of the 'substitution' of Bulgarians by foreigners? The current Government policy is directed to ensure jobs first of all for the local people, in particular unemployed and after that to think about immigrants.
- The study indirectly suggests that, while migration can partly offset slower growing or declining Bulgaria's populations, it cannot provide by itself a solution to the budgetary implications of ageing populations.
 - Because of a lack of immigration policy until now in Bulgaria and the increasing importance of this issue for the country in its capacity of an external boarder of the EU the main points concerning the state policy are still ahead. Having in mind the rich experience with immigrants of some developed European and located in other areas in the world countries Bulgaria should avoid the negative and develop positive practices adequate for its specificity. First of all Bulgaria should not wait long until the immigrants flows create tensions at the local labour market. Secondly, as an EU member Bulgaria should take part in the creation of a common for the Union migration policy, which at present is one of the most intensive developing spheres of the European integration.

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Impacts of migration on the economic development of sending countries

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In the last decade, politicians, economists and journalists started to give high priority to international migration. Very different driving forces, such as natural disasters, civil and ethnic wars, as well as widespread impacts of globalization, growing income differences and better prospects in several high income or rapidly developing countries have nourished this process. Moreover, the enlargement of the European Union (EU) increased the importance of this issue, both as a promise of free movement of labour from the new member countries and a fear mainly manifested in the EU-15 from „massive migration from the East”. Interestingly, but not surprisingly, the emerging discussion, sometimes on well-founded professional level, sometimes in the context of political demagoguery, was focused on the impact of migration on potential host countries. Much less, if any, attention was given to the simultaneous (or longer term) impact of migration on the socio-economic development and prospects in the sending countries. This article wants to contribute to a more balanced view of migration by concentrating on the sending countries, with special reference to the practical experience and medium-term considerations of the new member countries that joined the EU in 2004 and 2007, respectively.

The paper is structured in the following way. We start offering a short overview over some basic recent trends in global migration to be followed by the current situation concerning the opening up of the national labour markets in the enlarged EU. Afterwards, several parts address the key areas of the economic impact of migration on the sending countries. Three basic issues will be dealt with: the impact on the labour market, brain drain and financial

consequences (with special reference to the remittances).¹ Some remarks on regional, social and demographic consequences will complement the overall picture. In the concluding part, potential policy responses on how advantages could be enhanced and losses could be minimized from the point of view of the sending countries will be dealt with.

1. Key international definitions and trends of migration

International literature considers migrants who, whether legally or illegally cross national borders and remain outside their countries of birth or citizenship for a longer period (generally for at least a year, even if they used to return once or several times to their home country during this period).² The reason for leaving the native country are manifold and helps classify different statuses of migrant people. First, clear difference has to be made between refugees (asylum seekers) who are regularly forced to live the given country and migrants who usually move out of the country as a result taking this decision voluntarily.³ Second, migration takes two basic forms: emigration which refers to those people who opted for leaving the home country in favour of continue their life in another country, and migration which is considered to be temporary. The duration can be shorter or longer (from a few months to many years), and, in several cases, may end up in emigration (or not returning to the home country and getting new citizenship). Finally, commuting, as a special form of migration has to be mentioned. In this case, people are working abroad but practically living at home. This form of life can be developed within certain distance from the external border of the given country and generally requires well-functioning physical infrastructure. The shorter the distance and the better the infrastructure, it is more probable that people are commuting each day (or at least each week). Understandably, this form of moving out and back is not included in the official figures on international migration. There is a clear geographic orientation connected with different forms of migration. Overseas

¹ Professional literature has created the terminology of „3 R’s” to characterize the fundamental impacts of migration for the sending countries (recruitment, remittances and returns) (Martin, 2005). This paper follows a partly different pattern of identifying the key impacts.

² See: Martin (2005), p. 89.

³ Internally displaced persons (IDP), a large part of refugees are not considered migrants, since they keep on living in the same country (or in its predecessor, as in the case of former Yugoslavia).

countries, mainly the USA but also Canada and Australia belong to the main target countries of emigration, while temporary migration, at least in Europe is concentrated on the continent. In turn, commuting only affects neighbouring countries (e.g. Austria/Hungary or Austria/Slovakia, Germany/Poland or Germany/Czech Republic, Romania/Hungary or Ukraine/Poland, etc.).

Temporary migration generally has two basic motives. The lion's share is linked to clear economic motives, such as employment opportunities, higher income, better living standard, more qualified job, better access to modern technology. At the same time, social factors may also generate migration, particularly in the form of bringing together family members, or by inviting friends to start working in the host country. Also, before strengthening the rules of immigration, some countries had registered limited migration waves based on social considerations (higher social welfare payments without necessarily seeking for job).⁴

In general, migration is the joint result of push and pull factors (problems experienced in the native country that are expected to be solved or mitigated by moving to potential host countries). Low income, low economic growth, low level of social welfare, high level of unemployment, uncertain economic prospects, lack of opportunity to make use of the acquired skills on the one hand, and the opposite attributes on the other can be listed among the main push and pull factors.⁵

Migration trends have been substantially generated and influenced by globalization. The latter has had different speeds of liberalization on the fundamental production factors. Free flow of commodities is facing much less barriers than in the past, particularly due to free trade zones and other bi- or multilateral trade pacts. Evidently, the EU is the major player in this field, as well as one of the key actors of global trade (and partly service) liberalization in the framework of the WTO. Also liberalization of trade in services made significant progress, both within the WTO, but more importantly, and despite still existing provisional barriers, mainly linked to the free circulation of labour, as a consequence of the internal market development (deepening) and enlargement (widening) of the European integration. Nevertheless, the highest level of global liberalization has been achieved in the circulation of capital. In consequence, a growing and striking gap emerged between the free flow of capital and

⁴ Migration for purposes of (higher) education is not taken into account in our categorization.

⁵ Non-economic factors used to be an important push factor (political instability, wars, ethnic conflicts, etc.), but they are not considered in an economy-focused survey.

the restricted free flow of labour in international economic cooperation and interdependence. While capital is, in effect, 100 per cent liberalized, labour flows are subject to serious barriers. To be sure, part of them originates in the economic, political and mainly psychological-emotional constraints in the potential sending countries. However, another and not less meaningful role is played by the administrative barriers imposed by potential host (target) countries in general, and, despite institutionalized membership of the Central, Eastern and Southeastern European states, by selected EU member countries.

In the global context, international migration amounts to about 200 mn persons, or roughly 3 per cent of the world population. Even modest estimates forecast a doubling of this figure in the next ten years. Due to the increase of the world population by 1 bn to about 7.5 bn persons by the mid of the next decade, international migration is expected to reach a level of 450 mn persons, or about 250 mn more than at about 2005.

For a long period, cross-border economic migration was considered to be a one-way flow from less developed countries towards developed economies. In this game, the United States were the outstanding host country, with massive immigration flows from Latin America and the Caribbean, Europe (for about two centuries now) and, most recently and massively, from Asia. Australia, with the same territory as the USA, but just with 25 mn population has been emerging as a new target country, with serious qualification conditions. The third big target region is composed of the oil-rich Middle East countries that have attracted millions of Asians, however not as potential residents, but as temporary (or longer-term) guest workers. Finally, Europe has always been an emigration and immigration continent. Today, emigration is less in focus of attention, although it should have been noticed that almost half a million highly educated and mobile young persons have left Europe mainly for the USA in the last decade, in search of better living conditions and less state bureaucracy.⁶ Instead, fears of massive migration started to dominate Western European (EU-15) politics and communication in the last decade. Estimates produced by well-known research institutes proved to be erroneous at least in three major fields. First, the number of migrants predicted turned out much higher (and, as a result, generating unnecessary

⁶ One of the key elements of the successful implementation of the renewed Lisbon Agenda should certainly address part of this „European community”, not just to return to Europe but to create efficient and globally competitive networks with European companies.

and unjustified fears, concerns and even hostility) than the real number of immigration after the 2004 and the 2007 enlargement of the EU. Although estimates started to become less unrealistic as the moment of enlargement approached, most forecasts remained highly overshooting the real migration figures.⁷ Second, during the first wave of enlargement (big-bang enlargement) almost everybody was concentrating on the alleged job threat coming from „Polish plumberers”, a much higher wave of migration from Bulgaria and particularly Romania, non-members in 2004, remained practically unnoticed. In fact, even today, there may be more Romanians (2.5 to 3 mn) working in the EU-27 than Poles. Also, the Bulgarian figure of about 700.000 is higher than that of other new EU members as compared to the total working population. Third, and most importantly, the fundamental „migration threat” to the (enlarged) EU is certainly not coming from the „East”, but by the South, particularly from Northern and Sub-Saharan Africa.

There are some additional new features of international migration to be mentioned. On the one hand, South-South migration became an almost as important channel than migration to high income OECD countries. According to World Bank figures, 41 % of the migrants (almost 80 mn persons) are involved in this migration flow, while high income OECD countries account for 47, and high income non-OECD countries for 12 % of global labour movements (Ratha, 2006).⁸ On the other hand, migration flows have shifted in recent years with changing poles of attraction for labour migration. Between 1970 and 2000, Asia’s share decreased from more than one-third to one-fourth of global migrant stock. Similar tendencies can be registered in Africa and Latin America. Instead, sharp increase is reported in North America, (Western) Europe and, as a consequence of the dissolution of the federation, in the former Soviet Union (in the latter case, most of the migration is linked to the redefinition of state borders).⁹

According to OECD reports, foreign-born population accounted for 9 per cent of the total population of OECD countries (above the age of 15). The highest rates are registered in Luxembourg (37 %), Australia (27 %)

⁷ The first assessment dated in 1992 predicted a potential migration of 3 mn persons, while a decade later an European Commission study set the potential at 2.5 % of the EU-8 population (excluding Cyprus, Malta, Bulgaria and Romania), or about 1.5 mn in a fifteen-year period (World Bank, 2006).

⁸ Some of the main bilateral channels include Bangladesh to India, India to the United Arab Emirates, Afghanistan to Iran, India and Egypt to Saudi Arabia, Pakistan to India, Malaysia to Singapore, etc. Additional big flows can be attributed to the dissolution of the Soviet Union that caused substantial two-way migration flows between Russia and the Ukraine and Russia and Kazakhstan ((Ratha, 2006).

⁹ <http://www.iom.int/jahia/Jahia/pid/254>

and Switzerland (25 %). Nevertheless, also the USA (14.5 %) and major European countries are slightly higher than the above average (Germany with 12.7, France with 11.7 and the United Kingdom with 9.4 per cent).¹⁰ However, and despite the relatively large immigration from the new member countries of the EU in recent years, „wider Europe” (including South-eastern Europe, Ukraine and Turkey) represents 20 % of the total, as compared to 21 % from Africa, 8 % from Latin America, less than 6 per cent from Asia and less than 2 % from the Middle East, as compared to 44 % coming from different EU member countries (excepting Bulgaria and Romania still belonging in the referred estimate to „wider Europe”).¹¹ It has to be added that intra-EU migration includes a large number of welfare-driven migrants (large numbers of British, German, Scandinavian people living in Mediterranean sun-belt areas after their retirement).

2. EU enlargement and national labour market liberalization

The opening up of the labour market of the EU-15 to new members of 2004 and 2007 constituted one of the toughest chapters in the negotiations process on 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 decided to introduce a 7 year transitional period for the complete opening of the enlarged market for one of the four freedoms of the single market (free circulation of labour). However, the decision has been left with the individual countries, since labour market policies are still largely at the competence of the member countries and not on „supranational level”. The United Kingdom, Sweden and Ireland decided to immediately eliminate previous obstacles to the free flow of labour, while several other countries, not least due to the positive experience in the first two years of enlargement (2004-2006) and the generally favourable impact on the British (and Irish) economy, followed suit in 2006-2007. At the moment, only Austria and Germany have serious barriers (and partly France), all other countries have taken a generally liberal position.

In the first almost for years of membership, the new members have demonstrated a rather differentiated behaviour concerning labour market integration. Some of them remained very reluctant or immobile, and the outflow of people was rather modest (Slovenia, Czech Republic, Hungary,

¹⁰ The Financial Times, February 21, 2008.

¹¹ Katseli – Lucas- Xenogiani (2006a)

partly Estonia). In turn, some others, mainly Poland and two Baltic countries, Latvia and Lithuania revealed very high migration trends (partly also Slovakia, mainly within its geographic proximity, Austria, Czech Republic and Hungary). Between 2004 and 2006 Latvia lost 3.3 and Lithuania 2.4 % of its working age population. Not only the high figure is astonishing (or shocking) but the very fact that both countries used to be considered as Chinese-like high growth economies. In such a case, one would expect that just the younger, skilled and mobile part of the society stays at home due to the bright prospects of which these people are expected to be already and become even more the beneficiaries during their life cycle. Less surprising was the massive emigration from Poland, partly due to high level unemployment before membership (near 20 per cent according to official figures), and partly driven by the outstanding mobility of Polish people as compared to other Central European societies (mainly the Czech Republic, Hungary and Slovenia).¹² In 2006, 230,000 Slovak citizens were employed abroad, or about 10 per cent of the employed labour stock. More importantly, one-third of the young people finishing tertiary education looks for – temporary – employment opportunities abroad.¹³

Based on preliminary observation, liberalization of the national labour markets in the second wave in 2006 as well as further enlargement by Bulgaria and Romania in 2007 did not produce dramatic changes comparable to 2004. This situation can be explained by the massive move of migrants from both new members well before their accession and the relatively lower level of attractiveness and size of the member countries that recently liberalized their labour market rules. Also, the volume of potential migrants has diminished, since most of them could find a job (legal or illegal) in selected EU countries previously.

One additional remark on the labour market policies of the new member countries: in 2004, most of them applied the same rules of the game as their EU-15 counterpart countries. They opened up their labour market to the 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 concerning the inflow of Bulgarian and Romanian

¹² However, it has to be noted that part of the registered Polish migrant labour in the United Kingdom had been living and working there illegally before 2004. The liberalization of the British labour market gave them a chance to let themselves register and get rid of the previous illegal status.

¹³ Most Slovak migrant workers are employed in the Czech Republic (91,000) followed by the United Kingdom (56,000), Ireland (24,000) and Hungary (20,000). Napi Gazdaság, December 06, 2007.

labour, while two EU-15 members only followed the same practice (Finland and Sweden). Hungary was the only exception, for it opened up its labour market only partially (in 2007 in 219 different activity areas, and as of 2008 in all areas but for skilled workers only). The United Kingdom, that played a pioneering role in 2004, started to introduce some restrictions to the migrants potentially coming from the two new member countries of 2007. It has to be noted that Bulgaria disregarded the reciprocity principle and did not introduce any barriers to the labour coming from other EU member countries, emphasizing that, „in our interpretation, the free flow of labour is a fundamental right of EU citizens”.¹⁴

3. Migration and its consequences on the sending country's labour market

Depending on the initial situation and the internal flexibility of the national labour market of migrant countries, the results from migration may be different. In addition, differences in short- and longer term prospects have to be taken into account. The most positive short-term impact is decreasing unemployment, as it can be experienced in all large sending countries such as Poland, Slovakia, but also Bulgaria and Romania. If migration includes mainly otherwise unemployed people, also the budgetary impacts are positive (less unemployment benefit to be paid). Moreover, neither the favourable socio-political impact should be ignored, since high unemployment is generally accompanied by higher social tensions and, as a consequence, by higher budgetary expenditure on social stability (particularly in regions with very high share of unemployed people).

If, however, the sending country does not reveal high level of unemployment (i.e. does not dispose of substantial surplus labour) or migration mainly affects employed people in the domestic economy, the outcome is likely to be less favourable. In this case, unemployment may not be reduced essentially, and unemployment benefits have to be kept paying, while, on the other hand, regular taxpayers will be lost for the budget. More importantly, in both cases lost employed (and mainly skilled) labour has to be substituted. In this context, the outcome very much depends on the labour market substitutability, both in numerical and in qualitative terms. If the domestic labour market is flexible and available manpower is mobile, po-

¹⁴ According to the spokesman of the Permanent Representation of Bulgaria to the EU in an interview with EU-Observer. Bruxinfo, January 17, 2008.

tential labour shortages can be prevented or quickly overcome. In addition, at least in the theoretical approach, after a short decrease of output, labour shortage may force the sending country's economy to increase productivity, start sectoral restructuring and invest more in education, training and skill-creation (although in the latter, investments do not mature in the short term and temporary skill shortage may easily appear).

In fact, a substantial part of low-skilled workers from underdeveloped regions of a country who used to commute in the framework of the national labour market, have seized the opportunity of seeking for job in other European countries. To this extent, their migration did not create adverse consequences. Also, there have been examples that decreasing labour available in agriculture led to technological change in production by initiating investments in the mechanization of this sector. The gains can, however easily be converted into loss, if large number of migrants happens to emerge among young, relatively well-educated and mobile persons with 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, either due to the lack of skill, the slight difference between social and unemployment benefits (plus temporary job opportunities without paying taxes) on the one hand, and the salary offered (in many cases minimum wage or near to this level). Additional factor that tends to foster immobility is the structure of the housing market (both the broad practice of private property of the house or apartment and the lack of competitive rental opportunities near to the geographic location of the available job). If large part of the mobile people from a depressed region leaves the country, intra-country regional differences are likely to widen and catching-up chances will be reduced (or at least substantially delayed).

Some of the new member countries have already started to experience the negative side of migration. On the one hand, several sectors are facing serious labour shortage, 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 while a large part of skilled or semi-skilled migrants originate in this sector, part of the remittances are expected to flow into the construction industry and the housing market. According to Polish data, there have been registered 600.000 vacancies or 12 per cent of the employees by the private sector,

mainly in agricultural and construction industry.¹⁵ Although unemployment is still about 11 per cent, but is characterized by structural rigidities, so that most of this potential source cannot be used in order to fill vacancies by domestic labour. As a result, importing labour from other (mainly non-EU) countries seems to be the „solution”. Romanian figures inform about 15 per cent labour shortage in the construction sector, the textile industry (one of the leading export sectors with substantial involvement of foreign capital), hotels and restaurants.¹⁶ Around 200.000 Romanian construction workers have comfortable workplace in Spain and Italy, with wages around Euro 800 to 1,000, several times the Romanian wage level¹⁷ (despite its rapid increase in the last period).

Another adverse effect is that labour shortage has become rapidly accompanied by higher wages mostly but not exclusively in the shortage sectors, since wage increases used to have a „demonstration effect” and, with some delay, they reach the wage level and structure of other sectors without serious labour shortage as well. In the last years, annual wage increase amounted to 30 per cent in Latvia and at least 20 per cent in Romania. In 2007 alone, wages in the construction industry grew by 20 per cent in Poland, 25 per cent in Romania and 35 per cent in Latvia. Polish companies struggling to attract labour to their activities in or around Warsaw had to increase not only salaries (to about Euro 700 a month) but offer free-of-charge transportation or even accommodation – but apparently without success.¹⁸ Converging wages have started to generate two-way labour flows between the new member countries. While, over one decade, Hungary used to attract hundred thousands of Romanians (mostly of Hungarian nationality), rapidly increasing salaries and significant skilled labour shortage in the dynamically emerging Western Romanian region (Timisoara, Arad, Oradea), near to the Southeastern border of Hungary, has initiated a return flow of labour. Skilled Hungarians without job in an otherwise less developed or depressed region of the country are now commuting to Romanian workplaces.

