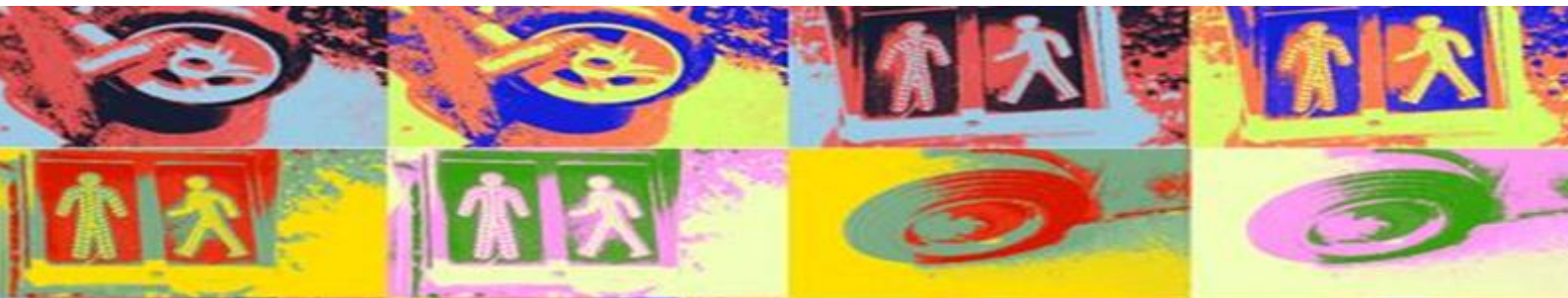




# The Future of International Migration to OECD Countries Regional Note Russia and South East Europe

PROF. DIETRICH THRÄNHARDT,  
UNIVERSITÄT MÜNSTER,  
MÜNSTER, GERMANY





## Foreword

In the course of the project ‘The Future of International Migration’ carried out by the OECD/IFP Secretariat in 2008/2009 a number of regional notes were commissioned from leading experts to help shed light on the diversity of situations and future migration trends in different parts of the non-OECD world. The aim of the regional notes was to provide a largely qualitative, personal assessment of the likely evolution in factors in the principal non-OECD regions which could influence outflows of people either in the form of intra-regional migration or, of particular significance to this exercise, to OECD countries, through to 2025/2030. More specifically, the experts were asked to give some consideration to the most likely trajectory that outward migration might take in the years ahead, together with some speculation about possible “wildcards” (unexpected events or developments which could impact significantly on pressures to migrate to OECD countries).

A regional note on India/Pakistan/Bangladesh was written by Prof. Binod Khadria, (Jawaharlal Nehru University, New Delhi). Sub-Saharan Africa was covered by Laurent Bossard (OECD Club de Sahel). Jeff Ducanes and Manolo Abella (ILO Regional Bureau, Bangkok) submitted a note on China and South East Asia/Asia Pacific. A note on North and East Africa was prepared by Flore Gubert and Christophe Jalil Nordman (DIAL, IRD, France). Jorge Martinez Pizarro (CEPAL, Chile) drafted a note on Latin America. The Russian Federation and Eastern and South East Europe were covered by Prof. Dietrich Thränhardt (University of Münster, Germany). Prof. Philippe Fargues (European University Institute, Italy) provided information on the Middle East and North Africa. These papers can be found on the OECD/IFP webpage ([www.oecd.org/futures](http://www.oecd.org/futures)).

## **From the Dissolution of the Communist Camp to a Larger Open Europe**

After the fall of the Berlin wall and the dissolution of the Communist camp with its controlled barracks, the European Union feared “floods” of immigrants and refugees from the former Soviet Union, that would arrive out of economic need, political conflict or ecological catastrophe after the Chernobyl disaster of 1986. Western analysts warned of tens of millions of refugees or migrants, and Western ministers held conferences on how to deal with the expected mass of migrants and made plans to prepare large-scale absorption camps (Thränhardt 1996). As late as 1999, Carnegie specialist Papademetriou predicted an “implosion” of Russia, ungovernability like in Africa and migration streams to Western Europe. Floods of migrants did not arrive, except for specific civil-war victims from Bosnia-Herzegovina and Kosovo, and the boat people from Albania. Russia has, on the contrary, in the last years become a new economic magnet, besides the EU, and East-West migration processes are close to equilibrium. Still, however, the Western public is beset by a feeling of danger and uncertainty, and an atmospheric aftermath of Cold War tensions, renewed in summer 2008. Western analysts have largely neglected Russia’s magnet status with respect to immigration, since they are so focused on one “migration crisis” after the other in North America and Western Europe.

The migration landscape is changing fast. Whereas Germany and Austria were the main destinations of East-West migrations in the early 1990s, Italy, Spain, Portugal, Greece, Britain and Ireland, all traditional emigration countries, became major destinations in the beginning of the 21<sup>st</sup> century. Today, one million Romanians live alone in Italy. With the accession of Poland, Hungary, the Czech Republic, Slovakia, Estonia, Latvia, Lithuania, and Slovenia in 2004, and Romania and Bulgaria in 2007, these countries joined the open migration system of the European Union, even if certain restrictions can be maintained up to 2009/11 for the E8 and up to 2012/2014 for Romania and Bulgaria. As a consequence of the outflow of workers and the rapid development before and after accession, Poland, the Czech Republic, Hungary, Slovakia and Slovenia now begin to attract immigration from countries to the East. Similar developments can be expected for Romania (from Moldova) and for Bulgaria in later years. Croatia qualifies for EU membership economically and politically, even if it might not be granted entry for some time, due to internal problems of the EU. Thus it belongs more to the EU category than to the countries discussed here.

