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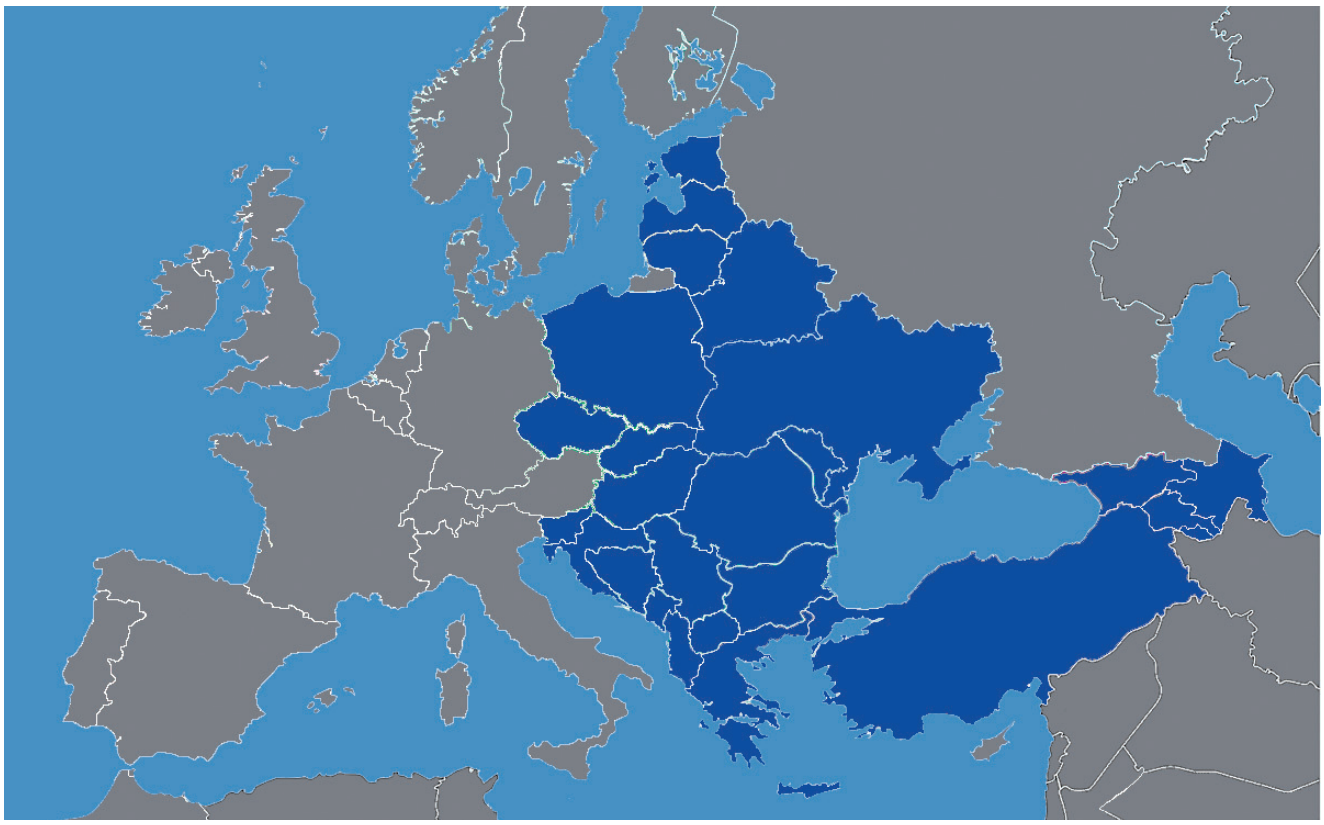
Social Impact of Emigration and Rural-Urban Migration in Central and Eastern Europe (VT/2010/001)



Executive Summary

On behalf of the
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Social Affairs and Inclusion

Gesellschaft für
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Executive Summary

This synthesis report draws on 25 country studies and provides an analysis of the social impact of international and internal migration in Central and Eastern Europe[1] in the past two decades, offering a knowledge base on effects on labour markets, human resource development, poverty and social exclusion and social cohesion. Further, the report provides policy recommendations to political key actors in order to mitigate negative social consequences of migration for the sending countries.

The study is to be seen in the context of the Europe 2020 strategy which considers intra-EU labour mobility as one of the main drivers of growth and competitiveness of the EU. At the same time it recognises that mobility might be the source of new or increasing vulnerabilities. The fight against poverty and social exclusion of the most vulnerable groups remains high on the political agenda of the EU. Thus, the present study is also embedded in the context of European initiatives and policies to modernise social protection schemes and to promote social inclusion policies. Last but not least, the study is to be placed in the context of the migration policy of the EU towards third-country nationals, in particular the "Global Approach to Migration and Mobility" (Communication 743 of 18/11/2011), which pursues the promotion of the development impact of migration and mobility as one of the four priorities of the migration approach for the coming years.

