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Understanding Migration as a Driver of Poverty Reduction
in Europe and Central Asia

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Abstract

This paper reports on the findings of a survey conducted by the Sussex Centre for Migration Research on migration and poverty in three regions of Eastern Europe and Central Asia in 2006. The research included a review of available literature, and field-level discussions with policy-makers in four countries/territories (Moldova, Tajikistan, Kosovo and Georgia). For each of the three regions (Western Balkans, the 'European Neighbourhood' and Central Asia), the paper explores the context of poverty and development and general migration trends, before focusing on policies orientated towards migration management, and the broader impact of migration on poverty. It concludes with a number of policy recommendations. Four further working papers complement this paper, each on one of the case study countries mentioned above.

1. Background

Migration is a matter of emerging importance for poor countries worldwide, with international debate stepping up on the linkages between migration, development and poverty. Recently, the Global Commission on International Migration (GCIM) highlighted the role that migrants play in promoting development and poverty reduction in countries of origin, arguing that international migration should become 'an integral part of national, regional and global strategies for economic growth' (GCIM 2005: 79). Just a few months prior to the publication of the GCIM report, the RSA Migration Commission in the UK argued that international migration represents a 'mutually beneficial opportunity for both developed and developing countries to restructure the world economy in favour of the world's poor' (RSA 2005: 16). These are arguments that are being taken forward not only by DFID, in the context of its policy paper on 'Moving Out of Poverty - Making Migration Work Better for Poor People', but also at an international level within the UN's 'Global Migration Forum', following the High Level Dialogue on International Migration and Development which took place in September 2006.

Within this context, a good deal of attention has been paid to migration-development linkages in Latin America, South and East Asia, and Africa, but relatively little to date in Europe and Central Asia.¹ This is in spite of the fact that eight of the top twenty countries of emigration in the world are found in this region -- with Bosnia & Herzegovina, Albania, Kazakhstan, Georgia, Belarus, Armenia, Moldova and Serbia & Montenegro all having more than one sixth of their population living outside their country of birth in 2001 -- whereas just one (Eritrea)

¹ A major exception – published at the same time as this report was completed, is a recent World Bank report edited by Mansoor and Quillin (2006). Where feasible, the findings of this study, which included cross-national regression analysis and new surveys of returning migrants in six countries – Bosnia & Herzegovina, Bulgaria, Georgia, Kyrgyz Republic, Romania and Tajikistan – are included in this report.

is in sub-Saharan Africa.² At the same time, this level of migration is perhaps of even greater potential significance to poverty reduction, given that the ECA region is the only one of the world's regions in which the incidence of poverty *increased* on aggregate during the first decade of monitoring of progress towards the Millennium Development Goals (Lipton and Waddington 2004: 152).

1.1 Migration and Poverty in Europe and Central Asia

There are a number of ways in which migration may have significant links with poverty reduction and economic growth in the ECA region. Most obviously, the growing levels of poverty faced by the region, as well as associated armed conflicts, may have helped to produce significant migration flows in a number of countries. Certainly conflicts in Armenia, Azerbaijan, Tajikistan and the former Yugoslavia all produced flows of refugees and displaced persons numbering in the hundreds of thousands during the 1990s, and many of these displaced people remain without a 'durable solution' (UNHCR 2006). However, very substantial movements of people from some countries also hold out the hope of a route out of poverty for some. Thus Albania, Moldova and Bosnia & Herzegovina all sit within the top 10 countries for remittances as a proportion of GDP and of imports, according to the World Bank, with a significant proportion of these remittances believed to go directly to poor people, who spend them in the local economy (RSA 2005).

Migration flows in the region are bipolar – with flows from the west of the region mostly towards Western Europe, and flows from former CIS countries mostly to Russia and elsewhere, based on longstanding flows within the former Soviet Union (Mansoor and Quillin 2006). These flows are also large by international standards. For example, there are currently estimated to be some three to four million foreign workers in Russia, with Russia standing after the US and Germany as the world's third largest destination for international migrants (Bransten 2005), even if such figures need to be viewed with caution given definitional problems in how to deal with those who moved to Russia from other parts of the region before the break-up of the former Soviet Union. In Tajikistan, labour migration, mainly to Russia, is believed to involve around 600,000 Tajik citizens, affecting one in four households in the country according to IOM (Amnesty International 2003).

This report seeks to provide a background to these flows, as well as to the policy context within which they take place. Unlike the recent and comprehensive overview of migration issues across the whole ECA region conducted by Mansoor and Quillin (2006), our scope is more limited: we focus first on regional issues in the Western Balkans, the 'European Neighbourhood' area (especially Moldova, Ukraine and the Southern Caucasus) and Central Asia, before analysing case studies of Kosovo, Moldova and Tajikistan and Georgia.

² Figures calculated from the Global Migrant Origin Database, at www.migrationdrc.org

These regions and countries are chosen to represent a range of countries in transition, from both within and outside the CIS. They are also all countries that have experienced both significant levels of poverty, and large-scale emigration in the last decade. The report is based on a review of available literature both in English and in Albanian (Kosovo), Moldovan, and Russian (Tajikistan and Georgia), as well as interviews conducted with key stakeholders during one-week visits to each country in September–October 2006.

2. Regional Perspectives on Development and Poverty

2.1 Poverty and Development in the Western Balkans

The Western Balkans is a very diverse region. There are however, three main events and processes that have impacted its development course and prospects and have had serious implications for migration in and out of the region. Although they have had different impact on particular countries, the region's prosperity has been ultimately marked by the fall of communism and centralised economies, the disintegration of Yugoslavia and the consequent conflict, and subsequently EU enlargement and the prospect of accession -- albeit distant in some countries (Boano et al. 2003; ESI 2004).

By far the most prominent cause of the long transition in the Western Balkans has been the impact of wars in the region (Batt 2004). The disintegration process that started in the beginning of 1990s and led to the creation of new states highlighted the economic backwardness of the region, with the new states being capital-constrained and not infrastructurally linked, having an over supply of labour that led to a mismatch of skills and low economic potential for migration (Shatri et al. 2005). Wars disrupted economic ties between countries and subsequent trade embargos isolated the region economically, creating a very uncertain business climate (DFID 2004). The professional elite emigrated in high numbers, and millions of people were displaced or entered other countries claiming asylum, leading to the imposition of visa regimes on the region by Western countries (Batt 2004).

The situation today shows clear signs of economic stabilisation and recovery, with governments in the region being committed to European economic and political integration (Calic 2005). Annual GDP growth rates are satisfactory, ranging between 4-6 per cent (Maddock 2005). However, growth has not been associated with a reduction in unemployment rates. Rather, long-term unemployment, a low representation of youth in the labour market, unemployment of Roma and other marginalized groups, and an increase in the 'working poor' – elderly workers who become jobless, seasonal workers employed in the informal economy, the employed with low irregular wages – are highly salient in the Western Balkans countries (Boeri, Qorraj and Raskovic 2005; La Cava, Lytle and Kolev 2004). Furthermore, the flexibility of the labour market is insufficient, with different

countries adopting different labour policies, and mobility and flexibility of the workforce being by far the most problematic in Bosnia (Dabalén et al. 2005). As a result, there has been a growth in self-employment in small businesses, farms and employment in the informal sector, which in turn questions the reliability of the unemployment data (Hoti 2005).

Potential investments in the region are hampered by a poor business environment as a result of unresolved structural issues such as the status issues in Kosovo and Republika Srpska, lack of institutional capacity and poor regional cooperation (Calic, 2005; European Commission 2004c). In particular, massive international aid has arguably created an institutional aid-dependency and an illusion of prosperity, by distorting spending patterns and creating financial distress at all levels of government -- this is especially evident in the case of Bosnia and Kosovo. With the decline in international aid and the shift of aid to loans, the Western Balkans are faced with serious challenges, especially when considering the lack of a social protection system for the poor and most vulnerable (Calic 2005; ESI 2004).

It should be mentioned that there is a considerable difference between poverty profiles of specific countries (Matkovic 2005). However, poverty in the region is significantly concentrated in a distinct area, encompassing Kosovo and its surroundings in north and northern eastern Albania, southern Serbia and northern Macedonia (DFID 2004). All countries present regional differences, with these being more distinct in the case of Albania. The poorest regions have ageing populations because of the selective nature of mass-migration from these areas, lack infrastructure, and in some cases suffer from harsh climates (Matkovic 2005). Rural areas are more vulnerable to poverty, due to the dire state of the agricultural sector. For example, in Serbia, 18 per cent of the rural population is poor, compared to 9 per cent of the urban population (Pagliani and Vrbensky 2006), although extreme and chronic poverty is more severe in the urban areas (DFID 2004).

The groups in the region most vulnerable to poverty are refugees, IDPs, Roma, youth, and women. These groups are underrepresented in the labour markets, being engaged mainly in the informal sector. Thus, gender, age and ethnicity shape poverty, conditioning access to employment, social and public services and property rights (DFID 2004). By 2005, according to the Human Development Index (HDI), women's incomes across the Western Balkans ranged from 46 to 56 per cent of men's, even though women's rates of economic activity ranged from 43 per cent in Bosnia & Herzegovina to over 60 per cent in Albania (Table 1). As there is a direct relationship between unemployment and poverty, the conditions of Roma are particularly severe. Although data on Roma are scarce, in 2004 the number of Roma in the Western Balkans was estimated to be between 293,000 and 956,000, with Serbia being the country with the largest Roma population in the region (Belfrage and Theodossiadis 2006). A study conducted by UNDP in 2005(a) showed that Roma are particularly exposed to discrimination in the labour market, facing long-term unemployment, which makes them

also ineligible for employment benefits (Table 2). As a result, the Roma population are usually poorer than the average non-Roma population in their region (Scepanovic 2005).

Table 1. Selected HDI Indicators – Western Balkans

Countries	HDI value		Urban population (%)		Adult literacy rates (%)	Gini index	GDP per capita (US\$) 2003	ODA per capita (US\$m) 2003	Ratio of female to male income	Females economic activity rate (%)
	2003	2004	1975	2003						
Albania	0.78	0.79	32.7	43.8	99.04	28.2	1,933	108.0	0.56	60.2
BiH	0.79	0.78	31.3	44.4	99.6	26.2	1,684	130.1	0.46	43.1
FYROM	0.79	0.79	50.6	59.6	98.7	28.2	2,277	114.0	0.56	50.1

Notes: * Serbia and Montenegro is not included in HDI.

Source: UNDP (2006) Human Development Indicators.

Table 2. Selected Roma Statistics Compared to the Neighbouring Non-Roma Population

Country	Poverty (%)		Unemployment rate overall (%)		Unemployment rate for 15-24 year olds (%)		School enrolment rates 7-15 year olds (%)		Illiteracy rate overall (%)		Illiteracy rate 15-24 year olds (%)	
	R	NR	R	NR	R	NR	R	NR	R	NR	R	NR
Albania	72	15	36	19	53	45	48	98	32	2	35	0
BiH	29	4	49	26	67	46	50	98	28	0	24	2
FYROM	52	14	61	46	79	78	77	99	16	1	10	0
Serbia	61	10	40	21	68	36	73	92	13	2	10	3
Montenegro	40	6	56	25	67	53	39	85	42	1	27	1
Kosovo	79	42	83	74	89	74	62	97	34	8	35	2

Notes: R=Roma; NR=Non-Roma

Source: UNDP 2005a

Measured against global standards, poverty in the Western Balkans is not severe (ESI 2004). Yet, although extreme poverty has been reduced, absolute poverty is still relatively high and a large share of the population remains vulnerable, living just above the poverty line in some countries (Table 3). Furthermore, a general pattern over the transition period has been a growing inequality, with countries reporting satisfactory levels of growth since the mid 1990s, but alongside growing poverty (Spoor 2003). Even in the beginning of the new century, despite satisfactory growth and increased GDP per capita, none of the countries saw a significant decrease in poverty levels (Hurtic 2005; Matkovic 2005; Miscovic 2005; Scepanovic 2005). Indeed, the level of poverty increased further in the case of Kosovo (Shabani, 2005) and Macedonia (Tilev 2005).

Table 3: Poverty Incidence in Western Balkans

Country	Survey year	Absolute poverty (%)	Extreme poverty (%)
Albania	2002	25.0	4.7
Bosnia & Herzegovina	2001	19.5	-
Croatia	1998	8.4	-
Serbia*	2002	10.6	2.4
Montenegro	2002	9.4	-
Kosovo	2000	50.0	12.0

* excluding Kosovo

Source: Matkovic 2005.