Additional negative impact of rapid wage increase (generally decoupled from productivity increase) can be observed in the growing inflationary pressure as observed in the Baltic countries, Bulgaria, Romania and Poland. This may seriously hinder the implementation of the national con-

¹⁵ Világgazdaság, January 25, 2008.

¹⁶ Napi Gazdaság, December 06, 2007.

¹⁷ Nicolae – Radu (2007), p. 52.

¹⁸ Napi Gazdaság, December 06, 2007.

vergence plans and fulfill the conditions to introduce the Euro,¹⁹ particularly in countries with early euro adoption plans and/or applying currency board systems (Baltics and Bulgaria). It is evident, that rapid wage convergence towards countries with higher wages cannot be considered as a sign of real convergence, and even less, of convergence in competitiveness.

4. Brain drain vs. brain gain

International literature emphasizes both effects of migration. While, in the short term, the negative consequences tend to prevail (brain drain), in the longer term migration is expected to generate positive impacts as well. Some experts argue that longer term gains may be higher than the benefits attributed to the removal of trade barriers.

However, overall experience provides much less argument in favour of a positive assessment. Being massive migration from less to more developed (from lower to higher income) countries a relatively new phenomenon, the short term impacts are already clearly felt, while the potential and anticipated positive developments are mainly still expected to materialize.

The direct negative impact consists in losing highly educated people in the sending countries. It is several times proved that free flow of labour between differently developed countries (and overall socio-economic and institutional environment²⁰) creates significant pull effects on young, skilled and not only physically but also structurally mobile people. This loss can be identified in various fields.

First, the emigration of skilled persons lowers the human resource potential of the sending country. In very serious cases, this loss can reach the level of critical mass that is THE key precondition of sustainable modernization. If a country loses most of its human capital in the period of globalization characterized by the unquestionable upgrading of the human factor in creating a competitive „knowledge economy and society”, no matter how much external (and internal) financial resources are available, the modernization and catching up process is unlikely to start and even less, to become lasting.²¹

¹⁹ The World Bank (2006), p. 23.

²⁰ As an example, see the constant pull effect of the USA on Western European highly-skilled young people, without major income difference but with a much more liberal and less bureaucratic regulatory framework in the former.

²¹ Several less developed countries may have reached this critical mass. In addition, some European countries experiencing massive migration may also soon find themselves in this “endangered” group of countries if the current volume and speed of migration tend to continue (first of all Western Balkan countries).

Second, since human factor is the most important source of economic growth, growth rates (and investment rates) are expected to be lower than in case of remaining at home and contributing to the value production in the native country.

Third, the sending country loses part or the totality of its long-term investment in human resource-building. Young and skilled people used to benefit from taxpayer's money during many years of education in the native country. In turn, this investment will generate additional growth in the new target country and not at home.²²

Fourth, current budgetary revenues fall, since migrants do not contribute to native country's budget. Both social security and consumption-related taxes (VAT) are paid in the host countries. (Obviously, this impact, although in different dimensions, is generated by all migrants that used to be employed in the sending country before going abroad.)

Fifth, migration is likely to affect different sectors of the economy differently. Some sectors may be struggling with increasing labour shortage, while some others cannot absorb the available labour force. This imbalance is more influenced by market-based supply-demand conditions than by different skill levels. Particularly strained situations have emerged in some sending countries in such sectors as agriculture, construction industry, health care, university education or selected high-tech sectors, with very different skill and educational requirements.

Sixth, an indirect loss difficult to be quantified may arise from the fact that the emigration of highly skilled people is supposed to lower the overall level of the efficiency of democratic structures, particularly in newly-born democracies. A society increasingly consisting of less educated and elderly people can be easier manipulated by populists and autocratic political leaders due to the weaker counterweight represented by responsible and influential intellectuals (highly-skilled persons).

It has to be added that the size of brain drain is highly varying according to the skill level of persons who migrate. Massive migration of unemployed and unskilled persons does have an impact on the labour market, the demographic and regional structure of the population but its impact on brain drain is negligible. The higher the education level,

²² For example, in international sports in general, and in soccer, in particular, there are very strict conditions of buying and selling talented players. Internationally known leading clubs used to attract such young people regularly. However, they have to pay a substantial amount of money to the former club that made a lot of investment (both in financial, educational and other terms) into the talented sportsman/woman. Such rules, unfortunately, are almost completely absent in the much wider migration of skilled labour.

the higher used to be the brain drain factor. Even in this case, some distinction has to be made. Investment in higher education in financial terms is very heterogeneous. Medical sciences and part of engineering require huge amounts of educational investment on each student, while current (not necessarily long-term and not-quantifiable) investments in university students in social sciences used to be much lower. In addition, investment gains or losses can be identified on the personal level of migrants as well. Those who change their domestic workplace for a foreign one, but remain in the same skill category (unskilled remain unskilled, skilled in one area can continue as skilled persons in the same area, highly-skilled are employed in highly-skilled or even higher-skilled activities) do not experience any loss of their educational investment (paid both by taxpayers of the native country and by the respective persons themselves). However, there is widespread evidence, that a large number of young post-university (or, generally, post-education) migrants accept jobs that have nothing to do with their previous education (and level of skill acquired in a given field). As a result, previous investments will be either substantially downgraded or completely lost. Young and skilled Central, Eastern and Southeastern European migrants often earn more money by being employed in activities that do not need any special skill or can easily be learnt at the expense of giving up several years of investment in a different area of education (childcare, care of adult persons, gastronomy, different personal services). In consequence, the original investment in skill creation will most likely disappear, since after a „professional interruption” of several years, the previously acquired knowledge can hardly be used or revitalized. Let alone, that the personal employment record is unlikely to convince a „head hunter” that still young people with convenient educational background but without practicing these skills for several years would be the right choice to be suggested to a potential employer. Thus, the „way of life thinking” that higher income by „temporarily” giving up the acquired skill input generally ends up in the complete waste of time, money and energy and can easily lead to personal (and even social) frustration. There are very few examples that would prove the success of such a „strategy”. Needless to say, that in our accelerated world driven by unprecedented technological (and managerial) innovation, once acquired skills tend to be rapidly depreciated even if somebody is working in his/her area of skill but is not open to further

training and upgrading of the acquired „educational input”.

Finally, it has to be noted that the immigration policies of several high-income countries have been encouraging the process of educational investment losses of the sending countries. This development can be identified in two different ways. First, by offering unskilled or low-skilled areas of activities, where the host countries have usually registered labour shortage, to foreigners who, given the significant income difference, in many cases are ready to accept such an offer despite their higher level of education. Second, the share of skilled or highly-skilled people among the migrants tends to be higher than in the host country population. For example, the share of persons with tertiary education is 20 per cent among the native population but about 35 per cent among immigrants in the United Kingdom. Similar figures for Ireland are a bit higher than 20 per cent as against more than 40 per cent. Even in some new member countries, as Hungary, immigrants are more qualified than the average educational level of the host country.²³ This phenomenon is partly the result of very selective immigration policies of major host countries (Australia, Canada, but also the USA and the United Kingdom).²⁴ Partly it is connected with the higher mobility of higher skilled people coming from the sending countries.

At least according to migration theory, brain drain has to or can be accompanied by brain gain for the sending country. Evidently, the traditional form not addressed in this paper is high-school or post-doctoral education abroad. This is a special case of migration, since young and talented persons acquire additional skills and knowledge in developed countries. Such investment is either paid by the host country (fellowships) or by the students (or their parents) in the home country. Thus, the „financial sheet” is much more balanced than in the classic brain drain case as illustrated above. The expectation is that after finishing education and training these young and already highly-skilled people are returning to their native country and start contributing to higher growth and competitiveness in the economic area, as well as to strengthening institutions, changing social behaviour, fostering democracy, etc. However, the overall experience is that most of them are not ready to return, and by far not due to much lower salaries but mainly because of the general

²³ Almost one-third of the foreign persons coming from ex-Soviet republics, about one-sixth of those arrived from Romania, Slovakia or ex-Yugoslavia, and about one-fourth of those originating in Germany who are living and working in Hungary have finished tertiary education. *Világgazdaság*, February 22, 2008.

²⁴ As of 2008, the United Kingdom has introduced a points-based immigration system to attract highly skilled migrants from all parts of the world. *The Financial Times*, November 20, 2007.

socio-political and mental environment that is feared to seriously constrain their activities, both in professional and in personal context.²⁵ As an alternative, they try to remain in the „protected” educational framework as long as possible (a very special and not necessarily positive form of „life-long learning”), or open up themselves to the downgrading spiral by accepting still high-income jobs than at home by giving up their previous educational input partially or even totally. In fact, few of them return after finishing education. To be honest, young people are always much more open or exposed to non-professional external impacts that may substantially shape their future life (marriage, children, networks). This fact is further diminishing the share of returnees.

From the point of view of our paper, it is much more interesting to what extent migrants may benefit from their (temporary) stay abroad. There is widespread consensus that temporary migration may contribute to higher skill due to the higher level of technological development in the new workplace. Not less importantly, it provides an outstanding opportunity to learn or improve language skills. In addition, it is an outstanding chance to create networks for future career. In general terms, experience with a new environment can have an inspiring impact with longer term benefits of understanding others, remain open to new ideas and learn the basic elements of „adequate labour”.²⁶ Not less importantly, a more objective comparison of the political, economic and social conditions between the target and the sending country is made possible. Part of the migrant workers, voluntarily or unnoticed, become important direct or indirect actors of shaping the future of their native country.²⁷

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 are by far not predictable.

²⁵ The author’s personal experience from 15 years of teaching at two post-gradual institutions of the College of Europe (Bruges and Warsaw) is that part of the young graduates would like to return to their native country irrespective of the much lower salary level. The main constraining factor several times indicated by the students is the deeply-rooted bureaucracy that, despite (or just because of?) their competitive knowledge (and partly also network) would place them at the bottomline of professional career in all areas of public administration.

²⁶ Labour shortage is by far not only due to the lack of skilled labour. Much more important is the lack of “adequately skilled labour”. In fact, skill can be acquired, even in post-education special training (generally carried out by large multinational companies in in-door programs). However, the “adequacy” includes such features as physical, skill-related and time-related flexibility, tolerance, endurance, innovative spirit, cooperative behaviour, etc. The development of most of these features do not form part of formal education. They have to be obtained either in the family or small communities in which citizens are growing up. In many countries, one of the big “educational gap” can precisely be attributed to the missing of this “background education”.

²⁷ One of the most recent positive impact could be registered during the Polish elections in 2007. Votes in favour of change were almost unanimously cast by Polish citizens working in the United Kingdom and Ireland, who had a first-hand experience with modern democracy as compared to the Kaczynskis-led „travel to the past”.

First, it is expected that, after a certain time, temporary migrants will return to their native country and will bring with themselves a lot of experience, higher skill, new social patterns and, not least, a lot of money to be invested. In fact, the supply side of the balance may seem correct. But what about the demand side, namely the native environment that is waiting for the returnees? The main questions of adequacy or non-adequacy are the following:

- how appropriate are the newly acquired skills to the home environment,
- how productively can new skills be utilized after return,
- how large is the return rate of the highly skilled people.²⁸

As in the case of technology transfer or, most recently, EU financial transfers, the key question is related to the absorption capacity of the home country. To be sure, it is by far not an economic or an institutional issue (as many times emphasized by EU bureaucrats), but to a large extent the result of socio-political behaviour and deeply-rooted historical heritage.

In addition, the contribution of returned people does not only depend on the host environment, but also on the primary intention of the returnees. Why are they returning? Would they start a new venture based on experience, money and network? If yes, what kind of a business (consumption-led family undertaking, new small business activity, participation in the already existing or emerging transnational subcontracting network in the native country, contributing to large-scale investments of macroeconomic importance, etc.)? Finally, what is the role of age in which migrants are willing and ready to return? Do they return for work or for enjoying the last part of their life at home, most probably at lower living costs to be paid by higher income or savings made abroad? The last question is particularly important in the context of the general assumption that if risk-taking persons are more inclined to migrate, returning migrants should also be more risk-taking than the average of the population. Even more, they generally dispose of financial resources that should further encourage risk-taking investment activities. Yes, in principle. But risk-taking supported by some amount of money has two important „regulatory” elements. On the one hand, it is the age of the returnees. The later they return, the higher is the likelihood that the basic behaviour will not be directed towards business ventures but towards quiet life. On the other hand, risk-taking cannot be delinked from the

²⁸ Katseli – Lucas- Xenogiani (2006a), pp. 38-39.

risk-level of the given economic and socio-political environment. The higher the unpredictability and intransparency of the latter is the lower is the level of risk-taking activities.

Second, high hopes are connected to technology transfer inspired by migrants. In fact, it certainly happens, although many times „under the carpet” and not in the form of visible transfers but in „soft” areas that, at the end of the day, influence the technological absorption capacity of a country, such as personal experience and skill, managerial knowledge, networks, personal attitude to some key issues, etc.). However, the harsh reality is that technology-related brain drain is much more sizeable than brain gain. This development is clearly indicated by the fact that countries with large emigration are increasingly facing labour shortage in high-tech areas, with negative implication on foreign direct investment in general and technology transfer in particular.

Third, network building used to be mentioned as a potential source of brain gain. Here, virtuous and vicious circles can be distinguished.²⁹ To a large extent, the success or failure of network-building depends on the home country environment. Several ten thousands of Indian IT professionals who left India for foreign job, could create substantial backward-linkages by creating new industries, a lot of jobs and improved IT-related services in India, and, most importantly, have contributed to growing international competitiveness of this key sector. In turn, African doctors emigrated to various European countries were unable to improve the health care system in rural (or even in urban) areas of Africa.

In sum, theoretically given brain gain can only be exploited if the native country is able to create the desirable environment (absorption capacity). Even in this case, the cost-benefit balance is generally negative to sending countries, particularly in the first stage (decade?) or migration. Longer-term and partial compensation largely depends on the native country's (re)migration policies to be addressed in the last chapter of this paper.

5. Financial impacts (current account, trade, FDI)

There is widespread agreement that the most important and almost immediately favourable impact of migration is manifested in the substantial and rapidly increasing volume of remittances for countries suffering from huge current account deficit, mainly due to highly unbal-

²⁹ Martin (2005), p. 96.

anced trade flows.³⁰ It is not unlikely that trade and capital flows will become connected with migration, but such an interlinkage (interface) needs several years, even under the best circumstances (highly skilled and mobile migrants immediately finding market channels and investment opportunities upon arrival in the host country). One can only agree that migrants, particularly if organized in well-functioning diaspora, may have a two-way impact on trade flows. First, and from the very beginning, migrants, once visiting relatives at home, contribute to the free-of-charge marketing of foreign products that will create a steady demand in some part of the population and, as a consequence, leads to regular imports of the respective commodities (or services). Second, but with a substantial time lag, in much lower volume (and total price) and more restricted in commercial circulation, also selected goods of the home (sending) country are likely to reach the host country market as a result of efficient intermediation between businessmen (traders) of the native country and the migrants working in the host country. However, all three factors of difference have to be considered. The process does not start as a two-way process, even in the two-way flow there remain substantial differences in value of imports versus exports, and, not less importantly, imported goods get a stable part of the offer of large retail networks, while exported goods generally remain „special products” sold in (frequently migrants-managed) small shops only.

Obviously, migration may increase trade through different channels (preferences, access to information, trade intermediation, participation in business networks)³¹. However, it should not be forgotten that, despite two-way flows, the „interdependence” remains highly unbalanced, leading more to the further deterioration than any kind of improvement of the dramatic trade deficit.

More sizeable and quicker positive impacts can be attached to the reorientation of business decisions by large multinational (but also of small and medium-sized) companies in favour of the given migrant-emitting country. Obviously, the supposed high level of flexibility of the labour market, lower social tensions due to emigration, still available skilled and flexible workforce in the domestic economy (partly as a consequence of positive experience with migrants) and, not less importantly, successful lobbying of migrants in the host country may contribute to higher volumes of FDI

³⁰ Beside remittances, direct capital imports, at least temporarily, started to improve the balance-of-payment situation of several Eastern and Southeastern European countries in the last years.

³¹ Katseli – Lucas- Xenogiani (2006b), p. 22.

inflow. However, also the counteracting factors have to be considered. In the first place, potential investors may be first confronted by the lack of skilled labour (a few years following massive emigration). Afterwards, it will be recognized that the given market is already flooded with imported goods, why should a new production location be established. Since free trade is the rule of the game (not only in the enlarged EU but also in EU-Western Balkan relations), tariff walls in order to enter the given domestic market do not have to overcome. It is much more comfortable to keep on supplying the market from non-domestic (external) output.

It is not ruled out that migrants are able to generate investments in their native country, and to a macroeconomically relevant extent, However, the time factor again intervenes. Competitive large-scale investments require at least a decade (provided a lot of fortune can be seized in the accelerated global development), so that this expectation will remain to be proved after having collected a lot of experience with the first decade of impact of migrants on the sending countries.

As compared to potential and long-term trade and investment impacts with measurable consequences on the balance of current account and payments, in most countries' experience the outstanding role has been played by remittances by migrants to their family and relatives in the sending country.

According to World Bank figures, officially recorded remittances only grew from USD 58 bn in 1995 to USD 188 bn in 2005 (as registered in the banking sector alone). At the same time, official development aid (ODA), starting from the same level (USD 59 bn) less than doubled (USD 106 bn), and the distance in favour of foreign direct investments (FDI) decreased substantially in one decade.³² Based on more recent figures, migrants' remittances in 2007 have been expected to reach USD 318 bn (including non-bank transfers)³³ or at least three times of ODA volumes. Between 2002 and 2007 global remittance flows increased by 87 %, but at an outstanding rate of 107 % into developing countries. By far the largest increase was experienced by the emerging new migrant region of Eastern Europe and Central Asia (by 175 %), followed by Latin America and Sub-Saharan Africa (115, vs. 116 %, respectively).³⁴ It is well known that the volume of remittances tends to be growing if a given

³² FDI inflow grew from USD 107 bn to USD 237 bn between 1995 and 2005. For more detail see: Ratha (2006), pp. 10-11.

³³ International calculations put official and registered bank transfers at two-thirds of total remittances, while one-third is considered to reach the beneficiaries by non-bank channels (mainly pocket-to-pocket).

³⁴ Ratha, Dilip – Mohapatra, Sanket – Vijayalakshmi, K. M. - Xu, Zhimei (2007), p. 1 and 2.

region suffers a natural catastrophe or a civil/ethnic war. Although this volume cannot be taken for granted for a long period, i.e. the process contains a high level of volatility, there has been a clear and positive correlation between enhanced volume of remittances and the (consequences of) Western Balkan wars, particularly for Serbia.