In order to allow for better comparability and taking into account the geo-political location and the different legal frameworks, policy orientations and financial instruments available to the EU, the 25 countries in the scope of the study have been grouped into three different country clusters. All Central and Eastern States which have joined the EU in 2004 and 2007 (as well as Greece) have been grouped together in the EU-8+2 cluster; the countries of the Western Balkans (and Turkey) which all enjoy an accession perspective form the group of the candidate countries and potential candidates whereas the Eastern Partnership countries make up the third group.

[1] Bulgaria, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia, Slovenia; Albania, Bosnia and Herzegovina, Croatia, former Yugoslav Republic of Macedonia, Kosovo* (*this designation is without prejudice to positions on status, and is in line with UNSCR 1244/99 and the ICJ Opinion on the Kosovo declaration of Independence), Montenegro, Serbia; Armenia, Azerbaijan, Belarus, Georgia, Moldova, Ukraine. Greece and Turkey have been included into the study as reference countries which, unlike the states of Central and Eastern Europe, have not faced transition from state planned to market economies; however, similarly to them, they have been confronted with high levels of emigration as well as internal movements in the 60s and 70s.

EU-8+2

Migration trends and patterns in the context of free mobility

The migration regime in the EU is characterised by free mobility of persons and virtually free movement of labour. In the early 1990s, labour migration for Central and Eastern European candidate countries was still limited to some temporary worker programmes, but it gradually gained importance with the liberalisation of visa regimes and increasing labour demands in the EU-15. With the accession of the EU-8+2, intra-EU mobility considerably increased and the registered stock of EU-8+2 nationals residing in the EU-15 tripled over the period 2003-2009. In particular the Baltic States, Bulgaria and Romania have experienced considerable migration induced population losses during the last two decades. Recently, the global financial and economic crisis led to a decline in workers' mobility due to a sharp increase of unemployment rates among migrants in the receiving countries. However, only few countries indicate increasing numbers of returning migrants.

Much of the recent migration is female led and dominated. Similar to general migration patterns, persons in the main education and employment age in the EU-8+2 are more prone to migrate than older people. The majority of migrants have at least finished secondary education. Recent data suggest that there is no strong brain drain effect, because in all EU-8+2 countries, the share of highly educated individuals is lower among the migrants than the corresponding share of the resident population.

Migration trends are strongly correlated with the socio-economic developments in the context of the transition from a centrally planned to a market economy. Firm closures, privatisation and restructuring were accompanied by a decline in economic activities and productivity and had dramatic labour market and welfare repercussions. Though economic growth turned positive starting from the mid of 1990s, low income levels and high unemployment persisted and have been key push factors behind mobility. In general, those countries which had seen the lowest employment rates and highest poverty rates have experienced the highest outflows. Moreover, intraregional differences in GDP levels and growth dynamics remained significant and even increased over time. Job creation and employment opportunities in the period of economic recovery were clustered around capital cities and large urban conglomerations. Rural and remote areas and deindustrialised regions tended to be left behind which is also due to an inefficient agricultural sector. Here we see a clear parallel development to Greece in the 1960s, which – though it did not undergo a transition from a state planned to a market economy – suffered from big structural problems mainly in the agricultural sector where unemployment and underemployment was a common feature. As in the EU-8+2 during the past two decades, the agricultural sector in Greece in the 1960s and 1970s lost more and more importance and abandoned a high number of rural workers who could not be absorbed by the secondary and tertiary sector. This also explains the predominantly low educational levels of the Greek migrants at that time.

However, for most countries internal migration does not seem to be the main mechanism to cope with increasing regional disparities. Commuting and temporary or permanent migration to other Member States have been the favoured options over internal migration. Internal migration levels are relatively low and in most of these countries current levels of urbanisation were already reached at the beginning of the 1990s. From the late 1990s, suburbanisation trends emerged, and areas around big cities experienced the most intensive growth, notably from the cities themselves or from less developed regions.

Skill shortages in sectors of high demand in the EU-15

The impact of emigration and mobility on the labour market developments in the sending countries seem to be largest on regional and sectoral labour markets. Some countries state a considerable increase of vacancy rates after accession in 2004 along with high unemployment and increasing migration rates. Although labour shortages cannot be attributed exclusively to labour migration, shortages became particularly serious in those sectors in which the demand on low-skilled workers is highest in the EU-15, namely in the hotel and construction sectors.

In order to combat regional disparities and skill shortages within a country and across Europe and to increase employability of the unemployed, the EU-8+2 countries are recommended **to develop further their mobility-supporting active labour market policies**. These measures can include **mobility allowances for internal and international mobility** or incentives for language courses for future migrants (e.g. in border regions). Furthermore, the role of the **provision of accessible and affordable housing and childcare facilities to improve labour mobility** should be assessed.