The countries East and Southeast of the EU can be divided into three categories:

***Table 1: Categorization of East and South East Migration Countries***

Recruitment country, resource rich	Russia
Multiple migration countries, relatively stable	Ukraine Belarus Croatia
Outmigration pressure, instability, low incomes, low exports, transfer economies	Albania Bosnia-Herzegovina Moldova Serbia Kosovo Macedonia

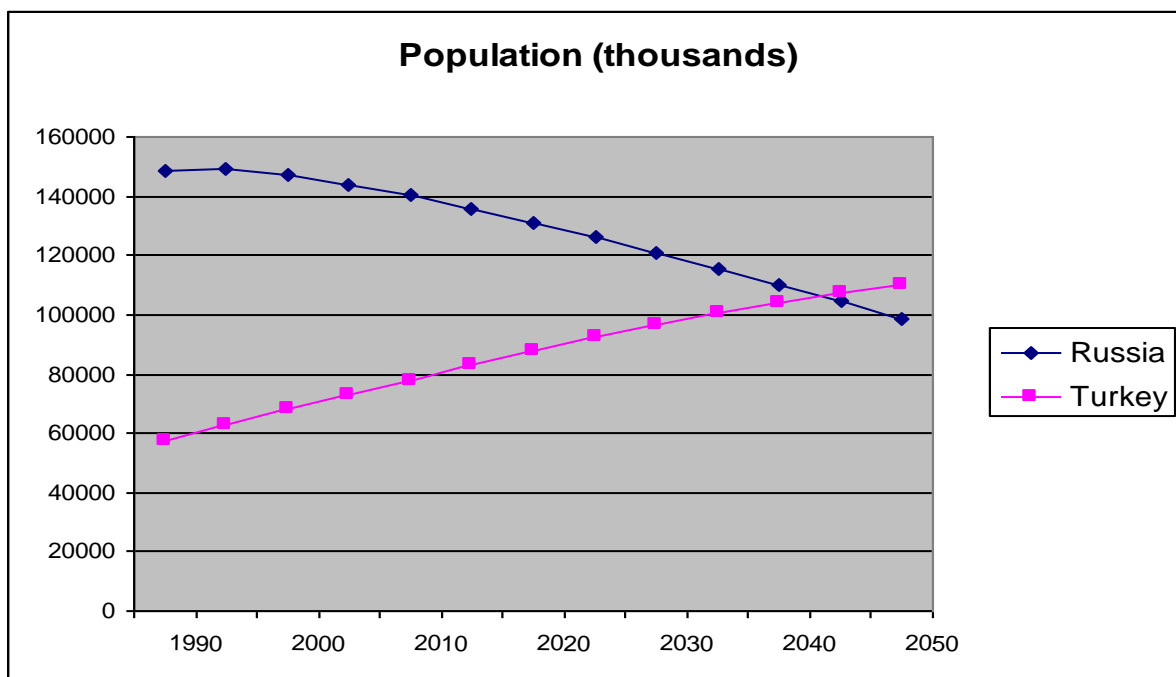
## Russia's Demographic Deficit and Its New Economic Attractions

Russia, the largest country on earth, is by far the most important state to the East of the EU, politically, strategically, and economically. Thus it has to be discussed here first and foremost. Russia lost millions of people; many of them qualified academics, to Western countries. Germany, Israel, Greece, Finland, Hungary, Poland, Korea and the United States invited special migrant categories, selected upon ethnicity or qualification. These waves of migration have now largely come to a halt.

Parallel to these substantial out-migrations, Russia became an immigration magnet. A distinct Russia-centered migration system came into being during and after the dissolution of the Soviet empire. Russia's drastic loss of 800,000 people per year by falling birth rates and rising death rates and the out-migration to the West was compensated by large-scale immigrations of ethnic Russians and other ethnic groups from the former Soviet republics in Central Asia, and from Transcaucasia, Ukraine, Moldova and the Baltic states. Although Russia's population figures were stable on balance, the country went through a far-reaching exchange of populations.

At the beginning of the twenty-first century, this process has come to a standstill, since its sources are largely exhausted. Most of the ethnic Russian population from Central Asia and Transcaucasia have moved to the Russian Federation. The Russians in Ukraine are not likely to move to Russia for good, even if many commute there for work. Moslems from Central Asia and from the Caucasus, often labelled "blacks" in Russia, are not welcomed by large parts of the population, and non-Russian migrants work and live in rather precarious situations in many Russian cities and towns. On the other hand, the Jewish and German emigration to Israel and Germany has largely petered out.

The net result is that Russia's population is dramatically shrinking since the beginning of the century, by about 800.000 a year. Forecasts predict that around the year 2043 Russia will no longer be the most populous country in Europe, despite its immense territory, and Turkey will have more inhabitants (figure 1). Neither the Russian nor the Western public has yet consummated this revolutionary change. We have to go back four hundred years to the glorious times of the Ottoman Empire to find a comparable balance of population between the two countries.



Source: UN, World Population Prospects. The 2006 Revision Population Database.

<http://esa.un.org/unpp/index.asp?panel=3>

In addition, Russia suffers from an acute problem of high death rates of the economically active population. Whereas many other countries live well with the demographic transition for a generation, when low percentages of the elderly and the children allow for a high percentage of the active population, Russia's work force is actually shrinking. The life expectancy of Russian males has decreased dramatically, and is now at 58.9 years. Alcoholism, HIV AIDS, Tuberculosis, Hepatitis, heart disease, obesity, drug addiction, homicide and suicide are widespread, and endanger the functioning of the economy, the services and the military (Lindner 2008). To die between 15 and 60 years is likely for 48 % of Russian men, compared to 11.2 % for German and 9.2 for Japanese men.

President/ Prime Minister Putin has identified the demographic downturn and the loss of manpower as a main challenge Russia is facing, and the demographic crisis and immigration were important issues in the elections of 2007. Russia has since developed immigration programmes, with an emphasis to bring people to the depopulating areas in Siberia and in the North, and a preference for ethnic Russians and former Russian citizens. It is to be expected that these programmes will not be attractive since there is a strong trend among the existing population to move away from these places, towards prospering cities like Moscow and St. Petersburg and the climatically attractive Southern part of the country. Only tiny minorities among the emigrants to Germany and Israel are inclined to return to Russia. A local study in Berlin found that only one percent wished to do so (Haupt/ Wockenfuß 2007). However, there will be a need for follow-up programmes, to fill the essential positions in the Russian energy and resources industries and to develop the country's infrastructure.

The economic means are there. Russia profits enormously from the rising oil, gas and other natural resources prices. The consequence is that Russia, with its new wealth, will be a competitor for engineers, technicians, research personnel, medical doctors, and qualified and non-qualified workers of all kinds in the foreseeable future, with energy prices soaring. Even if some of Russia's oil and gas fields seem to be at a turning point these days, this will only increase the need to produce more efficiently and again create more demand for well qualified specialists.

