



The Impact of Population and Immigration Issues on the Economy and Society in CEE Countries

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Preface

Western Europe was mired in demographic crisis as early as in 1970s. The Central and Eastern European countries are confronted with demographic crisis. The population trend in Central and Eastern Europe reflects the general trend of modernization, that is, industrialization and urbanization always lead to the decline of the birth rate. Unlike the Western Europe, the demographic changes in Central and Eastern Europe have its specificity. On the one hand, the demographic changes in Central and Eastern European countries are affected by the overall political and economic transformation after the collapse of the Iron Curtain, and on the other hand, they are shifted by the process of European integration. After 1989, people in Central and Eastern Europe gained freedom of travel, and the neoliberal transition led to high unemployment rate and the loss of jobs, forced some people to make a living in developed Western Europe. In wake of EU accession, people in the Central and Eastern Europe enjoy the right of free movement, even some countries in Western Europe set a transitional period for opening the labor market to Central and Eastern European countries.

The Central and Eastern European countries are facing daunting demographic challenge as they are suffering from ageing and decreasing population. Although Central and Eastern European countries have made progress in catching up with Western European countries, the gap between Central and Eastern European countries and western European countries in income level remains large. It is impossible to close the gap in the foreseeable future. Emigration has become a widespread issue for most of the Central and Eastern European countries. Most of Central and Eastern European countries are not the destination for immigration, some countries in the Balkans have become the transit countries for refugees. The

demographic dynamics has been driven by low fertility rate and massive outward migration. Falling population has become a factor restricting economic growth and social development in the region. Based on estimate from the UN, among the ten world's most "endangered" countries, eight countries come from the Central and Eastern Europe ((Bulgaria, Latvia, Croatia, Lithuania, Romania, Serbia, Poland and Hungary). The long-term demographic forecasts are quite unfavorable. It is stated that by 2050, the population of these countries will decrease by another 15-23%. Dealing with the population crisis is a severe challenge for the governments of Central and Eastern European countries. Central and Eastern European countries need a holistic and systematic solution, from family policy to migration policy.

This book is a collection of briefs originally published as the autumn issue of the Weekly Briefing in September, 2021, which is a key finding of the China-CEE Institute. Nevertheless, the views expressed herein are those of the author(s) and do not represent the views of the China-CEE Institute.

The China-CEE Institute, registered as a non-profit limited company in Budapest, Hungary, was set up by the Chinese Academy of Social Sciences (CASS) in April, 2017. The China-CEE Institute builds ties and strengthens its partnerships with academic institutions and think tanks in Hungary, other Central and Eastern European countries, as well as other parts of Europe. The China-CEE Institute aims to facilitate scholars and researchers to carry out joint research projects and conduct field studies, to organize seminars and lecture series, to provide training programs for younger researchers and students, and finally to publish academic books, research reports and journal articles.

The authors of the briefings described the population situation and characteristics in Central and Eastern Europe at the writing time, analyzed the impact of population decline and population mobility on economy and society. Their insights have improved our understanding of the population problems in Central and Eastern European countries. I want to express my gratitude to the authors, hope these findings will contribute to the understanding of demographic trends and policy responses in Central and Eastern European countries, and lay the foundation for further comparative analysis of demographic crisis in Central and Eastern Europe.

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Migration Trends and Impact in Albania

Marsela Musabelliu

Summary

An open wound for the society, migration is afflicting Albania with unprecedented ramifications. Families torn apart, the social fabric of entire communities transformed forever and a nation that still has not come to terms with the cost of its most vital part of the society leaving forever.

The best and the brightest, the most hardworking and the most diligent left their homeland, and if the word *elite* fits somewhere in Albania it belongs to its diaspora. While fighting prejudices and trying to assimilate in the host countries, Albanian immigrants left their country, but not their home.

This briefing chronicle and interprets the multiple mass migration and its ramifications for Albania in the past three decades.

Introduction: As of 2021 the Albanian population is 2.8 million resident inhabitants, and there is an estimation of 1.8 Albanians living abroad. One of them was Kiço Mustaqi, a former Albanian general and politician. He served as Chief of the General Staff of Albanian People's Army, the last Minister of Defense of the communist era in Albania and a member of the Politburo. General Mustaqi migrated to Greece in 1994 and worked for 16 years as a parking lot guard!

His life and hardships are emblematic of what Albanians have had to endure while leaving the country that they love in search for a better life. The ones that left changed forever, the ones left behind as well. Entire generations appear to be living a life in transition and in search of a deep sense of belonging.

Context and Timeframe for analysis

Migration trends in Albania flow only on one direction, namely emigration. The number of persons leaving the country to the ones arriving is 150.000 to 1 (Albanians going out of the country/ foreigners coming in ratio). The dismantling of the Iron Curtain was widely anticipated to be a precursor of

a mass migration, given that emigration had been denied for so long, and reflecting the obvious economic divide between East and West. This was the single most important background context for Albanian migration and being it one of the most isolated countries of the world, was hit hard by this phenomenon.

First wave: 1990-1997

In the summer of 1990 around 5,000 Albanians ‘invaded’ Western embassies in Tirana and were given asylum in various European Union (EU) countries. A second exodus occurred in August 1991, when more than 20,000 Albanians fled the country in ships headed to the shores of south Italy. By the mid-1990s, approximately 20% of the working population had emigrated, yet unemployment was still at 22%. With Italy and Greece being the first destination, the social turmoil of 1997 exacerbated the trend. This was the time when around half of all Albanians had invested in the “Pyramid schemes”, and the World Bank estimates lost savings at \$1.2 billion, equal to half the country’s GDP in 1996.

Albanians left in mass waves of migration, but life in the host country was not the “Western Dream” they were wishing for. While analyzing the Albanian migrant’s presence in Italy King and Mai explain the assimilation paradox’. Since arrival in 1991, Albanians have become one of the most ‘integrated’ of all non-EU immigrant groups in Italy, based on their knowledge of Italian, geographical dispersion, balanced demography, employment progress, and desire to remain in Italy. Yet they were the nationality most rejected and stigmatized. ¹

Second wave: 1998-2009

Since the turmoil of 1997 and the collapse of the pyramid schemes in Albania, from Europe there came clear signals that mass exoduses would no longer be allowed. This was the beginning of clandestine emigration. In

¹ King, R., & Mai, N. (2009). Italophilia meets Albanophobia: paradoxes of asymmetric assimilation and identity processes among Albanian immigrants in Italy. *Ethnic and racial studies*, 32(1), 117-138. Available at https://www.ssoar.info/ssoar/bitstream/handle/document/13201/ssoar-ers-2008-1-king_et_al-Italophilia_meets_Albanophobia?sequence=1

tragedies like the drowned boats in the Mediterranean to the missing, killed, frozen on the southern border with Greece, to date their perhaps in thousands are not accounted for, there are left only grieving families.

Third wave: 2010-2014

In 2010, the decision of the European Parliament on the abolition of visas for Albanian citizens traveling to EU countries entered into force. Albanians no longer needed to resort to illegal immigration routes. Going abroad became easier and at some extent more sophisticated, however, the ones that were leaving were usually an easy prey for extortion, abuse, fraudulent practices and more.

These years witnessed also a reverse trend, many Albanians were returning home, and most of them not willingly. The immediate aftermath of the financial crises had enormous complications for Greece and Italy, and many Albanian immigrants could not earn a living any longer. To date there are no reliable data on these returnees, yet their return in the country had some impact, especially in the labor market.

Fourth wave: 2015-2021

In the past five years it appears to be another unstoppable fleeing of Albanians, and it seems to be continuing in the near future as well. In 2020 numbers dropped due to the pandemic restrictions, however, in 2021 there is still a rising trend.

From 2015 to 2017 more than 100,000 Albanians were registered in Germany as asylum seekers, which for a country not in a state of war is overwhelming. Scenes of expulsion of Albanian families in France have become media favorite. Great Britain is returning back in Albania non-documented ones in an increasing scale. While populism rises in Europe so does the repatriation rate for Albanians, however, they continue to have the desire to flee.

Albanians may have become more selective in choosing the countries they target, but the flow does not stop. The ones trying to leave, many times become victims of some very sophisticated trafficking networks.¹

¹ Hila, D. (2018, March 21). Editorial nga "Arena": Emigrimi, pse ikin dhe ku shkojnë shqiptarët?. *OraNews*. Available at

Overall estimations are that more than half million Albanians have left the country in the past five years.

While in prior years it was the ones in dire economic conditions who immigrated to wealthier nations, the past years have witnessed a wave of what in Albania scholars call ‘elite migration’. Doctors, nurses, technology managers, teachers, artists and so on. This is creating a deeper concern because it is creating vacuum in the most crucial areas of the country’s development. Lack of meritocracy, a lengthy transition, corruption, poor social services, education, healthcare, and much more are making the main reason of this fourth wave.

Transforming the society and the economy

One of the most important and tangible outcomes of migration in Albania is remittances. Most of Albanians living abroad continue to contribute for their families in need.

Research carried out on the field and interviews with migration experts and other key informants in Albania, suggest a certain degree of skepticism about migration and remittances functioning as an equilibrating mechanism staunching further migration, at least in the short term.¹

What is less clear is the relationship between poverty alleviation (through migration and remittances) and further migration. Some argue that migration stimulates further migration as the evidence about improved quality of life (better food, clothing, housing, appliances etc.) becomes visible to other households. For Albania however, the circumstances prove to be quite *sui generis*.

The emigration of recent years is completely different from that of the 1990s, which had a political character and affected all social strata. The

<https://www.oranews.tv/article/editorial-nga-arena-emigrimi-pse-ikin-dhe-ku-shkojne-shqiptaret>

¹ King, R., & Vullnetari, J. (2003). Migration and development in Albania.

Sussex Centre for Migration Research, Working Paper. Available at

http://www.sussex.ac.uk/Units/SCMR/drc/publications/working_papers/WP-C5.pdf

latest trends differs in size, in motivation, in reason, in cause, in the social structure of those who leave.

Emigration has become the most acute problem of the Albanian society, as the number of emigrants, mainly young people, is increasing, questioning the sustainable development of the country in the future.

According to a recent survey the Regional Cooperation Council (RCC) Survey on the Balkan Barometer 2021, 46% of respondents in Albania are considering leaving the country. ¹

What is more concerning is that these numbers increase exponentially when analyzing the Albanian youth intention to emigrate. According to the results of a survey of 1650 students, by demographic experts, Ilir Gëdeshi and Russell King, 79% of young people (average age 22 years), who study in Albania, intend to emigrate abroad. ²

The natural population changes

With deaths reaching record levels in 2020, as a result of the fatal consequences of the Covid-19 pandemic and the declining fertility trend, ³ for the first time in Albania's history as a nation the natural increase of the population was negative. ⁴

If all variables are taken into consideration (births minus deaths and net migration) the situation with the statistical database unfolds as below:

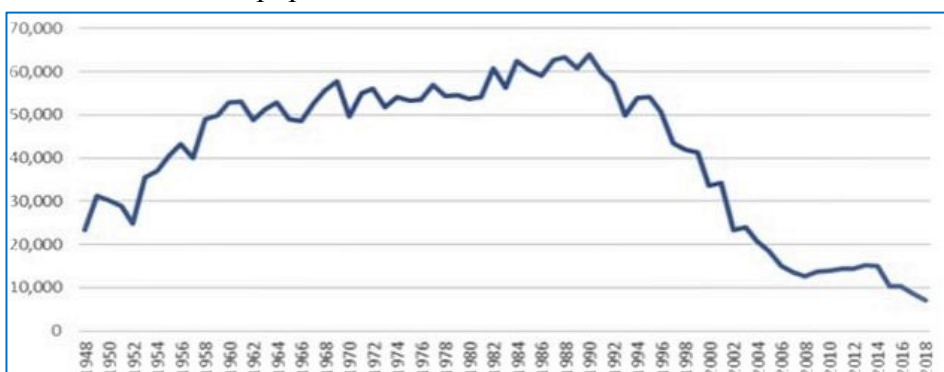
¹ TiranaNews (2021, July 1). Dëshira për të emigruar? Ja ku renditen shqiptarët në rajon. Available at <https://tirananeews.al/deshira-per-te-emigruar-ja-ku-renditen-shqiptaret-ne-rajon/>

² Grica, D. (2021, January 23). Ikja e të rinjve, fenomeni i largimit është më i lartë në Shqipëri, se kudo tjetër në Europë. *Gazeta Shekulli*. Available at <http://shekulli.com.al/ikja-e-te-rinjve-fenomeni-i-largimit-eshte-me-i-larte-ne-shqiperi-se-kudo-tjeter-ne-europe/>

³ INSTAT, Demographic Indicators of Albania (2021, May 7). Popullsia e Shqipërisë 1 Janar 2021. Available at <http://www.instat.gov.al/al/temat/treguesit-demografik%C3%AB-dhe-social%C3%AB/popullsia/publikimet/2021/popullsia-e-shqip%C3%ABris%C3%AB-1-janar-2021/>

⁴ Lipëri, O. (2021, January 24). Për herë të parë në historinë e vendit, shtesa natyrore e popullsisë ishte negative në 2020-n. *Monitor*. Available at <https://www.monitor.al/per-here-te-pare-ne-historine-e-vendit-shtesa-natyrore-e-popullsisë-ishte-negative-ne-2020-n/>

Natural increase of population in Albania



Source: INSTAT

Many Albanian sociologists argue that emigration is having strong demographic and socio-economic consequences. The depletion of the country, the aging of the population, the decrease in the number of births, in which emigration has the "weight of a lion", because those who leave the country are generally of young and reproductive age.¹ Many scholars are ringing the alarm bells for politicians to hear on the issue, and yet there is not even a decent strategy in place.

The chain reaction emigration has created in the Albanian society is harsh currently but if this trend continues, it will be even more serious.

Conclusion

In 1991 the median age of Albania was 27 years old, in 2021 it is 37 years old, and this figure alone can demonstrate how much emigration has altered the society. What stands out is that whenever there is an aggravation of the political situation, the phenomenon of mass emigration reappears. However, for as much as numbers tell a story on a large scale, on a smaller/personal scale the struggles of a lifetime are for the ones who migrated.

¹ Tushi, G. (2019, June 14). Ekspertët: Nga Shqipëria po ikin njerëzit me standard jetese. Deutsche Welle Albanian. Available at <https://www.dw.com/sq/ekspert%C3%ABt-nga-shqip%C3%ABria-po-ikin-njer%C3%ABzit-me-standard-jetese/a-49175109>

Albanians have an intense sense of family, of kinship, of group identity, if they could they would stay home, but they cannot. A general and member of the Politburo becoming a garage guard, is not an outcome of choice but of constraint.

Impact of Immigration and Population Change on Economic and Social Development in Bosnia and Herzegovina

Zvonimir Stopić

Summary

When comparing the general statistics from the last census (2013), and approximating that Bosnia and Herzegovina now roughly has around three million inhabitants regarding the severe and continuous emigration from the country in the last decade, with the statistics of immigration taken for the period of 2010-2019, one sees that the number of immigrants who can have impact on the economic and social changes in the country is too small. The illegal immigration also has almost no real impact on the economy and society in Bosnia and Herzegovina, as the illegal immigrants are just passing through the territory or are excluded from the everyday structures of the country, contributing only to the occasional political quarrels and media headlines. The most significant impact in the changing economy and society in Bosnia and Herzegovina still lies on the opposite side of the migration coin, its emigration.

Introduction

In this briefing we will try to point out that the immigration to Bosnia and Herzegovina has very little or no impact on the economic and social development in Bosnia and Herzegovina due to the insignificantly small numbers of people actually moving to the country. We will firstly do this by backing it up with recent statistics. Afterwards we will shortly address the most significant case of recent immigration to Bosnia and Herzegovina, which is illegal immigration that we had already written about in previous briefings, and that holds some political and media reaction that have a limited extent on the general population. Lastly we will also very briefly describe the scope of Bosnia and Herzegovina's emigration, which has a crucial impact on development of the economy and society in the country.

Recent immigration statistics

According to the 2013 census¹, Bosnia and Herzegovina had 3,531,159 inhabitants, which was 845,874 less than in the previous 1991 census. Federation of Bosnia and Herzegovina had 2,219,220 inhabitants or 62.8 %, Republika Srpska had 1,228,423 or 34.8 %, whereas the population of Brčko District was 83,516 inhabitants or 2.4 %. When distributed into ethnic groups the results were the following: 1,769,592 persons or 50.1 % declared themselves as Bosniaks, 1,086,733 persons or 31.2 % as Serbs, and 544,780 persons or 15.4 % as Croats. All others ethnicities constituted less than 0.37 % individually.

We are presenting these census statistics in order to compare them to the recent immigration data to Bosnia and Herzegovina provided by the annual Migration profile of Bosnia and Herzegovina report, issued by the Ministry of Security of Bosnia and Herzegovina.² This important migration report has been issued since 2010, while the last one dates from 2019, as due to the situation with the COVID-19 during 2020, the one for last year has not yet been made public. When it comes to the people who were being issued permanent residence in Bosnia and Herzegovina, the numbers for the last ten years are the following:

YEAR	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
No. of issued permanent residence permits	315	308	401	713	763	808	799	750	815	816

¹ <<http://www.statistika.ba/>>

²

<<http://www.msb.gov.ba/dokumenti/strateski/default.aspx?id=19432&langTag=en-US>>

The conditions to acquire permanent residence in Bosnia and Herzegovina are the proof of continuous residence in Bosnia and Herzegovina for at least five years before the applying for the residence, substantial and continuous earnings, housing and healthcare. As we can see from the data, there was an almost double increase in 2013, after which the number of issued permanent residences has been around 800 per year. When summed up, from 2010 to 2019, only 6,488 people had permanently immigrated to Bosnia and Herzegovina, which in comparison to Bosnia and Herzegovina's total population number is not a significant amount to make a difference on the economic and social development scale. The very last Migration profile of Bosnia and Herzegovina can also be used to gain an insight into the national structure of the people who had been granted permanent residence. In the years 2018 and 2019, as data shows, applicants who were granted permanent residence came mostly from Montenegro, Croatia, China and North Macedonia, followed by lower numbers from Austria, Germany and Turkey.

The number of people who were granted short-term residence, valid for a period of one year, is significantly higher, although still not very substantial. The numbers for the short-term residence permit are the following:

Year	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
No. of issues short-term residence	8,131	7,661	8,838	9,953	11,022	12,633	11,519	11,372	10,756	10,133

permits										
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From the available data we can see that after a more significant rise in 2014 and peak in 2015, the numbers were again began to steadily decrease. On average, from 2010 to 2019, there have been around 10,000 short-term residence permits issued yearly in Bosnia and Herzegovina. These are much more relevant numbers than the ones for permanent residence, but given the reasons for acquiring this kind of permit, we can safely conclude, also due to the more or less steady numbers, that the statistics involve a large number of the same individuals reapplying. This is due to family connections, education, work with or without the work permit, owning property, humanitarian reasons and other. This reasoning is further backed up by the number of Serbian applicants in the years 2018 and 2019, which has been more than 2,000 (most of it work permits), or one fifth of the given permits, followed by applicants from Turkey, Croatia and Montenegro, with number of granted permits counted over 500 per country. Serbian nationals had been also topping the number of Bosnia and Herzegovina citizenships given in 2018 and 2019, with 81 % out of 1,385 citizenships granted in those two years.