2.2 Poverty and Development in the European Neighbourhood

The 'European Neighbourhood' is not so much a geographical region as a policy space, which takes its form from the EU's 'European Neighbourhood Policy' or ENP. Originally, the ENP was intended to apply to EU's immediate neighbours – Algeria, Belarus, Egypt, Israel, Jordan, Lebanon, Libya, Moldova, Morocco, the Palestinian Authority, Syria, Tunisia and Ukraine. In 2004, it was extended to include the countries of the Southern Caucasus with whom Bulgaria, Romania and Turkey as candidate countries share either a maritime or land border (i.e. Armenia, Azerbaijan and Georgia). In this report, we are concerned principally with Moldova and Ukraine (European Commission 2004a and b) on the one hand, and the Southern Caucasus on the other.

Like the Western Balkans, since 1989, European Neighbourhood countries have been affected by the fall of communism and the associated economic transition, regional and separatist conflicts that remain unresolved (particularly in Moldova and the South Caucasus), and varying efforts to democratise. However, unlike the Western Balkans, preparation for accession to the EU is not an issue for the region, and all countries are also affected by the Russian economy, having formerly been part of the Soviet Union. In this context, countries in the region have often had to perform a difficult balancing act between relations with Russia and relations with western countries.

As the poorest country in the region according to both HDI and GDP measures (Table 4), Moldova's economy relies heavily on agriculture, which accounts for almost 30 per cent of the country's GDP. The dismantling of the Soviet Union brought an end to the system of subsidies, the industrial sector declined abruptly and agriculture was affected due to its dependence on an energy-intensive irrigation system. After independence, per capita GDP dropped by more than 60 per cent, and poverty grew significantly, accompanied by an increase in inequality (World Bank 2006). For example, it was estimated that by 1999, around 80 per cent of its population lived below the poverty line (UNDP, 2005b: 231).

Table 4. Selected HDI Indicators – European Neighbourhood Countries

Countries	HDI value		Urban population (%)		Adult literacy rates (%) 2004	Gini index	GDP per capita (US\$) 2004	ODA per capita (US\$m) 2004	Ratio of female to male income	Females economic activity rate (%) 2004
	2003	2004	1975	2004						
Armenia	0.759	0.768	63.6	64.2	99.4	33.8	4,101	84.0	0.63	48.1
Azerbaijan	0.729	0.736	51.9	51.5	98.8	19.0	4,153	21.0	0.64	59.6
Belarus	0.786	0.794	50.6	71.8	99.6	29.7	6,970	4.7	0.64	52.5
Georgia	0.732	0.743	49.5	52.2	100.0	40.4	2,844	69.8	0.37	51.1
Moldova	0.671	0.694	36.2	46.5	98.4	33.2	1,729	28.0	0.63	56.6
Ukraine	0.766	0.774	58.4	67.6	99.4	28.1	6,394	7.7	0.53	49.9

Source: UNDP (2006) *Human Development Indicators*.

However, despite earlier problems of transition, economic growth in Moldova has more recently been quite strong, standing at 7.1 per cent per annum in 2005. According to EBRD (2006), the main impetus for this economic growth came from the ‘booming retail trade and construction sectors, as well as growing external demand for Moldovan agricultural produce.’ Industrial production, investments, exports of agricultural products and textiles and private consumption (fuelled by remittances) have all increased. Inflation decreased from a high of 487 per cent in 1994 to a low of 5.2 per cent in 2002, before rising again to 10.2 per cent in 2006 (EBRD 2006: 16). However, imports outpaced exports and the trade deficit exceeded US\$1 billion in 2005 (ibid.: 58). According to EBRD (2006), Moldova’s durable growth depends on implementing the agenda of the Economic Growth and Poverty Reduction Strategy and the EU-Moldova Action Plan (of ENP) and relies especially on ‘improvements in the competitiveness of Moldovan products and successful diversification of export markets’ (EBRD 2006: 58).

Ukraine too suffered from hyperinflation in the period after the transition from communism, although this eased from 891 per cent per annum in 1994 to 10.6 per cent in 1998, falling to a low of 0.8 per cent in 2002 before rising again to 13.5 per cent in 2005 and 11.3 per cent in 2006 (ibid.: 16). Real GDP growth was 12.1 per cent in 2004 and decreased to 2.6 per cent in 2005, due to decline in exports (mainly of metal) and investments. On the demand side, growth was supported by an increase in domestic consumption, stimulated by wage and pension increases (ibid.: 77). The EBRD estimates that ‘the sharp increase in natural gas import prices in early 2006, coupled with double-digit annual inflation, a fall in investment and a deceleration in external demand for Ukraine’s metals, is likely to further constrain GDP growth in the short term’ (ibid.: 77).

According to a 2003 World Bank assessment, about 9 million people lived in poverty in Ukraine -- in other words with levels of consumption that did not cover a food basket of 2,500 calories per day. However,

compared to other transition countries using comparable welfare measures and poverty lines, Ukraine has one of the lowest poverty rates in the region, notably compared to Moldova where the poverty head count rose as high as 93 per cent in 1998-99 (Murrugarra 2005: 5). According to Murrugarra (2005: 14), a number of factors contribute to poverty, including location (poverty is greater in rural areas) and economic region; the number of working age adults and children in large families; the number of pensioners; and levels of education.

2.3 Poverty and Development in Central Asia

Like the other two regions covered by this report, Central Asia experienced economic upheaval in the aftermath of the fall of the Soviet Union, followed by a steady economic and socio-political stabilisation in the period 2000-05. Like the European Neighbourhood, it has been relatively unaffected by issues relating to EU accession; like the Western Balkans, the region has also been significantly affected by violent conflict, with major impacts on migration, poverty and development in the region. However, the number of incidents of inter-state as well as intra-state violence declined across all five countries in Central Asia, and in general ethno-political factors (such as repatriation and forced migration) are no longer the major determinants of the migration flows in the region today, with economic factors instead coming to the fore. Thus for the first time since independence and the beginning of market liberalisation and economic reforms, all five CA countries have recently experienced an increase in GDP (Table 5).

Table 5. Selected HDI Indicators – Central Asia

Countries	HDI value		Urban population (%)		Adult literacy rates (%)	Gini index	GDP per capita (US\$) 2003	ODA per capita (US\$m) 2003	Ratio of female to male income	Females economic activity rate (%)
	2003	2004	1975	2003						
Kazakhstan	0.761	0.774	52.2	55.9	99.5	32.3	6,671	18.0	0.64	61.2
Kyrgyzstan	0.702	0.705	37.9	34.0	98.7	34.8	1,751	39.1	0.65	61.4
Tajikistan	0.652	0.652	35.5	24.8	99.5	32.6	1,106	22.9	0.62	58.9
Turkmenistan	0.738	0.724	47.8	45.4	98.8	40.8	5,938	5.6	0.63	62.7
Uzbekistan	0.694	0.696	39.1	36.7	99.3	26.8	1,774	7.6	0.66	63.0

Source: UNDP (2005b, 2006)

However, despite an overall trend towards economic stabilisation, the actual level of economic development varies considerably across the region (Table 6). The transition to a market economy resulted in deep economic depression in some countries (Kyrgyzstan, Tajikistan), and in relative prosperity and moderate economic growth in others (Kazakhstan and Uzbekistan). This disparity between economic decline in one region and relative economic stability and growth in the others, explains in part why and where people migrate.

For example, within the CIS region as a whole, it is the Russian and Kazakh economies that have experienced the strongest growth in the last five years as a result of large scale foreign investment into the oil and gas industry. At the other end of the spectrum is Tajikistan, where post-conflict reconstruction has not delivered the expected revival of the economy. Although GDP has shown an incremental increase in the past three years, the Tajik economy is still stagnant, with over 60 per cent of the population living below the poverty line, and part of the population still dependent on international food aid (ICG 2004). Kyrgyzstan is also poor, although the privatization programme has brought about a steady growth of private business, and land reform was quite successful, resulting in improved living standards amongst farm households (Macours and Swinnen 2006: 16).

Meanwhile, all five countries of the region continue to be rated extremely poorly in terms of political corruption, with Transparency International (2005) rating Kazakhstan 110th, and Turkmenistan 157th in the world for corruption. Between 2004 and 2005, whilst Kazakhstan, Kyrgyzstan and Tajikistan slightly improved their ratings, the situation in Uzbekistan and Turkmenistan worsened. This relates in part to significant political changes in 2005, from the political turmoil of the 'lemon' revolution in Kyrgyzstan, to the extension of internal political repression in Uzbekistan. The latter in particular -- brought to the attention of the outside world by the events in Andijan in May -- once again problematised the notion of political stability in the region, and re-focused international attention on the issue of human rights in the regional political context.

Table 6: Differences in Standards of Living in the CIS

Country	Average monthly salaries and wages converted in Russian roubles (2004)*	Average monthly pension converted into Russian roubles (2004)*	Percentage of population living on less than 2 \$US per day
Russia	6,740	2,026	8
Kazakhstan	5,998	1,537	25
Turkmenistan	44
Kyrgyzstan	1,514	399	25
Uzbekistan	72
Tajikistan	600	155	43

Sources: IMF. *World Economic Outlook Database*. April 2006; UN. *Population Reference Bureau. World Population Data Sheet*.
 Note: * Tajikistan figures are for 2005

3. Migration: General Trends

Little information is available of a truly comparative nature on general migration trends across Eastern Europe and Central Asia. In some cases, national-level statistics are reasonable -- for example, the National Statistical Bureau of Moldova regularly monitors migration through its Labour Force Survey, whilst Albania and

Tajikistan have comprehensive migration modules in their Living Standards Measurement Surveys (LSMS) for 2003. However, in other countries, LSMS data on migration is older or less comprehensive, or an LSMS is unavailable. In turn, there is currently no single institution responsible for digesting and disseminating statistics that are available across the region. With this in mind, the review below, and of individual case studies, is based primarily on secondary sources, including a number of bespoke sample surveys of migration.

3.1 Migration in the Western Balkans

The migratory profile of the Western Balkans is quite diverse, with each country presenting quite different trends. Currently the region is both a source and transit area, for both regular and irregular movements, and it is unlikely that either internal or external migration will significantly decrease in the near future (IOM 2006). The main migratory flows from and within the region include: largely irregular migration to the EU, large movements of refugees and IDPs; the emigration of highly-skilled people as a result of harsh economic transition, conflicts and political instability; and significant rural-urban internal migration (DCAF 2005). The motives for migration have also been quite diverse, falling mainly into three categories: ethnic tension after the break-up of Yugoslavia, economic factors following the collapse of centralized economies throughout the 1990s, and political factors such as 'ethnic cleansing' in Bosnia and Kosova (Baldwin-Edwards 2004).

3.1.1 Internal and Regional Migration

Typically for post-communist societies, the population mobility in the Western Balkans is quite low. Survey data suggest that a considerable number of people have not only never travelled to any foreign country, including neighbouring countries, but have not even travelled to the capital of their own country (Mungiu-Pippidi 2005). The movement of people under communist regimes was highly restricted, most notably in the case of Albania, where every relocation needed to be authorised through a special decree. However, the 1974 Constitution of the former Yugoslavia allowed for considerable freedom of movement, especially when compared to the other communist countries, although certain constraints and other financial, cultural and attitudinal impediments remained (Hoti 2005). Moreover, starting in the early 1990s with the fall of communism and decentralisation of the economic and political system, internal migration has been on the rise (Yugoslav Survey 2004; Zezza, Carletto and Davis 2005).

The main trend has been rural-urban migration, with people gravitating towards the capital or more economically developed regions. Returning to rural areas and agriculture has been far less significant because of the dire state of, and low economic incentives to pursue agriculture (ESI 2004). It is interesting also to note the relationship between external and internal migration. In the case of Albania, external migration has significantly increased internal migration by providing the financial means for family members to migrate to a

more developed region (King and Vullnetari 2003). The converse trend – internal migration fuelling international migration, especially by providing women, children and the elderly who were left behind with necessary social networks to migrate – has been another pattern identified in Albania (Zezza, Carletto and Davis 2005). Accounts from Bosnia show that returning migrants have mostly left agriculture and manufacturing and have moved to hotels, restaurants and the public sector in urban areas (Shatri et al., 2005).

