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# AN INSIGHT ON THE RELATION BETWEEN MIGRANT MOBILITY AND PATTERNS OF ECONOMIC DEVELOPMENT

Labour migration and migrant entrepreneurship  
between the Italian of Veneto and countries in South and  
East Europe: Poland, Slovakia, Hungary, Romania, Serbia

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**UNIONCAMERE DEL VENETO – E.I.C. VENETO (IT)**  
**Lead Partner**



**Veneto Lavoro - Regional Authority of Veneto (IT)**



**Camera di Commercio, Industria, Artigianato e Agricoltura di Venezia (IT)**



**Chamber of Commerce and Industry Brasov (RO)**



**John Paul II Catholic University of Lublin (PL)**



**HYDEA Consulting L.t.d. (HU)**



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**Styria Economic Chamber (AU)**



**Italian Ministry of Infrastructures and Transport  
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The study

**AN INSIGHT ON THE RELATION BETWEEN MIGRANT MOBILITY AND PATTERNS OF ECONOMIC DEVELOPMENT**

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www.migralink.org

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Activity 2.1 Study and investigation of return paths of migrants working in Veneto

**Partner responsible for the study:**

VENETO LAVORO  
Via Ca' Marcello, 67  
I-30172 Mestre (Venezia)

**Research and draft co-ordinator:**

Anna Lucia Colleo  
NOMISMA – SOCIETÀ DI STUDI ECONOMICI S.P.A.  
Strada Maggiore, 44  
I-40125 Bologna (Italy)  
email: [colleoa@nomisma.it](mailto:colleoa@nomisma.it)  
website : [www.nomisma.it](http://www.nomisma.it)

**Research and draft team:**

Veneto Lavoro:  
Anna Lucia Colleo

Centro Studi di Unioncamere del Veneto:  
Gian Angelo Bellati, Serafino Pitingaro

Camera di Commercio, Industria, Artigianato e Agricoltura di Venezia:  
Michele Ciatto

John Paul II Catholic University of Lublin:  
Zofia Kawczyńska, Krzysztof Markowski, Tomasz Sieniow, Bohdan Rożnowski, Dorota Bryk,  
Jadwiga Plewko

Chamber of Commerce and Industry Brasov of Romania:  
the team of Sc Cambras s.r.l Brasov

Ministry of Labour, Employment and Social Affairs of the Republic of Serbia:  
Olivera Kovacevic

HYDEA Consulting L.t.d.

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 MigraLink

## Executive Summary

The study *An Insight on the Relation between Migrant Mobility and Patterns of Economic Development* is part of a wider project co-financed by the European Regional Development Fund under the Community Initiative Interreg IIB CADSES: *Migralink. Integration of migrants in the enlarged Europe and policies for the return of productive intellect.*

By focusing on people who move through regular channels across international borders seeking employment abroad, *Migralink* has set for itself the ambitious goal of designing innovative mechanisms to promote the voluntary return of immigrants to their home countries, and to make such returns contribute to local development.

In line with the current international debate on the inter-relationships that exist between the governance of migration and local development strategies, *Migralink* builds on the assumption that the increased mobility of knowledge, skills and capital between countries is a fact, and that this can crucially contribute to the development of both countries of origin and destination.

This work responds to the need to make knowledge and analysis available to the *Migralink* partnership, in order to support their commitment to design policy patterns and adequate services to link migration with development.

Analysis is placed in a broad cognitive framework, to help partners gain a better understanding of available policy options, and learn from current experiences worldwide.

The study aims at contextualising labour migration dynamics and productive investments within and between some of the territories involved in the project, namely the Italian Region of Veneto, as the host region, and Poland, Hungary, Slovakia, Romania and Serbia as origin countries.

The mobility between Italy and these countries, at the exception of Serbia, is or will soon become EU internal mobility: the services that *Migralink* will put in place will mostly target people who are free to move and access labour markets within the Union.

On the basis of the experience of the countries that have opened their labour markets to new Member States' nationals since 2004, a substantial increase in the number of immigrants from new EU Member States to Italy can be expected to take place as a direct consequence of the Government's decision in July 2006 to lift labour access restrictions for nationals of new EU Member States.

The quantification of the phenomenon of return and circular migration cannot be accurate, as available data lack both information and comparability across countries, but estimated indications hold it that return migration is on the increase in Europe. Conventional categories of one-way migration seem to be giving way to a more open mobility, where migrants tend to maintain close linkages with their origin countries, and to develop a double belonging to host and home contexts.

The indications of the European Commission maintain that host and origin countries stand to make more gains from temporary and circular migration than from permanent migration projects. In general terms, temporary migrants are believed to be more prepared to invest in their country's development.

The promotion of productive returns, which is the return of migrants to their home communities and their investments and contribution to local development, is a complex undertaking.

The set of policy options that the study suggests to consider in order to embark in the process includes: the progressive alignment of migration and development policies, including in the context of the definition of regional operational plans; a thorough investigation of the grounds for lining up bilateral aid funds with migrant resources to invest in their home communities; reinforcing trans-national dialogue and existing bilateral agreements to foster the mobility of people and of enterprises in a co-ordinated manner; develop a trans-national recognition and certification of the services aimed at improving both the trans-national mobility of workers and the trans-national mobility of enterprises; promoting the involvement of diasporas in the process; improving databases on a bilateral basis, pending results of current efforts at European Union level, by improving the tracking capacity of recorded data as it pertains to migrant and enterprises mobility; the establishment of a Front Office in Veneto to collect business ideas and make credit available to support business initiatives in both home and host contexts, expanding also information of and access to the programs and services of the Chambers of Commerce in support to trans-national business and trade initiatives.



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## Introduction

*by Veneto Lavoro*

A long-standing consensus exists amongst researchers and practitioners that international migration has an important impact on development dynamics in and between areas of origin and destination.

The last few years however have seen an increased interest in understanding more in depth the linkages between migration and development, and how migration can be guided to actually benefit regions that are inter-connected by migration flows.

Europe is no exception. People have been on the move throughout its history and yet, the need and the call for an appropriate governance of migration have become more stringent in Europe in recent years.

This is by no doubts related to the increase in numbers and trends of immigration,<sup>1</sup> but governing migration and its relation with development trends is a multifaceted and increasingly demanding challenge for other reasons as well.

Globalisation has critically affected the quantity and quality of today's migration movements. Movements have increased and have grown increasingly diverse, as have the people, the routes and the processes involved.

Migration flows are an integral part of today's globalisation changes, with more accessible communication and travel opportunities, and although most movements occur between underdeveloped countries, rich Europe is certainly an attractive lighthouse for migrants.

Many people of working age either cannot find employment or cannot find employment adequate to their qualifications and ambitions, or to support themselves and their families, while some countries have a shortage of workers to fill positions in various sectors of their economies. Skilled and unskilled people in seek of better opportunities take advantage of cheaper and more versatile travel and communication means to become more aware of opportunities elsewhere and mobilise their human capital between different contexts. Concurrently, globalisation affects the dynamics of markets and productions, demanding stronger connections worldwide.

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<sup>1</sup> According to the OECD Migration Outlook 2006, over the last 5 years an average of 1,400,000 people have entered the European Union every year, although not all of them to reside in Europe on a permanent basis. After having been primarily countries of emigration for more than two centuries, during the last 50 years countries of Western Europe gradually became destinations for international migrants. Several of the new EU member states in Central Europe are also following the same pattern: the Czech Republic, Hungary, Slovakia, and Slovenia already have a positive migration balance.

Moreover, migration is no longer a one-time and one-way event, nor does it imply the severing of linkages with places of origin. Today migration can be rather understood as the circulation of people who in most cases keep a simultaneous engagement in different countries.

Among new migrants one can in fact distinguish between those who return home to re-settle there, those who choose to remain in their new place or residence and the growing number of those who move between here and there and develop a knowledge and a sense of belonging to both places and both cultures, which makes them potential vehicles of trans-national connections and development patterns.

Also, it should be noted that while regulations are set at central and to some extent at supra-national level, migration movements occur along chains that tend to connect specific local contexts. Migrants from the same home region or locality often concentrate in the same geographical areas in the host country. A paradox only in appearance, the local dimension is the most appropriate to deal with international migration.

Finally, not only is the nature of migration changing, but so too are authorities' approaches, with the focus shifting from a model that focused exclusively on programming the development of their territory, to expanded relationships between countries, with multiple actors and levels of government concerned.

Migration can bring benefits or constraints to social and economic development, and countries of origin and countries of immigration may look at the migration phenomenon from very different perspectives: for countries of origin, the concern may vary from the impact on their country of the phenomenon of brain drain caused by regular migration programs attracting skilled nationals abroad, to enhancing the benefits of remittances by their nationals. For countries of destination, the interest could be to discourage irregular migration, alleviate social sustainability concerns and exploit the migrants' potential for trans-national business by drawing circuits of open mobility between their territory and origin regions.

Differences notwithstanding, international migration can hardly be managed appropriately by one side alone.

Countries of origin and destination have been progressively more aware that increased dialogue and cooperation between sending and host contexts are necessary pre-conditions for advancing concrete and mutually beneficial ways to manage migration successfully.

In September 2005 the European Commission has published a *Communication on Migration and Development*<sup>2</sup> where emphasis is put on the necessity to develop a coherent and integrated approach to migration and development issues, via partnership with developing countries.<sup>3</sup>

At national level, European Union Member States and origin countries have equally taken measures for promoting the existing relationship between migration and development and for establishing constructive dialogue. It has specific relevance for the purposes of this study to note that over the last 5 years, the EU has been receiving more highly skilled migrants than ever before, and that EU governments appear increasingly interested in attracting them to balance labour deficits in their national systems. If immigration programs generally put a stringent limit to the overall number of newcomers, in fact, a number of European countries such as the UK, Ireland, Germany, France and the Czech Republic have opened up preferential channels for selected highly-skilled labour migrants.

And not only governments but a variety of actors have a stake and are active in guiding migration and fostering a closer relation between migration and development.

The spontaneous initiative of migrants and the structured efforts of governments at all levels can be enhanced if public and private interests are combined appropriately.

In recent years, an apparent tension has arisen between the interests of authorities and the interests of markets and of the corporate sector, in relation to international migration. Private enterprises that wish to boost their competitiveness and expand their markets feel that they must be able to recruit their employees more freely and on a global basis. And if they are unable to do so, they are apt to move part or all of their enterprises to countries where they are able to find the people they need. Labour mobility policies and programs are crucial assets to steer productive development, govern the migration-development nexus efficiently and prevent critical imbalances in receiving and departure countries.

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<sup>2</sup> Communication of the European Commission to the Council, the European Parliament, the European Economic and Social Committee and the Committee of the Regions on Migration and Development: Some Concrete Orientations.

<sup>3</sup> "Countries and international organizations increasingly perceive migration as a phenomenon whose positive impacts in development terms can be substantial, provided that appropriate policies are in place"

## 1. The study contents

The *Migralink* project and its study focus on a restricted realm of the migration-development nexus: labour migration, its return and mobility between origin and host regions, and the support to returnee entrepreneurship and entrepreneurial investments in origin regions.

Support to migrant entrepreneurship, in particular, is seen as a potential threefold factor of: local development of origin regions; integrated development between the productive districts of origin and host regions; an opportunity that could encourage immigrants to return or increase the mobilisation of resources between origin and host regions.

Reinsertion in the home labour market through entrepreneurship development can play a crucial role in making the return of migrants sustainable and productive, and placing migration in the framework of regional cooperation and integration.

It is important to clarify that the concept of *return* in this study refers not to the enforced returns of illegal immigrants. Rather, it refers to the voluntary decision of regular migrants to return or contribute to the development of their country of origin. Otherwise said, the notion does not necessarily entail that migrants renew their residence in origin communities, but it is expanded to include also investments of emigrants from abroad.

By return, this study means the mobilisation of human and financial resources of both returnees and *diasporas* for the development of their home country.

Support to the entrepreneurship of migrants in origin regions is thus meant to facilitate both the valuable reintegration of returnees in their home societies and the impact of returning resources on the development of origin areas.

This broader approach has a number of implications.

First of all, it implies the possibility of open mobility, including after an initial return, building on today's spread of a *trans-national lifestyle*. The European Commission as well as the migration policies of a number of EU Member States are in favour of a more open mobility of migrants, both skilled and unskilled, between origin and host regions. When open mobility concerns the same origin and host communities, this is referred to as *circular mobility*.

Secondly, it addresses the issue of involving diasporas in development efforts, which includes the possibility that such efforts exploit the double belonging of migrants to two different contexts and

sponsor initiatives that have an impact on the development of both regions of origin and destination. Placing this line of action within the overall objective of *Migralink*, to promote migrant entrepreneurship, the involvement of diasporas could support the development of home regions from abroad but could also facilitate the insurgence of integrated patterns of development between the productive systems of host and home regions.

The study is organized as follows: the first section provides an overview of the linkages between migration and development, with a focus on the role of migrant return and circulation, and of diasporas, in economic development. The analytical focus is carefully coupled with references to existing programs, and subsequently put into context in the following section of the study, with a presentation of relevant global actors and initiatives, and an excursus on recent policy developments on economic migration and on the mobility of workers from the new Member States after the 2004 enlargement. Section 3 focuses on the specific project location, exploring the composition and trends of migration flows between Veneto, as the host region, and project countries in East and South-Eastern Europe, as origin countries.

Most countries that *Migralink* regards as countries of origin of labour migration are in fact full members of the Union since 2004 (Poland, Slovak Republic, Hungary), or are likely to become so in 2007 (Romania). Limitations for New Member States' citizens in accessing the labour markets of old Member States will also be sketched, although they will decay at the latest in 2011, and are presently being lifted by most of the countries who had initially set them.

The section continues outlining the specific dimension of labour migration in Veneto, highlighting the employment features of nationals of target origin countries, including detectable changes since the EU accession in 2004 of Poland, Hungary and Slovakia, and an highlight on immigrant entrepreneurs in Veneto, as a particularly active group that could be specifically targeted by return and investment promotion services. Section 4 reports on the investments of Veneto entrepreneurs in Poland, Slovakia, Hungary, Romania and Serbia, and eventually, sketches the economic and business environments in home countries, providing information on existing business credit and support services.

In addition, as a study Annex, the study reviews and compiles in a Compendium existing practices and policies worldwide that promote the contribution of migrants to the development of home and host regions: in particular, the Compendium focuses on temporary labour programs, that imply return of migrant labour after a defined period of work in host regions, and on programs that sponsor the mobilisation of diasporas' resources and abilities.

The study is based on the compilation and analysis of available data, and on the review of available studies and reports from international and national organisations; moreover, qualitative interviews

were conducted on a restricted champion of returnees in countries of origin, as a means to investigate directly spontaneous return patterns and the investment attitudes of returnees.

It is relevant to note that available international and national data do not satisfactorily report on the quantity and quality of returns, but aggregate analysis of data and reviewed sources made it possible to draw an overall picture of return migration and business investment dynamics concerning target countries, which served as the basis for formulating recommendations for the project's follow-up:

Also, in an attempt to overcome the scarcity of data on actual returnees, the study pre-identifies a target group for the innovative services that *Migralink* aims at putting at the disposal of migrants who are interested to start business initiatives in home regions: it suggests that services focus at first on immigrant entrepreneurs, and therefore provides a detailed overview of immigrant entrepreneurs in Veneto.

The study, to summarise, will attempt to provide to concerned partners of the *Migralink* project the necessary knowledge background to answer the following questions:

Which development policies and which services exist to promote the return and the investments of migrants, taking into account the interests of both communities of origin and destination?

What are the existing inter-linkages and common interests of productions in home and host regions to build upon, in order to foster their development and integration?

How could authorities and concerned stakeholders maximise the impact of return services that focus on entrepreneurship for the development of home regions, and for combining the interests of home and host regions?

## **2. Sources of the study**

The study is based on analysis of available data, of theoretical and empirical papers concerning migration and development issues and development dynamics in target territories, and of reports depicting the state of the art of the international debate on the migration-development nexus.

In addition, qualitative interviews were conducted on a restricted champion of returnees in countries of origin, as a means to investigate directly spontaneous return patterns and the investment attitudes of returnees.

### 3. General and specific objectives

#### ▪ **General objective**

Improving the information and knowledge base available for the design of effective migrant return services, integrating and mainstreaming the mobility of labour migration with local development efforts in newly acceded and candidate EU Member States, with a focus on the establishment of business activities.

#### ▪ **Specific objectives**

- Reviewing available secondary information on migration and development in the EU and in selected countries, including relevant policy and policy development contexts
- Analysing the possible contribution of economic migration to the integrated development of host and home regions, including in terms of entrepreneurship potential
- Undertaking research on economic migration issues in relation to development dynamics, with a focus on labour return, circular mobility and entrepreneurship of migrants between Veneto and selected new and candidate Member States
- Outlining the composition, trends and employment features of immigration in Veneto, with a focus on labour dynamics and trends, and on the inflows from target origin countries
- Undertaking research on immigrant entrepreneurs in Veneto and on the presence and investments of Veneto enterprises in selected origin countries
- Outlining migration issues in target countries of origin
- Investigating the sources of finance to support migrant entrepreneurship in home regions, and the role of diasporas and chambers of commerce in this regard
- Compiling and disseminating information and profiles of practices worldwide pertaining relevant categories of the migration-development nexus
- Presenting conclusions and concrete policy indications for the design of return services aimed at supporting migrant entrepreneurship and investments in home regions

### 4. Target group

The target group of *Migralink* are legal migrants in seek of better employment opportunities abroad. Illegal migration or legal migration for reasons not related to employment fall beyond its scope

## **5. Data Sources and Availability**

A number of data sources have been used for the purposes of this study:

- population censuses
- annual surveys on immigration
- national and regional labour force surveys
- municipal registers and health services' registrations
- country entry and exit data
- databases of chambers of commerce
- international data stocks (ILO database on international migration, OECD database on immigrants)

Precisely because international migration is a complex process, involving not only migrants but also their relationship to their territories of origin and destination, relevant information is necessary to understand the process itself and highlight the intersections between existing regulations, the aspirations of migrants and the choices they make.

Informed data would be essential to assess the relevance of actual dynamics of return and mobility, to identify priority target groups for return services, and to appreciate to what degree returning migrants contribute to their home economies.

And yet, the basis for our measurement is far from accurate.

Available data on migration trends, stocks and flows present a serious lack of comparability.

Differences in coverage, measurement, and in the purpose behind each data source, do not provide a clear idea of the relative scale of movements across countries.

Particularly, there is a scarcity of reliable data on return migration and migrant circulation.

States admitting foreigners under different migrant categories usually gather information on their admission, but information on the departures of foreigners is inadequate, and countries of origin on their hand tend not to gather any information on incoming citizens.

Returns from Veneto, in this study, are roughly calculated subtracting the number of cancellations from registries over a year time from the total number of entries: very rarely returnees take their time to communicate their departure, cancellations are most often the record in public registries of the

results of regular municipal controls that could not locate immigrants in their supposed places of residence.

Moreover, concerning the overall quantification of labour migration, we should note that according to the data reviewed, the actual size of the labour force is higher than the number of total entries for labour purposes. This may be partially explained assuming that migrants admitted for reasons other than work, as family reunifications, refugees and even students, may end up joining the labour force.

Moreover, concerning the distinction between official categories of temporary and permanent migrants, this study assumes that the distinction is not necessarily synonymous with return and one-way migrants, because of the complexity of the migration process and of factors influencing migrant decisions. Temporary permits may be expanded into longer stays, and immigrants with non temporary permits may decide to return or to move on to another destination.

Numbers of the highly skilled are estimated as equal to the number of labour immigrants possessing a third level education. But here again, gaps are evident: very qualified immigrants may be employed in positions that require a lower qualification.

**Table - Major migration theories: assumptions and conclusions**

Theory / approach	Level of analysis	Key assumptions	Main conclusions
The neo-classical approach	Macro	<ul style="list-style-type: none"> <li>People tend to maximize their utility</li> <li>Potential migrant is an autonomic individual</li> <li>People are mobile</li> <li>Migration occurs without costs</li> <li>Potential migrant behaves in a rational way</li> <li>No risk or uncertainty</li> </ul>	<ul style="list-style-type: none"> <li>International migration is caused by differences in wages between countries</li> <li>Mobility of labor leads to equalization of imbalances on the global scale</li> <li>International trade and flows of capital are substitutes for migration</li> <li>International labor flows are influenced primarily by labor market mechanisms</li> </ul>
World system theory	Macro	<ul style="list-style-type: none"> <li>Socio-economic context of migration matters</li> <li>Political and economic power is unequally distributed across nations</li> <li>World system may be described in centre/periphery framework</li> </ul>	<ul style="list-style-type: none"> <li>International migration is a consequence of capitalist market formation in the developing world</li> <li>Penetration of capitalism into non-capitalist or pre-capitalist societies creates a mobile population that is prone to migrate</li> <li>The international flow of labor follows international flows of goods and capital (but in the opposite direction)</li> <li>International migration has little to do with wage differentials between countries; it reflects unequal distribution of political and economic power</li> </ul>
Dual labor market theory	Macro	<ul style="list-style-type: none"> <li>Labor market is not homogeneous</li> <li>Jobs in specific sectors differ with respect to such wages, working conditions, prospects of mobility and rules</li> <li>Institutions of labor market matter</li> </ul>	<ul style="list-style-type: none"> <li>International labor migration is largely demand-based</li> <li>Employment in secondary sectors can be attractive for immigrants because they (usually) perceive their stay in the destination country as temporary</li> <li>International labor migration is usually initiated through recruitment (by employers or governments)</li> <li>Once recruited, migrants become a structural part of the labor market</li> <li>International wage differentials are neither a necessary nor a sufficient condition for migration</li> </ul>
Human capital approach	Micro	<ul style="list-style-type: none"> <li>Individuals tend to maximize their utility</li> <li>Individuals behave in a rational way</li> <li>Migration decision is taken individually, social context is neglected</li> <li>Individuals have costless access to perfect information</li> <li>Migration has a temporal dimension - preferences regarding time and risk are important</li> </ul>	<ul style="list-style-type: none"> <li>People migrate due to international income or wage differentials, but also due to differences in employment rates (employment chances)</li> <li>Migration/mobility is an investment</li> <li>Migration does not occur in the absence of differences in earnings and/or employment rates</li> <li>Migration stems from disequilibria between labor markets</li> <li>Individual human capital characteristics that increase the probability of employment in the destination country (education, experience, training, language skills) will increase the likelihood of international movement, other things being equal</li> </ul>
New Economics of Labor Migration	Micro, meso	<ul style="list-style-type: none"> <li>Labor is a specific factor of production</li> <li>Individuals are acting in a social context</li> <li>Migration is a complex social phenomenon</li> <li>Migration does not have to be permanent - temporary migration is a common behavior</li> </ul>	<ul style="list-style-type: none"> <li>The appropriate unit of analysis of migration is families/households</li> <li>Wage differentials are not a necessary condition for international migration to occur - households may have strong incentives to diversify risk through migration even in the absence of wage differentials</li> <li>Incentives for migration are to a large extent the consequence of market failures</li> <li>The same expected gain in income may not have the same effect on the probability of migration - relative effects are important</li> <li>There is no trade-off between mobility and activities in the country/region of origin</li> </ul>
Network theory	Meso	<ul style="list-style-type: none"> <li>Social capital matters</li> <li>Social capital can be translated into financial and/or cultural capital</li> <li>People gain access to social capital through participation in networks and/or social institutions</li> </ul>	<ul style="list-style-type: none"> <li>Networks allow for reduction of costs and risks associated with migration and thus make international migration relatively easy and attractive</li> <li>Networks influence to a large extent migration choices</li> <li>Migrant networks are consequence of migration</li> <li>Thanks to networks migration becomes a self-perpetuating phenomenon (even in the absence of large wage differentials)</li> </ul>

Source: World Bank, Quarterly Economic Report, PART II: Special Topic, September 2006

# I. INTRODUCING THE STUDY THEME

*by Veneto Lavoro*

## 1. Categorising Labour Migration: Different Programs for Different Migrants

Host states set the conditions under which foreigners may enter, stay and work in their territories. This study focuses on migrants who are admitted to work in a host country.

The same countries may be concerned with regulating the number of labour entries, while concurrently launching programs aimed at attracting specific categories of immigrants in large numbers.

Most EU governments are introducing programs to attract highly skilled foreigners, particularly in sectors like health, education and new technologies, without limiting firmly the duration of their residence, while also launching temporary work programs to attract skilled and unskilled foreigners to work in their countries.

Most immigration countries have different programs, with differing regulations, for different categories of labour migrants, distinguished by level of skills and duration of their residence permits.

A few major categories can encompass most national programs that regulate labour migration:

- ***Temporary programs to attract skilled and unskilled migrants***

Skilled and unskilled foreigners may be granted temporary permission to stay and work in a receiving country, and even attracted to do so by specific programs in order to fill labour demands in a specific sector.

In the EU, the release of residence permits are often tied to a specific job and a specific employer during the validity of their work permits, although foreign workers are usually entitled to look for other jobs before their permit expires.

Numbers of temporary immigrants are on the rise: in Italy alone, between 1999 and 2003, the annual number of temporary work permits issued or renewed rose from 21,400 to 139,100.<sup>4</sup>

Over the years, governments have developed a number of variations on temporary labour migration programs, covering specific categories of unskilled and skilled workers, including:

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<sup>4</sup> Data from the Italian Ministry of Interior.

- trainees, that is, persons who obtain on-the-job training;
- seasonal workers, that is, foreigners allowed to work continuously for periods shorter than a year and who must leave for at least a month every year. Seasonal workers constitute the majority of temporary workers admitted by countries in continental Europe;
- *working holidaymakers*, that is, young persons from specific countries of origin who are allowed to work for periods of up to two or three years while they visit the receiving country;
- intra-company transferees, that is, workers employed by multinational companies who change country of work while continuing to work for the same company.

▪ ***Programs for attracting highly skilled migration***

Issues related to the international mobility of highly-qualified workers are receiving increasing attention from policy-makers, both from origin and host countries, for opposite reasons.

A worldwide survey recently conducted by two leading economists,<sup>5</sup> estimate that the highly skilled are the most mobile category of migrants. If the average migration rate for the low skilled in 2001 was 0.9%, it amounted to 1.6% for the skilled and to 5.5% for the highly skilled.

Many host countries have adopted measures to attract highly skilled immigrants by introducing or improving selection policies.

Germany has made it easier for skilled workers to get visas. Britain has offered more work permits for skilled migrants. France has introduced a *scientist visa*. A number of countries worldwide, including in the EU, are making it easier for foreign students to stay on after graduating; attracting foreign students is seen by an increasing number of governments as a future source of highly skilled: France is aiming to increase the proportion of foreign students in its universities from 7% now to 20%. Germany is advertising its efforts to internationalise studies in Germany, while expanding the offer of courses in English.

This tendency, in reverse, poses brain-drain concerns to origin countries, which in a number of cases launch return programs that specifically target the highly skilled.

*Migralink*, as explained above, is committed to identify productive patterns that would balance such opposite visions in a mutually beneficial frame.

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<sup>5</sup> Hillel Rapoport and Frederic Docquier, The Economics of Migrants' Remittances, March 2005. IZA Discussion Paper No. 1531. Available at SSRN: <http://ssrn.com/abstract=690144>

Data from population censuses have permitted the estimation of the number of foreign-born persons living in the European Union who report having completed tertiary education. Equating such persons with the highly skilled provides some indication of the extent of highly skilled migration today.

Highly skilled migration to Europe has increased sharply since 1990. While there was only a marginal increase in the number of immigrants with primary education in EU old Member States in the period from 1990 to 2000, from 8.4 to 9.7 million, the number of immigrants with tertiary education increased from 2.16 to 4.2 million during the same period.<sup>6</sup>

## 2. What We Mean when We Talk of Return and Circular Migration

The return to their home communities of people who have been employed abroad, either on a temporary or on a more permanent basis, potentially makes their human, financial, economic and social capital available to emigration countries.

Moreover, the double sense of belonging that migrants may have developed for their home and host societies are likely to make return facilitate the establishment of a beneficial connection between the interests of both home and host regions.

This study focuses on non permanent emigration and return patterns. When migrants return for a period and then leave again, we talk of migrant *circulation*.

The European Commission, in its 2005 *Communication on Migration and Development*, encouraged States and international organisations to formulate policies and programs that maximise the developmental impact of return and circular migration.

Intensive repeat migration in the EU is prevalent among seasonal and low skilled workers, at least through legal channels of entry.

In general terms, unskilled temporary workers have little chances to extend the duration of their permanence, nor are they allowed to bring their family members with them.

Among migrants admitted legally with a long term residence perspective and amongst the highly skilled, permanent return to the lower income countries is relatively rare.<sup>7</sup> Incentives to these groups should be directed to increase the circulation of people and benefits, rather than their definitive return.

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<sup>6</sup> OECD 2006 Migration Outlook

<sup>7</sup> OECD 2006 Migration Outlook

The Commission held that the traditional concept of permanent migrant settlement is progressively giving way to temporary and circular migration, which is reflected in the increasing number of national programs that are launched to attract skilled and unskilled foreigners on a temporary or a more open basis.

An increasing number of workers leave their own countries to work under short-term employment contracts. The Commission underlines the need to grasp the developmental opportunities that this important shift in migration patterns provides for countries of origin. And, we would add, to transnational development.

Given the changing pattern of international migration, the assumptions underlying the *brain drain* concerns, which imply that a migrant who leaves her or his own country will never go back there and would subtract to his or her community their valuable contribution, should be re-contextualised.

- ***Return migration***

Although precise estimates of the extent of return migration do not exist, available evidence suggests that return migration is very common.

As we will see in the next section of this study, entries to Italy amounted to 282.780 in 2005; cancellations for departures amounted to 15.951, a number that has been almost unvaried for some years, mostly in relation to the low propensity of foreigners to communicate to public offices their departure from the country. The low number of notifications is partially compensated by cancellations due to the impossibility to locate foreign citizens (35.674 in 2005), following the regular ascertaining procedures of municipal registry offices. Returns from Italy are thus very roughly estimated at 51.500 in 2005.

Not only have various forms of temporary worker programs expanded, but according to OECD reports, rotation of highly skilled persons is occurring more frequently too, both on a short-term basis and after a period of settlement.