Continuous illegal immigration crisis

The now four year long migrant crisis in Bosnia and Herzegovina is still not even close to being resolved. The complexity of the decision-making structure in the country makes strategic planning and execution of policies difficult to implement and shift of responsibility is obvious when it occurs in such cases as the last year closure of the entire camp Bira. In general, official facilities for hosting migrants are overcrowded, and thousands of migrants are living outdoors or in abandoned buildings. The most alarming condition is in Unsko-sanski kanton, around the city of Bihać in the

northwest Bosnia and Herzegovina, which is a popular migrant route to reach the neighboring Croatia. Although the number of illegal immigrants was at its peak counted in tens of thousands per year, Bosnia and Herzegovina was only a transit state, because most of them were only trying to reach Western countries. The several thousand that got “stuck”, stayed (on the margins of society) far too short to make any kind of important changes in the economic or social structures in Bosnia and Herzegovina. The only impact illegal immigrants made belong to the spheres of local daily political quarrels or the short-term burning media topics. The number of people applying for asylum in Bosnia and Herzegovina from 2010-2019 is 3,166. Only 9 had been approved during the same period.

Economic and social changes and the severe emigration processes since the 1990s

According to the data of UNHCR,¹ the war caused permanent and temporary displacement of about 2 million inhabitants. Out of that number, a total of 1.2 million applied for a refugee status, which is approximately 27.3 % out of 4.4 million of population recorded by census in 1991, and of whom only a limited number of inhabitants returned. The highest number of returnees was recorded during the first three years after the war had ended, after which the rate of return started to decrease, practically ending the process by 2002. In addition, there was a strong inter-regional resettlement of population and huge changes in re-distribution of population within the country, as a consequence administrative divisions.

The last, and very debatable, 2013 census showed that population of Bosnia and Herzegovina had decreased in comparison to the 1991 census by about 850,000 inhabitants (around 20 %). However, unofficially, it is considered that this number is significantly higher, also because of the continuous voluntary economic emigration which had been occurring for the last two decades and has not been going below 15,000 people emigrating from

¹ <<https://www.unhcr.org/4552f2182.pdf>>

Bosnia and Herzegovina on a yearly basis. This severe emigration naturally contributes to the declining number of work force resulting in weaker economic processes and overall social structures.

Conclusion

There is no real impact of immigration and population change on economic and social development in Bosnia and Herzegovina as the number of people coming to the country is insignificantly small. The more significant number of illegal immigrants also doesn't contribute to the country's development as they are only passing through the territory, or are effectively excluded for the country's society structures. On the other hand, there is a huge and constant population change and impact on the economic and social development due the long lasting and continuous emigration from Bosnia and Herzegovina.

Impact of Immigration and Population Change on Economic and Social Development of Bulgaria

Evgeniy Kandilarov

Summary

The data of the National Statistical Institute show that in 2020 the population of Bulgaria continues to decrease and age. At the same time the mortality rate is record high. At the end of 2020, the population of Bulgaria was about 35 thousand people less than a year earlier, thus reducing the number to 6.9 million people. The number of adults over 65 remains almost unchanged, but with the decline in the population, their share increases to 21.8% and is projected to continue while the working population decreases. Therefore, the trend is cited as one of the risks to the fiscal stability of the state (and in the region of Central and Eastern Europe as a whole), which relies on the contributions of workers to finance its social system. At the same time Bulgaria remains a typical emigration country. The number of emigrants is almost ten times (8.6 times) that of immigrants. The gap between emigration and immigration is narrowing, but immigration remains at low levels – under 2% of Bulgaria's population.

In recent decades, there have been dynamic demographic processes in the EU and in particular in Bulgaria. They are related to both the natural movement of the population - reduction of its number (depopulation) and the so-called aging of the population, and on the other hand, with its mechanical movement - migration.

Sharp demographic changes in Bulgaria have been observed since 1990. Today, Bulgaria is among the five countries in the EU with the most dynamic aging processes (measured by the highest percentage of the adult

population aged 65 and over) and among the top six in the world (five in Europe plus Japan). Bulgaria is also among the countries of Central and Eastern Europe (CEE) with a large number of emigrants - about 1.5 million, mostly in working and fertile age. As a result of both influences, the country's population decreased from 9 million in 1988 to less than 7.0 million in 2020.

Population changes

As of 31 December 2020, the population of Bulgaria is 6 916 548 persons. Compared to 2019, the country population decreases by 34 934 persons or by 0.5%. Male population was 48.4% and female 51.6%.

The process of population ageing continues. By the end of 2020 the number of persons aged 65 and over is 1 504 048, or 21.8% of the country population. The share of females aged 65 and over is 25.3%, compared to 17.9% - of males. The difference is due to the higher mortality among male population and consequently - lower life expectancy.

For 2020 children up to 15 years of age in the country are 999 014 or 14.4% of the total population number. The age dependency ratio in the country was 56.7%, or to each person in 'dependent' ages (under 15 and over 65 years) correspond less than two persons in 'independent' ages.

The tendency of population ageing influences the distribution of population under, at and over working age. The last are influenced not only by the population aging, but also by legislative changes concerning the retirement age. In 2020, at working age are women up to completion of 61 years and 6 months and men up to completion of 64 years and 3 months. The number of populations at working age as of 31.12.2020 is 4 139 thousand persons or 59.8% of the total population. The population at working age decreased by almost 17 thousand or by 0.4% compared to the previous year.

The reproduction of population at working age is characterized by the coefficient of demographic replacement, showing the ratio between the number of persons entering working age (15 - 19 years) and number of

persons exiting it (60 - 64 years). For 2020 the ratio was 67. For comparison, in 2001 every 100 persons exiting working age have been replaced by 124 young people.

The demographic collapse not only reduces the number of the workforce, but also worsens its age and professional structure. Such a structure increases the burden on the budget by spending on pensions and medical care for the elderly. There is an unfavorable change in terms of available human resources as a workforce in quantitative and qualitative terms. Under these demographic conditions, it is difficult to achieve high labor productivity and accelerated catch-up development.

International migration

In Bulgaria, three different groups of migrants' support and facilitate, in a specific way, the migration and development nexus: immigrants, who are few in number; Bulgarian emigrants abroad, who are many in number; and, a small number of refugees, who require integration support from institutions and NGOs. In other European countries, the migration and development nexus is associated more closely with high levels of immigration.

Bulgaria is a typical emigration country. The number of emigrants is almost ten times (8.6 times) that of immigrants.

The analysis of the economic and social reasons for Bulgarian emigration in the last 12 years shows that it is mainly driven by the persisting significant differences in income in the country and abroad. Since the beginning of Bulgaria's membership in the EU, the emigration to the member states has significantly increased. Bulgarian emigration is directed towards several clusters of countries. Germany is a powerful pole of attraction because of its strong economy and demand for both low-skilled and high-skilled workers. Mediterranean countries such as Greece, Spain and Italy are also very attractive for Bulgarian emigrants. The classic immigration countries – the US and Canada – are still magnets today, too.

The total Bulgarian population abroad is about 21% of the country's population.

Most factors in recent years have contributed to the contraction of emigration flows from Bulgaria: the growth of real incomes in the country and the deep crisis that has affected the countries to which Bulgarian emigration has traditionally been directed.

Given the critical demographic situation and the deteriorating outlook, maintaining high levels of emigration of around 30,000 per year, mainly among young people, is one of the most serious problems of the country's socio-economic development. Of course, the seriousness of the problem should also be assessed on the basis of the assessment of net migration.

The effects of immigration processes on the population in Bulgaria are weak. Net migration has remained negative throughout the period since the reforms began in the late 1980s. The unsustainable nature of immigration leads to a slight increase in the foreign population in the country, and these weak trends cannot counteract the demographic crisis and unfavorable trends in the labor market. The data on (im)migrant stock numbers vary around 188 000. The variations in statistical sources are not significant, and they outline a similar panorama: the immigrant proportion is low, at 2% of the population. The majority of immigrants are from non-EU countries. The single market stimulates short-term movements of EU citizens to Bulgaria rather than sustained migration flows. Between 11,000 and 16,000 foreigners have settled in the country annually, in the last six years, most of them leaving the country.

Foreign-born population in Bulgaria

Year	Pop.	±%
2016	136,421	
2017	145,390	+6.6%
2018	156,505	+7.6%
2019	171,993	+9.9%
2020	188,729	+9.7%

Source: National Statistical Institute

Only 6.6 thousand Bulgarians emigrated abroad in the pandemic 2020 compared to 40 thousand a year earlier. On the other hand, the number of immigrants remained relatively unchanged compared to the previous year - about 37.3 thousand people (of which 64% with Bulgarian citizenship). Thus, from the mechanical growth the population of the country receives a plus of 30.7 thousand people for the year.

Among persons who emigrated from Bulgaria, 36.1% are aged 20 to 39 years. The youngest emigrants (under 20 years) are 12.1% of the total number and the emigrants over 60 years of age - 18.9%. Most preferred destination countries are Germany (22.2%), Russian Federation (14.6%) and Turkey (13.0%). Persons who change their address abroad with an address in Bulgaria, or the immigration flow, includes Bulgarian citizens who have returned to Bulgaria and citizens of other countries granted residence permit or status in Bulgaria. There are 37 364 persons who changes their address abroad with an address in Bulgaria in 2020. Among the immigrants to Bulgaria, 34.2% are aged 20 - 39 years and 32.3% - 40

to 59 years. The youngest immigrants (under 20 years) are 13.6% and the oldest, over 60 years of age - 19.9%. Highest is the share of immigrants from Turkey (24.3%), Germany (9.6%) and the Russian Federation (9.3%).

In 2019, the population of third countries (outside the EU) is dominated by citizens born in the Russian Federation, followed by those from Turkey, Syria, and Ukraine.

Population by country of birth out of EU:

	2019
Russia	31,679
Turkey	11,702
Syria	14,080
Ukraine	10,115
North Macedonia	3,595
USA	3,153
Moldova	2,990
Serbia	2,879
Azerbaijan	2,103
Armenia	1,840

	2019
Kazakhstan	2,101
China	1,447

Conclusion

According to many analyses Bulgaria is currently in a demographic crisis that might lead to a demographic catastrophe. Bulgaria is one of the leaders in Eurostat's population reduction rankings. It is not only decreasing, but also threateningly aging. The economy will suffer the most not only from a lack of labor, but also from a lack of solvent customers.

Bulgaria remains an emigration country. Mass emigration has had a strong impact on the demographic dynamics of Bulgaria's population. This demographic effect has placed emigration at the centre of debates about the future of the nation in demographic, generational and social terms, and regarding its links to national sovereignty and national security.

The immigration model in the country is dynamic - with a small number of permanent settlers and changing structure by nationality, gender, age and migration motivation, and in recent years the political factors related to instability in the region stand out rather than economic. The gap between emigration and immigration is narrowing, but immigration remains at low levels – under 2% of Bulgaria's population without any significant economic impact.

Demographic Crisis in Croatia: Radical Population Change

Nikica Kolar

Summary

Croatia is in a demographic crisis. The domestic political and economic situation discourages positive economic developments and efforts against the high levels of corruption. As a result, many people are emigrating from Croatia with no intention of ever returning. As if this wave of emigration was not bad enough, a flood of young people leaving the country makes up the majority, placing Croatia in a much worse position. Upon Croatia's accession into the European Union, this wave of emigration grows to its current size, enabled by the freedom of movement of labour in the common European market. All contemporary negative demographic processes have caught up with Croatia, and the coming 2021 census may well prove that Croatia is now a mostly old and impoverished country with less than 4 million inhabitants.

Introduction

The Croatian 2021 population census is currently underway. Unlike previous censuses, there is the expectation that the census will show what the Croatian people see and feel: does Croatia have less than 4 million inhabitants? It is evident to the naked eye that some parts of Croatia, especially rural and less developed urban areas, are becoming places affected by extreme depopulation. People, especially the young, are leaving the country, and few people are moving into or returning to Croatia at all. Furthermore, due to the modern way of life, where the trend is for families to have fewer or no children at all, Croatia loses an average of about 15,000 people a year from negative natural increase alone. Croatia's demographic

crisis is obvious, and its acute phases go deep into the beginnings of a new, independent, democratic state.

Croatian society is getting smaller and older

Independent democratic Croatia was created in the circumstances of nationalist wars in the territory of the former Socialist Federal Republic of Yugoslavia. The armed conflicts lasted from 1991 to 1995. In March 1991, before the breakout of war, a census in Croatia was held which established that a total of 4,784,265 inhabitants lived in Croatia, of which 3,736,356 were Croats (78.10%). In the 1991 census, the second most numerous group was Serbs (581,663; 12.16%)¹. Soon after the wars in Yugoslavia ensued, the conflict between the Croatian leadership and the rebel Serb population flared up, and nationalist policies on all sides (such as ethnic cleansing) were carried out. Because of this drastic disruption, the number and composition of the population changed radically. The 2001 census shows that the total population fell to 4,437,460 inhabitants, of whom 3,977,171 were Croats (89.63%) and much less were Serbs, at about 201,631 (4.54%)². Almost 350 thousand inhabitants disappeared, died, were expelled, or left Croatia voluntarily, all in just 10 years. The circumstances of war were not the only cause of this, proven by the trend of depopulation continuing in the following years of peace. The total number of inhabitants in the 2011 census was 4,284,889, of which 3,874,241 were Croats (90.42%) and 186,633 Serbs (4.36%)³. Thus, in 2011 Croatia had 152 thousand fewer inhabitants than in 2001. An additional problem is the modern European phenomenon of population aging and low birth rates. Namely, the average age of the population in

¹ https://www.dzs.hr/Hrv_Eng/ljetopis/2009/PDF/05-bind.pdf

² *Census 2001*, Croatian Bureau of Statistics. Online: https://www.dzs.hr/Hrv/censuses/Census2001/Popis/H01_02_02/H01_02_02.html

³ *Census 2011*, Croatian Bureau of Statistics. Online: https://www.dzs.hr/Hrv/censuses/census2011/results/htm/H01_01_05/H01_01_05.html

Croatia has been growing rapidly since 1971: in 1971 the average age was 34, and in 2020 the average age was estimated at 43.8 years (almost ten years more!)¹. The birth rate has been declining over the past three decades and in 2020 reached its lowest level of 8.9²; specifically, the number of live births was 35,845, which is almost 16,000 less per year than it was in 1991.

G-1. PRIRODNO KRETANJE STANOVNIŠTVA OD 2011. DO 2020.
NATURAL CHANGE IN POPULATION, 2011 – 2020



Source: *Natural Change in Population in the Republic of Croatia 2011-2020*, Croatian Bureau of Statistics, 2020.

The Croatian population is evidently decreasing and it is getting older. However, the causes of these great demographic changes are not found exclusively in the European population trends, or in the war circumstances of the 90s. The key demographic problems of Croatia lie in poverty and corruption.

¹ *Population estimate of Republic of Croatia, 2020*, Croatian Bureau of Statistics. Online:

https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=&cad=rja&uact=8&ved=2ahUKEwiT16uk-5TzAhXRjKQKHazzASAOQFnoECBEQAAQ&url=https%3A%2F%2Fwww.dzs.hr%2Fhrv_Eng%2FPokazatelj%2FProcjene%2520stanovnistva.xlsx&usg=AOvVaw3TCapgF7hC_wI21P2Q5NJy

² *Demographic Trends in Croatia in 2020*, Croatian Institute of Public Health. Online:

https://www.hzjz.hr/wp-content/uploads/2021/08/PRIRODNO_KRETANJE_2020_30082021_.pdf

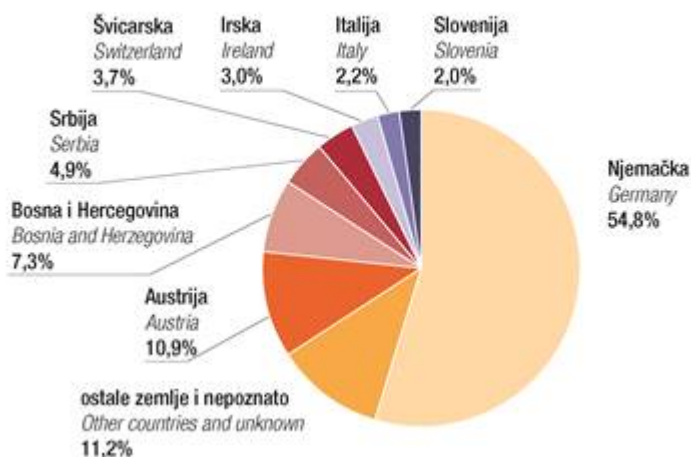
The vicious circle of an impoverished corrupt society

With the independence of Croatia from the former Yugoslavia, the Croatian political leadership carried out three key economic processes: the transformation of social ownership into state ownership, the privatization of certain large segments of state ownership and the deindustrialization of numerous industrial enterprises. All three processes were designed and implemented for the purpose of the fastest possible transition from a self-management socialist economy to a capitalist economy, and furthering the integration of the Croatian economy into the world market. The result of these processes, however, was the devastation of industrial production, a high unemployment rate and a huge increase in social inequality. Society, in economic terms, was suddenly a far smaller place to live, causing many from smaller and rural areas to migrate to larger cities in search of better economic opportunities, and some people to go abroad irretrievably. Due to widespread deindustrialization, a large number of jobs have disappeared and jobs themselves have become a rare opportunity on the market, which is why personal connections, corruption and clientelism play an ever more increasing role in employment. Corruption and clientelism encourage the phenomenon of negative selection, as it hinders economic development and creates the socio-economic basis for new corrupt and clientelistic actions of certain interest circles. At the micro level, Croatia is in a vicious circle of economic deprivation, clientelism and corruption, and that is why it is not and will not be a community attractive for foreigners to live in the near future. Since Croatia is becoming a community that no longer has a place for its own citizens, it is not surprising that Croatia is not a desirable place for foreigners to live, even if they were refugees from the Middle East fleeing from the war. Croatia has become a temporary place for both locals and foreigners.

After the Croatia's EU accession: the exodus of the Croatian population

With Croatia's accession to the European Union on 1 July 2013, the negative demographic trend of migration intensified. In her eight years of EU membership, it is estimated that over 370,000 people, mostly young, have emigrated from Croatia. From 2013 to 2021, the number of students in primary schools decreased by 50,000, and just over 50,000 additional new retirees signed up for the pension system¹.

G-2. HRVATSKI DRŽAVLJANI ODESELJENI U INOZEMSTVO U 2020. PREMA ZEMLJI ODESELJENJA
CROATIAN CITIZENS EMIGRATED ABROAD, BY COUNTRY OF NEXT RESIDENCE, 2020



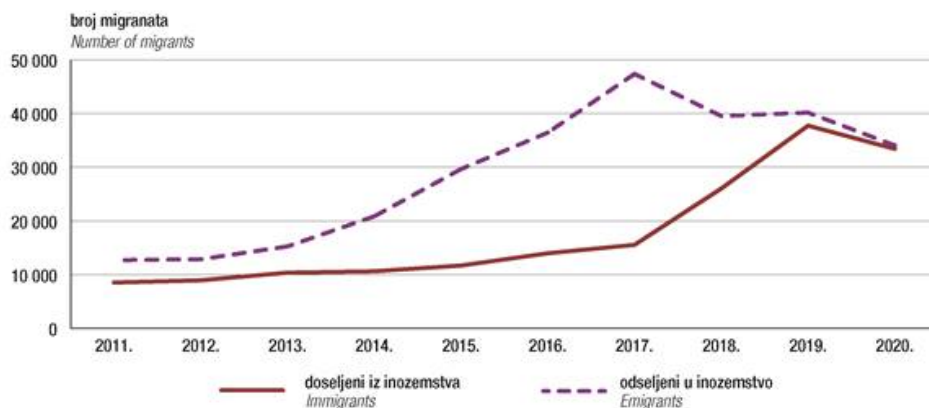
Source: *Migration of Population of Republic of Croatia, 2020*. Croatian Bureau of Statistics, 2021.