Consequently, internal migration has caused a significant change in the constitution of rural and urban populations, with depopulation of the countryside becoming a distinct phenomenon in many parts of the Balkans and CIS (Slay 2006). Thus from 1975 to 2003, the percentage of the population living in urban areas changed from 32.7 to 43.8 per cent in Albania, 31.3 to 44.4 per cent in Bosnia & Herzegovina and 50.6 to 59.6 per cent in FYR Macedonia (UNDP 2006). By 2004, the urban population in Albania had reached 46 per cent, with Hiscock (2004) citing the case of Keneta, an uninhabited area outside Tirana during the communist period in Albania, which now has 35,000 inhabitants who moved there during the 1990s from the north, north eastern, and central parts of the country. Internal migration from rural to urban areas has also contributed to a relocation of poverty, with new urban citizens being poorer than the older residents (Zezza, Carletto and Davis 2005).

A particular population group of interest is that of the Roma and other minorities (Mungiu-Pippid, 2005), for whom the evidence on migratory trends is mixed. Despite being known as migrants, and constituting a major part of internal migration and seasonal migration abroad in Albania (De Soto and Gedeshi, 2002), Roma populations elsewhere in the region have been sedentary for at least a century. As a result, the most significant Roma movements in the region as a whole are the forced displacements that have occurred during periods of war (Belfrage and Theodossiadis 2006).

In turn, intra-regional migration also mostly consists mainly of movements of people between Croatia, Bosnia & Herzegovina and Serbia & Montenegro following the conflict (Yugoslav Survey 2004). Finding a durable solution for the nearly one million IDPs and refugees in the region, more than half of whom are concentrated in Serbia and Montenegro, is a major issue (IOM 2006). Hampered by lack of regional cooperation, the failure to find solutions for refugees and IDPs has worsened the situation of an overburdened social delivery system, and represents a potentially destabilising factor for the region (Grecic 2003; Black and Gent 2006). Moreover, with unemployment a continuing problem, the return of IDPs and refugees has sometimes been transitional, being followed by internal migration and further attempts to move abroad (Boano et al. 2003).

Formal labour migration within the region is almost non-existent, hampered by the rigidity of labour markets, low wage work, and the absence of a functioning housing market that might facilitate the movement of people

(Shatri et al. 2005). An effective management of regional labour migration has recently been prioritised, as it would facilitate occupational mobility, maintain the current workforce level and add to the human capital stock (IOM 2006).

3.1.2 International Migration

Estimates of the scale of international migration in the Western Balkans to beyond the region are somewhat inconsistent. The number of those that have emigrated permanently is estimated to be between 2.5 to 5 million people (OECD 2003; Shatri et al. 2005). The percentages are especially high in the case of Albania (15 to 20 per cent) and Bosnia & Herzegovina, with 25 per cent of its population having emigrated and another 25 per cent having been displaced (OECD 2003). By 2004, the Albanian Government reported that the number of Albanian emigrants abroad had reached one million, which suggests that a quarter of the population had left the country. The EU is the main external destination for migrants from the region, although lower numbers also go to the US, New Zealand and Australia. The main destinations for Albanian emigrants as reported by the Albanian Government are Greece, Italy and the UK (MCSSB 2005). Germany, and to a smaller extent Austria, constitute the main destination for emigrants from the former Yugoslavia (OECD 2003; Shatri et al. 2005).

The desire to migrate is highest in Kosovo and Macedonia, where 30 per cent and 19 per cent of the population respectively state that they wish to move in search of economic opportunities, although reliable data based on public opinion surveys are missing, as Eurobarometers do not include Western Balkans, focusing on candidate countries only (Mungiu-Pippidi 2005).

Emigration from the region is dominated by men aged 18-45 from both rural and urban areas, generating both a 'demographic gap' (Civici 2005; IMF 2004) and a 'gender gap'. Most potential emigrants are unemployed or employed in the informal economy. However, the situation in Kosovo shows somewhat different patterns. Unemployment rates are higher in rural areas, which are consequently more prone to migration. Yet although male, married people and the better educated are less likely to be unemployed, they still have a higher tendency to emigrate than their counterparts (Hoti 2005).

In particular, the war in Yugoslavia and political instability in Albania have caused a tremendous flow of highly-skilled people from the region since the 1990s, and although the flow appears to have decreased since 2000, it still persists (Gedeshi et al. 1999; Weeks 2003). A review of youth surveys conducted by the UNDP in the countries of the region in 2002-03 showed that the tendency of the youth to emigrate remains high, at 62 per cent in Bosnia, 85 per cent in Macedonia, and 54 per cent in Serbia, although there is a high tendency among the educated youth to emigrate temporarily for professional advancement or temporary employment (La Cava, Lytle and Kolev 2004; Mungiu-Pippidi 2005).

3.1.3 Trafficking and Smuggling

Opportunities for legal migration by the unskilled are generally limited to a small number of programmes of seasonal temporary migration and family reunification provisions, which count for a relatively small share of migration in the region (Groenendijk and Guild 2003). Consequently, in the absence of legal means of emigrating, the two main forms of external migration from the Western Balkans are through smuggling and human trafficking. Reliable statistics on irregular migration from South Eastern Europe are missing; however, emigration through irregular means from the Balkans over the 1990s appears to have been one of the most intensive in Europe (IOM 2006). A general estimation can be derived from a review of Morrison and Crosland (2001), who show that FR Yugoslavia was the top ranked sending country for illegal immigrants entering UK, Germany and Hungary through smuggling and trafficking during 1998.

Smuggling and trafficking itineraries in the CEE region include two major patterns: migrants from Moldova, Romania and Ukraine use northern routes through Romania, Serbia, Bosnia-Herzegovina and/or Croatia; whilst a second major route passes through Kosovo, Albania, Macedonia and Montenegro towards Italy and other Western countries (Corrin 2005). Many smuggling networks originate from within the Western Balkans -- especially Albania, and Serbia & Montenegro (IOM 2006).

In terms of regional trafficking, a traditional classification of CEE countries developed by the IOM lists Moldova and Romania as states of origin, Serbia and Albania as transit countries, and Bosnia and Kosovo as destination countries. However, this classification has recently become blurred, as all countries in the region display features of origin, transit and destination (Lindstrom 2004). For example, Serbia is typically considered as a central transit point for the trafficking of women into Bosnia & Herzegovina, Kosovo, FYR Macedonia and Western Europe from Moldova, Ukraine, Romania, Russia and Bulgaria. However, Serbia is also country of origin for a considerable number of women trafficked into Kosovo, Montenegro and Albania, although Serbian women and girls are mostly trafficked to Italy and Greece (Limanowska 2002).

Another feature reported by the Wennerholm and Zillen (2003) is the rise in internal trafficking, which has been mostly ignored. The Centre for Protection of Women and Children in Pristina reported that by 2003, the number of victims of regional and internal trafficking was rising. Trafficking in children is also an underestimated feature, although trafficking of children mainly from the Roma population for begging and drug dealing is quite distinct in the case of Albania and Serbia (Aleksic 2002; Corrin 2005).

Trafficking in women from and across the region is said to have risen significantly since the beginning of the 1990s. A report from the European Commission has estimated the number of women and children being

trafficked into Western Europe to be up to 120,000 each year (European Commission 2001), whilst figures reported by the IOM (2001) suggest that the number of women trafficked through the Balkans exceeds 400,000, with 170,000 women trafficked annually into the Balkans. However, all of these figures need to be treated with great caution, as there is no reliable or accurate way of measuring such flows. There is also sometimes a tendency to elide trafficking and smuggling, even though these should be treated as distinct phenomena.

In considering why trafficking grew in the region in the 1990s, several factors need to be highlighted. The worsening of the economic situation following the break-up of the centralised economic system has particularly reinforced feminised poverty. As a result, women are potentially vulnerable to exploitation by traffickers. One study for UNICEF, UNHCHR and OSCE suggests that 90 per cent of foreign migrant sex workers in the Balkans are victims of trafficking, but only 35 per cent are recognised as such (Limanowska 2002). Trafficking is also arguably a consequence of the tightening of EU borders and strict visa regimes, which provides an economic incentive for criminal networks to become involved in the phenomenon (European Commission 2001; Lindstrom 2004), as well as making ordinary migrants more vulnerable. In addition, conflict in former Yugoslavia and instability in Albania in 1997 are two other factors that have further impacted and shaped trafficking in and from the region. For example, the militarisation of the region, and the presence of international soldiers and bureaucrats has created demand for sexual services and other markets for traffickers. Moreover, conflict has created more permeable borders, which has facilitated the work of the trafficking networks (Wennerholm and Zillen 2003; Corrin 2005). Although lower levels of trafficking have been recently reported, IOM (2006) claims that trafficking has not diminished, but just become less visible the more state control has increased.

3.2 Migration Trends in the European Neighbourhood

Migration trends in the European Neighbourhood states covered by this report are also quite diverse, with migration orientated historically to other states of the former Soviet Union, but also growing migration from some countries to Western Europe. Detailed information about migration from Moldova and Georgia is provided in case study papers attached to this report. With this in mind, the sections below focus on Ukraine, as a major migrant-producing country, and the Southern Caucasus as a region.

3.2.1 Ukraine

Data and studies regarding internal migration within Ukraine are scarce. The 2001 Census shows just over 100,000 people aged 20-39 moved to the city of Kyiv between 1995 and 2001, out of a total of 1,821,956

inhabitants. Another region of in-migration is the Autonomous Republic of Crimea, where 54,982 people aged 20-39, moved in over the same period.³

Meanwhile, according to the 2001 Census, there are 17,824,760 migrants in Ukraine, or some 36 per cent of the population. In part, this migration reflects movement between former republics of the Soviet Union; however, an important post-independence migration trend is also the settlement of 'non-traditional' immigrants in Ukrainian cities. For example, in 2001, 5,439 foreigners had documents for residency in the capital, 40 per cent of whom were from Asian and African countries such as Syria, Lebanon, Vietnam, Afghanistan, Iran, Pakistan, Bangladesh, China and Nigeria. There were also 4,900 foreign students studying in Kyiv in 2000-01, almost half of whom were from China, and three quarters from Asian and African countries (Braichevska et al. 2004: 9)

Turning to emigration, the Ukraine government estimates that between 1991 and 2004 over 2.5 million people emigrated, nearly three-quarters to other post-Soviet states, and the remainder to the West. According to Ukrainian embassies, around one million Ukrainian labour migrants currently live in the Russian Federation, with a further 300,000 in Poland 200,000 each in Italy and the Czech Republic, 115,000 in Portugal, and 100,000 in Spain (Malynovska 2004: 14). However, this data needs to be treated cautiously, as there are few independent sources of information regarding actual labour migration from Ukraine. In addition, due to the historical relationships between Ukraine and other CIS countries it is difficult to differentiate between labour migration and other forms of mobility.

Meanwhile, a report in 2003 by the countries' Human Rights Ombudsman estimated that over 100,000 Ukrainian women became victims of trafficking in the 1990s. Of these, 85 per cent were required to work in prostitution, having believed they would be employed as waitresses, dancers or maids in hotels (Malynovska 2006). The US Department of State (2006) notes that trafficking from Ukraine is for both sexual exploitation and forced labour, with the main destinations being Turkey, Russia and Poland. According to the US Department of State (2006), the Government of Ukraine is non compliant with minimum standards or the elimination of trafficking, despite significant efforts to comply.

³ See

http://www.ukrcensus.gov.ua/eng/results/migration/m3/m_64/?box=6.4W&out_type=&id=00&rz=1_1&rz_b=2_1&k_t=01&id=&botton=cens_db2

3.2.2 Southern Caucasus

Migration and poverty intertwine in the South Caucasus countries of Armenia and Georgia in the form of both conflict-induced migration and labour migration. Broadly speaking, these have occurred respectively in the 1990s and since 2000, although clearly the impact of conflict-induced migration is still being felt.

Armed conflicts have plagued the region since the early 1990s, and largely remain unresolved, the key phases being Armenia's war with Azerbaijan over the territory of Nagorno Karabakh (1991-94); and two civil wars in Georgia over the breakaway regions of South Ossetia (1991-92) and Abkhazia (1992-94). The closed border between Armenia and Azerbaijan has constrained regional economic initiatives as well as intra-regional movements. In contrast, the porous borders of Abkhazia and South Ossetia foster corruption and smuggling and have cut off more formal trade routes. According to UNHCR, as of the end of 2005, the region is home to two of the world's largest populations of internally displaced persons (IDPs) in Azerbaijan (578,500) and Georgia (234,200) and the world's leading per capita host of refugees, Armenia. These populations have greatly strained already fragile social protection systems and economies. Since these conflicts have remained unresolved, displaced populations have remained in limbo in large part due to government policies. Recently, the Armenian and Georgian governments have adopted more proactive approaches to create longer-term solutions.