Top recipients are three emerging developing countries, such as India, China and Mexico, followed by the Philippines and some large EU member countries (France, Spain, Belgium, United Kingdom and Germany). Much more telling are figures that compare annual remittances to the given country's GDP. In this context, several Eastern and Southeastern European countries can be found in the top list led by Moldova (32 per cent of GDP), some ex-Soviet republics (Tajikistan, Kirgistan) and not less importantly, several Western Balkan countries (Albania, Bosnia, Serbia), all of them well offer 10 per cent of GDP. In addition, as a result of massive migration in the last five years, the role of remittances to Bulgaria, Romania, Poland but also to Latvia and Lithuania indicate a rapid increase both as a share of financing current account deficit and as a contributing factor to GDP.

There is no doubt that the most visible, almost immediate and positive impacts of migration can be manifested in the size and role of remittances for the sending country economy. Below, we provide a short summary of the main positive impacts.

- (a) Most importantly in macroeconomic terms, remittances have allowed the smooth (or less smooth, but manageable) financing of the huge current account deficit. All migrant countries of Eastern and Southeastern Europe are struggling with huge trade deficit, both the result of low level of international competitiveness, lack of export-oriented FDI and, of course, also of high-level consumption of imported goods (partly due to the lack of domestic production at all, disregarding quality differences). In this situation, remittances can be considered as the basic factor of „salvation” (together with tourism in very few countries).
- (b) Remittances have certainly contributed to the reduction of absolute (even if not relative) poverty,³⁵ and, in this way, to the easing of fundamental social tensions in recipient countries heavily dependent on such financial sources. In turn, their impact on more equi-

³⁵ According to a World Bank survey, cross-country evidence reveals that a 10 % increase in per capita remittances generates a 3.5 % decline of poverty (as measured in the share of poor people) (Ratha, 2006).

table income distribution can, however, be seriously challenged.

- (c) In principle, continuous and more or less stable monthly amount of remittances are expected to strengthen savings attitude and a shift of the disposable money towards investments in education, health and insurance. However, there is no linear correlation between financial resources and expected attitude. Most importantly, the lion's share of beneficiaries live in deep poverty and need remittances to finance daily needs of survival (food mainly). Middle-income countries with high remittances may behave differently. However, the overall experience is that most of the money coming from migrants has been used to finance short-term consumption. In many cases, the biggest barrier to shift towards savings and responsible investments in the own and the family's future consist in deeply-rooted (or recently accommodated) consumption patterns and „distorted“ (?) mentality.
- (d) Probably the most promising impact of remittances could be the generation of new ventures and the financing of sustainable macroeconomic development. Such activities are clear in the private (or dual-economy) sphere, such as construction, car purchase and IT technologies. However, it seems likely that most of these purchases are primarily linked to private consumption and only marginally to real investments. As of today, the multiplier impact of remittances on economic growth, structural change, enhanced competitiveness cannot be identified. More important seemed to be the crowding-out impact of increasing imports on domestic producers and suppliers.
- (e) Rapidly increasing amounts of remittances have had an important influence on the everyday practice of the banking sector. High to discriminatory transfer fees have diverted large remittance sums into the intransparent field (non-bank-transfers). However, most recently, a fierce competition is about to emerge among banks to handle remittance issues.
- (f) High level of remittances and its role in the stability (sustainability) of the current account position can contribute to generating additional FDI flows (if other conditions of the potential host country are given). Moreover, it can improve the country's financial situation and, thus, ensure better access to international capital markets.

Turning to the negative impacts of high inflow of migrants' remittances, the following observations have to be made.

- (a) On the macroeconomic level, high volumes of remittances are likely to generate inflationary pressure and nourish the appreciation trend of the national currency. Particularly the latter is deepening the process of increasing trade deficit, since appreciated currencies used to constrain exports and to increase imports. As import propensity in the families benefitting from remittances is, from the very beginning, high, currency appreciation gives additional impetus to consumption of imported goods (and services). The adverse trend of appreciation can only be counteracted in countries with autonomous and flexible exchange rate policies. (Countries with currency board, as the Baltics or Bulgaria are, at present, excluded from making use of this „flexibility instrument“.)
- (b) Most probably the biggest negative impact of remittances can be identified not only in economic, but mainly in social and mentality-related fields. First, continuous (say, monthly) transfer of a certain amount of money can easily create „transfer dependency“, as many times experienced with EU farmers enjoying direct payments. As a result, such a situation leads to rent-seeking mentality of a growing share of the population, with clear negative consequences on the labour market in general, and domestic labour mobility, in particular. This attitude is particularly widespread in the ex-Yugoslav republics and Albania, with extremely high level of unemployment. To be sure, war-ridden economies burdened with the disruption of a large (?) domestic market are not surprised by having high level unemployment. However, some country's official unemployment figures (real figures would be higher) are definitely connected with the negative, i.e. „labour-prohibitive“ mentality of many potential participants on the labour market.
- (c) Also, remittances help non-domestic (and certainly not development-related) patterns of consumption to be further strengthened. Most of the countries benefitting from remittances tend to have high import-driven consumption. Visits by migrants, almost always carrying out pocket-to-pocket financial transfers add to this trend. Not less importantly, migrants coming back for holiday

- season or family events, propagate Western (European) products, as a gift. Sooner or later, particularly in economies with weak background of domestic supply, such attitudes start creating an import-led consumption and mentality. In this was, current quantitative dependency may easily shift into qualitative dependency.
- (d) The impact of remittances may easily become the hotbed of social conflicts. Since not all families (persons) benefit from the positive impact of remittances (let alone equally), migrants can easily contribute to the split of the given society to remittance-keeping and remittance-not-keeping people. No question, the former will enjoy a much better position, at least as private consumption is concerned. Simultaneously, those citizens and parts of the society that do not enjoy the beneficial impact of remittances, will feel increasingly outcrowded of the given society and becoming gradually marginalized. In sum, remittances have been likely contributing to the alleviation of poverty, but, at least as of today, they have been unable to reducing the income gap between different parts of the society. This split has been accentuated by the fact that monthly remittances may be higher than average (let alone minimum) wages. In this case, social conflict may be sharpened between two persons (and, more importantly, between beneficiaries and non-beneficiaries of financial transfers): one living from remittances at least at the level of average wage, and the other trying to survive from his/her monthly salary (average or less).
 - (e) At least as of today, most of the remittances have been used for private consumption. Badly needed investments have not been started to be (co)financed by private money earned by migrants. Housing construction, car purchase or the establishment of small ventures (restaurants, car repair posts, retail trade shops, etc.) may be important for (future) personal well-being, but they do hardly contribute to sustainable macroeconomic development and, even less, to international competitiveness of the respective economy.
 - (f) Longer term experience with remittances can be characterized by high level of volatility (both in positive and negative sense) and by decreasing volumes over time. The monthly (or annual) transfer largely depends on the wage earned in the host country. If the latter is entering a recessionary phase, remittances

may be reduced, since many migrants may lose their job and become unable to provide money to family members or relatives at home. Another „crash” may be produced by exchange rate changes. The rapid and constant devaluation of the US dollar has already been creating a difficult situation for migrant remittances (first of all, from countries using the US dollar as their basic official foreign exchange deposit).³⁶ Another element of volatility is linked to the changing attitude of the migrant. The more they are young mobile and without family, the higher is the propensity to establish future life in the host country, through marriage (either by host country citizen or by bringing somebody from the sending country), the purchasing of a new house/apartment and, as a result, the complex restructuring of salary distribution. In this case, as proved by many examples, propensity to remittances will be gradually decreasing, and new priorities linked to long-term stay in the host country will become dominating future decisions.

- (g) Last but not least, we do not have clear evidence of the interrelation between remittances and money laundering (although, at least partially, such an interconnection may already have materialized).

There is no doubt that remittances, as the primary and short-term positive impact on (e)migration had been playing a crucial role in the overall favourable assessment of the process of migration in several Central, Eastern and Southeastern European countries. However, mixed experience is already observable, while affected governments are only slowly getting aware of the by far not only positive consequences of massive migration. I would not like to question the positive impacts of migration. However, in order to enhance the role of the positive elements, and, not less importantly, prevent extremely costly backlashes, sending country governments must develop a comprehensive program with the highest and quickest possible spill-over effect on sustainable economic growth and social consensus (being sometimes conflicting aims, at least in the short run).

³⁶ This is certainly not a big problem as long remittances are spent in the “dollar-area” (see Mexicans and other Central and South Americans). The additional cost appears in the higher inflation rate (many times delayed). Much more important impact on the future volume of remittances may have the US recession, in which millions of employees may lose their job who belonged to the hard core of “transfer payers”. In more detail see: *The Financial Times*, October 30, 2007.

6. Regional impacts

Migration generally has different impacts on selected regions of the given country. Unemployment-driven migration used to affect more regions with high level of unemployment, while brain-drain-related migration is concentrated in higher developed parts (with universities) of the country. In addition, first-wave migration may generate second-wave migration from the same region, based on family networks. In this way, migration impacts on the given region may be easily aggravated. Experience of sending countries shows rather different patterns of regional migration. From some countries, migration has been mainly nourished by the capital city or urban areas (Philippines), while other emigration countries were characterized by large-scale rural migration (Pakistan). The European picture is mixed. Rural migration was predominant for Albania, while two-thirds of migrants from Moldova came from urban areas.³⁷

Regional impacts of migration have important consequences on the sending country. First, they may generate intra-country migration flows from surplus labour towards regions suffering labour shortage due to migration. However, this situation can only occur if the domestic labour market is flexible and labour flows are not hindered by a number of factors (supply-demand structure of the labour market, investment and job opportunities, flexible housing market, availability of skill, etc.). Second, regional differences may increase or, just the opposite, iron out previous wage differences. In inflexible labour markets wage differences tend to increase, since more developed parts of the country struggling with labour shortage are forced to increase salaries. On the contrary, less developed regions, even if facing shortage of labour, will not be able to attract additional (local) labour despite higher wage offers. Thus, wage differences among regions of the same country are supposed to become larger. In consequence, not only depressed but evidently „dead” regions may emerge, with no opportunity to work, with high level of unemployed people or, even worse, just immobile elderly population. In an extreme case, as experienced in some regions of the Southeastern European sending countries, several villages and other settlements may become completely depopulated, abandoned and exposed to robbery and free looting. Increased migration from desperate rural areas to urban centres in some European countries have contributed to such

³⁷ Katseli – Lucas – Xenogiani (2006a), p. 32.

a development in the last decade. Needless to say that such a process is fully against the cohesion policy of the EU to be financed by substantial financial transfers from the common budget.

7. Demography and social issues

One of the long-term and lasting impact of migration on the sending countries can be identified in the demographic trends, particularly if natural population growth is stagnating or even negative. In fact, this is the case for most European sending countries. In this context, (massive) emigration has several adverse consequences. First, it lowers the number of people living in the native country (without considering potential immigration). Second, and more importantly, it changes the age structure of the native population, both as a result of less young people available at home and as a consequence of the general demographic trend of rapid ageing (the age structure would be shifted towards elder people even without migration). Third, by modifying not only the age but also the gender structure of the society, it lowers the fertility rate, since one parent is missing. Fourth, it aggravates regional imbalances. Fifth, it creates growing skill shortage. As a result of these factors, the tax-paying capacity of the society is declining, while the needs to finance the previous social security and pension system, let alone newly appearing huge regional disparities, are rapidly increasing. Thus, a huge pressure will be (or has already been) created in order to start fundamental and painful reforms of the „premature welfare state” in countries with low(er) level of economic development and with the daunting task of concentrating on catching-up to developed fellow EU members.

Not less burning issues become manifest in the social consequences of migration. As previously mentioned, remittances from working abroad may alleviate poverty and social problems for part of the population at home. However, at the same time, they create new tensions and social injustice, including irresponsible spending (consumer) habits. Much less attention has been devoted to the unfavourable longer-term social, educational and psychological impacts of migration. In fact, a large number of families have become split, mainly with the father/husband working abroad and the family remaining at home. As a result, the children will be educated in divided or „mutilated” family environment (single parent households). The situation is likely to become more distorted if both

parents are employed abroad and the children are taken care by grandparents. As of today, and in Europe, we do not have sufficient evidence to what extent the new environment is affecting the educational and health patterns of the growing-on new generation. In principle, remittances may contribute to better financing of education and health. However, this is generally not the case, mainly due to the consumption pattern of the families living from remittances. In addition, children living in single-household families left behind in depressed regions do hardly have equal chances of access to education and health care similar to urban areas.³⁸

8. Government policy responses

As a result of large-scale emigration from selected Central, Eastern and Southeastern European countries in the last decade, the contradicting effects have already become widely felt. Therefore, it is not surprising that more and more governments started to evaluate the current situation and shape longer-term strategies on migration. As of today, there is no comprehensive, let alone success-proven initiative. However, some basic elements can be identified. In this concluding chapter the most important considerations, efforts and instruments will be summarized.

First and despite mixed experience, all new member countries continue to emphasize the importance of free circulation of labour in the enlarged EU. Full liberalization is scheduled in 2011 for the new members that joined in 2004 and by 2014 for Bulgaria and Romania. Future members have to calculate with similar or even stricter transitional regulations

Second: 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, however, for several reasons, can hardly work efficiently and with broad impacts. On the one hand, the most important regulator remains the market. Massive migration has already pushed up wages at a much higher rate than supported by productivity increase. Still, even higher and dynamically increasing wages were unable to dissuade people from migration, since the wage gap between the native and the potential target country remains very significant. However, higher local and regional wages seem to have started a higher level of labour mobility, not least across national borders within the well defined geographic extension of cross-border areas (e.g. skilled Southeastern Hungarians working in

³⁸ For more evidence, see socio-economic analyses on Mexico or the Philippines. Katseli - Lucas - Xenogiani (2006b), p. 21.

Western Romania). Neither high growth rates were able to let local people reconsider to give up their original migration plans. Concerning highly skilled people, three additional policy instruments may be applied. On the one hand, if allowed by the budgetary situation, wages in public administration could be substantially increased (near to the wage level for similarly qualified people employed in the private sector). On the other hand, private contribution to tertiary education would at least be able to distribute the investment costs and lower the size of „transfer payments” in the framework of brain drain from „input” to „output” countries. Obviously, this scheme would not change the fundamental pattern of transfers, but would increase the personal contribution and create a socially less unjust situation and transfer. Thirdly, young citizens with finished tertiary education financed by the central budget (e.g. by the taxpayers of the country) may be committed to keep on working at home at least in the first years after having finished studying or, in case of migrating, pay back the costs of their education. Although this approach seems to be socially just, but can more encourage than discourage migration of highly skilled young persons (even illegally). In the best case, it could postpone but not prevent emigration.³⁹ Moreover, it could force mobile people with fresh diploma to stay home just in the first and most productive years of further knowledge-building, with the danger of depreciating the investment made in their education over years. After a few years when commitments will be lifted, their level of knowledge may be less suitable for working abroad than it used to be immediately after finishing tertiary education.

Third: active government policies have to focus more on immigration in order to substitute for the native emigrants. This process had been happening for decades between highly developed European countries and their colonial or geographic background, and can now be repeated by the less developed member countries characterized by high level of migration. Certainly, such a situation tempts to end up in a „beggar-your-neighbour-policy” with serious consequences for several countries involved and not without potential regional conflicts. However, there is no feasible initiative to counteract or contain the emergence and spread of such a pattern of „international division of labour”. Poles, Romanians and Bulgarians have been migrating to Western Europe and are now interested in attracting labour from their even less developed neighbouring countries, such as Moldova, Ukraine, Macedonia, or even Turkey and Russia. Most probably,

³⁹ Martin (2005), p. 96.

more active immigration policies do not have a viable alternative for several new members. However, the process is not free from dangers and new conflicts. First, not all countries are in a position to replace their migrants by immigrants from the country next door. The labour supply chain may be broken or interrupted at some point (e.g. in the Ukraine, a country that is in high need to import labour, but from where). Second, a far-sighted and future-oriented immigration policy should not have a geographic but a skill-driven approach, by placing migration and labour market (as well as social) policies into the evolving global framework. Third, massive immigration into the new member countries is likely to face strong social (and populist political) opposition, since, for historical reasons, the social inclusion capacity is low to extremely low or sheerly non-existent.⁴⁰ It is telling that the share of foreign-born population in several Western European countries amounts to 10 per cent or higher, the same figure hardly exceeds 1 per cent in most new member countries of the EU.

Fourth: a definitely more active government support is required concerning the utilization of huge amounts of remittances. The basic principle that remittances are not taxed, may be correct, but by far not sufficient. Less developed countries with huge investment needs in business, physical and human infrastructure and social services should make much better use of billions of dollars or euros of remittances than just to finance personal consumption or family-related investments (cars, housing, computers) without any (meaningful) impact on sustainable macroeconomic growth and socio-economic modernization. In addition, long-term savings should also be encouraged in order to finance education and better health care of children as well as partially financing the needs of better life after the working years. A two-way approach can be applied. On the one hand, existing barriers in the way of investments and savings have to be abolished. On the other hand, remittances directed to investments may be given special incentives.⁴¹ With regard to Europe, the EU should seriously consider plans to cofinance migrant remittances if they are channelled into well-designed and promising „modernization

⁴⁰ This behaviour can largely be explained by the historical development and experience of Central, Eastern and Southeastern European countries (despite the completely different pattern developed in the late Austro-Hungarian Monarchy). In turn, the largest immigration countries of Europe can rely on their colonial past and a much more tolerant domestic population, even if the level of tolerance started to decline in most of them in recent years.

⁴¹ For instance, Morocco should encourage rural investments, but they are likely to happen only after creating clear property rights. In lack of them, people prefer to invest in housing than in irrigation. As a positive initiative, the Indian government offers special incentives to people of Indian origin (PIO) to invest in the country. *The Economist* (2008), p. 12.

funds". (Not less importantly, such an approach could become part of a new Western Balkan strategy of Brussels.)

Fifth: efforts can be undertaken in order to bring back part of the young, skilled and risk-taking people from abroad. However, once designing such instruments, policy-makers have to keep in mind that special privileges generally are not able to compensate for adverse socio-economic environment and lack of business confidence. In turn, given a favourable overall framework, they may generate new sources of sustainable economic growth. Some experts suggest the establishment of dual nationality/citizenship status as an attractive means for bringing migrant people back home.

Sixth: network-building promises a number of advantages. Although its main aim does not consist in bringing back migrants in physical terms. Instead, it focuses on sharing the success of migrants with the native country, far beyond personal remittances. After a certain time, migrants in developed countries may be able to generate additional trade and investment flows, encourage tourism, improve the financial credibility of the home country. Not less importantly, diasporas can successfully contribute to the positive image-building of their fatherland. As proved by experience, in many cases diasporas can have a certain bargaining power in shaping the relations between their host and native country, both in political, cultural and economic terms.