The free movement of labour within the European Union market has enabled such an exponential emigration. On the other hand, this freedom of movement of labour *to* Croatia does not achieve comparable immigration. The exception is 2020, when immigration was almost at the same level of emigration, but much of this immigration was temporary residence of labour for seasonal work, as Croatia allows significant imports of labour to repair the economic damage of the Corona crisis. The Covid-

¹ Neveščanin, Ivica (2021) “Tado Jurić: Korupcija je izravno povezana s odlaskom 370.000 Hrvata. Politicarima na vlasti uvijek odgovara iseljavanje, kao i onima u Jugoslaviji!”. *Zadarski.slobodnadalmacija.hr*. 28 August. Online: <https://zadarski.slobodnadalmacija.hr/zadar/4-kantuna/tado-juric-korupcija-je-izravno-povezana-s-odlaskom-370-000-hrvata-politicarima-na-vlasti-uvijek-odgovara-iseljavanje-kao-i-onima-u-jugoslaviji-1123133>

19 pandemic has slowed the emigration trend, especially in the lockdown phases, but we will not be able to determine the long-term demographic consequences of the Corona crisis before the end of the pandemic, nor before the stabilization phase of international economic relations.

G-1. SALDO MIGRACIJE STANOVNIŠTVA REPUBLIKE HRVATSKE S INOZEMSTVOM OD 2011. DO 2020.
NET MIGRATION OF POPULATION OF REPUBLIC OF CROATIA WITH FOREIGN COUNTRIES, 2011 – 2020



Source: *Migration of Population of Republic of Croatia, 2020*. Croatian Bureau of Statistics, 2021.

Conclusion

Croatia is undoubtedly in a demographic crisis. It is not on the verge of extinction as some right-wing analysts insist, but there are real problems. The composition of the population is shifting towards a majority elderly population due to political and economic reasons. Policy changes to increase labour imports speak to the need to fill the gaps created by the mass exodus of the domestic population. Croatia must change radically, because it is already changing radically. Politics must realise this fact and take a hold of this change, leading society in the direction of positive demographic outcomes. These positive demographic outcomes are possible if politics tackles the vicious circle of corruption, clientelism and social inequality. Such radical reforms require political leadership that is ready to

modernize the entire political community towards one which nurtures tolerance, social justice, and democratically empowered institutions.

Impact of Immigration and Population Change on Economic and Social Development

Ladislav Zemánek

Summary

Emigration is a marginal social phenomenon while immigration is one of the most discussed questions both in the political and public discourse. The reasons are multiple: The Czech society is very homogeneous and not supportive of multiculturalism and massive immigration. Nevertheless, it is open for accepting individual incomers from different regions working and paying taxes in the Czech Republic. Moreover, the national economy has suffered from a shortage in the labour force for a long period, therefore, engagement of foreign workers is a necessity of life. The future stability and prosperity are, however, endangered by the population ageing and related negative consequences.

Introduction

After 1989, a turn happened as far as the phenomena of emigration and immigration are concerned. Given the harsh reality of the Cold War in the second half of the 20th century and related introversion, closeness of the Soviet-led Eastern bloc with Czechoslovakia as its part, our country was not a destination for migrants – with the exception of individual actions under the state supervision.¹ On the contrary, many Czechoslovak citizens decided to or were forced to leave their homeland from the political reasons.² The situation has changed over the last three decades.

¹ It applied especially to the acceptance of the Greeks in connection with the Greek Civil War or the Vietnamese.

² Two phases of emigration can be identified. The first one followed the takeover of power by the Communist Party in 1948 when approximately 40 thousand people left the country. The second phase was a result of the Soviet

A structure of the immigration

Whereas emigration became a marginal social phenomenon and the reasons became predominantly economic, the Czech Republic has turned to be a destination for an increasing number of people from different parts of the world. It is connected with several factors, both internal and external: (1) growing attractiveness of the country arising from a positive socio-economic development; (2) high level of security and stability in the Czech Republic; (3) demographic development in other regions leading to its overpopulation in relation to the available material sources; (4) climate changes; (5) military conflicts in and considerable instability of some countries and regions; (6) decreasing expenses on migration together with the existence of structures facilitating or even supporting migration. Growing pressure on opening borders to migrants, therefore, can be expected in the following years and decades. Such an assertion is all the more valid unless the European Union revises the existing, extremely liberal migration policies. For a long period, the Czech Republic pursues a rational, moderate migration policy, avoiding both extremes of openness and closeness. Thanks to it, the incomers' communities are under state control and these become integrated into the majority population.

In 2013, almost 442 thousand foreigners lived on the Czech territory, accounting for 4.2 per cent of the population. In total, 2.5 per cent of inhabitants were of non-EU nationalities, while 1.7 per cent came from the EU member states. Comparatively taken, populations of only 8 countries from the OECD were composed of less than 5 per cent of foreigners (the Czech Republic, Slovakia, Poland, Hungary, Portugal, Finland, Japan and

invasion of Czechoslovakia in 1968. During the period called „normalisation“ between 1968 and 1989, around 300 thousand people are expected to emigrate. Emigration was forbidden by the law until 1977. Navara, L., Albrecht, J. (2010). *Abeceda komunismu*. Brno: HOST, pp. 51–55. Helikar, I. *1968: Po okupaci emigrovalo z Československa přes 300 tisíc lidí* (2018, September 04), idnes.cz. Retrieved September 20, 2021, from https://www.idnes.cz/zpravy/domaci/1968-vypadalo-to-jako-v-anekdote-posledni-zhasne.A180827_153251_domaci_heli.

South Korea) by 2013.¹ Not by coincidence, all countries of the Visegrád Group have pursued a moderate migration policy, opposing extreme stances adopted by the EU's elites and some national representatives (for instance, Angela Merkel's Germany) during the migration crisis in the 2010s, opting for protection of the borders against the illegal migration flows and sovereignty in the field of migration (negative attitude towards a quota system). According to the respected Orientalist Petr Pelikán, who is also an advisor to the incumbent Prime Minister Andrej Babiš, it is especially the policy of the European countries that affects the migration flows or, in other words, strict rules prevent massive migration.²

A role of foreigners in the economy

A majority of foreigners in the Czech Republic come from Ukraine, Slovakia, Vietnam, Russia and Poland. Between 2017–2019, the statistics of incomers were dominated by Ukrainians, Slovaks and Russians.³ By the end of 2020, 624.503 foreigners lived in our country according to the official data. The table below shows the largest minorities and the number of their members⁴:

1.	Ukraine	163.588
2.	Slovakia	124.544

¹ Maděra, M., Klusák, V. *Lidé a společnost. Analýza současné společnosti v České republice* (2017, October), cr2030.cz. Retrieved September 19, from https://www.cr2030.cz/strategie/wp-content/uploads/sites/2/2018/05/Lide_a_spolecnost.compressed.pdf.

² Strakatý, Č. *Pelikán: Afghánistánu nerozumíme, je to úplně jinak. Tlumočníky bych tam nechal, většina žen víc práv nechce* (2021, August 18), reflex.cz. Retrieved September 20, 2021, from <https://www.reflex.cz/clanek/prostor-x/108741/pelikan-afghanistanu-nerozumime-je-to-uplne-jinak-tlumocniky-bych-tam-nechal-vetsina-zen-vic-prav-nechce.html>.

³ *Vývoj obyvatelstva České republiky 2019* (2020, October 01), czso.cz. Retrieved September 19, from <https://www.czso.cz/documents/10180/121768528/13006920a.pdf/fc6793c2-7a2f-472a-909b-c9693c38a471?version=1.1>.

⁴ *Cizinci s pobytem nad 12 měsíců podle státního občanství v letech 2008-2020 (k 31.12.)* (2021, August 02), czso.cz. Retrieved September 19, from https://www.czso.cz/documents/11292/27320905/c01R07_2020.pdf/ef3255d0-23dd-4898-b57a-657fdfb0a514?version=1.0.

3.	Vietnam	62.793
4.	Russia	39.976
5.	Germany	20.861
6.	Poland	20.733
7.	Romania	18.396
8.	Bulgaria	17.917
9.	Mongolia	9.996
10.	Britain	9.082

It follows that the migration comes predominantly from the East with Germany as the main exception (which is „natural“ given the historically close ties between our two nations). Nowadays, immigration contributes to a slow rise in the population of the Czech Republic, without which the number of inhabitants would be decreasing. A significant feature of the minorities (first and foremost the Ukrainian, Vietnamese and Russian ones) is the fact that persons in the productive age prevail among them, exceeding 90 per cent. In terms of education, the immigrants from Russia are the most educated – 42.7 per cent of the Russians in our country have a university education. To compare, the average figure throughout the Czech Republic’s population amounts to 20 per cent. On the contrary, almost half of the Vietnamese have solely primary or lower education. It has an impact on their occupations. While the Russians work predominantly in the tertiary sector (services), the Ukrainians in the secondary sector (industry and construction industry) and the majority of the Vietnamese are self-employed persons.

Given a long-term shortage in the labour force in the Czech economy, foreigners are an important part of it. According to estimations, foreigners could account for up to 17 per cent of all labour force in our country this year. Their role in the economy is thus in contrast with the prevailing homogeneity of the society. Some industries are especially dependent on

the foreign labour force, for instance, the construction industry. Nevertheless, it applies also to the car industry, mechanical engineering, metalworking or foundry industry. The shortage of qualified workers is a matter of fact, around 300 thousand workers being lacking at this moment. The most frequent scenario is that the foreign workers do not settle down in the Czech Republic but leave for their homeland after they make enough money. Our country attracts foreigners with a high quality of life and lower cost of living compared to Western Europe.¹ In the case of the Slavs, cultural affinity also plays its role. Engaging foreigners is a common and necessary practice in spite of higher expenses in comparison with the Czech nationals due to the chronic lack of labour forces. There are two basic options to solve it: (1) to „import“ an increasing number of foreigners to satisfy the economic needs and keep the national economy working. In this scenario, the state should make the engagement of the foreign workers easier and create infrastructure and conditions for higher numbers of foreigners. (2) to make use of the opportunity to invest in modernisation, digitalisation and robotic automation of the economic and production processes to reduce the demand for the labour force. This complex process should be accompanied by changes in the education system and increasing wages to make occupations needed more attractive to the Czech people. Although the second option is much more demanding, it is more sustainable, enabling a transformation of the national economy to the knowledge-based, smart model with added-value products, thus not only maintaining but even enhancing the competitiveness of the economy.

Ageing and low birth rate

Ageing is another significant factor influencing the prospects of the economy, sustainability and well-being of the society. According to the projections elaborated by the Czech Statistical Office, the Czech Republic will have 10.527.000 inhabitants by 2100, less than at present. Virtually 30

¹ Hovorková, K. *Jsou dražší než Češi, ale firmy o ně stojí. Pracovníci z třetích zemí se vrací* (2021, July 31), aktualne.cz. Retrieved September 20, from <https://zpravy.aktualne.cz/ekonomika/firmy-lovi-lidi-v-cizine-i-kdyz-kvuli-paradoxnim-zakonom-mus/r~d6d6bb6aefb311ebb91a0cc47ab5f122/>.

per cent will be pensioners older than 65 (nowadays 19 per cent), roughly the same number of people will be younger than 19. The working-age population will, therefore, account for less than 40 per cent. It is expected that the number of the dead will surpass the number of the newborn throughout the period. Even though the population continues growing, the turn is to happen around 2030.¹ The estimated decrease in the working-age population will further deepen the problem of the shortage in the labour force.

Low fertility of Czech women is a characteristic feature, amounting to 1.5 children per woman. The low natality will support the pressure on accepting migrants unless a substantial, qualitative leap forward does not happen in the economy. Of course, such a negative development will affect the pension system and social policies as such. The Czech state has introduced a pay-as-you-go system that can work provided that the social tax revenues are sufficient or, in other words, that there is a sufficient number of the gainfully employed. Even now, the pension system suffers from deficits and this tendency will be deepening out of consideration for the ageing of the population. An increasing number of experts and politicians warn against the unsustainability of the pension system and the risk that future pensioners will not be provided with the state pension.

Conclusion

The relevance of the immigration question is increasing. It is connected with global as well as local factors. The Czech Republic cannot influence the development in other regions significantly, therefore, it has to prepare for migration pressures in the future. At the same time, however, the role of foreigners in the national economy is strong, and unless the state authorities, business and society as a whole do not make their best to transform the economic structure, the need for a foreign labour force will be rising. It would be all the more a reality in case of no substantial change in the population development, typical of ageing and decrease in the

¹ *Věková skladba obyvatel Česka se výrazně promění* (2018, November 28), czso.cz. Retrieved September 22, from <https://www.czso.cz/csu/czso/vekova-skladba-obyvatel-ceska-se-vyrazne-promeni>.

number of people in the productive age. It will have an impact not only on employment or economic performance but also on pension and social security systems.

Impact of Migration on Economic and Social Development

E-MAP Foundation MTÜ

Migration as a socio-political phenomenon has a special connotation for and in Estonia. Having suffered from multiple occupations in the XX century, the country had to face a range of multidimensional challenges, which were directly associated with migratory flows. The most obvious challenge that still represents a matter of serious concern for local policy-makers is linked to the issue of **history-bound ethnic disbalance**. At any given moment, there is no *intra*-Estonia political debate, which would not be ‘incorporating’ (either consciously or unconsciously) the so-called ‘ethnic card’, be it when it comes to schooling, citizenship issues, industrial capacity of a region, climate change, or even anti-covid vaccination.

Indeed, as argued by Puur *et. al.*, “[p]ersistent immigration entailed a major transformation in the composition of the population [,] [when] [t]he proportion of the ethnic (Estonian) majority decreased from an estimated 97% in 1945 to 62% at the last Soviet enumeration (1989), while the share of ethnic minority groups more than decoupled over the same period to reach 38%”¹. The post-WWII processes, when the Soviet occupation of Estonia became a *de facto* ‘parameter’ for analysing the Baltic/Nordic country’s developments, were featured by a particular type of immigration, which was directed as well as “stimulated by political and ideological motives [...], [...] br[inging] to Soviet-occupied Estonia a wave of

¹ Allan Puur, Leen Rahn, Luule Sakkeus, Martin Klesment, and Liili Abuladze, ‘The formation of ethnically mixed partnerships in Estonia: A stalling trend from a two-sided perspective’ in *Demographic Research*, vol. 38, article 38, 2018, p. 1117.

Communist Party members, Soviet military personnel and a large industrial workforce [from other titular states of the USSR]”¹.

From the societal angle, the impact of the take-over could not be precisely measured in all cases, but even some estimates were good enough to understand the degree of changes made. For example, according to a credible report, “between the 1959 and 1979 censuses, the proportion of ethnically mixed couples increased from 10% to 16% in Estonia”, and “among ethnic Estonians, majority–minority couples constituted 13% of all married and cohabiting couples as of the late 1970s”². Another good account comes from Tõnu Parming’s material published in 1972, where it was stated that “[b]etween 1950 and 1959 immigration [in Estonia] was almost as large as natural increase, and since 1959 it has been larger”, while “[m]ost of the immigrants are regionally concentrated and urban”³. In plain numbers, the ethnic Russian segment of Estonia’s population increased by 169,000 people or 70.3 per cent, in the period from 1959 and 1979⁴.

A more recent article, based on the 2000 census-generated data, discussed the so-called “assimilation perspective”, having found that “mixed ethnic partnerships were more common among second- and third-generation immigrants as compared with the first generation”, with “[m]embers of the largest groups (Russians, Ukrainians, and B[elaru]sians) were found to be the least likely to form partnerships with the majority population”⁵.

¹ Katus and Sakkeus 1993 as cited in Kadi Mägi, Maarten van Ham, Kadri Leetmaa, and Tiit Tammaru, ‘The neighbourhood context and changes in self-reported ethnic identity’ in *Journal of Ethnic and Migration Studies*, 2018, p. 5.

² Volkov 1989 as cited in Puur *et. al.*, p. 1119.

³ Tõnu Parming, ‘Population Changes in Estonia, 1935-1970’ in *Population Studies* (Taylor & Francis, Ltd.), vol. 26, no. 1, 1972, pp. 53-78.

⁴ Augustine Idzelis, ‘Industrialization and population change in the Baltic Republics’ in *Lithuanian Quarterly Journal of Arts and Sciences*, vol. 30, no.2, 1984.

⁵ van Ham and Tammaru 2011 as cited in Mägi *et. al.*, p. 1119.

Another interesting point, which was detected by the same material, underlined that “[c]ontrary to expectations derived from the social exchange theory, highly educated members of the ethnic minority population seemed to prefer co-ethnic rather than majority partners”¹. It is worth noting that, the beginning of the 1990s saw a “substantial proportion of the Russian-speakers” leaving the country, but the 2011 census detected that “the majority of the Russian-speaking population stayed”, constituting 30 per cent of Estonia’s population².

The aforementioned linkage between Estonia’s Soviet-time historic immigration and urbanisation portrays the second major issue for the context – it is interlinked with **political economy and structural changes**, which the Estonian economy had to come to know mostly from 1945 until 1991. As a result, at the time when the Soviet Union was about to collapse, 90 per cent of the country’s non-Estonian societal segment lived in urban areas³. Under the Soviet rule, the country’s capital city Tallinn, for example, was to experience “[s]teady population growth, formation of the Tallinn agglomeration and the end of Western-style sub-urbanisation”, being influenced by “the start of rapid and labour extensive industrialisation and the role of external migration in Estonia”⁴. In digits, the city’s population was going from 134,000 inhabitants (1944) to 166,000 (1947), and then to 479,000 (1989)⁵.

On the side of the economy, despite the fact that, “[a]t the beginning of the XX century, Estonia was one of the most developed regions of the Russian

¹ van Ham and Tammaru 2011.

² Mägi et. al., p. 5.

³ Tiit Tammaru, ‘Differential urbanisation and primate city growth in Soviet and post-Soviet Estonia’ in *Tijdschrift voor Economische en Sociale Geografie*, vol. 91, no. 1, 2000, p. 25.

⁴ Tammaru, p. 27.

⁵ Tammaru, pp. 23-24.

Empire” and it “[b]oasted twice as many workers per 1,000 residents and three times greater output”, the country was an example of “[s]mall-scale industrialisation and weaker ties to Russia”¹. The Soviet times have dramatically changed the pre-occupation’s *status quo*. As argued, the Baltic region’s natural resources as well as highly skilled manpower made a difference in the process of gearing the industrialisation “toward labour-intensive industries which required minimal inputs of imported raw materials and fuel” and boosting “machine-building and metalworking, as well as the light and food processing industries”² in Estonia. By 1980, the latter three industries accounted for nearly 67 per cent of total industrial production by value in the country³.

On the top of that, by 1950 (only five years after the end of the WWII), shale oil output was doubled if compared to 1939, reaching the level of 3.5 million metric tonnes to grow to astonishing 31.3 million metric tonnes by 1980⁴. In addition, the output of electricity for 1950 was recorded to be about three times higher than in 1938, peaking in the 1980s. Intriguingly, “while comprising only 2.8 per cent of the total population of the USSR, [the Baltics] account[ed] for a relatively high percentage of the total Soviet output in certain lines of manufacturing” – Estonia, for example, produced 6 per cent of the total Soviet output of electric motors and excavating machines⁵.

Since regaining independence, the outcome of the former USSR’s policies on migration became **the** societal base for Estonia to develop its new

¹ Heido Vitsur, ‘A hundred years of the Estonian economy’ in *Estonian World*, 2021. Available from [<https://estonianworld.com/business/a-hundred-years-of-the-estonian-economy/>].

² Idzelis.

³ Idzelis.

⁴ Vitsur.