Since the late 1990s, however, pervasive and deep poverty has also motivated large-scale outflows of people in search of means to support themselves and their families, with the bulk of this migration going to Russia. Armenia's labour migration has been more pronounced at 13.9 per cent (Minasyan and Hancilova 2005), in part due to the limited opportunities to engage in subsistence farming. Although each economy has now begun to experience double digit growth, wages have grown more slowly and jobs even slower. Most experts believe labour migration continues at similar rates, although some in Armenia argue that the potential is exhausted.

In addition to these two processes, trafficking is a growing issue in the region. Armenia has been a significant source country for many years. Experts are concerned that Georgia, long a transit country for Armenia and Azerbaijan and others, is increasingly becoming a source country.

3.3 Migration Trends in Central Asia

3.3.1 Internal and Regional Migration

Migration in Central Asia has been dominated historically by flows within the former Soviet Union. Thus Russia, and to a lesser extent Kazakhstan, have become the main focal points for immigration from the CIS region as a whole, and from CA in particular, given their economic strength. In contrast, as a direct result of

the lack of post-conflict reconstruction in Tajikistan, the number of Tajik emigrants dramatically increased in the last five years: according to IOM estimates, more than 18 per cent of the Tajik adult population engage in some form of labour migration every year (IOM News, cited in Kireyev 2006: 7).

Within each of the CA countries, the main vector of intra-state migration follows the same principle: from economically depressed areas to 'oases' of economic growth. As a respondent to an ICG survey remarked:

... young people in southern Kyrgyzstan try to go to Bishkek to find work, young people from Bishkek try to go to Almaty, and those from Almaty try to go to Moscow to find work. Most probably those from Moscow want to go to New York! (ICG 2003: 31).

Within the CA region, Kazakhstan has become a major pole of attraction, reflecting the country's growing prosperity. For example, the level of salaries and pensions, at least in the formal sector, is becoming comparable to that of the Russian Federation, whilst a private sector is rapidly developing. The relative liberalism of Kazakhstan has also attracted migrants, with the number of seasonal workers making trips from Uzbekistan, Turkmenistan and Kyrgyzstan to Kazakhstan's tobacco and cotton plantations growing steadily from 1998-2000 (IOM 2002: 93). Nonetheless, it should be noted that Kazakhstan still has the largest negative migration balance in the region, even if the rate of population loss is now diminishing.

3.3.2 International Migration

Russia is the main recipient of migrants from the CA region, including from Kazakhstan. The share of migrants in Russia coming from Central Asia has been steadily increasing, due to a proportionate decline in immigration from 'traditional' sources. Thus during the Soviet era, immigration from the Slavic Republics (Ukraine and Belorussia) compensated for the labour shortages on the Russian market. However, Ukrainian and Byelorussians now tend to move towards the EU countries, thus creating job opportunities for migrants from other regions of CIS. At the same time, the native Russian labour force – which was already in short supply – is now migrating itself to Western Europe, Israel and the United States. Heleniak (2002) estimated that 1.1 million people left the former Soviet Union from 1989-2000: some 57 per cent to Germany, 26 per cent to Israel and 11 per cent to the United States. Meanwhile, ICMPD (2005: 189) estimates that 717,000 people left Russia from 1992-2002, vacating employment positions that have been filled by imported labour. In this situation, demand for labour from Central Asia is ever increasing; whereas a decade ago cadres from Central Asia would have been considered un-competitive due to their low level of Russian language and low

professional qualifications, now they are highly sought after and have even carved out certain niches in the Russian labour market (medical personnel, nurses, teachers, and construction workers).⁴

From 1989 to 1995, the bulk of flows from CA to Russia consisted of returning ethnic Russians, although after 1995, this repatriation decreased considerably. In Tajikistan and Turkmenistan, there were relatively few Russian residents prior to 1989, and Russian repatriation was practically exhausted by the late 1990s (GCIM 2005: 12). However, in Kazakhstan, Kyrgyzstan, and Uzbekistan, mass out-migration of Russians posed a serious problem for the socio-economic fabric of these states, since Russians constituted the majority of the national pool of intellectuals and of skilled labour. For example, by 2001, Uzbekistan and Kyrgyzstan had lost about a quarter of their Russian population, and Kazakhstan about 18 per cent (Heleniak 2002). Since the late 1990s, these countries have been actively implementing more inclusive cultural and language policies towards Russian nationals: such as endorsing Russian as an official language, encouraging bilingualism (Luong 2004), and making concessions in citizenship rules (Brill Ollcott 2002: 56). As a result, the bulk of population inflows into Russia now are not due to repatriation, but due to temporary labour migration, legal as well as illegal.

In the late 1990s, Russia went through a period of financial crisis (in 1998) and political destabilisation (in 1999, due to the resumption of the Chechen conflict) which resulted in a visible decline of migration to Russia. However, since then, the political and economic situation in Russia has stabilised, and although the inflow of immigrants from the CIS has continued to decline, Russia still remains the regional 'migration magnet' (Heleniak 2002). Official figures from the Russian Federal Migration Service show the number of contract workers from Central Asian states rising from 24,000 in 2004 to 49,000 in 2005 (Table 7). However, according to the Global Commission for International Migration (2005: 26), the net total of migrants in the CA region is much higher, accounting for nearly a third of all immigrants in Russia, and totalling between 1 and 1.5 million.

Table 7: Numbers of Migrant Contract Workers from Central Asian States Employed in Russia in 2004-2005

Country	2004	2005
Kazakhstan	4,250	4,118
Kyrgyzstan	7,988	16,228
Tajikistan	23,282	52,602
Turkmenistan	304	1,499
Uzbekistan	24,101	49,043

Source: Ivahnyuk (2005)

⁴ Personal interview, Dushanbe, 2006

Kazakhstan has generated the largest flow of emigrants of all countries of the former Soviet Union, losing almost 2 per cent of the total population to emigration from 1998 to 2000 (IOM 2002: 89) and some 12 per cent of its population from 1989 to 2000 (GCIM 2005: 11). About 90 per cent of emigrants from Kazakhstan move to Russia (IOM 2002: 89). However, Kazakhstan has also developed its own repatriation programme: from 1991 to 2001, 183,652 Kazakhs returned to Kazakhstan (IOM 2002: 16), although there are still an estimated 5 million Kazakhs residing outside Kazakhstan, mainly in China (up to one million), Mongolia, Uzbekistan, and Russia. The success of the repatriation programme has been limited partly by Kazakh policy; for example, Kazakhstan does not allow dual citizenship, and, according to IOM, only a small proportion of the returnees managed to renounce their previous citizenship and apply for a Kazakh passport (IOM 2002: 89). The Kazakh authorities have also still not implemented an effective system of measures for the repatriates' legal and social integration into society.⁵

Uzbekistan and Kyrgyzstan experienced political instability throughout the late 1990s and early 2000. A number of violent incidents strained Uzbek-Kyrgyz relations and affected migration flows in both countries. For example, in 1999 and 2000, fierce fighting between the Uzbek army and Uzbek rebel groups in southern Kyrgyzstan led to a substantial refugee flow from the region, and the repatriation of Russian and Slavic minorities. Closure of the border also disrupted flows of people and goods between Kyrgyzstan and Uzbekistan, whilst the placing of mines on the Uzbek side created some IDPs, as well as closing down traditional routes of internal labour exchange, pushing people in turn to look for jobs outside the region, mainly in Russia. Uzbek traditional routes of trading and seasonal migration were further hampered by the closure of the Tajik part of the Uzbek border in 2004 as a result of terrorist acts in Tashkent and a worsening of Tajik-Uzbek relations.

Partly as a result of these factors, and unlike the general trend across much of the CIS towards a decrease in emigration, Uzbekistan and Kyrgyzstan have actually experienced a considerable increase, with emigration from Kyrgyzstan having doubled between 1998 and 2000 (IOM 2002: 103). Further political destabilisation in the region, following from the Kyrgyz 'lemon' revolution and the Uzbek uprising in Andijan in 2005, created more IDPs and refugees and further stimulated migration in the region. There is relatively little literature on this migration at present, although a research project funded by Swiss Development Cooperation is beginning to yield some data on migration from Kyrgyzstan.⁶

⁵ See www.EurasiaNet.org

⁶ The project, based at the University of Zurich, has a website at <http://www.nccr-north-south.unibe.ch/Objectives.asp?contextID=258&refTitle=Sustaining%20translocal%20livelihoods&Context=Project&Topnav>

Meanwhile, in Tajikistan, both labour migration and forced migration have taken the form of a mass movement. Flows of refugees and IDPs relate to the Tajik civil war of 1992-97, although by 2003, 53,000 refugees out of a total of over 70,000 had returned to their homes according to UNHCR, with all remaining refugees losing their status after 30 June 2006.⁷ Tajikistan also continues to receive refugees from Afghanistan (IOM 2002: 133). In contrast, although data on Tajik labour migrants in CIS countries is very incomplete, and estimates of the number of Tajik migrants in the CIS vary dramatically from one internal ministry to another⁸, Tajik labour migration continues to be strong, with over 90 per cent of emigrants being involved in some form of temporary labour migration to Russia. In turn, remittances from Russia account for almost 100 per cent of total remittances to Tajikistan (GCIM 2005: 28). Tajikistan has also become a major channel of transit migration, predominantly from Afghanistan. IOM estimated that in 2000, over 20,000 irregular migrants transited through Tajikistan on the way to Russia and further to Western Europe (IOM 2002: 133).

Finally, Turkmenistan is in a specific position due to very tight entry and exit control. Since 1999 all CIS nationals required a visa to enter Turkmenistan. (IOM 2002: 141) For this reason, Turkmenistan is not a part of the common CA politico-economic space, and so does not fully participate in migration processes (GCIM, 2005: 26). Despite such isolation, Turkmenistan's migration flows still follow the trends highlighted for the rest of CA region – such as a prevalence of emigration over immigration, a steady decrease in emigration since the mid-1990s, and also the main vector of population movements being directed towards Russia.

The key reasons for emigration from and within CA include both 'push' and 'pull' factors. For example, in poorer countries, there are a number of 'push' factors, including:

- *Demographic factors.* All five CA countries have a relatively high birth-rate, which has increased the working age population;
- *Economic factors.* The period of transition and economic reforms resulted in economic depression across the region. Unemployment and underemployment increased dramatically, whilst the collapse of welfare programmes, including unemployment and other forms of social benefits, resulted in extreme impoverishment of the population;
- *Socio-economic factors.* Poverty and low living standards were exacerbated by a lack of prospects for personal advancement. For example, small business have faced extremely constraining, even prohibitive taxation regimes, whilst there have been land issues in cotton-growing areas that have encouraged those without land to migrate.

⁷ www.IRINnews.org, accessed July 2006

⁸ According to the Tajik Ministry of Labour, the figure is around 250,000, according to the State Migration Services - 500,000, whereas the highest estimation is given by UN Security Council of some 800,000 persons. (IOM 2002: 135)

In turn, factors that 'pull' immigrants to wealthier regions of CIS include higher living standards in recipient regions; higher average salaries, which in Russia and OECD countries were so much higher that a proportion could be sent home in the form of remittances; and high demand for external labour to fulfil certain employment niches. This includes, for example, the opportunity to engage in 'shuttle trading' -- migrating for a period of time to buy commodities which are then sold at home; work in tobacco and cotton plantations, especially in Kazakhstan, and employment in marketplaces and on construction sites across the region (Zayonchkovskaya 2004).

3.3.3 Irregular Migration, Trafficking and Smuggling

Amongst flows within and beyond the CA region, there is a significant proportion of irregular migration, reflecting the fact that once at the destination point, the bureaucratic system for registration and monitoring of immigrants is at best cumbersome and at worst non-existent, which means that the majority of migrants remain in the recipient country unregistered. For example, according to IOM estimates, out of half a million irregular emigrants arriving in Russia from 2000-03, only about 10 per cent had external passports – which means they are *potentially* able to register their status as labour migrants (IOM 2005: 52). In these circumstances, it seems likely that many migrants are vulnerable to trafficking or exploitation, although equally there are no reliable mechanisms to assess how many irregular labour migrants fall victim.