Seventh: countries with high level of emigration should strengthen their (coordinated) efforts in the international arena. Two fields can be mentioned, with potential longer-term results. One aims at the better regulation of migration flows on the international and the regional levels and at avoiding or at least lessening the negative impact of host-country-driven and highly selective migration. Another, at the moment certainly not very promising effort could address the issue of the migration of skilled labour in order to reimburse at least part of the heavy investment costs channelled into the domestic education of many young, highly-skilled and talented native citizens who had been regularly and to a larger and larger extent sucked out of the less developed countries. In both cases, either new international platforms are required or some of the current ones should take up and incorporate the above topics into their agenda (for instance the World Trade Organization that has been dealing with a large number of trade-related issues, including intellectual property rights, certainly not a topic alien to costs of education).

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Experiences with Migration in Hungary, with special regard to Labour Migration and Illegal Foreign Employment

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Introduction

Similarly to other post-communist countries of Central Europe, Hungary has turned from a sending country into a destination and transit country for migrants since almost two decades. Partly as a consequence of these developments and also within the context of a rapidly ageing population, the issue of migration in general and labour migration in particular has recently entered into the centre of public attention. The collapse of the communist regime towards the late 80s, early 90s, with liberalizing people's movement (opening the borders) meant a turning point also as regards East-West migration within Europe. Therefore, it is reasonable to conclude that this marks a new phase in the history of migration within the region (Wallace and Stola, 2001, p. 14.).

The case of Hungary well illustrates the conclusions drawn by S. Sassen: "migrations do not simply happen. They are produced. And migrations do not involve just any possible combination of countries. *They are patterned.* Further, *immigrant employment is patterned as well*; immigrants rarely have the same occupational and industrial distribution as nationals in receiving countries." (S. Sassen, 1999, p. 155., emphases are mine - KF) The fact that almost about three million ethnic Hungarians live in neighboring countries has a decisive influence on the pattern of immigration. In addition,

the emerging conflicts in some of these countries (especially in the former Yugoslavia) also gave rise to waves of immigration during the 1990s (partly in the form of inflow of refugees). The data (to be shown in the paper) clearly reflect these.

The paper is to provide a brief overview on the causes, facts, trends of migratory movements with special emphasis on labour migration and illegal foreign employment. The first section outlines the most important immigration tendencies in general and some factors shaping labour migration. The second section aims at identifying the main trends of the inflow of illegal foreign workers. In view of its effects on both the labour market and the economy in general, this phenomenon requires special attention in order to respond adequately for the challenges it could pose. Therefore, its extent and main features need thorough investigation. The third section is to conclude.

I. Immigration trends in Hungary

The data on immigration in Hungary clearly show that it is closely connected to labour migration¹. This is the reason why after outlining the general tendencies, a separate part is to deal with the presence of foreign labour in the country.

I. 1. Immigration in general

According to latest data on legal migrants (January 2007), 166 thousand foreigners with valid residence permission lived in the country, which is by 6.2%, i.e. 9.5 thousand more than in the previous year. As can be seen from the table below, since 2004 there has been a tendency of a slight increase in the number of foreigners (in 2004, when joining the EU, their rise was more pronounced, being more than 10%). The share of foreign citizens within the whole population stands at around 1,6%. This could be considered as quite low in European comparison (especially if only the 'old' members i.e. the EU15 are regarded) and not high even in the Central and East-European region (for example, both in the Czech Republic and Slovenia foreign citizens' share exceed 2%).

¹ Besides other data, this is evident for example from those of the Office of Immigration and Nationality („Bevándorlási és Állampolgársági Hivatal”): it was employment which was indicated as an objective of residence in more than half of all the applications for new or prolonged residence permits between 2002 and 2005.

As the table below (Table 1.) shows, the overwhelming majority came from Europe (more than 80%), mainly from Romania (more than 40% of the total), Ukraine (usually around 10%) and Serbia (between 10 and 5%). Out of the EU15, Germany as a relatively important country of origin could be mentioned.

Table 1. Number of migrants in Hungary between 2002 and 2007 (stock)

Country/continent of origin	2002	2003	2004	2005	2006	2007
Europe (total)	97 640	98 230	110 915	122 261	130 535	140 827
Romania	44 977	47 281	55 676	67 529	66 183	66 951
Serbia	11 975	11 693	12 367	13 643	12 111	8 459
Ukraine	9 835	9 853	13 096	13 933	15 337	15 866
Germany	7 676	7 100	7 393	6 908	10 504	15 037
Slovakia	2 213	1 536	2 472	1 225	3 597	4 276
Asia (total)	14 401	13 480	14 715	15 121	18 543	19 733
Out of this: China	6 840	6 420	6 790	6 856	8 584	8 979
America (total)	2 557	2 434	2 535	2 667	2 989	3 075
Out this: USA	1 688	1 614	1 703	1 679	1 929	1 931
Africa	1 318	1 281	1 455	1 556	1 800	1 783
Grand total	116 429	115 888	130 109	142 153	154 430	166 030

Source: Central Statistical Office, Budapest

Table 1 suggests a fairly stable picture over the last 6 years both as to the major sending countries and their citizens' share in the total number of immigrants to Hungary. There is relatively high fluctuation only in the case of Serbia, but this could be explained by changes in statistical calculations², by naturalizations (the share of which in total was slightly higher than later, being around 17% in 2002-2003 as against 7.5% in 2006), and perhaps some return migration.

Both the aforementioned slight increase in the stock of immigrants and also the flow data show that Hungary has become a destination or transit country. As a result of an inflow of more than 12 thousand in each year since the early 90s and lower outflow³, net migration is positive (according to Eurostat data, it stood at 1.7 per thousand population in 2005⁴).

² Until 2003 citizens of the republics of the former Yugoslavia were counted together (not only those of Serbia, but e.g. also those of Croatia).

³ Although it has to be admitted that due to lack of registration of those who leave the country, the outflow data are not very reliable (only estimates could be made).

⁴ Quoted by: Fóti, 2007. p. 51.

1. 2. Some trends in labour migration

Most of the migrants arrive with the aim of working in Hungary, and this is reflected by the dominance of working age young persons among them: 58% are between 20 and 39 years old (Source: Central Statistical Office⁵). In addition, the fact that the annual number of work permits are growing (between 1996 and 2005 it more than doubled) and it exceeds the yearly inflow of migrants (whereas the latter is stagnant) also indicates that employment plays an increasingly important role within migratory movements directed towards Hungary (and of course, it demonstrates significance of temporary migration as against of permanent one).

As regards the sending countries, it shows a heterogeneous picture, although the neighboring countries dominate. Workers from more than 110 countries arrive to take up a job in Hungary, and foreign employment has been continuously increasing since the second half of the 90s. (Source: Public Employment Service). As a consequence of its liberalization in the wake of the accession to the European Union in May 2004, the data do not cover citizens of those countries, which became exempt of work permits. Due to increasing number of these countries, the statistics, based on work permits, could cover less and less workers arriving from other members of the EU⁶. This is already clear from the table below (Table 2.), and also from those data which show the number of those work permits and other permission forms (registration, “green card” certificates and permissions for agriculture seasonal work⁷) which were valid at certain point of time, usually on the last day of the year. (In the years 2004, 2005 and 2006, the number of work permits stood at 55 136, 46 391, 45 865, respectively.)

⁵ Population Movement, 2006, Statistical mirror <http://portal.ksh.hu/pls/ksh/docs/hun/xftp/ido-szaki/nepmozg/nepmoz06.pdf> (access: February 16, 2008).

⁶ When joining the EU, Hungary (similarly to Poland) insisted on reciprocity as regards restrictions concerning the movements of workers. As a result, due to their liberal approach to the inflow of East-European labor force since the accession, citizens of the UK, Ireland and Sweden were exempted of work permits in Hungary, whereas the same applies to Spain, Portugal, Greece and Finland since May 2006, to Italy since November 2006 and the Netherlands since May 2007. As regards the other New Members having joined at the same time, for them the Accession Treaty makes it possible to register them for administrative purposes. This opportunity is, as table 2. shows, mainly seized by workers from Slovakia. In cases of Bulgaria and Romania, the Hungarian government issued a decree in December 2006, which lists more than 200 occupations where work permits can be granted with simplified procedure, without examining the labor market situation. In addition, according to the general rule within the EU, (ÁFSZ, 2007.) those EU nationals who have worked in Hungary for more than 12 months are not required to have work permits even if they came from a country with which there is no reciprocity or the movement of their nationals are otherwise restricted. These are called „green card certificates”.

⁷ This form is used mainly by Romanians and to some extent agricultural workers from Ukraine. In 2006 for Romanians 1897 such permission were issues, whereas for Ukrainians only 284, and the total stood at 2 216.

Table 2. Number of work permits, registrations and “green card” certificates, issued between 2004 and 2006

Country/ C o u n t r y - g r o u p	2004			2005 (Jan. 1 - Dec. 31)			2006 (Jan. 1 – Dec. 31)		
	Jan 1 . - Dec.31.	May 31 - Dec.31		Permits	R e g - istr.	“Green Card	P e r - mits	R e g - istr.	“Green card”
EU15	1 834	0	284	1 981	2	328	1 918	3	274
Out of them: Germany	848		133	868	1	145	714		20
10 New Mem- bers (joined in 2004)	2 511	14 242	0	0	18 896	0	0	16 123	0
Out of them: Slovakia	2 305	13 168			17 983			15 262	
Other Euro- pean	55 599	11	1	46 873	8	2	45 134	5	1
Out of them: Romania	42 879	6	1	35 547	3	1	33 136	3	
Ukraine	10 455	5		8 854	2		8 911	1	
Other coun- tries outside Europe	4 751	0	0	4 470	1	1	5 453	0	0
Out of this: China	1 114				1 216		1 470		
Grand total	64 695	14 253	285	53 324	18 907	331	52 505	16 132	275

Source: ÁFSZ, 2007. (Public Employment Service, Budapest, Hungary)

According to the latest available data for 2007, which show figures in the first three quarters of the year, the decrease in work permits and other forms continued also this year: if all the forms are considered together, the number dropped by 25.2% (compared to the same period of 2006, source: ÁFSZ, 2007.). It seems as if the number of Romanian workers had also dropped to some extent most recently (in 2007). Although the time that passed is too short for a well founded explanation, this might be due to recent growth in the Romanian economy (obviously partly as a result of the accession to the EU). Although the next table (Table 4) contains only estimate for 2007, it shows at least some signs of catching up process in the case of Romania.

Table 3. GDP per capita in purchasing power parity in Hungary and the major East-European, CIS and Asian source countries of migrants to Hungary between 2000 and 2007 (USD)

Country	2000	2001	2002	2003	2004	2005	2006	2007
Hungary	13 212	14 110	15 021	16 032	17 331	18 674	20 047	21 040*
Romania	5 974	6 496	6 974	7 521	8 424	9 081	10 125	11 080*
Serbia	4 198	4 514	4 789	5 026	5 620	6 155*	6 701*	7 265*
Slovak Republ.	11 393	12 033	12 737	13 538	14 671	16 049	17 913	20 002*
China	3 913	4 310	4 753	5 308	5 977	6 771	7 722	8 788*
Ukraine	4 130	4 661	5 036	5 680	6 597	7 046	7 832	8 624*

Source: World Economic Outlook Database for October 2007

Note: It is not the IMF which primary source information, but the Organization for Economic Cooperation and Development, the World Bank, or the Penn World Tables.

*Estimates

As can be seen from Table 3, in 2000 GDP per capita in Romania (in purchasing power parity) stood at only about 45% of the Hungarian level, in 2006 it was more than half of it (about 51%). In cases of most other sending countries (with the exception of Slovakia) it is clear that income level differentials play a major role in motivation behind coming to Hungary. For example, in the case of Serbia, the lower income level (about one third of the Hungarian one) seems to be persistent which is also reflected in wage differentials (for example, in 2003 the average gross monthly wage stood at one third of the same Hungarian figure – source: WIIW, 2004. p. 33.). It is obvious that for the workers from Slovakia income differentials *per se* do not play a major role nowadays. Reasons for their presence in the labour market of Hungary lie rather in the fact that many of them ethnic Hungarians who live along the border areas, quite close to Hungary, where unemployment tends to be quite high, whereas the neighboring Hungarian areas are developing partly as a result of increasing activity of multinationals there, and even some skill shortages are emerging.

As mentioned, share of migrants in the population is not high in Hungary. Data of Table 2 shows that if work permits and other forms for permissions to enter the Hungarian labour market are considered, their number is not very significant, either. Since, as mentioned, statistics, based on permissions could cover less and less foreign employees and even in the past these data covered only a part of them (because not all foreign workers were required permission), it is worth to look at other data on their presence, and their status.

Table 4. Foreign workers' share in employment and unemployment between 1995 and 2005 (%)

Year	Their share in employment	Their share among unemployed	
		Registered	Labour Force Survey
1995	2.0	14.9	17.7
1996	1.9	14.5	17.3
1997	1.9	14.7	19.6
1998	1.9	17.0	21.9
1999	2.0	18.4	26.5
2000	2.2	21.8	32.3
2001	2.3	25.0	38.8
2002	2.6	29.1	42.1
2003	2.7	30.0	43.9
2004	3.3	33.8	50.2
2005	3.3	31.0	41.8

Source: Central Statistical Office, Budapest, Hungary

Data of Table 4 confirm the increasing presence of foreigners in the Hungarian labour market. Relating to this, their share among the registered unemployed has been also on the rise, but it is even more remarkable that their proportion in the LSF unemployed has become quite significant, from 17.7% to more than 40%. This shows their vulnerable position and it can also be assumed that many of them are illegally employed. This is the topic we turn to next.

II. Main features of illegal foreign employment

II. 1. On the hidden economy in Hungary

There have been various estimates for the size of hidden economy in Hungary (especially in the early 90s, when, according to some “guesstimates” it stood at as high as 30% of the GDP). Although its share since the economic and political changes might have decreased, due to still quite heavy tax burden on labour (high income taxes plus social security contributions), it can be assumed that unregistered employment, including applying foreign labour illegally, is widespread⁸. According to a recent survey among managers in the business sector, for example, 46% of

⁸ An indirect indicator for this could be that in Hungary the official employment rate stands at a very low level, even in East-European standards (about 57%). Neither the unemployment benefit, nor the social assistance system is generous. The widespread resort to illegal or semi-legal work could be an answer to the question of income substitution.

them said that hidden economy is present in the area where their firms are functioning. Among these managers, 39% mentioned undeclared employment as one of the forms of hidden economy, and an additional 7% said some manipulation with wage payment. (Ecostat, 2007).

*II.2. Illegal foreign employment*⁹

In order of its magnitude, the number of illegally employed foreign workers is estimated at 50,000 to 200,000. (According to experts' estimates, their share could range from 5% of undeclared employment in general, to 10% of the whole employment.) As regards the estimated absolute numbers, this cannot be regarded as particularly high, but the share of the informal economy is considerable (experts still put this between 20 to 30% of the GDP). In addition, those sectors, where illegal foreign work is concentrated, the share of illegally employed migrants could reach as high as around 5 to 10%. The most affected sectors are: construction, agriculture, commerce and petty trading.

As far as trends of illegal foreign employment are concerned, their number increased quite considerably in the early 90s, which, due to the political changes and more openness, is understandable. It is difficult to establish a clear-cut trend for the last couple of years, but it seems that there will not be a definite increase. It is true, though, that between 2000 and 2005 the number of legal migrants has doubled. It may well be that work of many illegal immigrants could be legalized during this period because, as mentioned, the system of work permissions became more liberalized, at the time of the accession, the limit was raised to 86 thousand work permits (but, as seen above, their number has always been lower than this limit).

If the working time is considered, according to a survey conducted in 2000 estimated that around 30% of illegal work is done by foreigners, and because, according to the respondents, share of undeclared employment is around 10-30%, corresponding to about 300 thousand full-time workers, this means that the work, carried out by illegal foreign employees, corresponds to the work of several ten thousands of full-time workers. In addition, bearing in mind that their turnover is high, illegal foreign work affects even more persons (Juhász et al.). People from the neighboring countries mostly arrive as tourists, because it is simple for them to return to their home countries, many of them actually commute on a weekly or monthly basis.

⁹ The data and some features quoted in this part are drawn from a survey conducted by Juhász et al. (see details: Juhász et al., 2006.)

The main features of illegal work performed by foreign employees, as well as their composition have changed quite considerably over the last period (i.e. more than a decade). This clearly reflects those mainly economic and social changes through which the country has underwent. Among the reasons the following ones could be highlighted:

- legal and legislative changes (partly within the context of joining the EU);
- the EU-membership itself,
- changing economic climate and structure in Hungary;
- transforming global environment (including economic adjustment of the neighboring counties and other countries of the region);
- emerging network and accumulated experience of migrants

The employment of illegal foreign employment in the construction industry is an interesting case in point not only because of its large extent (which is well known), but also due to the changes there. Unlike in many other sectors, here the number of illegal foreign workers is supposed to have increased over the last couple of years (according to experts quoted in a survey by Juhász et al., 2006.). The reason is that investments have generally risen and the other important factor is the shortage of skilled workers precisely with those skills (among others), which the building industry requires. The shortage is mainly due to the fact that training of qualifications for construction industry is hardly offered in the vocational training institutions (about 1% of all the other qualifications offered are adequate for the building industry). Presumably, the other reason for the shortage is the fact that the best skilled workers in building do work in Germany (within this context, it would be interesting to investigate features and size of this “chain migration” in order to see to what an extent this phenomenon contributes to the current shortage of skilled labour).

As mentioned, composition of migrants has also changed. Although data about illegal migrants are not reliable, some conclusions could be drawn, for example from changes in migrants’ age pattern in general because this reflects different types of migration. The data clearly show that whereas in the second half of the 80s most migrants came for a longer period, so family unification came to the fore, and as a result many young women came to join their husbands, at the very end of the decade the average age of men also declined supposedly because young people, feeling a decay in the socialist system and due to gradual liberalization of travel in

some neighboring countries, increasingly arrived, and many of them came illegally. As a result of changes and the ensuing more liberalization, consolidated circumstances contributed to an increase in average age as well as to a shift towards migration of a more temporary nature. Relating to this, in the mid-90s there are less children among migrants, a fact which also rose the migrants' average age. Another factor is that at the beginning of the changes (or even before) many ethnic Hungarians came with a clear aim of permanent residence in Hungary, whereas later this was less the case (connected with the aforementioned shift towards temporary migration).