⁵ Idzelis.

identity – evidently, in all respects, the country was not the same as it used to be before the 1940 occupation. There is no subjunctive mood available for history, political economy, and human development, thus, from 1990-91, Estonia’s approach was very pragmatic – to positively reflect on the *status quo*, in policy making sense, of course. Remarkably, in the context of **Human Development Index** (HDI), which has plenty of measurable indicators on education, income, and health, “[f]rom 1990 to 2015, only two other EU Member States have increased their HDI faster than Estonia”¹.

These days immigration in Estonia exceeds emigration, and, as reported, the immigrational flow represents a patchy societal segment that can be categorised further: 1) people returning to Estonia (about 50 per cent of the total), 2) people arriving from the former Soviet area (for example, Russia and Ukraine), 3) people from other EU Member States, and 4) people from the rest of the world². Additionally, the ‘Soviet’ level of urbanism still prevails in Estonia, with 69 per cent of the population prefer living in urban and small-town settlements, which is a similar figure to what it was recorded in 1989 (71 per cent)³. In a way, it is a natural development because the country’s rural residents are left with “lower opportunity for employment, while residents of Estonia’s cities fared relatively better in the new market economy”, and such a situation reflects in a monetary manner as well – as detected, “income per inhabitant in Estonia’s cities is

¹ Brendan Seney and Daniel Baldwin Hess, ‘Population Migration and Estonia: Adapting in an Age of Immigration’ in *The Baltic Times*, 8 August 2018. Available from [\[https://www.baltictimes.com/population_migration_and_estonia__adapting_in_an_age_of_immigration/\]](https://www.baltictimes.com/population_migration_and_estonia__adapting_in_an_age_of_immigration/).

² Seney and Hess.

³ Statistics Estonia as cited in Kristi Grišakov and Mihkel Kaevats, ‘Estonia 2050 scenarios’ in *Estonian Human Development Report 2019/2020*. Available from [\[https://inimareng.ee/en/estonia-2050-scenarios.html\]](https://inimareng.ee/en/estonia-2050-scenarios.html).

higher than the EU average, while income per inhabitant in the country's rural areas is below the EU average"¹.

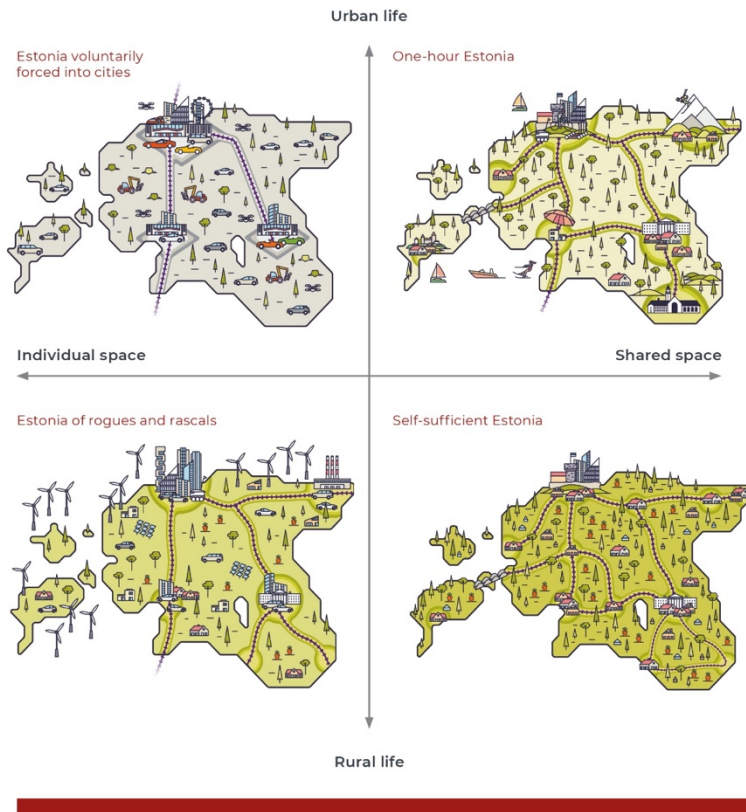
Considering these and many other, highly nuanced, local and global developments, *Estonian Human Development Report 2019/2020* worked out a few scenarios (four in total) of exploratory nature to illustrate a range of possible futures for Estonia as it is visualised to become in three decades from now (see *Figure 1*). As explained by the authors of the material, “[t]he main axes of the future scenarios are settlement structure and public space”², while the two axes (from individual to public space and from rural to urban life) help in separating the clusters to make them distinctly visible. For example, the public space axis exhibits a particular role that this category plays in societal development, “with a more specific focus on data, mobility and accessibility issues” when “the average citizen has access to public space and services according to their individual consumption capacity”³.

Figure 1: Estonia 2050 living environment scenarios on the axes of settlement structure and public space

¹ Seney and Hess.

² Grišakov and Kaevats.

³ Grišakov and Kaevats.



Source: Grišakov and Kaevats, Estonia 2050 scenarios

A particular story has to be and is associated with each and every scenario outlined in the report, be it ‘Estonia voluntarily forced into cities’, or ‘One-hour’ Estonia’, or ‘Estonia of rogues and rascals’, or, finally, ‘Self-sufficient Estonia’. However, whatever the country will become in thirty years, the long-standing impact of those migratory flows it had experienced during the turbulent XX century will still be ‘visible’ in every segment of Estonia’s societal development.

Impact of Immigration and Population Change on Economic and Social Development in Greece

Evelyn Karakatsani

Summary

The population of Greece is gradually decreasing and simultaneously ageing. Moreover, due to the economic crisis the emigration flows of educated and young people is constantly rising. This phenomenon of population change has serious implications to the economic and social development of the country. Unfortunately, studies suggest that the population will continue to decrease and ageing in the future. Greece needs to address the issue in order to increase its human capital, to accelerate its economic growth and consequently its social cohesion and welfare. Focusing on the development of strategies to attract and retain young people from abroad will increase the population of the country and reverse the population ageing process.

Introduction

Due to the economic crisis (2009-2018) the population of Greece is constantly decreasing and ageing. The fertility rates have decreased significantly, and life expectancy is gradually increasing. Moreover, the phenomenon of “brain drain”, that is the emigration of young and educated people leaving the country to find better employment opportunities abroad, exacerbates the problem. In addition, immigration flows to Greece have been increased, due to the refugee crisis. However, these flows started to decrease year by year. Moreover, many immigrants living currently in Greece, plan to leave the country in the next years. These factors have and will create a stagnation to the economic and social development of the country. The government needs to prioritize the issue and design policies and measures that will reverse the process of the shrinking and ageing of Greece’s population.

Population change in Greece

According to EUROSTAT Greece's population in 1st January 2021, meaning the number of persons having their usual residence in the country, is 10,682,547. The population of the country in 2010 was 11,119,289 (1). This gradual decline of the population has been a serious concern for the future economic growth and social development of the country.

The analysis of the population change of the country is based on three main factors: fertility; mortality and migration.

A remarkable decline of the total fertility rates over the decades of the 80s and 90s has been observed. In particular in 1980 the total fertility rate (births per women) was 2.23 and in 2019 it reached 1.4 (2). Moreover, the life expectancy in Greece has increased from 73.6 in 1980 to 82 in 2019 (3). The last decades a radical increase of immigration flows has been observed in Greece. However, the last years the immigration flows have been reduced to 14.430 in 2020, in comparison to 65.337 in 2019 (4).

Furthermore, in order to evaluate the population change in Greece, we need to add to the equation the numbers of emigrants. Emigration was always a phenomenon observed in Greece. However, the last decade, due to the economic crisis the numbers have risen significantly. It is estimated that, during the period 2010-2015, in total 222,457 Greek citizens emigrated (5). According to the Hellenic Statistical Authority (ELSTAT) in 2018 net migration was estimated at 16,440 persons, which is the estimated balance of 119,489 immigrants and 103,049 emigrants. Hence, ELSTAT concluded that in 2020 the total population of Greece was 10,718,565 persons (5,215,488 males and 5,503,077 females). The population decreased by 0.06% in comparison to the respective population on 1st January 2019 which was 10,724,599. This phenomenon is the result of the natural decrease of the population, which was estimated to 40,473 persons, more specifically 83,628 births as opposed to 124,101 deaths of residents, and the net migration, is estimated to 34,439 persons (6).

In addition, it is worth noting that since the 1960s there was a massive wave of internal migration from the villages to the cities. According to a 2018 report of the Greek Parliament, 80% of the general population lives in a small part of the country's territory (6%) in the two biggest cities, Athens and Thessaloniki. This has left the rural areas, as well as the peripheries, underpopulated, with almost no chance for economic and social growth (7).

The future is also seen negative. According to the medium scenario of the ELSTAT's population projections 2007 – 2050, by 2050 the fertility rate will reach 1,66, life expectancy will exceed 85 years and a slight recession of the migration flow will be observed, which is estimated in 2007 to 35-40 thousand people. Thus, it is estimated, by ELSTAT's medium scenario, that in 2050 the total population will be approximately 11,500,000 people. Based on the same scenario the population structure is expected to be different by presenting a high population ageing. More specifically in 2007 the population with an age exceeding 65 years was 18,5% of the total population of Greece and it is expected to reach 32% by 2050 (8).

From the above it is evident that the population of Greece is not only decreasing but simultaneously ageing. This creates negative implications on the economic growth and social development of the country. The government has defined as a top priority to address the issue and it is currently designing new measures in order to support young couples economically. However, Greece in the post-economic crisis period will need to increase as soon as possible its work force in order to accelerate its economic growth. This makes immigration a factor that the government needs to address. The majority of the developed countries introduce measures and policies to attract immigrants in order to increase their population growth rates. This strategy can potentially benefit Greece as well.

The impact of the Population Change

Demographics have a catalytic effect on the economy. The decrease and ageing of the population results in the shrinkage of domestic consumers

and producers. In order to balance this phenomenon a state needs to increase its productivity levels. However, the population decline is largely associated with reduced economic performance. In the case of Greece, the recession due to the economic crisis has accelerated the decrease of the population of the country. This has obviously negative effects to the country's economy.

The decrease of the economically active Greek population, through a reduction of the labor force, leads to a reduced GDP growth rate, putting pressure on the living standards of employees and retirees. This pressure will be maximized as a decreasing GDP will have to finance the increasingly high numbers of retirees with a higher life expectancy. The inevitable result is an increase in taxation, which in a globalized economic environment, leads to an outflow of workers and capital, resulting in further reduction of GDP. Therefore, the current demographic trend leads to an increase of the retirement age and a reduction in pensions, public expenditure and welfare expenditure. Greece is in danger of evolving into a society, with low per capita income, low social protection and high social inequalities. Such negative developments in economy have unpredictable consequences for the smooth political functioning of the country, its social cohesion and its internal and external security (9).

The impact of Migration

One of the remedies to the demographic issue of Greece can be migration, including immigration and emigration.

Immigration in public discussion has been many times characterized as a problem. However, immigration is a source of human capital, which under the correct circumstances can increase the labor force and consequently the GDP of the country. From a survey of the Institute of Migration Policy (IMEPO) it is evident that the direct contribution of immigrants to the GDP of Greece in 2004 was approximately 2.3% -2.8%. This can be considered as the minimum contribution of immigration to the country's GDP, as it

does not address the indirect or secondary effects of the presence of immigrants in the country's economy (10).

A survey conducted by Dianeosis for the opinions of the refugees and immigrants in 2020 shows that 4,3 % of the respondents have a master's degree, 27,9% from the respondents have acquired a BA/BSc and 25,8% have finished high school. Hence, a great number of immigrants and refugees are young and educated. Also, the majority of the respondents have a previous working experience in sectors such as agriculture (16,1%), constructions (14,3%) etc. However, 36% of the respondents declared that they live in a container inside a camp and 28% declared unemployed. Also, 47,4% of the respondents stated that the language is the biggest barrier in their integration. It is worth noting that from the respondents only 50,3 % declared that are planning to stay in Greece (11). From the survey data it is evident that Greece has a working force capital that needs to keep and promote. Also, Greece, as an open society, needs to pursue a balanced, humanitarian and pragmatic long-term immigration policy. The country needs to control the immigration inflows, by seeking the smooth integration of immigrants into the Greek society and their future contribution to the labor force of the country.

Another source of human capital is people with Greek origin from the numerous communities of the Greek Diaspora. The repatriation of Greeks who emigrated during the economic crisis will upgrade the economic prospects of the country not only through the increase of the labor force but also the increase of the productivity of the Greek labor, due to the high human capital of the repatriates. Simultaneously, emigration rates need to be decreased (9). The so called "brain drain" is a major issue for the country. Due to the economic crisis the unemployment rates skyrocketed. Unemployment rates for ages 25-64 among the degree holders were at 19.07% in 2008 and in 2013 reached 28.13%. Increased unemployment in all age and educational groups has led to many young people exiting the country, with 124,000 people leaving, in 2012 alone. A 2019 survey from ICAP shows that 26% of people emigrating from Greece hold a degree, and 69% a masters or a PhD (12). This phenomenon has seriously negative

implications for the economy and the society of the country, since a big number of the high-quality work force has leaved Greece for a better employment opportunities.

Conclusion

Greece's population is constantly shrinking and ageing. The reality is that Greece needs to break the vicious cycle that has been created, where economic recession results in population shrinkage and population shrinkage results to the slowdown of the economic growth. Immigration is a key factor that potentially can contribute to the reverse of this phenomenon. Due to current developments, such as the COVID-19 pandemic and the new humanitarian crisis of Afghanistan, further research and data collection needs to be done in order to evaluate the current and future population changes in Greece and their impact.

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Immigration and Population Trends in Hungary

Csaba Moldicz

The growing gap between rich and poor countries, military conflicts, religious and ethnic persecution, and climate change are often cited as causes of immigration. The global number of migrants was 258 million in 2018, compared to only 120 million in 1980. The two figures vividly reflect that migratory pressure has increased globally, and this worrying trend poses challenges to the global community. While the demographic trends – aging and shrinking populations – in European countries would suggest solving the problem with large-scale immigration to these countries, we must point out that this problem is much more multifaceted and requires solutions at the national level.

Introduction

The average total fertility rate in 2019 was 1.53, which means that the population of the EU would decrease without immigration. (Fertility indicates the average number of children a woman has). None of the countries reach 2.1, which would be necessary to maintain the population size. The highest fertility rate is found in France (1.86), and Hungarian data show a slightly above-average fertility rate (1.55).

Solving the problem of shrinking population through migration seems to be a short-sighted solution, which might alleviate the problem of labor shortage for a shorter period of time but would lead to growing problems in society in the long run (security problems, problems with insufficient integration). Hungary has chosen not to follow the path of Western and Northern European countries and is trying to increase the number of births on a large scale through economic incentives. This briefing analyses the demographic trends in Hungary and then takes a look at the above incentives and Hungarian opinion in the EU debate on migration in contrast to the mainstream in European Union.

Demographic trends in Hungary

The country's population was 9.7 million in 2019 and has been declining for decades. At the same time, it is important to note that the population decline in recent years has been less than in the 1980s. Average life expectancy at birth has been slowly increasing in Hungary for decades and was 72.4 years for men and 78.9 years for women. Total life expectancy at birth was 75.7 years in 2020. This ranks Hungary last among EU member states, as Hungarian life expectancy only surpasses Romanian, Bulgarian, Lithuanian and Latvian figures in European Union. As a result, Hungary, like other advanced countries, faces the problem of an aging population. While the percentage of people over 65 was 19.3 percent in 2015, this indicator is expected to rise to 27.7 percent, according to Eurostat.

As economists usually point out, the shrinking and aging population leads to labor shortages and thus slower productivity growth in the economy. The response to these problems has been migration from Africa, Asia and Latin-America to Western and North European countries. This kind of response was relatively easy in countries with a colonial past, but the different historical path of Central European countries makes the response of these countries quite different from that of Western European countries. Hungary and Poland also stand out in this context. Both countries reject mass migration as a solution to the economic problems caused by shrinking and aging populations, and they also point to the long-term social problems caused by migration. Hungary not only rejects the EU's migration policy but has also taken massive measures to increase fertility and provide economic incentives for families.

Family protection measures as tools of demography in Hungary

In 2021, total spending on family support amounts to HUF 2,600 billion, double the amount spent in 2010, HUF 960 billion. The sharp difference in the figures shows the changing course of demographic policy in Hungary.

One of the most popular measures is the "Baby Expectancy Loan", which was used by 130 thousand Hungarian families. Support for large families to buy a car is also very popular. The program provides direct financial support of HUF 2.5 million to families with three or more children. Since the launch of the program, HUF 28 billion has been spent, while the discount on mortgages with children has cost a total of HUF 47 billion.

The Family Housing Allowance Program, or CSOK provides up to HUF 20 million in assistance per family, specifically for home ownership. There were 171 thousand applications under this policy between July 2015 and March 2021. During this period, HUF 544 billion was spent on this program. Since the launch of the program, the conditions for the allowances have been made more flexible. As of 1 January 2021, mothers with four or more children no longer have to pay income tax. The allowance also applies to the period when the children become adults. Since the beginning of the program, 46 thousand mothers have taken advantage of this allowance, and the total amount spent on it was 16 billion.

As we could see, the Hungarian government gives very clear incentives to start a family and raise more than two children. Obviously, the goal is to solve the problem of the shrinking and aging population in Hungary. The birth rate has been slowly declining in recent years, but it is not yet clear whether this change can be explained by the generous family support programs or whether there are other reasons for it. Even in the case that the support program would not increase the Hungarian birth rate, it is reasonable to spend money on Hungarian families.

Migration policy in Hungary

As mentioned above, the Hungarian government has confirmed several times over the past decade that the problems of Hungary's aging and shrinking population cannot be solved by giving incentives to mass migration. The migration crisis in 2015 has revealed the sharp contrast between the Hungarian approach and the attitude of Western European towards migration. Especially the German 'welcome policy' towards the

migration wave of 2015 has made this contrast vivid. Back in 2015 and now, when a new migration crisis is looming over the European Union as the change of political regime in Afghanistan has destabilized the region, Hungary has put forward several arguments against liberal migration policies:

- The Hungarian government often points out that countries with long liberal migration policies suffer from social tensions caused by insufficient integration and cultural clashes.
- Migration can lead to infiltration of terrorist groups, creating more security problems and making the country vulnerable to terrorist attacks.
- Mass migration can lead to fundamental changes in the ethnic landscape of Europe, which cannot be the goal of nation states.

Due to the existing contradictions in migration policy, which will most likely not disappear in the political discourse of European Union, the Hungarian government wants migration policy to return to the competence of the member states. Hungary and Poland are coordinating their migration policies and actions as they share similar views on the long-term consequences of migration and how to deal with the recent waves of migration in the short term. It should be added that the European Union is facing migratory pressure not only from Afghanistan but also from several regions (North-Africa, Middle East and Belarus.) That is probably why Hungary can probably see the appropriateness of its policy confirmed by the recent efforts of other European countries to strengthen their border controls by building a security fence. (Poland, Lithuania).

Conclusion

In Hungary, policy areas such as demography, immigration and economic development are managed as a complex array of policies that overlap and whose interactions can be clearly seen. In Western European countries, issues such as aging and shrinking populations are treated as if they were

pure problems of economic development, although immigration is not just about the influx of labor but can change the social structure of a country through the 'import' of new languages, religions, and traditions. It can lead to a new political constellations in those countries as the long-term influx of migrants change the electorates and along with the political landscape.

We should also add that different policies can easily be explained by a different past, but also by a different vision of the future. In Central European countries, sovereignty is largely based on national identity, and identity-related issues are at the core of national existence, so a significant change in population would also change the status quo that emerged after the Second World War and contributed to the stability of the region. Against this historical background, these countries will never favor large-scale migration policies, and even strong public support would be hard to find. At the same time, it is relatively easy to obtain a permanent residence permit if the applicant is well educated and his or her skills are in high demand on the market.