As of the impact of return, this is likely to be enhanced when it occurs after a moderately long period of time. Under such conditions, migrants are more likely to have saved enough to ease their reinsertion into and invest in the home society.

Short temporary residences abroad do not allow for the gaining of enough financial and skill resources.

Migrants who plan to be self-employed upon return usually work longer and save more while abroad,<sup>8</sup> which gives evidence to the critical role of wide information campaigns.

From a home context perspective, return migration will contribute to the development of origin regions only to the extent that propitious social, economic and employment environments allow the migrant to use the skills he or she has acquired abroad or to invest his or her savings from abroad.

Moreover, conditions in the country of origin influence the return choice. Migrants may be more likely to return if they see opportunities available at home.

- ***Returnees and their position in the labour market***

Return migrants frequently do not fare well in the labour market of their home countries: their rate of unemployment is often higher than that of non-migrants, and even higher than they experienced before they started their migration project.

Available studies on the early experiences of returning guest workers from Germany indicated high non-employment rates, higher than rates pertaining non migrants.

For those returnees attempting to make a transition into self-employment, lack of entrepreneurial experience and access to credit are cited as main constraints.

The same studies also suggest that returning migrants often opt for self-employment and use their accumulated savings to establish small businesses, a strategy which may, in many instances, be a continuation of investments in productive activities at home made while they were still abroad.

- ***National and international experiences on returnee reintegration and diaspora investments***

Governments and international actors, such as the European Union, IOM and the United Nations Development Program (UNDP), have developed programs to assist returnees in business activities. The IADB has recently funded a venture capital project for workers returning from Japan to Brazil.

However, as we noted for the choice and potential benefit of return, the success of returnee enterprises is closely related to the economic and investment environment in countries of origin.

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<sup>8</sup> Richard Black, *Targeting Development: critical perspectives on the millennium development goals*, 2004

National programs designed to encourage the return of highly educated nationals living abroad are mostly funded by origin countries.

For example, as a global outlook, Thailand offers generous monetary incentives. In Taiwan, the Hsinchu Industrial Park initiative attracted more than 5,000 returning scientists in 2000. China and India are clearly committed to call back and encourage the investments of their diasporas: China has introduced a number of incentives to attract back its nationals abroad, ranging from the offer of big apartments and car services to access to prestigious schools for their children. The Chinese Academy of Sciences has established an attractive fellowship programme for its expatriates and the government of Beijing has opened an office in the Silicon Valley to tempt its nationals' return. India has taken a different approach, focusing not just on attracting their skilled nationals back but also on promoting the investments of Indian diasporas for the development of their home country: the government has launched specific measures to make it easier for them to invest at a distance and simplify visa procedures for people of Indian origin, including for short visits.

Bilateral agreements can be particularly important to launch programs of mutual interest for countries or origin and destination. The Italian-Egyptian Integrated Migration Information System (IMIS) project targets labour migration moving from Egypt to Italy, with the twofold aim of encouraging legal migration and the proper integration of migrants in the labour market, and to channel the resulting human and financial resources to fuel local development in Egypt. The project was jointly implemented by IOM and the Italian and Egyptian Governments between 2001 and 2004, and was expected to benefit potential migrants, foreign entrepreneurs and Egyptian diaspora migrants and organisations. IMIS offered a labour matching e-tool that compiled labour demand and offer on both sides, and a portal to facilitate contacts between the Egyptian government and the Egyptian diasporas.

- ***Initiatives at regional and local level in Italy***

In host countries, and particularly in Italy, regional governments are the most active in promoting the return, and sometimes the productive return, of immigrants.

It should be noted that vocational training, selection and recruitment projects can be framed in the Italian Immigration Law (189/2002, art.17), which explicitly favours the entry of emigrants who have completed a qualifying vocational training in their country of origin.

The most innovative projects have linked the promotion of voluntary return for entrepreneurial purposes to the possibility of setting up transnational economic partnerships.

It is worth mentioning the AGFOL project, supported by the Veneto Region in 1995. Within this scheme, 23 qualified construction workers were trained and recruited in Albania to hold a six-month traineeship in Veneto, in order to learn how to set up their own companies or launch joint ventures in their country of origin. At the end of the project, 82% of the beneficiaries remain employed in the same sector, in Albania.

A similar scheme has been implemented in Morocco by the Province of Bolzano. The latter is particularly interesting as it aims not only at training returnees (10-20 people) in the agricultural and breeding sector, but also at assisting them to set up an agricultural firm that will serve as a pilot centre providing updated skills and technologies.

The Emilia-Romagna Region has recently commissioned a feasibility study to analyse the possibility of matching recruitment with migrant circulation and return. An interesting example of this strategy is a project that Emilia-Romagna funded in Morocco (Khouribga). The project, managed by the NGO Nextia, aims at the development of the local agricultural market through the establishment of cooperatives, labour training in Morocco and Emilia-Romagna, the promotion of agreements between local and Emilia-Romagna firms, and support to the return of qualified migrants to start entrepreneurial initiatives in their home community. Under this scheme, agricultural development is pursued both in Khouribga and Emilia-Romagna and training is designed to respond to the labour demand in both the host and the origin countries.

Concerning the investment of migrant remittances from abroad, a project that has been completed and is worth mentioning was funded by the Region of Tuscany and coordinated by the NGO COSPE in Khenifra (Morocco). Thanks to the arrangements negotiated with the Monte dei Paschi Bank, immigrants' savings were transferred to a bank in Khenifra that, in turn, allowed access to these resources by a local micro credit organisation with desks in five villages in the area. People could access funds without being required to open a currency account, and the microcredit system fostered the positive impact of remittances on local development. The costs for the transfer service were overall moderate and fast.

- ***Circular migration and brain circulation***

The migrant choice to embark in temporary or circular mobility can be explained postulating that people migrate not only to maximise expected incomes but also to overcome various kinds of market failure.

Short-term labour mobility is an effective way to improve the economic and social position within the sending society, while permanent relocation would result in associated costs (taxes, medical and social insurance, etc.) which could seriously limit expected gains from migration.

Moreover, temporary migration provides an opportunity to benefit from mobility without abandoning the social system of the country of origin.

As we noted for return migration, available data do not allow either for an accurate quantification of the phenomena of brain circulation (migration occurring between the same origin and host countries) and brain circularity (open mobility between an origin countries and unspecified destination countries).

For the time being, the need for promoting the open mobility of migrants between origin and EU host countries relies on analytical speculations and on the lessons that can be learned from countries that are sponsoring effective return and circulation policies: China and India but also Ireland, to mention but the best-known examples.

The legal circulation of migrants between host and countries can be enforced or can be a free choice of the migrants.

Enforced circulation is often the result of temporary labour migration under regulations that stipulate that migrants must return home before a renewal of their contract may be considered. Such clauses are often included in the work contracts of temporary unskilled workers.

Enforced circulation is less likely to produce benefits in terms of migrants' contributions to productive development, as their saving capacity would be restrained and they would be more concerned with survivance concerns than with long-term investment or skill development plans.

There is a need to capitalise upon the growth of human mobility by promoting *non-enforced brain circulation*, in which migrants return voluntarily to their own country on a regular or occasional basis, using the skills and resources they have acquired while living and working abroad.

**Countries of destination** can promote circular migration by providing mechanisms and channels that enable migrants to move relatively easily between their countries of origin and destination.

Some countries have developed innovative policies to facilitate return and circulation, which ease the transfer of financial resources, offer tax breaks, facilitate productive investments of diasporas in their home regions, offer multiple visa systems and investigate the possibility that migrants are able to retry their pensions once they return home.<sup>9</sup>

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<sup>9</sup> For an overview of specific initiatives in place, see the Compendium in Annex.

In France, for instance, the Ministry of Foreign Affairs finances migrants' initiatives to invest in the development of local communities in their country of origin, or to allow their home countries to benefit from their skills, know-how, and network of contacts acquired in the host country. The program covers four pilot countries: Senegal, Mali, Morocco, and the Comoros Islands; the program is managed in France at community level: decisions regarding the financing of projects are made by bilateral committees composed of representatives of host and home countries, French local communities, French development NGOs and migrant associations. At least, 15% of the projects must be covered by a migrant association and up to 70% can be provided by the French Government.<sup>10</sup>

**Countries of origin** also have important responsibilities in this respect. People will be less inclined to leave and more likely to return on a temporary or permanent basis to countries that can offer their citizens a favourable economic and business climate, decent working conditions and accountable service systems.

In creating such conditions and becoming more competitive, countries of origin will not only ensure that migration becomes a choice rather than a necessity, but will also encourage return and circular migration, maximising the impact of remittances and encouraging diasporas populations to invest in their homelands.

#### ▪ **Conclusions**

Specific policies are likely to influence return migration, either through control or incentives.

Temporary migration programs are becoming more numerous, targeting unskilled, skilled and highly skilled foreigners.

There is potential for these programs to result in beneficial synergies for migrants, countries of origin and countries of destination.

Programs that envisage appropriate incentives for migrant return and circulation, and to diasporas' investments, building on the attachment to their home country of people who have gone abroad to make their fortune, are deemed to benefit all involved parties, provided the experience they gain abroad can be put to productive use at home.

However, the short-term permits of temporary work programs that cannot extend into longer residence status, challenge the potential benefits of migrant circulation: they risk making the adaptation of migrants more difficult, and may lead to their marginalisation in host countries, who on reverse are not accorded a real possibility to accumulate savings and plan investments.

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<sup>10</sup> IOM has carried for the World Bank's Knowledge for Change Trust Fund, *Development-Friendly Migration Policies: A Survey of Innovative Practices in Countries of Origin and Destination*.

Furthermore, given the structural needs for additional migrants in the most developed countries of the European Union, which are associated to their economic, demographic and social trends, filling such needs exclusively with temporary migrants may turn out to be problematic.

The length of stay abroad, if return is not enforced, is partly influenced by the fixed costs of re-entry and the difficulties in being able to return abroad again. Migrants who have rights to long-term residence in countries of destination may be more willing to try life back home if they can be assured of being able to emigrate again.

The enforced short-term returns of migrants that are usually spent to secure a new posting abroad are not especially beneficial either to the migrants concerned or to the economies of their home countries. A short-term return that has no employment safeguards is likely to see migrants remain unemployed or underemployed during their return home.

Beneficial circulation between the home and host countries seems more likely when migrants have security of status, and can freely exploit existing incentives to invest in home as well as in host communities, and ideally even in activities that involve both.

A convincing incentive to encourage immigrants to return to their country of origin is to grant them a concrete possibility to be able to re-enter the host country, and possibly be entitled to preferential employment channels, in the future.

Information campaigns targeting diasporas to advertise employment opportunities, investment facilities, and opportunities to invest their savings safely in their home countries would be important vehicles of incentives.

Similarly, it is important that authorities and stakeholders in host countries launch awareness campaigns and provide regular information to immigrants on available services, including bank and business services, and investment opportunities that can be supported in home countries as well.

It would be crucially important to set up informative systems that make known to immigrants available employment opportunities related to the investments of host enterprises and producers in their home countries, as well as to learn from the successful experiences of other EU countries and devise services that encourage and support immigrant investments in business activities and their involvement of local development initiatives that have an impact in both host and the home communities.

The involvement of chambers of commerce, business representations, local development agencies, as well as of immigrant associations, would be very important to link services to actual interests and changing development dynamics.

### 3. Facilitating Investments in Home Countries

- ***Financial support and capacity building schemes available for productive returns***

Possibly needless to highlight, the availability of financial resources, the existence of business promotion facilities and the offer of mentoring schemes, are key incentives to encourage the start up of business initiatives of migrants in the communities they come from. Once again, a business investment pattern may and should ideally establish a productive or trade chain that concern immigration and emigration contexts.

Support may come from

- ⇒ Entrepreneurship support programs in origin regions, in terms of both credit availability and capacity building
- ⇒ Business start-up and support services in host regions, targeting solely or being open to immigrants

A good initiative in this sense is the French *Programme Migrations et Initiatives Economiques* (PMIE), a business support program with a return-oriented focus, jointly funded by the French Ministries of Social Affairs and of Foreign Affairs, and implemented by the French NGO pS-Eau. The program provides training, support and funding to legal and irregular African immigrants who wish to establish a business in France or in their places of origin. Migrants can use their savings as a guarantee to obtain a loan, which is granted in local currency and conditioned to the actual productive investment of the loan. They can sponsor the start up of businesses in sectors that are of interest to the host region as well.

- ⇒ The financial resources generated by migrants: the remittances

The volume of remittance transfers worldwide has been growing so steadily over the last decade, to persuade international and national institutions to investigate ways to channel the savings of migrants into financial tools to fuel local development initiatives.

According to International Monetary Fund's Balance of Payment statistics, remittance transfers from Italy have increased dramatically in the period between 1997-2003: they registered an annual increase from USD 332 million to USD 1,331 million.<sup>11</sup> And the figures refer to intra-bank transfers, to

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<sup>11</sup> IMF, Balance of Payments, 2004

which one should add the expectedly large sums of money that are transferred through informal channels, drove home by couriers, sent in letters or carried by someone travelling home.

In 2005, 2.425.285 Euro were sent home by immigrants in Italy, out of which 409.057 Euro by Romanians, 75.659 Euro by Albanians, 36.181 Euro by Poles, and 25.245 Euro by Serbs and Montenegrins. The 6.2% was sent by immigrants in Veneto.<sup>12</sup>

- ***The role of diasporas communities***

Migrants' organisations in host countries play an important role in channeling information, and steering the investments of potentially interested migrants.

When people migrate across international borders they tend to form communities in their destination areas that continue to have strong personal and material links with their countries of origin. Referred to as *diasporas*, these communities maintain economic, social and political connections with their countries of origin, which can act as an important liaison between the development of home countries and the resources of their nationals abroad.

Policy initiatives by EU Member States in this area have particularly focused on business creation in the context of return and reintegration programs and on channelling entrepreneurial activities in host countries into development in the home country.<sup>13</sup>

The challenge lies in developing favourable environments that can attract the investments of diasporas, and make the expertise and capital usable for the development of their home country.

In this regard, the involvement of intermediaries or networks that help establish and consolidate relationships between migrant entrepreneurs or diasporas who are interested in starting entrepreneurial activities and their public and private sector counterparts, can be crucial in facilitating transactions and investments.

Collective remittances by migrant associations already support small-scale development projects in a number of countries. In addition to private remittances, diasporas are active in a range of transnational practices: foreign direct investments (FDI), market development (including outsourcing of production), and technology transfer.

To mention but a visible example, the current economic expansion in India owes much to Indians who emigrated during the Sixties and the Seventies and who are now determined to support their

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<sup>12</sup> CARITAS/MIGRANTES, Dossier Statistico Immigrazione 2006, elaboration of data from the Central Bank of Italy

<sup>13</sup> 2005 Communication of the European Commission on Migration and Development

home country: they have created such groups as the Indus Entrepreneurs, steered multinational contracts to India, established venture-capital funds and found business schools.

- ***The role of chambers of commerce***

Chambers of commerce, on their hand, have a role in linking diasporas to the business community in their country of origin.

Most Chambers already have a mandate to promote trans-national trade and investments. Within their regular programs, they are already actively involved in networking, matchmaking, business facilitation, and the provision of commercial information, as well as market research, and export promotion assistance. Chambers of commerce also provide a link to the wider business community within a country or region.

Each of these activities provides an opportunity for diasporas' involvement in the promotion of business in a country of origin.

Providing assistance to immigrants in business start-ups can be part of return and reintegration programs, but also a way of channelling migrant investments from abroad.

Trans-national programs or home region programs that provide the same services to returnees may serve the same purpose.

On the whole, the evidence points to the trade link being the most important potential route through which trans-national communities contribute to economic development at home, mainly in overcoming prevailing information barriers.

In addition, to the extent that migrants abroad engage in entrepreneurship, they may foster exports of products typical of the country of origin. Expatriates are also often the major users of transport to and from the country of destination and of telecommunications services.

The degree to which migration enhance trade flows, foreign investments, and transfers of technology, may be susceptible to policy interventions. It should be noted that the greatest impact tends to be through networking with the highly skilled, rather than the unskilled.

## II. THE STUDY INTO CONTEXT

*by Veneto Lavoro*

### 1. A Global Glance on Migration and Development: International Actors and Initiatives

A number of organisations are currently conducting work pertaining the connection between migration and development. This is a brief, non exhaustive presentation of the main international actors that are committed to improve the governance of international migration, and the connection between migration and development.

Since its establishment in 1951, the **International Organisation for Migration (IOM)** works closely with governments and concerned actors worldwide to meeting the growing operational challenges of migration management, advance understanding of migration issues, encourage social and economic development through migration, uphold the human dignity and well-being of migrants. With 118 member states, a further 20 states with observer status and over 100 country offices, IOM provides advise and services to migrants and to governments in areas as the promotion of international migration law, policy debate and guidance, protection of migrants' rights, migration health and the gender dimension of migration.

The **International Organisation for Migration (IOM)** launched in November 2001 an international dialogue on migration policy, with, among other, the creation of the **Migration Policy and Research Program (MPRP)**. The purpose of this international dialogue is to enhance understanding of the complexity of migratory phenomena, and to enhance inter-State co-operation in managing migration.

The **Population Division of the United Nations Department of Economic and Social Affairs** is responsible for monitoring levels and trends of international migration as well as international migration policies. The Division also conducts studies on the interrelations between international migration and socio-economic and political changes.

By mandate, the **International Labour Organisation (ILO)** is involved in elaborating and supervising international labour migration standards, developing policy guidance, and conducting research, as well as providing technical assistance on labour migration management to governments and social partners. Recent research of ILO includes evaluation of comparative experiences with temporary foreign worker programs, recruitment methods and their implications for the labour market, the use of immigration quotas, the relationship between the growth of trade and migration of skilled and unskilled workers, and the effects of emigration of the highly skilled on a sample of developing countries. ILO has sponsored a number of Conventions and Recommendations specific

to migrant workers, including the Migration for Employment Convention and the Migrant Workers Convention. The ILO maintains and manages an online database on international labour migration, established in 1997, covering over 80 countries.

In 1996, the ILO launched the **Informal Network on Foreign Labour in Central and Eastern Europe**. Its objective is to examine migration problems experienced in the region and assess the capacity of governments to respond effectively to them. It focuses on labour migration both within the region and on East-West migration. The network serves as a mechanism to examine issues and exchange views on ways to address them, unilaterally or jointly.

The **International Migration Policy Program (IMP)** is an inter-agency program co-sponsored by UNITAR, UNFPA, ILO and IOM. Since 1998, it has sought to strengthen the migration management capacity of Governments and to foster regional and international co-operation towards orderly migration.

A more recent initiative is the **Global Commission on International Migration**. The Commission is an independent body, established in 2003 and based in Geneva, whose members are 18 eminent persons from all regions of the world. Its objectives are to place international migration in the global agenda; to present recommendations to the Secretary-General on how best to address international migration issues; to analyse gaps in current policy approaches to international migration and examine its inter-linkages with other issues. The Commission has identified “development” as a key issue in the overall analysis of the complex challenges posed by contemporary migration.

In April 2003, the heads of six international organizations based in Europe and active in the field of international migration, namely, ILO, IOM, the Office of the UN High Commissioner for Human Rights, the Office of the UN High Commissioner for Refugees, UNCTAD and the UN Office on Drugs and Crime, established the **Geneva Migration Group**. The Group is an informal mechanism for the exchange of information among organizations, aiming to improve mutual understanding, discuss the possibility of inter-agency cooperation and collaboration, and promote synergies. It meets on a quarterly basis, and has a rotating Chair. The link between migration and development is a common theme in this forum.

The **Directorate for Employment, Labour and Social Affairs of the Organisation for Economic Co-operation and Development (OECD)** is committed to help governments find ways to boost employment and improve social welfare. It issues two major annual publications: the *Employment Outlook* and *Trends in International Migration*. With regard to international migration specifically, the Directorate monitors trends in international migration flows, focusing on control and regulation of flows; assesses the economic and social implications of migration; promotes the integration of

immigrants into the economy and society; and designs policies for international migration that promote economic growth and development in both receiving and sending countries.

## **2. The European Union on Economic Migration**

Over the last decade, the European Union has grown increasingly alert of the relevance of the migration phenomenon for the development of the European continent. Legal and orderly flows of people entering the Union to serve as skilled or unskilled labour force are seen as a partial answer to the impact of internal demographic ageing on the economy of Europe, and as a crucial asset to meet the Lisbon development goals.

Migration can only play such a role if Europe is able to attract migrants with needed skill levels; and if these migrants have access to formal labour markets.

Meanwhile, there has been a diversification in the typology of migrants and of the patterns of flows, and the 2004 new EU accessions are gradually transforming part of past immigration into internal mobility flows.

Many studies carried out by the International Labour Organisation (ILO) and the International Monetary Fund (IMF), among others, have shown that immigration has had an undeniable positive effect on employment and growth for two reasons: it increases the supply of labour and tends to have a positive influence on the demand for products. There is little evidence, on the other hand, that immigration has led to higher unemployment, that immigrants take job opportunities from EU nationals, and that the impact of immigration on the public finances of the host countries has been more than moderate so far.

Member States have made the greatest progress in seeking harmonization of measures to manage international migration, in a context of growing global and regional economic integration.

### ▪ ***The EU policy pattern regulating economic migration***

In 1997, the Treaty of Amsterdam for the first time established the competence of the Union on immigration and asylum.

Subsequently, the European Council, at its meeting in Tampere, Finland, in October 1999, called for a common policy on immigration and asylum and set forth a framework within which to achieve it. In this framework, partnerships with countries of origin were seen as essential elements for the success of migration management.

Faced with the shortage of labour and in order to avoid encouraging illegal immigration, governments began to realise that it is necessary to facilitate immigrants' entry to the labour market.

In June 2000, a comparative study on the admission of third-country nationals for paid employment and self-employed activities was submitted to the Commission services. It illustrated that the rules on admission of third-country nationals to work in the EU differed from Member State to Member State.

A year later, the European Commission decided to put forward a proposal for a common Directive on the conditions of admission and stay of third country workers. However, due to Member States' diverging views, the negotiations did not lead to the adoption of legislation.

The Commission re-launched the debate on the need of common rules for the admission of economic migrants in 2005, publishing the **Green Paper on an EU approach to managing economic migration**.<sup>14</sup> It identified major issues and presented options for an EU legislative framework on economic migration, while recognizing that each country should determine its own labour market needs.

On 30 November 2005 the Commission adopted a Communication laying down priority actions for improving migration management in follow up to the informal meeting of the EU Heads of State and Government at Hampton Court on 27 October 2005. At that meeting, Heads of State and Government called for renewed action to manage migration flows, and for the Commission to develop a series of immediate, practical actions to be taken forward in partnership with source and transit countries.

The consultation on the Green Paper and the Communication led to the adoption in December 2005 of a **Policy Plan on Legal Migration**.<sup>15</sup> The Policy Plan primarily focuses on economic immigration, but does not propose any legislative or operational solutions. Rather, the Plan defines a road-map for the remaining period of The Hague Programme (2006-2009) and lists the actions and legislative initiatives that the Commission intends to take, so as to pursue the consistent development of the EU legal migration policy.

▪ ***Policy options under review***

The Plan is divided in four sections, addressing the main dimensions of the legal immigration phenomenon:

- The Commission will progressively present a set of **legislative proposals** concerning the conditions of entry and residence for third-country nationals in employment.
- The Commission will develop a number of **non-legislative tools** to substantially improve the access to, exchange and coordination of available information in the field of immigration.

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<sup>14</sup> (COM (2004) 811).

<sup>15</sup> (COM (2005) 669).

- As to **integration** of economic immigrants and their dependents, the Commission will actively follow up the measures proposed in the Communication on a *Common Agenda for Integration*<sup>16</sup>
  - Measures that need **cooperation with the countries of origin of immigrants** in order to effectively manage immigration flows at the benefit of all interested parties.
- ***The need for a common policy on the entry, residence and status of third country nationals***

While it remains undisputed by the Commission that decisions on the numbers of economic migrants to be admitted in order to seek work are a matter for the Member States, both the Green Paper and the Policy Plan highlight the fact that the admission of third country nationals in one Member State may affect other Member States.

The right admitted immigrants would acquire to travel within the Schengen area, to deliver services in other Member States, to move to other Member States once they would have a long-term residence status, and thus the impact of the admission on the EU labour market, all point to the need to homogenise admission and residence rules.

The Commission proposals refer to a general framework directive targeting four specific categories of salaried workers:

- highly skilled workers
- seasonal workers
- intra-corporate transferees (ICTs)
- remunerated trainees

A common rule would be that admissions should be conditional on the existence of a work contract and on the proven capacity of applicants to support themselves and their families, although exceptions may be granted for certain sectors or regions.

The Commission suggests a common special procedure to speed the admission of **highly skilled** immigrants. If necessary, the proposal could also include intra-EU mobility, or introduce an EU work permit (EU Green Card) issued by one Member State but valid throughout the EU.

The proposed directive on the conditions of entry and residence of **seasonal workers** puts forward a scheme for a joint permit that allows the holder to work for several months each year over four to five

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<sup>16</sup> COM (2005) 389

years, provided that the entry and residence requirements are respected, including the maximum length of stay per year.

The scheme put forward by the proposed directive on the entry and residence of **ICTs** notably sets out common procedures in relation to temporary residence in the EU for ICTs. The Commission suggests that the measure should specifically address the intra-EU mobility of ICTs.

The proposed directive on the admission of **remunerated trainees** is intended to allow them to acquire qualifications and knowledge through a period of training in Europe.

**Cooperation with countries of origin** to foster development opportunities and balance possible counter-effects of high emigration rates on origin countries is a key feature of the EU Policy Plan on Legal Migration.

▪ ***Specific policy indications on labour migration and development***

Along with the development of policy indications and specific regulations on economic immigration, significant steps have been taken to mainstream migration issues into development policy and EU assistance to third countries.

In September 2005 the Commission published the Communication **Migration and development: some concrete orientations**, responding to the invitations made by the Council in March 2003 and in November 2004 to submit concrete orientations to improve the impact of migration on the development of countries of origin. It

The Communication highlights measures and initiatives which are likely to lead to concrete progress. Specifically, it provides orientations in the following areas:

- *Remittances*: contributing to cheaper remittance flows and facilitating the use of remittances for development-friendly use while respecting their private nature;
- *Facilitating the involvement of willing diasporas in the development of countries of origin*, including by helping these countries create skills databases where such people can register voluntarily;
- *Facilitating brain circulation*, by encouraging temporary migration, by facilitating the return of migrants to their country of origin – including to start up a business activity – or by making it easier for migrants to engage in development-friendly activities without returning definitively – for example through secondments or investments in countries of origin;
- *Limiting the impact of brain drain*, for example by encouraging Member States to limit recruitment in countries and sectors suffering from skill shortages and by fostering partnerships between institutions in developing countries and in the EU.

- **EU indications on return migration and brain circulation**

Although the facilitation of brain circulation is assumed as a core feature of a positive migration-development interrelation, the Commission recognises that the extent and the dynamics of brain circulation are not enough understood.

It thus proposes to expand knowledge on circular migration through feasibility studies that should investigate on long-term multi-entry visas for returning migrants, and on the possibility that former immigrants are given priority and obtain a new residence permit for further temporary employment in the former host country under a simplified procedure.

In this respect, it also recommends considering the case for setting up an EU database of third country nationals who left the EU when their temporary residence/work permit expired.

- **EU internal mobility**

The Policy Plan on Legal Migration proposes a roadmap to define common regulations on the entry and residence of third country workers in the EU.

The mobility within the Union of EU citizens, however, is regulated by an internal EU regulation, a specific chapter of the EU Treaty concerning the settlement and right to work of EU citizens in other Member States.

The free movement of persons within the Union's territory is one of the EU fundamental freedoms, guaranteed by Community Law, as well as equal treatment in labour affairs, social assistance, fiscal advantages and public housing.

In **1985 the Single European Act** envisaged the removal of internal borders, and gave rise to legislation granting European Community preference in hiring and employment services to all workers and their families from any Member State.

Since the **1992 Maastricht Treaty**, the European Commission and Member States have introduced the concept of *Union citizenship* (Art. 8 EC Treaty). According to this article, a national of an EU Member State is automatically also citizen of the Union. This involves a number of rights and duties, such as the right to move and reside freely within the entire territory of the EU.

The Treaty of Maastricht's regulation on the freedom of movement applied only to citizens of EU Member States. Member States remained completely free to define their policies concerning

immigrants from *outside* the EU. They independently set national rules of entry, exit and naturalization. Citizens of non-EU States, for instance, did not have the right to move freely within the EU. The crossing of the border from one EU country to another EU country by non-EU citizens was treated as an exit into, or entry from a third country.

The further realization of the Union citizenship took place with the signing of the **Treaty of Amsterdam** in 1997.

The Directive merges into a single instrument all the legislation on the right of entry and residence for Union citizens.

Residence permits are abolished for Union citizens. However, Member States may require them to register with the competent authorities within a period of not less than three months as from the date of arrival.

Union citizens acquire the right of permanent residence in the host Member State after a five-year period of uninterrupted legal residence, provided that an expulsion decision has not been enforced against them. The right of permanent residence is lost only in the event of more than two successive years' absence from the host Member State.

- ***Temporary restrictions in the labour access of New Member States' citizens***

Following the enlargement of the European Union in May 2004, a number of old Member States' governments applied transitory regimes on the free movement of workers from new Member States, excluding Malta and Cyprus, for a period varying from two to seven years.

The 2003 Treaty of Accession set out transitional arrangements that allowed Member States to defer the full application of community law regulating the free movement of workers across the Union, for a period of maximum 7 years.

Only Sweden and Ireland, amongst EU old Member States, decided not to apply transitional arrangements.

The UK decided not to apply any ex-ante restrictions on access to its labour market but adopted a Worker's Registration Scheme. Under this scheme workers from 8 of the Member States that joined the EU (all except Cyprus and Malta) must register with the UK Home Office within 30 days of starting their employment in the UK.

The remaining EU15 Member States informed the Commission that they would for the time being maintain their work permit system, although with some modifications:

Denmark decided to issue work permits to nationals from the new EU Central and Eastern European countries subject to the condition that their work is full-time and governed by a collective labour

agreement. There is no need to satisfy a labour market test, but the applicants must also be granted a residence permit before starting their employment in Denmark.