Expectations for the future of Russia vary widely, from a total breakdown to a glorious future as one of the "BRIC" countries Brazil, Russia, India and China, as Goldman Sachs analysts saw it (Wilson/ Purushothaman 2003). A realistic evaluation, taking into account the human devastations of the past and the present, as well as the riches in natural resources, will forecast a window of growth opportunity in the next thirty years, with mounting windfall profits from oil and gas. Russia's future will depend on the use of these windfall profits. They will decrease at the end of that period, even if some new fields in the Arctic can be developed. The sudden wealth can be invested wisely but it can also be spent at non-profitable projects, civil or military, prestigious or traditionalistic, or go into corruption and luxury. All these possibilities are already in place. Corruption is running high, and Russian billionaires are building large company empires and cultivating prestigious spending habits. Besides this, there is the danger of the "Dutch disease" – the experience in most oil and gas countries of high oil and gas profits leading to high wages in the extraction industries, low productivity in other sectors, spending booms, inflationary pressure and high exchange rates of the currency (Harks 2007). It is in the interest not only of Russia but also of Europe as a whole that Russia's riches lead to a virtuous rather than a vicious circle.

Russia is in a situation similar to the EU with respect to two problems: the demographic crisis in general, and the need for specialists in particular. Since the EU and particularly its core countries are highly developed centres of industry and services, and Russia at present more relies on a resource extraction economy, the structures of both sides are complimentary and can grow together, even when they compete for scarce specialists.

## **Russia as a Possible Partner in Immigration Policies**

In the relations between the West and Russia, Cold War resentments often come back on both sides. Characteristically, Condoleeza Rice once in a slip of the tongue spoke of the “Soviet Union” instead of Russia. Government circles in Washington felt “annoyed” about a Turkish-Russian reprochement in 2005. In this spirit, Richard Holbrooke, a prominent former American diplomate, wrote about Turkish-Russian trade relations: “Russia is in a very close but disguised contact with our ally, Turkey. Thanks to this contact, Russia wants to spread its influence as far as in this region”. (<http://www.axisglobe.com/article.asp?article=312>). Such thinking is based on confrontation, and cannot create a cooperative climate. Much of the discussion about the “European Union-Russia Common Spaces” is also hampered by this confrontational thinking (e. g. Adomeit/ Lindner 2005). The recent armed conflict between Russia and U.S. backed Georgia has intensified such feelings, even if they are somewhat anachronistic.

The race to build oil and gas pipelines from Central Asia and Azerbaidjan, both former parts of the former Soviet Union and defined as “near abroad” by Russia is an important part of the economic rivalry between the U.S. and Western companies at one side and Russia and its companies on the other. It also strengthens the Turkish position as a gateway between Europe and the Middle East. At the same time, Russian-Turkish trade grew tenfold in the last eighteen years, and Russia is now Turkey’s most important trading partner, before Germany. Russia provides Turkey with gas and oil, whereas Turkey exports fruit and vegetables. The Turkish construction industry, now a major international player, is particularly active in CIS countries, and Russian tourists flock to Turkey. Turkish business begins to invest in Russia, as well as the other way round.

The links between Russia and countries outside the former Soviet Union have been growing in many respects. Tourism is very important for opening up migration pathways, as it unblocks the countries and the minds of the people, creates jobs and development, and is sometimes used as a tool for permanent migration. “From 1995 to 2006, the number of Russian tourists visiting countries outside the former Soviet Union grew from 2.6 million to 7.1 million....The world is becoming part of their lives....Through all this travel, we are seeing a change in mentality at home....Their life compass changes, from ‘I don’t care about anything’ to ‘I would like to have a better life.’ Travel is a part of this.” (Levy 2008). Thus it is not only the millionaires but also the middle class who get a new look at the outside world, after the long closure of the country in Soviet times, from 1917 to 1992.

If the West wants to liberalize Russia, abolishing the visa system and thus opening the borders is the easiest, the cheapest and the most effective way. First, it is contradictory to criticize the closure of the Soviet Union and Russia, and at the same time to establish a strict visa regime that hinders free travel, and is often even a problem when Russian artists, business people or other guests are invited to Western countries. A visa system does not contain state officials or secret service agents who want to go to the West. Rather, it impedes the access of the population, of tourists curious to see foreign cities, students eager to learn and to live, business people who want to do deals, or artists who want to perform and communicate. In addition, the Russian visa system mirrors the EU system, and this discourages people to go for travel to Russia.

Thus civil society contacts are hampered. The visa regime diminishes peaceful contact which can lead to exchanges of ideas and informations and to experience with democratic practice, freedom of information and free civil societies. This is basically what Western public opinion tries to teach the Russians and the Russian state, criticizing the practice of “vertical democracy” à la Putin. If the Russian government or the Russian public imagine that the West tries to undermine the Russian statehood, sovereignty or independence, the reaction will be negative, and conflicts will arise. There is a widespread Russian perception of a Western or American will to dominate Russia and its neighbours, connected to the isolationist traditions, the feeling of loss after the disintegration of the

Soviet Union, the inclusion of East Central Europe and the Baltics into NATO and EU, and the attempts to include CIS republics like Ukraine and Georgia into NATO.

On the other hand, the Russian public takes an immense interest in the West, its high and its popular culture, its economic achievements, status symbols, and its way of life. The Russian government lobbies for visa free travel with the EU, and some progress has been made for businessmen, scientists, cultural figures, athletes, journalists, students, teachers and relatives in 2007. In the agreement, Russia also committed itself to take back Russian and foreign citizens that have travelled through Russia to the EU – an obligation that in the future might become reciprocal, as both sides now harbour millions of informal immigrants. Interestingly, Russia enjoys visa-free travel with Israel from September 20, 2008 on.

### **How Can the EU Become A Model for Russia?**

With respect to a human-rights immigration regime, EU countries (with some deficiencies) today are a positive exception in a world of exploitation, commodification of human beings, human rights abuse and the construction of walls and fences. In spite of all difficulties, deficiencies, and pockets of unlawful treatment, the EU countries basically uphold the principle of equal treatment of immigrants and indigenous people in the economy and in the welfare systems, and the possibility to naturalize and become full and equal citizens. The construction of the EU as an open space combining 27 nations of different character, tradition, political style, and affluence is a singular achievement. All the nationals of the member countries enjoy equality and equal rights, and they are protected by a powerful European Court which also deals with third country nationals, particularly under the association agreements. Without civil society, however, the courts would not help. Public opinion has again and again spoken out against misuse and ill-treatment. Even if the immigration regimes differ widely in the EU, between the orderly planned Scandinavian welfare state (Hammar 2003) and the informal mechanisms in the Mediterranean countries (Sciortino 2004), time and again corrected by amnesties, a rather high level of inclusion and rights are assured. Exploitation and misuse are scandalized, nationally and EU-wide.