Impact of Immigration and Population Change on Latvian Economic and Social Development

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Summary

At the beginning of 2021, the population of Latvia decreased below 2 million for the first time. Long-term emigration and population changes have left their impact on Latvia's social and economic development. Rising social inequality, inability to afford household expenses, negative natural births introduce added pressure on the financial sustainability and adequacy of the social system. In addition, the labour market is strained by the ongoing ageing process of its workers and low birth rate which has led to inevitable labour shortage. Therefore, it is important for the authorities to prevent an impending economic catastrophe.

Introduction

Experts from various fields believe that the next 50-70 years may be decisive for the Latvian state and its main nation, Latvians. This is quite clearly evidenced by the rapid decline of the population in the last 10-15 years. The most important reason for this is the relatively low level of socio-economic development of Latvia compared to many other countries that attract emigrants, the effect of which is greatly exacerbated by the pandemic caused by Covid-19 in the world. The spread of the pandemic on all continents of the world, the scientific uncertainty of its causes, the uncertainty of its future spread and the high mortality of those affected have led to a new recession on a global scale. Therefore, on the one hand, the minds of politicians in many countries and intergovernmental organizations in the world today are preoccupied with the need to stop the

further spread of the disease and, on the other hand, to avoid the impending economic catastrophe.

I Immigration and population tendencies in Latvia

Provisional data of the Central Statistical Bureau of Latvia (CSB) portrays that at the beginning of 2021 the population of Latvia has decreased by 14.5 thousand people fewer than a year ago, accounting for 1 million 893 thousand people. The population has the sharpest decline among the Baltic states and has decreased more rapidly in the last year than the year before with 0.76%, from which 0.17% is due to migration.

The COVID-19 pandemic has influenced the mobility of the population in 2020, which in result has affected the indicators of international long-term migration - in comparison to 2019, the number of immigrants has decreased by 21.2% leaving just 8.8 thousand people who came to Latvia from other countries which is 2.4 thousand less than in 2019.

Taking into account the result of recent data it can be concluded that given the demographic tendencies and previsions after ten- or fifteen-years Latvia will have to focus on how to attract immigrants and control emigration. The consistent decrease of the population of Latvia on one hand and the outpouring increase of the number of people in the world on the other hand are the biggest threats to the country's development and opportunities to assimilate immigrants from overcrowded regions of the world. The statistics clearly show that the immigration and population changes leave a strong impact on different fields all over Europe, but it is a very clear case in Latvia, especially if the focus goes to economic and social development in the 21st century.

II Impact on social development

During the COVID-19 pandemic, based on data from the European “Eurobarometer” sociological survey on the future of Europe, social issues were identified as a major concern. Rising social inequalities are cited as the main challenges in the survey. From one side immigration has made Europe and Latvia more diverse and more productive but intolerance of the population towards strangers has increased. Latvia also has one of the strictest immigration and asylum policies in Europe which poses a challenge for immigration from poorer countries. Currently, this is not seen as a threat but in the future terrorism and religious fanaticism could increase, as well as pose a challenge for the regularities of development which can only happen if the people are one force and are able to come to an agreement for the common good.

Even though the situation regarding social inequality in Latvia is improving year by year, the anxiety regarding this subject is not surprising among the population of Latvia. More than a quarter of the population in Latvia is able to cover daily expenses with difficulty, according to a survey conducted by the Central Statistical Bureau of Latvia (CBS). The data obtained in it show that in 2020, 27.2% of households covered their daily expenses with difficulty. The share of households that covered their daily expenses with a relative ease is 62.8%, while 10% of Latvian households did not have any problems with covering their expenses. Latvian residents indicated that the desired minimum amount for a comfortable living would be at least 561 euros per month.

As a result of negative natural growth, population ageing can be observed with the average age of the population as 42.8, where at least 37% of Latvian citizens are over the age of 50. The average life expectancy decrease combined with migration introduces added pressure on the financial sustainability and adequacy of the social protection system.

III Impact of population change on the labour market and the economy

As in other EU countries, also in Latvia are considering how to solve the problem of labour shortage, as societies are aging, and birth rates are generally low. The situation with labour shortages varies from country to country. One solution to this might be immigration, however, in Latvia, the labour immigration policy and system is assessed as conservative, and there is no room for improvement, even though there are things that can be done. Due to it, as the population ages, it will have a direct impact on the economy, and over the next ten years Latvia's gross domestic product (GDP) may not gain close to 29 billion euros.

Currently entering the labour market is the generation born in the eighties which exceeds the number of births in the last decade. The ongoing ageing process introduces the threat for the upcoming years as when those born in the nineties enter the labour market and have to pay pensions to a large family of pensioners, the labour shortage will leave a painful impact.

Although Latvia's migration balance is negative, Latvians who have emigrated earn money abroad and inject it into the Latvian economy by sending it to their families and relatives in Latvia. Data from the Bank of Latvia and Eurostat show that at least 125 thousand people and households in Latvia receive regular financial support from relatives abroad. According to the data of 2017, it can be concluded that 818 million EUR have flowed into Latvia in this way, which has made up 4.1% of the country's GDP.

The dynamics of migration can be largely explained by quantitative and qualitative changes in the composition of the country's population, caused by their different political composition and attitudes towards socio-economic and political reforms related to the restoration of market economy principles and parliamentary governance. The structure of the economy will change as the share of technological sectors increases. Changes in both income and job content would make the labour market more attractive to both economic emigrants and migrant workers. Latvia should be able to replicate the success of neighbouring countries in stabilizing its population.

Conclusions

Latvia showcases a clear immigrant and population impact on its social and economic development. Currently, Latvia has the sharpest decline in population among the Baltic states with 0.76% and, in comparison to 2019, immigration has decreased by 21.2%, which results in the need to investigate the future and create a plan on how to create and control a healthy and productive migration process in the future. The issue of social inequality is seen as the main challenge among the population of Latvia as it poses the threat of social issues as the incline of terrorism as well as economic issues within the labour market. Even though there are socio-economic and political reforms in the works, the economy is strained by the current ageing and emigration of people in the labour market.

The free movement of labour in the European Union attracts the labour needed for their development from the EU countries with a lower level of development, thus hindering the economic development of these countries, as well as creating other negative and side effects. In the case of Latvia, the free movement of labour is turning into a flow of emigrants, which is formed not only by the population of working age. Their parents, spouse and / or minor children often leave the country with them. Thus, the countries of emigration receive labour from Latvia - a more important resource necessary for business development, but persons accompanying jobseekers participate in increasing the growth of domestic consumption demand, which is one of the most important aspects for the future growth of the richest EU countries. To compensate for the departed labour force in Latvia, many companies attract employees from countries outside the European Union. As a result of emigration, the proportion of indigenous peoples in the country is reduced and thus the foundations of the country's national identity are increasingly threatened.

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Lithuania at the Crossroad for Immigration and Population Change

Linas Eriksonas

The rapid unravelling of the post-Cold War consensus and the fracturing of the global supply chains occasioned by the regional unrest in the developing world has increased the traffic on the illegal migration routes. It has been reported that limits on safe, orderly and regular migration pushed vulnerable people into using shadowy irregular pathways. Due to the COVID-19 restrictions, fewer existing pathways for migration have remained possible. Irregular migrants would more frequently embark on a life-threatening sojourn across international boundaries without documentation or health checks, putting themselves and those around them at risk. The established illegal migration routes have been exhausted due to increased controls and public health and safety checks. Thus, the new byways have been sought after, opened up and put into use. Lithuania has become a new transit country for the illegal migrant routes that created a new national urgency concerning immigration within the context of the wider concerns due to negative population change.

Since the end of the quarantine in June and due to the purposeful activities of the authorities in neighbouring Belarus, Lithuania has become another contested EU border country which, along with Latvia and Poland, have been systematically used for challenging the illegal migrant traffic from the Middle East and Central Asia into the main EU countries. As overnight the new situation has turned Lithuania from a country suffering for more than a decade from economic out-migration of its population into a country facing the unprecedented and unforeseen in-migration flows from the third countries.

Below is an overview of the current demographic situation and the main concerns related to population change caused by continuous emigration and

the loss of labour. It considers the main drivers that have contributed to the migration before and after the pandemic: their impact on population change in general and the economic and social development in particular.

Lithuania represents a particular case in the European Union from the perspective of demographic change. It has been steadily depopulating for the last two decades. Since the country's access to the EU, more than a third of the working-age population (mainly at the most productive age of 20-30 years) has left the country for the more advanced economies. As of autumn 2021, compared to 1990, the number of residents living in Lithuania has dropped by 899,6 thousand people, which constitutes about 24,4 per cent of the entire current population of the country. In 2020 more than 71,1 per cent of emigrants were aged between 15-44 per cent.

Such massive out-migration flows have caused severe demographic problems, including diminishing number of marriages, decreasing birth rates (the current fertility rate stands at 1,6) and the lack of workforce on the labour market. A shrinking proportion of working residents is faced with the need of the increased supporting of a growing number of the unemployed and the people on social benefits. More importantly, migration negatively impacts the welfare of a future generation – the children. Since 2010, 2000 children have been assigned temporary guardianship under the parents' request after the parents left the country. Though financial transfers to Lithuania from private persons living abroad has been rather generous (amounted to 694,31 million euros and equalled to 1,4 per cent of GDP), during the COVID-19, those flows have subsided.

Migration has been one of the characteristics of the globalized world. Under the conditions of global free trade, economic migrants moving from one country or continent to another have helped involuntarily to balance the global supply and demand of labour. However, in the economy under the pandemic and climate change, economic migration has become a destabilizing factor. The migratory flows follow from the less anti-COVID vaccinated populations to the more vaccinated ones in the advanced economies, from the less climate-resilient countries and territories to the

more climate-resilient ones. The illegal migrants arriving in Lithuania are not vaccinated, and only about 60 per cent agree to get a vaccine offered by Lithuanian health authorities. More than 60 per cent of them arrived from Iraq and the rest from Afghanistan, Syria, Nigeria, Cameroon, the Democratic Republic of Congo – the territories where war and climate conditions make lives unbearable. These migrants are driven out of their countries less by economic concerns but more so by the lack of certainty about the future. Most have paid exuberant amounts of money for the intermediaries to arrange the travel and the guidance to attempt illegal border crossing. At least a fifth of them has a university degree. More than 70 per cent are travelling with family members, which indicates that they aim to resettle rather than find a source of income to support their families at home, as is typical of economic migrants.

According to the migration theory, causal migration forecasting helps predict the potential in and out-migration scope based on the econometric models drawing on the identified migration drivers. They include the push and pull factors of migration such as wage differentials, geographical distance, networks and historical ties. For example, it is estimated that an increase of 10 per cent in the income differential between two countries increases the number of migrants between the two countries by 3,1 per cent on average. Yet those models do not help predict immigration if the illegal migration routes extend globally, connecting the far-distant corners of the world and putting in motion the aspiring lower middle classes of those countries.

Importantly, the existing econometric models, though including a plethora of variables related to migration such as income differentials and labour market performance, ignore major demographic determinants such as population size, population age structure and the dynamic population changes that are caused by the migratory flows. Hence, climate change and behaviour studies have added essential insights. It is now agreed that climate change is a threat multiplier that can exacerbate economic insecurity or political instability, which can cause migration. In recent years,

climate change has made extreme weather events more potent and more frequent, which may contribute to migration decisions, as observed in the case of the US-Mexico border. The Lithuanian borders can continuously attract migrants from third countries not also because of the involvement of the authorities in Minsk in instigating the migrant crisis on the EU northern-eastern frontiers but of the ongoing climate change. Lithuania and its neighbours, the EU Member States, represent a more climate-resilient part of the continent with increasingly more amenable conditions for travel and stay as the temperatures increases.

According to the 2020 Environmental Performance Index (EPI), which ranks the climate resilience of 180 countries using a very detailed set of performance indicators, Lithuania is ranked 35th in the global EPI ranking. Lithuania, Latvia, and Estonia stand out as a region with more significant climate resilience potential than the neighbouring countries. It is thus pre-determined to become a receiver of the migrant flows from the most afflicted populations and areas, especially in Central Asia, the Middle East and sub-Saharan Africa.

At the same time, parts of western Lithuania, including the Baltic Sea coastal areas, especially those attributed to the temperate oceanic climate zone (according to Köppen-Geiger climate classification methodology), are most vulnerable to climate change. Coast, coastal ecosystems and local populations are predicted to be most affected by sea-level rise, storm and hurricane winds, sea and water warming and salinity changes. The impact could lessen the intensity of the economic development in those areas in the decades to come, thus requiring substantial adaptations to raise the level of climate resilience and prevent the outflux of economic immigration.

Thus, Lithuanian state and society is facing two challenges: first, how to manage the influx of migratory flows that continue to flood the country via Belarus (with the tacit and increasingly open support of the authorities in Minsk), and, second, how to balance the in-and out-migration flows of its residents without jeopardizing economic growth and the prospects of creating a welfare state and a more harmonious and just society.

One way of looking at the problem proposed by the policy experts is to see the Lithuanian society consisting of individual parts or segments. One can identify at least four segments. The first one consists of a part of the population that has already achieved economic and social prosperity (about a quarter of the population). The second can be attributed to the population still suffering from poverty and economic and social inequalities (roughly another quarter). The third segment contains a part of the population residing abroad (approximately 30 per cent of the total population, including those who emigrated over the last decades). The fourth part includes the residents who came here on work permits from Ukraine, Belarus to fill the gaps in the labour market. It is predicted that the demand for external labour would only increase as the economy developed at a current pace. The arrival of illegal migrants, some of whom might obtain the right to settle in the country after the lengthy legal procedures, en masse, would change the status quo of each part of society.

The well-to-do part of society might benefit from the incoming migrants from third countries who might be pre-destined to take up the lowest-paid jobs due to the lack of skills. However, all other segments of society could be challenged by the newcomers. Those in poverty might feel endangered due to the need to share the resources available for social benefits with the migrants from third countries. Those Lithuanians who have emigrated from the country might feel their status diminished as immigration and emigration become increasingly seen as two parts of the demographics and the respective state policies. Even the temporary workers might feel the pressure on the labour market due to the potential availability of itinerant labour from the ranks of the migrants from third countries. Hence, the increased flows of illegal migrants might, in the end, pose a threat to the country's societal stability unless a well-defined process for their resettlement on a case-by-case basis is adopted with the involvement and consent of all concerned groups of society. A broad consensus is held across society that the country needs to increase its population by 2050 at least to 4 million people. There remains only to find a proper way to manage current population flows to that end.

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Impact of Immigration and Population Change on Economic and Social Development: Montenegro

Vojin Golubovic

Summary

Migratory movements have been a significant feature of Montenegro over the past few decades. This applies to both external and internal migration. The reasons for intensive migrations were different in different time periods. In any case, all of them have had, and still have a strong impact on the overall socio-economic development of Montenegro. Migration-related policies were not efficient so far. Therefore, migration policies must be approached in a more holistic way.

Introduction

Migration is a significant issue for a small country like Montenegro. During the previous decades, they were both, voluntary and forced. The analysis of the volume of migratory movements as well as the socio-economic impact in Montenegro is rather limited due to the lack of precise data on external migration. On the other hand, data on internal migration are quite detailed. Therefore, some conclusions can be drawn from the available data of the Directorate of Statistics, international databases and studies that have dealt with this issue.

Profile and impact of external migrations

During the 20th century, the number of migrants increased. While people from Montenegro left mainly for the sake of a better standard of living, the most massive immigrations to Montenegro were prompted by the security situation in the surrounding countries. It is therefore not surprising that the

most intensive immigration was recorded during the 1990s. During this period, Montenegro experienced one of the largest waves of emigration, but at the same time the arrival of a large number of refugees and displaced persons. The volume of immigration to Montenegro in the last decade of the 20th century is approximately equal to the volume of immigration in the fifty years before that decade (during the period 1940-1990). The reason for the high level of immigration in the 1990s, when almost 42,000 migrants immigrated to Montenegro, can be explained by political instability and war in the region. The largest number of immigrants was realized in 1992, when almost 10 thousand people immigrated to Montenegro. Also, due to the war events in 1999, immigration to Montenegro affected the growth of the total population by almost 8 thousand. The net migration rate was positive until 1995, but it turned to high negative migration rate (-10%) in the period from 1995 to 2000. In addition, the net migration rate, due to the still difficult and delayed transition, remained high until 2005 (-7%) (Kaludjerovic and Grecic, 2012).

During the 2000s, Montenegro went through a period of economic recovery, with GDP consistently recording positive growth rates. Economic growth was particularly evident between 2006 and 2008, with average annual rates reaching 8%. During this period, employment and investment in education and social benefits increased, while sectors such as tourism, construction and banking recorded dynamic growth. As a result of such positive economic developments, Montenegro became a country of immigrants and the migration balance improved significantly. According to censuses from 2003 and 2011, a total of 33,782 migrants immigrated to Montenegro. The largest number moved to the Central Region, where 43.3% of the total number of migrants settled. From the point of view of gender structure, out of the total number of immigrants, 51% are women. The relationship between men and women migrants differs between regions. Thus, the percentage of men who immigrated to the Northern region is higher in relation to the share of women (51.8 versus 48.2), while in the Central and Coastal region the ratio is in favor of women (50.2% in the Central and 53.9% in the Coastal region).

According to census data, four-fifths of immigrants immigrated from the former Yugoslav countries. Immigrants from Serbia make up the largest part, a total of 45.9% immigrated to Montenegro. Almost a fifth of immigrants or 18.1% immigrated from Bosnia and Herzegovina, mostly due to the war in the 1990s. Compared to other countries, a significant percentage are immigrants from Croatia and Kosovo (7.3% and 6.7% respectively). Of the countries outside the region, the largest number of immigrants is from Germany (5.5%), while migrants from other countries make up less than 2% of the total number of immigrants.

The largest share of immigration, 56.9%, is the result of family reasons. Economic factors influenced the 13.5% of the immigrants to migrate to Montenegro, while the smallest number immigrated due to schooling (3.4%). On the other hand, 16.8% of the total number of immigrants moved to Montenegro due to the wars in neighboring countries during the 1990s.

Most of the studies and research deal with the issue of socio-economic consequences of emigration from Montenegro, bearing in mind that Montenegro has a negative migration balance. It is pointed out that a more qualified and more educated workforce is leaving Montenegro, while there is a significant influx of those with lower levels of qualifications who come to Montenegro and fill lower-paid jobs (Golubovic, 2021). Such a situation has consequences on productivity as well as overall social costs. A study examining the economic effects of migration (Institute for Development and Innovation, 2019) attempts to look at such an effect through the cost of education and lost GDP. The above-mentioned study for Montenegro indicates that this cost, depending on the level of education, varies from € 11,000 (per person with completed primary education) to € 51,000 (per person with a PhD degree). According to this study, the estimated total cost of education due to brain drain from Montenegro varied between € 28-78 million per year during previous years. The budget is based on the assumption that those who emigrate have employment in the observed year. Thus, the study indicated the existence of an opportunity cost that in 2018 alone amounted to almost € 60 million in terms of lost gross value added,

which is a direct negative effect on potential GDP. Thus, each person leaving Montenegro takes on average more than € 21,000 of some potential future annual GDP with them. On the other hand, the positive effect of the outflow of staff is reflected in the huge inflow of remittances which represented up to 12.5% of GDP in 2020 (Golubovic, 2021)

Also, the impact of migration is strongly felt in some economic sectors. The shortage of labor in some sectors affects the strong influx of labor from neighboring countries. This is one of the most important issues for policy makers in Montenegro. Attempts by active labor market policies to replace immigrant workers with unemployed and inactive Montenegrin citizens have not had a significant effect. Although the tourism sector offers the most employment opportunities, the very nature of these jobs (low wages, often unregistered work) influence that this sector employs mostly foreign labor force. Some recent reports have found that Montenegro experiences a specific characteristic of chain migration. This is due to the fact that domestic labor force prefers to seek better paid jobs in tourism employment abroad, mainly in neighboring countries (such as Croatia) or in the USA, which is more popular among young people and made possible by labor mobility programs. Created labor shortage is filled by immigrant workers from neighboring countries, mostly from Bosnia and Herzegovina, Serbia and North Macedonia. During the period from 2012 to 2019 Montenegro was characterized by net emigration which was mainly the consequence of strong net emigration among the age cohort 25–29 and somewhat lower emigration among the age cohort 15–19. The remaining cohorts experienced net immigration. Brain drain is more related to specific sectors, rather than for country in general. This is particularly relevant for the health sector (Golubovic, 2021).