The Netherlands adopted a twofold procedure. A traditional full work-permit system, including a labour market test, applies for most sectors, but some sectors and jobs are exempted from this regular procedure. If the exemption applies, a work permit can be granted within two weeks without the need for a labour market test. The list of exempted sectors and occupations is reviewed on a three-monthly basis.

France decided to maintain a work permit system but introduced exceptions for certain sectors, including research.

Belgium, Finland, Greece, Luxembourg and Spain also decided to maintain a traditional work permit system.

Italy decided to keep its work permit system but devoted a special entry quota for workers from the 8 EU Member States in question.

Legislation in Portugal also provides for a quota system.

Germany and Austria maintained a work permit system, and in addition decided to apply specific restrictions for cross-border services in certain sensitive sectors, involving the temporary movement of workers.

In reverse, Poland, Slovenia and Hungary apply reciprocal restrictions on nationals of EU Member States that were applying restrictions.

- *Italy and other EU15 Member States lift restrictions in 2006*

According to the Accession Treaty, the first phase of the transitional arrangements ended on 30 April 2006, when Member States had to decide whether to lift national restrictions on workers' free movement in the EU, or continue placing restrictions on access to their labour market until 30 April 2009.

Four more old Member States, namely Greece, Spain, Portugal and Finland, have decided to lift restrictions from May 2006. Italy joined the group in July, bringing the number of countries with free labour market access for member States from Central and Eastern Europe to eight.

Moreover, several others, which is Belgium, Denmark, France, Luxembourg and the Netherlands, have announced simplifications of their existing national access regimes. In Belgium, the remaining restrictions could be lifted before the formal end of the second phase if enforcement measures are met. In the Netherlands, for the period May 2006-December 2007, the access to certain sectors will be facilitated, requiring a work permit without the labour market test. Transitional arrangements will be reviewed again in November 2006, following which a decision could be taken to completely liberalize access to the Dutch labour market from January 2007.

After May 2006, the Accession Treaty envisages the possibility to continue applying restrictions until 1 May 2009, assuming that Community law on free movement of workers should fully apply for all EU 25 Member States from that date onwards.

Nevertheless, the Accession Treaty allows an EU15 Member State to continue with restrictions in case of serious disturbances of its labour market, in which case restrictions can be applied for the final phase, which is the last two years of the transitional period, from 1 May 2009 to 30 April 2011.<sup>17</sup>

▪ *The impact of the 2004 enlargement and of temporary restrictions on EU labour markets*

In 2005, a Eurobarometer survey reported that only 1 percent of the population of the new Member States express firm intentions to migrate to another country. According to the survey, countries in East and Central Europe were experiencing a sensible reduction of their emigration pressure, while increasingly turning into immigration regions. A number of countries in this region already had a positive migration balance.

Confirming the survey conclusions, a European Commission report published on February 2006 illustrates that labour mobility from the EU Member States in Central and Eastern Europe to the old Member States has had mostly positive effects and has been in most countries quantitatively less important than foreseen.<sup>18</sup>

The report is designed to provide Member States with a factual basis when deciding on whether to continue to apply national labour markets restrictions on workers' movement.

The statistics in the report, submitted by the EU Member States, show since enlargement there has been an increase in the number of EU-10 workers in EU15 Member States. However, numbers are lower than anticipated before enlargement took place. Moreover, the number of resident and work permits issued overestimates the actual number of new Member States nationals that have settled in the host country, because it does not take into account people returning to their countries of origin, i.e. the outflows, and the length of the work permits. There was no evidence of a rise in either numbers of workers or welfare expenditure following enlargement, compared to the previous two years. New Member State nationals represented less than 1% of the working age population in all countries except Austria (1,4% in 2005) and Ireland (3.8 % in 2005). Ireland has seen relatively the largest inflow of workers from new Member States.

It is a fact that countries that have not applied restrictions after May 2004 (UK, Ireland and Sweden) have experienced high economic growth, a drop of unemployment and a rise of employment.<sup>19</sup>

Moreover, the reports indicates that national restrictions have had little direct effect on controlling workers' movement. Mobility flows are ultimately driven by factors related to supply and demand

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<sup>17</sup> Communication from the European Commission, Report on the Functioning of the Transitional Arrangements set out in the 2003 Accession Treaty (period 1 May 2004-30 April 2006), COM(2006) 48, 8 February 2006, available at [http://europa.eu.int/eurlex/lex/LexUriServ/site/en/com/2006/com2006\\_0048en01.pdf](http://europa.eu.int/eurlex/lex/LexUriServ/site/en/com/2006/com2006_0048en01.pdf)

<sup>18</sup> Ibidem

<sup>19</sup> World Bank, Paper Series, Enhancing gains from international labor migration in Eastern Europe and the former Soviet Union, 2006

conditions: many of the work permits which were issued in the EU old Member States were for temporary or seasonal workers from the 8 new Member States in question.

In all EU15 countries, access to social welfare schemes has been much more restricted than to the labour market itself. In most countries, in order to claim social assistance, nationals of new EU Member States must be legally resident and hold a residence permit, which in turn requires legal employment and in most cases a work permit.

### **3. Presence and Labour Features of New Member States Nationals in the EU**

At present, the **most numerous diasporas** of the new EU nationals from Central and Eastern Europe are located in Germany. The country hosts over 291,000 citizens of Poland, 53,000 of Hungary, 20,000 each of the Czech Republic and Slovenia, more than 12,000 of Slovakia, and almost 20,000 citizens of the Baltic States.

Other important presences in the EU are Poles in France (33,700), U.K. (27,900), Italy (24,700), Austria (22,500) and Sweden (16,300), and Hungarians in Austria (13,000).

The **largest share** of EU10 nationals is in Ireland: 2% out of 8% of total non nationals, although these figures may be on the low side as many of the registered workers do not have resident status and flow statistics may be biased due to the circulatory character of movements.

Concerning the **duration of permits**, the data show that a significant percentage of residence and work permits is granted for short-term or seasonal workers .

This is for example the case for Italy, where 76% of the authorisations for work in 2004 and 71% in 2005 were given to seasonal workers.

The **sector composition** of the national workforce in EU countries has not showed significant change in 2003, 2004 and 2005, suggesting that the inflow of workers from EU 10 Member States has had a limited impact on national worker occupations.

In very general terms, workers from EU 10 Member States are relatively better represented in the construction sector (15% for EU 10 nationals as opposed to 8% for country nationals).

The proportion of EU 10 nationals in EU15 Member States with low-level **qualifications** is lower than for nationals of the same countries (21% as opposed to 31%), for other EU15 nationals and for non EU nationals.

This is reflected in a higher percentage with medium qualified people (57% as opposed to 46%), definition including upper secondary education and specialised vocational training, which is the level of qualifications which is typically under-represented in several EU15 Member States.

The percentages of highly qualified people with completed tertiary education is also high, close to the percentage of nationals in receiving EU15 countries.

As of the **concentration of EU8 workers across sectors** there are some differences across EU countries that opened their labour markets.<sup>20</sup>

In the U.K., the vast majority of EU8 nationals are employed as low-skilled workers in manufacturing, agriculture, hospitality and catering.

In Ireland, migrant workers are employed in considerable proportions both in low-skilled sectors (construction industry, tourism, agriculture and food processing) and high-skilled sectors (financial, information and communication technology, healthcare).

By contrast, in Sweden, EU8 nationals are distributed across sectors in similar proportions as Swedish workers, except for an overrepresentation in the health sector (22%).

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<sup>20</sup> Communication from the European Commission, Report on the Functioning of the Transitional Arrangements set out in the 2003 Accession Treaty (period 1 May 2004-30 April 2006), COM(2006) 48, 8 February 2006, available at [http://europa.eu.int/eurlex/lex/LexUriServ/site/en/com/2006/com2006\\_0048en01.pdf](http://europa.eu.int/eurlex/lex/LexUriServ/site/en/com/2006/com2006_0048en01.pdf)

#### **4. Projections of labour inflows from new Member States to Italy after the lifting of restrictions to the mobility of workers**

As we mentioned before, following the EU enlargement in May 2004, Italy decided to apply transitional measures limiting the access to the labour market for citizens of all new Member States except Malta and Cyprus, commonly referred to as EU8 workers. However, the Italian government secured in 2004 and 2005 specific entry quotas for EU8 national workers by means of separate decrees: allowing the issuance of an additional 36.000 entry permits, and 79.500 in 2005, in addition to the established national quotas.

Assumptions on the consequences of the decision of the government of Italy in July 2006 to lift restrictions on the labour market access for EU8 workers, can be drawn upon the experience of EU countries that had not applied restrictions after the enlargement in May 2004, and considering recorded developments in the labour market dynamics of the EU8 countries since 2004.

Since enlargement, labour market developments in the EU8 have been positive, with unemployment rates dropping significantly in almost all of them. There should be no reason to expect increased pressure to move outside EU8 countries, also as the outlook for economic growth and employment creation remains positive.<sup>21</sup>

Looking at the countries that opened their labour markets at once in 2004, the **UK, Ireland and Sweden, the inflow of EU8 migratory flows increased significantly following accession.**

In **UK**, the stock of migrants from the EU8 countries doubled between 2003 and 2005, but as in most EU15 countries the share of foreign nationals from non EU countries is significantly higher than that of EU8 nationals.

The highest share of non nationals in the working age population is with Germany and in Austria, where however only 0.7% and 1.4% respectively come from the New Member States, compared to 7% non EU nationals.

The EU8 workers registered between March 2004 and June 2006 accounted for 1.1% of the U.K. working age population in 2004.<sup>22</sup>

As many as 427,095 labour entry applications were approved, with Poles constituting the vast majority of applicants (62%). Other significant migrant groups originated from Lithuania (12%) and Slovakia (10%).

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<sup>21</sup> Ibidem

<sup>22</sup> N. Gilpin et al., *The impact of free movement of workers from Central and Eastern Europe on the U.K. labour market*, Working Paper no. 29, Department for Work and Pensions, Leeds, 2006.

EU accession has also intensified visits of EU8 nationals in the UK. The number of visits of EU8 nationals in the period 2003-2005 tripled following accession, touching 2 million, while that of EU15 residents remained broadly stable.

Over 1.1 million Poles visited the UK in 2005 only, compared to less than 300.000 in 2003. It is also important to note that 47% of EU8 citizens who visited the UK from February to April 2006 came for work or study purposes, and 90% of them did not intend to stay longer than three months.

This indicates clearly a sensitive **increase in temporary and non residential** flows to those EU15 countries that have opened their labour markets to EU8 nationals.

Post accession inflows were even higher in **Ireland**, accounting for 6% of Ireland's working age population in 2004. Ireland was relatively open to inflows from the EU8 already from 2001. In 2001, the shares of migrant workers from Poland, Lithuania and Latvia were almost equal, 27% approximately for each group, but the relative amount of Polish migrants rapidly increased after EU enlargement, reaching 57% in 2005.

Of the entry applications received from May 2004 to December 2005, 55% were of Poles, followed by Lithuanians (18%), Latvians (9%) and Slovaks (8%).

In **Sweden**, the inflow was of a smaller scale than in the UK and Ireland, accounting for 0.3% of working age population in 2004.

The number of residence permits issued to EU8 nationals increased substantially in 2004 and somewhat less in 2005. The increase was large in the categories of employees, but also for students and for family reunification reasons.

In Sweden as in UK and in Ireland, most permits were issued to Poles, near 60%, who were followed by Lithuanians, 15%, Estonians 7.7 and Latvians 5.4%.

#### ▪ **Conclusions**

As it occurred in the countries that have had their labour markets open to EU8 workers for the last two years, a substantial increase may be expected to take place in Italy as a direct consequence of its decision to lift access restrictions.

This would be a potentially positive scenario overall: the migration flows following enlargement have had positive effects on the economies of UK, Ireland and Sweden: EU10 nationals positively

contributed to labour market performance, to sustained economic growth and to better public finances.<sup>23</sup>

Moreover, the employment rate of EU8 nationals has increased in these and in several other EU countries since enlargement, but this has in no case impacted the employment rate and the sector composition of the country labour force.

The level of education and skills of the resident labour force from the EU8 Member States is above the national average, with a high enterprise creation rate by EU8 nationals all over the EU, including in Italy.

It can be presumed that highly skilled workers from EU8 Member States may further contribute to business creation and perspective economic and employment growth in both host and home communities.

Moreover, the UK data system could detect a clear tendency of EU8 nationals to seek temporary rather than long term employment. This may be due also to temporary work programs in the UK that link closely employment to return, but the trend is nevertheless confirmed as correspondent by large to the voluntary migration project of EU8 national workers.<sup>24</sup>

As far as nationalities are concerned, Poles have manifestly been the most active so far in seeking labour in other EU Member States, followed at some distance by Hungarians and Slovaks.

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<sup>23</sup> Communication from the European Commission, *Report on the Functioning of the Transitional Arrangements set out in the 2003 Accession Treaty (period 1 May 2004-30 April 2006)*, COM(2006) 48, 8 February 2006

<sup>24</sup> N. Gilpin et al., *The impact of free movement of workers from Central and Eastern Europe on the U.K. labour market*, Working Paper no. 29, Department for Work and Pensions, Leeds, 2006.

## IV. MIGRATION FEATURES AND TRENDS BETWEEN TARGET AREAS

### 1. Overview on Immigration in Italy

by Veneto Lavoro

#### ▪ *Foreign residents in Italy in 2005*

As of 1 January 2006, the number of foreign residents recorded in the Italian Registry Offices was 2.670.514, with an increase of 11,2% from 2004.<sup>25</sup>

The stock growth of the legally resident has been lower than in the previous two years, when the increase had been by large determined by the last regularisation process that took place in Italy, which allowed a number of immigrants who were already in the country to legalise their position and register their presence.

The growth of the foreign population in Italy is also related to the increase in the numbers of the new born from foreign parents, that in 2005 resulted in a net foreign population growth of 48.838 persons, in comparison to the negative population natural balance of Italian resident citizens (- 62.120).

The rate of foreign immigrants on the total population in Italy reaches 4,5% at the end of 2005, as compared to 4,1% of 1 January 2005.

#### ▪ *Residence permits issued to foreign immigrants in 2005*

The data on foreigners in possession of a permit to stay in Italy as of 31 December 2005, provided by the Central Register of the Italian Ministry of Interior and by the Ministry of Foreign Affairs, yield an updated picture of the foreign population in the country.

By the end of 2005, 2.670.514 foreigners reside in Italy, a figure equivalent to 4.5% of the total resident population.

The net migration rate remains clearly positive, with 268.357 new entries over 2005, although lower than in 2004 (394.756), when results were also the consequence of the regularisation process.

Amongst the 268.357 new entries in 2005, over 180.000 are deemed to be related to stable presences.<sup>26</sup>

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<sup>25</sup> National Institute fo Statistics, *Statistics in Brief*, September 2006, data from the Central Registry Office of the Minister of Interior

<sup>26</sup> CARITAS/MIGRANTES, *Dossier Statistico Immigrazione 2006*, pp.489-491

Cancellations of foreign residents that emigrated abroad amount to 15.951, a number almost unvaried for the last 5 years, that reflect also the scarce propensity of foreigners to inform registry Offices of their departure.

The low number of cancellations for emigration abroad is partially compensated by the additional cancellations that result from the regular controls undergone by the Municipal Registry Offices: the impossibility to locate immigrants in their supposed places of residence resulted in 35.674 cancellations in 2005.

**Table 1. Foreign population legally resident (i.e. with a regular residence permit) in Italy in 2005**

	<b>Italy</b>	<b>North West</b>	<b>North East</b>	<b>Centre</b>	<b>South</b>	<b>Islands</b>
<b>Foreign Population as of 1.1.2005</b>	<b>2.402.157</b>	873.069	653.416	576.815	213.206	85.651
Net natural growth	48.838	19.221	14.960	10.766	2.702	1.1189
Net internal migration rate	-	7.033	6.957	-2.436	-5.784	-1.222
Registered from abroad	282.780	99.110	78.517	71.014	25.657	8.482
Cancelled for leaving the country	<b>15.951</b>	6.102	5.265	2.933	1.290	361
Net international migration rate	<b>266.829</b>	93.008	73.252	68.081	24.367	8.121
Cancellations after controls by municipal registry offices	<b>35.674</b>	13.244	10.514	7.336	3.569	1.011
<b>Foreign Population as of 31.12.2005</b>	<b>2.670.514</b>	976.887	730.569	641.158	229.375	92.525
% of foreign residents on total population in Italy, annual stock	4,5	6,3	6,6	5,7	1,6	1,4
% of minors on total foreign population	21,9	22,8	23,4	20,8	17,3	20,5
New born by 1000 foreign residents	20,5	21,9	22,8	19	13,5	14,7

Source: CARITAS/MIGRANTES, *Dossier Statistico Immigrazione 2006*. Data of the Italian Ministry of Foreign Affairs

A brief analysis of the reasons for issuing residence permits in 2005, disregard differences in the time length of residences, gives an idea of the increasingly stable character of immigration to Italy: the majority of the permits were issued for work (62.6%) and family reunification reasons (29.3%), followed by other motivations with a certain degree of stability (study, religion, elective residence).

**Table 2. Residence permits issued in Italy in 2005, by reason, total numbers and % on the total**

Reason	Numbers	% of total
Diplomatic	1.234	0,6
<b>Subordinate work</b>	<b>78.989</b>	<b>35,3</b>
<b>Autonomous work</b>	<b>775</b>	<b>0,3</b>
Mission (short-term presence for professional reasons)	7.019	3,1
Religious	2.795	1,2
Re-entry	3.446	1,5
Elective residence	968	0,4
<b>Family reunification</b>	<b>89.931</b>	<b>40,1</b>
<b>Study – schools</b>	<b>26.619</b>	<b>11,9</b>
<b>Study – university</b>	<b>5.072</b>	<b>2,3</b>
Work holidays	358	0,2
Other reasons	2.910	1,3
<b>TOTAL residence visas granted</b>	<b>224.080</b>	<b>100</b>
<b>TOTAL entry visas granted<sup>27</sup></b>	<b>1.076.080</b>	

Source: CARITAS/MIGRANTES, *Dossier Statistico Immigrazione 2006*. Data of the Italian Ministry of Foreign Affairs

▪ **The distribution of foreign immigrants on the territory of Italy**

The long term presence of foreign immigrants is concentrated by large in Northern and Central regions: the North West of Italy hosts 36.6% of presences, the North East the 24.4% and the Centre the 24%.



A quarter of all foreign residents in Italy reside in the region of Lombardia, followed by Emilia-Romagna (6.9%) Veneto and Umbria (6.8% respectively).

In the Northern regions, indicators suggest that the presence is becoming more stable and well rooted in the territory: the rate of foreign births on the total number of births in the same regions is 14.5%, as compared to 12.9% immigrants on the total population, and the proportion of foreign minors on the total foreign population is at 23%, as opposed to the 21.9% at national level.

In very general terms, the transfers of residence within Italy follow a South to North directive, and within the same regions tend to prefer municipalities of limited dimension to chief towns.

▪ **Main areas of provenance**

The continental distribution of immigrants in 2005 confirms a constant increase in the number and the percentage representation on the total immigrant population of South and Eastern European

<sup>27</sup> The number includes entry visas for reasons other than residence in Italy. The majority of entry visas of this type were granted for tourism purposes (554.000) and business (139.000).

country nationals (30.7%), in particular from Albania and Romania. Their presence more than doubled (+113,5%) since 2002.

Europeans represent 44.5% of total immigrants, with over 1 million presences, followed by immigrants from Asia (21% of the total), America (18.1%), and Africa (15.9%).

With regard to immigrants from European Union countries, it is noticeable that inflows from EU 15 countries increased by 14.4%, while the presences of EU 8 nationals grew by 91.1%.

A number of nationalities have registered impressive increments: Ukrainians were 13.000 in 2003 and are 107.000 in 2005, Romanians from 95.000 became 298.000, and Albanians increased from 217.000 to 349.000.

Presences rise also for Asian origin immigrants: Chinese are now 128.000, as compared to 70.000 in 2003, and Moroccans almost doubled reaching quota 320.000. Moreover, citizens from Central and South America are more numerous by 87%.

**Table 5. Foreign residents in Italy by area of provenance, 1.1.2003 and 1.1.2006**

Areas of provenance	1.1.2003	1.1.2006	% period variation
<b>EUROPE</b>	659.721	1.261.964	91.3
<b>EU 15<sup>28</sup></b>	124.920	142.865	14.4
<b>EU 8<sup>29</sup></b>	42.204	80.672	91.1
<b>Central Eastern Europe</b>	480.498	1.025.874	113.5
Of which: Albania	216.582	348.813	61.1
Romania	95.039	297.570	213.1
Ukraina	12.730	107.118	741.5
Moldova	6.974	47.632	583
<b>Other European countries</b>	12.099	12.553	3.8
<b>AFRICA</b>	464.583	694.988	49.6
Of which: Morocco	215.430	319.537	48.3
<b>ASIA</b>	278.749	454.793	63.2
<b>AMERICA</b>	143.591	255.661	78
<b>OCEANIA</b>	2.295	2.486	8.3
<b>STATELESS</b>	434	622	43.3
<b>TOTAL</b>	1.549.373	2.670.514	72.4

Source: elaboration of data from the Italian Ministry of Interior by the Central Institute of Statistics

<sup>28</sup> EU Member States before 1 May 2004

<sup>29</sup> Enlargement countries from Central and Eastern Europe: Estonia, Latvia, Lithuania, Poland, Czech Rep., Slovakia, Hungary, Slovenia

**Table 6. Residence permits issued in Italy in 2005 to European nationals, by reason, % and area of provenance**

Type of visa	Areas of provenience in Europe		
	European Union 15	Central and Eastern Europe	Others in Europe
Diplomatic	31	271	4
Subordinate work	210	52.408	131
Autonomous work	67	317	8
Mission (short-term presence for professional reasons)	562	261	147
Religious	173	132	4
Re-entry	63	1.385	40
Elective residence	16	16	1
Family reunification	66	34.426	612
Study – schools	275	2.108	556
Study – university	90	2.614	104
Work holidays	5	-	-
Other reasons	-	1.205	1
<b>TOTAL settlement visas granted</b>	<b>28.612</b>	<b>469.736</b>	<b>85.222</b>

Source: CARITAS/MIGRANTES, *Dossier Statistico Immigrazione 2006*. Data of the Italian Ministry of Foreign Affairs

▪ **Most represented nationalities**

Albanians, Moroccans and Romanians together account for 36% of the total foreign citizens residing in Italy, with respectively 348.813, 319.537 and 297.570 nationals in the country. The following countries, in decreasing order, are Ukrainians, with 197.118 presences, and Chinese (127.822).

Figures picturing the presence of foreign immigrants in Italy at the opening of 2006 talk of a progressive stabilization of countries of provenance, which is also evidenced by the fact that the top four immigrant nationalities did not vary from two years ago, with Ukrainians as the fifth most numerous foreign presence in Italy at the place that was of Philippines for the last two years.

**Table 7. Foreign residents in Italy by country of citizenship, 1.1.2004, 1.1.2005 and 1.1.2006, first 10 nationalities**

Citizenship	1.1.2003	Citizenship	1.1.2005	Citizenship	1.1.2006
Albania	270.383	Albania	316.659	Albania	348.813
Morocco	253.362	Morocco	294.945	Morocco	319.537
Romania	177.812	Romania	248.849	Romania	297.570
China	86.738	China	111.712	China	127.822
Philippines	72.372	Ukraine	93.441	Ukraine	107.118
Tunisia	68.630	Philippines	82.625	Philippines	89.668
Ukraine	57.971	Tunisia	78.230	Tunisia	83.564
Serbia Montenegro	51.708	Macedonia	58.460	Serbia Montenegro	64.070
Macedonia	51.208	Serbia Montenegro	58.174	Macedonia	63.245
Senegal	46.478	India	54.228	Ecuador	61.953
India	44.791	Senegal	53.941	India	61.847
Peru	43.009	Peru	53.378	Poland	60.823
Egypt	40.583	Ecuador	53.220	Peru	59.269
Poland	40.314	Egypt	52.865	Egypt	58.879
Sri Lanka	39.231	Poland	50.794	Senegal	57.101
Germany	34.664	Sri Lanka	45.572	Sri Lanka	50.528
<b>TOTAL</b>	<b>1.990.159</b>	<b>TOTAL</b>	<b>2.402.157</b>	<b>TOTAL</b>	<b>2.670.514</b>

The examination of the reasons of single nationalities for entering the country sheds significant light on patterns of immigration into Italy. When foreigners are grouped by provenance and entry permits, work and family unity are by large the main entry reasons for all groups.

European countries, and particularly countries from Central and Eastern Europe, display a particularly high incidence of work reasons for immigrating into Italy, mostly as dependents but also as self-employers.

Family reunification is a main indicator of the progressive stabilisation of immigration trends into a country of recent immigration like Italy, where joining already established family members has begun to exert a significant weight. The overall average is above 31%, in fact, and many of the countries with the largest communities in Italy, as Morocco, Albania and Romania, record percentages above the average.

Table 8. Residence permits issued in Italy in 2005 by area of provenance, reason, and stock numbers

Areas of provenance	Work	Fam ily	Reli gion	Elec tive resi den ce	Stu dy	Tour ism	Asyl um	Asyl um see kers	Ot her	TOTA L
<b>EUROPE</b>	702.4 30	243. 113	19.0 46	48.6 87	20. 269	7.46 7	2.75 9	2.39 4	15. 790	<b>1.061. 955</b>
<b>European Union 15</b>	60.97 6	33.7 64	12.6 92	35.3 31	5.2 46	82	-	-	103	<b>148.1 94</b>
<b>Central Eastern Europe</b>	<b>637.4 23</b>	<b>204. 445</b>	<b>5.43 1</b>	<b>2.41 2</b>	<b>14. 661</b>	<b>7.36 8</b>	<b>2.75 9</b>	<b>2.39 4</b>	<b>15. 657</b>	<b>892.5 50</b>
Of which: Albania	145.6 38	82.2 57	125	204	7.5 67	204	550	29	3.8 47	240.4 21
BiH	10.60 6	4.94 2	6	31	152	12	28	12	250	16.03 9
Croatia	14.27 4	4.74 9	245	193	1.2 77	44	9	2	259	21.05 2
Macedonia	21.03 3	12.6 44	9	18	128	16	18	101	324	34.29 1
Poland	45.79 2	13.2 85	2.60 9	372	870	1.01 6	57	6	905	64.91 2
Romania	194.4 08	38.4 58	835	163	1.0 09	4.63 9	155	398	4.3 12	244.3 77
Serbia Montenegro	27.89 0	13.2 50	469	535	707	59	989	1.44 0	1.4 27	46.76 6
Slovenia	3.071	637	70	58	273	8	-	-	46	4.163
<b>Other European countries</b>	4.031	4.90 4	923	10.9 44	362	17	-	-	30	21.21 1
Switzerland	3.013	3.53 2	430	8.59 2	131	13	-	-	27	15.73 8
<b>AFRICA</b>	380.9 99	123. 216	5.81 6	1.70 5	3.5 00	202	1.90 1	6.45 8	5.3 66	<b>529.1 63</b>
<b>ASIA</b>	266.6 93	86.4 95	12.7 28	1.47 1	7.8 64	336	1.96 7	1.30 4	1.6 32	<b>380.4 90</b>
<b>AMERICA</b>	128.6 23	91.3 97	14.9 15	5.89 2	5.5 11	1.72 3	125	64	4.4 35	<b>252.6 85</b>
<b>OCEANIA</b>	539	970	470	426	221	12	-	-	19	<b>2.657</b>
<b>STATELESS</b>	97	109	22	329	2	-	30	3	25	617
<b>TOTAL</b>	<b>1.479. 381</b>	<b>545. 300</b>	<b>52.9 97</b>	<b>58.5 10</b>	<b>37. 367</b>	<b>9.74 0</b>	<b>6.78 2</b>	<b>10.2 23</b>	<b>27. 267</b>	<b>2.227. 567</b>

Source: elaboration of data from the Italian Ministry of Interior by the Central Institute of Statistics

▪ **Some elements on the relation between immigration and the Italian labour market**

Three distinct flow decrees regulated the quota of labour immigrants into Italy in 2005: the first provided for the entry of 79,500 new EU citizens, the second for the entry of 79,500 non-EU citizens (of whom 25,000 were seasonal), and the third completed the contingent of non-EU citizens with another 20,000 seasonal workers.

The established quota of 79,500 entries for nationals of new EU citizens from Eastern Europe was used by over 50% by the Polish, followed by the Slovaks, the Czechs and the Hungarians. Amongst these, non-seasonal workers were for one-third employed in the domestic sector; whereas amongst seasonal workers, four-fifths were employed in agriculture and the rest in tourism.

The figures on the foreign labour force in Italy confirm the positions of the first five nationalities (the only change being between the Philippines and Romania) by entry stocks and residents: the most presences concern Albanians and Romanians, who have recorded extremely large inflows in recent years.

Another significant aspect concerns the presence of immigrant workers in the labour market by sector.

Newly hired workers are concentrated in the service macro-category sector, with an incidence of 60% of the total, followed by industry (35.2%), and agriculture (3.9%).

The compartments of IT and business services absorb most foreign workers (12,1% of the total), followed by constructions (8.4%), trade, transport and tourism services (each around 6%).

A focus on workers who are nationals of EU 8 countries, shows that they are mostly employed in agriculture (26.9%), hotels and restaurants (16.5%) and in family run businesses (13%).

Looking at statistics on the foreigners hired in 2005, East and Central European workers prevail in all sectors: 66% in agriculture, 47% in industry, 44% in the service sector (mainly Albanians and Romanians employed in the constructions compartment).

Most immigrants are employed in non qualified positions, although about half foreign workers in Italy have a graduate degree, or a diploma: 40% of the workers with a graduate degree are employed as unskilled labour force.<sup>30</sup>

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<sup>30</sup> ISTAT (National Institute of Statistics), *Gli stranieri nella rilevazione sulle forze di lavoro*, Metodi e Norme n.27, Roma, 2006

## 2. Composition of Immigration in Veneto

by Veneto Lavoro

To provide an overlook on people movements in and out regions is a complex undertaking, as the records do not distinguish between inter-regional and inter-country migration, making data on the number of residents and the employed difficult to determine with accuracy and compare.