Health professional mobility

The negative effects of highly skilled migration are visible in particular in the health sector. Health professional mobility involving physicians, nurses and dentists was particularly high upon accession in Estonia, Lithuania, Poland, the Slovak Republic and Romania. Health professional mobility has a clear impact on the domestic health system performance in particular as regards specific health professions and regional shortages, mainly in rural areas. These challenges call for improved workforce planning and **more integrated workforce policies in both sending and receiving countries** aimed at improvement of working conditions and environment for their health professionals. Further, destination and source countries might seek to develop **bilateral agreements aiming at a balanced recruitment of specific health professionals incorporating compensatory measures for the sending country**. These may include transnational staff exchange programmes between health care providers and teaching hospitals, investments in education or the take-over of costs for training additional staff or staff recruitment for a fixed period combined with staff training prior to the return to the source country. Furthermore, also the European Commission should consider setting up an EU-wide framework for cross-border collaboration between receiving and sending countries.

Downskilling in the receiving country and challenges for re-integration upon return

There is a significant gap between the educational attainments of the migrants and the occupations they work in the EU-15. In order to support that migrants are employed according to their qualifications, **further efforts in international recognition of formal and informal skills** should be undertaken. This can be done by either reconsidering formal qualification requirements for certain occupations or by extending the list of professions which are subject to immediate recognition of qualifications and diplomas. In addition **skills matching and the comprehensive preparation of prospective migrants** should be further strengthened by intensifying the provision of information on employment opportunities, skills requirements and working environments in the receiving countries. In this context, it is recommended to expand the activities of the EURES network, render their services more efficient in view of recruitment and guidance and to further develop awareness among job seekers and, in particular, among employers, about these services.

Finally, it is obvious that the employment status rarely changes after a migratory period, i.e. a person unemployed before migration usually joins the unemployed also upon return. **Labour**

market re-integration services targeted at returning migrants are mostly non-existent or underdeveloped in all countries. It is therefore highly recommended **to establish special guidance and counselling services at the public employment services** to inform returning migrants on relevant vacancies and to provide guidance on recognition procedures, or strengthen the services where they already exist.

Remittances

Remittances transferred by the migrants back home to their families left behind are high but not outstanding as a percentage of GDP compared to other regions of this study. Before the financial and economic crisis highest rates have been reported for Bulgaria, Romania and Lithuania ranging between 3% and 5% of GDP. In the course of the crisis, remittances decreased markedly in most of the countries which is related to return migration or to the fact that many migrants got unemployed in the receiving countries. Remittances clearly play a role in poverty reduction, both directly through easing consumption levels of those households on or below the poverty line and indirectly through acting as a source of credit for liquidity constrained households. Findings also suggest that only a marginal share of remittances is used for education or for business investments.

Increasing regional disparities fostered by high migration losses

Looking at the effects of out-migration in a regional perspective within a given country, there is evidence of large and, in many cases, growing disparities between capital cities and large urban centres on the one side and rural areas and regions which had been previously reliant on single industries on the other side. Due to out-migration of predominantly younger working-age population, most migration loss regions indicate an accelerated ageing process, which is also observed among the agricultural workforce, lower employment and higher unemployment rates, lower GDP per capita and higher poverty rates compared to the national average. Further, insufficient access to education and a lack of lifelong-learning and re-training activities in peripheral areas foster persistent unemployment. While the identification of growth potentials should be prioritised, some regions may need support in times of downsizing, whereby the need for targeted social policies might increase in spite of declining populations, particularly for elderly persons.

Against this background, increased consideration should be given to human capital development in disadvantaged areas, to be embedded in regional development programmes, e.g. through **investments in the creation of higher education facilities and vocational training schools** in order to attract highly skilled teaching staff from the cities and prevent the young population to move to the capitals for educational purposes. In order to provide the local labour market with the skills needed, it is further important to design active labour market measures in accordance with the local economy. **The provision of tailor-made vocational (re-) training measures for the local workforce (including agricultural training), the provision of local employment initiatives and social enterprises are considered important policy interventions in disadvantaged areas**.

It appears that access to and quality of social and health care services in disadvantaged, rural and remote areas suffering from out-migration is weak. Older people and those with long-term health issues face particular problems in terms of receiving adequate home-care or community-based services. It is therefore necessary **to strengthen the social dimension in rural and regional operational programmes**. At the very least, this should involve the integration of social planning and social needs assessment, including health, education, and social services, into regional development planning processes. The networks of social services may need to be

complemented through social enterprises, non-governmental organisations, the private sector and, above all, by programmes of volunteering.

Those communities which are particularly affected by high out-migration are recommended to establish and maintain strong links to the Diaspora. These contacts may become beneficial in the future when the migrant returns and invests his/her savings into the set-up of a business or local development projects. In this context, **bi- and multilateral partnerships (possibly co-financed by EU Structural Funds) between sending and destination regions supporting the investments of remittances into business creation and social programmes** in the sending regions should be considered.