If the European Union wants a stable migration regime in Russia, too, it must work on creating conditions of openness, rights, and an atmosphere of decency and equality there too. The judicial basis largely exists, as Russia is a member of the Council of Europe and has signed most of the European human rights conventions. Russia is prone to sanctions of the European Court of Human Rights as well as other European countries. What is missing, and needs to be developed, is the strengthening of the rule of law and an atmosphere of decency and equality for migrants and foreigners as well as citizens. The opening of the borders and the reality of a greater open European space is the easiest and best precondition to achieve that, without endangering Russian statehood. After the chaotic Yelzin years, and the reconstruction of a dominant state in Russia, there seems to be a longing for the rule of law and consolidation, as long as stability is preserved (Remington 2008, 215). Moreover, the legitimate Russian need and interest for a more orderly immigration administration, registration and integration policy can be coordinated with the needs and wishes of the EU.

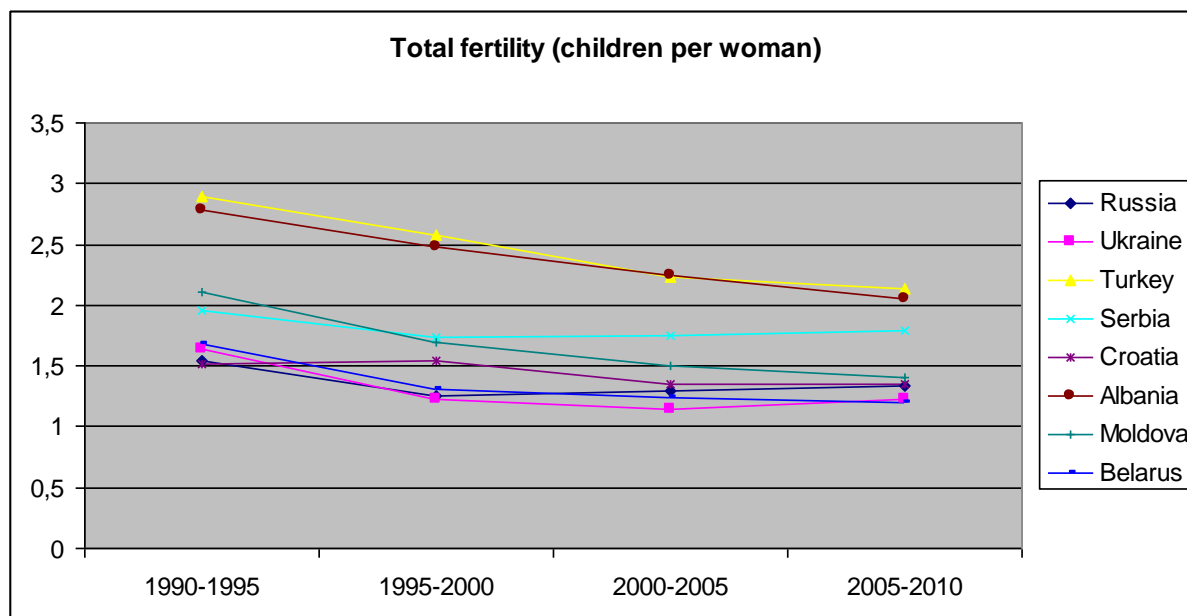
Up to now, the reconstruction of a strong state and its controls and the aversion of large parts of the Russian public against certain kinds of foreigners has made Russia an unlikely transit country towards Europe for migrants from outside, be it Asian or African. Thus it is not the Eastern but the Southern and South Eastern border of the EU that is rather porous. More cooperation with the administration of migration should build on this situation and try to strengthen efficient and functioning border regimes, and to minimize counterproductive and inhumane effects.

For migration issues even more than for other themes, personal contacts and experiences are an excellent chance to further understanding and learning. “An intensified exchange leads towards a closer interweavement of societies and offers possibilities to carry reliable and matter-of-fact informations about the EU and its member states into the Russian society.” (Stewart 2008, 3. My translation).

### The Larger European Demographic Deficit

The whole continent of Europe is confronted with a growing demographic deficit. This is particularly pronounced in the majority of the larger countries, Russia, Germany, Ukraine, Italy, Spain, and in a belt that reaches from Portugal through Spain, Italy, Greece, and the Balkan countries to Ukraine and Russia. It is less pronounced in France, Britain, and the Scandinavian countries, even if they do not reproduce their populations, either. The only large country with a positive balance is Turkey – a fact that makes this dynamically developing country a demographic asset and not a danger, in contrast to the wide-spread anxieties in West European discourse. Even in Turkey, birth rates are going down, and have now arrived at the demographic optimum.

Thus there is no demographically based migration pressure inside Europe any more. The demographic breakdown after the end of Communism in all East and South East European countries after 1990 will in the next decades result in a generation coming of age much smaller than the generation before. Such demographic downturn is very dynamic, since less than two thirds of the population are reproduced in the Eastern and South Eastern European countries. Thus in only two generations, the population is reduced to less than half of their original size. In out-migration countries, the negative dynamic is further accelerated by the loss of young families.



Source: UN, World Population Prospects. The 2006 Revision Population Database. See: <http://esa.un.org/unpp/index.asp?panel=3>

If there is any migration pressure, it does not originate in a demographic surplus, but in war, civil war or the breakdown of order, as has happened in Bosnia-Herzegovina, Kosovo, Chechnya and the Albania of the 1990s, in pockets of poverty in Moldova, or in the consequences of isolation and boycott, as in Serbia.

## **Possible: A Larger European Space of Free Movement**

The European Union has been tremendously successful with its enlargement. Free movement was achieved in the six-country-EEC in 1969, extended to Britain, Denmark and Ireland in 1973, to Greece in 1981, to Spain and Portugal in 1986, to the ten new member states in 2004, and to Romania and Bulgaria in 2007. The European openness contrasts most favourably with the rising wall and the death toll at the Southern border of the United States, and is so successful that even Switzerland has opened up towards the EU – despite its neutralistic and localistic political tradition.

Only a few European countries to the East and in the Balkans are now missing in the area of free movement. They can be integrated, too, step by step, without any danger of “floods” of migrants or a disruption of public order. The opening of borders for goods, services, capital and people on the EU model would further an optimal allocation of resources in a greater European free space. The severe counterproductive effects of border controls and visa regimes would come to an end, with respect to human as well as financial costs. Anyway, the German visa scandal of 2005 has demonstrated that in an area of intense travel between neighbouring states, visa systems are not very efficient in letting in the wanted and keeping out the unwanted. Undesirable exploitation of migrants and all sorts of racketeering are associated with inefficient border controls.