Impact of internal migrations

Internal migration in Montenegro also causes significant socio-economic changes, especially at the level of Montenegrin regions. Over the past

twenty years, the migration balance in the Northern region has been negative. On the other hand, in the Central and Coastal region, the number of immigrants was higher than the number of emigrants. One of the most important factors and causes of migration in the north - south direction are regional differences in the level of development. As the differences were more pronounced in the past period, so the volume of migration between the regions grew. Measured by the development index, the municipalities from Northern region are at a much lower level of development than those in the Central and Coastal region. The Northern region accounts for just over 50% of Montenegro's average development, while municipalities in the Central and Coastal regions are significantly above average. In addition, the level of competitiveness of municipalities in the Northern region is significantly lower compared to other municipalities. Regional differences in development are manifested in different opportunities for employment and earnings, which determines the population to move to areas that offer greater employment opportunities and a better standard of living. Labor market indicators support this. The unemployment rate in the Northern region was almost twice as high as in other regions, and the level of wages in this region is below average.

Interregional population movements, stimulated by the situation on the labor market, influenced the redistribution of labor within the country. Also, the level of poverty in the regions and internal migration in the observed period were mutually conditioned. On the one hand, the poverty rate has influenced the migration of the population from regions with higher to regions with lower poverty rates. However, such conditioned migrations have influenced the change of the population structure according to the level of poverty both in the regions of emigration and in the regions of immigration. This trend has influenced the changing structure of the population when it comes to the level of poverty. Namely, the poverty rate in the Northern region in 2007 was 14%, while the same in the Central and Coastal region was 6.3% and 2.2% respectively. The migration of the population from the north to the capital and the coast affected the reduction

of the poverty rate in the northern region and the increase in other parts of Montenegro, since the majority of migrants were unemployed.

Interregional migrations also affect the fertility and mortality of the population. Given that a larger number of women leave less developed areas and most often move to the capital, their migratory movements affect the fertility rate both in the previous and in the current place of residence. A similar analysis can be made of the population of the age structure, where migrants are usually younger working age people which may result in a change in the age structure and work contingent in the emigration and immigration area.

Previous analysis has shown that Montenegro faces significant challenges from both external and internal migration. The country's growing openness indicates that migration must be accepted as a real challenge that can provide many opportunities, not just threats. Therefore, migration must be approached in a systematic way, which does not seem to have been the case so far.

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The Impact of Immigration and Population Change on The Economic and Social Development in N.Macedonia

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Summary

One of the biggest challenges in assessing the migration-development nexus in the Macedonian context stems from the absence of reliable population data. Significant discrepancies remain between the estimates of international and national organisations. This suggests that even counting the population has been affected by the institutional and political maladies, which describe the political system as a whole. Regardless of the official figures, the impact of emigration is obvious on the socio-economic level. The large scale migrations which the country is experiencing are rooted in the structural societal violence, which has presented itself in different forms: from persistent accumulation of the commons in the hands of corrupt economic and political elites, the accompanying impoverishment and rising inequality, to a wide ranging forms of dispossessions suffered by the majority – dispossession of the public healthcare and education, erosion of political and social freedoms, degradation of the environment and the public spaces. The absence of economic and social development has been the root cause of the emigration trends. At the same time however, large scale emigration has impacted the country's human and institutional capacity necessary to achieve economic and social development.

One of the biggest challenges in assessing the relationship between migration and socio-economic development in the Macedonian context stems from the absence of reliable population data. The national institutions, most notably the State Statistical Office (SSO), have consistently underrated the country's population change. For instance, its estimate in 2013 was that only 11,380 individuals had emigrated in the period 1994-

2013. In contrast to this, international organisations estimated that 450,000-630,000 citizens or 20-30% of the country's population had emigrated in the same period.¹ One of the reasons behind such underestimates by the SSO is methodological; they only take into account the citizens who have officially informed the authorities of their residency abroad. The second reason is institutional - the devastating impact of the neoliberal transformation on the state institutions has also affected their ability to conduct even basic operations such as population counts. The third reason is political. Namely, since the signing of the Ohrid Framework Agreement in 2001, ethnic identity politics has been established as the predominant organising principle of the country's socio-political relations. As a result of this, ethnic demographics have started to carry direct implications over the institutional set-up and socio-political organisation of the country. Thus, instead of a statistical operation the Census has become a political instrument in the hands of corrupt political elites. The result has been a failure to organise a Census in over 20 years, since 2002. The last Census, organised in September 2021 has suffered from numerous irregularities, which have cast severe doubts over the legitimacy of the process and the accuracy of the results. The official results of the 2021 Census will be published at the end of March 2022. However, the State Statistical Office has already informed that 1,832,696 people, 568,175 households and 837,255 apartments have been registered within the country. Moreover, they have stated that 204,805 citizens have been registered through the diaspora self-census application. However these figures do not take into account the large numbers of people who purposefully refused to participate in the Census in order to dispute its legitimacy. Although according to the State Statistical Office only 10,000

¹ Macedonian emigrants estimated at more than 30% of population, available at <http://country.eiu.com/article.aspx?articleid=285169212&Country=Maced>, published on 28.02.2017

citizens boycotted the census, these figures are likely to be higher, which further hinders the accuracy of the final results.¹

The 2002 Census registered a population of 2.022.547. According to the State Statistical Office, the 2021 Census has registered a decline of 190,000 people in the 20 years since. However, even these figures may not be presenting the objective reality. The director of the State Statistical Office (SSO), Apostol Simovski, said the census was successful.² However, only one year earlier in 2020, Simovski stated: “I’m afraid there are no more than 1.5 million in the country, but I can’t prove it.”³ Indeed, estimates by several international organisations estimate higher emigration rates to those acknowledged by the national institutions. For instance, the World Bank bilateral migrant stock data estimated 626,312 emigrants from Macedonia in 2013 or 30.2% of the population.⁴ Additionally, according to Eurostat data, on 1 January 2019 there were 102,000 Macedonians in Germany, 66,600 in Switzerland, 63,600 in Italy, 23,400 in Austria and 12,300 in Slovenia. According to this data, there were 156,900 Macedonian citizens in the EU alone in 2010 and 220,400 in 2019. However, even these figures are likely to be even higher. Namely, at least 81,000 Macedonians have acquired Bulgarian passports, which allows them to work in the EU. This

¹ Slobodna Evropa, The census has been completed- the results are unexpected?, published on 01.10.2021, available at

<https://www.slobodnaevropa.mk/a/%D0%BF%D0%BE%D0%BF%D0%B8%D1%81-->

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² Ibid

³ Wildly wrong: North Macedonia’s population mystery, published on 14.05.2020, available at <https://balkaninsight.com/2020/05/14/wildly-wrong-north-macedonias-population-mystery/> accessed on 10.10.2021

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<http://country.eiu.com/article.aspx?articleid=285169212&Country=Maced> accessed on 10.10.2021

however means that any Macedonian registered as a Bulgarian in the EU will not show up in the data as a Macedonian.¹ Officially, for example, there are almost 1,600 Macedonians with residence permits for Malta. But Edmond Ademi, the Minister of the Diaspora has said that when he visited Malta he was told that in summer that number swells to up to 7,000.²

Discrepancies in the population data are highly consequential. Since population data is the base-line from which all other national statistics are derived, this means that all other statistics (such as GDP or rates of unemployment) are unreliable. This in turn makes the planning of the resources and the governance of the country practically impossible, which has a long-term hindering effect on the prospects for socio-economic development.

The impact of emigration on socio-economic development

Regardless of the official statistics, the impact of emigration is evident on the socio-economic level where it results in both positive and negative externalities. One of the positive externalities of emigration are the remittances which the country obtains from its emigrants and persons temporarily working abroad. “According to our estimates, conducted according to the methodology harmonized with the IMF, the amount of these remittances, from 2009 onwards, exceeds Euro 1 billion per year i.e. about 16% of GDP, on an average.” – says Anita Angelovska Bezhoska, Governor of the National Bank.³ However, the exact amount of remittances

¹ Wildly wrong: North Macedonia’s population mystery, published on 14.05.2020, available at <https://balkaninsight.com/2020/05/14/wildly-wrong-north-macedonias-population-mystery/> accessed on 10.10.2021

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³ Angelovska Bezhoska: Foreign currency remittances from emigrants and persons temporarily working abroad are important for the Macedonian economy, available at <https://www.nbrm.mk/ns-newsarticle-soopstenie-05082020-en.nsp.x>, published on 05.08.2020, accessed on 15.10.2021

is likely to be even higher due to higher share of remittances in cash, which are not accounted for. This in turn makes remittances an important factor in the country's socio-economic condition. In addition to being a significant source of income for many households, which improves their standard of living, remittances also have a wider macroeconomic significance by increasing the foreign exchange potential of the economy. Remittances are an important source of funds in the current account of the balance of payments and contribute to maintaining a low current account deficit.

On the other hand, high emigration rates have also brought labour shortages within the country, which have especially impacted the tourism, retail and IT sectors. Many low skilled workers such as construction workers have also left the country temporarily or permanently. Importantly, public healthcare has been severely impacted by the emigration of highly skilled doctors and other medical professionals. It is estimated that 1200 doctors have left the country in the period between 2010 and 2018. The Association of Private Doctors says that about 300 medics leave N. Macedonia every year. The country is also facing a severe nursing shortage. Even before the coronavirus outbreak, medical professionals repeatedly warned about the risks posed by the growing shortage of medical professionals remaining in the country. According to the Association of Specialist Doctors and the Association of Young Doctors in 2021 around 30 percent of older specialist doctors will retire. In a situation when there's already a deficit of around 700-800 specialists, after the retirement of the older doctors, a real disaster is anticipated.¹

The country is also severely impacted by domestic migration patterns, which have resulted in the over-population of the capital Skopje. Namely, the devastation of the economy across the country has triggered internal migration waves, with many leaving their villages and cities and moving to

¹ Doctors flee hopelessness, nepotism in Western Balkans, Published on : 2019/12/19, available at <https://www.infomigrants.net/en/post/21645/doctors-flee-hopelessness-nepotism-in-western-balkans> accessed on 10.10.2021

the capital. It is estimated that Skopje now has a population, which is nearly one million. In the absence of planned urbanisation, the overpopulation of the city has resulted in air-pollution, traffic jams and an all round low quality of life.

The relationship between population change and socio-economic development in the Macedonian context has been two-directional. The absence of economic and social development has been the root cause behind the emigration trends. At the same time however, large scale emigration has impacted the country's human and institutional capacity necessary to achieve economic and social development. This has placed the country in a vicious circle. In the absence of any government strategy aimed at attracting its population back into the country, the developmental potential of the emigrant population has remained untapped. Financial remittances have been the only positive externality of this process. However, the negative externalities have been both more widespread and more consequential for the country's long-term prospects. The country has lost thousands of low skilled and highly skilled workers, with negative implications for the economy and the functioning of the public services. In this context, not only have state institutions failed to play a positive intervening role, they have in fact triggered many of the negative structural conditions which have hindered the country's socio-economic development.

Rapid Population Aging and Increasing Immigration Challenges to Development of Poland

Konrad Rajca

Summary

The Poles are one of the fastest aging societies in the European Union and at the same time a country with one of the lowest percentages of immigrants in Europe. These two issues, which significantly affect the future economic and social development of Poland, are recognized by the authorities. An expression of this policy are the strategies being prepared - "Migration Policy of Poland - Directions of Action 2020-2021" and "Demographic Strategy 2040", which aim to improve the fertility rate in Poland, as well as facilitate access to the labor market and the settlement of immigrants, especially specialized workers and those coming from countries culturally close to Poland and its eastern neighbors - Ukraine and Belarus.

Introduction

In June, the Polish government inaugurated consultations on the "Demographic Strategy 2040". - This is the last moment to prevent a sharp decline in our country's population - said Polish Deputy Minister of Family and Social Policy Barbara Socha while launching the consultation. According to her, Poland's demographic problems may lead in 10-20 years "to a halt in economic growth".

The demographic crisis will affect the economy and society

Minister Socha emphasized that the demographic situation is very serious. For 30 years we have been dealing with "demographic winter" in Poland. This is the time when the fertility level is very low, far from replacement

of generations - she stressed. In her opinion, this may translate into many negative effects and phenomena, which will be felt by society as a whole. - In the perspective of one or two decades, it will lead to a halt in economic growth. Due to this, the Polish economy will have serious problems to develop further. Internal demand will fall, there will be not only a shortage of workers, but also a shortage of customers and consumers of what we produce. This will translate into a decrease in innovativeness and challenges for the pension system - Socha added.

The demographic strategy promoted by the government assumes getting out of the trap of low fertility and approaching the level guaranteeing replacement of generations. The government plans to achieve this goal through long-term, multifaceted actions that remove barriers that discourage Poles from realizing their aspirations for their families. These will include new initiatives to support flexibility and stability at work and improve the quality of health care. It will also include additional financial, educational, and cultural support for families with children, changes in the labor code and subsidies to loans for new apartments. The goal of the strategy is to increase the fertility rate to 2.1 in 2040 to ensure replacement of generations. The last time Poland had such a level was in the late 1980s and early 1990s. From 1997 to the present, its value has fluctuated between 1.5 and 1.2.

Poland is aging rapidly

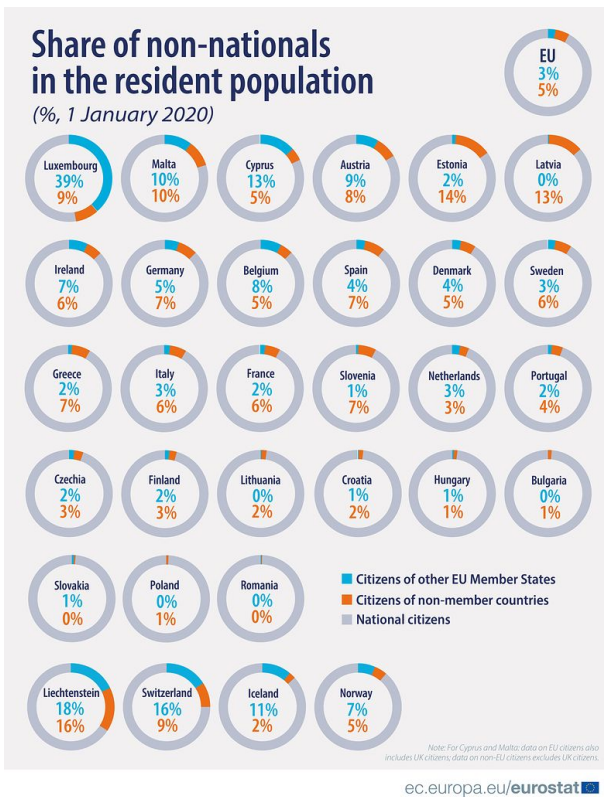
People of retirement age accounted for more than 22 percent of the population of Poland in 2019. According to the forecasts of the Social Insurance Institution, people over 65 years of age will constitute 1/3 of the entire population in 2050. - It should be borne in mind that the increase in the state's recurrent expenditures resulting from social transfers requires obtaining more funds necessary to cover these expenditures and reduces investment opportunities or transferring funds for other public tasks, e.g.,

education or health care system - emphasizes Dr. Antoni Kolek, the President of the Pension Institute.

In the coming decades, Poland will be a leader in the European Union in terms of the rate of population aging. "Today, our country's population is relatively young - the median age is about 40. Among EU countries, there are only four where it is lower. By 2040, however, the median age in Poland will increase by more than 10 years. In no other EU country will this increase be so large. In 2040, Poland will be among a small group of 11 countries in the world, where the median age will be higher than 50" - analysts from the Institute of Structural Research, based on forecasts of the United Nations and the European Commission.

Increased immigration the answer to labor market shortages

Population aging and the related negative consequence for the economy is a challenge not only for family policy, but also for migration policy. Even if we assume that the fertility rate will indeed rise, a wise migration policy is also needed. The latest Eurostat data on the number of immigrants in individual countries places Poland at the bottom of the European pile. Less than every hundredth resident of Poland is a citizen of another country. There are fewer immigrants only in Romania. At the same time, in Poland it is much more likely that if an immigrant has arrived and is bound for the future in Poland, it is most likely to come from outside the European Union. This is mainly due to the Ukrainians and Belarusians - Poland's eastern neighbors.



Hence, the Polish government is preparing solutions to attract experts in deficit occupations to Poland, including medical, IT, or technical faculties. Work is in progress on a document entitled "Migration Policy of Poland - Directions for Action 2021-2022". It is to indicate the directions of reforms that are to change the labor market and adapt it to employing and settling foreigners. It is planned, among others, to electronize the circulation of documents related to the visa and to create a "fast track" for selected professional groups. The government also wants to have a portal for exchanging knowledge about visa proceedings. There are also plans to set up a special office that will deal strictly with the issuance of permanent residence permits. Organizations representing employers signal the need for a wider opening of the Polish labor market, also to workers from other regions of the world, such as Vietnam or India, who are assimilating well.

Poland is a monocultural country

Currently half a million foreigners have documents authorizing long-term residence in Poland (Poland has about 38 million inhabitants). The majority are citizens of Ukraine, who make up 55 percent of this group, but more and more Belarusians are also settling in the country. The largest groups of citizens are: Ukraine - 277 thousand people, Belarus - 34 thousand, Germany - 20 thousand, Russia - 13 thousand, Vietnam - 11 thousand, India - 10.5 thousand, Georgia - 9 thousand, Italy - 8.5 thousand, China - 6.5 thousand and the United Kingdom - 6.5 thousand. To Poland migrate mainly young people in connection with the desire to take up employment. Foreigners are most likely to settle in regions with large urban centers offering opportunities for work or study.

According to estimates by the Polish Central Statistical Office, which examines more comprehensively the number of foreigners, including those not registered for long-term residence, there were about 2 million of them living in Poland at the end of 2019. For several years, Poland has been the most popular EU country for immigrants from outside the community. Most of them were citizens of Ukraine. There were almost 1.4 million of them living in Poland at the end of 2019. The contribution of immigrants, especially Ukrainians, to Poland's GDP growth has averaged 0.5 pct annually over the past five years - Citi Handlowy economists estimate.

Where do Polish immigrants work?

Most immigrants work in Polish companies as unskilled manual workers, although some large companies recruit only immigrants with higher qualifications. According to the declarations of employers, unskilled manual workers accounted for 70 percent of employment in the surveyed companies, skilled manual workers for 16 percent of employed immigrants, lower office staff for about 2 percent, and professionals with higher education for about 12 percent of employed immigrants. The plans of

immigrants from Ukraine are rapidly changing from short-term migration to settlement migration. Over the past five years there has been a strong increase in the percentage of immigrants declaring their intention to stay in Poland for longer or even permanently. More than half of immigrants in Poland stay together with at least one family member. This means an increasing tendency towards settlement migration.