Children, elderly and Roma are the groups most vulnerable due to migration

The vulnerable groups mostly affected by migration are family members, in particular children and the elderly, as well as Roma and other vulnerable religious and ethnic communities. The issue of migrants' children 'left behind' in sending countries is only now beginning to attract attention. Estimates suggest that there are some 500,000 children left behind by one or both parents in today's EU with an overwhelming majority in Romania and Poland and smaller numbers in Lithuania and Latvia. There is some evidence that these children experience the emotional impacts of the lack of parental affection, have poorer school achievement, and older children appear to be at a higher risk of school-drop out and to have problems with the criminal justice system, similarly to children from dispersed families. As regards returnee children, a closer look at the experiences made in Greece during return migration in the 1970s and 80s reveals that the reintegration of these children into the Greek education system and the lack of support services emerged as a special challenge and this may become also an issue of concern in the EU-8+2.

As regards older people, they tend to be a relatively poor and excluded group in many EU Member States and there is only little evidence that those left behind by migrant family members are in any worse position. However, in the context of both internal migration and emigration, some regions have a significant increase in the proportion of older people and, consequently, a decrease in the availability of both informal caring networks and formal community-based care services. The lack of access to essential services and infrastructure, important for all in these regions, poses acute problems for older people without any remaining family network.

As women have traditionally shouldered the main burden of care for children and older family members, **the specific problems of lacking family support have to be seen in a wider context and call for a comprehensive policy approach for dispersed families at community level**. In order to raise awareness and target support measures properly, local authorities should develop their information base and identify single parents, elderly people living alone and those children living without one or both parents. Further it is crucial **to invest in strengthening community-based social services including home-based care or day care and mobile social work services**. Besides, incentives to encourage informal support mechanisms provided by relatives, friends, neighbours or volunteers should be taken into consideration. In order to meet the children's need for communication, informational and emotional support, teachers in those areas with above average number of children left behind should receive specific training. Besides, it is recommended **to establish psychological and counselling services at schools that take care of those children** and provide opportunities for their involvement in out-of-school activities and leisure activities in accordance to their needs and interests.

When it comes to the support of children migrating with their parents, **education programmes (e.g. language courses, cultural education) are important to prepare the children for migration and also for return**. This may include the development of internet-based long-distance e-learning programmes as already implemented in some countries (e.g. Lithuania) or targeted return school curricula. Sending and receiving countries may seek co-operation in this field, for example by supporting partnerships between schools.

Roma migration stems from deep social problems including discrimination and marginalisation, unemployment, limited access to social services and poverty. Their situation is even worse when their migration is unsuccessful and leads to return to their original locality, where they deal with multiple problems including housing, employment and re-integration of children into educational system. In recent years, practices of the repatriation or deportation of Roma from France, Italy, and other EU MS in Western Europe, as well as forced evictions and destruction of property in informal Roma settlements have raised the issue of the impacts of migration on Roma even more starkly. Against this background, **there is a clear need for National Roma Integration Strategies to address migration issues and to make EU funds available for policies to support Roma migrants and returnees.** In view of their higher vulnerability within the migration process, the provision of information regarding the opportunities for migration, rights and responsibilities in the receiving country, and accurate information about return options are even more important for Roma. There is a **need for non-stigmatising community work services to ensure that Roma are registered and made aware of available resources**. Onsite support, for example in language classes, should be provided. Wherever possible, measures to integrate Roma children into education will be needed. Further, mediation and dispute resolution services should be made available in cases where conflicts arise between newly migrating Roma and local populations. Also, access to free, accessible and quality legal aid services should be offered to Roma communities whenever needed.

Candidate Countries and Potential Candidates

Complex war-driven and labour migration trends

The wars of the Yugoslav succession involved complex struggles over borders and the nature of new nation states, with the rise of ethnicised nationalism leading to many deaths and a number of waves of large-scale forced migration, involving both refugees and Internally Displaced Persons (IDPs). In total, more than 2 million people were uprooted by the wars of the early 1990s. In contrast to the former Yugoslavian states, Albania had virtually no emigration until the collapse of the socialist regime. The transition crisis in one of the poorest countries of Europe resulted in large scale emigration in the 1990s, mostly through irregular entries by boat to Italy and by land to Greece. In the second half of the 1990s, after the end of the wars in former Yugoslavia, large scale returns started. As return to the areas of origin often was not possible, a new vulnerable group of IDPs was created, particularly in Bosnia and Herzegovina. Meanwhile, the war in Kosovo displaced large numbers of ethnic Albanians from Kosovo, particularly to the former Yugoslav Republic of Macedonia and Albania. Subsequently, in the first decade of the new century migration movements normalised and labour migration gained importance. At the same time, return migration of long-term labour migrants from Western Europe resumed although on a low level.

Low performance of education and labour market systems

Without doubt, post-war emigration from the Western Balkans is to be placed in the process of the economic transformation and contributed to easing the pressure on the domestic labour markets. Though economic performance in the Western Balkans has been relatively strong since 2000, (formal) employment levels remained stagnant and are still far below the EU-27. At the same time, unemployment is still far above the EU-27 and in most countries only slightly decreased since 2000. In addition, subsistence and semi-subsistence agriculture reappeared around 1990 as a consequence of the economic transition and in most of the countries the agricultural share in total employment is still very high.