Although it is impossible to make reliable assessments of the extent of trafficking for sexual exploitation, the incomplete and approximate information available leads IOM (2005: 43) to conclude that 'trafficking for sexual exploitation has increased.' The most common destinations for trafficked CA women are said to be the sex industries in countries outside the CIS region, including Turkey, Greece, UAE, South Korea, China, Thailand, Israel, and Germany (ibid: 48). However, cases of trafficking for labour exploitation and slavery are also reported to take place within the region from poorer into wealthier countries: namely from Tajikistan, Kyrgyzstan and Uzbekistan into Russia and Kazakhstan. This includes work harvesting tobacco and cotton on plantations in Kazakhstan and work on construction sites in Russia, with forms of exploitation including physical abuse, withdrawal of legal documents, withdrawal of payments, and withdrawal of remittances (ibid.: 69-72).

4. Regional Policies on Migration

4.1 Policies Affecting Migration in the Western Balkans

4.1.1 Stabilisation and EU Association Agreements

Potential membership of the EU, and a whole set of measures imposed on the Western Balkans in order to attain this goal, are the biggest external incentive for reform and development in the region (DFID 2004). The primary policy of the EU towards the region is enshrined within the framework of Stabilisation and Association Process (SAP) initiated in Cologne and reaffirmed at the Sarajevo Summit in 1999. The SAP framework, as established in the documents of the Stability Pact, include three working tables: 'Democratisation and Human Rights'; 'Economic Reconstruction, Cooperation and Development'; and 'Security Issues' with two sub-tables: 'Security and Defence' and 'Justice and Home Affairs' (European Commission 2003). Therefore the SAP provides the framework for intensive technical support for improved governance, institutional reform, democratisation, protection of human rights, refugee return, economic development and the fight against corruption and organised crime (Calic 2005).

A major consequence of the SAP has been the conclusion of the Stabilisation Association Agreement (SAA), which serves as a tool to achieving criteria required in order to comply with democratic principles and EU single market rules upon accession. The state of negotiations regarding the conclusion of the SAA in the Western Balkans varies, with Croatia, Macedonia and Albania having concluded the SAA, whereas Serbia & Montenegro and Bosnia & Herzegovina have just initiated SAA negotiations, in October 2005 and January 2006 respectively (Kempe and Klotze 2006). Kosovo is the only 'country' in the region to fall outside these negotiations.

The assistance and support planned within the framework of SAP are associated with substantial financial support, making the EU the main donor in the region. The 'Community Assistance for Reconstruction, Development and Stabilisation' (CARDS) programme has been the cornerstone of the EU policy in the region, having been allocated 4,650 million Euro for the 2000-06 period. Funding under CARDS has been managed mainly through Country Strategy Papers, which consist of country programmes that address specific national issues. Although the emphasis is on equipment and infrastructure, country strategies tackle also institution building and technical assistance to ensure the coherence and effectiveness of border control (Hill 2004).

The EU, through SAP and CARDS, has played an important role in managing migration in the region. The Regional Return Initiative (RRI) under Working Table I and Migration and Asylum Initiative (MAI) under Working Table III are important parts of the Stability Pact. Under these provisions, the EU has developed and

implemented the 'Regional Initiative to Manage and Stabilise Population Movements in South Eastern Europe'. This initiative consists of a broad strategy that covers asylum, legal migration, illegal migration, border management, visa policy and entry policy, return and settlement of refugees and IDPs (Grecic 2003).

Another important regional initiative under SAP is the Stability Pact for South Eastern Europe's Task Force on Trafficking in Human Beings launched in September 2000 under the Working Table III on 'Security Issues', sub-table 'Justice and Home Affairs'. The priorities of this initiative include awareness raising, training and exchange programmes, victim protection programmes, return and reintegration assistance legislative reform and prevention. The Task Force is seen as a key strategy in coordinating anti-trafficking efforts and is given credit both for the coordination of the activity of major international organisations and regional initiatives operating in the region, and for pushing forward the formulation of National Plans of Action on migration and trafficking (Lindstrom 2004; Wennerholm and Zillen 2003). One of the most important contributions in this regard is the establishment of Migration, Asylum, Refugees Regional Initiative (MARRI) in 2004, as part of the Ohrid process. The initiative is managed by Western Balkans countries themselves and aims at enhancing regional cooperation on border management, visa and entry policy (ICG 2005).

Yet, when evaluating the EU assistance in the Western Balkans there are several issues that need consideration. The framework developed and implemented so far in the region lacks the key features and principles behind structural funds and cohesion policies that the EU has implemented in other disadvantaged regions in its own territory. Structural funds and cohesion policies are EU instruments to overcome disparities in regional development and achieve higher economic growth by increasing investments, while ensuring the co-financing of projects from national sources and thus empowering the national and local administration (ESI 2004). In contrast, SAP has had a heavy emphasis on combating illegal trade and migration, by focusing on border management. This is demonstrated by the high allocation of CARDS funding commitments towards the Justice and Home Affairs (JHA) sub-table, and high expenditures on border management, including €117 million in 2001-02 alone (Hill 2004; Phillips and Panteri 2004). The same observation can be drawn from the report of the European Commission (2001) on a European Strategy on Trafficking. Programmes towards countries of origin and transit are mainly focused on cooperation in the field of JHA, which provide financial and technical assistance to 13 countries in the ECA region. Other programmes that address the root causes of trafficking, such as gender inequality and social exclusion, apply only to EU Member States and candidate countries.

Another factor of concern is the gradual reduction in aid planned for the Western Balkans by the EU, and increase in aid directed towards new member states and candidate countries. The funding planned for the Balkan four decreased from €149m in 2001 to €106m in 2005, whereas the funding for the candidate countries

doubled over the same period. According to the EU budget for 2007-13, the Commission's assistance will be planned under the Instrument of Pre-Accession (IPA) that will replace CARDS. The new instrument integrates the former pre-accession programmes along with structural funds and rural development funds and is tailored to assist candidates and potential candidates for accession. However, due to the tight timetable for accession of the Balkan's candidate countries, it is expected that the latter will receive a greater share of assistance. This would have direct implications in the region, further sharpening the development gap between the region and the EU (Calic 2005; ICG 2005).

4.1.2 Visa Regimes

The present EU visa regime towards the countries of Western Balkans presents other serious implications for progress in the region. From 2001, the Western Balkans are included in the so-called 'black list' of countries whose nationals need a visa to travel anywhere in Europe (ICG 2005). To get a visa to visit any EU country, a 'black listed' national needs to pay a visa fee, and pay in advance for accommodation, travel tickets and travel insurance, most of which is non-refundable, before waiting for several weeks for confirmation of the visa. The procedures to obtain a work and residence permit are far more complicated and lengthy. Although the EU committed itself to a more liberal visa regime at the Thessaloniki Summit in 2003, little progress has been made in this area. In contrast, all Western Balkan countries have already conceded a liberalised visa regime to EU citizens, whilst Albania has also concluded a readmission agreement. An agreement signed in November 2004 that allows Albania, Bosnia & Herzegovina, Croatia, Macedonia and Serbia & Montenegro to participate in the Erasmus program has also remained inactive and the Commission does not predict the situation to change in the near future (ICG 2005).

The visa policy towards Western Balkans is especially restrictive when compared with the regime in place for the other Balkan countries. For example, the Schengen requirements for Bulgaria and Romania were lifted in 2000 and 2001 respectively, whilst Croatia has negotiated visa regimes on bilateral basis with various European countries, which allow for considerable freedom of travel. To date there is no measure adopted at the EU level that allows the Western Balkans nationals to travel to, reside or engage in any economic activity in EU Member States (Groenendijk and Guild 2003). The strict visa regime appears particularly paranoid in the face of survey data which shows that many of those who wished to migrate from the region have already done so; the small migration potential of the region due to its small population; and also the high tendency, especially amongst unskilled migrants, to migrate temporarily or seasonally rather than to settle permanently (La Cava, Lytle and Kolev 2004; Mungiu-Pippidi 2005; Papapanagos and Sanfey 1998).

The unwillingness of the EU to liberalise its visa regime towards the Western Balkans entails serious economic, political and social costs for the region. A rigid visa policy poses a considerable strain on trade,

business and the development of civil society. Furthermore, strict restrictions on the movement of people encourage permanent migration and criminalize seasonal migration, which could benefit both workers from the region and employers in the EU. Other costs include lower levels of remittances, lower incomes, greater poverty and unemployment and more trafficking and smuggling (Mungiu-Pippidi 2005; Nicholson 2002). From a more social and humanitarian perspective, King and Vullnetari (2006) point to the fact that strict policies on migrants' mobility and rights have put considerable strain on families, by literally separating migrants from their families in the country of origin.

The enlargement of the EU in the region, with the accession of Romania, Bulgaria, and possibly Croatia, will further emphasize divisions within the Balkans. The requirement of the EU towards candidate countries to apply the Schengen *acquis* means that Western Balkans will soon be separated even from the rest of the region (Groenendijk and Guild 2003). In the long run, continued isolation and economic depression of the region, coupled with a large young unemployed population denied freedom of movement, risks creating a marginalized 'Balkan Ghetto' in the heart of Europe (Grecic 2003; ICG 2005).

4.1.3 Poverty Reduction Strategy Papers (PRSPs)

The Western Balkans is also included in the PRSP approach to poverty initiated by the IMF and World Bank in 1999. The PRSP framework is based on a constructive consideration of poverty issues and offers important opportunities for developing national policy, strengthening institutional capacity, and coordinating donor activity (IMF 2004; DFID 2004). With the exception of Kosova, most countries of the region have already adopted a PRSP and drafted national strategies according to their specific developmental priorities (Civici 2005; Hurtic 2005; Miscevic 2005; Scepanovic 2005).

The first years of implementation of PRSPs, however, have highlighted a number of challenges, with the main one being the coordination and the streamlining of PRSPs with SAP, in order to ensure their mutual effectiveness. This coordination is especially needed in face of weak institutional linkages and national planning and monitoring capacities, and a perception of the strategy as externally driven rather than part of the national strategy (UN 2003; DFID 2004). Input from specialists from the region points also to the need to formulate clear indicators and implement regular assessment. In these respects, more emphasis should be put on improving the capacity of statistical offices to collect data, in order to ensure complete and regular monitoring of the implementation of the strategy (Civici 2005; Matkovic 2005).

4.2 Policies Affecting Migration in the European Neighbourhood Area

The visa policy towards the Western Balkans seems to send contradictory signals towards the region, especially when considering new developments within the framework of European Neighbourhood Policy (ENP) and its underlying principles (European Commission 2004 a and b). The ENP was introduced in 2004 and offers a wide range of cooperation opportunities to neighbours from Egypt to Ukraine and Southern Caucasus, which if implemented to the fullest extent would allow for the creation of a visa-free economic space without customs between the EU and its neighbours (Sasse 2006). As a result, the EU has concluded bilateral agreements with Russia and Ukraine, which contain visa facilitation provisions. Similar concessions are also on the agenda of the relationship of the EU with China (ICG 2005). However, unlike EU policies in the Western Balkans, the ENP does not offer the prospect of accession.⁹

The core of the European Neighbourhood Policy is the bilateral ENP Action Plan, mutually agreed between the EU and each partner country. The implementation of the first seven ENP Action Plans, agreed in early 2005, have begun in Israel, Jordan, Moldova, Morocco, the Palestinian Authority, Tunisia and Ukraine. Their implementation is monitored through sub-Committees of the Commission. A further five ENP Action Plans are under negotiation with Armenia, Azerbaijan and Georgia, Egypt and Lebanon. The ENP relies on existing agreements with partner states (Partnership and Cooperation or Association Agreements or the Euro-Mediterranean Partnership¹⁰), and is not 'activated' yet for those states which are not yet parties to these Agreements (Belarus, Libya and Syria). The relations between Russia and the EU are set out in a [Strategic Partnership](#) covering four 'common spaces'.¹¹ Recently, European Commission has approved the terms for negotiating a new EU–Russia agreement (3 July 2006)¹².

The objective of the ENP is 'to share the benefits of the EU's 2004 enlargement with neighbouring countries in strengthening stability, security and well-being for all concerned' (ENP 2004: 18). On the one hand, the ENP offers to neighbours the chance to participate in various EU activities, 'through greater political, security, economic and cultural co-operation' (ENP 2004: 18). On the other hand, it serves the economic and political interests of the EU. For example, the text of the ENP notes that 'the European Union is the world's largest energy (oil and gas) importer and the second largest consumer and is surrounded by the world's most important reserves of oil and natural gas (Russia, the Caspian basin, the Middle East and North Africa)' (ibid.).