With the exception of Russia-Georgia and Russia-Turkmenistan, the countries east of the EU – Russia, Ukraine, Belarus, Moldova, the Caucasian and the Central Asian states – enjoy visa free travel among themselves (Before Poland’s accession to the EU, its borders with its Eastern neighbours were visa-free, too). Therefore, the enlargement of the zone of free travel should not proceed through a state-by-state extension of the EU sphere, as it is not an enlargement of the EU. It should uphold the amount of free travel and exchange that is now in place, and create a greater mutual visa-free zone, from the Atlantic to the Pacific. Certain conditions like health certificates and deposits can safeguard the transition, particularly in the first years. Relying on the experience of the Schengen process, a monitoring system and the option of a return to controls in emergency and special cases should accompany the opening up. In contrast to the Schengen arrangements, there must not be common border arrangements but the EU and the states to the East would be independent to arrange border controls as they feel best, like in the relation between the U.S. and the EU. Over time, cooperation could become more intense, in the common interest of optimising security as well as a prospering economy. To abolish visas with Russia and the countries between the EU and Russia would be important to build trust, develop civil society relations and increase interdependency and manifold human contacts between the two sides.

Coordination with a process of loosening restrictions towards Turkey, be it in the context of accession or “privileged partnership”, would also help to balance the relations of both large partners to the East of the EU. Flourishing Turkish-Russian trade and travel relations in an organized larger European space would extend the outlook of the population and the elites of both countries, from unilateral to multilateral perspectives.

Up to now, the EU presents itself in a rather counterproductive way to its Eastern neighbours. Internally, the community is open, and migration, communication and cooperation function better than even optimists would have expected. At its outer borders, however, the EU focuses on strict controls, more than is useful and effective. Functional cross-border networks are endangered and cut through, and it will take much energy to reconnect once new members join and the community is then going to fund new euregios and other connecting networks to bridge the borders. Even the new mobility partnership agreement of 2008 with Moldova is – aside from declarations about cooperation – focused on the strengthening of Moldova’s border controls and the implementation of Frontex standards in the

neighbouring states. The EU deals with individual neighbouring countries, and there is no comprehensive concept for mobility in a greater Europe.

The effect is to strengthen the borders between the states to the East of the Community, and thus to further economic balkanization, instead of cooperation and opening up – in contrast to Verheugen's creative policy of a joint accession of ten new member states that then could transfer their existing cooperation and networks into the new EU environment. A central element in this policy is the hidden or open antagonism against Russia which in its logic would force countries like Ukraine, Moldova and Belarus to choose between Russia and the West. This would go against their best interest which lies in productive links to both the CIS countries and to the EU, to access all European resources and markets as well as to furthering free movement of people for all kinds of purposes. With respect to migration, it brings working options to the West and to the East, and thus optimises individual chances as well as economic development in the larger European area.

Moreover, the strengthening and full control of borders is not feasible between the successor states of the former Soviet Union, since the borders – former internal borders - are ill defined, porous and not well controlled. It would necessitate an immense amount of funding and energy to bring them on the level of the present Schengen borders, let alone the U. S. wall.

Another effect of the strengthening of controls are more and more sophisticated illegal border crossings, the formation of organized criminal activity to overcome controls, corruption of border guards, embassies or other agencies, the merger of human smuggling with other illicit activities, and the diversion of large funds into these activities. Since the high fees for the smugglers functionally resemble entrance fees, some economists argue for a monetarization of border controls, to dry up the illegal sector and lead the money flow into legitimate and productive channels.

Whereas open borders facilitate contacts on an equal footing, and a knowledge of the functioning of open societies based on the rule of law, civility, democracy, responsible government and voluntary engagement, illegal migration forces people underground, and makes them dependent on informal arrangements or even criminal gangs.

### **Ukraine as an Intermediate Country**

Up to 2004, Ukraine had a negative migration balance. The main targets of migrants were Russia, Poland, Italy and Portugal. This changed in 2005, due to an economic upturn, connected to the economic boom in Russia which began with rising oil and gas prices after the American invasion of Iraq. Ukraine is intensely tied to Russia – historically, economically, linguistically, as many citizens, particularly in the East, speak Russian as their mother tongue.

Besides losing people through migration, Ukraine has a negative population balance, even more than Russia. In 2008, estimated 9.55 births stand against 15.93 deaths per thousand people. The natural balance went negative as early as 1991, a year before Russia. As a result the population is shrinking particularly fast. Despite the Schengen visa system, millions of Ukrainians made it into the EU. In 2005, a visa scandal at the German embassy disclosed that hundreds of thousands of Schengen visas had been handed out without proper screening. Most of the visa holders evidently had gone for work to Italy, Portugal and other EU countries (Finotelli 2008).

The EU does not have a convincing concept towards Ukraine (Fischer et al. 2008), since it neither clearly welcomes the country as a member candidate nor offers an attractive alternative option. Despite the EU's strong positive appeal as a model of prosperous countries and of a stable and peaceful union, neither the elites nor the people feel welcome. They are not prepared to bring sacrifices to take over the *aquis communautaire*, if that does not connect them a brighter future. Whereas most old EU members see Russia as the more important player, do not want to risk a conflict

with this big power over Ukraine, and in addition fear to overstretch the EU, most new members feel that Russia has no legitimate right to influence decisions beyond its borders. Similar disputes and disagreements continue about a possible NATO membership of Ukraine. Yet, tensions between the West and Russia make Ukraine's position more difficult, as it cannot really choose between Russia and the West, but depends on good economic and political connections to both sides, and would be disrupted if it tried to cut ties to the West or to the East. Thus Ukraine, with all its agricultural and industrial resources, remains in an unstable situation, or "constructive ambiguity" (Vasconcelos 2008, 6), between democratic engagement and oligarchic influence, and between close traditional ties to Moscow and the attractions of the West. The great hopes of the orange revolution have faded, and a "certain fatigue" and disappointment is characteristic for EU-Ukraine relations, "trapped in a vicious circle without having an exit strategy" (Fischer et al. 2008, 16). Infighting between the president and the prime minister intensifies these problems.