Among the motives of illegal labour migrants in Hungary as a destination country, mainly those well-known factors dominate, which usually prevail also in other host countries. They are as follows: escape from poverty, extremely low wages if there is any job available, long-term unemployment, lack of alternatives and perspectives for finding a job, etc. It should be added that out of the two main sending countries in Romania the average wage is about half of the Hungarian one, and in Ukraine it stands at about one third or just of a quarter, compared to the average Hungarian wage. Therefore, it is understandable that, as revealed by some surveys carried out in the early years of the new Millennium, most of the migrants themselves identified their main motive for taking up (illegal) employment as seeking a better paid job. Of course, due to the large number of ethnic Hungarians coming from the two main sending countries, knowledge of the language plays also an important role. Geographical location (small distance) is on the third place among those motives which have of highest significance. The survey also revealed that nowadays those who arrive from the Trans-Carpathian region of Ukraine and Transylvania from Romania, rarely plan long-term residence. At the same time, those who want to stay but have no residence permit as yet, are usually unwilling to take up illegal employment (they do that only if they have no other alternative) because they are aware that they would risk the possibility of obtaining a residence permit.

The presence of illegally employed foreign workers raises a number of dilemmas. The phenomenon itself clearly shows that there is a demand for such migrants. According to the Hungarian experiences, pointed out by various surveys, skill structure of the illegal migrants basically matches to the existing demand (even if there are some controversies, i.e. over-, or under-qualification). These facts point to the direction of long-term presence of illegal foreign work. As regards policy implications, one previous survey

pointed out: “By way of illustration, it is generally agreed that there should, in general, be much simpler procedures and tax rules for seasonal casual workers employed on a daily basis. 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... With simpler and more flexible rules, particularly in certain sectors, a considerable proportion of illegal foreign labour could be channeled into legal forms of work” (Juhász et al., 1999)

At the same time, it is clear that illegal foreign employment has many harmful effects. For example, in the construction industry, where the illegal foreign employment is significant, as a consequence of widespread ignorance of the most elementary safety measures, workers are heavily exposed to accidents (often serious ones), which even according to statistics, frequently occur (in Hungary, accidents at work are triple of those in Austria). So it is clear that in some areas efficient measures are needed aiming at combating illegal migration, but they should be introduced rather within a broader context: a generally better law enforcement and more efficient and frequent labour inspection than purely administrative, exclusively prohibitive measures. (For example, violation of safety at work rules should be always very seriously sanctioned.)

It should be emphasized, however, that the policy against illegal foreign employment has many challenges to face. For example, as a consequence of the large role micro-firms play in it, an efficient system requires considerable human and other resources in order to spot the large number of individual cases.

In Hungary, an integration policy for migrants is being elaborated, which could have important implications also for the illegally employed foreign workers. Within the context of the integration strategy, the experiences of some receiving countries in general and that of the United States in particular could be especially valuable (primarily as regards long-term stay of migrants and its consequences, e.g. family reunion and its impacts).

Conclusions

The paper was concerned with major immigration trends into Hungary, with special regard to labour migration and illegal foreign employment. As could be seen, migrants arriving to Hungary are mostly ethnic Hungarians with the same language and culture. This

is the reason why their integration does not pose a challenge for the country. At the same time, even the official data on their employment and unemployment show that many of those who work in the country are in a vulnerable position. This is especially true for those foreign workers who are employed illegally.

Unemployment is on the rise and the employment level is still very low in Hungary. Within this context, role of foreign labour seems to be a topical issue, even if their presence is not particularly high. Evidence suggests that they rather fill in certain labour market „niches”, or shortage, than compete with the domestic workforce.

Legislation and legal rules governing migration have been built up in Hungary. There are, however some problems (akin to those of also other countries). For example, although in the wake of the accession to the EU liberalizing measures were introduced, some dysfunctions, too restrictive rules, complicated bureaucratic procedures seem to make legal employment difficult and fuel the illegal foreign work. In addition, within a broader context, lack of some important legal institutions, weak law enforcement, „holes” in regulation, lack of effective control and sanctions all contribute to considerable hidden economy.

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Trends and Implications of Labour Migration Between Hungary and Romania

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1. Introduction

Political and economic changes in the last 15-20 years have created new migration challenges for emerging Central and Eastern European countries. After some periods characterized by intense emigration, Hungary has become a 'receiving' or 'transit' country in international migration. Hungary is an attractive target country especially for ethnic Hungarians born in the neighboring countries, so immigration policy dilemmas are usually connected to issues of governments' transnational ethnic politics (Kováts *et al.*, 2003).¹ Since the largest Hungarian minority lives there, regarding inward migration, Romania is the most important relation for Hungary.

Before collapse of socialist regimes, movement of Hungarians from Romania to Hungary was motivated mainly by political reasons. Nevertheless, during the 1990s, in parallel with the different path of economic transformation of the two countries, economic considerations became more relevant. The recent macroeconomic and regional development of Hungary and Romania, as well as changes in regulatory framework after the EU enlargements in 2004 and 2007 have again brought new conditions for bilateral labour migration.

The objective of this paper is to highlight the main trends and driving forces of labour migration between Hungary and Romania. *Section 2* gives a short historical overview, which is essential to understand Hungary's changing role in international migration as well as the main motives of migrants coming from Romania to Hungary. *Section 3* describes some general characteristics of the Hungarian labour market, pointing out that demand for foreign workers depends strongly on economic and labour market devel-

¹ For analysis of political aspects and nature of public debates on migration between Hungary and its neighboring countries, see *Melegh* (2005) and *Fox* (2007)

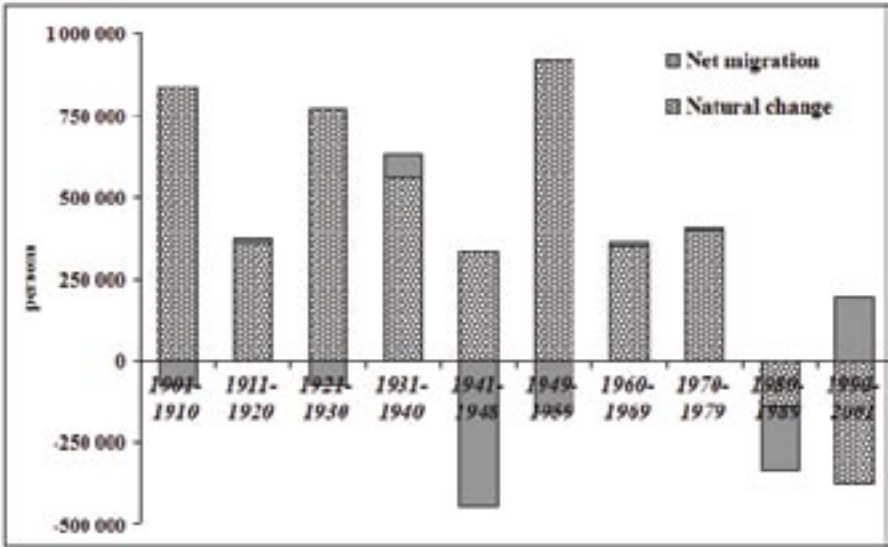
opments, and needs are concentrated in certain industries and in the more developed regions within the country. *Section 4* presents how the employment of Romanian citizens has developed in Hungary and what economic factors and changes in regulation have affected the trends described. *Section 5* shows that the direction of cross-border labour migration (i.e. commuting along the Hungarian-Romanian border) differs from that of observed at macro-level. *Section 6* concludes with some lessons for other emerging countries planning to elaborate immigration policy in order to strengthen their competitiveness in the new European economic environment.

2. Historical context

Migration trends has always been playing an important role in demographic development of Hungary. Looking back to the 20th century, significant migration losses can be observed in certain periods, mainly as a consequence of unfortunate political events. Emigration of people born in Hungary was extremely high after the World War II and Revolution of 1956, but these times losses were offset by high level of natural population increase. Nevertheless, the size of Hungarian population has been decreasing since the beginning of 1980s, resulting in unfavorable social and economic processes. This decline can be explained mainly by much lower number of births, but in the 1980s, in parallel with ‘softening’ of the state socialist regime, another significant outflow of people to the West emerged (*Hablicsek and Tóth, 2002*). Political changes in Central and Eastern Europe (CEE) started at the end of the 1980s, however, modified the country’s position in international migration. Hungary was one of the few countries of CEE where the change of political regime was peaceful, meanwhile the outset of transition was accompanied with severe conflicts in two of its neighboring states. The revolution broken out in 1989 in Romania and civil war started in 1991 in Yugoslavia forced many people to leave their homes. This period Hungary was one of the most important host countries for emigrants born in Romania and the former Yugoslavia. A part of the refugees later returned home or moved to another country, but data of population census carried out in 2001 indicates that net migration of some 200 thousand took place in the 1990s (see *Figure 1*). Migration data compiled by the World Bank² indicates that, among the Eastern European countries of the EU, net migration was positive during the transition period (between 1990 and 2004) only in the case of the Czech Republic and Hungary.

² *Mansoor and Bryce (2007)*, pp. 115-116

Figure 1: Natural population change and net migration in Hungary, 1901-2001 (persons)



Note: data refer to the current territory of Hungary

Source: Hungarian Central Statistical Office (population censuses)

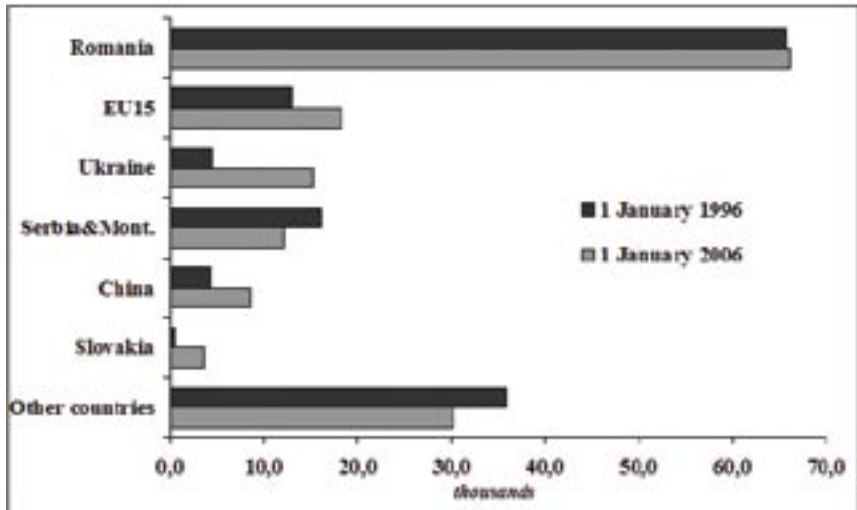
The enlargements of the EU in 2004 and 2007 have again created new conditions for Hungary's participation in international migration. On the one hand, contrary to prior expectations and comparing to less developed new member states, outflow of Hungarian workers has been not significant after 1 May 2004.³ However, propensity to emigrate has been growing in certain types of occupations (e.g. doctors, nurses, engineers, scholars). On the other hand, Hungary has become more attractive for immigrants as a 'target' and, mainly after joining the Schengen Area in December 2007, as a 'transit' country.

It is quite difficult to define the current size of Hungary's immigrant population exactly. In the latest population census carried out in 2001, about 300 thousand residents, representing 3 per cent of total population, declared that they had not been born in Hungary. This proportion is low by international comparison, which can be explained mainly by some important characteristics diagnosed by *Sik* (2007). First, Hungary is an ethnically homogeneous country. Second, Hungarian society is one of the least

³ For regional comparison see *Tirpak* (2007)

tolerant and most xenophobic society in Europe. Third, the Hungarian language is very difficult to learn, acting as a ‘natural barrier’ to the immigration of non-Hungarians. These factors explain to a large extent why most of the immigrants arrive from the neighboring countries where numerous ethnic Hungarians live. Census data also indicate that about half of foreign-born population, 144 thousand people immigrated from Romania. On 1 January 2006, foreign citizens accounted for 1,5 per cent of Hungary’s total population. The share of Romanian citizens is still the highest (43 per cent) but it has decreased slightly between 1996 and 2006. In parallel, the number of foreign citizens coming from other neighboring countries (Ukraine, Slovakia) and China has increased considerably (see *Figure 2*). It must be added, however, that 72 thousand foreign (of which 45 thousand Romanian) citizens were naturalized during the years 1996-2005.⁴

Figure 2: Number of foreign citizens residing in Hungary by citizenship (country) 1996 and 2006 (thousands)



Source: Hungarian Central Statistical Office (Demographic Yearbooks)

So, it is evident that regarding inward migration, Romania is the most important relation for Hungary. The intense migration relationship between the two countries can be traced back to historical events. The current Hungarian-Romanian border is not a historical, natural, cultural or ethnic border (*Hunya and Telegdy*, 2003), it was created by the Trianon

⁴ Source: Hungarian Central Statistical Office (Demographic Yearbooks)

Treaty ending the World War I. More than one third of the territory of the former Kingdom of Hungary was assigned to Romania by the peace treaty, resulting that some 1,7 million Hungarians found themselves beyond the new border. During the World War II, the population exchange agreement between the two countries again led to significant migration movements. In the communist era, emigration possibilities were rather limited in both countries. Before 1989, emigration from Romania was mainly based on ethnicity, economically motivated migration gained importance only in the 1990s. Emigration of ethnic Hungarians from Romania accelerated in the second half of the 1980s. Most of them, usually illegally, moved to Hungary (*Horváth*, 2007; *UNDP*, 2007, pp. 93-113).

The ‘Global Migrant Origin Database’ – developed by *Migration DRC* and based on data of 2000 round of population censuses – reveals that during the 1990s Hungary was one of the most preferred countries for emigrants born in Romania.⁵ However, it must be also noted that in the last decade visa requirements imposed by the old EU member states were still significant barriers to Romanian citizens’ economic emigration to Western European countries. They can travel freely within the Schengen Area from 2002⁶, which has contributed to more significant outflow of employees⁷, and resulted that other countries than Hungary (Italy, Spain, Portugal, United Kingdom) have already become much more popular destinations for emigrants born in Romania.

3. Demand for foreigners in the Hungarian labour market

The case of Hungary supports the hypothesis that demand for foreign labour is strongly correlated with a country’s general economic and labour market developments. The number of work permits issued to them could be used to estimate the size of legal employment of foreigners in Hungary. Analyzing these data, it can be seen that demand for foreign workers decreased sharply in the period of transformational recession accompanied by massive unemployment (1990-1993). During the years of macroeconomic stabilization (1994-1996), it stagnated at a relatively low level. Then, in parallel with dynamic economic growth, number of work permits issued to foreign citizens was increasing considerably, resulting that share of foreign

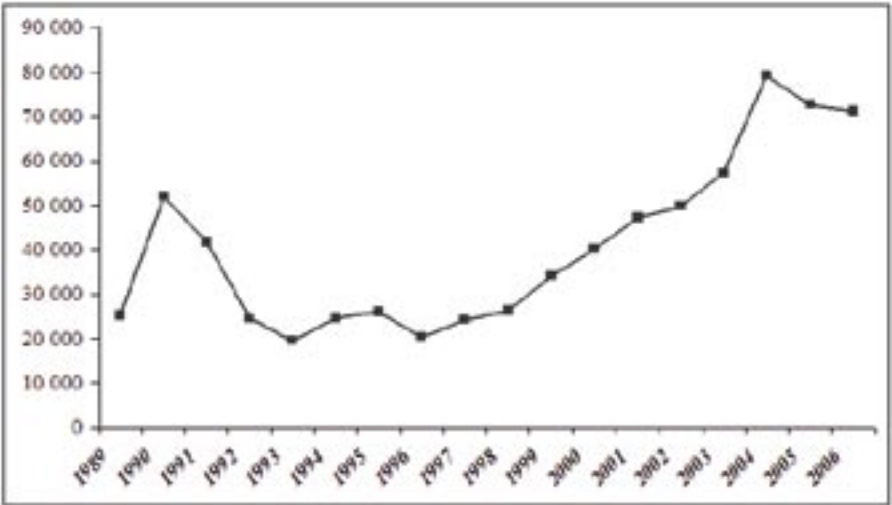
⁵ *Development Research Centre on Migration, Globalisation and Poverty*: Global Migrant Origin Database (Updated March 2007; Version 4) http://www.migrationdrc.org/research/typesofmigration/global_migrant_origin_database.html

⁶ The reciprocal visa requirement between Hungary and Romania was phased out in April 2003

⁷ According to official estimates, about 2 million Romanian citizens, representing about 10 per cent of the country’s inhabitants, are now employed abroad in non-seasonal activities.

workers in total employment increased from 0.5 to 1.5 per cent between 1996 and 2003. Data for the years 2004-2006, however, are not completely comparable with previous periods, because new regulations have come into effect in 2004. Until the EU accession, all foreign citizens (regardless of their origin) needed work permit to get a job in Hungary. Since 1 May 2004, citizens of EU15 may obtain a ‘green card certificate’ entitling them to undertake any job in Hungary without work permission, but there is no obligation at all for people coming from a country that has already opened its labour market for Hungarians. Employers of citizens of the other new member states (with the exception of Cyprus and Malta) have to report, but only for registration purposes (HPES, 2007). If we add the numbers of work permits, registrations and green cards, it can be observed that level of foreign employment reached its peak in 2004, representing 2 per cent of total employment, but since then it shows a downward trend (see Figure 3).

Figure 3: Number of foreign citizens having work permit in Hungary, 1989-2006



Notes:

- number of work permits issued to foreign citizens during each year
- data refer to the years 2004-2006 include not only the number of work permits but also the number of ‘registrations’ and ‘green card certificates’

Source: Hungarian Public Employment Service; author’s calculations

It is also important to examine the current labour market situation and developments in order to judge the employment opportunities of foreign workers and prospects for potential migrants (Fóti, 2007). As *Table 1* shows, the employment rate of population aged 15-64 is much lower in Hungary than that of in EU15, and lags significantly behind the 70 per cent target set by EU's Lisbon Strategy. Disaggregating data for the main age groups, younger and older population are characterized by extremely low level of employment. The main reason for the poor performance of these age groups is their low level of activity. Expansion of upper and tertiary education resulted that most of the youngsters enter labour market later, and usually do not take a part time job during their studies. In the case of older people, low retirement age and deteriorating health status are the main factors, but their education attainment, skills and experiences have also been devalued since the beginning of the economic transformation. Labour market indicators also reveal that in Hungary it is very difficult to find a permanent (and legal) job for people with only a primary or less education. The unemployment rate of unskilled workers is two times higher than that of workers having at least upper secondary education. These problems are greater for the most disadvantaged groups of the Hungarian society, mainly for Roma population, disabled persons and people living in underdeveloped regions. The level of unemployment in Hungary is still below the EU15-average (although recently has been increasing), and can be defined as 'structural unemployment', i.e. more and more companies in certain sectors and regions face the problems caused by labour shortage. Annually 40-50 thousand vacancies are registered⁸, enterprises mostly need workers with vocational qualifications. Taking these characteristics of the Hungarian labour market into account, two conclusions can be drawn. First, demand for foreign labour is concentrated in certain economic sectors and regions. Second, Hungarian companies facing labour shortage need young, skilled (or semi-skilled) foreign workers with a good health status.