⁹ http://ec.europa.eu/world/enp/policy_en.htm

¹⁰ http://ec.europa.eu/comm/external_relations/euromed/index.htm

¹¹ http://ec.europa.eu/world/enp/policy_en.htm

¹² For details see

<http://europa.eu.int/rapid/pressReleasesAction.do?reference=IP/06/910&format=HTML&aged=0&language=EN&guiLanguage=en>

The method proposed within the ENP is that the EU together with partner countries should define a set of priorities, whose fulfilment would bring the neighbouring countries closer to the EU. These priorities are incorporated in jointly agreed Action Plans, covering a number of key areas for specific action, including political dialogue and reform; trade; justice and home affairs; energy, transport, information society, environment and research and innovation; and social policy and people-to-people contacts. The next step in the development of bilateral relations includes the possibility of new contractual links -- European Neighbourhood Agreements -- whose scope would be defined in the light of progress in meeting the priorities set out in the Action Plans (ENP 2004: 4).

With regard to migration issues within the ENP, prominent are the commitment to shared values (human rights and minority rights) and the provision regarding economic and social relations and the area of justice and home affairs. The social dimension of ENP in particular covers socio-economic development, employment, social policy and structural reforms. The EU encourages partner governments' efforts aiming at reducing poverty, creating employment, promoting core labour standards and social dialogue and reforming national welfare systems. Issues related to labour migration such as equal treatment, adequate living and working conditions of migrant workers and co-ordination of social security will be addressed within the framework of the association and co-operation agreements (ENP 2004: 15).

The ENP is also designed to contribute towards the EU's objectives in the area of justice and home affairs, in particular in the fight against all forms of trafficking, as well as with regard to issues related to migration pressure from third countries (ENP 2004: 7, 17). Border management is a priority in most Action Plans, which include measures to improve the efficiency of border management, such as 'support for the creation and training of a corps of professional non-military border guards and measures to make travel documents more secure' (ENP 2004: 18). The aim is stated as facilitating the movement of people, whilst maintaining or improving security. Another key aspect of the ENP is described as 'connecting the neighbourhood'. The Commission recommends improving and strengthening energy and transport network connections, as well as 'cultural, educational and social links' (ENP 2004: 20).

4.2.1 EU Relations with Moldova and Ukraine

The legal basis for EU's relations with Moldova and Ukraine consists of two Partnership and Cooperation Agreements (PCA) signed with each country in 1994, and which entered into force in 1998. The broad objectives of these Partnerships are: to provide an appropriate framework for the political dialogue between the Parties; to promote trade, investment and harmonious economic relations between the Parties and so to foster their sustainable economic development; to provide a basis for legislative, economic, social, financial,

and cultural cooperation; and to support the efforts of neighbouring Eastern countries to consolidate democracy and a market economy.¹³

After the establishment of the ENP and EU enlargement in 2004, both Moldova and Ukraine adopted Action Plans which reinforced their bilateral relationships with the EU. These Action Plans provide a point of reference for the programming of assistance to the countries concerned. The Action Plans cover two broad areas: first, commitments to specific actions which confirm or reinforce adherence to shared values and to certain objectives in the area of foreign and security policy; and second, commitments to actions which will bring partner countries closer to the EU in a number of priority fields (ENP 2004: 10).

The migration-related priorities for action for Moldova are: implementing actions aimed at poverty reduction, to strengthen private sector led growth and for fiscal sustainability; progress towards a system of efficient, comprehensive state border management on all sectors of the Moldovan border including the Transnistrian sector; the fight against organised crime, including trafficking in human beings; and ensuring the efficient management of migratory flows, including initiating the process towards conclusion of a readmission agreement between the EU and Moldova (European Union 2005: 3-4).

The migration-related priorities for action for Ukraine are: co-operation in our common neighbourhood and regional security, in particular working towards a viable solution to the Transnistrian conflict, including addressing border issues; a constructive dialogue on visa facilitation between the EU and Ukraine; and encouragement of dialogue on employment issues and best endeavours, in accordance with the PCA, to ensure that treatment of migrant workers does not discriminate on grounds of nationality (European Union 2005b: 3-4).

It is apparent that both action plans put a great emphasis on border management as a tool for controlling migration, and little attention is paid to migration (particularly labour migration) as an opportunity for local development. As stipulated in the ENP, until 2006 the TACIS Programme has been the framework for technical assistance for Moldova and Ukraine. From 2007, this will be replaced by the [European Neighbourhood and Partnership Instrument](#).

¹³ Partnership and co-operation agreement between the European communities and their member states, and Moldova, Article 1; Partnership and co-operation agreement between the European communities and their member states, and Ukraine, Article 1.

In addition to EU-wide actions, there are also some bilateral areas of cooperation that are important in the region. For example, the Swedish government has recently funded projects in the field of international migration cooperation with the governments of Ukraine, Belarus, Moldova and Russia. These projects include a focus on asylum and border management, but also extend to poverty reduction and job creation.

4.2.2 National Legal and Institutional Frameworks Regarding Migration in Ukraine

The national legal framework addressing migration in Moldova is set out in the separate case study on that country, and so will not be repeated here. In Ukraine, the legal framework goes back to the law on citizenship, passed in 1991, but again includes recent laws covering refugees and the legal status of foreigners (Box 2).¹⁴ Ukraine has also adopted various action programmes, such as an Action Plan for the Integration of Refugees (March 2004), the Programme for Combating Illegal Migration (2001-04), and the National Action Plan to Counter Trafficking (2002-05). Together with Moldova, Ukraine is also party to a trilateral Agreement with Romania on the fight against organized crime in the border regions of the three countries. Relevant institutions implementing this framework include the National Anti-trafficking Committee (established in 2003), and the State Committee on Nationalities and Migration, which comprises the Administration on Refugees and Migration; the Administration on Deported Persons; the Administration on Nationalities; the Administration on Ukrainian Diaspora and International Relations; the Administration of Analytical Work, Information and Legal Assistance; the Administration of Personnel and Organizational Work; and the Administration of Financial and Economic Assistance.¹⁵

Box 1: Laws Relating to Migration in Ukraine

- Law on Ukrainian Citizenship (1991)
- Law on the Legal Status of Foreigners (1994)
- The Constitution of Ukraine (1996)
- Decree of the President of Ukraine (1997)
- Laws on the Citizenship of Ukraine, on Refugees, on Immigration and on Changes to Some Ukrainian Legislative Acts about Prevention of Illegal Migration. (2001)
- Law on the Legal Status of Foreigners (2002, 2003)

In the 1990s, the Ukrainian government signed temporary employment agreements with the Russian Federation, Belarus, Moldova, Armenia, Latvia, Lithuania, Poland, the Czech Republic, Slovakia and Vietnam, in order to facilitate legal labour migration. In 2003, the Ukrainian parliament ratified a treaty on temporary labour migration with Portugal, and initiated similar agreements with Italy, Spain and Greece. Ukraine has

¹⁴ See <http://www.legislationline.org/?tid=129&jid=53> and Malynovska 2006.

¹⁵ See http://www.kmu.gov.ua/control/en/publish/article?art_id=192505&cat_id=73035

also repeatedly asked the EU to introduce a simplified visa regime for Ukrainian citizens. To show its openness, Ukraine unilaterally cancelled short-term entry visas in May 2005 for citizens of the EU and European Economic Area (EEA), as well as the US, Canada and Japan (Malynovska 2006).

4.3 Policies Affecting Migration in Central Asia

In Central Asia, there is a weak legislative basis for migration management at both country and regional level. For example, the normative systems of all the regional labour exporters and the main importer (Russia) are so diverse and incongruent that it is impossible to talk about any realistic degree of coordination of the common migratory space in the foreseeable future. Another negative aspect of migration systems in Central Asia is the region's over-dependence on the political will and legislative framework of the main recipient – Russia.

Such a lack of legal and institutional coherence and cooperation has resulted in a proliferation of illegal or irregular migration, and high levels of violation of basic human rights and freedoms experienced by migrants. According to the UNESCO study (Zayonchkovskaya, 2004: 9), a number of factors aggravate the situation with migrants' rights in CIS on the whole, and especially in CA:

- Imperfect migration legislation – no prior experience of normative and institutional procedures for regulation and control of migratory processes
- Inefficiency of state institutions which carry out migration policy
- Extreme poverty and unemployment that compel migrants to agree to unfavourable terms of employment
- A huge 'shadow economy' which creates demand for cheap labour
- Weakness of civil society, and absence of prior experience in human rights protection (Zayonchkovskaya 2004)

In practice, the legal basis for migration in CA is underpinned by a series of regulatory documents, such as the 1994 *Agreement on cooperation in the sphere of labour migration and social protection of migrant workers*, and bilateral agreements on cooperation (Zayonchkovskaya 2004: 10). Under these agreements, the rights of legal migrant workers are guaranteed. However, illegal workers do not have a legal status, and so become vulnerable to various offences and abuses, such as forced labour, increased working hours, delayed or withheld payments, harassment and intimidation from law-enforcement agencies. They also encounter corrupt practices at every stage of the migration process, including 'recruitment agencies, border crossing, employment, payment for labour by an employer, and remittances' (GCIM, 2005: 31).

Yet the definition of 'illegality' of migration is very ambiguous in the CIS context. The visa-free regime between the former Union Republics means that all migrants enter host countries legally; yet illegality stems from the further requirements of different forms of registration, which vary from republic to republic. For example, most CA countries and Russia require foreigners to register with the authority within a certain period of time, after which an immigrant is considered illegal. Yet this is often difficult or impossible for migrants to do.

The most liberal registration regime is in Kyrgyzstan – there are simplified visa procedures, including a visa-free regime with CIS countries; all EU citizens can obtain a visa at the border; and there is no legal requirement for registration (ICMPD 2005: 150). In contrast, in Russia, Turkmenistan and Uzbekistan, registration must be completed within three days (ibid.: 196, 246, 294), although a new bilateral agreement with the Tajik government allows the citizens of Tajikistan 7 days to register in Russia¹⁶; whilst legislation in Kazakhstan stipulates a period of 5 days for registration (ibid.: 131). Yet registration is a costly, time consuming and burdensome procedure, prone to corrupt practices, such as extortion by low level bureaucrats.

For labour migrants in Russia, Kazakhstan and Kyrgyzstan, the next major step is to obtain a work permit. This requires registration at the place of employment, and failure to obtain one also makes a migrant 'illegal'. Then, once the foreign labourer obtains a work permit, employers are legally required to register their imported labour force with the immigration office and tax authorities. This again depends on several factors. For example, employers must have a valid license to operate their businesses, and to hire foreign labour. Yet many entrepreneurs in Russia and Kazakhstan do not operate in the area, or under the conditions, that their business licence stipulates. Secondly, making payments towards tax and employees' insurance is often perceived as costly and unprofitable by employers. In such circumstances, employers create a system of disincentives for the foreign labourer to register. Often the wages that the un-registered irregular migrant can earn are considerably higher than those of a registered one (IOM/ Counter Trafficking Regional Clearing Point 2003: 65-76). The existing system is not only ineffective, it actually encourages employers and employees to take the default option and go unregistered. Russian authorities 'envisage' the facilitation of registration procedure, but so far no progress has been made.

Another measure designed to control and regularise labour migration is a system of quotas 'for the attraction and use of foreign labour force' (Zayonchkovskaya 2004: 94). Annual quotas for foreign labour have been set by the governments of Russia, Kyrgyzstan and Kazakhstan. Thus Kazakhstan sets an annual quota of 16,000-17,000 work permits for foreigners; this quota covers certain economic sectors: oil, industry and tobacco

¹⁶ The agreement has been signed by both parties in July 2006, and comes into force in January 2007. Personal Interview, SMS Tajikistan, Dushanbe, 2006

plantations. In 2004, the Russian authorities set a quota of 213,000 although the actual flow of workers was estimated at more than 450,000 (Zayonchkovskaya 2004; ICMPD 2005: 200). The drawback of the quota system is that in reality, the number of migrants, or their geographic destination, or distribution among the sectors of employment, never quite matches the quota, so that people who fall outside the quota again become 'irregular'.

Irregular migration is considered to be a major problem in Kazakhstan and Kyrgyzstan. Due to their geopolitical position as 'gateways' to Russia and due to their fairly transparent borders, Kazakhstan and Kyrgyzstan are a common destination of transit migration, when people are trying to cross the border into Russia without registering (ICMPD 2005: 131, 154). In turn, Russia's liberal visa policy has exacerbated difficulties of immigration control in neighbouring countries. In 2000, a series of bilateral agreements with Eastern Europe and Central Asia were signed, designed to streamline and regularise visa regimes across the CIS region (ICMPD 2005:194). The Russian Federation intends to align its migration policies with European standards, and the consultation process is underway in the Russian Parliament (ibid.). However, it is very difficult to identify a realistic time frame as to when such a regime could be implemented in practice.