In general terms, the different sources on the presence of foreign immigrants in Veneto concur in reporting a positive growth trend, with foreigners increasingly present and active in the region.

Veneto is the second region in Italy by number of resident immigrants, with 11.1% of the total presences in the country.

National data on the residence permits that were issued and still valid as of 31.12.2005 report that 252.012 foreigners lived in Veneto at the end of 2005.<sup>31</sup>

The percentage of immigrants on the total population in Veneto increased from 3,4% in 2001 to 6,7% in 2005.

**Table 9. Rate of foreign residents on the total population in Veneto**

Year	Population in Veneto	No. of immigrants	% on total population
1991	4.380.797	25.471	0.6
2001	4.527.694	153.074	3.4
2004	4.6999.950	287.732	6.1
2005	4.738.313	315.747	6.7

Source: CARITAS/MIGRANTES, *Dossier Statistico Immigrazione 2006*. Data of the Italian Ministry of Interior

The main reason for issuing a residence permit is for subordinate work: 54.1% of the total in Veneto, with variations at province level, followed by family reasons (32.4%, the highest percentage in Italy), and for self-employment (a rate above the average in Italy, including in the North of the country). Romanian nationals are the most numerous, Moroccans and Albanians follow.

### ▪ **Foreign residents in Veneto in 2004 and 2005**

Recent immigration flows are gradually modifying the features of the foreign population who is more or less steadily resident in Veneto.

<sup>31</sup> CARITAS/MIGRANTES, Dossier statistico immigrazione 2006

**Table 10. In and out flows concerning Veneto, 2004**

2004	Resident foreigners	Veneto population	% resident foreigners/ total population
<b>Population 1 January</b>	<b>240.434</b>	<b>4.642.899</b>	<b>5,2%</b>
<b>Registered</b>	<b>82.184</b>	<b>238.335</b>	<b>34,5%</b>
(from other municipalities)	28.347	133.994	21,2%
(from other countries)	44.459	48.506	91,7%
<b>Cancelled</b>	<b>34.886</b>	<b>181.284</b>	<b>19,2%</b>
(for other municipalities)	24.635	127.004	19,4%
(for other countries)	2.165	5.234	41,4%
<b>Population 31 December</b>	<b>287.732</b>	<b>4.699.950</b>	<b>6,1%</b>

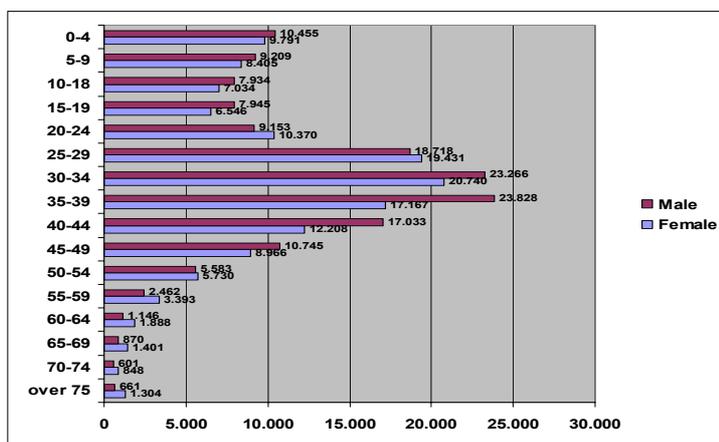
Source: CARITAS/MIGRANTES, *Dossier Statistico Immigrazione 2006*. Data of the Italian Ministry of Interior

It is a common feature of **new immigration movements** to be **mostly composed of youth in a working age**, and still today the age range of up to 43% of all foreigners in Veneto is between 25 e 39 years, the 15% of whom is 30-39 years old.

In terms of **trend indicators**, the presence of minor amongst the foreign immigrant population and the rate of new born foreigners are important to assess the overall growth of foreign residents in the region.

Second generations, or foreign minors, account for the 23.9% of the total population, while over the last 5 years the incidence of babies born from foreign parents as compared to the total of new births in the region has more than doubled, with 6.910 new born babies with foreign nationality in 2005.

**Table 11. Composition of immigrant population by gender and age, 2005**



Source: Osservatorio Immigrazione, *Rapporto Immigrazione in Veneto 2006*

Over the last years, the new births and the entry of female immigrants in an age range between 40 and 54 years old, mostly Eastern European women employed as caretakers, have balanced the gender presence in the region.

The age distribution on a gender base shows that the male rate is still prevailing, at the exception of 20-29 and over 50 age classes, and with a growing female presence also between 15 and 44 years of age.

- **Counting returnees**

A very rough, not reliable, estimate of returnees from Veneto can be depicted on the basis of the number of cancellations of residence for expatriation over a year time.

More cancellations from public registries are the result of regular municipal controls as of whether immigrants can be actually found in their supposed places of residence.

However, such calculation is hampered by a number of criticalities: numbers include Italians who move their residence to another country; very rarely returnees take their time to communicate their departure to public offices. Moreover, to the extent data refer to immigrants, expatriation may refer to their return to their home-countries, but they could also have moved somewhere else.

The table below reports data for each year in the period 1992-2002.

More recent data are not official yet, but it is useful to note that annual variations are limited.

**Table 12. Number of foreign immigrants registered as employed and cancelled for expatriation abroad, Veneto, 1992- 2002**

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2002
<b>Registered in the year</b>	5.209	5190	6312	7303	13499	11775	12201	17280	20991	21590
<b>Cancelled in the year (for other countries)</b>	532	445	562	556	675	788	819	921	1194	1002

Source: Veneto Lavoro on data from ISTAT

- **Main areas of provenance and most represented nationalities**

In 2005, as over the previous year, 180 national groups are present in Veneto.

Immigrants from Morocco, **Romania, Albania, Serbia and Montenegro** together, and **Chinese**, account for the 66% of the total foreign presences, and since 2003 represent the 5 most numerous foreign nationalities in the region.

Eastern Europe is the main continental area of origin of immigration flows to Veneto, with a share over 45%.

**Table 13. Residence permits as of 1 January 2004 by region, origin and nationality, comparative data on North Italian regions**

	<b>Piemonte</b>	<b>Valle d'Aosta</b>	<b>Lombardia</b>	<b>Trentino-Alto Adige</b>	<b>Veneto</b>
<b>EUROPE</b>	<b>91.287</b>	<b>1.60</b>	<b>180.060</b>	<b>29.664</b>	<b>117.73</b>
European Union	9.194	482	35.104	8.841	9.440
Central and Eastern Europe		1.06			107.69
Albania	80.299	2	137.408	20.484	1
Bosnia - Erzegovina	22.609	426	44.162	5.770	20.512
Croazia	1.067	14	2.762	1.052	4.987
FYRoM	683	22	2.794	1.005	6.324
Moldova	2.796	21	2.162	2.367	6.575
Polonia	3.133	36	5.004	810	10.001
Romania	1.798	61	4.407	1.081	3.052
Russian Federation	39.773	340	35.620	2.496	28.981
Serbia	1.493	18	3.738	189	1.249
Montenegro	1.050	30	7.790	2.664	14.491
Slovenia	47	.	230	53	284
Ucraina	3.761	43	17.233	1.411	7.806
<b>AFRICA</b>	<b>49.922</b>	<b>1.51</b>	<b>149.755</b>	<b>7.207</b>	<b>58.635</b>
Africa settentrionale		1.43			
Marocco	38.862	3	104.060	6.306	35.396
Africa occidentale		1.07			
Africa orientale	33.203	4	55.418	4.079	29.519
Africa centro meridionale	8.863	42	37.726	677	21.148
<b>ASIA</b>	<b>12.949</b>	<b>154</b>	<b>109.486</b>	<b>4.082</b>	<b>34.168</b>
Asia occidentale	1.248	28	6.132	152	862
Asia centro meridionale	970	14	5.038	199	1.410
Asia orientale	2.454	48	49.624	2.936	17.434
China	9.525	92	54.824	947	15.324
Filippine	5.789	57	24.331	583	11.599
Giappone	2.709	11	24.884	135	2.720
<b>AMERICA</b>	<b>17.173</b>	<b>399</b>	<b>72.729</b>	<b>2.972</b>	<b>15.232</b>
America settentrionale	367	9	2.558	40	357
America centro meridionale	789	29	3.453	202	4.314
Di cui: Argentina	16.384	370	69.276	2.770	10.918
Brasile	1.234	41	2.717	213	1.140
Ecuador	2.573	82	7.258	422	2.937
Peru'	2.339	9	21.317	325	769
<b>OCEANIA</b>	<b>123</b>	<b>5</b>	<b>453</b>	<b>35</b>	<b>183</b>
Stateless	43	.	149	46	44
<b>TOTAL</b>	<b>171.497</b>	<b>3.68</b>	<b>512.632</b>	<b>44.006</b>	<b>225.99</b>
		<b>1</b>			<b>4</b>

Source: ISTAT on data from the Minister of Interior

The larger quota of resident permits in 2004 was released to immigrants coming from South and Central European countries: 107.961 resident permits released, 47,65% of the total.

Romania (12,82%) and Serbia and Montenegro (6,41%) are the first and the second country; Poland has 1,35% of the total resident permits issued in 2004.

**Table 14. Residence permits as of 1 January 2004 by region, continental origin and origin country**

Geographical area and origin countries	Veneto	%
EUROPE	117.732	52,10%
European Union	9.440	4,18%
Central and Eastern Europe	107.691	47,65%
Albania	20.512	9,08%
Bosnia - Herzegovina	4.987	2,21%
Croatia	6.324	2,80%
Macedonian	6.575	2,91%
Moldova	10.001	4,43%
Poland	3.052	1,35%
Romania	28.981	12,82%
Russia, Federation	1.249	0,55%
Serbia e Montenegro	14.491	6,41%
Slovenia	284	0,13%
Ukraine	7.806	3,45%
Other European countries	601	0,27%
AFRICA	58.635	25,95%
ASIA	34.168	15,12%
AMERICA	15.232	6,74%
OCEANIA	183	0,08%
Stateless	44	0,02%
TOTALE	225.994	100,00%

Source: ISTAT on data from the Minister of Interior

In 2004, **Morocco is the first origin country for immigration to Veneto** (40.361).

Romania (36.559), Albania (30.644), Serbia and Montenegro (18.647) and China (14.063) are the others more wide community of immigrants in Veneto Region.

The stabilization of countries of provenance is also evidenced by the fact that the top five positions in the classification table of immigrant nationalities are the same as they were two years ago.

**Table 15. Resident immigrants by nationality as of 1 January 2005 and 1 January 2004**

Ranking	Citizenship country	N°	% on total 2004	% female	% 2004/2003
1°	Morocco	40.361	14,0	38,4	14,7%
2°	Romania	36.559	12,7	46,8	33,7%
3°	Albania	30.644	10,7	43,4	16,3%
4°	Serbia and Montenegro	18.647	6,5	42,2	13,1%
5°	China	14.063	4,9	45,9	32,6%
6°	Macedonian	12.914	4,5	40,6	24,4%
7°	<b>Moldavia</b>	10.826	3,8	67,3	50,9%
8°	Ghana	9.911	3,4	41,2	8,2%
9°	Bangladesh	9.101	3,2	30,1	26,5%
10°	Nigeria	7.866	2,7	47,5	17,1%
	<b>Partial total</b>	<b>190.892</b>	<b>66,4</b>	<b>43,7</b>	
	Other countries	96.840	33,7	49,9	
	Total	287.732	100	45,8	

Source: Veneto Lavoro on data from the Minister of Interior

▪ **The geographical distribution of foreigners in the provinces of Veneto**

The localisation of the foreign population in Veneto mirrors the **concentration of foreign immigrants in industrial areas**, where a positive labour offer and the availability of accommodations encourage migration chains and the subsequent insurgence of national networks.

The indications resulting from the regularisation process in 2002-2003, confirmed the distribution of immigrants on the territory of Veneto, as the localisation of illegal immigrants mirrored the localisation of regular foreign residents.

In 2005, about the 66% of the immigrant population in Veneto (and the 8% of the total immigrant population in Italy) lives in the industrial provinces of Vicenza, Treviso e Verona, although immigrants are gradually expanding also in the other provinces of Veneto: Padova e Venezia (that together account for the 26%), as well as Rovigo and Belluno (6% each).

In general terms, immigrants still favour bigger metropolitan centres, as compared to smaller municipalities.

**Table 15. Distribution of foreign immigrants in the provinces of Veneto, 2005**

Provinces	N of foreign residents	% total population	Annual variation %	% female	% minors	% foreign born on total born
Verona	67.416	7.5	23.2	46.7	23.7	17.1
Vicenza	56.294	8.5	33.2	45.1	25.3	18.8
Belluno	10.291	4.3	23	52.3	22.9	11
Treviso	75.768	8.5	23.8	44.7	25.6	20
Venezia	41.667	4.8	18.1	49.3	21.6	10.2
Padova	54.770	5.9	20.1	47.8	22.7	13.6
Rovigo	9.541	4	22.7	48.8	24.8	14.9
<b>TOTAL in Veneto</b>	<b>315.747</b>	<b>6.8</b>	<b>23.9</b>	<b>46.6</b>	<b>24.1</b>	<b>16</b>

Source: ISTAT on data on the Minister of Interior

Eastern Europe is the main basin of provenance of the foreign population residing in all areas of Veneto.

By the end of 2004, the first five ranked foreigners communities in Veneto are distributed over its territory with varying concentrations in different provinces: immigrants from **Morocco** are condensed in Verona (27%), Treviso (24%), and Vicenza (19%).

**Romanians** are mostly in the provinces of Padova (30%), Treviso (23%) and Verona (22%).

The presence of **Albanians** is distributed rather homogeneously throughout the regional territory: Treviso accounts for the 27% of Albanians in Veneto, but the remaining provinces of Vicenza, Verona, Padova and Venezia, all host a homogeneous share of approximately 15%.

Similarly, the number of **Chinese** is high in the territory of Treviso (30%), but otherwise homogeneous in the rest of Veneto.

Immigrants from **Serbia and Montenegro**, on the contrary, are mainly concentrated in the area of **Vicenza**, where 54% have their residence.

Each province, thus, has peculiar characteristics as it pertains its foreign residents: in the province of **Padova**, citizens from Eastern Europe amounted to 70% of all foreign residents in 2004: immigrants from Romania, Albania, and Moldavia account for 50% of the total immigrant population.

Similarly, in the territories of **Treviso** and **Venezia**, Eastern Europeans account for 34% e 31% respectively of their immigrant population.

In the province of **Vicenza**, Serbs and Montenegrins are the most numerous Eastern Europe comunità, the presence of immigrants from different continental areas is more balanced: the top five nationalities account for less than half of the foreign population.

In **Rovigo**, unique example amongst the provinces of Veneto, of the first five nationalities only two are from Eastern European nationals, while Moroccans and Chinese represent over 40% of the total.

Similarly, **in terms of growth of single nationalities**, Rovigo and Belluno experience a major increase in the presence of non European nationalities: namely, Chinese immigrants have expanded by 56% in Rovigo and 19% in Belluno.

In Rovigo, moreover, the quota of Chinese has since 2004 outnumbered that of Albanian nationals, who is no longer the second most represented nationality.

In the area of **Belluno**, immigration from Eastern Europe account for 55% of the total foreign residents, but the first three communities are Moroccans, Albanians and Chinese, that registers the highest increase in presences in the province.

**Table 16. Five most represented nationalities in each province in Veneto, as of 1 January 2005**

Origin country	n. of immigrants	% total foreign population	Origin country	n. of immigrants	% total foreign population
<b>Vicenza</b>			<b>Padova</b>		
Serbia and Montenegro	10.303	16	Romania	10.964	24
Morocco	7.299	11	Morocco	6.424	14
Albania	5.501	8	Albania	5.509	12
Bangladesh	4.674	7	Moldova	3.694	8
Ghana	4.513	7	China	2.168	5
<b>Treviso</b>			<b>Venezia</b>		
Morocco	9.754	15	Albania	4.415	13
Romania	8.375	13	Romania	3.903	11
Albania	8.318	13	Morocco	2.589	8
Macedonian	5.858	9	Bangladesh	2.412	7
China	4.224	6	Moldova	2.232	6
<b>Verona</b>			<b>Belluno</b>		
Morocco	10.782	18	Morocco	1.584	18
Romania	8.137	14	Albania	1.252	14
Sri Lanka	4.529	8	China	717	8
Albania	4.224	7	Ukraine	679	8
Ghana	3.292	6	Croatia	667	8
<b>Veneto</b>			<b>Rovigo</b>		
Morocco	40.361	14,00	Morocco	1.929	23
Romania	36.559	12,70	China	1510	18
Albania	30.644	10,70	Albania	1.425	17
Serbia and Montenegro	18.647	6,50	Romania	520	6
China	14.063	4,90	Niger	420	5

▪ ***Foreign presence in the labour market***

The seek for better conditions and more rewarding employment opportunities is today as it has been for the last decade at least, the main factor steering the choice of immigrants to come to Italy.

Amongst industrial areas in Italy, the productive enterprises of Veneto show an increasing inclination to employ foreign labour force, highlighting a concrete need for immigrants.

The common image of foreign workers employed in small and medium enterprises in Veneto, or that of seasonal workers in the agriculture and the tourist sectors, are but two figures in the varied picture concerning the employment of foreigners in the region.

The 2002 regularisation process recalled the attention on female caretakers coming from Eastern Europe, for instance, and on the growing phenomenon of immigrant enterprises and self-employment.

The regional employment services in Veneto report that **141.566 new work contracts in the course of 2005 referred to the employment of a foreign worker**. The foreign workers employed in Veneto at the end of the year amounted to 203.435, approximately 11 to 13% of the total workforce, assuming that the data of the regional work insurance centres are correct.

If we consider solely the foreign population in a working age in Veneto, counted as foreigners above 15 years of age who are either employed or in seek of employment, this accounts for 73% of the total foreign immigrant labour force, with less than 30% of presences referring to students, housekeepers and other non workers.

According to the figures made available by Veneto Lavoro, by the end of 2003 114.000 foreign people were employed in Veneto. In the same 2003, another 50.000 non EU workers had been employed on a temporary basis, bringing to 160.000 the number of immigrants employed in subordinate positions in the same year (at the exclusion of domestic work, that accounted for 27.000 employment positions). Roughly 50.000 foreign nationals were self-employed.

**Table 18. Work permits issued to non EU nationals in Veneto in 2003 and 2004, by length of stay**

	Duration of authorisation							Total in Veneto
	Non temporary employment		Temporary employment		Of which: seasonal employment			
	2003	2004	2003	2004	2003	2004	2003	
<b>Total</b>	1186	1643	9705	8583	8341	8359	10891	
<b>Sector</b>								
Agriculture	169	72	7525	6436	6271	6364	7694	
Industry	534	635	139	259	73	145	673	
Services	483	936	2041	1888	1997	1850	2524	
<b>Qualifications</b>								
Unskilled worker	837	1132	8169	6784	6870	6576	9006	
Skilled workers	329	489	1481	1759	1422	1746	1810	
Clerks	20	32	55	40	49	37	75	
<b>Nationalities</b>								
Albania	126	161	240	221	177	196	366	
Slovakia	12	2	1173	782	973	779	1185	
Poland	27	13	3536	2956	2980	2932	3563	
Romania	90	269	2692	2682	2388	2639	2782	
Hungary	1	2	56	31	54	31	57	

Source: Veneto Lavoro

▪ **Sector, occupation and level of employment of immigrant workers in Veneto**

Most immigrant are employed in the private sector.

In 2001, the population census records reported that 90% of the employed foreigner workers were active in subordinate positions in the private sector, while the 10% was self-employed, by 4% and 6% respectively as entrepreneurs and house keepers.

In 2005, immigrants with entrepreneurial responsibilities still accounted for 4% of the total labour force in Veneto, but registered a regular annual increase by 15% in stock numbers, as they were 19.000 in 2001 and became 29.000 in 2005.

With regard to the sectors that mostly employ foreign immigrants, 45% of subordinate workers employed in the private sector work in the industrial mechanic compartment (19%), in constructions (14%), and in the fashion industry (12%).

Verona and Vicenza are exceptions: in Verona, foreign workers are mostly employed in transports (14%) and constructions (13%), while in Vicenza the foreign labour force is mostly active in the mechanic industry and in the fashion sector (48%).

As of immigrants in responsible positions within local enterprises, they are particularly present in constructions (30%), where they cover approximately the 9% of the entire sector in Veneto, trade business (29%), by 5% run by foreign residents, and the manufacture sector (15%).

Over the last two years, the construction and trade sectors registered the highest growth shares, correspondent to 34% and 15% in 2004, and 22% and 18% in 2005.

Concurrently, Romanian entrepreneurs increased in numbers by 70% in 2004, outnumbering Albanians, while Chinese passed ahead Moroccans as the second most active nationality, increasing their entrepreneurial activities by 70% in 2005.

In the transport sector and in restaurants, foreign managers cover 7% of entrepreneurial positions.

Differing from the distribution of resident nationalities and of subordinate workers, most foreign entrepreneurs are originate from developed countries as Switzerland, Australia and South American countries.

▪ ***Geography of the foreign labour force in Veneto: provincial features***

As of the geographical distribution of foreign workers, this is on the rise particularly in the provinces of Treviso and Vicenza, followed by Padova. In Treviso and Vicenza the positive trend is mainly due to the increase in female job holders, that account for the 92% (Treviso) and the 100% (Vicenza) of the total increase.

In all provinces, half of the total immigrant entrepreneurs are active in constructions and trade businesses, at the exception of Rovigo, where manufactures and trade activities account for 30% and 29% respectively.

### **3. The entrepreneurship of immigrants in Veneto**

*by the Chamber of Commerce, Industry, Crafts and Agriculture of Venice*

#### ▪ ***Immigrant business activity in Veneto***

The prevalence of immigrant business activities is a strong indicator of the development of relationships between immigrants and the workforce and is the most striking example of immigrants' aptitude. This trend is an unequivocal sign of the changing role of the immigrant worker. Immigrants have traditionally been linked to subordinate work yet now there is an ever-increasing shift towards an independent option, stemming from the will to obtain stability and develop in economic and professional terms. The significance of such change is most perceptible in the speed with which the phenomenon is spreading and is visible in the crucial role that entrepreneurial immigrants are assuming in micro-enterprise development and in the local and national production sectors.

Business activities attributed to non-EU immigrants in Veneto can now be found in all sectors, all segments and on all scales. Business activities are often very small-scale and are managed almost entirely within the family. However, a significant growth of medium-sized businesses has now been noted; there are more varied business types now compared to the past, even if management still remains within the family.

The data provided for this research gives information about active Veneto companies in which the owner is of foreign nationality (ibid including those with Italian nationality). Research was carried out by accessing the digital archive at the Chamber of Commerce and the following information was identified and subdivided into: the number of active companies present in the region with owners holding foreign nationality,<sup>32</sup> the business type, the business sector, and the decade in which the business was registered with the Chamber of Commerce.

The choice to study the characteristics of foreign business activities by analysing data relating to the company owner was made principally for two reasons. Firstly, referring the persons most directly involved in the management of the activity results in high information content (the number corresponds to sole proprietorship companies and constitutes the principle scale and is most representative of the phenomenon). Furthermore, being the owner of a business activity can be considered as the best example of the will to "integrate oneself", as well as signalling the possession, if not acquisition, of organisational capacity suited to interacting successfully with the surrounding environment. Secondly, this choice is made for better consistency of the statistical data as the aggregate of company owners proves to be most reliable; also there are virtually no examples of plural ownership and virtually no examples where the nationality cannot be classified.

#### ▪ ***Economic sectors of immigrant businesses***

Analysing the distribution of company owners holding foreign nationality by economic sector identifies the main sectors in which foreign companies are integrating into the Italian workforce. Furthermore,

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<sup>32</sup> Foreign nationality is ascertained when registering at the Chamber of Commerce; this is essential for identifying the true scale of the phenomenon although there may be some issues of erroneous or missing information necessary for studying the data.

this analysis enables the assessment of the level of immigrant integration into sectors where business initiative is more widespread traditionally and also enables the assessment of ethnic businesses within Italy's alternative or secondary sectors. Different studies have noted that although the business activities are usually of low value and have low technological content, they are nevertheless beginning to get a foothold in sectors that require more highly qualified skills.

In 2004, of the 71,843 sole proprietorship companies registered with foreign owners, circa 70% operated in just two economic sectors: the commercial sector which makes up 42% of foreign business activities in Italy and the building sector which makes up 28%. Immigrants are almost exclusively involved in commercial companies, especially in retail commerce. The preference for this type of economic activity by some immigrant communities has been highlighted in field studies conducted on ethnic business activities. Then again, historically speaking, the autonomous work of immigrants began through various forms of itinerant salespeople, which was the only option available for an immigrant wishing to enter the Italian employment market in an independent capacity for many years.

The other sectors of interest are the manufacturing sector and the services sector (where an ever increasing number of "services to companies" business activities are making headway and are often owned by Eastern European immigrants).

If one considers the percentage variation in the number of company owners between 2003 and 2004, one notes the rapid expansion of immigrant business activities emerging particularly in the construction sector (+88%), a sector where the role of foreign companies is playing an ever increasing part compared to the total of Italian companies. The same can be said for transport sectors (+79%) and the commercial sector (+48%).

▪ **Chamber of Commerce 2005 data**<sup>33</sup>

In Veneto there are 36,935 active companies with foreign ownership (Table 1) of which: 30,076 are non-EU (81.4%) and the remaining 6,859 (18.6%) are from the EU. "Business activity" is largely concentrated in the more populated provinces, while regional periphery centres have barely emerged as of yet. This phenomenon is particularly noticeable when the provinces of Treviso (22.7%), Verona (22.1%), Vicenza (17.8%), Venice (15.3%) and Padua (13.0%) are compared with the provinces of Belluno (6.6%) and Rovigo (2.5%). Furthermore, the contribution of foreign business activities in the provinces of Belluno and Rovigo account for only 7.7% of the Veneto economy.

The reasons behind such imbalances are multiple and do not only apply to foreign companies, nonetheless, they have been highlighted in research and have been attributed to three principal factors. The first factor is the distance from the most important logistic routes through which most goods pass within the Veneto region (i.e. the so-called European Union "Corridor V" which crosses the Padana plain from east to west, from Trieste to Turin); these infrastructural arteries facilitate the movement and handling of a substantial volume of goods and capital. The second factor is the

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<sup>33</sup> The "Attachments" section presents the data extracted from the Chamber of Commerce database in table form.

normal logistical problems attributed to terrain (which largely affects the mountain community in Belluno).

Finally, the third factor is related to the main territorial vocation of the alluvial plain in general, i.e. agriculture does not combine well with the transformation of economic and entrepreneurial fabric; i.e. a transformation from an economic system based on manufacture to a system with a high service-based industry is now occurring (this transformation has been gradually and systematically occurring in the other Veneto provinces since the last decade of the twentieth century).

These factors aside, the growth in number of companies headed by immigrants is shown to be very substantial for the year 2004 and surely represents one of the most interesting and largely distinctive aspects of the Italian and Veneto business activities: here companies with foreign nationality ownership have grown by approximately 25% compared to 2003.<sup>34</sup>

- ***EU citizens' business activities***

The business owners included in this research originate from a number of Eastern European EU member states: Poland, Slovakia, Hungary and Czech Republic<sup>35</sup>. These countries account for approximately 1.3% of the total number of foreign companies registered with the Chamber of Commerce and 6.8% of EU countries.

Figure 1 (in Annex chapter) shows how Polish business activity is by far the largest in Veneto. However, one should avoid misconception: if one compares the different censuses of these states, numbers from Poland are similar to that expected for a medium-sized state, numbers from Hungary belong to a smaller state, the remainder attest to demographic data comparable to a German *länder* (state) or an Italian region. Such an “after due consideration” interpretation strategy can be used to handle the data.

For historical reasons, we have also used data from Czechoslovakia, which was once a national entity and has since become the two states of the Czech Republic and Slovakia. As demonstrated by the data, the consensual secession resulted in fewer business activities initiated by people from these countries.

- ***Non EU business activities***

Business activities initiated by people originating from non-EU countries recorded in this study relate to the states of Bosnia-Herzegovina, Romania and Serbia-Montenegro<sup>36</sup>. These states account for approximately 14% of all foreign companies registered at the Chamber of Commerce and 17.1% of those from non-EU countries.

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<sup>34</sup> ISAT Data 2004 from the Veneto Region 2004 and 2005 and Unioncamere years 2003, 2004 and 2005.

<sup>35</sup> Consider that before the 1990s this geographical area was one country – Czechoslovakia and references refer to data taken from preceding decades to reflect this. This area subsequently became two independent sovereign states: the Czech Republic and Slovakia.

<sup>36</sup> Serbia-Montenegro no longer exists since the latter has recently democratically decreed its own secession. It would thus be more appropriate to speak of Serbia; nonetheless the data refers to both populations and to both states.

Further scrutiny and data analysis of the data originating from the Chamber of Commerce demonstrates that the most active business activities in Veneto can be found in the Romanian and Serbian communities.

▪ ***The aggregate phenomena***

In order to best examine the data, it is necessary to extrapolate and isolate data pertaining to the Construction sector (but not only for this is the data most striking) in which the nationality most involved is Hungary with 2,114 activities i.e. almost 66% of the total sample. Having assimilated this, we can move on to other sectors and note how the commerce sector and sectors linked to tourism are those on the periphery for starting up businesses. On the one hand, they provide a significant amount of tourism-related goods and services and, on the other, they generate a great deal of tourism-related business.

The preferred type of business is a sole-proprietorship company<sup>37</sup> (77.9%); much less popular is the partnership company<sup>38</sup> (13.9%), and the least popular is the joint-stock company<sup>39</sup> (6.6%).

As was imaginable at the beginning, in the temporary data analysed for decades, the vast majority (89.0%) occurs in the current decade, followed by the previous 20th century decade, with a 25% reduction in every preceding decade.

▪ ***Conclusions***

In a brief synthesis of the above, the research shows that slowly but surely, the Veneto business activity panorama is undergoing a peaceful invasion; an invasion led by a new type of entrepreneur who does not hide in their native socio-cultural cradle, but rather, reaches out with open hands to the most active individual components among the most heterogeneous ethnic, religious and population groups originating from different parts of the world.