Characteristically for much of the foreign-relations literature, the analysis I quoted here makes no mention of migration. Here, however, lies a chance for constructive clarity and engagement. Since millions of Ukrainians are already working in the EU, more millions in Russia, and since Ukraine itself attracts more and more immigrants from other CIS countries and is now in a balanced migration situation, the EU should lift its visa regulations, and welcome Ukrainians as Europeans and legal workers as much as they are needed, instead of forcing them into illegality. Ukraine itself has made an important step towards cooperation, discontinuing visa requirements for EU citizens, and thus is now visa-free to both the CIS states and the EU. In the coming years return migration towards Ukraine is to be expected, due to the improved economic situation in the country itself and the economic downturn in Spain and other Southern European countries. In such a situation, a rigid visa policy will rather distract people from returning to Ukraine, and thus have counterproductive effects.

A delicate point for the EU is the control of third country nationals in Ukraine, since the country is on the main transit route to the EU from the East. Ukraine has no adequate migration management up to now. "The competences of different institutions have not been rationally divided; there are cases in which tasks are duplicated, and there are also difficulties in determining which organ is responsible for a given area of policy." (Jaroszewicz/ Szerepka 2007, 99). Thus it would be important to strengthen Ukraine's migration management, and coordinate it with the EU's. If the EU reduces its visa requirements for Ukrainians, the immense capacities that are now used to process their visa applications could be used for outside control and the strengthening of the countries' immigration system.

### **Belarus: a Stable Outsider**

Belarus is in a geographical position analogous to Ukraine, between Russia and the extended EU. Unlike Ukraine, on balance it has been an immigration country in the years after the dissolution of the Soviet Union. Relying on the Union of Russia and Belarus, it has largely maintained its traditional statist economy and its integration with Russia. Economically, the regime has been rather successful. Per-capita incomes are higher than in all other CIS states, even if rising oil prices may be about to endanger that. At the same time, Belarus has developed an authoritarian regime, and isolated itself from Europe. As part of this isolationist policy, the government tries to limit the population's contacts with Western countries, and in particular to prevent students and oppositionists from travelling to the West – a situation reminding of Cold War times. Western countries have reacted with travel restrictions against the Belarussian nomenclatura.

Economically, the situation in Belarus is rather stable; there is no danger of a great rush to the West. Politically, Western visa requirements affect the people's contacts with the neighbouring EU

states, Poland and Lithuania, and favour the orientation towards Russia where Belorussians in principle enjoy equal rights – in about the same way as EU citizens have in other EU countries. In this situation, political arguments speak for an opening of EU borders for the average citizen, id est for civil society.

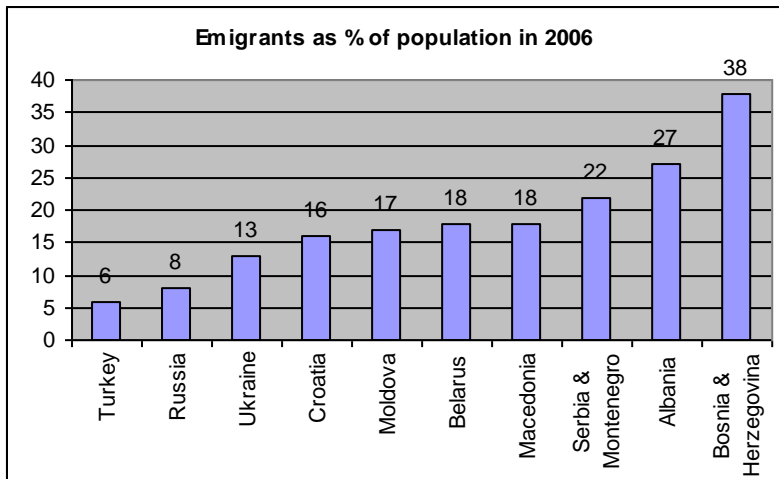
### **South Eastern Europe and Moldova: The Emigration-Remittance Countries**

Compared to Russia and Ukraine, the countries of South Eastern Europe as well as Moldova are much smaller. Romania, the most populous country, has already joined the EU in 2007. Migration pressures in the past originated in armed conflicts and in civil war, as in Croatia, Bosnia-Herzegovina, Serbia-Kosovo, and Moldova, and in the breakdown of the economy, as after the pyramid scheme crisis in Albania in 1997. Moreover, the destruction of Yugoslavia cut economic links and networks, and even relatively peaceful successor states like Macedonia were deeply affected. Thus stabilization must be the prime objective of EU policy, not only in political and military but especially in economic terms. Free trade agreements and chances to earn money and make a living from work under stable conditions are the best means to reduce poverty, trading in drugs, other illicit commodities and in human beings, and to prevent or suppress violent structures and criminal gangs. Here too, a controlled and supervised opening of the borders will have positive effects in the long term, if basic stabilization is secured.

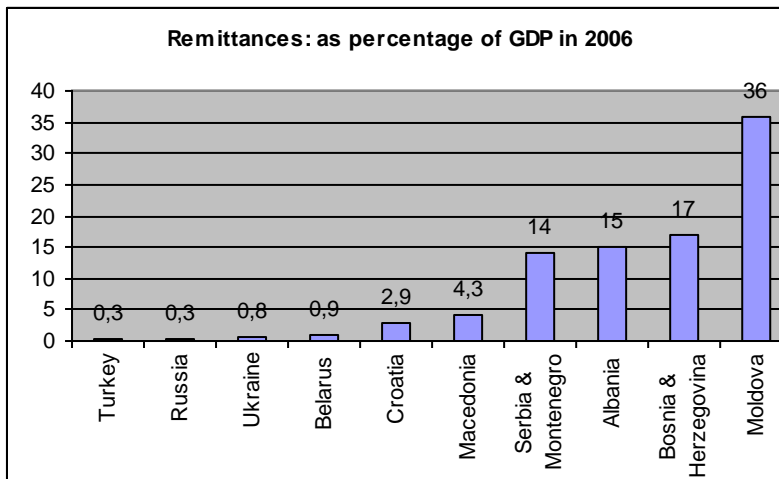
The successor states of Yugoslavia (with the exception of EU member Slovenia and EU candidate Croatia) are still suffering from the consequences of civil war and the economic disruption of newly fixed borders that cut through traditional economic connections. The new small states – war-torn Bosnia with its two ethnically defined substates, isolated Serbia, the newly founded Kosovo state with its Serbian enclaves, not recognized by countries like Russia, Greece and Spain, and Macedonia with its tense relations to neighbouring Greece, all suffer under the limited size of their economies and the breakdown of legal international networks. In addition, they find themselves in a totally new economic environment after the demise of Communism.