Kazakhstan cooperates with its neighbours – Russia, Kyrgyzstan, and Uzbekistan – to coordinate preventative measures. In 2003, Kyrgyzstan signed an agreement with Russia on labour migrants activities and social protection – to facilitate the registration procedure. However, Russia has still not ratified the protocol (ICMPD 2005: 145; Zayonchkovskaya 2004: 93).

The process of establishment of legal and institutional mechanisms for regional cooperation in the sphere of migration management is highly problematic. Multiple bilateral and multilateral agreements exist that regulate visa regimes and labour migration, but there is no unifying approach within the CIS space towards either of these issues. Even when agreements are signed, they sometimes are not ratified, or not implemented due to the lack of practical institutional mechanisms, or limitations of existing institutional capacities to take steps towards implementations of the agreed policies (Zayonchkovskaya 2004: 77).

This situation is exacerbated by the over-dependence of the regional policy framework on Russian input as a major player in the region: its capacities and political will, and also by the stand off position of active non-cooperation over the issue of migration taken by two other key regional players, Uzbekistan and Turkmenistan. In 1999 Turkmenistan, and then in 2002 Uzbekistan, introduced a visa regime for all citizens of CIS (ICMPD 2005: 246, 294). The Turkmen authorities maintain that 'the problem with external irregular emigration does not exist in Turkmenistan', and therefore refuse to develop an institutional and legal framework to deal with it

(ICMPD 2005: 251). Meanwhile, Uzbekistan does not have a Law on Migration, nor does it have a special service to deal with the issues of external migration (ICMPD 2005: 290-2).

Turning to the management of internal migration, the approaches of the different national governments vary dramatically. At one end of the spectrum, there are the two 'repressive' states of Turkmenistan and Uzbekistan. Both countries perceive internal population movements as major problems that threaten political stability, and to address this, both have introduced a series of highly restrictive measures to control population movements. Thus both have '*propiska*' systems restricting movements of population within the country: in order to leave their area of residence, each person has to obtain a permit from the local administration (ICMPD 2005: 251, 298). Uzbek citizens also require an exit visa to travel to countries for which they need an entry visa, an application which can be rejected. Although in general, Uzbek citizens do not need an exit visa to travel within the CIS, in 2002 the government severely restricted travel to Kazakhstan, Kyrgyzstan and Turkmenistan (ICMPD 2005: 290). Turkmenistan also had insisted on an exit visa until 2004, but withdrew this requirement under international pressure (ICMPD 2005: 247).

On the other hand there are the more '*laissez faire*' countries of Kazakhstan and Tajikistan, where the government simply does not know how many people are relocating from one region of the country to another. In these countries, the national statistics bureaux have no available data on rural-urban migration, and no reliable methodology to calculate the possible volume and impact of such movements.¹⁷ In this context, it is only Kyrgyzstan that is concerned with the scale of its internal migration, without trying to outlaw it. The Law on Internal Migration was adopted by the Kyrgyz Parliament in 2002, and sets out government priorities as the regulation of internal migration and improvement of the legal mechanisms of such regulation; protection of the rights of internal migrants; and the creation of a national register of population (Zayonchkovskaya 2004: 93).

The emerging problem of trafficking also requires consistent commitment from all the regional powers. However, notwithstanding the scale of the problem and potential destabilising effects of trafficking on the socio-economic situation in the region as a whole, none of the five CA countries has committed itself to the development of a comprehensive legal basis to counter trafficking. The main effort of the CA governments is directed towards strengthening repressive measures against illegal migrants. For example, the Governments of Kyrgyzstan and Uzbekistan are signatory parties to the UN Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children (2000), and the three other governments have stated their intention to comply with its statutes. However, even though *Article 2* of the Protocol states that one of its main purposes is 'to protect and assist the victims of such trafficking, with full respect of their human rights',

¹⁷ Personal interview, SMS Tajikistan, Dushanbe, 2006

the governments of all CA countries have been accused of systematically arresting and prosecuting victims of trafficking (IOM 2005: 87-88). This situation stems from the perceived links between illegal migrants and criminal networks. The resulting 'threat perception' leads governments to put their resources into the development of restrictive and punitive policies towards migration flows, including tightening border control, introducing identity cards, and placing restrictions on 'shuttle trading' (IOM 2005: 96). In contrast, the social stigma attached to trafficking prevents victims from voicing their experiences, and there is little civil society discourse developing over the issues of human rights violations in the context of trafficking and smuggling.

5. Impacts of Migration on Development and Poverty

In considering the impact of migration on development in Eastern Europe and Central Asia, generalised conclusions are almost impossible due to the diverse migratory and development profiles of the countries of the three regions highlighted in this report. As a result, it is difficult to apply existing theories on the relationship between migration and development in these regions. One example would be the so-called 'migration-hump', which predicts that economic development in countries of mass emigration will increase rather than decrease migration rates. This theory might be expected to hold true for countries in the former-Yugoslavia, but in the case of Albania, migratory flows are expected to stabilise due to the positive economic indicators (Baldwin-Edwards 2004; King and Vullnetari 2003).

Empirical studies on the effect of migration on development in the three regions covered by this paper are relatively scarce. Some studies recognise the positive effects of migration in reducing political tensions, offering new employment opportunities for the large number of unemployed people in the region, offering opportunities for the labour force to acquire new skills and providing a large amount of remittances (Shatri et al. 2005). Others emphasize a certain positive social impact of migration on the region, this being the main way or even the only way to travel abroad in the case of the Albanians (King and Vullnetari 2003). An impact on social structures is also observed by Dahinden (2005) among Kosovian returnees. Kosovian female returnees are said to have enriched their cultural resources and engaged in a process of negotiation of gender roles, actively constructing a new gender identity now referring to global cultural symbols. Similar to the general tendency in the literature, only recently have scholars observed the impact of migration on those left behind. Meanwhile, King and Vullnetari (2006) used interviews in regions with high migration rates in Albania to show how multi-generational social and kinship systems are affected by the rapid dislocation of people through internal and external migration, creating 'elderly orphans' and giving rise to a new emigration trend, 'migrating grannies', who follow their children abroad in order to resume their family role and help their children with child and domestic care.

5.1 Remittances

One area in which literature has expanded in recent years is on the role of remittances. Remittances are not only the most visible product of migration, but recently considered to represent the largest economic benefit to developing countries (Adams 2003). The amount of remittances received by developing countries has doubled in the last five years and is expected to reach US\$199 billion in 2006 (IBRD/World Bank, 2006), constituting the second source of income after FDI (DFID 2006). However, the importance attached to remittances goes beyond their size, being rather related to their quality. They are the most stable form of income and foreign exchange for developing countries and more importantly, they are 'independent' -- unlike other types of foreign income they are available both in good times and in times of crisis (De Noose 2005; Siegfried 2005).

As in other developing countries, remittances are important for many countries in the regions under study. In the Western Balkans in particular, the tendency of migrants to send money home is high, related according to some authors to the strong traditional role of the family, which assumes that young men have a high responsibility towards the welfare of their parents and rest of the family (King and Vullnetari 2003, 2006; Sherrell and Hyndman 2006; Weeks 2003). Overall, remittances in the Western Balkans amount to approximately US\$5bn dollars and are rising, reaching 20 per cent of GDP in some countries (EBRD 2006). Remittances constitute the major part of private transfers in the region, which are particularly important in the case of Western Balkans (European Commission 2004c). According to IBDR/World Bank (2006), three countries in the Western Balkans are amongst the top 20 developing country recipients of remittances as a proportion of GDP -- Bosnia & Herzegovina (23 per cent), Serbia & Montenegro (17 per cent) and Albania (12 per cent) -- whilst Kosovo (17 per cent) would be if it were a 'country' (Shatri et al. 2005). Moreover, remittances significantly exceed FDI in each country, being 3 to 6 times higher (Siegfried 2005; IOM 2006).

It should be noted that official data such as that quoted above are based on IMF calculations, which do not include remittances sent through informal channels (Siegfried 2005). Globally, informal transfers of remittances are expected to be of the same amount as the formal ones (Baruah 2005), although this varies significantly from country to country. According to surveys coordinated by Mansoor and Quillin (2006) in six ECA countries, 41 per cent of returned migrants reported using an informal channel to transfer remittances. In the case of Albania, the EBRD (2006) suggest that only 12 per cent of migrants use the banking system to transfer money, although the tendency at a regional level (including Georgia and Moldova in this case) is relatively higher. Similarly, according to a study conducted by De Zwager et al. (2005) only a quarter of Albanian emigrants use formal money transfer operators, although the authors note that it would not be accurate to quadruple the amount of the money transferred through formal channels. It is also worth noting that different formal channels have highly varied levels of 'efficiency' in transferring money. Thus money

transfer companies such as Western Union or Moneygram are well developed in a number of countries, often have quite extensive networks of agencies in rural areas, and do constitute a 'formal' mechanism for remittance transfers. However, they are also often expensive, sometimes as a result of their position as effectively a monopoly supplier of money transfer services.

This difference between formal and informal channels, and differences in the way remittances are estimated, helps to explain some differences in remittance figures between countries in the region. For example, in the Southern Caucasus, remittances also play a significant role in household management, and are estimated to constitute up to 25 per cent of Armenia's GDP (USAID 2006). However, this USAID estimate compares with the IMF estimate that remittances represent just 9 per cent of GDP. Whatever the figure, the use of informal channels to transfer money -- whilst sometimes cheaper than using a bank or money transfer agency for the migrant concerned -- does have significant costs for the economy of developing countries, affecting the balance of payments, the formation of exchange rates, and distorting national and local budgets (De Noose, 2005).

In terms of their impact on poverty alleviation, remittances are one of the limited coping mechanisms against poverty for countless families in the region (ESI 2004; Matkovic 2005). Remittances are mostly used for consumption, which alleviates poverty for households that live close to poverty line and improves immediate living conditions (King and Vullnetari 2003; Kule et al., 2002; Shatri et al. 2005). They also contribute to social protection in a context in which formal social protection has collapsed or massively reduced across much of the region. Studies in Albania show that 69 per cent of the incomes of families in rural areas were sent by their family members abroad (Civici, Gedeshi and Shehi 1999) and more importantly, for 61.5 per cent of the families interviewed, remittances were the main source of income (Germenji, Sarris and Swinnen 2002). Similarly, De Zwager et al. (2005) report that remittances play a very important role in improving households' financial situation, with only 3.7 per cent out of 1,006 emigrants' households interviewed reporting that remittances were not important in this regard.

Few studies have investigated directly the impact of remittances on poverty reduction in the regions under study. However, at a macro-level, cross-country regressions conducted by Mansoor and Quillin (2006) suggest remittances exert a positive though mild impact on long-term growth; they also conclude that they have a positive impact on poverty reduction for the poorest households, represent an important source of foreign exchange, and can improve creditworthiness and access to capital markets. Although cautioning that they may raise the real exchange rate, harming competitiveness, they go on to conclude that they can deliver sustainable economic growth, given appropriate development of institutions in home countries.

However, in contrast, a study in the European Neighbourhood Region, which included data from Albania, Bosnia & Herzegovina and Macedonia among others, suggested the most significant positive effects of migration were in terms of generating skills transfer, pension contributions and labour market flexibility, with remittances having insignificant economic importance (Siegfried 2005). This partly reflects the small scale of remittances that are often available for investments; for example, in Bosnia & Herzegovina only 3.6 per cent of remittances are used for investments (Shatri et al. 2005), although problems also remain in terms of the portability of pension contributions, particularly where migrants work outside the region. Meanwhile, an overall appreciation of the use of remittances of EBRD (2006) noted that the coincidence between large inflows of remittances and large trade deficits of the countries that receive them, showing that remittances are mainly invested in consumption of imports.

Some studies conducted in Albania suggest that the small percentage of remittances that remains for investment is mainly used in small businesses such as retail, hospitality, family business and agricultural improvement (King and Vullnetari 2003; Kule et al. 2002). Furthermore, King, Mai and Dalipej (2003) concluded that migration and remittances in Albania have low potential for development and reduction of migration flows, due to the overall unfavourable economic social and cultural conditions for development, coupled with a devastated agricultural sector and inadequate infrastructure.