Low job creation and high unemployment are the main drivers for labour migration in the region. In particular, the significant mismatch between the skills produced by the education systems and the needs of the labour markets calls for **continuing reforms of the national education systems and active labour market policies** which should be prioritised by the IPA programmes. Besides measures to further improve the performance of local labour markets, mobility supporting schemes should be promoted including **the provision of information and guidance of potential migrants and returnees on labour markets and skills needs in the receiving countries and on reintegration measures in the countries of origin**. The migration information centres under the public employment services are a useful approach and should be scaled up both in terms of geographical distribution and size as well as in terms of investments in staff capacities. Furthermore, the social protection coverage of parts of the migrants in the region (mainly Albania and Kosovo*) remains problematic, either because of the absence of bilateral agreements or obstacles for their proper implementation as well as weak social security systems. Continuing support of the EU to the conclusion of bilateral agreements and to the further development of the social security systems of these countries is important.

Significant outflow of highly skilled

The war and the political instability in the region have caused a tremendous outflow of high-skilled people, in particular scientists and engineers. Besides considerable wage differentials, the low and even declining expenditure on research and development and lacking opportunities

for professional development push highly educated persons out of their country. The problem of "brain drain" is assumed to be more significant in the Western Balkans than within the EU. In addition, due to the lack of freedom of movement and the lower economic performance in these countries, people tend to emigrate permanently or at least circulate less frequently.

It is therefore highly recommended **to stronger link IPA-funded regional development and HRD programmes to investments in R&D**, e.g. by supporting regional development hubs or exchange programmes. The **further development of transnational networks of scientific communities** have the potential to transforming brain drain into brain gain by transferring knowledge back to the country of origin.

Against the background of high rates of students' mobility from the Western Balkans but also in view of tapping the full potential of returning migrants' skills, **the recognition of diploma and the transfer of knowledge and skills should be facilitated by aligning national qualification frameworks to the EU**. Pilot actions in those fields where migrants dominate (e.g. nurse, construction workers) should be promoted.

Health professional mobility

As in the EU-8+2, health professional mobility is also an issue in the candidate countries and potential candidates showing increasing emigration rates of physicians for all countries of the Western Balkans since 1991. The countries of ex-Yugoslavia hold a specific position, because already starting from the 1960s, health professionals have experienced a relatively open market in Western European countries. Serbia has been one of the few countries that "produced" an oversupply of medical doctors and dentists and still, the country registers an increase of unemployed health professionals since 2000 which goes along with an increasing number of graduated medical doctors, dentists and pharmacists. As already recommended for the EU-8+2 countries **bilateral agreements on the balanced recruitment of specific health professionals incorporating either compensatory measures or supporting the development potential of the sending country should be undertaken**. In those sending countries which suffer from health professional shortages, the development of 'stay-to-go' programmes should be considered. Physicians and nurses committing themselves to work for at least three years in their countries of origin after EU accession could be offered support such as language and training courses and granting of leave for a temporary employment abroad.

Unused potential of high shares of remittances

Similar to the remittance inflow to Turkey in the 60s and 70s, remittances to the Western Balkan countries constitute a relevant share of GDP; while inflows to Croatia and the former Yugoslav Republic of Macedonia remain at the level of the EU-8+2, Albania, Bosnia and Herzegovina and Kosovo* registered inflows of around 13-20% before the crisis, ranging among the top remittance receiving countries in the world. It is important to note that these figures only reflect the transfer of remittances through official channels while transfers by informal channels are suggested to be much higher and estimates for informal transfers to Serbia range between 50% up to 80% of the total inflow. Main reasons are the lack of bank accounts among remittance receivers, lack of trust in the banking sector and high costs for bank transfers. As in the EU-8+2, remittances are mostly used for consumer items such as food and clothing, the payment of utility bills or for non-productive investments such as housing renovation or construction. The share of remittances invested in business is similarly low. Remittances to the Western Balkan countries seem to have a larger impact on well-being and poverty compared to the EU-8+2 due to their higher volumes. In particular in Albania and Kosovo*, the poverty alleviation effect of remittances is significant.

While it is commonly acknowledged that **remittances are first of all *private* transfers, policies and measures should directly address the concerns of migrants** and convince them that they would benefit by transferring or investing a part of their financial resources into saving products or productive investments. At the same time, savings and investments need to be placed in an appropriate macro-economic framework that includes a business-friendly environment. Both sending and destination countries are recommended **to join and strengthen their efforts in establishing close links with the Diaspora communities**. **Programmes to provide the Diaspora with financial literacy training and information on saving and investment opportunities in the countries of origin could be jointly developed.** National governments should further strengthen their catalytic and regulatory role for making investments of the Diaspora more attractive. Measures to encourage the Diaspora to invest in the development of their home country might include the provision of tax incentives and loan subsidies for investments into business and development type of projects.