⁸ See Fazekas *et al.* (2007), p. 211

Table 1: Employment, activity and unemployment rates in Hungary and EU15, by age groups and educational attainment (percentages), 2005

	Employment rate		Activity rate		Unemployment rate	
	Hungary	EU15	Hungary	EU15	Hungary	EU15
Selected age groups						
15 to 24	21.8	39.9	27.1	47.9	19.4	16.9
25 to 54	73.7	77.7	78.8	83.9	6.4	7.4
55 to 64	33.0	44.4	34.9	47.5	3.9	6.5
Total (15 to 64)	56.9	65.2	61.4	71.1	7.2	8.4
Educational attainment*						
Less than upper secondary	38.1	57.8	43.5	63.5	12.4	9.1
Upper secondary	70.4	75.5	74.9	80.2	6.0	5.9
Tertiary	83.0	84.5	85.0	88.3	2.3	4.3

* Persons aged 25-64

Source: OECD: *Employment Outlook 2007 (Statistical Annex)*

4. The main characteristics of labour migration between Hungary and Romania

The regular reports of the *Hungarian Public Employment Service* show that 80-90 per cent of labour migrants were born in the neighboring countries, majority of them in Romania. The number Romanian citizens almost quadrupled between 1996 and 2003, so their share in total foreign employment increased from 45 to 60 per cent by 2003. Meanwhile, labour inflows from Ukraine and Slovakia also grew rapidly (*HPES, 2007*).

The distribution of foreign workers by country of origin has been modified significantly by the recent modification of regulations concerning foreign employment. The most spectacular change was that the number of workers coming from Slovakia has been more than doubled after EU-accession. Slovakian citizens do not need work permit (obtaining of which is quite slow and bureaucratic), they have only simple registration obligation since 1 May 2004. Presumably, this facility has significantly contributed to legalize a part of employment of cross-border commuters.⁹ Number of work permits issued to Romanian citizens, however, declined by more than 10 per cent since 1 May 2004. In 2007, after the EU-accession of Romania and Bulgaria, the Hungarian government announced a list of more than 200 professions where work permits would be issued to Romanian and Bulgarian citizens without examining the labour market situation. This partial

⁹ Some multinational companies (e.g. *Nokia, Suzuki*) located in regions directly bordering Slovakia declared that they tried to solve the problems caused by lack of manual workers in Hungary with recruitment from southern part of Slovakia.

liberalization, however, has not resulted in a massive inflow of labour migrants from Romania to Hungary, even the number of work permits issued to them has declined in the first three quarters of 2007 (see *Table 2*).

Table 2: Work permits, registrations and green cards issued to foreign citizens in Hungary, by country of origin, valid at 30 April 2004, 31 December 2006 and 30 September 2007

Country of origin	Valid at 30 April 2004	Valid at 31 December 2006				Valid at 30 September 2007			
	Work permit	Work permit	Regist- ration	Green card	Total	Work permit	Regist- ration	Green card	Total
Romania	32229	29353	5	2	29360	24115	8	4360	28483
Slovak Republic	7003	0	16659	0	16659	0	17278	0	17278
Ukraine	8670	7670	6	0	7676	8546	7	0	8553
EU15	2244	1596	7	707	2310	1258	7	784	2049
Serbia and Mont.	1134	1658	3	0	1661	2075	3	0	2078
China	791	1240	0	0	1240	1545	0	0	1545
Other countries	3639	4471	1238	11	5720	5524	1324	36	6884
Total	55710	45988	17918	720	64626	43063	18627	5180	66870

Source: Hungarian Public Employment Service

This may indicate that some Romanian citizens, instead of Hungary, have chosen other countries, which have fully liberalized their employment on 1 January 2007. This decreasing trend will probably not continue, because from 1 January 2008, as in the case of workers coming from Slovakia, Romanian citizens are also be subject only to registration.

Comparing to the distribution of all employees, workers coming from Romania are over-represented in the economic sectors where illegal employment is typically concentrated. Using data for 2003, it can be seen that more than one-third of the Romanian citizens works in construction, which is considered as the 'blackest' sector. Their presence is also significant in manufacturing, trade, catering and agriculture. It is interesting that a relatively high proportion of Romanian citizens are employed as sportsman, artist etc (see *Table 3*). Although official data are not available, it can be assumed that the number of foreign (among them Romanian) employees working in hospitals has recently been increasing, supplying the shortage in certain fields of health care, caused by a significant outflow of doctors and nurses from Hungary to Western Europe accelerated from 2004.

Table 3: Employment of Romanian citizens and all employees in Hungary, by economic sector of the employer, 2003

<i>Economic sector</i>	<i>Romanian citizens</i>		<i>All employees</i>
	<i>Persons</i>	<i>%</i>	<i>%</i>
Agriculture, hunting, forestry	2428	8.8	4.4
Mining and quarrying	20	0.1	0.4
Manufacturing	5282	19.1	25.2
Electricity, gas, steam and water supply	409	1.5	1.9
Construction	9976	36.1	7.0
Trade and repair; hotel and restaurants	4464	16.2	16.8
Transport, storage and communication	228	0.8	7.8
Financial intermediation	531	1.9	1.9
Education	388	1.4	9.4
Health and social work	983	3.6	7.3
Others and unknown	2900	10.5	17.9
of which: sports, culture etc.	2900	10.5	..
Total	27609	100.0	100.0

.. not available

Source: Laky (2004), p. 80; Fazekas et al. (2007), p. 173; author's calculations

As already mentioned above, most of the Hungarian companies need workers having at least vocational education, so it is unfavorable that two-thirds of Romanian labour migrants employed in Hungary possess only primary (or less) education (see Sik, 2005). Consequently, most of them are employed in low-paid jobs.

Let's turn the main economic factors driving labour migration from Romania to Hungary (see Table 4). The economic development gap (measured by the difference of GDP per capita) between the two countries has narrowed significantly, by some 10 percentage points in the period 1999-2006, but it is still considerable. As one of the main push-pull factors, wage differences are also decreasing but have remained significant. Taking also the different rates of taxation on wages as well as the relative price levels into account, average earnings in Hungary are about two times higher than in Romania. Nevertheless, the massive wage outflow has continued in Romania, while in Hungary real wages have been falling in 2007, which could also result that some Romanian citizens

returned home or moved on to one of the Western European countries. Current levels of employment and unemployment do not show much difference. In recent years, however, employment rate has been increasing slightly in the case of Hungary, but it has been declining (indicating ‘job-less growth’) in Romania.¹⁰

Table 4: Comparison of economic development level and some labour market indicators of Hungary and Romania, 1999 and 2006

Indicator	Hungary		Romania	
	1999	2006	1999	2006
GDP per capita in PPS, EU27=100.0	53.8	65.3	26.1	37.6
Employment rate (population aged 15-64), %	55.6	57.3	63.2	58.8
Unemployment rate (active population aged 15-74), %	6.9	7.5	6.6	7.3
Long-term unemployment rate, %*	3.3	3.4	2.9	4.2
Average gross earnings, EUR / month**	314.2	653.4	..	309.4
Price level for GDP, EU27=100.0	46.2	58.2	32.2	50.9
Minimum wage, EUR / month	..	247.0	..	90.2

.. not available

* Long-term unemployed (12 months or over) as a percentage of total active population

** In industry and services; of full-time employees in enterprises with 10 or more employees

Source: Eurostat

Despite the differences described, economic factors do not give sufficient explanation regarding driving forces of labour migration between Romania and Hungary. Mainly geographical and cultural proximity ensure ‘comparative advantage’ for Hungary against Western European countries with higher standard of living. First, it is easier to maintain relations with families, friends left behind. Second, as *Section 1* already pointed out, the overwhelming majority of labour migrants coming from Romania are ethnic Hungarians. So, common language, traditions and culture help them to be integrated into the Hungarian society more easily than it would be the case in another country.

¹⁰ In the period of 2002-2006, the official unemployment rate of Hungary has increased, while that of Romania has been reduced significantly. The latter can be explained to a large extent by a direct impact of huge emigration started after the abolition of Schengen visa requirements for Romanian citizens (UNDP, 2007, p. 97).

5. Regional dimensions: labour flows along the Hungarian-Romanian border

In Hungary, demand for foreign labour is highly concentrated spatially. Some 60 per cent of the foreign citizens are employed in the most developed Central Hungarian region including Budapest. The share of the Eastern Hungarian counties (NUTS III regions) directly bordering Romania is only 5 per cent (see *Table 5*). Data on regional distribution of workers coming from Romania are not available, but (because of their high proportion in foreign employment) similar conclusions can be drawn for their location choice.

Table 5: Work permits issued to foreign citizens in Hungary, by location (NUTS II regions) of the employer, (valid at 31st of December), 2006

Region (of which capital / county)	Number	% of total
Central Hungary	39500	61.1
of which: Budapest	27938	43.2
Central Transdanubia	14312	22.2
Western Transdanubia	2960	4.6
Southern Transdanubia	963	1.5
Northern Hungary	2186	3.4
Northern Great Plain	1262	2.0
of which: Hajdú-Bihar	282	0.4
of which: Szabolcs-Szatmár-Bereg	625	1.0
Southern Great Plain	3417	5.3
of which: Békés	323	0.5
of which: Csongrád	1877	2.9
Total	64600	100.0

Note: Data include not only the number of work permits but also the number of 'registrations' and 'green card certificates'

Source: Hungarian Public Employment Service

Mainly economic reasons are responsible for this territorial disproportion. GDP per capita in Central Hungary is almost 50 per cent higher than those of the border regions (Northern Great Plain and Southern Great Plain). Furthermore, the unemployment rate is 3-4 times higher in these underdeveloped regions than that of Central Hungary where many companies complain about problems caused by labour shortage.¹¹

¹¹ For regional economic data see *Fazekas et al. (2007)*, pp. 215-222

Taking a closer look at the Hungarian-Romanian border region, defined as four Eastern Hungarian and four Western Romanian counties, one can find that a less developed region of a more developed country meets a more developed part of a less developed country (*Hunya and Telegdy*, 2003). Moreover, economic development level of the Romanian Arad and Timis counties has already become higher than that of the Hungarian Békés and Szabolcs counties (see *Table 6*). Territorial differences of two sides of the border can be mainly explained by their inherited economic structure and attractiveness for foreign direct investments (FDIs). Economy of the larger part of Eastern Hungary is still dominated by agriculture and food industry, little industrial production with higher value added is concentrated in county seats and some major towns. It seems that recent years, in contrast to expectations, most of FDIs have ‘skipped over’ Eastern Hungary and brought additional sources for catching-up of Western Romanian border region.

Table 6: Comparison of economic development and unemployment rates of Hungarian and Romanian border counties (NUTS III regions)

County	GDP per capita (at current market prices) in PPP, EU27=100.0		Unemployment rate (15 years and over), %
	1998	2004	2005
Békés	37.0	39.1	8.4
Csongrád	47.7	49.5	7.5
Hajdú-Bihar	40.4	48.7	8.4
Szabolcs-Szatmár-Bereg (Hungary)	30.4 (53.5)	35.8 (64.0)	10.3 (7.2)
Arad	35.9	40.0	6.6
Bihor	29.6	36.9	4.7
Satu Mare	18.6	29.5	11.6
Timis (Romania)	30.7 (27.6)	47.1 (34.0)	2.3 (7.2)

Source: Eurostat

The different economic path of Eastern Hungarian and Western Romanian parts may affect the regional labour market development as well. Unlike in the case of the Hungarian-Austrian and Hungarian-Slovakian borders, where commuters usually work in a more developed country, it seems that labour flows begins to follow the opposite direction along the Hungarian-Romanian border than generally

expected. The more dynamic economic growth of Western Romania has resulted that unemployment has considerably decreased there (see *Table 6*), meanwhile wage differences have been equalized between the two parts of the border. Although there are no official data indicating this phenomenon, there are some multinational companies located in the most industrialized Arad and Timis countries known, which faces labour shortage in Western Romania and has started to recruit workers from some Eastern Hungarian border settlements characterized by extremely high level of unemployment.

6. Conclusions

In Hungary, ageing population and growing structural unemployment are the most important factors that require paying more attention to challenges related to international migration. Because of historical and cultural reasons described above, the neighboring countries, acting as ‘hinterlands’, are the main sources of immigration to Hungary. Consequently, public and political debates on immigration issues are usually connected to dilemmas of transnational ethnic politics, in which there is no political consensus among the Hungarian parties. Obviously, not demographic and economic concerns, but considerations determined by distorted public attitude dominate political debates. This conflict is also reflected in the current development strategy of Hungary. In the *Social Renewal Operational Programme (2007-2013)*, ‘economic migration – especially of Hungarians living across the border – may be conducive to meeting the economy’s labour needs’ is considered as one of the ‘opportunities’ of SWOT analysis. On the other hand, ‘the lower wages in the neighbouring countries and higher willingness of mobility might cause growing migration pressure’ is defined as a ‘threat’ to human development of the country (*Government of the Republic of Hungary*, 2007, pp. 55-56).

What lessons can be drawn from the case study of migration between Hungary and Romania for other emerging countries in CEE trying to attract more immigrants? First, only the geographical, historical and cultural proximity could compensate the more attractive ‘pull factors’ offered by the Western European countries. Furthermore, considering the current level of development of societies in CEE, successful integration of people with totally different cultural backgrounds seems

to be not realistic. Second, the majority of workers migrating to CEE countries do not have any qualification, so they are usually employed in low-skilled and low-paid, mainly illegal jobs. So, in parallel with opening of the labour market, more efforts should be made to combat illegal employment. Third, detailed and regular labour market analysis, identifying industries and regions where companies have demand for foreign employees, are essential before making of decisions on liberalization steps. Fourth, a more expansive income policy is needed to stop mass emigration and promote economic immigration.

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United States and Bulgaria

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Introduction

On January 1, 2007, Bulgaria became a member state of the European Union (EU), and among other effects, its borders have been opened to the migration experienced by several other countries as they joined the EU. Traditionally a country of emigration, Bulgaria anticipates becoming a country of net immigration in the future as the country becomes increasingly attractive to those of Bulgarian origin from Southeast Europe as well as to citizens of the Middle East and North Africa. As it foresees the immigration of newcomers, it is also aware of the rising “brain drain” as educated and skilled Bulgarians find opportunities to move more freely to occupations outside the country. It is laudable, then, that the nation is taking steps to address these inevitabilities by seeking to explore the means to (a) ensure that Bulgaria is attractive enough to keep skilled Bulgarians at home, (b) prepare for the settlement of recognized refugees and foreigners with immigration permits, and (c) be cognizant of the likelihood of a growing population of undocumented workers in the labour force. This project is concerned with the integration of documented immigrants to the host country, hence, this paper focuses specifically on relevant United States’ (U.S.) immigration and immigrant policies and associated programs.

Immigration policies, (the laws that determine who is eligible to enter the country) and immigrant policies (laws and programs that reflect how immigrants are received once they are in the country) should be differentiated. In the U.S., the former are federally regulated and apply across the nation, while the latter are highly dependent on state and local programs and local public perceptions, and they can show a great deal of variability. Several immigrant policies are instrumental in determining

how well human capital is nurtured and developed. The readiness of a receiving country to accept immigrants in general, or an immigrant group in particular is, itself, a complex matter. When immigration is viewed as inextricably bound to a nation's political, economic, and social well being as well as its future security interests, it is likely to be welcomed. Policies that allow immigration are coupled with those that permit the expulsion or deportation of foreign nationals.

Discussions of terminology regarding migration in Bulgaria differentiated between documented migrants and those who did not have the appropriate documentation to be in the country. Of the latter group, four different categories emerged: Undocumented immigrants, illegal immigrants with valid documents, immigrants without any documents, and "misdocumented" immigrants (Inotai, 2007). Immigration terminology in the U.S. groups entrants into two general categories: documented immigrants (voluntary and involuntary) and undocumented, unauthorized, or illegal immigrants. Voluntary documented immigrants are those who have entered the United States on their own volition after applying for, and being granted, the appropriate visas for entry. Involuntary documented immigrants are refugees so recognized by the United Nations High Commission for Refugees (UNHCR) under the 1951 U.N. Convention, who were outside their country of origin and are resettled in the United States. Unauthorized immigrants are usually voluntary, unless they are victims of human trafficking. These are people who are in the U.S. without governmental approval and are sometimes described as economic refugees, but are not so recognized by the UNHCR. Although undocumented immigrants lack the legal documentation to be residing in the U.S., they may have entered the country legally or illegally, and, in the former instance, fail to leave the country when the term of their visa expires. A third category of immigrants are "asylees" who are undocumented individuals (who either entered legally or illegally), but who apply for refugee status once they are on U.S. territory.

This paper seeks to provide a broad-brush picture of immigration in the U.S. in the first decade of the 21st Century, including immigration and immigrant policies, an immigrant profile, and the role of human and social capital in immigrant integration. Following this, the paper will attempt to make some comparisons between the U.S. and Bulgaria based on discussions at the four-day December 2007 workshop and field study visits organized by the Economic Policy Institute through the German Marshall Fund.

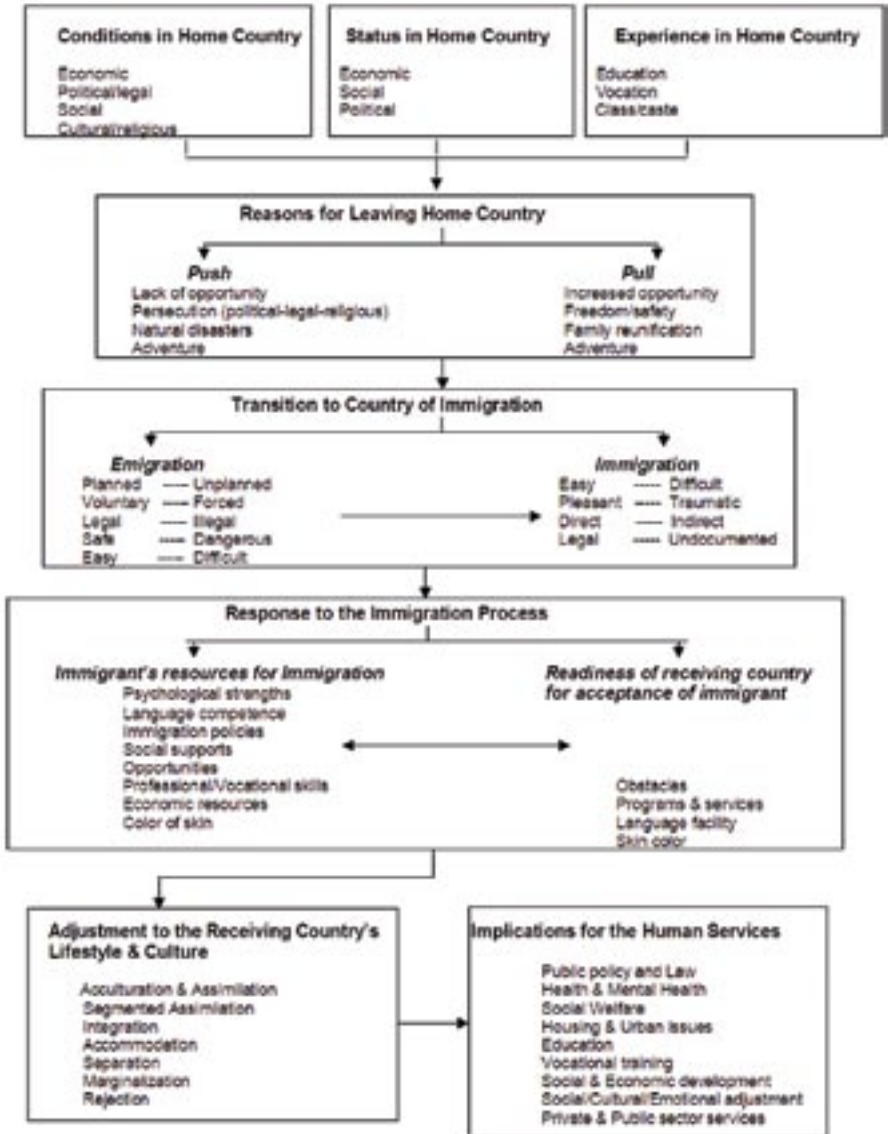
Immigration and Immigrant Policies

Immigrant adaptation in a new country reflects the interplay of the reasons for departure from the homeland, the experience of migration, the tangible and intangible resources for functioning in unfamiliar environments, and the effects of the receptiveness of the host country (both politically and socially) to immigrant presence (Figure 1). Thus the balance of human capital brought by immigrants and social capital available to them, either through their own networks or the socio-politico-economic milieu of the host country, determines adaptation and contribution to the destination country.