If the “corners of the world” of yesteryear were Slavic countries or African or Central American countries; today those corners are Bangladesh, India, the quickly-moving China and the unexpected “ex” - wealth belonging to old economic-political alignments such as ex-Yugoslavia (heading the “non aligned countries”<sup>40</sup>) Slovenia, Croatia as well as the ex-U.S.S.R. Uzbekistan. Economically

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<sup>37</sup> A simple legal form in so much as the constitution does not require particular fulfilments: a physical person sets up a sole proprietorship through an economic activity based on production and/or exchange of goods and services. The necessary productive factors are organised and coordinated to these lengths (essentially capital and employment) and the individual assumes personal risk for the activity. The owner of the sole proprietorship is solely responsible for the activity and is subject to company risk. He must respond to obligations assumed in the name of the company with all his present and future wealth (unlimited responsibility). Sole proprietorship can also be organised as a family business or as a conjugal company.

<sup>38</sup> With the partnership contract, two or more people mutually contribute goods or services to an economic activity with the aim of dividing profits (Civil Code Art. 2247). In partnerships the shareholders must bear unlimited responsibility for any debt incurred in the economic activity. In other terms, for debts incurred by the company, shareholders are responsible with all their personal wealth and not only within the confines of their contribution. There are three types: ordinary partnership, partnership under a collective name and limited partnership.

<sup>39</sup> Joint stock companies have the legal quality of being a legal person and enjoy complete autonomous wealth. Shareholders have limited responsibility. In the case of failure, creditors (banks, debenture holders, suppliers) can exercise the right of compensation and may seize only the goods registered in the company name, and may not impinge upon the shareholder's personal wealth.

<sup>40</sup> “Non aligned” countries is a term for a community of sovereign nations that, during the so-called “Cold War” period, “escaped” from the ideology of the two opposing blocks of western capitalism and USSR socialism. Nonetheless, they reacted to and took advantage of this situation and “received” military support as well as economic agreements beyond the normal channels of open competition and the free market (as we know it today). Clearly they did not escape the diplomatic ideology linked to certain international facts and events where it was impossible not to take a side e.g. the two 1980s Olympic Games “tainted” by the defection and underlying

speaking, these countries are becoming “interesting” centres, especially due to the “relocation” of the manufacturing sector from all over the West.

The direction and significance that relocation has attained, the internationalisation of consumption, as well as “ideal” globalisation means that one no longer need search for the “different”; the “other” no longer exists; and one does not need to explore lands because everything seems to be in arm’s reach and is already fully unveiled. If the 16th century was the century of discovery, the 18th century was the century of conquest and great colonial empires, the 19th century was the century of industrialisation and the 20th century was the century of scientific discovery (but also unfortunately also of the two world wars) the 21st century has begun in the shape of the W.T.O.<sup>41</sup> namely with countries containing almost a third of the global population accessing it: China and India.

Such “demographic forces” seem increasingly to be knocking on the doors of the opulent West. Soon, if it has not done so already, the West will be called upon to make agreements and mediate with these emerging economic powers, establish new rules to share out the planet’s riches and to forge new ethical-moral plans on which to raise new generations; as well as realigning the future geo-political order of the globe.

Parallel to this, despite the expansion of the European Union that seems yet to be complete, the citizens belonging to countries included in our research will have a very positive economic impact - a new reality that is already well underway. And this process, far from being exhausted or stable, appears to be showing distinct patterns of growth.

The task for us autochthones is to search for communal spaces where constructive dialogue can be established that is beneficial for the integration of these new citizens into Italian and Veneto society. This new society will have the task of reaching out even more rapidly towards the modernisation of the civil and economic society and to attain better competitive standards, while equally being attentive that it does not erode the well being that has been so tirelessly striven for by previous generations.

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boycotting, first in the United States and then in USSR, using a variety of arguments, some more valid than others, to support their actions.

<sup>41</sup> The World Trade Organisation is a trans-national entity that decides and resolves difficult commercial relationships between different member countries. For poor countries, accessing the WTO today can mean significant access to financial sources and funds that are essential to implement policies not only in terms of sustaining the population but also to be able to introduce active policies that they hope will favour so-called welfare and healthcare.

**Table 1: Business activities registered in 2005 in Veneto, comparison between Italian, EU and non EU companies**

	Belluno	Padua	Rovigo	Treviso	Venice	Verona	Vicenza	Total in Veneto
EU	452	895	172	1,560	1,048	1,513	1,219	6,859
Non-EU	1,175	4,664	1,059	7,348	4,162	6,168	5,500	30,076
Italian	24,868	142,780	37,161	128,047	106,920	132,988	121,759	694,523
Unclassified	98	1,274	185	382	3,977	408	2,193	8,517
Unclassified	26,593	149,613	38,577	137,337	116,107	141,077	130,671	739,975

Source: Studies and Statistics Research Unit, Venice Chambers of Commerce, Industry, Agriculture and Crafts, Infocamere data - Stock View

**Table 2: Table 2: Business activities registered in 2005 in Veneto by EU nationals, by province and nationality**

	Belluno	Padua	Rovigo	Treviso	Venice	Verona	Vicenza	Total in Veneto
<b>Austria</b>	29	47	10	41	81	82	39	<b>329</b>
Belgium	53	111	5	301	120	153	264	1,007
Czech Rep.	1	4	0	4	10	4	9	32
Czechoslovakia	5	7	3	16	12	23	14	80
Cyprus	0	0	0	0	0	1	1	2
Denmark	2	13	0	6	4	28	4	57
Estonia	1	0	1	0	0	1	1	4
Finland	2	3	0	4	5	8	5	27
French	100	265	30	615	269	280	402	1,961
Germany	191	178	33	264	214	545	223	1,648
East Germany	4	5	0	6	2	11	3	31
Great Britain	13	70	6	101	116	111	85	502
Greece	7	41	5	31	32	29	18	163
Ireland	2	1	0	2	2	4	7	18
Latvia	0	1	3	1	4	1	0	10
Lithuania	1	0	2	4	0	1	0	8
Luxembourg	7	8	0	11	9	5	5	45
Malta	0	2	1	1	7	1	3	15
The Netherlands	11	18	9	34	31	66	22	191
<b>Poland</b>	4	34	38	47	40	70	22	<b>255</b>
Portugal	2	4	0	13	2	17	2	40
San Marino	0	2	1	1	6	1	5	16
<b>Slovakia</b>	2	1	3	6	1	1	9	<b>23</b>
Slovenia	2	6	1	10	7	1	3	30
Spain	9	41	18	21	45	28	27	189
Sweden	1	17	1	12	18	22	30	101
<b>Hungary</b>	3	16	2	8	11	19	16	<b>75</b>
<b>EU</b>	<b>452</b>	<b>895</b>	<b>172</b>	<b>1,560</b>	<b>1,048</b>	<b>1,513</b>	<b>1,219</b>	<b>6,859</b>

Source: Studies and Statistics Research Unit, Venice Chambers of Commerce, Industry, Agriculture and Crafts, Infocamere data - Stock View

**Table 3: Business activities registered in Veneto in 2005 by nationals of selected non EU countries, by province and nationality**

	Belluno	Padua	Rovigo	Treviso	Venice	Verona	Vicenza	Total in Veneto
Albania	29	284	114	324	279	360	220	1,610
Bosnia Herzegovina	6	71	7	63	38	66	138	389
Bulgaria	4	16	3	17	20	8	19	87
Croatia	9	38	5	58	39	46	45	240
Macedonia	40	60	2	524	204	19	108	957
Moldavia	1	74	14	34	61	91	27	302
Norway	0	0	0	2	7	1	1	11
Romania	13	638	58	317	270	879	192	2,367
Russia (federation)	5	13	6	23	16	29	18	110
Serbia Montenegro	67	174	24	552	263	345	976	2,401
United States of America	17	52	8	52	58	66	92	345
Switzerland	560	461	30	1,477	531	493	746	4,298
<b>Non-EU</b>	<b>1,175</b>	<b>4,664</b>	<b>1,059</b>	<b>7,348</b>	<b>4,162</b>	<b>6,168</b>	<b>5,500</b>	<b>30,076</b>

Source: Studies and Statistics Research Unit, Venice Chambers of Commerce, Industry, Agriculture and Crafts, Infocamere data - Stock View

Table 4: Business activities<sup>42</sup> registered in 2005 in Veneto, by economic sector, and decade of registration

TOTAL DECADES								
Sector	1940 1949	1950 1959	1960 1969	1970 1979	1980 1989	1990 1999	2000 2009	TOTAL
Agriculture, hunting and related service activities					1	7	30	38
Fishing, fist farming and related service activities							1	1
Manufacture of food products and beverages			1	1		1	20	23
Manufacture of textiles					1	2	4	7
Manufacture of wearing apparel; dressing and dyeing of fur				1		4	5	10
Tanning and dressing of leather; manufacture of luggage					2	1	4	7
Manufacture of wood and wood products, except furniture; manufacture of straw articles				1		2	8	11
Manufacture of pulp, paper and paperboard					1			1
Publishing, newspapers and reproduction of recorded media						1	3	4
Manufacture of chemicals, chemical products and man-made fibres			1	1	1			3
Manufacture of rubber and plastic products		1				2	2	5
Manufacture of non-metallic mineral products				1		1	9	11
Production of metal and metal ores							2	2
Manufacture of fabricated metal products, except machinery and equipment					1	7	71	79
Manufacture of machinery, mechanical equipment and plants				1		6	16	23
Manufacture of office machinery and computers							2	2
Manufacture of electric machinery and apparatus n.e.c.					4		1	5
Manufacture of television and radio transmitters and apparatus for line telephony and line telegraphy						2		2
Manufacture of medical, precision and optical instruments					1	3	3	7
Manufacture of motor vehicles, trailers and semi-trailers					1		1	2
Manufacture of other transport equipment				2	2	5	12	21
Recovery and preparation for recycling							1	1
Construction					7	80	2,114	2,201
Sale, maintenance and repair of motor vehicles				1	2	4	21	28
Wholesale trade and commission trade, except of motor vehicles and motorcycles				2	10	34	98	144
Retail trade excluding motor vehicles, motorcycles; repair of personal goods			1	1	9	14	103	128
Hotels and restaurants				1	7	32	84	124
Land transport; transport via pipelines	1				1	12	94	108
Sea and waterway transport						1		1
Supporting and auxiliary transport activities; activities of travel agencies				3	1	11	13	28
Post and telecommunications							1	1
Financial and monetary intermediation, except insurance and pension funding							1	1
Activities auxiliary to financial intermediation						1		1
Real estates activities			1	3	2	9	22	37
Renting of machinery and equipment without operator							3	3
Computer and related activities					1	4	5	10
Other business and management consultancy activities			1		3	6	61	71
Education						1	3	4
Health and social work					1	2	5	8
Recreational, cultural and sporting activities						1	11	12
Other service activities			1		3	8	31	43
Unclassified						1	2	3
<b>TOTAL</b>	<b>1</b>	<b>1</b>	<b>6</b>	<b>19</b>	<b>62</b>	<b>264</b>	<b>2,868</b>	<b>3,221</b>

Studies and Statistics Research Unit, Venice Chambers of Commerce, Industry, Agriculture and Crafts, Infocamere data - Stock View

**Table 5: Business activities registered in 2005 in Veneto by economic sector and nationality of business managers**

	BiH	Czech	Poland	Romania	Slovakia	Hungary	Czechoslovakia	TOTAL
Agriculture, hunting and related service activities					1	7	30	38
Fishing, fist farming and related service activities							1	1
Manufacture of food products and beverages			1	1		1	20	23
Manufacture of textiles					1	2	4	7
Manufacture of wearing apparel; dressing, dyeing of fur				1		4	5	10
Tanning and dressing of leather; manufacture of luggage					2	1	4	7
Manufacture of wood and wood products, except furniture; manufacture of straw articles				1		2	8	11
Manufacture of pulp, paper and paperboard					1			1
Publishing, newspapers, reproduction of recorded media						1	3	4
Manufacture of chemicals, chemical products and man-made fibres			1	1	1			3
Manufacture of rubber and plastic products		1				2	2	5
Manufacture of non-metallic mineral products				1		1	9	11
Production of metal and metal ores							2	2
Manufacture of fabricated metal products, except machinery and equipment					1	7	71	79
Manufacture of machinery, mechanical equipment and plants				1		6	16	23
Manufacture of office machinery and computers							2	2
Manufacture of electric machinery and apparatus n.e.c.					4		1	5
Manufacture of television and radio transmitters and apparatus for line telephony and line telegraphy						2		2
Manufacture of medical, precision and optical instruments					1	3	3	7
Manufacture of motor vehicles, trailers and semi-trailers					1		1	2
Manufacture of other transport equipment				2	2	5	12	21
Recovery and preparation for recycling							1	1
Construction					7	80	2,114	2,201
Sale, maintenance and repair of motor vehicles				1	2	4	21	28
Wholesale trade and commission trade, except of motor vehicles and motorcycles				2	10	34	98	144
Retail trade excluding motor vehicles, motorcycles; repair of personal goods			1	1	9	14	103	128
Hotels and restaurants				1	7	32	84	124
Land transport; transport via pipelines	1				1	12	94	108
Sea and waterway transport						1		1
Supporting and auxiliary transport activities; activities of travel agencies				3	1	11	13	28
Post and telecommunications							1	1
Financial and monetary intermediation (except insurance and pension funding)							1	1
Activities auxiliary to financial intermediation						1		1
Real estates activities			1	3	2	9	22	37
Renting of machinery and equipment without operator							3	3
Computer and related activities					1	4	5	10
Other business and management consultancy activities			1		3	6	61	71
Education						1	3	4
Health and social work					1	2	5	8
Recreational, cultural and sporting activities						1	11	12
Other service activities n.e.c.			1		3	8	31	43
Unclassified						1	2	3
<b>TOTAL</b>	<b>1</b>	<b>1</b>	<b>6</b>	<b>19</b>	<b>62</b>	<b>264</b>	<b>2,868</b>	<b>3,221</b>

Source: Studies and Statistics Research Unit, Venice Chambers of Commerce, Industry, Agriculture and Crafts, Infocamere data - Stock View

**Table 6: Business activities registered in 2005 in Veneto, listed by type of business**

					<b>TOTAL</b>
Agriculture, hunting and related service activities	2	6	27	3	38
Fishing, fist farming and related service activities			1		1
Manufacture of food products and beverages	2	8	13		23
Manufacture of textiles	3	2	2		7
Manufacture of wearing apparel; dressing and dyeing of fur	3	4	3		10
Tanning and dressing of leather; manufacture of luggage	1	2	4		7
Manufacture of wood and wood products, except furniture; manufacture of straw articles	1	2	8		11
Manufacture of pulp, paper and paperboard	1				1
Publishing, newspapers and reproduction of recorded media	1	1	2		4
Manufacture of chemicals, chemical products and man-made fibres	3				3
Manufacture of rubber and plastic products	3	1	1		5
Manufacture of non-metallic mineral products	5		6		11
Production of metal and metal ores	1	1			2
Manufacture of fabricated metal products, except machinery and equipment	14	12	51	2	79
Manufacture of machinery, mechanical equipment and plants	6	4	12	1	23
Manufacture of office machinery and computers		2			2
Manufacture of electric machinery and apparatus n.e.c.	1	3	1		5
Manufacture of television and radio transmitters and apparatus for line telephony and line telegraphy			1	1	2
Manufacture of medical, precision and optical instruments		3	4		7
Manufacture of motor vehicles, trailers and semi-trailers	1		1		2
Manufacture of other transport equipment	6	3	12		21
Recovery and preparation for recycling			1		1
Construction	42	144	2,009	6	2,201
Sale, maintenance and repair of motor vehicles	3	11	14		28
Wholesale trade and commission trade, except of motor vehicles and motorcycles	43	33	68		144
Retail trade excluding motor vehicles, motorcycles; repair of personal goods	5	37	86		128
Hotels and restaurants	8	99	16	1	124
Land transport; transport via pipelines	7	7	90	4	108
Sea and waterway transport			1		1
Supporting and auxiliary transport activities; activities of travel agencies	9	2	3	14	28
Post and telecommunications	1				1
Financial and monetary intermediation (except insurance and pension funding)	1				1
Activities auxiliary to financial intermediation		1			1
Real estates activities	18	16	3		37
Renting of machinery and equipment without operator			3		3
Computer and related activities	2	5	3		10
Other business and management consultancy activities	12	17	36	6	71
Education	2		1	1	4
Health and social work			2	6	8
Recreational, cultural and sporting activities	3	4	4	1	12
Other service activities n.e.c.	2	19	20	2	43
Unclassified	2		1		3
<b>TOTAL</b>	<b>214</b>	<b>449</b>	<b>2,510</b>	<b>48</b>	<b>3,221</b>

Source: Studies and Statistics Research Unit, Venice Chambers of Commerce, Industry, Agriculture and Crafts, Infocamere data - Stock View

## 4. Highlight on Inflows from South and East Europe in Veneto

*by Veneto Lavoro*

Immigrants from Eastern Europe, that is here referred to as comprising both new EU Member States and non EU countries, are the national groups of most recent immigration in Veneto, and the most represented in recent incoming flows.

The records of foreign residents in the region in 2003 and 2004, following the 2002 regularisation process, highlight a sensibly high presence and a growing trend in recent years for East European nationals, who account in 2005 for over 45% of the total foreign population in Veneto.

The larger quota of resident permits in 2004 was released to immigrants coming from South and Central European countries: 107.961 resident permits released, 47,65% of the total.

Romania (12,82%) and Serbia and Montenegro (6,41%) are the first and the second country; Poland has 1,35% of the total resident permits

Romanians and Albanians are mainly active in the construction sector, while Romanians, Serbs and Montenegrins prevail as business service providers.

Eastern European nationals are present in all provinces of Veneto:

Table 19. Resident foreign population in Veneto as of 31 December 2005, at regional level and by individual provinces

VENETO	Maschi	Femmine	Totale	Treviso	Maschi	Femmine	Totale
Romania	22026	21067	43093	Romania	5097	4541	9638
Albania	18565	14753	33318	Albania	4937	3939	8876
Serbia e Montenegro	12085	9383	21468	Serbia e Montenegro	2723	1566	4289
Polonia	1159	2251	3410	Polonia	281	427	708
Slovacchia	248	388	636	Slovacchia	66	74	140
Rep. Ceca	111	488	599	Ungheria	24	81	105
Ungheria	103	456	559	Rep. Ceca	28	70	98
Verona	Maschi	Femmine	Totale	Venezia	Maschi	Femmine	Totale
Polonia	313	515	828	Polonia	166	428	594
Rep. Ceca	43	126	169	Rep. Ceca	13	113	126
Slovacchia	60	94	154	Ungheria	11	94	105
Ungheria	19	66	85	Slovacchia	24	47	71
Romania	5135	4697	9832	Albania	2899	2092	4991
Albania	2680	2057	4737	Romania	2413	2230	4643
Serbia e Montenegro	1143	1012	2155	Serbia e Montenegro	968	756	1724
Vicenza	Maschi	Femmine	Totale	Padova	Maschi	Femmine	Totale
Serbia e Montenegro	6345	5335	11680	Romania	6512	6285	12797
Albania	3155	2601	5756	Albania	3374	2750	6124
Romania	2400	2608	5008	Serbia e Montenegro	511	396	907
Polonia	113	323	436	Romania	6512	6285	12797
Slovacchia	29	84	113	Albania	3374	2750	6124
Ungheria	13	88	101	Serbia e Montenegro	511	396	907

Rep. Ceca	8	89	97
Belluno	Maschi	Femmine	Totale
Polonia	39	118	157
Slovacchia	11	27	38
Rep. Ceca	7	25	32
Ungheria	4	6	10
Albania	664	608	1272
Romania	198	288	486
Serbia e Montenegro	267	191	458

Rovigo	Maschi	Femmine	Totale
Albania	856	706	1562
Romania	271	418	689
Serbia e Montenegro	128	127	255
Polonia	130	153	283
Slovacchia	26	17	43
Ungheria	3	33	36
Rep. Ceca	2	23	25

## 5. Understanding Trends and Features of Emigration: the Case of Romania

by the Chamber of Commerce and Industry of Brasov, Romania

### ▪ **Available quantitative and qualitative data on emigration**

According to the Comprehensive Monitory Report regarding Romania for 2005, the net migration rate was, in 2004, of -0,5 at thousand of inhabitants, representing a progressive increasing in the last 3 years of those who are leaving Romania, but compared to 1995 and 1996 - when it registered a value of -0,9 - this means an important decreasing.

According to the Report of the International Organization for Migration, "The global migration 2005, costs and benefices of the International Migration" now, 730.000 of citizen from the new member states and also Romania, Bulgaria and Croatia, are employed in the "Old EU15", and other 300.000 working as seasonal.

About tendencies, the annual number of the Romanian emigrants will decrease till 2007, and then the migration in EU following the access period of Romania will be around 3-4% from the active population, representing 300.000 persons. The migrants with a proper training will be less than 10% from the total number. Around a third part of Romanians will be young of 25 years old, around 50% from the total migrants having less of 29 years old. The states in which Romanian will migrate are Germany and Italy (around 20% from the migrants) followed by Spain, France, Austria.

### ▪ **Emigration of the labour force**

**Almost one fifth of the Romania labour force works abroad**, according to the participants at the event "European Labour Market extending to East", organized by the Applied Economy Group (GEA) and Friedrich Ebert Foundation.

The ex Finance Ministry Daniel Daianu appreciate that the number of those working abroad is between 1,5 – 2 million persons. Meaning that almost 30% from the Romania's labour force works abroad. "The effects of the labour force migration are good for Romania's economy, on condition to be temporary and the getting funds to be invested" declared Dumitru Sandu, professor at Bucharest University.

The proportion between legal and illegal migration is in favour of the legal ones but it will be influenced by the destination countries policies, especially in what concerns the access to the social protection systems.

In the country, the occupation of highly qualified young persons it's a delicate problem which stresses migration flows so long the national economy doesn't offer attractive solutions.

Although, because of demographic phenomenon, the population contingent between 15-23 years will decrease (with 1.2 mill. until 2015-2020), its possible to appreciate that from the viewpoint of brains' emigration, Romania will remain an area of high interest for the big trans-national companies or for the international scientific research.

The study *Free movement of persons and services – Implications for Romania and negotiation process* evaluates the migration flows of Romanian citizens after Romania EU access, concluding that:

- Because of the low Romanians mobility, Romania could not be a permanent source of migration to EU.
  - The migration in EU following the access period of Romania will be around 3-4% from the active population, representing 300,000 persons.
  - The migrants with a proper training will be less than 10% from the total number;
  - Around a third part of Romanians will be young of 25 years old, around 50% from the total migrants having less of 29 years old.
  - The states in which Romanian will migrate are Germany and Italy (around 20% from the migrants) followed by Spain, France, Austria.
  - The annual number of the Romanian migrants will decrease till 2007.
  - After 2007, the number of the entrances of EU citizens on Romania labour market will decrease, representing less than 1% from the active population.
- **Competent institutions: the Department for Labour Abroad and its directorates**
- Directorate for the protection of the rights of Romanian citizens working abroad**
- promotes, together with other competent institutions, means of insurance and protection of the Romanian citizens working abroad prevents all kinds of abuses against them;
  - ensures legal counseling regarding labour litigation and conflicts, in order to respect the rights of the Romanian nationals working abroad according to the applicable legislation of the respective state;
  - supports other competent authorities in order to solve labour and social problems of the Romanian citizens working abroad.
- Directorate for monitoring and evidence**
- keeps the evidence of the migration flows and monitors together with the Ministry of Foreign Affairs the application of the agreements, conventions concluded between the Romanian Government and other states' governments and of the international treaties;
  - informs and raises public awareness regarding the risks of illegal work and the lack of social insurance;

- prepares the conditions regarding the integration within the European Union and the accession of Romanian citizens on the EU labour market, by means of studies, analyses and information campaigns;
- initiates the amendment procedures of the legislation in force in the area of the protection of the Romanian citizens working abroad and promotes transparent procedures in its own competency area;
- coordinates and monitors the implementation procedures of the bilateral agreements on the organization of the labour force migratory flows and the way the labour contracts are concluded;
- provides free information and documentation services in the area of social affairs to the national and foreign investors.

### **Labour and Social Affairs Diplomatic Corps**

- to promote and to protect the interests of the Romanian citizens working abroad;
- to enforce the rights of the Romanian citizens working abroad in compliance with the international legal framework, with the human rights, freedom and principle of democracy;
- to fight against illegal working of the Romanian citizens abroad;
- to activate the foreign labour market to the Romanian citizens interested in working abroad;
- to ensure a permanent connection between the nationals working abroad and the institutions and structures within the Ministry of Labour, Social Solidarity and Family;
- to outline the representation activity of the interests of the Ministry of Labour, Social Solidarity and Family and of the Romanian citizens working abroad, that is to be realized by the specialized office within the Labour and Social Affairs Diplomatic Corps.

#### **▪ Causes of emigration**

In Romania, migration started in the 1990's and it became higher during the past years.

Romanian migration to Italy represents an important phenomenon with the following causes.

The first one is the socio-economic and cultural situation of Romania, which for more than 15 years passed a "transition" period in which the low and middle class suffered most.

The bankruptcy of the big industry, increasing unemployment, low incomes, the monthly increasing of inflation, are some of the reasons that can determine workers to leave the country to work in the European Union, where the work, otherwise hard and humiliating, is better paid.

To these classes we can add the intellectuals; the youngest prefer to leave to study abroad and then to settle there, where their intellectual works is paid almost 4 times better than in their country.

The second cause which permitted the increase of the emigration phenomenon is the decrease of the birth rate in the European Union and especially in Italy. This thing permitted annual jobs

supplementation for the workers from South-East Europe. Those who can get in Italy with the idea of establishing definitively are encouraged to bring their family, in an attempt of balancing out the decreasing number of the Italian population.

Romanian migration can be framed in 2 categories: legal/illegal migration and definitive/temporary migration.

About the temporary migration, we can add a subcategory of migration: circulatory migration; it consists in an emigrational network composed by the family member, relatives, friends, occupying the same place in Italy, but for different periods of time: for 2 or 3 months per year/each of the immigrants. This kind of immigration is accepted by the immigrants due the fact that the Romanian law allows to a citizen to legally stay abroad no longer than 3 months without invitation or other paper of residency.

Regarding the illegal migration specific for the Romanians to Italy and Spain, the permissive measures from the EU related with the migration phenomenon, have permitted for the illegal status to be replaced by legal forms both the Romanian and Italian States.

- ***Patterns of emigration for economic reasons***

According to the specialists, in spite of the fact that official data do not exist, about a fifth part of the Romania's labour force is working abroad, which makes it around **1,5 – 2 million Romanians**, more than half the occupied population.

The emigration of Romanians started from the developed areas of the country, with a diversified culture: the north of Transylvania and West of Moldavia. More than 30% left from Maramures, Suceava, Neamt and Bacau but it is found also a high level in Cluj, Alba, Harghita, Covasna and Brasov.

Taking about the poorest and isolated regions, a few of Romanians have leaving thoughts. The lowest migration rate, less than 5%, was registered in Gorj, Mehedinti, Olt, Ialomia, Ilfov and Calarasi. The work abroad affects the whole country: 14 counties have a medium migration rate of 10 – 19%.<sup>43</sup>

- ***Main countries of destination***

The main destination of Romanians gone for work in September 2005 was Italy, estimated at 26% from the remained at home relatives.

Follows Spain, with 13%, USA, with 7%, and then Germany and France, with 4 %.

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<sup>43</sup> <http://www.cotidianul.ro/index.php?id=3005&art=6378&cHash=cae7496714>.

Motivation type for circulatory migration	The residence (of the person who declares his intention for external circulatory migration) and the test period				Total	
	rural		urban		May 2001	October 2001
	May 2001	October 2001	May 2001	October 2001		
Only education	2	3	5	3	4	3
tourism and education	4	5	9	7	8	6
work and education	12	4	8	4	9	4
work and tourism	13	15	14	17	14	16
work, tourism and education	14	9	14	10	14	9
Only work	41	44	20	21	26	28
Only tourism	14	21	30	38	25	34
%	100	100	100	100	100	100
N	152	150	377	399	529	549

▪ **Romanian flows to Italy**

The Romanian diaspora to Italy counts around 25.000 persons, being characterized by a heterogeneous structure.

In the last 20 years has been built Romanian communities in the areas of Rome, Milan, Torino, Bari, Verona, Florence and others, around the Romanian orthodox churches.

In Italy exists cultural associations, study centers, foundations with Romanian character, some of them printing publications in Romanian language. Teaching of the Romanian language and culture has an old tradition in Italy, especially in Universities from Rome, Milan, Turin, Florence, Naples, Padova, Pisa, Udine, Catania.

The Romanian public opinion perceives emigration as a migration for work. It is considered that the migrants earn money working, a little part of the public opinion appreciate that this migrants earn money from theft or beggary. The migration for work of human capital from Romania, especially young generations will be the predominant form, but "managed" through contingent policy and the custom passing control. The evolution of this flow is more dynamic, with a qualitative increase on behaviour plan, of work relations and inter-human, friend, abroad.

The migration model is changing continuously:

- The departure areas are dissipating with the decreasing of the importance of the ethnic criteria.
- Gain the migration focus on family link with relatives.

- Distance criteria come minor, and because of this the flow to the far away continents is higher.
- Are favourite the areas with professional skills and facile integration conditions for the new community.
- The young/young families tendencies of migration is accentuated who earn some “migration experience”, such as abroad studies, specialised, temporary work

Regarding migration for work, flowing intensity and characteristics are determined by the labour market situation in the destination countries and just a little bit of the “option” of the country offer;

The permanent legal migration represents the migratory flows leaving from Romania to the third countries to establish there on the following methods:

- based on an emigration visa through special encouraging migration programs of some persons with skills scanty in the receiving country or other programs, as the visas lottery. EU doesn't have permanent migration programs. Romanian citizens permanent emigrating flows to the countries that have such policies and programs as Canada, Australia, New Zealand, USA.

Legal temporary migration refers to those flowing to the UE for a limited period of time, ranging from few months to some years. This has some forms:

- study in EU countries, usually followed by return to Romania
- work contract based on bilateral agreements between states, managed for Romania by the Labour Force Migration Department. In 2002 35.000 Romanians temporary emigrated for work in EU (for Destination Countries, see table 38 in Annex chapter).
- refugees obtaining temporary establishment right into a EU host country or those asking politics asylum hiding besides this motives. This type of migration regarding the Romanians migrating to EU, is almost zero.