Further, **regional authorities should develop stronger linkages between the Diaspora and the regional development agencies**. Community-based development funds managed by banks or non-commercial companies and guaranteed by the government are one possible instrument. These funds should be earmarked for projects supporting the local infrastructure, the creation of jobs and the provision of social services, among others. The role of intermediaries such as the churches, trade unions, professional associations, NGOs and cultural associations, may also be crucial in channelling remittances for development purposes.

<u>High incidence of poverty and social exclusion in high migration loss and gain regions</u>

In most of the Western Balkan countries, depopulation processes in rural areas already started in the 1970s and continued during the last two decades, partly due to war related rural-urban migration, partly due to educational and employment related migration. Consequently, the high migration loss regions in the Western Balkans relate to longstanding problems of rural decline, inaccessibility and unfavourable geography forming an arc of exclusion including the east of Bosnia and Herzegovina, the east of Serbia and much of Kosovo* and Albania. As in the EU migration loss regions, the economies are characterised by a decline in industrial production and high employment shares in mostly (semi-) subsistence agriculture. The latter is also observed in high migration loss regions in Turkey, mainly in the Eastern Black Sea region. Regions around major cities show the biggest growth in population in all of the countries, taking different forms. The surroundings of Albania's capital Tirana, Kosovo*'s capital Prishtina or also Istanbul in Turkey are growing fast in an uncontrolled way, with poor informal settlements appearing at the verges of the capitals.

The profile of the population left behind in high migration loss regions is characterised by above average shares of elderly, by low birth rates and a much lower number of women than men. Migration loss regions display lower than the national average activity and employment rates. In particular, female inactivity is high possibly indicating high shares of unpaid female workforce. Further to this, the population in high migration loss areas usually has lower than average educational attainments and has the highest share of population without any schooling. Low enrolment of children in pre-school education throughout the region is also associated with significant differences in access between rural and urban areas. Further, on-going rural-urban migration has led to a decrease of pupils, school closures and combination of different grades of classes which in turn led to a worsening in access to education and a decrease of quality. Several reports point to significant problems in terms of access to employment, education, health and social services, as well as housing and transportation, in the rural, disadvantaged,

migration loss areas of the Western Balkans and Turkey. Inequalities in terms of access to water and sewage systems and energy suggest that the multiplier effect of all these exclusions is significant.

Against this background it is of utmost importance **to integrate the social dimension in EU-funded rural and regional development programmes (IPA components III and V) and to target those areas which are particularly disadvantaged**. The improvement of the educational structure of the rural labour force is a precondition to diversify rural economy and to develop employment opportunities out of the agricultural sector. Besides, **agricultural reform programmes need to have a much greater social component in order to minimise the divide between more productive and unproductive agriculture**. In particular, support needs to be offered, through low interest loans, credit unions, etc., to enhance market opportunities for small-scale producers, including those working primarily in subsistence agriculture. Retraining programmes including new service skills, rural tourism, and small craftworks, should be supported as much as possible in disadvantaged areas. Further, there is **a need for a clear focus on those people left behind in regions particularly affected by out-migration** who might be at a greater risk of social exclusion (single parents, elderly, children, minorities). **Investments in rural infrastructure targeting at increasing mobility and access to social, health and educational services should be strengthened**.

Refugees, IDPs and forced returnees exposed to severe vulnerability

When it comes to the groups specifically vulnerable due to migration in this region, *in addition to those already mentioned in the EU-8+2*, we identify refugees, IDPs and (forced) returnees. One can say that these groups still lacking sustainable solutions represent the most vulnerable group in the region in the context of social exclusion. Refugees and IDPs frequently lack rights in their host country, are excluded from access to sustainable livelihoods and essential services, and are often used as political pawns in wider geo-political conflicts. They have substantial levels of extreme poverty, they are more likely to face inadequate housing and suffer from poor access to health services. The uneven demographic character of return with majority return of older people has also meant that returnees are often isolated and disadvantaged within already disadvantaged regions.

The reintegration of young people who were forced into exile in the conflict often at a very young age and now face return to a country, culture, language, and education system which they have little or no understanding of also may well be of wider relevance. Given the absence of any clear support programmes, their educational performance and future employment prospects can suffer. A particular concern is Roma, Ashkali and Egyptian young returnees many of whom do not possess the relevant documents enabling them to access health and educational services. All returning children in this region face problems of the lack of, slow, or only partial recognition of diplomas gained abroad. Children returning to pre-war settlements face problems in terms of receiving the appropriate schooling and the lack of genuine multi-ethnic schooling.