Conclusion

Poland faces an important challenge related to a rapid decline in fertility rates. This will generate problems in preserving the current pension system, which is based on the replacement of generations, as well as a shortage of workers in the labor market. The Polish government is therefore taking social, financial, and infrastructural measures to increase the fertility rate, and is planning to facilitate the inflow of economic immigrants to Poland to fill the expected gap in the Polish labor market, especially specialized workers from culturally close areas.

Impact of Immigration and Population Change on Economic and Social Development in Romania

Oana Popovici

Summary

Romania is mostly an emigration country, facing harsh consequences due to this phenomenon. However, the international tensions in the last years and the difficulties faced by immigrants targeting the Western EU countries on the traditional routes in Balkans put Romania in a position of confronting large waves of immigrants in the recent period. Most of them see Romania as a transition country on their final destination. The increase in the number of immigrants is a positive economic signal and is generally associated with economic development and a rising standard of living, but involve the need of new measure for adapting institutions and mentalities to the actual realities.

In the context of population migration, Romania is characterized as a country with important emigration, but becomes, in addition to a transit country, an increasingly attractive destination country for immigrants. In the last ten years, the number of emigrants was larger than the one of immigrants, but the gap started to narrow in the last few years, especially due to the new persons settled down in Romania. There were 136,400 foreigners with legal residence in Romania at the end of 2020 (as compared to 58,000 foreigners in Romania in 2009), of which over 84,330 third-country nationals, most of them from Moldova, Turkey, China, and approximately 52,000 citizens from EU or European Economic Area Member States, especially from Italy, Germany and France. However, the number of those born in another country and living in Romania is almost four times larger, explained by the fact that, in the meantime, they gained

Romanian citizenship. The authorities show that the main purposes for which foreigners have established their residence in Romania are employment, the right to family unity and family reunification, studies, scientific research or permanent establishment.

Specialists show that the increase in the number of immigrants in Romania is a positive economic signal and is generally associated with economic development and a rising standard of living. It might have favourable implications, especially due to the significant demographic decline forecasted in the years to follow. According to Eurostat estimates, Romania will be the third country in the EU with the highest shortage of population by 2100. The National Institute of Statistics in Romania forecasted that Romania could reach 16 million inhabitants in 2050 if demographic evolution keeps its current course, while Eurostat envisaged an even greater drop to 15.5 million inhabitants. The major reasons for such an evolution is the increase of the elderly population, doubled by a decrease in the number of children or the fact that more and more children are born in diaspora, with low chances of returning in the country. In addition to the negative demographic increase, Romania is facing a massive emigration, especially of the healthcare workers, IT specialists and students, which shows towards the existence of the brain drain phenomenon. The demographic decline affects all sectors of the economy: the GDP creation, the revenues to the state budget, the sustainability of pension funds, the European funds that are allocated according to the number of inhabitants and so on. In addition, difficulties on the labour market were signalled years ago. Scholars showed that 300,000 persons were needed on the labour market in 2019 and the forecasted number would increase to 549,000 individuals in 2023. Other independent studies point to a labour deficit of one million people.

Therefore, immigration could be seen as a solution for balancing the needs of the labour market. Romania could compensate for the lack of Romanian specialists in sectors with labour shortages through a policy of attracting and encouraging the establishment of highly qualified immigrants from

third countries in our country. Moreover, the analysis of the internal regulatory framework shows that facilitating access to the internal labour market for foreigners who meet the employment needs in Romania is currently one of the objectives of immigration policies. However, the participation of foreigners in the labour market is conditioned by the recognition of professional qualifications and, in terms of employment, by the correspondence with the internal employment needs. At present, there are only some sectors where importing labour could be a solution, especially those in which there is an important shortage due to emigration, for example. Special measures directed towards importing labour force are not yet drawn. Companies have the possibility to supply their labour needs by appealing to foreign workforce.

Another trend in the last years, following the international tensions, shows that an increasing number of immigrants have started to enter Romania. Still, most of them see Romania only as a transit route, targeting Western EU countries more abundant in social benefits, better conditions or other forms of support, although asking at the same time political asylum. As a consequence, asylum seekers force the border illegally and are caught at the western border with Hungary. Such a tendency started since the traditional Balkan route used by immigrants, through Bosnia Herzegovina and Croatia, has become increasingly difficult. There were 8,758 illegal migrants identified while trying to cross the country's borders in the first six months of 2021, 200% more than in the same period in 2020, according to Romanian border police, a situation given to the relaxation of pandemic restrictions. It is an unprecedented phenomenon in Romania's recent history.

Related to the asylum application, 6,138 applications were submitted in 2020 for the granting of a form of international protection, increasing by 137% compared to last year, and exceeding the largest number of applications for international protection submitted in 2017 (4,820 requests). The trend continued in the following months, as the European Commission data show that the number of asylum applications in Romania increased by

150% in the first quarter of 2021 compared to the same period last year. Only Bulgaria, with an increase of 351%, experienced a larger explosion of asylum applications. These figures contrast with those in Croatia, where the increase was only 13%, and in Hungary, where asylum applications fell by 85%. In almost all cases, these migrants and refugees do not aspire to stay in Romania or in neighbouring countries. Their first option is to continue their journey to the Western Europe and try to settle in countries like Austria, Germany or France, where there are communities that support them, and state aid to refugees is much more attractive than in Romania.

Most asylum seekers are from Afghanistan, Syria and Iraq, according to the General Inspectorate for Immigration (GII). However, there is a significant number of persons who intends to remain in Romania. More than 1,000 people attended the integration program, most of them being from Syria, Somalia, Iraq, and Afghanistan. Compared to the previous year, there is a 23% increase in the number of people who applied for enrolment in the integration program. In addition, at the level of the six regional centres for procedures and accommodation of asylum seekers, over 5,000 people benefited from counselling sessions, 3,500 participated in cultural accommodation sessions, and 744 applicants attended the Romanian language course.

Besides the influence on the labour market, such phenomena also have significant social and economic impact. Social integration programs are made available to all immigrants, in order to prevent and combat social marginalization, respectively in order to adapt to the conditions of Romanian society. There are three categories of social integration services: cultural accommodation, counselling and learning the Romanian language. All are optional, free of charge and under the responsibility of GII, the Integration and Relocation Service within the Asylum and Integration Directorate, which can collaborate with other public institutions and non-governmental organizations.

However, Romania does not have the experience of Western European countries facing a large number of immigrants. Only in the last years it was

confronted with increasing number of foreigners. Therefore, experts point out that institutions vital to the accommodation of immigrants are not yet ready to deal with their essential rights and needs. The Ministry of Labour, the Ministry of Health or Education do not have any officials or offices to handle immigrants' issues in Romania. There is also a lack of immigrant integration offices in large cities, following the model of other European countries. In fact, immigrants are generally the charge of GII, an institution within the Ministry of Interior. The main responsibilities of this inspectorate is to deal mainly with the issuance of residence permits and the pursuit of those who exceed the period of stay, and less with the effective integration of immigrants in Romanian society and the complex problems that are generally the result of migration. New measures for adapting institutions to the actual realities or even new strategies should be drawn in the near future.

For evaluating the attitude towards immigrants, the Eurobarometer shows a decreasing trend in the percentage of Romanian citizens who have a negative image about immigrants from outside the EU, from 59% in 2016 to 44% in 2019. The report of the World Values Survey in 2018 indicated that 23% of Romanians mention immigrants as people they would not like as neighbours, a percentage close to the European average, in the context in which migration in Romania is a phenomenon just beginning. However, differences might exist between urban areas, where population is more accustomed with diversity, and rural areas, where adaptation and understanding of the immigration contexts could be improved.

Serbia as an Aging and Empty Land

Ivona Ladjevac

Summary

This article gives an insight into deeply worrying demographic situation in Serbia and its impact on economic and social conditions. Although the seriousness of this topic exceeds the scope of given overview, both the key reason is explained as well the recommendation of the first steps needed for improving the situation indicated.

Discouraging statistics

As in the rest of Europe, the population in Serbia is also declining and aging. According to the Serbian Bureau of Statistics, the estimated population in the Republic of Serbia at the end of 2020 was 6,899,126. The trend of depopulation has continued, which means that the population growth rate, compared to the previous year, is negative and amounts to -6.7 %¹. The psychological threshold of seven million inhabitants has been broken and now, even to the general public, is clear that the demographic situation in the country is very serious. Moreover, from 2011 to 2020, the number of inhabitants in the Republic of Serbia decreased on the basis of birth rate/number of deaths sum (natural population growth) for 3

84 858 people. In 2020 alone it decreased for 55,158 inhabitants (the number is increasing every year in the given period). At the national level, natural population growth is -8%. The situation is particularly worrying in

¹ Serbian Bureau of Statistics: <https://www.stat.gov.rs/sr-latn/vesti/20210701-procenjen-broj-stanovnika-2020/?s=1801>

the three southern statistical regions, which are even worse than the national average. In fact, the only three municipalities with positive natural population growth are Preševo 1.4‰, Novi Pazar 4.4‰ and Tutin 7.0‰.¹ These are Muslim-majority municipalities whose population mostly identifies as Bosniak and has the status of a national minority.² Paradoxically, in Serbian municipalities in occupied Kosovo and Metohija, the natural population growth among the Serb population is positive.³

There are no signs of reversing the negative trend. In 2020, 23,599 marriages were made in the Republic of Serbia, which is a decrease of 33.6% compared to the previous year. One should have in mind that such a decline was caused by the COVID 19 pandemic because people have been delaying weddings in order to organize big wedding celebrations when the pandemic ends (big wedding celebrations are an important part of Serbian culture). However, the average number of marriages in Serbia in the period from 2011 to 2019 is between 35 and 36 thousand yearly, which is not enough for the natural reproduction of the population.⁴ Furthermore, according to the data of the Worldmeters website the fertility rate in Serbia is 1.46, which is far from necessary for sustainable population growth.⁵

The issue of migration is also problematic both on the issue of internal and external migration. Internally, the Belgrade region and the Region of Northern Serbia (Vojvodina) had a positive migration balance, while the region of Šumadija, Western Serbia, Region of Southern and Eastern Serbia had a negative migration balance in 2020. The average age of people who

¹ Ibid: <https://publikacije.stat.gov.rs/G2021/Pdf/G20211180.pdf>

² Given to the fact that the total number of Muslims in Serbia is not so big, it is around 2 %, it is not very likely that Muslims will become majority of Serbia's population no matter to their relatively high natural growth rate.

³ We have to take this data with a grain of salt because it is not official data but newspaper reports, but in any case the situation with the birth rate is better than in the rest of Serbia.

⁴ Serbian Bureau of Statistics: <https://www.stat.gov.rs/sr-latn/oblasti/stanovnistvo/zakljuceni-i-razvedeni-brakovi/>

⁵ Worldmeters: <https://www.worldometers.info/world-population/serbia-population/>

changed their place of residence is 34.7 years.¹ These data indicate that the population of Serbia is geographically contracting by moving to larger centers due to job search, better education, or better medical services and accessibility. This data is also confirmed by the Worldmeters website, which shows that the share of the urban population in Serbia is increasing by approximately 0.2% annually.

Of course, a much bigger problem is external migration, meaning the emigration of the population. It is difficult to determine the exact number of people who left Serbia because the most of them do not change their place of residence, although they do not effectively live in Serbia. Thanks to flexible visa regimes, many of them work short-term jobs and return to Serbia periodically. Rough estimates say that about 500,000 people left Serbia from 2008-2019² or about 50,000 people a year on average³. Their destinations mainly are: Germany and Scandinavia – for work in the medical, transportation sector and the “handyman” sector; Russia and post-Soviet countries for construction workers; China for ESL teaching (although these jobs are usually done remotely).

Within the emigration, specific group of people represent young and well-educated people traveling around the world in search of a better education. In that respect, many students use *Erasmus programs* to visit Western Europe and *Work and travel* to visit the USA.

However, it should be emphasized that the negative migration balance decreased during the pandemic because people believed that they would be best at home during the crisis, but travel restrictions also had its impact.

¹ Serbian Bureau of Statistics: <https://publikacije.stat.gov.rs/G2021/Pdf/G20211189.pdf>

² Danas daily newspaper: <https://www.danas.rs/ekonomija/za-11-godina-iz-srbije-se-odselilo-500-000-ljudi/>

³ RTS: <https://www.rts.rs/page/stories/sr/story/125/drustvo/3679307/srbiju-lane-napustilo-50000-ljudi-sta-stvarno-stoji-iza-tih-brojki.html>

Economic consequences

Labor market data are very important in the political and economic life of Serbia. According to the latest data for the second quarter of the current year, unemployment rate is 11.1%. But, there is certain paradox – at the same time, Serbia is suffering from high unemployment and labor shortages. There is a noticeable lack of all low-skilled workers and drivers who went abroad to work for higher wages. The same stands for certain branches of healthcare. The main reason lies in the fact that due to the poor wage/price ratio, a certain part of the labor force does not accept the mentioned low-skilled jobs.¹

This creates bottlenecks for the economy. For that reason, some entrepreneurs and the Government of Serbia are actively seeking to import the labor force. Workers from Ukraine and Azerbaijan are increasingly doing manual work in agriculture. Construction workers come from Turkey or even Iran, while more and more Kazakhs and Uzbeks are doing courier and food delivery work. The exact number of foreign workers in Serbia is unknown as they often work illegally. To tell the truth, the government is working to improve work permit issuing capacities.

To solve these problems and encourage labor migration, the Serbian government, together with North Macedonia and Albania as their counterparts, has launched the Open Balkans project. This will allow an influx of workers into Serbia who are willing to accept lower wages. It is assumed that workers from neighboring countries will still fit in easier than workers from distant countries.

Social impact

¹ The average net salary, it is just over 500 Euros while the price of the average market basket is 650 Euros. <https://www.stat.gov.rs/sr-latn/oblasti/trziste-rada/>

The usual explanation for the bad demographic situation in Serbia are economic reasons. Still, there are many countries much poorer and less stable than Serbia: African countries, the Philippines, etc. that have positive demographic trends. It is the most likely that the crux of the Serbian demographic problem lies in the cultural shock that shook society during and after the transition to neoliberalism. Families and youth have lost the traditional support mechanisms that existed in the socialist system. On the other hand, they have accepted the consumer ideology of the West. The availability of information and the ease of travel have made it easier for young people to decide to leave the country. At the same time, given disfunctionality of the home political and economic system discourages them to return.

There are many stakeholders in Serbian society run campaigns that encourage the emigration of the youth. For instance, certain private university ran an advertising campaign with billboards that said „graduate and run away from here”. After a couple of weeks and a public outrage the campaign was canceled. Many media outlets are also subtly campaigning to encourage the emigration of young people. This is done in a very sophisticated way: the media tendentiously disseminate news about bad social phenomena in Serbia and transmit positive experiences of people who have emigrated. In that way, they suggest that everything will be better if only one leaves Serbia.

However, the most dangerous phenomenon is the creation of the so-called “clubman/woman identity”. IDJ Music Company created a new music genre, a version of Trap music which in its lyrics endorses egoistic, selfish, and hedonistic lifestyle, by promoting promiscuous and depraved behavior. At the same time, they ridicule values such as marriage and child-raising. This company is owned by an extremely pro-Western United Media group.

As a final result, the youth in Serbia is divided. Some really want to leave and never come back. Others want to leave to make money and return to Serbia, while the rest want to stay at all costs. The second and third of these groups have a negative attitude towards migration (even if some of them

are migrants themselves) and are afraid of “population replacement” in Serbia. They have a negative view towards the influx of migrants to Serbia, especially those from Syria, Pakistan, Afghanistan, and other countries that may be associated with extreme Islamism.

In order to reverse the negative population flows, the state must provide these patriotic-minded youth with the conditions to stay or return. The key conditions for this are affordable housing and the opportunity of employment regardless of membership in a (ruling) political party.

Conclusion

The demographic situation in Serbia is devastating with no visible signs of improvement in the near future. One of the prevailing reasons for this situation are the culture shock (caused by the neoliberal transition) and the difficult economic situation of ordinary people in Serbia. Youth is leaving the country due to poor wage/price ratios, inaccessible housing, dysfunctional economic and political system, as well as propaganda advocating for emigration. To reverse the trend, the government must provide conditions for staying and returning, which are primarily affordable housing and easier access to better-paid jobs.

Impact of Immigration and Population Change on Economic and Social Development in the Slovak Society

Michaela Čiefová

Summary

Slovakia has traditionally been rather a country of emigrants than a target country of foreign citizens. In spite of that, the country has been slowly transforming into a multicultural society, with people of dozens of nationalities living here. Similarly, Slovakia has been subject to dynamic population changes. The objective of this briefing is to provide an overview of migration and demographic trends in Slovakia. Furthermore, we attempt to illuminate how immigration and demographic developments influence the economy and the society.

Introduction

One of the consequences of globalisation is increasing diversity amongst populations. Countries from all around the world are experiencing migration tendencies, frequently resulting in changes in demographic structures of those countries, such as diversification of nationalities, age structure, and similar. Moreover, intercultural encounters are happening often than in the past. Some countries have already a long history of immigration, others still seem not to be ready for such a phenomenon. Statistics show that in case of Slovakia, many more people have migrated from the country throughout decades in comparison to the number of people from the abroad that have relocated to the country. However, even though Slovakia does not belong to countries with a long history of immigration, one can currently observe a development towards increasing diversity.

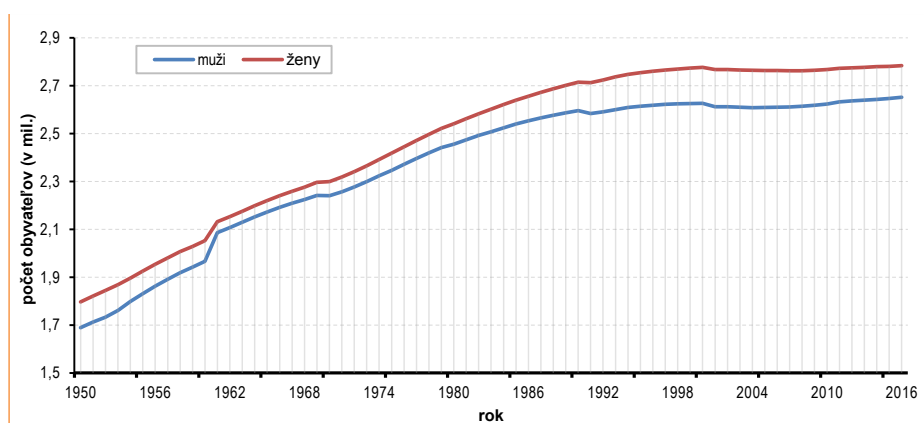
Apart from migration, the demography of Slovakia is changing also with regards to the age structure of the population (with population ageing being an issue frequently discussed), or for instance postponed parenthood, marriage and attitude to divorce.

Overview of the Current Demographic Trends in Slovakia

As for its population, Slovakia belongs to smaller countries. At the end of 2020, the number of inhabitants amounted to approximately 5.46 million. In 2020, mortality was higher than the number of children born. However, more than 4300 persons moved to Slovakia from foreign countries, thus contributing to the overall population growth amounting to more than 1900 people.¹

Indeed, the population of the Slovak Republic is growing, although with no exceptional intensity. Graph 1 showcases how the number of Slovakia's inhabitant has been developing since 1950, with the red curve standing for women and the blue one for men. The numbers on the Y-axis are in millions.