**Table no.1: Working contracts in EU through Labor Force Migration Office, 2002**

<b>Nr. crt.</b>	<b>Country</b>	<b>Number of contracts</b>	<b>Main sectors</b>
1	Germany	19700	IT, agriculture, cookery, health
2	Spain	2716	Agriculture, constructions, metal industry
3	Italy	11974	Health, entertainment
4	France	456	
5	The Netherlands	79	Food industry
6	Finland	34	
7	Cyprus	7	agriculture

- **Identification of regions with high emigration rates**

Most Romanians gone for work are **from cities** with 100.000 – 200.000 inhabitants or from the **big crowded urban**. Generally, emigrants are **young people**, with medium level studies.

The Romanian regions of Moldavia and Transylvania confront themselves with the highest emigration rate.



- **Labour migration services: services for employment abroad**

The **Information and Documentation Centre for Migrant Workers** (CIDLM) is part of the Labour Force Migration Office, which was established by government decision in 2002.

The Centre responsibilities entail:

- elaborating and disseminating informative materials for migrant workers related to work and living conditions in Romania and abroad;
- providing information regarding national or EU applicable legislation in the area of economic migration;
- elaborating studies concerning labour force migration
- providing information to all Romanian job-seekers who want to obtain a work contract abroad, as well as to foreigners who submit an employment application in Romania

- **Pathways of spontaneous returns: dynamics and deciding factors**

Repatriation refers to the Romanian people who emigrated in EU in a previous period of time established the residence there and some of them obtained the citizenship of respective country and now want to return and settle down in Romania. This is known like a returning migration and it is considered having positive effects in the mother country, because a part of return paths become prestigious investors or managers.

National employment services are allegedly receiving a great number of requests from Romanian from outside the country, which signals that they intend to return.

The prospect of “returning at home” was a far-off dream. In Romania a proper conditions for their real value still doesn't exists and in the meantime they couldn't earn a salary for a decent life. But now the things begin to change home.

A serious job in an international company and honourable wage are the only conditions they demand for returning home, and many receive them, more and more people.

The phenomenon is an obvious reality: we appreciate that in 2006 the Romanians number with repatriation intentions is growing by five-six times than two years ago.

They are capable to accept a lot of compromises for that: they accept lower salary, they agree to begin from zero, they are ready to teach us all they know and even to wait until we learn.

Our benefits will be higher than we presume. The brain export change into an import of brains with added value. They bring culture, method, civilization and information for which other paid a lot. They bring with them credit that enjoy there. They bring “normality” which they are accustomed to.

- ***Returnee profiles: age, skills and employment experiences***

From the migration perspective as social phenomenon direct affecting a part of the population and with complex implications above the entire society, is important to know and to spotlight the **migrant profile** – Romanian migrant and of the immigrant to our country.

This makes it possible a right orientation of the administration measures of the emigrational phenomenon, about the assistance to the migrants.

In the field of **dominant national tendency** – migration for work, **the most representative category**, in the present (according to the CURS test from June, 2003) **the young men** (18 -35 years) **with skills of medium level, qualified workers from the big cities and capital of the country, Bucharest.**

It isn't negligible neither **the village migration potential**, and the passing from factorial approaches to those structural, typological, identifying types of villages depending on the cultural dominant profile and of the international circulatory migration experience . Based on the ready made studies, the conclusion according with “the communities with maximum experience of temporary migration abroad are specify to the villages with a high number of Hungarians; the communities with a medium

level of emigrational experience are specify to the immigration villages (with population arrived from other places of the country); the communities in initial phase of the external circulatory migration process are present especially in the modern villages, with a big educational potential; the communities without any migration experience are specified to the traditional villages, with a reduced educational skills and a high level of isolation” (Sandu 2004)

In the circulatory migration process has been outline some models, **specific cases of different destination countries**, such as the German case, French one or that Italian (Dimitrescu, 2004). This cases shows us specific situations which has to be taken in consideration, sometimes different of the “classics” types of the migrants who are circulating (entrepreneurs, workers recruited through the Labour Department, students).

**The Italian case** refers to the current strategy of the Romanians to enter on the Italian territory and find a job without fulfilling the preliminary forms, trying after to regulate their situation. It comes out that a permanent existence of a clandestine migrants group looking for a job and of another group of clandestine migrants that already has a job to became legal (many times the migrants shares the same job on sub – periods).

Another characteristic of the Italian case is the high rate of women (50%) in the Romanian workers contingent, the cause being, besides the regrouping of the family, the high request for housekeepers in Italy. The important number of jobs occupied by the Romanian women (30.000) outline the importance of the migration sub - adjacent network , which is an efficient mechanism of social and institutional integration.

The statistics show that 50% of the workers to Italy are women, one of the cause being the couple presence, but also the informal market in the domestic sector. This method of integration into Italian families get to the accumulation of a vital social capital of migration, which on the other side, made it possible in Italy, for the migrants, the social integration and then that institutional one.<sup>44</sup>

The migrants are present in front of the train stations, of the churches, at the communitarian meetings. The majority are from the rural areas and have had anterior an experience in migration.

Before the adventure on the labour market abroad, these migrants practiced different forms of mobility in the country. The migrants are from Botosani, Suceava, Vrancea, Bacau, Galati and Focsani, but the most important emigration centres are the villages Marginea (Suceava) and Corod (Galati). We are talking about urbanized populations in 1970-1980 and hired in the dead declared industry on the transition period.

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<sup>44</sup> <http://www.mediauno.ro>

Others are from area of Fagaras and Brasov (Sambata de Sus), transiting to the chemical plants from the cities. The gypsies are usually coming from Tg.Jiu and Craiova.

Features of the potential migrants profile	The profile of the persons who want to go abroad for		
	I. tourism	II. work	III. education
Age	young	young	young
Genre		men	
Education		education level relative low	
Relationship capital	considerably		considerably
Household capital	well off		
Hungarian			
Relatives abroad: yes/ no	yes		
Traveled abroad: yes/ no	yes	yes	
Worked abroad: yes/ no		yes	
Other family member worked abroad: yes/ no	yes	yes	yes
Lives: urban/ rural			
Lives in a border/ interior county			border county
Lives in the Old Kingdom/ Transylvania	Old Kingdom		
Hungarians in the locality			
Gypsies in the locality			
Migratory attraction			
Development level of the destination county	developed county	developed county	
Development level of the locality			
Household capital satisfaction		discontented	
Wants to start a business	yes	yes	yes

- **Economic Role of Returnees**

- *Remittances*

The labour force migration from Romania to European Union could be positive for Romania only in the case remittances will be used for investments and not for domestic consumption (Dumitru Sandu, sociology and professor al Bucheste University).

There are around 1 million persons living and basing on money sent from abroad by the relatives established there or gone for work reason, this money being their only chance to compensate the high capital that's going out.

According to Western Union studies, for about 30% from the beneficiaries, this is the only way for living, but other 10% work's occasional. The transactions average is around 300 and 500 Euro, declared Alexandru Badulescu, director of Western Union for Romania.

Most remittances flows come from France, Italy, Spain, Great Britain and Israel.

According to estimates, **remittances reaching Romania officially or unofficially** are around 2 billion dollars. As explanatory note, the salaries paid in Romania in one year are of 6 billiards dollars, so more then a third part from the Romanians incomes (and much more if we add also the spent money in the countries were they are working) are from abroad.

**Remittances sent formally** in 2001 amounted to 749,4 million Euro. This figure means increase with 27,4% compared with 2000. In less than 7 years, remittance flows increased 7 times (1992 was 103,2 million). The monthly amount of money saved by one person is around 550 Euro, if we take in consideration the emigrants number, respectively 937 Euro if we look for those with a work contract.<sup>45</sup>

On a monthly basis, 400.000 families receive the equivalent of three medium to low salary. The governor of National Romanian Bank, Mr. Mugur Isarescu, said recently, that in 1998 when it was obviously that Romania couldn't pay the external obligations, the remittances saved the situation. (Lucian Davidescu, Realitatea Romaneasca, 15 august 2003).<sup>46</sup>

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<sup>45</sup> <http://www.profamilia.ro/familia.asp?msa=27>

<sup>46</sup> [http://www.observatorul.com/articles\\_main.asp?action=articleviewdetail&ID=729](http://www.observatorul.com/articles_main.asp?action=articleviewdetail&ID=729)

- *Formal and informal remittance transfer channels*

Remittances are transferred through formal bank channels, but also in informal ways: a package sent home with returning relatives and friends, with one of the regular buses that travel between Romania and Italy.

It is important that emigrants are assimilated as an international development factor, become normal “clients” of the banks.

- *Remittance shares for consumption and investment*

Money earned in Italy are spent especially in, followed by real estate investments and education, and eventually in entrepreneurial investments.

A recent study showed that, the gain money abroad are used for paying debts, for food and domestic goods, investments being on the third place. Prof Sandu cited a recent study according to which those returning in the country are using the gained money for paying the debts, then buying houses, cars, electronics and on the third place are the investments on children education.<sup>47</sup>

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<sup>47</sup> <http://www.romaniaitalia.net/content/view/853/203/>

## Focus. Listening to returnees in Romania: indications from qualitative interviews

### **The causes and the model of migration: key factors of migration and return**

- Necessity for more money: jobs are better paid in Italy
- Lack of jobs in Romania and overcoming the proper age for a good job
- Occasionally emigrants visited a relative or a friend for a limited period of time and got a job
- Called by relatives / friends

### **Spontaneous options regarding migration**

- With tourist visa but intending to migrate: they have information about a possible contract from a relative or from a friend (the facilitation of a job from a co-national is for pay: around 650 Euro)
- Family reunification
- Employer direct call

### **Spontaneous options regarding returning**

- Expiration of the term of tourist visa (3 months)
- Expiration of the term of the working contract
- Completing studies
- The feeling of loneliness without a family, lack of companions for socializing
- The wish to set-up a business similar to those of the migration country
- The sentiment of belonging to the home country

### **Migrants profile: age, qualifications, sectors in which they were employed, average of migration duration**

- Legal migrants, for longer period of time, between 5 to 10 years
- Illegal migrants: an average of 6 months per year (3 months within the origin country and 3 months in migration country)
- Sectors of employment. Women: house keeping, taking care of old people, children, restaurants. Men: construction, restaurants
- When they come back in the origin country they rarely work in the same field

### **Identification of available sources regarding migration**

- Information is mainly from a migrant relative, from the person who intermediated the job, the main channel is "trust"
- Information from the returned relatives
- Sources of institutionalised information are unknown

### **Professional and relational skills acquired in origin country**

- The skills and knowledge acquired in Italy are believed useful for a renewed contract in Italy more than for employment at home

### **Dimension of remittance flows from Italy**

- An average monthly saving that become remittances are estimated to be between 200 and 500 Euro

### **Assess factors that determine the dimension of remittances including skill levels, legal status or length of stay abroad**

- Age: younger people tend to spend more in consumables in the host country;
- Those with a family send more money at home
- The migrants with a longer stay in Italy save more money

### **Formal and informal channels of remittance transfer**

- Western Union – even through the commission is higher, they are preferred for safety, confidentiality and swiftness, and there is no conditioning according to the migrant legal or illegal status.
- Banking services are used mainly by legal migrants, but as a secondary resource
- Relatives
- International money transport services (buses)

### **Measure remittance shares for consumption and investment**

- Only a low percentage of interviewees (under 10%) think about a business investment

### **Assess factors that determine and stimulate the decision to invest remittances, including from abroad**

- Stable legal framework
- Corruption decrease
- The remittances are not enough and the credits are difficult to obtain (only real property is accepted as guarantee, the risk is too high)

### **Investment behaviour of returnees, including investigation of the propensity of migrants to invest in home countries only upon renewal of their residence there, or if they are able to invest their remittances while they are abroad**

- The majority do not intend to set up a company, at least not in the origin country
- Some of the interviewed would invest in Italy
- One family set up a business: producing glass sinks.
- The fields they would be interested in are: real estate, hair dressing, food, tourism, massage cabinets

### **Credits for start-up, mechanism and regulations / support services in place in home countries, in terms of business start-up, credit availability, credit award mechanisms and regulations**

- The mechanisms to get a credit are not known or, there is no interest for this issue among emigrants

**Main obstacles and barriers to set up an independent economic activity in RO**

- Credit bureaucracy for start-up credits
- The banks are not open to entrepreneurs. It is easier to start a business and get a credit in Italy.

**The role of diaspora and returnee associations in this regard**

- Not coherent, more involved at individual level, and proportional with the profit (they act as paid intermediaries)

## 6. Understanding Trends and Features of Emigration: the Case of Poland

*by the Catholic University of Lublin*

### ▪ **General characteristics of migration trends to and from Poland**

An analysis of the phenomenon of work migration from Poland, including return migration, should be preceded by a few remarks.

In Poland at present there is no institution with a mandate to collect and process data on Poles working abroad. Available data is to a large extent estimated.

For analytical purposes, one must assume that the potential work migrants to the EU countries, including Italy, are persons who cannot find a job in Poland.

The structure of unemployment in Poland, according to data made available by the Ministry of Labour and Social Policy,<sup>48</sup> can be summarised in few points:

- Unemployment mostly concerns young persons. At the end of September 2005 persons aged 25-34 constituted 27.9% of all registered unemployed persons.
- Among the unemployed, persons with a low level of education are prevalent. At the end of September 2005 the biggest group of unemployed persons, 32.3%, had basic vocational education.
- There is a high percentage of long-term unemployment. At the end of 2005, the 51.6% of all registered unemployed persons had been looking for a job for over 12 months.
- A high proportion of unemployed persons live in rural areas: at the end of September 2005, the 41.8% of all unemployed persons.

Poland has had a long, over 150-year, tradition of emigration: numerous people have left their homeland to work, settle, or for political reasons. However, in the whole history of migration processes from Poland experiences of Polish emigrants returning from abroad have been incomparably more seldom (not counting seasonal migrations).

Recently, since 1989, due to the social and system transformation processes, Poland has been changing its primary status of a country sending out migrants into a country also hosting labour migrants<sup>49</sup> and a transit country for migrants (partly illegal) directed from East to West.<sup>50</sup>

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<sup>48</sup> <http://www.mps.gov.pl/index.php?gid=438>

<sup>49</sup> Izabela Koryś, Dilemmas of a Sending and Receiving Country, Volume III – Poland, in: European Commission Project “Sharing Experience: Migration Trends in Selected Applicant Countries and Lessons Learned from the ‘New Countries of Immigration’ in the EU and Austria”; Krystyna Iglicka, Agnieszka Weimar, Wpływ rozszerzenia Unii Europejskiej na ruchy migracyjne na terenie Polski, Centrum Stosunków Międzynarodowych, Raporty i analizy 7/05

<sup>50</sup> See S. Alscher, Country Profile. Poland, Focus Migration no 3, July 2005, at <http://www.focus-migration.de/dokumente/country-profiles/CP03%20-%20Poland.pdf>

In 2003 **immigrants in Poland** came mostly from Germany, the United States, Canada, and countries of the former Soviet Union. In most cases immigration from the EU decreased, except Great Britain (25% increase). The most apparent immigration increase was from across the eastern border – an increase of 21% was noticed from the Ukraine, 108% from the Russian Federation, 38% from Armenia, 30% from Kazakhstan. Only in the case of Belarus 5% decrease was recorded. Immigration from Vietnam has risen by 22%. In 2004 immigrants were coming mainly from Germany (increase by 19.3% in comparison to 2003) as well as United States (increase by 10.8% compared to 2003), while the greatest increase was noted in immigration from the Ukraine (increase by over 182% compared to 2003).<sup>51</sup>

Tab. 1. Immigration to Poland in 2004 by country of origin

Country of origin	Numbers	Men	Women
Germany	2697	1550	1147
United States	1348	730	618
Ukraine	1196	310	886
Canada	323	175	148
Great Britain	313	153	160
Russia	294	83	211
France	293	152	141
Belarus	262	71	191
Italy	253	128	125
Vietnam	232	152	80

Source: GUS

The main re-orientation in the **Poles' employment abroad** took place after 1989, on the basis of bilateral agreements between Poland and European Union countries, set up **in the 1990s**.<sup>52</sup>

It was in this decade that **a clear reverse of proportions occurred between permanent emigration and temporal work migration** (seasonal, short, and mid-length).

Data from the BAEL database (Badania Aktywności Ekonomicznej Ludności – Research on the Population's Economic Activity) indicated that **in the mid-1990s 70% of migration from Poland was labour migration, and in 2001 this share rose to 80%**.<sup>53</sup>

A characteristic phenomenon became **circular migration** (e.g. back and forth to Italy, Spain, Belgium, Holland).

In the years preceding the accession to the EU structures work migration processes in Poland were not constant. In the 1980s many well-educated persons left abroad, even ¼ of all university

<sup>51</sup> K. Iglicka, A. Weinar, Wpływ rozszerzenia Unii Europejskiej na ruchy migracyjne nas terenie Polski, Raporty i Analizy Centrum Stosunków Międzynarodowych 7/05, s. 10.

<sup>52</sup> See M. Okólski, Przepływy siły roboczej w świetle niemiecko-polskiej umowy dwustronnej o pracownikach sezonowych, in: Polscy pracownicy sezonowi na rynku Unii Europejskiej, ed. P. Karczmarek, W. Łukowski, Warszawa 2004, p. 24nn.

<sup>53</sup> M. Okólski, Demografia zmiany społecznej, Warszawa 2004, p. 215.

graduates a year; later, **after 1989, the number of emigrants was clearly falling**. That concerned not only highly qualified persons, but also young people without qualifying professional skills.

The reason for the occurrence of these changes is, according to Marek Okólski, significantly due to disappointment with the economic and social situation in Poland in the late 1990s. The youth that entered the labour market in the early 90s filled the empty work places which were created due to the frequent work emigration in the 80s. Just after graduating from university, the young people were employed in high ranked positions, with high salaries, especially when they were employed by big international companies looking for young staff.

Later, for a few years young graduates were still willing to wait for the right job even for a year or two, not accepting just any accidental job. However, it turned out that the problems in the Polish economy are of a structural character, and not of a temporal one; thus, it is impossible to solve the problem of unemployment, which makes the economy non competitive.

That has influenced the social atmosphere. Until the mid-90s the Polish society was optimistic, then, discourage and disappointment appeared.

The feeling of the lack of perspectives made people leave their country again. In the early 1990s it was expected that, thanks to foreign investment and expansion of capital, more work places for persons with high qualifications would be created in Poland. Nevertheless, that did not happen.<sup>54</sup>

In the pre-accession period some forecasts have appeared which concerned **the migration potential of the Poles**, among others, of **secondary school and college students**.<sup>55</sup> They are interesting not only because of the high number of persons in this category, especially students (over 1.8 m young people), but also because they consider persons who are well-educated and may have a significant influence on many crucial issues in the country.

As can be seen in the data of the Ministry of Labour and Social Policy, almost 30% unemployed persons are young people. Research conducted by AIESEC<sup>56</sup> also shows that nine out of ten students of economics-related subjects are going to seek employment abroad, and that as much as 60% students out of the 4,000 surveyed in the study "Employer of the Year" ("Pracodawca Roku") declare willingness to emigrate to work or get an internship/apprenticeship, mainly in the European Union countries (one third of the persons surveyed remains undecided). It may be supposed that some persons returning from work emigration will set up their own business.

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<sup>54</sup> Interview by D. Pszczółkowska with prof. Marek Okólski, [www.gazeta.pl](http://www.gazeta.pl), 09.05.2006.

<sup>55</sup> See K. Wierzbicka, *Aspiracje i cele życiowe młodzieży średnich szkół zawodowych w kontekście integracji z UE*, w: *Migracje zarobkowe polskiej młodzieży. Badania i analizy*, Urząd Komitetu Integracji Europejskiej, Warszawa 2004, p. 27-72; G. Synowski, *Gotowość migracyjna studentów państwowych szkół wyższych*, *ibid.* p. 73-106; M. Szulc, *Migracja młodych*, w: *Migracje. Szansa czy zagrożenie?* Polskie Forum Obywatelskie, Gdańsk 2005, p. 53-58.

<sup>56</sup> Kurier Lubelski, *Studencki exodus za pracą*. No 112 of 9 May, 2006

## Intentions and Prospects of Polish Students concerning Emigration

Research conducted in May 2004 (just after Poland's accession to the EU) in 10 major academic centres of Poland has indicated some significant tendencies concerning migration:

- over 60% students would like to get a job in another European Union country, 1/5 of whom for sure will be applying for a job abroad. Out of the whole number of students 14% declare to apply for a job abroad
- students, if they think of working abroad, are interested in a job related to their major course of studies. The longer the planned stay abroad to work, the stronger the correlation with the subject of studies
- the most popular country among students is the United Kingdom. The second place belongs to Germany. In the research on the students' language competences definitely the most popular language is English; half of the students know two foreign languages at an intermediate level
- the most important reasons why students would like to work abroad are: low incomes and bad situation on the labour market in Poland. On the other hand, a change for the better in Poland – and thus, a change of the situation on the labour market and chances to find a stable job – for the vast majority of cases would make students refuse to seek employment abroad
- among students who would like to work in another EU country, 1/5 would like to work there longer than a year, and 13% consider staying there permanently
- one third of students who would like to work abroad have already taken some steps to find a job abroad
- students are going to spend most of the money earned abroad on their everyday expenses. A large group would like to finance their further education thanks to the stay abroad. A quarter of students who wish to go abroad to work is going to set up their own business after returning to Poland<sup>57</sup>

To characterise **Poland's EU pre-accession period** it is worthwhile overlooking emigration patterns during that time. The declared reasons for emigrating abroad do not suggest that the emigration was exclusively oriented to profit financially, although it is very likely that despite having declared to be leaving for family reasons, the migrants did seek employment abroad.

**Tab. 2. Reasons for emigrating, by % and gender**

	City	Countryside
Men	49% work	56% work
	23% family reasons	23% family reasons
	5% study	2% study
Women	34% work	43% work
	36% family reasons	36% family reasons
	8% study	4% study

Source: *Population Migrations Abroad, NSP (National Census) 2002, GUS (General Statistics Office)*

Emigration from Poland in the 1990s had the following features:

- Prevalence of emigration for labour reasons
- Germany is the main destination country
- Growing proportion of short-term migration
- Development of migration networks
- Growing rates of emigration from peripheric regions in Poland
- Relatively low level of education of the emigrants

**Emigration of the highly qualified in the last decade** has shown varying tendencies: it reached in massive numbers during the 1980s and before, a slow-down occurred in the 1990s, and another increase in emigration took place in 1998. The main destination countries for well-educated persons before EU accession were Canada, the United States, the United Kingdom.

<sup>57</sup> G. Synowski, *Gotowość migracyjna studentów państwowych szkół wyższych*, p. 105-107.

After Poland's accession to the EU the growing emigration trend initiated in 1998 continued, with the attractiveness of European Union countries growing as flow destinations.<sup>58</sup>

Tab. 3. Emigrants aged over 15 who temporarily resided abroad for over 2 months, by year and destination country

Data from the 2002 National Population Census							
Year of leaving	Destination country						
	Germany	Italy	United Kingdom	Other EU country - 15	USA	Canada	
<b>Total</b>	39.0	4.2	2.4	10.1	21.8	4.2	
including:							
<b>with an MA diploma</b>	20.6	3.1	6.0	12.9	26.8	7.1	
<b>mgrmagistra</b>							
including:							
1988 and <		2.1		12.4			
1989-1991	26.2	2.0	2.5	10.8	28.4	10.7	
1992-1994	17.7	3.1	4.2	13.8	32.0	7.9	
1995-1997	19.2	3.7	6.4	13.7	29.8	4.9	
1989-2001		3.8		13.6			
Unspecified year	18.7	2.9	5.0	11.2	17.7	4.5	

Source: Quoted after Kaczmarczyk P., Okólski M., 2005. *Migration of well-qualified specialists, in the context of Poland's membership in the European Union*

A turning point for emigration from Poland was the date of 1 May 2004, when Poland entered the European Union, and Polish citizens were recognised free access to the labour markets of some EU Member States. First, it was the United Kingdom, Ireland and Sweden, and after 2 years also Spain, Portugal, Iceland and Greece. Since July 2006, also Italy.

<sup>58</sup> A. Górny, E. Kępińska, B. Sakson, *Współczesna Polska i główne trendy migracyjne*, presentation at the conference "Kobiety w procesach migracji: doświadczenia polskie" Warsaw, 13 March 2006, unpublished, p. 21.

## Focus. Post-accession flows from Poland from the perspective of a receiving country

Migration increased substantially from mid-2003, under the impact of accession expectations.

**Most of the migrants work during their stay abroad, and the share has been increasing in line with a growing number of young migrants.** Economic motivation is by far the most important driver of migration from Poland.

**Migration from Poland is predominantly short term.** A significant part of all temporary migrants (60-70%) stayed abroad for shorter than 12 months. The share of short-term migrants amounted to 60% in 2004 compared to 53% in 2003 and 48% in 1995. The increase in outflow volume after 2000 was almost exclusively the result of higher short-term mobility: the number of those staying abroad for shorter than 12 months more than doubled between 2000 and 2005.

At the same time, the number of persons staying abroad for longer than 12 months remained relatively stable.

Polish migration to the U.K. is marked by a relatively high share of young and well educated people who originate from a rich mosaic of regions and legal backgrounds.

**Polish emigrants are relatively well-educated.** According to the 2002 Population Census, the educational structure of people staying abroad for more than two months was better than that of the general population (aged 15+): the percentage of migrants with a scientific degree was twice as high, with professional MA (or equivalent) 36% higher, and with another type of higher degree (engineers etc.) 26% higher.

**Polish immigrants are generally over-qualified for the jobs they perform abroad.**

Polish immigrants are concentrated predominantly in the secondary "typical" migrant sectors of the receiving economies such as construction, agriculture, cleaning, restaurants, and hotels.

**An increased outflow of highly-qualified labour, particularly from the health sector, can be observed in some regions, but there is little evidence of a massive brain drain.**

**The main EU8 sending countries have registered an increase in migrant remittances following EU accession.** The upward trend is clearly visible in Poland (where remittances have a seasonal character) Migrants tend to remit a substantial part of their earnings in-kind (e.g. second-hand cars) and their households tend to spend most of the remitted money on current consumption and purchase of a car or an apartment. More recently, there has been an increasing tendency to invest in the human capital of household members, especially in tertiary education.

Remittances are by no means evenly distributed across the country. By far the most successful area is the **Opole sub-region** where approximately one-third of the population hold double German and Polish citizenship and thus benefit from unlimited access to EU labour markets.

- ***Continuation, acceleration and change in emigration from Poland in the post-accession period***
  - *Continuation*
    - Great foreign mobility is continuing
    - The list of major destination countries does not change
    - Dominance of temporal emigration
    - Networks of relations still strong.
  - *Acceleration caused by accession*
    - Rise in the scale of mobility to new countries
    - Emigration of young, well-educated persons, (students, university graduates)
    - emigration of certain professionals (doctors, nurses, hotel staff, waiters, bartenders, bus drivers, taxi drivers)
  - *Change*
    - New countries and destination regions
    - Legalisation of "old" migrants
    - Increase of legal migrations
    - Feminisation of migrations
    - Migration abroad become more similar to domestic migration because of openness of the economies
    - New ways of recruiting migrants (decreasing role of informal relation networks)

- **Main countries of destination**

The current labour emigration from Poland is geographically concentrated in few destinations: Germany remains the most important destination country, in particular if one includes seasonal workers, but the share has been gradually decreasing (from 35% in 2000 to 25% in 2005). Smaller migration flows are directed to some other countries of Western Europe (Belgium, Holland, Norway, Sweden, Italy); to a smaller degree the United States (visa is still a barrier). Ireland and the U.K. have become more important destinations for Polish migrants, having gained importance with the opening of their labour markets in 2004.<sup>59</sup>

**Counting Poles working in the European Union between May 2004 and 2005<sup>60</sup>**

**Germany** hosted 683,400 Poles in the period: in 2004 it granted to Poles 411,400 work permits, 92% of which for employment in Germany's western regions. In the period January-July 2005, 272,000 permits were granted, mainly for seasonal work.

The **United Kingdom** employed 169,700 Poles in legal positions in the same period.

**Ireland** has employed 70 – 80,000 Poles.

In **Italy** from January to August 2004 Italian authorities registered almost 37,000 Polish employees. In the first half of 2005 Poles were granted ca. 25,000 work permits.

In **The Netherlands**, 20,200 Poles were granted work permits in 2004, while in the first half of 2005 they received further 11,300 permits (which makes 87% of all permits granted to the new EU member states).

**Norway** between 1 May and 31 December 2004 granted to Poles ca. **13,000** work permits, and another 15,000 between January and July 2005.

**Spain** in 2004 granted 14,500 work permits to Poles, including 12,198 based on a bilateral agreement on employment of 2002. In the period January – February 2005, 2,500 work permits were granted to Poles.

In 2004 4,200 permits were granted in **Sweden** to Poles to work in subordinate or autonomous positions. Resident documents are, however, not necessary for persons who stay or work in Sweden less than 3 months, and those constitute the majority of seasonal workers from Poland.

- **Temporary migration from Poland**

Some important information on labour emigration from Poland may be found in the **analysis of temporary migration** (for over 2 months).

Out of ca. 260,000 such households in 2002, in the most of them only one family member per household was leaving (78.9%)<sup>61</sup>

A dominance of women emigrating in nearly all age groups is quite visible as compared to men.

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<sup>59</sup> <http://www.euroinfo.org.pl>

<sup>60</sup> Official data concerning labour emigration from Poland is scarce. GUS, the Main Statistics Office, systematically informs only about the employment of Poles by Polish companies which are active abroad. Therefore, to gain more comprehensive knowledge about short- and mid-term work, one must consider the statistics of the host countries; a helpful source here is the Eurostat database or OECD/SOPEMI.

<sup>61</sup> Results NSP 2002, Rocznik Demograficzny 2005, p. 469.