Against this background and given that most of the refugees and IDPs are now unlikely to return in the medium-term, **it is important to both regulate their status and facilitate opportunities for employment and access to services,** in ways which do not in any way pre-judge political resolution of their status or of borders. It is crucial **to ensure that entitlements to social, educational and health services, and the right to social assistance are provided to all refugees and IDPs based on residence and not citizenship criteria**. In view of high unemployment and poverty rates among refugees, IDPs and returnees, there is a need to offer **targeted support for re-integration in the labour market, including reskilling and business**

start-ups for this population group. Within this, women, particularly those women with limited labour market experience, should be specifically targeted. **All these measures should find prominent attention in the IPA programmes of the countries concerned**. Last but not least there is a need to provide conflict resolution, mediation, and reconciliation support in divided communities, in an effort to increase the support for the return and reintegration of minority refugees and IDPs.

Eastern Partnership Countries (EaP)

Migration dominated by irregular movements

The break-up of the Soviet Union and the following disruption of economic ties created enormous pressures on the economies of the six EaP countries at the beginning of the transition period which in turn led to massive out-migration. In addition, similar to the Western Balkans, state-building after the dissolution of the Soviet Union increased the salience of ethnic divisions, particularly when there were wars over contested border areas as in Moldova (Transnistria) and Georgia (Abkhazia and South Ossetia) and the conflict over the territory of Nagorno-Karabakh between Armenia and Azerbaijan. After permanent movements in the early 1990s which were predominantly based on ethnic ties and triggered by the wars, trade shuttle migration and irregular labour migration emerged in the late 1990s, both to Russia and to the West. The new visa free travel zone of the former Soviet republics as well as cheap transport costs enabled temporary and circular migration patterns even for the poorest inhabitants of Eastern partnership countries. High population declines in the regions achieving rates between 18 and 20% in Georgia and Moldova are mainly migration induced. Only Azerbaijan shows continuous growth of the population influenced by high birth rates and net gains from migration in some periods coexisting with considerable temporary and permanent emigration.

Russia is the most important receiving country in the Eastern partnership countries while European countries such as Italy, Germany, and Spain gain importance. Most migrants abroad work in low-skilled and low-paid jobs in construction, agriculture, hotel and catering as well as domestic services. There is a clear division along gender and educational level between Russia and EU as destination countries: While predominantly higher educated female migrants form the majority in Western European countries, migration to Russia is clearly dominated by low and medium skilled men which can be explained by the high labour demand in the construction sector.

High vulnerability of labour migrants in the context of lacking bilateral agreements

Twenty years after independency, the labour markets in the EaP countries are still characterised by low employment rates and high informality. Unemployment and under-employment are common features with particular high rates among the youth, indicating the difficulties young people experience when entering the labour market. A significant share of the population lives from subsistence agriculture. Poverty in the region is extremely high which constitutes undoubtedly a major push factor for migration. At the same time, very limited social protection systems and the absence of viable and meaningful social security agreements mean that there are gaps in safety nets whenever migrants may want to transfer entitlements or seek support as a result of risk of poverty and social exclusion.

The emigration of highly skilled in particular has affected the R&D sector, but also the education and health care sector. Severe cuts in the respective budgets in the 1990s led to massive outflows of teachers and health professionals out of the systems partly through emigration. Even if migrants are highly qualified (and most of the EaP migrants to the EU are), they accept low-paid and irregular jobs, as domestic labour markets seemingly are not in the position to absorb the university graduates due to unfavourable economic environment and education systems being insufficiently responsive to the labour markets. The fact that many migrants work below their qualifications is – similar to the Western Balkan region – also linked to the situation that mechanisms for recognition of qualifications are widely lacking or implementation of bilateral agreements is inefficient.

Against this background, **it is crucial that EaP countries continue in reforming their education systems** and to strengthen the secondary education including vocational education, and also lifelong learning schemes. The adjustment of skills and competences to the needs on the labour market remains a high priority. **At the same time, it is recommended to expand temporary labour mobility agreements, both in terms of scope and coverage**. This can be done bilaterally or in the frame of the EU Mobility Partnerships which represent a valuable framework for co-operation. Skill matching is an important prerequisite for successful labour mobility programs. **Temporary labour mobility arrangements should therefore include a clear assessment of the migrants' skills and comprehensive information on the labour market needs in the receiving country**. These agreements should entail provisions for protection from exploitation and mechanisms for the effective enforcement of migrants' (labour) rights. In parallel, the EU should pursue the **set-up and implementation of a common EU approach for co-ordination of social security** between EU Member States and the EaP countries. At the same time, support should be provided to the EaP countries in the negotiation and conclusion of bilateral agreements on social security (with main EU destination countries), possibly within the frame of Mobility Partnerships. Even more crucial however, is the **further development of the social protection systems** within the region.

Unused potential of high shares of remittances

Similar to the Western Balkan countries, remittances in the EaP countries constitute a significant source of external financing and foreign exchange and play an essential role in increasing living standards. Moldova and Armenia rank highest in terms of GDP percentage (23.6% and 10.9% in 2010) and the large inflows substantially exceed the expenditure on social welfare. Both countries experienced severe cuts in remittance inflows during the crisis mainly due to their dependency on the Russian economy. Similar to the other two regions, remittances are primarily used for daily expenditure and investments in business constitute a negligible share. On the other hand, they constitute a stable income for many households in the region and particularly in Armenia and Moldova largely contributed to reducing poverty.