The same is true for Albania and Moldova. Albania was an extremely isolated country with few connections to the outside world and an extreme form of Communist command economy. Its transition suffered from various disruptions and a loss of trust in the emerging political and economic structures, e. g. the breakdown of the pyramid schemes and bitter conflicts between the political parties and power groups.

Moldova was part of the Soviet Union and provided its large markets with wine and other special agricultural and industrial products. After the demise of the Soviet Union, it depends on the EU as well as on Russia and the Russian market where most Moldovan emigrants work. The secession of Transnistria with its Russian peace keeping force makes Moldova even more dependent, as the breakaway quasi state is oriented towards Russia, and Russian is the official language there. Moldova suffers under extreme poverty. In 2003, 43 % of the population lived from less than 2 \$ a day, and 85 % had less than 4 \$ a day (2003).



Source: Development Prospects Group, World Bank 2008.



Source: Migration and Remittances Factbook, World Bank 2008.

All these small war-torn states can be characterized as emigration-remittance-economies. Large parts of the active population have migrated to the EU and to Russia, and some also to Israel, Turkey, and the Gulf states. Although all the statistics lack reliability since most of the migration is informal or illegal, Moldova is clearly the most intense remittance country, and Macedonia (the country with least internal conflicts), the least remittance dependent.

Clearly, there are specific migration patterns, depending on traditional links, geographic proximity, openness of immigration countries, and (least) recruitment treaties between countries. Moldova is characterized by a strong migration eastward, to Russia and to some extent also to Ukraine and Belarus, and westward, to the Southern EU countries. Several hundred thousand Moldovians also hold Romanian passports, and thus are able to travel freely in the EU. Since Moldovian/Romanian is a Latin language, Moldovians are able to communicate rather easily in Italy, Spain, and Portugal. Albanian migrants are concentrated in neighbouring Greece and Italy, most of them in irregular situations. Bosnians, Serbs and Kosovars are mostly living and working in Central Europe, particularly in Germany, Austria and Switzerland.

More than anything else, migrants and their remittances contributed to the economic transformation and restructuring of these states. It can be said that Kosovo's struggle was funded by remittances. Remittances do flow down to the last village, stabilize the countries socially and economically, create demand for goods and services, and thus stimulate the economic process (Petree/

Baruah 2007; ELF 2007). If this process can be solidified and regularized, the countries can gain stability. If not, they will remain instable and a problem for Europe as a whole.

Clearly, European border controls have not prevented the informal immigration, particularly to Southern Europe, and, in some sectors like care giving and households, also to countries like Germany, Austria, and Poland. This policy has driven the migrants underground and in many cases it motivates them to stay, as commuting is difficult because of the border controls. In countries like Moldova, Albania and Kosovo, emigration is saturated since nearly half of the active population has migrated, and more migration seems to be unlikely under conditions of informality. On the other hand, the recent economic downturn in Spain and other Southern European countries will reduce the demand for foreign labour.

In all these countries (and since a few months even in Serbia) we find a consensus about the accession to the EU, but frustration because the EU's doors are closed. Such feelings are aggravated by the stigmatization of Albanian migrants in Italy and Greece, in contrast to their functional integration (Batt et al 2008, 63). If they were legal and accepted, migrants "could benefit from accessing a richer range of discourses, resources and opportunities by studying and working in the EU, remitting money home and by being able to return, if they wish, whenever they feel it is most convenient for the development of their life trajectories." (Batt et al. 2008, 72). On the other hand, strict EU control policies play into the hand of organized crime, as migrants become dependent on non-legal ways of passing borders (Batt et al. 2008, 87 ff.).

### **Internal EU Structures and the Immigration Processes**

Contrary to older traditions and many expectations, East European immigration in the last ten years was mainly directed to the Mediterranean countries, Spain, Italy, Portugal and Greece. This was not so much caused by the low birth rates of these countries which will affect them in the future, nor did it result in particularly high growth rates, except for Spain. Rather, the explanation lies in the specifics of these countries' economic and social welfare systems which are family-based, and prioritize welfare payments over state services. With rising female labour participation this results not only in low birth rates but also in high rates of largely informal immigrant employment in households, mostly female, to take care of young children and old-age people (Sciortino 2004). In opposition to this type of the Mediterranean welfare state, the Scandinavian welfare state offers regular services for these needs, from quality kindergartens to old age care centres. At the same time, it creates decent employment for indigenous as well as immigrant women with standard work contracts and decent pay.

Other informally organized sectors like construction and agriculture employ mainly men. Tourism is another thriving area of immigrant employment. Thus specific internal structures of certain EU countries are important for the dynamics of pull factors attracting immigration, and particularly East and South East European immigration. Agricultural preferences and subsidies are another driving force, e. g. giving preference to Spanish or Italian over Albanian or Moldovian products. A further structural factor is the failure of many EU countries and professional sectors to acknowledge foreign certificates, forcing immigrants to work in sectors and occupations well under their level of qualification. This is to the detriment not only of the immigrants and their home countries but also of the EU itself. The size and control of the informal sectors and the existence and implementation of minimum wage systems are another important point, influencing migration patterns and the well-being of migrants.

## **Future Scenarios of Immigration**

In a general framework of rising energy prices world-wide and demographic deficit in greater Europe, a virtuous and a vicious circle can be constructed: Europeans would either cooperate or suffer.

### **(I) A Win - Win Cooperation Scenario of an Extended Lisbon Agenda**

The soaring Russian economy, driven by high incomes from energy exports, will attract specialists of all kinds, mainly in the energy and construction sectors, and thus compensate for reduced demand in Southern Europe. Since the Russian labour force is dwindling, construction workers from the Balkans, particularly from Serbia and other Slavonic countries would move to Russia, working with construction companies from the EU and from Turkey. Windfall profits from high energy prices and engagement of EU companies lead to more sophisticated investment in the extraction of natural resources in Siberia, and to more manpower demand. Thus people in the pockets of poverty in Ukraine, Moldova and in the Balkans as well as in Romania, Bulgaria and Turkey get a chance to move out and to get gainful employment. They take remittances to their home countries, invest in agriculture, industry and education, and thus trigger a developmental push. Since labour becomes scarce everywhere, wages go up, and the economic situation in greater Europe becomes more balanced.

This dynamic economic development is accompanied by the implementation of European standards for transnational workers, based on non-discrimination and the principles of human rights, laid down in the conventions of the Council of Europe and the ILO. Europe-wide standards for workers make transnational work feasible, attractive and gainful, and allow for the transfer of decent amounts of remittances. Standards for home and care services are developed and implemented.