Nonetheless, a very recent survey of more than 600 micro and small enterprises conducted in Albania, Bosnia & Herzegovina, Georgia, Moldova, and Serbia & Montenegro, as major remittances recipient countries revealed more optimistic results (EBRD 2006). The research investigated the use of remittances from micro and small entrepreneurs to finance their start-up cost investments and working capital needs. The results showed that 27.3 per cent of entrepreneurs surveyed had received remittances from abroad. A significant number of entrepreneurs (43 per cent of the sample) had used remittances for one of the above-mentioned purposes, with 40 per cent of the start-up costs having been covered by remittances in the five countries overall (Table 8). An interesting finding highlighted that the importance of remittances in financing start-up costs has been decreasing over time, as other sources of finance are now becoming available.

Meanwhile, micro-level work conducted at Sussex by Reilly and Castaldo (forthcoming) shows that households in Albania who receive remittances from abroad spend, on average, less of their income on food and more on durable goods, suggesting remittances may help to stimulate local economic development.

Table 8. Median Share of Business Costs Financed by Remittances (%)

Countries	Firm size	Start-up costs	Investments	Working Capital
Albania	<i>Micro</i>	33	40	20
	<i>Small</i>	45	35	10
	<i>Total</i>	40	40	10
Bosnia & Herzegovina	<i>Micro</i>	10	80	10
	<i>Small</i>	30	30	30
	<i>Total</i>	30	30	30
Georgia	<i>Micro</i>	15	5	35
	<i>Small</i>	100	0	100
	<i>Total</i>	20	0	70
Moldova	<i>Micro</i>	50	30	20
	<i>Small</i>	60	20	10
	<i>Total</i>	50	20	20
Serbia Montenegro	<i>Micro</i>	10	15	15
	<i>Small</i>	35	10	5
	<i>Total</i>	30	10	10
All countries		40	20	13

Source: EBRD, 2006

Remittances have also been found to play a significant role in increasing income inequality. According to Germenji and Swinnen (2004), it is the middle-class that mostly migrates in Albania. Based on LSMS data, they concluded that remittances are likely to increase income inequality, as it is mostly the better-off families that receive remittances. Similarly, Black, Natali and Skinner (2006) conclude that remittances can significantly impact intra-household income inequality. Evidence from Albania shows that individuals who migrate outside Europe and remit the most, come from the better-off and urban families, suggesting a 'migration-poverty trap'. Similar patterns are identified in Serbia. The main recipients of remittances are households with an above-average financial situation, with a monthly income that is 15 per cent higher than households who do not receive remittances. Furthermore, the better-off were also found to be 60 per cent more prone to spend on consumption goods (EBRD 2006).

Not all countries in the region are significantly affected by remittances; for example, according to EBRD (2006:3), remittances constitute less than 2 per cent of Ukraine's GDP. However, Malynovska (2004, 2006) points out that remittances to Ukraine amount to US\$4-6bn per year, with this money being used primarily for family consumption, children's education and housing, and to a lesser extent also being invested in small family-run businesses (Malynovska 2006). According to Malynovska (2004) the link between labour migration and investment in development is hard to assess, and no research on this issue has been completed. However, the author argues that foreign labour migration is clearly a source of experience, knowledge, and personal contacts, describing it as a 'school of business and market behaviour' (Malynovska 2004: 15-6).

Meanwhile, in Central Asia, large-scale labour migration has arguably had a very positive stabilising effect on the economies of both importing and exporting countries, with a reduction in the volatility of internal labour markets, a reduction of youth unemployment, and a lowering of social tension (GCIM 2005: 27). Labour migration has also contributed to poverty reduction and improvement of living standards through migration-related revenues and remittances (ibid.: 28). For example, migrants' earnings are used to improve living standards, especially access to medical care and education, improved housing, or to start up small family businesses (ibid.: 30). According to GCIM, one in three households in Kyrgyzstan, and one in ten in Kazakhstan relies on remittances from labour migration (ibid.: 27).

5.2 Brain Drain and Diasporas

The most commonly-cited objection to the view that migration has the potential to stimulate development through remittances is that migration is selective of more highly-skilled individuals, resulting in a 'brain drain' for the countries affected. For example, in 2000, 17.3 per cent of emigrants from Kyrgyzstan had started higher education, compared to 12 per cent in the general population (IOM 2002: 103), a ratio that is repeated across the three regions under study.

Regarding the impact of this 'brain-drain' on development in Eastern Europe and Central Asia, the literature includes several different perspectives. The main consequence – the loss of human capital -- is seen by some to have a major negative impact on the long-term economic growth and welfare of the region. The most salient consequence is the lack of specialists and the negative impact on the education system (Weeks 2003). However, other accounts represent emigration of the highly-skilled also as an opportunity, since most of those who emigrated did so in conditions of long-term unemployment or ethnic discrimination and as a mechanism to retain those skills which might be available after future repatriation (Baldwin-Edwards 2004). There is, however, a tendency towards long-term or permanent migration among the highly-skilled (Adams 2003), which might be expected to be particularly true amongst the elite, in the face of the political and economic harshness that still characterises many of the countries covered by this report.

This tendency has inspired many international programmes and strategies to engage diasporas without focusing on their definite return (de Haas 2006), which can be beneficial to the region as well. Certain networks have started to emerge with professionals living abroad, who have become involved in lobbying on national issues (see, for example, www.alb-shkenca.org -- the forum of Albanian scientists abroad). Al-Ali, Black and Koser (1999) examine the case of Bosnian intellectuals and journalists in the UK and the Netherlands, who continued to work for the Bosnian press, aiming to encourage ideas of tolerance and democracy and freedom of speech.

In practice, diaspora relations have played a different role in each country's economic and political development, but diasporas are perhaps especially interesting in the Southern Caucasus. In particular, the well-known and long-established Armenian diaspora is organized, politically influential at home and abroad, and accounts for an estimated 35 per cent of foreign direct investment in Armenia (Hergnyan and Makaryan 2006). However, at home, this active involvement has sparked tensions with 'local' Armenian populations. For Georgia, on the other hand, the 2003 Rose Revolution marked a shift in the character of and the country's relationship with its co-ethnics living abroad. Relatively disorganized and disengaged during the Shevardnadze administration, Georgians abroad have made some efforts to organize and many have found a renewed interest in engaging the country, whether through support or return.

6. Conclusions and Potential Recommendations

Despite their diverse economies and social and political trajectories over the last decade or more, the countries of the Western Balkans, European Neighbourhood and Central Asia do share a number of elements in common. All have experienced the fall of communism and have been affected by the collapse of the Soviet centralised economy; most have undergone a more or less traumatic period of transition to a market economy marked by a period of economic crisis; and a number have also experienced conflict and violence that has led to significant population displacements. However, more recently there is evidence in many countries across the regions of economic stabilisation and recovery, even if growth is uneven, unemployment has remained high, labour markets inflexible and conflict often unresolved. In the Western Balkans and European Neighbourhood at least, changes in the European Union economy have also been significant drivers of change, promoting recent increases in both trade and migration.

As a consequence of these shifts, a number of migration trends have emerged, including the movement of refugees and internally-displaced people, international emigration for work, much of it of an irregular or illegal nature, and the differential loss of younger and more skilled sections of the workforce in many countries. This has often been accompanied by increasing internal movements, especially of a rural-urban nature. Explanations for these rising migration trends have varied, but include both 'push' factors -- deep poverty, violent conflict, the collapse of social protection institutions, a poor business climate and unexpected impacts of land reform -- as well as 'pull' factors, notably the growing availability of jobs in construction and the service sector in Western Europe and Russia.

Given a growth in demand for migration both from businesses in receiving areas, and from prospective migrants, it is unsurprising that there have been a number of policy responses to the phenomenon, including in

national law and international agreements. However, whilst these have led to the creation of a number of 'National Plans of Action' on migration as well as trafficking, it is noticeable how these have tended to emphasise the issue of border management -- essentially seeking to restrict and control flows -- rather than looking at ways to manage migration flows in a more orderly and beneficial fashion, or to protect migrant workers who are often highly vulnerable, despite the high potential gains on offer. Indeed, if anything, visa restrictions, including in potential EU candidate countries in the Western Balkans -- have become harsher, promoting rather than reducing vulnerability amongst migrant workers who remain determined to move.

In turn, what has migration brought to countries of the Western Balkans, European Neighbourhood or Central Asia? Despite evidence of a positive impact of remittances on poverty reduction in aggregate terms, as well as at the level of individual households, this effect appears to be slowing in some countries, and has been linked also to a growth in inequality as the poorest have often been excluded from the most productive migration streams. Moreover, although remittances have contributed to the emergence of small businesses, due to an uncertain political and economic climate, they are unlikely to be the vehicle of large-scale investments and development.

At the same time, migration has drained the human capital stock of many countries; it has created larger trade deficits; it has in some cases stimulated inflation; it has been linked to increased poverty among IDPs and refugees; it has channelled large amounts of money to smuggling and trafficking networks; and it has changed the demographic structure of rural and urban areas. That this should be the case reflects in part a policy gap at the national level, since it is growth in wages, in employment and increase and security of social transfers that reduce poverty (Spoor 2003), which is exactly what is missing in many of the countries reviewed here.

In this context, and in order to optimise the potential for migration to have a positive impact, better management of migration and its outcomes is certainly needed; however, what is also important is the macro-economic environment within which migration is occurring. Migration can help to improve this environment -- for example the channeling of remittances through banks has the potential to contribute to the efficiency, transparency and profitability of the banking sector -- but is unlikely to produce lasting changes to this environment on its own. In turn, transfers of financial, human and social capital to poorer regions and households is much more likely to lead to efficient and productive investments if the macro-economic environment is more healthy, and appears stable in the medium-term.

7. Policy Recommendations

Policies need to take into account the individuality of each country's experience with migration and development. In this context, a set of detailed policy recommendations are set out in four case studies -- on Moldova, Tajikistan, Kosovo and Georgia -- that are linked to this report. However, there is also some scope for regional-level policy development, which could usefully concentrate on:

- Liberalising freedom of movement through more relaxed, reciprocal visa regimes, and the promotion of measures to encourage the registration of those who do move in source areas, particularly in key Russian cities, so they are not subject to arbitrary or exploitative treatment. This is an area in which both sending and receiving countries can play a role -- the latter most obviously by cracking down on corruption, labour exploitation and other abuses, encouraging circular migration; and streamlining registration systems for migrants; the former through both lobbying for such improvements, and directly through the provision of better consular services for their nationals in receiving countries.
- Encouragement of labour migration within each region, in order to prevent the loss of human capital, and promote a situation in which 'brain circulation' or 'brain exchange' can start to replace 'brain drain'. This recommendation is perhaps particularly relevant to the Western Balkans, where external migration is currently overwhelmingly orientated to Western Europe, from which migrants return or circulate less frequently.
- Establishment of ties with national diasporas and/or citizens abroad: this can include encouraging migrant or diaspora involvement in the development and political integration of the region, especially in the face of slow economic advancement, which prevents return migration. In the first instance, such ties could focus on symbolic or cultural actions; ideally, in the medium term, they would encourage investment by migrants and diasporas in community projects in poor regions and neighbourhoods. However, there needs to be some recognition that in a number of countries, 'diasporas' are either too recent, or too diverse, ethnically or politically, for the development of a diaspora policy to be straightforward. The countries that are perhaps best positioned to develop a diaspora policy are those with relatively cohesive and 'historic' diasporas dating from before the communist era.
- Adoption of 'remittance-friendly' policies put forward at international level in order to maximize the potential of remittances. Such policies involve first and foremost the promotion of stronger banking and financial systems, in both sending and receiving countries. For example, there needs to be adequate regulation to ensure that funds are safe and banking mechanisms are transparent. However, liberalisation would be welcome in many areas, in order to break up monopolies that drive up the cost of transfers, and assist in the development of products that will encourage greater use of formal channels, and the investment of savings in productive activities.

- Region-wide discussion of pension arrangements, to ensure that migrant workers can contribute to pension schemes that are 'portable' back to their countries of origin.
- Building on or improving social services to reach the poorest, since economic growth does not necessarily reduce poverty and migration and remittances benefit mostly the better-off. In particular, interim social protection arrangements need to be targeted at those -- such as the elderly -- who are unable to participate in migration, and may not be receiving remittances from family members who have migrated.
- Finally, improving statistics and establishing a monitoring system in order to ensure reliable and systematic survey data. In particular, there is a need for more comprehensive regional monitoring of migration trends -- something akin to the SOPEMI system for Western Europe, which provides relatively accurate and comparable data that is critical for planning, implementation and evaluation of policy outcomes. This could build on good country data where this exists, and encourage investment in better data collection where it does not.

However, none of the above policy areas is a panacea, and the degree to which each is likely to be effective is highly contingent on national and regional circumstances.

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