**Table 5. Women and men emigrating for a period of over 2 months in the particular age groups**

Age	Total	A - Women	B – Men	Difference A-B
20-24	91 346	54 906	36 440	+ 18 466 <sup>62</sup>
25-29	116 231	68 031	48 200	+ 19 831
30-34	94 709	52 364	42 345	+ 10 019
35-39	89 898	45 378	44 520	+ 858
40-44	86 205	41 224	44 981	- 3 757
45-49	71 503	34 924	36 579	- 1 655
50-55	48 410	24 558	23 852	+ 706
55-59	24 631	13 307	11 324	+ 1 983
60-64	19 484	11 281	8 206	+ 3 075
65-and more	34 858	21 982	12 876	+ 9 106
<b>Total</b>	<b>677 934</b>	<b>368 316</b>	<b>309 618</b>	<b>+53 286</b>

Source: analysis of data published in *Rocznik Demograficzny 2005*.

The high number of emigrants between 20 and 34 years of age is mainly caused by the mobility of women, which, in turn, is influenced by the level of unemployment of young women in Poland, as well as their growing level of self-dependence, determination, and – as it seems – a growing conviction that it is they who are alone responsible for their future standard of life.

As of the reasons claimed by temporary migrants to emigrate, among a total of 626.000 temporary migrants, over 267.000 (42,3%) left their homeland to seek employment abroad, and almost 200,000, 31.5%, for family reasons.

The gender differentiations show that female temporary emigration is to a large extent caused by seeking a job<sup>63</sup>, sometimes also a husband, or joining the family member who had previously left to work abroad<sup>64</sup>.

A completely different structure of the gender structure of emigration is to be found in the research by the BAEL team (Research on the Population's Economic Activity). According to it, among the persons who stay over two months abroad because of work there is a significant dominance of men. In 2000, 64.200 men and 36.500 women left to work abroad, in 2002 it was 85.700 men and 54.200 women, and in 2003 – 88.700 men and 63.000 women<sup>65</sup>. In the research results one can observe not only an evident dominance of men's emigration, but also an increasing tendency in women's emigration. Between 2000 and 2003 the BAEL research shows an increase in the men's work emigration by 24,700 and in women's by 26,500.

The generally rising tendency of women to emigrate has also been noted by other authors, and in the Polish conditions it is visible for example in an increase in women's seasonal work stays in Germany<sup>66</sup>.

<sup>62</sup> The dominance of women in this category can be partly explained by the period of military service for men.

<sup>63</sup> E. Kępińska. Kobiety i mężczyźni w migracjach sezonowych. In: *Polscy pracownicy na rynku Unii Europejskiej*. Ed. P. Kaczmarczyk, W. Łukowski. Wydawnictwo Naukowe Scholar. Warszawa 2004. p.148

<sup>64</sup> See also Table 2 and 3 in the first part of the present report.

<sup>65</sup> Ibid. p.141

<sup>66</sup> Ibid. p.163

Among the families with children that participate in migration, only every fifth married couple and every tenth couple of partners decides to emigrate with the whole family. The vast majority of families participating in migration, delegates some family members to work abroad, while others stay in the homeland. The data concerning who stays and who leaves was not found (or is not published).

It is worth mentioning of the Eastern regions of Poland, especially in the Podlasie (Podlaskie) voivodship, where in numerous small towns and villages nearly all children are raised by their grandparents, while their parents are employed abroad.

#### ▪ **Return migration**

In the period after 1 May 2004 work mobility processes of Poles have become unexpectedly fast and sizeable; it is a still developing phenomenon<sup>67</sup>, and too young to enable us to observe a significant number of return migration to Poland.<sup>68</sup>

If at all, one can speak of some signals of return tendencies of persons from the previous emigration waves from Poland, i.e. the 80s or the 90s. This phenomenon is neither significant yet, nor recognised enough. The newest example here is Spain, where – as the Council for Migration in Madrid indicates – a decrease in the number of Poles registering in the Madrid district (the greatest concentration of Poles in that country) has recently been observed. Representatives of Polonia (Polish Diaspora) in Spain confirm such signal, and point to the fact that, having spent over 10 years there, many people now decide to return to Poland; there is, however, no official statistical data about it<sup>69</sup>.

In the 1990s many returns of Polish emigrants took place, mainly from Germany, which was interpreted as a consequence of difficulties in integration of Poles in that country.

#### ▪ **Services in Poland that Support the Seek for Employment Abroad**

The lack of a consistent migration policy in Poland is quite a significant reason why a widely developed migration service system has not yet been created. The migration services are scattered among many bodies and institutions. Equally ineffective is the accessibility of the legal regulations for persons interested in work migration or seeking specific practical information on the conditions of stay and work in different countries. The scale of emigration from Poland is growing (it is estimated that at present every day ca. 4,000 people leave to work abroad), which is a serious disadvantage that disrupts the emigrants in arranging the necessary formalities, respecting their rights in practice and using opportunities, and often becomes an occasion for mistreatment by unreliable employment agents (Polish as well as foreign) or employers. In order to prevent it, the Polish government, alongside with British equivalent bodies, ran an information campaign on the work and life conditions

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<sup>67</sup> Experts forecast that in the coming decade the wave of migration from Poland will not radically rise due to the fact that by the year 2020 the number of persons professionally active at the age of 15-44 will decrease by at least half a million (that group belongs to the most mobile ones); *Migracja i praca w Unii Europejskiej*, Leeds, 27-29 July 2003 – scientific conference report: "Sciences Policy, Mobility and Brain Drain in the EU and Candidate Countries", The University of Leeds, 27th-29th July 2003, at [www.ignatianum.edu.pl](http://www.ignatianum.edu.pl)

<sup>68</sup> A pioneering publication on return migration to Poland is *Migracje powrotne Polaków. Powroty sukcesu czy rozczarowania?* ed. K. Iglicka, Warszawa 2002.

<sup>69</sup> *Praca w Hiszpanii – Polacy wracają do kraju*, information of PAP of 02.06.2006 at <http://biznes.onet.pl>

in Great Britain. In Poland work legality control services monitor the activity of agencies for employment abroad. In 2004, as a result of control, 41 employment agencies were found and punished for illegally directing Polish citizens to work abroad<sup>70</sup>. An additional consequence of such incidents has been the need to increase the number of staff at Polish consulates in the countries with the highest number of Polish work migrants (United Kingdom, Ireland), because of the growing number of cases requiring assistance or intervention of consular authorities to defend the rights of Polish immigrants. To make the contact with the British police easier for persons in need, a Polish-language hotline +44 20 7321 8289 was created in London in November 2005<sup>71</sup>.

The support which Polish persons interested in work emigration may find before they leave is firstly **information on offers and work conditions abroad**.

Since Poland's accession to the European Union, the **EURES Network** has been active throughout the whole country. Considering the Poles' great interest in work emigration, the efficient operation of the network is vital. EURES is not only a database of job offers in Europe, but it also contains CVs of persons seeking a job, as well as information about work conditions in particular EU countries. Offers from EURES which are addressed exclusively for Poles are available at the local Labour Offices; they can also be found on the government website [www.eures.praca.gov.pl](http://www.eures.praca.gov.pl).

Mediating to find job offers is done through the **Voivod Labour Offices in cooperation with the Division of Migration in the Department of Labour Market at the Ministry of Economy and Labour** (Wydział Migracji Departamentu Rynku Pracy Ministerstwa Gospodarki i Pracy). While mediating to find employment abroad, the Division of Migration co-operates with employment services of the countries which have signed contracts of mutual employment with Poland. Foreign partners direct the demand, declared by employers abroad, to the Ministry of Economy and Labour, which is then directed by the Division of Migration to the Voivod Labour Offices for their disposal. In order to become employed abroad one should register to the Voivod Labour Office or its branch, according to one's place of residence, where job offers of foreign employers are available, as well as information on recruitment to work abroad. The website <http://www.praca.gov.pl/> contains information on the criteria which need to be fulfilled by persons who are interested in employment abroad based on the contracts and other agreements signed by The Republic of Poland.

Apart from information services and recruitment to work abroad, additional forms of helping labour migrants are offered on the spot, thanks to various initiatives undertaken by a number of institutions. Some of the first initiatives which appeared in the 1990s while labour emigration was growing in Poland, and are still operating, are **small private transportation companies** throughout the whole country (mostly with minibuses) **transporting labour migrants from Poland to various countries** (e.g. Germany, Italy, Belgium, Holland) **and back**. They react to the emigrants' needs with flexibility,

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<sup>70</sup> [www.eures.praca.gov.pl](http://www.eures.praca.gov.pl)

<sup>71</sup> "Biuletyn Migracyjny" No 5, February 2006, p. 4 [www.migration-news.uw.edu.pl](http://www.migration-news.uw.edu.pl)

run often, mostly 2-3 times a week on a given route and are an effective competition to traditional transportation. Another example of support is **vocational schools offering profession-tailored language courses**, which introduce teaching the languages of the countries which recently demand certain categories of employees (e.g. Norwegian for nurses). They also offer specialist professional language courses (e.g. for doctors emigrating).

It is also worth mentioning that a significant role in increasing Poles' work mobility plays the activeness and flexibility of services of **low cost airlines**, dynamically developing in Poland for the past couple of years. They offer convenient connections and take into consideration the destinations and scale of mobility of Polish passengers; therefore, it is even possible e.g. to enable Polish doctors to commute to Ireland only for the weekends and holidays, to take over home visits for patients who during the weekdays are under the care of Irish doctors<sup>72</sup>.

Such initiatives, supporting migrants before they leave, are a direct response to the appearing demand from certain services; however, their activity is not systematised and it is difficult to estimate their scale and range.

It is worth noting that similar activities take place **in the destination countries** of Polish work emigrants – at present, most of such entrepreneurship initiatives can be found in London, Dublin, and smaller towns in the United Kingdom and Ireland, but also in Spain or Germany. The Polish Diaspora in most countries has their own **internet fora** (or even portals with thematic sections and ads)<sup>73</sup> – they are **mostly organised by Chambers of Commerce, and Polonia, the Polish Diaspora**.<sup>74</sup> One can find there some information necessary to find employment, become self-employed, start studying, arrange some tax or legal matters; there is also information concerning the social and medical care, the operation of immigrant associations, travel agencies, churches, Polish consular sections.<sup>75</sup>

The same objectives are the main focus of **immigration associations** which are being funded by newcomers from Poland (e.g. Polish Information & Culture Centre in Dublin), **as well as papers in two language versions** (“Szpila” in Dublin).<sup>76</sup>

#### ▪ **Economic Migration between Poland and Italy**

Migration to Italy was not of a mass character until 2004. In 2004, 300 persons emigrated to Italy for a permanent residence (M - 108, W – 192), and 1,256 persons (615 men and 641 women) left for a temporal stay which was longer than 2 months.<sup>77</sup>

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<sup>72</sup> *Weekendowi lekarze z Polski leczą w Irlandii Północnej*, Onet. Wiadomości, (Onet News) 14.05.2006.

<sup>73</sup> **Life and work abroad – internet information for Poles**

[www.szkojca.net](http://www.szkojca.net) - portal of Polonia in Scotland; <http://greция.home.pl> –everyday life in Greece;

**Services concerning staying in England:** [National Express](#); [British Rail](#); [Streetmap](#); [Metro w Londynie](#); [London Transport](#); [www.citylink.co.uk](#); [www.s-h-systems.co.uk](#); [www.londontransport.co.uk](#)

**Internet information on Poles in Italy:** <http://praca-we-wloszech.bawi.pl/>; <http://www.infopolonia.it/vademepi.html>

[http://www.polonia-wloska.org/zwiazek\\_organizacje.html](http://www.polonia-wloska.org/zwiazek_organizacje.html)

<sup>74</sup> I. Zbonikowska, *Gazeta, Londynek i polski Dublin*, 03.11.2005,

[http://www.pracuj.pl/kariera-praca-za-granica-artykuly\\_6811.htm](http://www.pracuj.pl/kariera-praca-za-granica-artykuly_6811.htm)

<sup>75</sup> E.g. [Londynek.net](#); [Gazeta.ie](#)

<sup>76</sup> [http://www.polishcentre.ie/index\\_pl.php?id=134&proc=1](http://www.polishcentre.ie/index_pl.php?id=134&proc=1)

<sup>77</sup> GUS, *Rocznik Demograficzny* 2005.s.465.

In Italy it is easiest for Poles to get a job in the following professions:

- nurse
- care for elderly persons
- babysitters/nannies
- housekeepers
- construction engineers
- qualified construction workers

In the summer season the seaside resorts mainly look for cooks, bartenders, and waiters. In the north of the country immigrants can find employment in the vineyards and orchards, and in the south in agriculture.

The demand of Italian employers for the above categories matches the supply on the Polish labour market.

Therefore, we may consider them as an important factor (pull factor) attracting migration from Poland.

The phenomenon of work migration between Poland and the Veneto region is not significant in numbers, especially compared to the main migration tendencies from Poland. This issue cannot be subject to proper statistical or sociological analysis; there is a lack of data concerning the flow of Polish employees to the places and companies in Veneto, not to mention the data on return mobility of Poles from that region to their home land.

▪ ***Identification of Target Regions***

The highest numbers of emigrants in 2004 came from the three voivodships in the South-western part of Poland: Śląskie (Silesia), Dolnośląskie (Lower Silesia), Opolskie (Opole), Małopolskie, and from the North: Pomorskie (Pomerania).

The lowest number of persons emigrated from the Świętokrzyskie and Lubelskie (Lublin region) voivodships.

The Lublin region has peculiar migration features, as on the one hand its poor economic conditions foster the growth of labour emigration, but simultaneously it also attracts legal and illegal immigration of cheaper labour force from across Poland's eastern border, and mainly from Ukraine.

In 2004 the biggest group (31.83%) working abroad from the Lublin voivodship were persons in the age group of 35 to 44 years old. The second greatest group was aged 25 to 34, which was 29.16%. The third group was 45 to 54 years old, making 24.92% of persons working abroad.

**Table 7. Emigration from Poland in 2004 by voivodships**

<b>VOIVODSHIP</b>	<b>EMIGRATION</b>
Dolnośląskie	1419
Kujawsko-pomorskie	479
Lubelskie	182
Lubuskie	426
Łódzkie	301
Małopolskie	1272
Mazowieckie	309
Opolskie	3829
Podkarpackie	791
Podlaskie	493
Pomorskie	1075
Śląskie	6213
Świętokrzyskie	144
Warmińsko-mazurskie	915
Wielkopolskie	392
Zachodniopomorskie	673

Source: K. Iglicka, A. Weimar, *Wpływ rozszerzenia Unii Europejskiej na ruchy migracyjne nas terenie Polski*, Raporty i Analizy Centrum Stosunków Międzynarodowych 7/05

- ***Ranking the income of Polish emigrants***

In 2004 nearly 75% labour emigrants had an income which would classify them into the I tax group: this means that the financial means earned by them were mainly used to support their family who stayed in the homeland. This seems to suggest that savings gained abroad are used for basic consumption goods.

Some 20% reached an income which would place them in the II tax group, while 5.45% emigrants had an income which belonged to the III tax group.<sup>78</sup>

- ***The dimension and use of remittances***

Home countries benefit from the money the migrants send their family members who remained at home.

Such money transfers, by directly improving the income of the household, not only make the family consumption level more stable, but they also are a source of their savings or capital investment, which then is a significant contribution to the economic growth of the migrant's homeland.

Since Poland's accession to the EU, the amount of money sent by emigrants to Poland has constantly been increasing, which is evidenced by the NBP (National Polish Bank) in the balance of payments as current transfers.

Although the rising trend in the income from these transfers has been constant since 2002, still, the increase compared to previous periods has never been so high: a growth of almost 60% is evident, as compared to the incomes from the quarters of 2004 before EU accession with the corresponding incomes from the same period in 2005.

Private transfers, which in the IV quarter of 2005 amounted to 1.589 m Euro of income, were by 17.1% higher than in the IV quarter of 2004. The expenditures were 215 m Euro and were characterised by a similar growth dynamics of 15.6%.

The private transfers were mainly made of transfers of income by persons living abroad, payments to finance non-investment aims, pensions and retirement pensions received by residents from social insurance from abroad, as well as some minor funds received for forced labour of Poles during World War II.

Analysing the data on private transfers in every quarter in the particular years, it is evident that their amount is increasing in the III and IV quarter, which is probably related to the employment of more

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<sup>78</sup> Data from the Tax Chamber (Izba Skarbowa) of Lublin

seasonal workers in the EU countries. It may be supposed that this tendency will continue, i.e. that in the coming years the dynamics of the increase of private transfers will continue to grow.

That is because - apart from the United Kingdom, Ireland and Sweden, which on 1 May 2004 did not introduce any restrictions in employment – additionally Spain, Portugal, Greece and Finland fully opened their labour markets on 1 May 2006. Other EU countries, are already following, as Italy, or will so by 2009 at the latest.

Qualitative interviews with 55 returnees, the full analysis of which is reported in a Focus Frame below, provided some indications on the **destination of remittances** that they had sent home:

	Number of persons surveyed	% of persons surveyed
Improving the standard of life	25	45.45%
Depositing in a bank	8	14.55%
Buying solid goods	17	30.91%
Investing into a potentially profitable enterprise	1	1.82%
Spending on pleasures	4	7.27%
<b>Total</b>	55	100%

▪ **Information Available to Migrants**

Polish and foreign **internet services specialising in job searching in EU countries** are numerous; amongst the most popular in Poland are [www.praca.gov.pl](http://www.praca.gov.pl) (job offers abroad, information on employment agencies certified by the Ministry of Labour and Social Policy), and [www.mpips.gov.pl](http://www.mpips.gov.pl) (official website of the Ministry of Labour and Social Policy).

Additionally, selected information on working abroad is widely available in the Polish press, at internet information portals, in regular television programmes (e.g. *Jesteśmy z pl. [we are from pl]* . – a series of documentaries about life and work of the newest Polish Diaspora in the EU countries, broadcast by the TV Polonia channel), and even in some special editions of practical manuals of a work migrant, appearing occasionally.<sup>79</sup>

<sup>79</sup> E.g. A. Robaczewski, *Jak znaleźć dobrą pracę i zarobić pieniądze za granicą nie dając się jednocześnie oszukać nieuczciwym pośrednikom?* Electronic version.

## Listening to returnees in Poland: indications from qualitative interviews<sup>80</sup>

The declared **reasons for emigrating** were, in order of indication: the need to earn money for a certain purpose, financial difficulty in supporting the family, difficulty in finding a satisfactory job in Poland, the desire to gain new qualifications.

The study also included an indication of any possible problem areas and institutions mentioned by the respondents. Firstly, it must be stressed that there is a clear **change of the social network type** of migrational links. The family network is still strong; however, the importance of neighbour-friend network and the institutional (company) support is increasing. The majority of respondents have received some help in all areas of needs related to their travel and finding accommodation and work. The most support was received from family members, but in many cases also friends and neighbours who had already been abroad (travel - 13 persons, accommodation - 11 persons, work - 17 persons).

**A direct evaluation of the profits for oneself and one's family** indicated that, to some extent, they have achieved their goal which had dominated when taking the decision to migrate for work. It seems, however, that they are not truly happy. The positive answers concentrate rather around the category "it has improved a bit" than "it has improved radically"

They see an improvement in their situation

- in the financial condition, standard of life, and perspectives in life. A slight regression in their situation regarding their social affairs (5 persons) and professional situation (4 persons) has been noticed by a few respondents.

- in the financial conditions of their family (40 persons altogether), and equipment of the house (32 persons), increase in perspectives in life (24 persons) and a better situation of accommodation/dwelling (12 persons). They also mention more educational chances (18 persons). However, a decrease has been indicated in the health condition (7 persons), social situation (9 persons) and professional situation (6 persons).

Also, an analysis of the **gains and losses** mentioned by the respondents in the open questions indicates that:

- Among the basic benefits mentioned are finances and learning a foreign language, less frequently cognitive opportunities (including tourism, getting to know the culture, new people);
- The losses mostly include emotional aspects: being away from relatives/friends, longing, impossibility to accompany a child in its development.

Respondents were asked whether in the current economic situation **saving money** makes sense (see Table 43 in Annex chapter). The structure of responses to the above question indicates that 60% re-emigrants see a sense in saving money and answered that it "rather" or "definitely" makes sense. However, seeing its importance does not directly correspond to behavioural practice, which is clearly to be seen in Table X. From the data presented there one can conclude that, despite seeing a sense in saving, only 16.37% re-emigrants who have a financial surplus set at least a part of it aside for future consumption, in other words, save it in a bank account (14.55%) or invest in an enterprise which would bring extra profit in the future (1.82%).

Re-emigrants, having a **financial surplus** at their disposal, use part of it for daily consumption, to a large extent to improve their standard of life (45.45% responses), purchasing solid goods (30.91%) and spend it on pleasure items (7.27%). Part of the unconsumed financial resources is saved at a bank (14.55%) or invested in an enterprise which might bring further profit in the future (1.82%).

**Using a part of the financial surplus** for daily consumption may be caused by the respondents' current material situation, the so-called subjective experience of poverty and insufficient supply of households in solid goods. Such interpretation of the results would be confirmed by the responses (concerning opportunities to save a certain amount in the coming 12 months; see Table 44 in Annex Chapter). From the answers there one may conclude that only ca. a third of the surveyed persons are convinced that they will save a certain amount of money. Among them, 16.36% respondents are of the opinion that they will for sure save some money, while 20.0% said that they will rather save some.

<sup>80</sup> Methodology of the survey: the survey was carried out between December 2005 and March 2006 using a questionnaire prepared by the research team of the University of Lublin. The probe surveyed was a group of 55 respondents. The selection of the participants was casual, as there is no possibility of accessing official information to locate return migrants.

Among the group surveyed, 45.1% were women, 54.9% - men. Most of the persons surveyed belonged to the age category of 23-30 (17 persons), 41-50 (13 persons) and 31-40 (11 persons).

In terms of education, one may distinguish three groups of respondents:

- with high school education (vocational or general, with maturity exam) - 36.3%

- with higher education: 35.3% of the whole group surveyed (this number entails persons with at least a graduate degree)

- with basic education and basic vocational: 20.0% of the group.

The professions in the group varied significantly, without a clear dominance of a certain professional category; the highest percentage, although generally low, 5.5% of the whole group, constituted the mechanics, a similar level - 3.6% of all respondents - were representatives of a couple of professions: economists, electronics, pedagogical professions, bricklayers, and tailors, while other professional categories of respondents - 49 categories - were represented at a level of below 2% of the group.

Before leaving abroad to work, the majority of respondents had been employed in Poland in the sector of production (29.1%), services (18.2%) and trade (12.7%); the percentage of persons working in agriculture was minor (3.6%).

While abroad, the proportions of the respondents' employment in the particular sectors of the economy had changed: most persons were working in services (36.4%) and agriculture (20.0%).

After returning, there is a minor percentage of persons working in agriculture (5.5%), and the number of persons employed in trade has slightly decreased; after returning to their homeland, the majority of respondents have become employed in services and production.

Among the destination countries where the respondents were employed, the following places were mentioned: Germany, Italy, the United Kingdom, the United States, Spain, Ireland, Greece, Finland, Austria, France, Canada, the Netherlands.

It is important to highlight that survey conclusions indicate that there exist certain tendencies concerning the phenomenon of work migration and return migration; however, due to the range of the probe of respondents and the fact that it was not representative on the national scale, the data contained in the research might concern only the surveyed group of respondents.

## 7. Understanding Trends and Features of Emigration: the Case of Hungary

### ▪ *Available National Data on Migration*

To gain statistical data on people moving out of the country is rather problematic; the number of people who immigrated can not be defined from sources available in the country, we need to use statistical sources of host countries.

Concerning the quantification of returnees, they do not appear in statistics, and while a number of host countries including Italy register expatriations, records do not specify whether migrants have returned home or have gone to another foreign country<sup>81</sup>

### ▪ *The Impact of EU Accession on the Hungarians' Propensity to Seek Chances Abroad*

To measure the possible impact of EU accession on migration, several estimations have been carried out. One of these methods is based on the migration potential, that estimates the intention of people to reside and work abroad.

Comparing Hungarian trends to the majority of the countries our migration potential is relatively low.

In 2005 intention to work abroad can be found but is not significant.

Among those who expressed an intention to migrate abroad, corresponding to about 3.7% of the active population, the 60% (144 000 people) had permanent employment while 27 000 were unemployed. The 3 per cent of the non active population, most of them students in secondary schools or universities, declared to have emigration plans.

The 65% of people planning to work abroad think that their profession qualifications can be more valued in a foreign country.

As of the education background of potential emigrants, 20% have college or university level education. The 14% of potential migrants held only primary school qualifications or lower.

A vast number of potential migrants (67 per cent) plan to work abroad for a period of time more than one month but less than 2 years. Regarding the age group of potential migrants more than half of the employed group, 73 per cent of the unemployed and 90 per cent of the inactive were under the age of 30.<sup>82</sup>

### ▪ *Emigration of the Labour Force*

Emigration from Hungary to other EU countries has proved to be moderate so far and without any serious political or economical turnout. Moreover, no change can be expected due to the fact that demographic tendencies neither in the EU nor in Hungary are expected to change considerably.<sup>83</sup>

Examining migration potential in the last decade and then in earlier years of 2000s, we can see that it has doubled in 10 years.<sup>84</sup>

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<sup>81</sup> Illés Sándor- Lukács Éva: Migráció és statisztika 2002.

<sup>82</sup> Labour Force Turnover. Hungarian Central Statistical Office, 2006.

<sup>83</sup> Europe in Figures, Eurostat Yearbook 2005.

<sup>84</sup> <http://www.tarki.hu/adatbank-h/kutjel/pdf/a409.pdf>

## Listening to returnees in Hungary: indications from qualitative interviews<sup>85</sup>

**The capacity to reintegrate.** Among returnees who were interviewed in the survey, some judge their return a successful experience, as with their new skills and qualifications, and with their savings, they have managed at home without difficulties. However, in most cases labour reintegration failed as finding a job that offered acceptable conditions proved difficult, the difference in the living standards of home and host contexts caused discomfort, personal relationships with family members and friends have changed, and people miss their new connections abroad. In such cases two options have been taken into consideration:

- returning abroad again which causes a constant periodical commuting between the two countries, or if return is coupled with several insuccesses to integrate in the home labour market, people tend to attempt settling down in the host country;
- they keep looking for a job or start their own business.

Two types of tendencies prevailed regarding the **choice of return destinations**:

1. In a number of cases, people have returned to the same place where they had left from, where they seek an employment opportunity.
2. Otherwise, when the potential for reintegration is favourable but people do not plan to work abroad in the near future, they tend not to return to poor Hungarian regions (e.g. South-East or North-East) if their 'sending region' was amongst these<sup>86</sup>. The new destination is usually in regions offering more employment opportunities. Interviewees referred explicitly that knowing Italian is an asset especially in the capital, where most Italian owned enterprises in Hungary are based.

For those who manage to enter the home labour market upon their return, in a limited number of cases their **sector of employment** mirrors their occupation abroad, which happens most when the sector concerned is one among catering/hotel, building and medical professions. In one case, after his experience in Italy, a returnee opened his own pizzeria in the village of origin.

In connection with the **duration of their stay abroad** we have found several categories: from 1-2 months to more than 2 years.

To our question on the **sources of information** used to find a job abroad, we were said that:

- most often information is passed on through **information channels** i.e friends, members of family, acquaintances, who frequently are already in the target country or have recently returned.
- **Internet** sources are most used for finding the destination and position and to learn about employment procedures.
- Some interviewees availed themselves of the services of **labour market agencies**.
- The city **labour offices** are also listed among the possible sources of information.

The **change in their life situation** is mostly deemed positive by interviewees, especially if emigration brought about an improvement of their professional skills in terms of work experience and language; the improvement of financial conditions in a few cases led to the start up of a business.

**Most mentioned gains:** new professional qualifications, learning the language, earning a reasonable sum of money, solving housing situation in the home country, life experience.

**Losses:** sense of isolation, interruption of studies or career, expectations do not realise.

**After return,** the job taken at home is significantly influenced by the new experiences: in some cases, living abroad was a part of career building and upon return they work in higher level positions, or were able to set up their own business.

### Recommendations

Services should be designed and offered on **three levels**, which correspond to the three main phases in the migration project.

**In the planning phase of the migration project:** information campaigns must target potential migrants, and help people being more aware of employment prospects abroad, of formalities and procedures, of investment opportunities to invest their earnings, of entrepreneurship support facilities.

**While abroad.** Hungarian institutions, organisations and host country labour offices should also advertise opportunities to reintegrate in the home labour market for those who intend to return.

**Upon return.** Training, informative services on labour offers, and financial support if they intend to invest in business must be provided.

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<sup>85</sup> The sample of the target group has proved to be relatively difficult to identify and reach. As a result, the survey builds on the individual case studies based on a non-representative sample.

<sup>86</sup> Internal Migration. 2004. KSH

## **8. Understanding Trends and Features of Emigration: the Case of Serbia** *by the Ministry of Labour, Employment and Social Affairs of Serbia*

### ▪ ***An Introduction to Migration Flows in Serbia***

While the strongest inflows of migrants to Serbia occurred in relation to the legacies of war in the former Yugoslavia, and were almost exclusively composed of refugees from near Bosnia, over the past few years statistics highlight the presence of foreign residents in Serbia in growing numbers: in fact, records mainly refer to a specific category of foreign residents: the staff of international of foreign aid and business institutions, but also about 20.000 new comers from underdeveloped countries who are attracted by the recent foreign investments, and the new businesses, in the country.

In reverse direction, a large number of Serbs emigrated to foreign countries, mainly in relation to poor political and economic conditions in the country, including high unemployment rates.

### ▪ ***Competent institutions***

On Labour Migration:

- Ministry of Labor, Employment and Social Policy of Serbia
- National Employment Service of Serbia

For Diaspora Support:

- Ministry for the Diaspora
- The Centre for Diaspora at the Serbian Chamber of Commerce

## V - MANUFACTURING LINKAGES BETWEEN MIGRATION AND PRODUCTIONS: THE PROPENSITY OF ENTREPRENEURS IN VENETO TO GO EAST

### 1. Trends and characters of the internationalisation of productions in Veneto: geography and modalities of investments in South and East Europe

*by UnionCamere Veneto*

#### ▪ *Direct investments abroad*

The presence of Italian entrepreneurs is deeply rooted in Central and Eastern Europe due to the widespread delocalisation of manufacturing operations mainly in the traditional fields of clothing and footwear. Following the enlargement of the European Union, the new scenario in Eastern Europe has provided new opportunities for Italian SMEs.