Those countries with high inflows of remittances should seek **to break through the cycle of remittance dependency** by ensuring good welfare coverage and a secure investment climate. As in the Western Balkans, the **transfer of remittances via formal channels** should be supported. Campaigns to increase awareness and information on financial products and services of banks and non-bank financial institutions should be conducted in order to promote conversion of remittances into savings and divert them into development financing. Communities which are severely affected by out-migration should be encouraged **to establish close contacts to the Diaspora and to create community based social development funds and economic development co-operative companies** in order to attract remittances and savings from migrant households to invest in social and economic development projects.

High risk of poverty and social exclusion in disadvantaged regions

In the EaP region, high net migration loss regions are predominantly located in border regions, either in mountainous regions with harsh climate conditions, or in regions suffering dramatic declines in industries and in predominantly agricultural areas. As already stated for the Western Balkan region, migration of the younger, more skilled population has perpetuated the human capital disadvantage in rural areas. Rural out-migration has negatively affected the development and reproduction of educational quality and the provision of health care services. Some countries (e.g. Moldova and Ukraine) report severe shortages of the teaching staff in rural areas and consequent growing inequalities in quality and access to education. Urban-rural differences

in terms of social exclusion are higher than those in other regions of the study. In particular the situation for older people is difficult in the absence of community-based social and health care services and as a result of low pensions.

There is a need to strengthen community-based social and health services and hereby to increasingly involve non-governmental institutions as service providers. This in particular is needed in rural areas, where infrastructure is weak and accessibility to the bigger cities limited. Above all, **it is crucial to increase public spending on social protection and social assistance**. **Due to the fact that low benefits and low coverage of social assistance and social protection schemes could not eradicate extreme poverty, in particular in the Southern Caucasus countries, it should be considered to combine them with minimum income schemes**. This might also encompass the inclusion or increase of minimum provisions in pension schemes, since pensioners living alone in households are particularly affected by poverty.

Children, elderly and IDPs are the most vulnerable groups due to migration

Besides the elderly, other groups particularly vulnerable due to migration are children and IDPs. In Moldova, the EaP country with highest migration rates in relation to its population, the issue of children left behind is a major social issue with estimates that around 17% of all children in Moldova live in households with at least one parent abroad. The phenomenon of 'transnational mothers' or 'care drain' is an issue here with evidence that mothers who migrate from countries such as Ukraine to fill the 'care gap' in countries such as Austria, Poland or Italy, leaving their own children in the care of husbands or grandparents.

Similar to the recommendations provided already in the case of the EU-8+2, EaP countries are recommended **to increase the support for children and families of migrants left behind including community-based social work support and educational support**. In this context it is crucial to increasingly involve NGOs and to provide sustainable funding for this field of intervention.

IDPs and refugees have been identified as one of the groups most at risk of poverty and social exclusion in Azerbaijan and Georgia. Many of them are sheltered on a long-term basis in publically provided buildings and facilities, lacking access to essential services and are often at risk of chronic health problems. Those most at risk are in cramped and unhygienic collective centres in the larger cities, including the capital Baku. Where new settlements for refugees and IDPs have been built, many of them are in remote areas with poor employment prospects. IDPs are extremely poor and reliant on pensions and social assistance. Only about half, more in the rural areas, and fewer in the larger cities, have health insurance. Forced migration and labour migration are inter-linked with significant subsequent migration of members of IDP households abroad, with about two thirds working in Russia.

In terms of other vulnerable ethnicised or religious communities, there is a significant concern expressed regarding Crimean Tatars who have returned to Ukraine after independence. They now make up about 13% of the Crimean population. These returnees face acute problems of housing, with severely limited access to amenities, infrastructure and livelihood opportunities. The option of labour migration is one of the few possibilities of survival. This mainly involves seasonal migration with Crimean Tatars moving from their place of settlement to tourist facilities.

Despite the fact that the governments consider the group of IDPs and refugees as vulnerable and provide them with support, the latter is mainly limited to cash and in-kind benefits such as social assistance, free usage of health care or free provision of electricity, gas and water. One of

the main reasons of high poverty rates and social exclusion of IDPs, however, seems to be their limited access to the labour market and the fact that they live in collective settlements. **Therefore it is urgently needed to find sustainable solutions for the IDPs** who do not seem to have a perspective to return to their original place of living. This above all applies to IDPs from Nagorno-Karabakh, but also for other ethnic and religious minorities such as the Crimean Tartars. This in particular requires **sustainable housing solutions** for those still living in collective centres. Further, in order to decrease high poverty rates it is urgently needed **to include IDPs and ethnic and religious minorities in employment and educational programmes** and get them involved in already partly existing measures such as support for small business and professional retraining measures or education vouchers.