Thus, although one may be interested in emigrating from one's homeland, the move is highly contingent on the receptiveness of the potential host nation to immigrants in general, and immigrants from specific countries in particular. Furthermore, the level of receptivity is influenced by perceptions regarding the costs and benefits of immigration to the host country, and most immediately, in the economic realm. It is clear that most nations that find their populations are declining tend to have more liberal immigration policies (Canada, Sweden) than many others, although Japan is an outlier in this regard. However, political and security concerns also influence immigration, and since 2001 and the terror attacks in New York and Washington, D.C., immigration standards and controls have been heightened in the U.S. These attacks have influenced U.S. attitudes toward human rights and are reflected in the decline in the number of refugees admitted into the country. Admissions that had reached 90,000 annually dropped to 25,000 in 2001 and annual refugee ceilings, set by the President in conjunction with Congress, have never reached those levels since. Family reunification is a major and concurrent theme, along with economic, political, and human rights, that underlie U.S. immigration policies.

U.S. immigration history, since the mid-18th century, has been affected by legislation that has substantially colored the face of immigration in the last two and a half centuries. However, the Immigration and Nationality Act of 1965 liberalized immigration and repealed legal discrimination, and though modified in minor ways in the last 40 years, it continues to guide U.S. immigration. Below are brief sketches of some additional immigration-related legislation or action that, since the beginning of the liberalization period, have affected diverse populations in a variety of ways, from entry into the U.S. itself to access to fundamental rights.

Figure 1. MODEL / FRAMEWORK FOR THE IMMIGRANT EXPERIENCE



From: Segal, U. A. (2002). *A framework for immigration: Asians in the United States*, New York: Columbia University Press, p. 4.

- 1980: *The Refugee Act* removed refugees as a preference category.
- 1986: *The Immigration Reform and Control Act (IRCA)* legalized undocumented immigrants but made it unlawful to hire undocumented workers.
- 1990: *The Immigration Act of 1990* increased the annual ceiling for immigrants to 700,000.
- 1996: *Welfare Reform* ended many cash and medical assistance programs for most legal immigrants.
- 1996: *The Illegal Immigration Reform and Immigrant Responsibility Act (IIRIRA)* expanded enforcement operations of the Immigration and Naturalization Service, particularly at the border.
- 2001: *The USA Patriot Act* gives federal officials greater power to track those suspected of terrorist activities.
- 2007: *Comprehensive Immigration Reform Act of 2007* that attempts to curtail and address the presence of undocumented immigrants.

The numbers of immigrants admitted legally are: (a) fixed by law; (b) limited only by demands for those considered eligible; and (c) restricted by processing constraints (Gordon, 2005). The 2008 fiscal year limits are in the categories below:¹

Family Sponsored Immigrants (480,000 annual numbers)

1. Unmarried sons and daughters of citizens (23,400 annually)
2. Spouses and unmarried sons and unmarried daughters of permanent resident aliens (114,200)
3. Married sons and married daughters of citizens (23,000)
4. Adult brothers and sisters of citizens (65,000)

Employment-Based Immigrants (140,000 annually)

1. Priority workers (40,000)
 - a. Aliens with extraordinary ability
 - b. Professors and researchers
 - c. Certain multinational executives and managers
2. Members of the professions holding advanced degrees (40,000)

¹ U.S. Department of State. February 4, 2008, http://travel.state.gov/visa/visa_1750.html

3. Skilled workers, professionals, and other workers (40,000)
4. Special immigrants, usually refugees adjusting their status (10,000)
5. Employment creators, “investors” (10,000)

Diversity (55,000 annually, effective 1995)

Non-preferential immigrants ineligible under the other categories

A substantial number of legal immigrants include those not subject to these numerical limits—relatives of U.S. citizens and children born abroad to permanent residents. In 2006, this number was approximately 691,000 (Jefferys, 2007). An interesting addition to the immigration quotas is the “investor program” that issues approximately 10,000 visas annually to those who are willing to invest one million dollars in urban areas or \$500,000 in rural areas of the U.S.

In addition to new arrivals to the U.S., each year a number of individuals already in the country, either as refugees, students, or visitors, apply for adjustment of status to permanent residency. In 2006, the U.S. admitted 447,016 “new arrivals” and permitted another 819,248 “status adjustments” for a total of close to 1.3 million immigrants. The majority is of working age (between ages 16 and 54 years and is 55.5% female and married (57.7%). In 2006, approximately 50% assumed residence in the states of California, New York, or Florida, and 66% originated in either Asia or North America (Jefferys, 2007).

Immigrant Policies

Several national and state policies have elements of specific relevance to immigrants and their integration into the U.S. society. **Health** policies and programs, for example, require that all patients have access to an interpreter. **Education** policies require that all children in the U.S. between the ages of six and sixteen years receive school education, and schools are expected to provide ESL (English as a second language) or ELL (English language learner) programs to help non-English speaking children acquire the necessary language skills to perform adequately in the school system. **Social Welfare** policies allow access to welfare benefits after a five-year residence, including access to Social Security and Medicare and Medicaid. The **Refugee Act** aims to provide refugees

housing, cash, medical, employment, and language assistance to become self-sufficient in the shortest time possible.

In addition to providing new arrivals with economic subsidies, housing and health care, community-based educational programs and training can provide the components for new immigrants to move away from dependency on society's support. Hence, knowledge about prevention of disease, ability to function through society's institutional structures, and earning capacity in the legitimate economy of the country will enhance the likelihood of self-sufficiency. Social and mental health services that recognize difficulties associated with the immigration experience can assist immigrants in their adjustment to the receiving country. The National Conference of State Legislatures, on its website², provides information on immigrant policies, particularly those related to benefits, health care, education and housing, immigrant integration, and citizenship preparedness, among other issues.

Economic Impact of Immigration

Regardless of the process and reasons that immigrants enter the U.S., it is clear that for a large proportion, a primary impetus is economic opportunity. Likewise, many deliberations in the U.S. surround the economic impact of migration. The ongoing immigration debate juggles arguments regarding assets newcomers bring to the country with those about drains they place on the infrastructure. The country is divided on the current net worth of immigration in the 21st century.

Recent foci on immigration reform and the guest worker program have drawn overwhelming focus toward unauthorized workers. However, of the 37.5 million documented immigrants in the U.S. in 2005 (U.S. Census Bureau, 2006), over 33.5 million are over age 16, and the majority is in the workforce and present across the occupational structure (U.S. Department of Labour, 2007). While immigrants in 2004 constituted 11% of the population, they made up 14% of the labour force and 20% of the low-wage earners. Several big businesses, construction companies, agriculture, and employers in many service industries contend that the absence of immigrant workers would cause a major catastrophe in the U.S. economy. There continues to be a strong, steady demand for migrant workers in agriculture, construction, manufacturing, and hospital-

² <http://www.ncsl.org/programs/immig/immigpolicyoverview.htm>

ity, and undocumented workers are estimated to fill 25% of all agricultural, 17% of office and house cleaning, 14% of construction, and 12% of food preparation jobs (Kochhar, 2005).

Immigrant Integration

Immigrant integration is highly dependent on the tandem factors of immigrant human capital and the host country's social capital accessible to immigrants. In the U.S., the society is increasingly aware of ethnic and cultural differences among immigrants, particularly those of color and the native-born populations. Interest in understanding attitudes, values, religions, and behaviors is reflected in the burgeoning literature on immigrants and refugees. Social service agencies have often had to mediate between immigrants and U.S. institutions as newcomers learn to adapt to their new environments. In the process, the environment itself is being sensitized to the diversity of the new arrivals.

Less focus has been placed on the systematic understanding of the socio-economic levels of these immigrant groups and their implications for adaptation and achievement. Based on the allocation of immigration visas, there have been a variety of legal immigrant streams that have entered the United States in the last few decades. While earlier immigrants of the 1960s were, primarily of a professional stream, current streams are more likely to include large numbers entering through family reunification processes. These individuals and groups may not have the human capital and skills that are readily transferable into the fast-paced technological society. Consequently, the promised "land of milk and honey" may not be so for them. Further, refugees and undocumented immigrants may frequently find themselves on the fringes of society—the former for a significant portion of their lives, and the latter, almost for their entire stay in the U.S. Thus, a large segment of the immigrant group, particularly the newer immigrants of the last decade, is likely to be marginalized. Without the requisite English language competencies, education, and usable job skills, many hover at poverty levels.

As one looks at the immigrant experience in the United States, one is struck by the realization that for some, this is the "land of opportunity," but for others it is a "field of dreams". Many immigrants in the beginning of the 21st century have been highly successful, while others have continued to struggle. With the bimodal distribution of the immi-

grant population's level of achievement, and the rising numbers of unmet health, education, and welfare needs, this can be a social, if not an economic, drain on the country.

Transferable Human Capital

Closely linked with one's status in the home country is the human capital that may be transferable across nations. Education and vocation are the two primary factors that positively affect transition. Literacy not only provides individuals with knowledge, but also opens a world of opportunity by equipping them with the tools to be lifelong learners. With the skills of literacy, they are able to read and better comprehend explanations of situations that are initially alien. While knowledge of the language of the country into which individuals are entering greatly enhances the process of adjustment, being literate in one's native language reinforces self-efficacy and strengthens prospects of pursuing learning in other languages and environments. Therefore, in general, the higher the level of education possessed by individuals, the greater is their ability to adjust outside the home country.

Along with education, a significant element in the adjustment process is occupation. The extent to which professions are transportable certainly depends on whether they are useful to the economy of the country of adoption. When individuals have spent their lives in agrarian communities, developing their competence in farming, transitions to fast-paced computerized and industrialized societies make their farming skills obsolete. On the other hand, practice in computer software enhances the likelihood of finding a congruous niche in a technological environment.

It behooves one to bear in mind that even under the most deplorable circumstances, it is not the most needy, weak, and oppressed who leave a country of origin but those who have, at the very least, physical, emotional, and psychological fortitude. Without personal strengths, individuals are less likely to leave their homelands, and if they do, they are less likely to survive. It is essential to view immigrants through Saleebey's (2002) "strengths perspective," identifying their human capital, namely their assets and capabilities, to understand their responses to the process of migration.

Many new immigrants to a country arrive with little facility in the language of the host country, which is often the primary obstacle. Without language ability, seeking housing or employment, accessing health

care or other services, or learning a vocation become impossible. Language competence increases ability to negotiate through a nation's bureaucracies, and literacy, or the ability to read and write in the host language further improves opportunities.

The stresses on immigrants and refugees in translocation are enormous and well documented³. Many are associated with the traumas of dramatic emigration–immigration processes. However, other stresses result from culture shock in an alien environment, where language, social structures, norms, expectations, and values substantially differ from those that have been elemental to the immigrants' understanding of themselves. Here, well understood role relationships change and established patterns of interaction are questioned. When immigrants have the psychological capability of coping, they are more likely to be able to control the direction of their lives. On the other hand, they may experience post-traumatic stress disorder, as do many refugees. Without sufficient and appropriate social and emotional support, and perhaps therapy, many fail to find the immigration experience satisfactory, remaining unhappy, resenting their lives in the new land, and pining for their homelands (Ahearn, 2000).

Readiness of Receiving Country for Immigrants – Social Capital

The readiness of a receiving country to accept immigrants in general, or an immigrant group in particular is, itself, a complex matter. When immigration is viewed as inextricably bound to a nation's political, economic, and social well being as well as its future security interests, it is likely to be welcomed. Nevertheless, immigration policies of many countries are temporal, reflecting what is believed to be of benefit at a particular moment. Nations also fulfill international agreements in the resettlement or provision of asylum to large numbers of refugees, to facilitate government action and for humanitarian reasons. Policies that allow immigration are coupled with those that permit the expulsion or deportation of foreign nationals.

Serageldin (1999) indicates that social capital, “the internal social and cultural coherence of society, the norms and values that govern interactions among people and the institutions in which they are embedded” (p. i), is essential in ensuring that opportunities within a nation are strong and viable. By definition, social capital requires some cooperation among individuals and groups and is a form of public “good” or benefit

³ See United Nations High Commissioner for Refugees' Web site: <http://www.unhcr.ch/>

(Grootaert, 1997). Social capital is a necessity in the creation of human capital (Coleman, 1988) and immigrants' adjustment is often linked to the social capital available to them.

Japan's Ministry of Education, the *Monbusho* (1997), for example, states that education constitutes the foundation of all social systems. Immigrants may, or may not, have come with an adequate education. The educational system and education policy of the host country must allow access to levels and types of education and institutions that are appropriate to their needs. Adult education programs to improve literacy will ensure better adjustment to the new environment. Furthermore, appropriate education for immigrant children must take into account difficulties that can occur as they enter a school system without a working knowledge of the medium of instruction. Variations in cultural patterns and behavior ought to be accommodated by schools, with awareness that emigration, even in the best of circumstances, is traumatic.

The nation's welfare policies should guarantee that all immigrants have admittance to appropriate public welfare services and subsidies and are connected to private welfare programs as necessary. Hence, public policy and law may need to be reviewed frequently to assess their adequacy for all the nations' residents and should be so modified as to remove barriers to the administration and utilization of the services they govern.

The availability and accessibility to social capital is paramount in the successful settlement of immigrants in their country of adoption. The implementation of sustainable development projects ensuring that immigrants receive the social and economic tools to succeed in their new countries is essential. In addition to providing new arrivals with economic subsidies, housing and health care, community-based educational programs and training ought to provide the components for new immigrants to move away from dependency on society's support programs (Lobo & Mayadas, 1997). Hence, knowledge about prevention of disease, ability to function through society's institutional structures, and earning capacity in the legitimate economy of the country will enhance the likelihood of self-sufficiency. Social and mental health services need to recognize the difficulties associated with the immigration experience and assist immigrants in their adjustment to the receiving country. This may include helping immigrants understand the norms and expectations of the country as well as implications for their own traditions and family and community relationships.

Bulgaria – U.S. Comparisons

Lessons from the International Workshop, Sofia, Bulgaria

December 10th – 13th, 2007 saw the first International Workshop conducted under the auspices of the Economic Policy Institute and funded by the German Marshall Fund that brought together policy-oriented researchers, practitioners, and governmental experts particularly concerned about the impact of immigration on the Bulgarian labour market. This creative workshop combined policy discussions between representatives from Bulgaria, Germany, Hungary, and the United States with two-day field study excursions for participants. Field visits provided a practical perspective to theoretical issues and were to three locations: (1) Busmantsi, a detention center for unauthorized immigrants, (2) the State Agency for Refugees, which helps prepare bona fide refugees for settlement, and (3) Svilengrad, the border check-point at the juncture of the borders of Bulgaria, Greece, and Turkey.

Our increasingly interconnected world is creating opportunities and havoc of unprecedented proportions as the possibility of crossing borders increases. Nations receiving newcomers are faced with the task of developing policies and programs to accommodate migrants, particularly in the face of the rising displacement of large groups of people. Countries losing citizens must adapt to the drains on their workforces. Movements of people also provide unanticipated opportunities to nations that accept newcomers, many of whom may bring substantial human, social, and financial capital, but host countries must mobilize their institutions to harness and effectively utilize this capital.

With European Union access, Bulgaria finds that it is now, simultaneously, a country of emigration, of immigration, and of transit (Figure 3). With ease of mobility through the EU, Bulgarians may leave in greater numbers to seek enhanced opportunities in the Western European nations of the EU. On the other hand, it finds that it is more attractive for asylum seekers and those seeking economic opportunities from countries of the Middle East and North Africa. Furthermore, people of Bulgarian origin from Southeast European nations, particularly from Macedonia, the Ukraine, and Moldova, have begun applying for Bulgarian citizenship in much greater numbers since Bulgarian EU accession.

FIGURE 3. MAP OF BULGARIA AND SURROUNDING AREAS



In 2007, Bulgaria estimated a population of 7.3 million (CIA, 2007), but experienced a migration rate of -3.71/1,000 people, and a birth rate (9.62/1,000) lower than the death rate (14.28/1,000), resulting in an overall -0.837% net decline in the population (CIA, 2008). Workshop participants indicated a substantial change in the labour market through population ageing, depopulation, and declining, and with emigration high and increasing.

Focus of the workshop was to identify how best to fill labour shortages in the Bulgarian workplace or labour market through immigrant employment, with recognition that immigrant integration must go hand-in-hand with employment strategies. At the end of 2006, in anticipation of EU accession, the Bulgarian government established a new law regarding the entry and stay of persons from EU nations. Thus it is easier for EU citizens to be granted work permits and to begin employment, yet there are stronger and more restrictive policies for other nationals. The aim of immigra-

tion and immigrant policies, however, may be to identify areas of labour shortage, and either recruit immigrants with the requisite skills or provide training to immigrants who do not have transferable or usable skills.

Immigrants entering Bulgaria, as in most instances, come because, for them, the benefits outweigh the costs, however those are measured. Socio-economic opportunities, family reunification, and escape from unacceptable conditions in the country of origin may all fuel migration. Those who come with transferable human capital and are able to enhance their careers in Bulgaria may need support for social and cultural integration. Those who are provided with visas and work permits, perhaps for family reunification or for humanitarian reasons, but who are without transferable skills may require training for economic integration. Awareness of the mental health, familial, and job-related issues facing immigrants is essential in helping enhance human capital by assisting them to identify, develop, and access the skills they need to cope with their unique situations.