Stabilization and the dwindling labour reserves then lead to limited and managed immigration from outside Europe, and to a meaningful cooperation with emerging economies outside Europe, particularly in Asia.

### **(II) East-West Chaos, Economic Crisis, and Balkan Turmoil**

As mistrust and tensions between East and West are growing, NATO offers membership to Ukraine and Georgia. In response, Russia and Belarus unite. In practice that amounts to an annexation of Belarus. In addition, Russia reacts with the formation of an oil and gas cartel, with OPEC and other energy-producing countries, and with selective cuts in oil and gas supplies. That leads to economic turmoil in Ukraine, with the effect of violent clashes and a constitutional crisis between the president and the parliament. With supplies dwindling and an energy and food crisis, people flee to Poland, Romania and Russia. Crimea declares independence from Ukraine, and tensions in Georgia and between Armenia and Azerbaijan endanger the oil and gas pipelines. In Serbia, Bosnia, Kosovo, and Macedonia, radical elements demonstrate and commit crimes against non-Serbs, provoking reactions from Bosnians and Albanians. The disruption leads to a general economic and transport crisis in the Balkans, followed by capital flight and refugee movements to the adjacent states. UN and NATO forces in the Balkans are attacked by franc-tireurs, and respond with force.

Russia closes its borders to the West, expels Ukrainians and EU citizens, and nationalizes Western investments. Instead of Europeans, Russia employs Asians who work and live as rather segregated groups, comparable to the work regime in the Gulf states, with wages much lower than the

indigenous population. Asian women are particularly at the mercy of their employers. A Dubai style dual economy emerges, with Russians at the top and low-paid Asian workers at the bottom.

Due to scarce energy supplies, the EU suffers from an economic downturn, causing disruptions, high unemployment and in turn xenophobia. Populists in European countries argue for a preference of the national workforce and the removal of non-nationals, particularly from outside the EU. They also demand the reintroduction of national currencies, leading to a crisis of confidence in the Euro.

### **(III) A World-Wide Food and Energy Crisis and Its Effects**

World-wide energy problems would result in bio fuel demand. Consequently, energy and food prices would soar, and become unaffordable for the majority of people in poor countries. Low-income groups in countries such as Moldova where the large majority of the population lives from less than 4 \$ a day, and half of the population from less than 2 \$ would suffer particularly. Most people in the Balkan countries and Ukraine would be affected, too. Since Russia and the EU, due to their mounting demographic crisis and the need to care for the elderly, recruit able-bodied workers of all kinds as well as specialists in medicine, industry and education, only the elderly, children and a few less mobile people, particularly care-givers, would stay. Due to rising prices and informal work conditions, migrants' living conditions would become more and more strained, and they would be less and less able to send remittances to their home countries. Thus extreme poverty would be on the rise in the poor emigration countries which again would intensify out-migration pressures for all who are able to move, even if they can only hope to live on the margins in the rich countries, often in an illegal status. Like in some African countries, the medical infrastructure would break down, industrial plants would be closed down, and life would become unsafe. At the same time, farm entrepreneurs would buy up land to produce crops for bio fuel, to feed the cars in the developed countries. Hunger and malnourishment would provoke misery and migration to richer countries, social deprivation, beggars, a breakdown of social coherence, and high levels of transnational crime, disease and epidemics.

Climate change is not a direct threat to the countries we discuss here. Even when Balkan countries may be negatively affected by global warming, Russia and Ukraine would rather profit. However, if catastrophes in other continents and the rising demand for more sophisticated food (beef instead of rice) change the food market, poor people in poor countries would be affected, even in Europe.

### **(IV) Russia after the Oil and Gas Boom**

Russia will clearly be the winner with soaring energy prices in the next thirty years. However, there is a time after the boom. If Russia will not be able to invest wisely and use the windfall profits, to restructure and modernize its economy, stabilize its society, and bring down the death rates of the male population, there will be a breakdown after the oil boom. That would result in a situation like that described above for the smaller countries, with out-migration of the fittest and a collapse of the infrastructure in large parts of the country. Since Russia is a huge country, and borders populous China, the international repercussions would be immense. Helmut Schmidt's dictum of the 1980s about the Soviet Union as "Upper Volta with Atomic Missiles" would become true in a new vain. Since the atomic weapons will still exist, the world would become a more dangerous place. Russians would flee their country, and Chinese would move in and stabilize the regions of the Far East.

## **(V) The Pan-European Demographic Crisis and Immigration from Outside**

As established above, greater Europe has a demographic problem which in the next years can lead to inner-European migration and an end to unemployment. After 2020, however, large immigration from outside will be inevitable. The Eastern European countries and particularly Russia will have to decide where to turn for workers. The first option, of course, is for Central Asia, id est the population of the former Soviet republics where Russian is still spoken, Russian influence is important, Russians have been dominant in the past, and Islam is the traditional religion. Indeed, many workers from the central Asia republics work in Russia, as well as people from Transcaucasian countries. However, “Caucasophobia” and Islamophobia are widespread, and there is a cultural bias against people from Muslim countries. The Russian government has also enacted discriminatory laws against traders from outside, directed against Transcaucasians. Immigrants have been defined as a threat for the security, culture and territorial integrity of Russia by high officials (Voronina 2006, 77).

The next alternative is Chinese immigration. Despite the present positive climate between the two countries, this is a delicate theme, too. Large parts of the Far East were taken away from China in the 19<sup>th</sup> century, and this historical legacy is known on both sides. In addition, the sheer size of the Chinese population as a potential danger is a factor in the minds of Russian decision-makers.

Thus other Asian immigrant groups are likely to be preferred by the Russian government. In numbers, India has the largest capacity for emigration, since it will be the most populous country of the world in a few years, and continues to have high birth rates, in contrast to China.

Another alternative is the immigration of Vietnamese and other South East Asian groups. Vietnam “exported workers” (so the official terminology between the Communist governments) to most member states of the former East Bloc, among them Czechoslovakia, Poland, East Germany and the former Soviet Union. Thus we find Vietnamese migrant communities in all these states, with enterprising people, many of them achieving high educational degrees and at the same time keeping their cultural legacy. Since Vietnam is a country with the population of Germany, with high birth rates and a dynamically growing economy, it is likely that a transnational Vietnamese network will emerge in Eastern Europe, possibly also finding links to the Vietnamese émigrés in France and other West European countries. Given the context of high population growth in Asia and the shrinking population in greater Europe, this may be a model of future developments, with new migrations fostering transnational links over the whole continent, including Co-Development links with Asia.

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