Graph 1: Development of population in the Slovak Republic since 1950



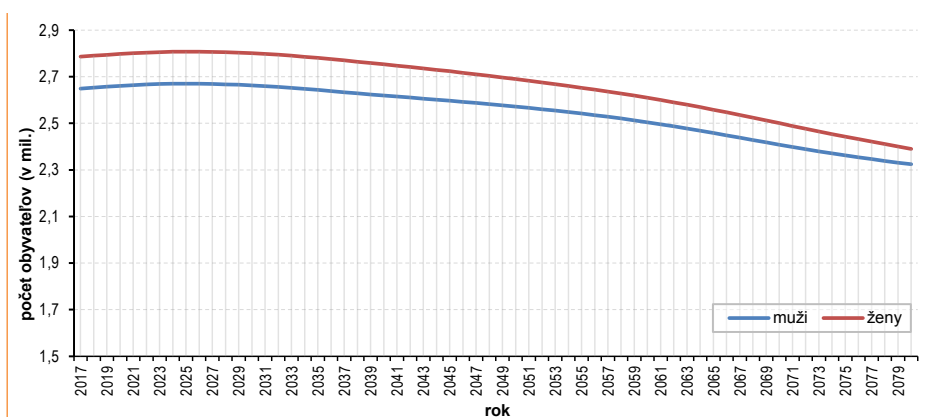
Zdroj údajov: ŠÚ SR

¹ Statistical Office of the Slovak Republic (2021): Stav obyvateľstva v SR k 31. decembru 2020.

Source: Podmanická, Z. (ed.) (2017): *Hlavné trendy populačného vývoja v SR v roku 2016*. Bratislava: Statistical Office of the Slovak Republic, p. 7.

Despite the tendency of the Slovak population to continuously grow since 1946, according to the prognosis, a decrease in the number of Slovakia's inhabitants should start soon, probably in 2025.¹ Graph 2 below demonstrates the expected development of the Slovak population until 2080, with the red curve standing for women and the blue one for men. The numbers on the Y-axis are in millions.

Graph 2: Prognosis of the population development in the Slovak Republic until 2080



Zdroj údajov: Eurostat

Source: Podmanická, Z. (ed.) (2017): *Hlavné trendy populačného vývoja v SR v roku 2016*. Bratislava: Statistical Office of the Slovak Republic, p. 8.

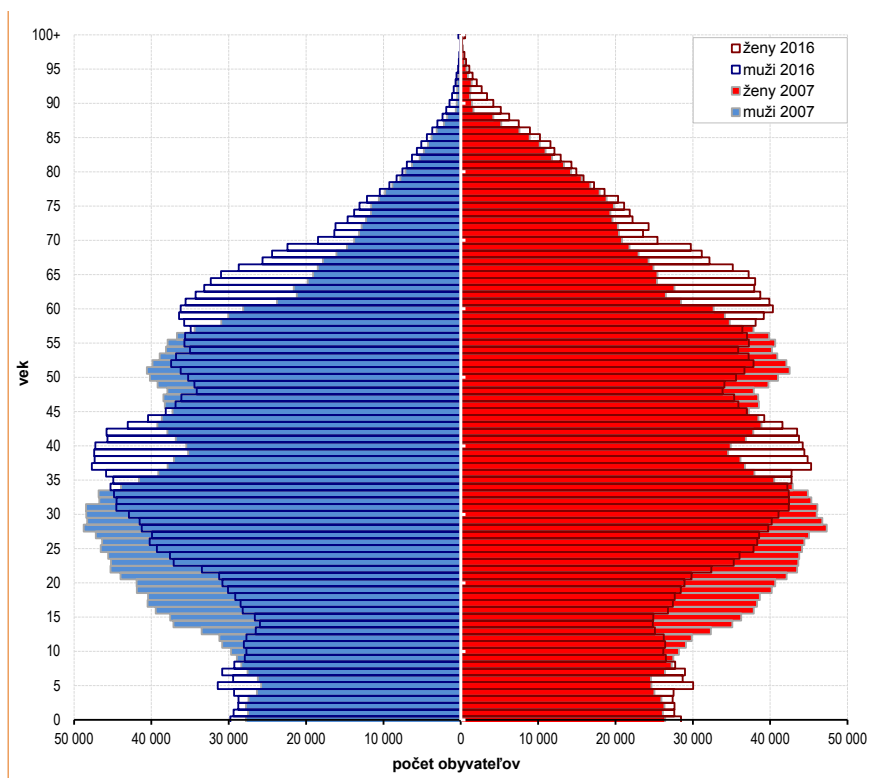
Some of the changes in Slovak demography were highlighted also in our June Social Briefing. What is especially visible is the phenomenon of shrinking families and postponed parenthood. In the past, it was not uncommon for an 18-year-old to give birth to her first child, having eventually more children. Indeed, the generation of baby boomers or the Z generation is pretty strong in Slovakia. People who are today in their 70s,

¹ Podmanická, Z. (ed.) (2017): *Hlavné trendy populačného vývoja v SR v roku 2016*, p. 8.

for instance, often come from a family with five or even more children. Nowadays, studies, career opportunities or financial independence are frequently considered when planning one's own future. Hence, it happens often that women wait until they are 30 or more to become a mother. Additionally, having more children is rather an exception; many couples decide to have only one child, which is again linked to avoiding long career breaks or to financial stability.¹ All of this contributes to so called population ageing. The phenomenon that is most striking in countries such as Italy or Japan has as well become Slovak reality. As the population pyramid (Graph 3) below shows, the most represented in Slovakia is the group of people in their 40s and even 60s; the child-component of the pyramid is smaller. What is more, the graph shows the situation in 2016 and 2007, thus providing an illustration of how the situation is progressing in time. We could easily imagine further movement of the pyramid upwards to see the approximate distribution of the age categories in the future. The red part of the pyramid stands for women; the blue one for men. The X-axis represents the number of inhabitants; the Y-axis their age.

Graph 3: Population pyramid of the Slovak population until 2016

¹ Čiefová, Michaela (2021): Slovakia social briefing: Slovak Pension System in a Nutshell, pp. 1-2.



Zdroj údajov: ŠÚ SR

Source: Podmanická, Z. (ed.) (2017): *Hlavné trendy populačného vývoja v SR v roku 2016*. Bratislava: Statistical Office of the Slovak Republic, p. 35.

Next issue we would like to briefly point out within this text is the development concerning marriages. As stated in a publication produced by the Statistical Office of the Slovak Republic, marriage is closely linked to other demographical processes, such as natality or migration.¹ Therefore, we believe we should briefly reflect on selected interesting facts concerning it. In connection to migration, statistics show that Slovak women marry a foreign man more often than Slovak men marry a woman from the abroad.² As for divorce, it is much more common and accepted in the present as it used to be. The divorce index in 2018 was 31 divorces for 100 marriages, which is, however, not the highest number registered so far. In 2006, for

¹ Podmanická, Zuzana (ed.) (2019): *Štatistika v súvislostiach. Hlavné trendy vývoja sobášnosti v SR v roku 2018*, p. 27

² Ibid., p. 29.

instance, 49 out of 100 marriages ended up in divorce. Apart from the divorce frequency, what has changed as well is the way divorce as a societal phenomenon is regarded. Even though divorce is still perceived as a negative phenomenon, it is also viewed as a possibility for those divorced to re-marry and thus contribute again to natality.¹

In 2021, census took place after 10 years. For the first time in the history, the whole process was conducted online. For those with no access to the internet or lack of technical skills, a supporting team was established, which we perceive as a very reasonable step, as there are many (elderly) people in Slovakia with nobody to lead them through this process.

According to The Statistical Office of the Slovak Republic, the objective of this census has been to gather reliable and unique information concerning the state of the society, culture, demography, as well as socio-economic issues and housing conditions of the country's inhabitants.² When finalising this briefing in September 2021, the results and detailed data of the census has not been published yet. We are contemplating to reflect on the census results in one of our future texts on Slovak society.

Immigration and Population Change as Phenomena Impacting the Society

Historically, Slovakia does not belong to typical target countries of migrants. On the contrary, thousands of people have migrated from Slovakia throughout decades. According to the World Bank data, immigrants amounted to some 3% of the whole population in Slovakia (ca 158 thousand) in 2013, while Slovak emigrants abroad represented approximately 11% of the Slovak population (i.e. some 592 thousand).³ As

¹ Ibid. P. 32.

² Statistical Office of the Slovak Republic (2020): Sčítanie obyvateľov, domov a bytov.

³ World Bank (2016): Migration and Remittances Factbook 2016, p. 226.

a result of these historical processes, descendants of Slovaks as well as Slovak-born citizens can be found basically all around the globe. Additionally, many Slovaks commute to work for instance to Austria on a daily basis, without changing their permanent residence.

As for representatives of different nationalities in Slovakia, there are people of many nationalities currently living in Slovakia. Very common is migration to Slovakia for family reasons such as marriage, or labour migration. Serbian or Ukrainian citizens, for example, have found employment in the country, mainly in the industrial production. Citizens of Slovak nationality, however, prevail markedly; approximately 80% of people living in Slovakia is of Slovak nationality. The second largest group is constituted by Hungarians, precisely 8.5% of the whole population. Other minorities with a relatively large representation are the Roma, Czechs, but also Ukrainians, Russians, or Germans.¹

When it comes to coexistence between the foreigners and the representatives of the autochthonous population, it is not possible to live in isolation from each other. On the contrary, it comes to intended or unforeseen intercultural encounters, which often need a certain set of skills to be handled properly.² From our point of view, representatives of other national cultures should be regarded foremost as carriers of distinct worldviews and values, that in many cases can enrich the domestic culture. However, what is different is often considered dangerous or unwanted. As far as we are concerned, such attitudes could certainly be re-shaped by means of intercultural education or training.

Conclusion

¹ Government Office of the Slovak Republic (2021): Základné údaje.

² Čiefová, Michaela (2016): Význam jazykovej kompetencie a jazykovej politiky v migračnom aspekte, p. 45

In this briefing we attempted to outline the most significant changes in Slovakia's demography, with specific attention paid to migration. Moreover, we tried to demonstrate how these phenomena influence the society and the country's economic processes.

We can expect the migration tendencies and developments concerning the population will be reflected in the political discourse, and will have to be taken into account by policy-makers as well. It needs to be considered that we are talking about highly dynamic processes that can have long-term consequences. Hence, it is critical to address them accordingly.

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Impact of Immigration and Population Change on Economic and Social Development in Slovenia

Mateja Sedmak

Summary

Slovenia is a relatively small country with a population of around 2 million and is therefore very vulnerable from a demographic point of view. Slovenia faces a low birth rate, and the existing natural growth will not be sufficient for the current economic, employment and pension model, the aging of the population, the emigration of the Slovenian workers, and also the critical shortage of labour in various sectors of the economy. Traditionally, the main influx of economic migrants in Slovenia has been from the former Yugoslavia (to which Slovenia belonged until its independence in 1991): Bosnia and Herzegovina, Kosovo, Northern Macedonia, Croatia, Serbia, etc. For refugees and irregular migrants Slovenia is mainly a transit country and not an interesting final destination. Based on existing demographic and socio-economic data, it can be summarized that Slovenia needs immigration to ensure stable and sustainable social and economic development.

Population changes

In Slovenia, various and differently intense social and population changes have been observed in the last decade. Statistical data show that the population in Slovenia is growing steadily, but still relatively slowly. Slovenia has had about 2 million inhabitants since its independence in 1991. In the years from 2010, the number of inhabitants has increased from 2,046,976 to 2,095,861 in 2020, i.e. by almost 50 thousand. However, the Slovenian age structure is moving towards an older population structure; the median age increased slightly each year, reaching 41.4 years in 2010

and rising to 44.1 years by 2020. Accordingly, the old-age dependency ratio increased every year, from 23.8 in 2010 to 31.3 in 2020. The indicator refers to the ratio between the number of people aged 65 or more (considered retirement age, the period of inactive years) and the number of people aged 15-64 (considered active years). The value is given per 100 people of working age (15-64). The growth in this ratio means that each year there are more people of retirement age compared to those of working age - the population is 'ageing', which brings with it the need for more active/working people. Therefore, in order to secure the current economic system of work and retirement, birth rates should be increased (in the last ten years the birth rate in Slovenia has averaged 1.58 and will be being 1.57 in 2010 and 2020) and/or an appropriate immigration policy should be pursued in combination with an appropriate integration policy. Looking only at natural growth, we notice a constant decrease, which was even negative in 2017 and 2018, but on the other hand, the population has still grown due to immigration.

Migration movements

In 1991 Slovenia gained its independence, which brought about some important changes in migratory movements. Even as an independent state, Slovenia remained linked to the republics of the former Yugoslavia in terms of migration, as more than 80% of immigrants (both economic migrants and refugees) in the 1990s came from the countries of the former Yugoslavia. After the Balkan war, it is estimated that Slovenia offered temporary protection to a total of about 60,000 persons from Bosnia and Herzegovina¹ (1993-1995) and 25,000 from Croatia (1991-1992). After independence in 1992, almost 200,000 citizens of other republics of the former Yugoslavia were granted Slovenian citizenship. According to available statistical data, about 360,000 persons immigrated to Slovenia in

¹ 45,000 refugees from Bosnia and Herzegovina were officially registered at the Red Cross, while many of them also stayed with their relatives unregistered.

the period 1954-2000, while about 200,000 persons left the country. Immigration from the former Yugoslav republics continued to be predominant after Slovenia joined the European Union in 2004. In 2015, Slovenia became one of the countries on the so-called Balkan refugee route. The Hungarian closure of the green borders in October led to a diversion of refugees to Slovenia, resulting in 326,956 refugees passing through Slovenia between 20 October and 15 December 2015¹. A significant increase in arrivals and the impossibility of carrying out repatriation and readmission procedures forced the Slovenian authorities to facilitate the humanitarian corridor, notwithstanding the applicable legal provisions². According to the Ministry of Interior, 2875 asylum applications were filed in 2018, 3821 in 2019 and 3548 in 2020, but the number of granted asylum applications remains low, 102, 85 and 82 respectively. The current migration challenges in Slovenia are mainly related to anti-immigrant, racist and xenophobic statements. However, anti-immigrant sentiments are mainly directed against refugees and less against economic migrants.

Slovenian strategy of Economic Migration

The Slovenian Economic Migration Strategy for the period 2010 to 2020 has emphasised that natural growth in Slovenia will not be sufficient for the current economic-employment-pension model. The current strategy of the Government of the Republic of Slovenia in the area of migration from 2019 onwards outlines that Slovenia must respond prudently to the challenges posed by the ageing population and the increasing emigration of the labour force.

¹ 116,627 in October, 164,313 in November and 46,016 in December (Ministry of interior - MNZ, 2015).

² Most of the them stayed in Slovenia for one or two days, first being registered, accommodated and provided with necessary sustenance at the reception centers, and if needed offered medical assistance and clothes before being transferred to Austria.

Slovenia is part of the global migration trends, and this is also shown by the statistical data. According to the Statistical Office of the Republic of Slovenia, in 2017 the net migration of foreign nationals was positive for the nineteenth consecutive year: in 2018, 17,355 more immigrants entered Slovenia than left the country. The number of displaced foreigners is increasing rapidly after 2013, which affects the net migration of the total population. The number of valid permanent residents has also been steadily increasing over the past decade. The number of valid permanent residence permits has increased by about 50,000, an average of 5,000 per year. In 2018, 83,500 permanent residence permits were valid. With almost 64,500 temporary residence permits valid, the number in 2018 is the highest in the last ten years. At the end of December 2018, more than 176,000 foreigners held a valid residence permit or residence certificate in the Republic of Slovenia, including more than 148,000 non-EU citizens. Of the 148,014 valid residence permits held by third-country nationals, 83,542 were permanent residence permits and 64,472 were temporary residence permits. The valid temporary residence permits are mostly valid simple residence and work permits, followed by valid temporary residence permits based on family reunification and study.

According to various reports from recent years, the integration of third-country nationals into the labour market is mostly guided by the economic needs of the state and thus does not take into account current demographic trends. Integration of refugees into the labour market in general remains a challenge in Slovenia. Refugees face a number of systemic and practical obstacles. Slovenia is primarily considered a transit country and has relatively few refugees and asylum seekers, but nevertheless faces the challenge of introducing new measures to promote the integration of refugees into the labour market and society in general. Various challenges such as language and cultural barriers, but also systemic barriers - such as discrimination in the workplace, lack of diversity skills and lack of mechanisms to recognise education, qualifications and skills - hinder the successful integration of refugees into the labour market. Self-employment

or (social) entrepreneurship of refugees is also currently not supported. Tailored subsidies could be a solution to address this problem.

In order to achieve long-term stable economic and social development, a more coordinated and planned immigration policy should be pursued. We already know which professions are most needed (the shortage professions) and which cannot be covered by the Slovenian population alone.

The shortage of specific skills on the national/regional labour market is primarily determined by the labour shortage identified by the Public Employment Service of the Republic of Slovenia, as it identifies which occupations are most needed.

This is then also the basis for issuing work permits to foreigners¹. In Slovenia there are also "shortage occupations"; the shortage areas and educational programmes are determined by the Scholarship Policy (2020-2024) adopted by the Government of the Republic of Slovenia. The scholarships for shortage occupations² are intended to encourage young people to enrol in educational programmes for occupations for which there is a recognised shortage, as there is a shortage of workers for these occupations on the labour market. For 2021, the set of shortage occupations (and consequently the scholarships have been published in the following fields and educational programmes) includes: Stonemason, mechatronics technician, mechanical equipment installer, metal designer - toolmaker, electrician, vehicle body repairer, baker, confectioner/candy maker, butcher, upholsterer, carpenter, bricklayer/mason, plumber, tinsmith/sheet metal roofer, drywaller, painter and decorator, ceramic tile potter, forester,

¹ Especially with [Bosnia and Herzegovina](#) (from 2013) and [Serbia](#) (from 2019), there are bilateral agreement. The agreement determines the conditions of employment of BiH citizens and procedures for issuing work permits but does not include the right to reside in Slovenia.

² One of the main aims is "the possibility of employment in areas where foreigners are traditionally employed". See: <https://www.srips-rs.si/stipendije/deficitarne>.

chimney sweep, glazier, glazing technician, but also nurses, doctors, caregivers, etc.

Socio-demographic and economic indicators indicating societal changes

Some socio-demographic indicators and economic and entrepreneurship indicators for Slovenia from 2010 to 2020 are presented in the table below, indicating societal changes. However, not all data were available from 2010 and 2020 – in that case a different year is listed.

Indicator	%/number/value* in 2010	%/number /value in 2020	Change
Total Population	2.046.976	2.095.861	+48.885
Old-age dependency ratio	23,8%	31,3%	+7,5%
Median age	41,4	44,1	2,7
Fertility rate	1,57	1,57	0 ¹
Employment rate	66,2%	70,5%	4,3%
GDP per capita	27845 USD	38727 USD	10882 USD

¹ But in the ten years between the rose even to 1,62, the lower was 1,55.

Number of active companies, per industry	165959	N/A (2019: 205.139)	39.180 between 2010 and 2019
Development of the entrepreneurial ecosystem at the country level	App. 24	App. 24	0
Number of active companies owned by foreigners	/	/	/
Number of social enterprises	N/A (first year of data 2012=5)	270	+265 between 2012 and 2020

Conclusions

If Slovenia does not seriously consider preparing and pursuing a more appropriate migration policy based on the present and expected economic and social needs of the future, it cannot expect stable, prosperous economic development or social well-being for its inhabitants. The Slovenian government should welcome foreign workers in a more coordinated and targeted manner, in contrast to the previous (rather spontaneous and at the

same time discriminatory and negative) approach. The fact is that Slovenia, like most European countries, has no other option than immigration to replace missing population and labour force, due to the too low birth rate, the ageing of the labour force and the outflow of population.