The field visits to Busmantsi, the State Agency for Refugees, and Svilengrad provided a fairly complete picture of the process of screening and integration. Border control at Svilengrad appears to be fairly effective in admitting only those lawfully permitted to enter Bulgaria, however, individuals and families do enter illegally both there and across other Bulgarian borders. In addition, some may have permission to enter the country, but may have no work permit and may be working illegally. When apprehended, they are taken to Busmantsi, from where they are either repatriated or begin the process of applying for refugee status. If refugee status is granted, they receive services from the State Agency for Refugees, where they are offered employment training, education, and integration efforts to enhance contribution to the Bulgarian economy and society.

Numbers assisted through the integration efforts are still relatively small (34 people in 2005, and 32 in 2006), but the assistance is generous. If they complete the program, they are fully eligible for housing assistance, welfare, and health benefits. They receive six month language education and two months of cultural and vocational training. The latter is available also through the Labour Bureau. Nevertheless, refugees are still at high risk for unemployment because of poor work experience, xenophobia, religious discrimination, and poor awareness of their own rights.

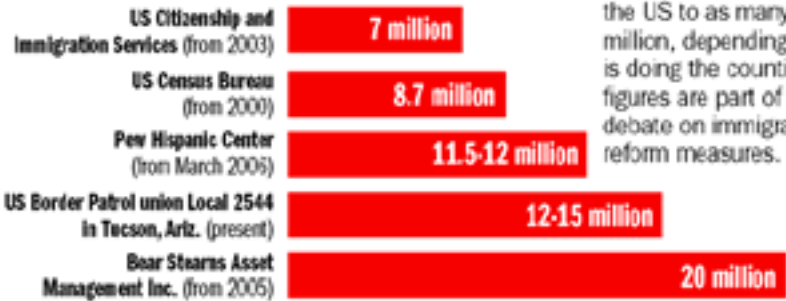
The U.S. model

It is apparent that the more different things appear, the more they are fundamentally similar. When immigrants enter with the requisite education, skills, language, and other resources, the receiving country usually benefits economically and usually does not expend much effort in social integration. On the other hand, when entrants are resource poor, the necessity of institutionalizing the availability of social capital becomes essential. Legal immigrants in the U.S. are eligible for means-tested monthly resources such as food stamps (which can be exchanged for food in grocery stores), Temporary Assistance to Needy Families (which provides financial assistance for a lifetime maximum period of five years), Medicaid (which is health insurance for those of low income), and Supplementary Security Income (for those with disabilities). By law, medical providers must have translators available to patients who are not English speakers. A variety of programs, both governmental and non-governmental, teach English language classes free of charge and several non-governmental organizations offer other forms of assistance, such as citizenship preparation classes, employment training, cultural education, and financial management assistance, among others. Federal funding frequently supports these non-governmental organizations in delivering services.

Along with preparing immigrants to enter the workforce and successfully negotiate it, increasingly, immigrant integration organizations, advocacy groups, and institutions of higher education are working with the general public and potential employers to combat xenophobia and encourage the employment of immigrants. This is a slow and erratic process, as is evident in current immigration debates in the U.S. Even the presidential election campaigns, in this 2008, are focusing heavily on immigration and immigration reform. Unfortunately, in the U.S., currently “immigration” seems to have become synonymous with unauthorized immigration. But even in the instance of illegal workers, the U.S. has conflicting opinions. Estimates range from 7 million to 20 million unauthorized immigrants (Figure 4).

FIGURE 4. UNDOCUMENTED IMMIGRANT NUMBERS⁴

How many illegal immigrants?



Estimates range from as few as 7 million living in the US to as many as 20 million, depending on who is doing the counting. The figures are part of the debate on immigration reform measures.

Caulfield (2006) indicates in his survey of approximately 800 building contractors, one half admitted to having some undocumented workers, and several indicated that hiring all native-born workers makes the companies less competitive. Others suggested that there were not enough legitimate workers available for the positions, and if the illegal immigrant workforce was reduced, their companies would not be able to maintain production at their current levels. As such, perhaps the proposed guest worker program or a path to legalization may be options, or alternatively, high penalties for hiring undocumented workers or high incentives for hiring natives may be essential.

However, this seems to be a dilemma that most nations face. When opportunities are available, and options for legal access are limited, then both employers who need workers and unauthorized immigrants who need jobs and (or) are willing to work for lower wages than natives, the host nation must seek a workable solution. As undocumented workers are still relatively few in number in Bulgaria, given the need for additional participants in its workforce, proactive measures that maximize immigrant training and integration into the country may be in order. As Ms. Trifonova indicated at the workshop, quoting controversial immigration expert Georje Borjas of spoke of the German experience saying, "...we wanted workers and we got people instead." Hence, even if the workers are able to deliver the product, they bring with them a diversity for which the host country may not be prepared or willing to accept.

⁴ Reproduced with permission from the May 16, 2006 issue of The Christian Science Monitor, (www.csmonitor.com)

Zohlberg (2006) and Fry (2007) propose that the politics of immigration and immigrant policies revolve around two continua of consideration (Figure 2), and that individuals are either welcomed or evicted based on their perceived value. Thus, individual immigrants or immigrant groups may fall anywhere within the four quadrants. So, for example, low skilled unauthorized workers may be perceived by some to be in Quadrant III, and lead them to advocate for inclusion, while others may feel they are a drain on the economy and place them in Quadrant IV and seek to deport them. Likewise, highly skilled professionals of a diverse cultural background may be valued by some (Quadrant I) or disliked for their cultural differences (Quadrant III). Unskilled refugees, perhaps, may be viewed as a drain on resources, but acceptance places the receiving nation on the world’s humanitarian spectrum (Quadrant II).

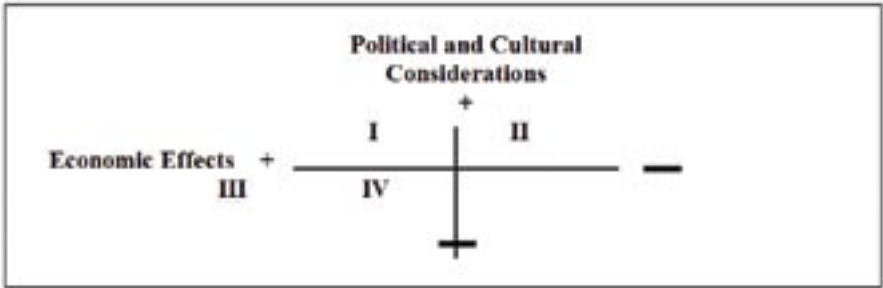


FIGURE 2. CONTINUA OF INTEREST

Immigrant Perceptions

Several studies have examined immigration, immigrant adjustment, host country experience, sending nation losses, and other immigration issues. A recent study in several counties in the state of Missouri, in the mid-western area of the U.S., however, provided an interesting perspective of immigrants’ perceived needs. The area is believed to be by marketers a “magic region” that reflects the norms of nationwide experiences. The qualitative Mertz and De Voe (2007) study that interviewed immigrants from a diversity of backgrounds and included refugees, asylees, and documented and unauthorized immigrants, indicated the following:

- Many immigrants are successful economically and socially and flourish in the U.S.
- Others experience difficulties because of forced displacement, socio-economic, language barriers, and legal status
- Several governmental, non-governmental, and ethnic programs pro-

- vide high quality services for resettlement, language, and health care
- Some face major difficulties, such as:
 - Language acquisition
 - Cultural fluency and exchange
 - Insufficient health care access
 - Poor access to child care
 - Inefficiency of public transportation
 - Language, education, and non-transferability of credentials force immigrants into lower level occupations

Immigrant Education

The connection between an immigrant's personal resources and immigration policy is evidenced in the issue of education. It is clear, for instance, that much of immigrant adaptation and integration into the host country is associated with education. Education can assist immigrants in making a successful transition into the country and can assist with reaching self-sufficiency. Academic education for skill development is essential, including adult education and vocational training. However, skill development may be obstructed by lack of language competence and cultural fluency. Therefore, essential ingredients in adequate education that will permit advancement in career and economic opportunity are language acquisition and credential transfer. These elements should be considered, then, in the development of policies and programs to assist with immigrant education.

Field trips in Bulgaria

The field trips in Bulgaria during the course of the four day international workshop revealed that, on paper, there is a systematic process for detaining and processing unauthorized persons. However, as in most newly established processes, backlogs and other constraints, frequently interfere with efficient outcomes. The refugee agency indicates a strong assistance program to integrate newcomers into the workforce, beginning with Bulgarian language education, vocational training skills, and governmental allowances and subsidies to newcomers. However, since 2005, it has annually served less than 35 individuals, which is a small proportion of those being granted refugee status. It is unclear to what extent other entrants are being integrated into the economy, where they are working, and the ease with which they are adapting.

The largest minority groups in Bulgaria are the Turks (9%) and the Roma (4%) (CIA, 2007), but increasingly, as Iraqi refugees make their way across the border without documentation, Bulgaria is faced with detaining and processing them. Bulgaria also struggles with determining whether these entrants are using Bulgaria as a transit to Western Europe, and if so, what does it mean for its own economy if it invests rehabilitation monies for these refugees? If they will remain, how will they be integrated into the fabric of the nation, and how will policy makers work with programs of resettlement and education to help the nation view them as a resource?

Closing Thoughts

It is safe to say that the flow of immigrants can strain the receiving country's support service systems. It behooves policy makers and service providers to be cognizant of the experience of immigrants so that they can appropriately meet their voiced, or unvoiced, needs and ensure that the nation's social capital is available to this group in enhancing its human capital. Bulgaria recognizes that migration across its borders will persist with improvements in transportation and with further emerging reasons for relocating.

Underlying difficulties in working with immigrants and refugees is a far reaching xenophobia—both of the immigrants and by them. It is difficult to assess who should be responsible for crossing this bridge – is it the host or is it the self-invited newcomer? Should the host country accommodate immigrants and refugees or should immigrants and refugees adapt to the host country? However, in admitting immigrants, countries make a commitment to them. Unless a country is willing to help them through the transitional period of adjustment, their unmet economic, social, health, and mental health needs can, in both the short and the long term, drain a nation's resources. On the other hand, early attention to these very immigrants may accelerate their entry as contributors to the society. (Mayadas & Elliott, 2003)

For immigrants, as for all people, much is dependent on the personal resources they possess. Even more than this, however, is the readiness of the receiving country to accept immigrants and their Bulgarian-born descendants. Immigration policies may reflect the interests of the nation in allowing entry to certain groups of people, however, it is the opportunities and obstacles that immigrants and their offspring encounter on a daily basis that affect the ease of adjustment and mutual acceptance. Immigrants and the host nation must make a conscious level to adapt to each other—it is neither the exclusive responsibility of the host nation nor of the immigrant.

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“Последици от членството на България в Европейския съюз върху имиграционните тенденции и политиките за интеграция на имигранти на българския пазар на труда”

През декември 2007 Институтът за Икономическа Политика успешно приключи първия етап от проекта “Последици от членството на България в Европейския съюз върху имиграционните тенденции и политиките за интеграция на имигранти на българския пазар на труда”. Инициатива се организирана с подкрепата на Германския Маршал Фонд на Съединените Щати в рамките на “Програмата за имиграция и интеграция”.

Партньорски организации по проекта на Института за Икономическа Политика са Съветът за обучение в социалната сфера (CSWE), Институтът Катрин А. Кендъл, Александрия, Виржиния (САЩ) и Институтът за световна икономика към Унгарската академия на науките, Будапеща.

Проектът има за цел да предизвиква задълбочен дебат и да активизира обществената ангажираност в областта на интеграцията на имигрантите и бежанците и българското общество. Също така, сравнявайки възприетите, вече изпитани и успешно работещи имигрантски модели в Унгария и САЩ, Институтът за икономическа политика се стреми да придаде особено значение на съществуващите политики по отношение на имигрантите в България и да допринесе за по-високи равнища на заетост, професионално и езиково обучение и преквалификация на имигрантите.

В частност, в рамките на проекта се изследват най-актуалните въпроси, свързани с имиграцията и интеграцията на чужди граждани на пазара на труда в България и възможността, при правилно управление на споменатите процеси, пристигналите в България чужденци да допринесат за икономическото развитие на страната и за запълването на някои дефицитни области на пазара на труда, въз-

никнали в резултат на демографското развитие и емиграционните процеси през последните години.

С цел практическо наблюдение на изследваните въпроси, запознаване с актуалната ситуация с имиграцията в България и като продължение на експертните срещи в София Институтът за Икономическа Политика организира две пътувания в страната като съществена част от първия етап на проекта.

Като част от първото пътуване на 11 декември 2007 експертите, участващи в трансатлантическата инициатива, посетиха Специалния дом за временно настаняване на чужденци в Бусманци и се срещнаха с неговия директор Данаил Димов. По време на срещата бе представена нова и малко известна в публичното пространство информация, както за дейността на Дома, така и за случаите на нелегална имиграция в България.

Домът в Бусманци е открит през юни 2006 година, за да посрещне нарастващия брой нелегални имигранти в страната. Вземайки под внимание тази тенденция, българските власти предвиждат откриването на втори подобен център непосредствено до българско-турската граница в близост до гр. Свиленград.

След посещението в Специалния дом за временно настаняване на чужденци, експертната група посети Държавната агенция за бежанци в София. Експертите в Интеграционния център към Агенцията представиха програмите, които разработват и прилагат за бежанците в България и споделиха конкретни резултати и добри практики при осъществяването им. Участниците в работната среща имаха също така възможността да проследят протичащи в момента на посещението им езикови и професионални курсове за бежанците, както и занимания, организирани за техните деца от служители в Агенцията.

На 12 декември 2007 участниците в трансатлантическата инициатива посетиха Свиленград. Посещението на Гранично полицейско управление в гр. Свиленград включваше среща с неговите ръководни органи, които запознаха участниците с работата си и изнесоха актуални данни за опитите за нелегалната имиграция в страната през поверения им пограничния район. Според статистика на Граничната полиция в града, броят на нелегалните имигранти, заловени при опит се да влезнат в страна-

та е претърпял сериозно увеличение от 97 през 2006 до 767 към 12 декември 2007.

В заключение към проведената дискусия участниците проследиха как протича контрола за нелегални имигранти на ГКПП Капитан Андреево и посетиха Центъра за чужденци в гр. Любимец и строящия се такъв в с. Пъстрогор.

След провеждането на две пътувания, на 13 декември 2007 година в София се проведе заключителна среща на експертите по проекта. По време на дискусията, ръководена от проф. Андраш Инотай, бяха обобщени впечатленията на участниците и бяха зададени насоките за изследователски дейности по проекта.

В рамките на проекта е изготвена и настоящата публикация, която съдържа изследванията на всички участници. В заключителната си глава на български език изданието съдържа политически предложения, основаващи се както на опита на българските участници в проекта, така и на добрите практики, разкрити в изследванията на експертите от Унгария и САЩ.

Политически предложения, изготвени от експертите по проекта “Последици от членството на България в Европейския съюз върху имиграционните тенденции и политиките за интеграция на имигранти на българския пазар на труда”

Тази част от проекта цели да представи в най-общи линии заключенията и препоръките на участващите в проекта експерти, намерили място в изследванията им, публикуван на английски език в настоящата публикация. Препоръките се отнасят не само до актуални проблеми на имигрантските общности в България и достъпа им до пазара на труда, но и до възможните ефекти от прилагането на успешна имиграционна и интеграционна политика от страна на българската държава:

- Формирането и провеждането на миграционната политика на България следва да се обвързва с националния интерес на страната и да е съобразено с произтичащите от пълноправното членство в ЕС ангажименти в тази област;
- Имиграционната политика на РБългария трябва да представлява цялостна концепция за бъдещето развитие на страната, която да се прилага в подкрепа на развитието на икономиката, но която отчита икономическото и социални интереси на всички български граждани;
- Организациите на имигрантите в България трябва активно да участват в процесите на взимане на решение касаещи както самите тях, така и бъдещата имиграционна политика на РБългария, тъй като с опита си могат да допринесат за подобряване на ефективността на съответните български институции и прилаганите от тях политики;
- Към различните имигрантски общности, които са/ ще се

появят в страната на по-късен етап трябва да се прилагат различни подходи, отчитащи техните икономически, социални, културни и т.н. характеристики;

- Имигрантските общности трябва да имат достъп до програмите и средствата, предвидени за другите етнически малцинства в България като размера им трябва да е съобразен с броя и географското разпределение на имигрантите в страната;
- Проблемите на имигрантските общности не засягат само централното управление, но налагат и участието на местните власти и гражданското общество в районите, където тяхната численост е по-значима.
- Специално внимание трябва да се обърне на включването в рамките на националните образователни инициативи на частните училищата, които се спонсорират от имигрантските общности и се посещават предимно от техните деца;
- По отношение на бежанците са нужни действия насочени към осигуряване на условия за пълноценното им социално включване чрез повишаване на пригодността им за заетост. Насърчаването на достъпа им до заетост чрез обучение и повишаване на професионалната им квалификация ще намали държавните разходи за издръжката им в страната;
- Работодателите трябва да бъдат насърчавани да разкриват работни места за придобиване на квалификация, чрез стажуване и чиракуване за срок не по-малък от 6 месеца и последващо наемане на работа на бежанците в България;
- В тази връзка е възможно въвеждането на финансови стимули, както и на данъчни облекчения за работодателите, които осигуряват заетост на бежанци;
- Необходимо е преразглеждане на десет процентната квота за чужденци в българските фирми, тъй като това изключва възможността на малките и средните предприятия да се възползват от чуждестранен опит и по този начин стимулира наемането без трудов договор. В тази връзка изключително важна е ролята на частния сектор като инициатор на подобни промени;
- Към имиграцията в България трябва да се приложи проактивен подход, целящ компенсирането на негативните де-

мографски тенденции в страната по възможно най-благоприятен за България начин;

- Преди да се прибегне към имиграция, българската държава трябва да насочи усилията си към създаване на условия за привличане и завръщане на част от българските граждани напуснали страната през последните близо две десетилетия;
- Единствено привличането на хора с български произход е реалистичен подход при привличането на чуждестранни работници в страната вземайки предвид равнището на възнагражденията в България в сравнение с другите страни членки на ЕС;
- Интеграцията би била по-лесна и по-ефективна ако при контролирана имиграционна политика в страната се привличат хора с български произход отколкото хора с различни етнически и културни корени с цел избягване на проблеми с бъдещите имигрантски поколения, каквито са налице в някои западноевропейски държави;
- За да се избегне наплива от ниско образовани чуждестранни работници е нужно изработването на политика съобразена с нуждите на работна ръка по сектори и региони;
- Привличането на чуждестранни граждани в страната изисква разработването на цялостна политика, която не приключва с пристигането им в страната;
- От огромна важност за провеждането на успешна имиграционна и интеграционна политика е наличието на добри взаимоотношения между съответните държавни институции от една страна и неправителствения сектор и медиите от друга, тъй като само по този начин българското общество ще бъде по-подготвено за осъзнаване и приемане на предизвикателствата на глобалните миграционни процеси и преимуществата на една съвременна и премерена миграционна политика, каквато България трябва да разработва и провежда последователно.