The enlargement has led a growing number of businesspeople to enter into partnership agreements with companies in the States that have recently entered into the Union and others that will soon become members, to invest in new activities and intensify trade with this area. Major investment operations undoubtedly focus on the industrial sector and more specifically on the fashion system, machinery and equipment, and constructions.

In Eastern Europe, Italy ranks seventh for invested capital and first for number of established companies, the latter having benefited from cluster settlements that in many aspects are quite similar to Italian clusters, in terms for example of the leader-company structure, institutional framework and widespread entrepreneurship.

There are many aspects that encourage Italian businesses to invest in this part of Europe, ranging from the opportunity to set the foundations for penetrating into Eastern Europe, to low labour costs and, in some areas, the advantage of placing specific products in consideration of unexploited market niches. There are, in addition, a number of factors that specifically characterise the Italian productive system and that are connected to the prospect of 'exporting' the specific features of the Italian cluster system.

The Veneto region has held a major role in this internationalisation process which has become increasingly important. Just think that between 2001 and 2003, the incidence of the Veneto on the turnover of foreign businesses with Italian interests rose from 5.9 to 6.4%, mainly due to the increase that occurred in the fashion segment especially in Central and Eastern Asia and in Eastern Europe. The data released by the Istituto per il Commercio Estero (ICE) - the source of which is REPRINT / Milan Polytechnic - at January 1st 2004 there was a total of 27,883 companies with Italian interests, employing almost two million staff and generating a turnover of over 477 bill. Euro. Again in the 2000-2004 period, the average yearly growth rate was 2.7% for companies with Italian interests, 3.3% in terms of employees and 2.4% for turnover.

The 3,675 foreign companies with Venetan-held interests, of which 1,928 are fully controlled by Venetan interests, employ 174,436 staff and have registered a turnover of 33,075 mln Euro. The Veneto ranks third amongst the Italian regions after Lombardy and Piedmont for the number of

companies with Italian interests and fourth after Emilia Romagna for staff and turnover. From 2000 to 2004, the average yearly growth was over 3% for number of companies, 6.6% for staff and 4% for turnover, showing positive performances that exceeded those of Lombardy, Piedmont and total Italy. The data made available at regional level provide further information on the geographical areas that were most favoured by foreign direct investments. With reference to foreign companies that were 100% held by Venetan interests, most investments focused on the European Union, followed by Central and Eastern Europe and the Far East. In the European Union, businesses were mainly established in the wholesale trade sector, whilst those established in Central and Eastern Europe mainly focused on manufacturing activities, especially textiles, clothing and machinery and equipment.

▪ **Macroeconomic Data for Italy: Italian imports and exports in 2005<sup>87</sup>**

▪ *Exports*

The main increase in export flows was experienced in Central and Eastern Europe (+8,9%), with good results towards Russia (+22.2%) and North America (+6,4%). Performances in the US market (+7%) and in the Middle East (+12%) were also positive. In 2005 Italy's exports towards the MEDA area increased by 7.8%, while trends towards the Far East were rather weak with exports decreasing towards China. Other significant data include the remarkable growth recorded in Argentina (+12.1%) and Brazil (+12.7%) while the Turkish market was disappointing (+8,4%).

▪ *Imports*

The 7% growth in imports was mainly due to increased purchases from countries supplying raw energy materials, with main imports coming from Northern Africa (+31.2%), Middle East (+40.9%), central Asia (+ 34.8%) and Central and Eastern Europe (+14.6%).

At European level, imports recorded in 2005 showed positive results in Spain (approx. +6%), while the results for other partners proved to be unsatisfactory with modest results for France (+2.7%), zero growth levels recorded in Germany and an appalling performance for Great Britain (-5.6%). The Balkans show modest levels of performance (+2.2%), mainly due to the clear decrease of exports in Serbia Montenegro (-62%), while towards other countries, namely Bulgaria (+16.9%), Croatia (+5.0%) and Romania (+9,0%), exports were positive.

In the period between January and November 2005, Italian foreign direct investments more than doubled, while the growth of incoming flows was rather unexceptional: incoming IDEs<sup>88</sup> for the first eleven months of 2005 exceeded 13.2 billion Euros, showing an increase of 1.8 billion Euro against the same period in 2004. This increase is mainly due to flows from Europe (+1.7 billion Euro) in general and especially from Germany (+2.5 billion), Spain (+2.3 billion) and France (+2,2 billion), against a strong cut in investments for 4.4 billion from the Netherlands.

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<sup>87</sup> Source : ISTAT data.

<sup>88</sup> International Development Enterprises.

Italian foreign direct investments for the same period amounted to 30.7 billion Euro, against the 14.5 billion Euro recorded in the same period in 2004. The increase of foreign direct investments in America also showed a significant increase, rising from 677 million Euro in 2004 to over 3.4 billion in 2005.

▪ ***Macroeconomic data for the Veneto Region<sup>89</sup>***

The economy of the Veneto slowed down in 2005 due to the scant international competitiveness of its manufactured goods and the weakness of internal demand. In the first half of the year it continued to be affected by the decreasing trend of national demand and a competitiveness that was clearly disturbed by the price disadvantage in terms of exports. From the summer months, the consolidation of recovery in the Eurozone and the depreciation of the nominal exchange rate favoured an improvement of the economic framework that positively influenced family consumption and investment prospects.

Overall, in 2005, industrial production slightly decreased, affected as it was by the difficulties encountered by the fashion and wood/furniture sectors. Sales abroad also slightly dropped and only the metal and machinery/equipment sectors recorded slight increases in exports especially towards emerging Asian Countries. During the second half of the year, orders picked up again leading to the growth of production and encouraging productivity. Investments, that had also decreased on an average yearly basis, showed signs of recovery in the last months of the year.

In 2005, trade was once again affected by stagnating consumptions, while the main contribution to economic growth in the Veneto was provided by the tertiary together with the tourist sector, that recorded a significant increase of activities in all the main tourist areas thanks to the increased flow of both Italian and foreign tourists. The growth of services to enterprises was encouraged by the finance and real estate sectors and also by some fields of the transport sector. On the contrary, the primary sector and constructions are at a standstill.

▪ ***Manufacturing clusters: a specific feature of the Veneto***

Manufacturing clusters are production areas located in the regional territory that are characterised by companies that are integrated in a significant production system and by the commitment of institutional players to support the local economy. Regional Law no. 8 of April 4th, 2003 regulates the actions aimed at supporting the Manufacturing Clusters, providing the criteria whereby the clusters are identified and acknowledged<sup>90</sup>.

Table 3 shows the diversity of the sectors in which the Veneto region's productive system and economy operate. It is worth mentioning, considering the high number of clusters, that the region's main focus are: tourism, agriculture, fish farming, fairground equipment, tanning, logistics and the new-comer which is the innovative nanotechnology cluster.

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<sup>89</sup> From "Notes on the Veneto's economic trends in 2005" – Banca d'Italia (Venice 2006)

<sup>90</sup> The dedicated website set up by the Veneto Region for the clusters is available on [www.distrettidelveneto.it](http://www.distrettidelveneto.it)

## 2. The presence of Veneto entrepreneurs in Poland, Slovakia, Hungary, Romania, Serbia

The assessment of the presence of Veneto businesses in the five partner countries of the European Project Migralink is based on official data on:

- foreign direct investments flows (released by Ufficio Italiano Cambi);
- the number of foreign companies held by Italian interests (released by Istituto per il Commercio Estero - "ICE-Reprint Milan Polytechnic" database).

The number of foreign companies with Italian interests are Foreign Direct Investments (FDIs) associated to operations aiming at controlling or acquiring lasting, minority or equal interests in a company, that require some involvement of the investor in directing or managing activities. In this report, reference is especially made to Italian-based multi-national companies and their foreign subsidiaries.

Portfolio investments are not included as these operations relate to financial interests and are performed by parties that, due to their institutional position or other reasons, have no interest in being involved in the management of the company. Non-equity operations have also been disregarded, namely so-called light internationalisation operations that range from sub-supply to temporary ventures between companies for a specific project that do not imply any change in the ownership structure.

Controlling interests relate to interests exceeding 50% of quotas or the official acknowledgement by those involved that the majority stakeholder will hold a management position in the company.

The assessment is enriched by data drawn from documents, articles and researches on the presence of Italian and Venetan businesses in the focus countries which will contribute to providing a comprehensive overview of the development of this trend.

With the exception of Romania, the data available at regional level only focus on the size of investments made abroad broken down by country and number of companies involving foreign interests broken down by geographical area.

For this reason, the chapter below has been organised starting from the data and information available for Italy and, where they are available, the data for the Veneto will be given.

- ***Italian presence in Poland***

Amongst the Countries included in this report, Poland – with its 38.5 million inhabitants and a GDP of over 200 billion Euro – represents the largest Central and Eastern European market; Italy considers it as a valuable gateway to access trade exchanges with Eastern Countries. From 1990 to 2004, Italy ranked seventh in terms of foreign direct investments in the Country. The net investment flow from 1995 to 2004 exceeded 1,900 billion Euro; in 2004 alone, investments from Italy stood at over 38 billion Euro, enabling the country to rank eighth in the list of investor countries.

In 2004, there were 393 foreign companies fully controlled by Italian interests, employing over 37,000 staff and generating 5.5 billion Euro in turnover.

Fiat is amongst the major investors, followed by the financial brokerage sector (Unicredito).

Based on the indications provided by ICE, the sectors that are considered to be especially interesting for the development of promotional activities in terms of foreign direct investments are:

- food processing, especially dairy and meat products;
- environmental utilities (especially waste management and energy plants).

In this framework, according to the data released by Ufficio Italiano Cambi, the Veneto recorded a flow of over 20 million Euro in direct investments to Poland from 2001 to 2004, accounting for 30% of outbound foreign direct investments.

#### ▪ ***Italian presence in Romania***

Romania is the first test bench for the internationalisation of associations representing Italian entrepreneurs. Delocalisation initiatives in particular have tried to reproduce the factors that led to the success of the industrial clusters in Italy. The initial transfer of a limited number of production-line activities in fact represented the first step towards the establishment of a more comprehensive strategy attempting to reproduce the features of the economic development in Italy in this new context. This has entailed the widespread availability of consulting services, representational offices and training initiatives aimed at providing the bases for the internationalisation of companies and the gradual collaboration with local institutions and entities.

The Romanian paradigm proves that SMEs are more want to resort to contractual tools rather than foreign direct investments which are the most common means used by large companies to internationalise production processes.

Italy has restates its status as fifth investor state, a position it has held since the 1990's and ranks first for delocalised enterprises many of which are from the Veneto.

For this reason, Romania has often been a case study for researches, providing us with more accessible information on the presence of entrepreneurs from the Veneto and Italy in general in its territory.

Based on the available data, the Italian presence in Romania is made up of foreign direct investments that between 1995 and 2004 exceeded 488 billion Euro.

There were 715 foreign companies fully controlled by Italian interests in 2004, employing 55,466 staff for a turnover of 2.6 billion.

Investments from the Veneto in Romania from 2001 to 2004 reached 63 billion Euro, namely almost 20% of Italian foreign direct investments for the period.

▪ ***Italian presence in Slovakia***

Based on official data, Italian investments account for 7.2% of total investments made in Slovakia, thus ranking fourth after the Netherlands, Germany and Austria. Based on a recent estimate, there are approximately 400 Italian companies operating in Slovakia: they generate an FDI volume of approximately 29.3 bill. Slovakian Crowns and are mainly small and medium sized companies based in North-eastern Italy.

Based on the data supplied by REPRINT-Milan Polytechnic-ICE, in 2004 there were 123 Slovak companies fully held by Italian interests, employing over 8,600 staff and generating a turnover of 509 million Euro.

According to UIC, in monetary terms, Italian foreign direct investments for the period 1995-2004 total over 154 bill. Euro. The total FDI originating from the Veneto for the 2001-2004 period amounted to approximately 18 bill. Euro, thus accounting for 27% of total Italian foreign direct investments for the same period.

Although the vitality of Italian investors seem to have dropped compared to previous years – possibly due to the global political scenario – the areas of greatest interest are mechanical products, textiles, footwear, plastics and wood. Nevertheless, as of today, most investments tend to focus on the banking sector rather than the industry.

As of today, the areas that seem to provide the greatest investment opportunities are transport and logistics in addition to financial services and real estate.

▪ ***Italian presence in Hungary***

The Italian contribution to the local economy is considered to be crucial for the Hungarian geo-political framework in its attempt to find an economic outlet to contact the countries of the Mediterranean basin as a means to ease the German contribution and the country's dependence from Russian markets especially for raw materials.

The Italian presence in Hungary has evolved only recently and it is estimated that, as of today, approximately 10,000 Italian citizens have taken residence here. Starting from the Nineties, a core of small and medium sized enterprises originated an economic network that today can count on over 1,000 mixed companies (with total investments performed for over 1 billion dollars and a labour force of over 30,000 staff).

Nevertheless, despite the ongoing growth of trade exchanges between Italy and Hungary, Italian investments have underperformed compared to the opportunities provided by bilateral relations. The estimates provided by the Italian Ministry for the Economy forecast a total amount of yearly foreign direct investments in Hungary for 3.5-4 bill. Euro. In the classification of investor companies issued by the Hungarian Central Bank, Italy ranks tenth, although its position may improve following

the recent acquisitions in the banking sector and the upward economic trend now witnessed by the Country.

Broken down by sectors, Italian foreign direct investments focus on manufacturing industries (40.8%), the financial sector (14.1%) energy generation and distribution (5.6%) and transports and telecommunications.

According to a survey on foreign companies with Italian interests by Reprint-ICE, in 2004 there were 181 such companies in Hungary, employing 15,500 staff and generating a turnover of approx. 2.6 bill. Euro.

Conversely, UIC data reveal that for the 1995-2004 period the net Italian flow of investments to Hungary amounted to almost 298 billion Euro.

With reference to the Veneto, foreign direct investments made between 2001 and 2004 totalled almost 27 billion Euro, while the regional contribution to total Italian investments amounts to 21% for the same period.

#### ▪ ***Italian presence in Serbia***

In the Balkan area, Serbia is the Country that offers the greatest opportunities for Italian enterprises: this is due to the size of the market, the gradual opening of the economic sector and the good relationships that Serbia has traditionally held towards Italy.

The fields in which the Italian contribution is more deep-set are infrastructure/constructions and the utilities sector (energy, water, telecommunications).

The data released by the Serb Central Bank on cash investments alone for the January-November 2005 period, Italy ranks 14th amongst the investor countries with 19.55 million US dollars. Its ranking has improved by one point amongst the Countries that have invested in Serbia since the beginning of the transition process.

These data do not include the important takeover operation by Banca Intesa over Delta for 350 million Euro, which is the second major foreign investment performed in the last 5 years.

UIC data on the Union of Serbia and Montenegro reveal that net direct investments exceeded 16 billion Euro from 1995 to 2004. Data for the Veneto are only available for the 2001-2004 period and show that investments amounted to 6 billion Euro, accounting for almost 40% of total Italian investments for the period.

This last data alone eloquently describes the extent of the Veneto's contribution to the development process witnessed by Serbia; it also restates the interests of both parties in reinforcing their already close cooperation for trade purposes, as Serbia represents an important logistics crossroads while providing clear investment opportunities, thanks to labour costs that are still much lower than those available in neighbouring European states and thanks to a gradually increasing domestic demand in the market.

## Focus. The presence of entrepreneurs from the Veneto in Romania

Italy is Romania's chief trade partner. In addition to being an important outlet market for trade, Italy is well positioned in terms of investments. Data released by ISTAT (the Italian statistical office) shows that Italy ranks first amongst Romania's trade partners in terms both of imported volumes and exported volumes and fifth in terms of foreign direct investments in Romania.

Relationships between the two countries have consolidated also thanks to the remarkable presence of Italian companies in Romania, mainly hailing from the north-east of Italy.

A survey on the position of the Veneto's enterprises in Romania performed in 2005 by the Foreign Centre of the Chambers of Commerce of the Veneto in collaboration with Antenna Veneto Romania and the Veneto Region, from 1990 to the end of March 2005, there were over 11 thousand Italian enterprises located in Romania, of which 22% came from the Veneto<sup>91</sup>. In most cases, the Italian businessperson had full control over the company and, when there were more than one partner in the company, all partners tended to come from the same geographical area (Veneto, Lombardy, etc.).

In 2005 there were 2,587 companies from the Veneto operating in Romania, most of which were small and medium sized businesses.

As to their legal structure, the Romanian regulations are apparently quite similar to Italian regulations and envisages similar types of company, which can be made up of mixed Romanian and foreign capital or fully held by foreign capital. 97% of Venetan companies are legally incorporated as limited liability companies (corresponding to the Italian S.R.L.s, with 2,502 companies as an absolute value), 2% are joint stock companies (corresponding to the Italian S.p.A.s, approximately 64 companies), while the number of limited partnerships (corresponding to the Italian S.a.s.) is irrelevant. The prevailing number of limited liability companies is connected to the greater flexibility ensured by this type of company both in terms of incorporation – as they can even be set up by just one person – and in terms of management, due to the presence of a Board of Auditors.

In terms of benefited sectors, Venetan companies mainly operate in the field of services (real estate, transport, tourism and consulting in general), accounting for 30% of the total in 2005, followed by the secondary sector (clothing, footwear, metal-mechanical industry, paper and chemicals) representing 29%, distribution and brokerage for 20%, followed by agriculture and the agro-food industry with 10%. In greater detail, 395 companies work in consulting (15% of the total) and wholesale distribution (11%), while the contribution of Venetan companies in other sectors seems to be rather smaller and more evenly distributed, with the exception of chemicals, paper and plastic, and the electronics industry that do not exceed 2% of the total.

Over the last three years, the sectors that have benefited the most in terms of growth have been the services, agriculture and agro-food, and constructions, although the most remarkable increase was recorded by companies working in the real estate sector where figures have increased four-fold.

Venetan companies are present throughout the 41 counties of the Romanian territory, but seem to focus mainly on two areas: the north-west, namely the counties of Timis and Arad, where the first businesses were established, and the south-eastern area at the mouth of the Danube river. The county of Timis boasts the highest number of Venetan businesses (501, over 19% of the total), followed by Arad (13%) and Bucharest (10%). Nevertheless, over the last three years the trend is to gradually penetrate into the northern areas of Romania, in Transylvania and near the borders with Moldavia and Ukraine, probably due to the increased labour costs in the counties where Venetan businesses have traditionally settled.

As to the place of provenance, the four most important provinces in the Veneto in economic terms are Treviso with 633 companies (24.6% of the total), followed by Padua (21%), Verona (18%) and Vicenza (17%). The number of companies hailing from Venice is much smaller (305, namely 12% of the total), while Rovigo and Belluno are underrepresented. No province boasts locations in all the Romanian counties. It is more common for one specific county to be the destination of companies from one, two or three provinces at the most, such as the case of the county of Harghita where the businesses from the Veneto all come from the Province of Padua.

In Romania, these companies employ over 39 thousand staff, namely 14% of the total staff employed by Italian companies (over 277 thousand units). Most of the labour force is employed in Timis (over 7,000 staff) and the city of Timisoara alone accounts for almost 60% of the whole workforce employed in Italian companies, against 5% of the capital city Bucharest. It is no chance that the unemployment rate here is lower in areas where there is a larger concentration of Venetan enterprises. According to the National Employment Agency, the counties where the unemployment rate are lowest are Bihor (2.2%), Timis (2.3%), Bucharest (2.8%) and Arad (3.1%).

On average, the companies where part of the capital comes from the Veneto employ 15 staff, showing how the trend for these companies is to set up small businesses in Romania. A significant number of businesspeople decide to incorporate micro-enterprises (1 to 9 employees), due to the favourable tax conditions applied on companies employing less than 10 staff compared to larger companies.

In terms of turnover, in 2003 the Venetan companies gained over 458 million Euro and it is in the county of Timis that the greatest turnover was recorded (25% of the total).

The reasons that lead businesspeople from the Veneto to start up new companies in Romania have deeply changed over the last years. The trend to delocalise production processes due to lower labour costs and geographical proximity are no longer sustainable business strategies, as Romania is experiencing an economic growth that will increase when it enters the European Union (expected for 2007). The attempt by Venetan companies to take a leading position in most sectors and in most Romanian counties mirrors their efforts to ensure the direct access to all neighbouring and domestic markets, thereby enhancing their position in the country.

<sup>91</sup> By 'companies from the Veneto' we mean companies that were legally incorporated in Romanian and where there is at least one physical or legal personality coming from the Veneto (the provenance is understood as being their place of residence). This means that the survey included also companies in which the partner from the Veneto has minority interests in the company.

## VII – BUSINESS ENVIRONMENT AND BUSINESS SERVICES IN ROMANIA, POLAND AND HUNGARY

### 1. Services Supporting Entrepreneurship in Romania

*by the Chamber of Commerce and Industry of Brasov, Romania*

- **Fair Network.** The Foundation for the Entrepreneur Assistance from Romania and general information, founding members, results, addresses in the country (<http://www.fair.ro>)
- **The Association for Development and Innovation.** Organization promoting the innovative ideas for young development on rural areas from Brasov (e-mail: [mihaela@inovatie.ro](mailto:mihaela@inovatie.ro))
- **CRIMM Foundation.** The Foundation “The Romanian Centre for Small and medium Enterprises”: services, programs of European Commission and for SME’s, local partners, IRC Romania (<http://imm.ro>).
- **The Romanian Association for Economic Partnership.** Develop the economic partnership relations between the Romanian enterprises and those French one and also the development of a formation activity through courses (<http://www.arpe.utcb.ro>).
- **SDNP.** Local development projects supported by the Organization of Unit Nations, on Gatati, Giurgiu, Iasi, Ploiesti, Tg.-Mures, Valcea counties. (<http://www.sdnr.ro>)
- **Central Europe Consulting Government Relations Romania.** It is the first company from Romania specialized in public business and lobby, established in 1995. (<http://www.cecgr.ro>)
- **National Agency for Professional Training and Occupation.** Presentation, services, legislation, labor market, territorial units, projects, activity reports, news, contacts. (<http://www.anofp.ro>)
- **National Agency for Employment of the Labour Force,** e-mail: [mass.media@anofm.ro](mailto:mass.media@anofm.ro)

## **2. The Business and Business Development Environment in Poland**

*by the Catholic University of Lublin*

In Poland the greatest category of companies are very small businesses, i.e. those that employ up to 9 persons, which constitute 95.06% of the total number.

The proportion of small businesses (10-49 employees) is 4.03%, of mid-size enterprises (50-249 employees) - 0.78%. Large companies (over 250 employees) are ca. 0.13%.

In the period 2001-2005 the number of business enterprises has steadily grown, at the exception of 2004, when there was a decrease in comparison to the previous year. In fact, during the period of 2001-2003 the number of micro-businesses set up decreased from 209.000 to 176.900.<sup>92</sup>

In 2001 the REGON register has received 209,400 new entries of new micro-companies. In 2004 there were still 82,100 business units active. In other words, 39.2% of the businesses set up in 2001 have continued their economic activity on the market for three years.

Companies which employed hired staff had an higher survival rate compared to those whose owners worked alone or with their family members.

Over half (53%) of SME entrepreneurs are of the opinion that Poland's accession to the European Union has had a positive impact on the Polish economy. The dominating opinion among entrepreneurs is that Poland's EU accession has not had an impact on the level of profits from their companies' the business activity. The preparations to function in the EU market make the entrepreneurs to invest in technical facilities. The second priority, although much less frequent, is investing in human capital (42%). About one third (32%) invest in innovations.<sup>93</sup>

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<sup>92</sup> Source: Own analysis based on the data of GUS, [www.stat.gov.pl](http://www.stat.gov.pl)

<sup>93</sup> A. Tokaj-Krzewska, S. Życiński (red.) (2006). Raport o stanie sektora małych i średnich przedsiębiorstw w Polsce w latach 2004-2005

### Available Programs and Support Services

Regional aid programs					
	Type of instrument	Eligibility criteria	Maximum amount of support	Competent institution	Procedure
1	Exemption from income tax (CIT) on income generated from business activity conducted in the special economic zones  Possibility of including the land chosen by an investor into the boundaries of the SEZ	Investment of at least EUR 100,000.  Investment exceeding EUR 40 mln or creating at least 500 new jobs.	Regional aid intensity ceilings are applied: - 50% of investment outlays, or - 50% of two-year labor costs of newly employed workers (exception: Kraków Technology Park SEZ, where the threshold is set at 40%) In case of SMEs, the maximum levels of support are increased by additional 15 percentage points.	Management board of the special economic zone  Minister of Economy	Permits for conducting business activity in the SEZ are issued by way of a tender or negotiations following a public invitation.  Changes to the boundaries of the SEZ are introduced in the form of an amendment to the relevant Ordinance of Council of Ministers. Draft amendment is submitted by the Minister of Economy.
2	Exemption from real estate tax: - possibility of decreasing the tax rate or full exemption for a specified period of time	Defined in resolutions of commune councils introducing exemptions.	Defined in resolutions of commune councils introducing exemptions.	Commune Council (Rada Gminy)	Exemptions are available only in certain communes, which adopted resolutions on exemptions. If all requirements set out in the resolution are fulfilled, the exemption is granted, but it is still necessary to submit an application to the local authority.

Labour market integration programs						
	Type of instrument	Characteristics	Maximum amount of support	Direct recipient	Employer's obligations	State aid
	Reimbursement of costs of equipment	- Reimbursement of costs incurred by employer. - Contract between the starost and the employer.	Amount specified in the contract, not exceeding PLN 12,643.10 -500% of an average remuneration in the national economy.	Employer	Full-time employment contracts for at least 3 years	
	Subsidized works	- Applicable only for the unemployed persons in special situation on the labour market*. - Reimbursement of a part of costs of remuneration, bonuses and social insurance contributions. - Contract between the starost and the employer. - Maximum subsidizing period: 6 months (reimbursement for every month) or 12 months (reimbursement for every second month). Exceptions for certain categories of unemployed - 12 or 18 months. - Bonus for continuation of employment.	Monthly amount specified in the contract, not exceeding: - ca.** PLN 615.84 per one full-time employee (amount of unemployment benefit + social insurance contributions on reimbursed remuneration), - ca. PLN 530.47 per one employee - in case of part-time (at least half-time) employment, (amount of 50% of minimum remuneration + social insurance contributions on reimbursed remuneration) - ca. PLN 1,060.94 per one full-time employee (amount of minimum remuneration + social insurance contributions on reimbursed remuneration) - in case of reimbursement for every second month (full-time employment). + extra lump-sum reimbursement of remuneration in the previously agreed amount, however not exceeding PLN 3,792.93 - 150% of an average remuneration in the national economy - in case of continuation of employment.	Employer	Full-time or part-time employment of the unemployed person in special situation on the labour market, delegated by the labor office.  +At least 6 month employment of a person directly after completion of the subsidised contract lasting at least 6 months, and after this period continuation of full-time employment.	

Apprenticeship	<ul style="list-style-type: none"> <li>- Acquisition of practical skills by an unemployed person to perform work by exercising specific tasks in the workplace without signing an employment contract with the employer</li> <li>- Applicable only for the unemployed under the age of 25 (in some cases under 27).</li> <li>- Maximum 12 months.</li> </ul>	The unemployed person receives a scholarship amounting PLN 521.90 - (amount of the unemployment benefit), paid by the starost.	The unemployed. Employer does not incur any costs of the apprenticeship or vocational training	Appointment of a tutor of the unemployed, realization of an apprenticeship or vocational training program specified in the contract, issuing an opinion containing information on performed tasks, obtained qualifications and vocational skills by the unemployed person.
Vocational training at the workplace	<ul style="list-style-type: none"> <li>Acquiring new qualifications or vocational skills by practical performance of work in a given post.</li> <li>- Applicable only for the unemployed persons in special situation on the labour market.</li> <li>- Maximum 6 months.</li> </ul>			
Reimbursement of the costs of social insurance contributions	<ul style="list-style-type: none"> <li>- Single reimbursement</li> <li>- Contract between the starost and the employer</li> </ul>	The amount specified in the contract, not exceeding PLN 2,697.30 PLN – 300% of a minimum remuneration for work	Employer.	Full-time employment of the unemployed person delegated by the labor office for at least 12 months. Continuation of employment after that period.
Training of the unemployed in accordance with employer's needs	<ul style="list-style-type: none"> <li>- Organizing and financing trainings for the unemployed by the starost.</li> </ul>	Partial or full financing of training cost	Training institution. Employer does not incur any costs of training.	
Reimbursement of the commuting costs	<ul style="list-style-type: none"> <li>- Reimbursement of the costs for the person delegated by labor office.</li> <li>- Maximum 12 months.</li> <li>- The person receives remuneration not exceeding PLN 1,798.20 (200% of the minimum remuneration for work).</li> <li>- Applied in case of employment, vocational training at the workplace or apprenticeship</li> </ul>			
Reimbursement of accommodation costs	<ul style="list-style-type: none"> <li>- Reimbursement of the costs for the person delegated by labor office.</li> <li>- Maximum 12 months.</li> <li>- The person receives remuneration not exceeding PLN 1,798.20 (200% of the minimum remuneration for work).</li> <li>- The time of journey to the workplace and the time of return to the place of permanent residence – total time exceeding 3 hours daily.</li> <li>- Applied in case of employment, vocational training at the workplace or apprenticeship</li> </ul>		Employee, the unemployed serving his/her apprenticeship or vocational training at the workplace.	Employment of the unemployed delegated by labor office or taking on for apprenticeship or vocational training.
Recruitment services	Free advice and assistance in recruitment.		Employer Unemployed	

\* Persons in special situation on the labour market (vulnerable persons): unemployed persons under the age of 25, long-term unemployed, unemployed above the age of 50, unemployed without vocational qualifications, unemployed single persons who bring up children under the age of 7, disabled unemployed persons.

\*\* Exact amount of reimbursement depends on the amount of contribution to the accident insurance, depending on the level of occupational hazard in a given trade.

### **3. Profiles of new enterprises from 2001 onwards in Hungary**

According to a recent survey of the Hungarian Central Statistical Office, between 1999 and 2003 active enterprises increased by 20 % in Hungary: in 1999 they were 580 000 and became 701 000 in 2003.<sup>94</sup>

Among these, sole proprietors of family companies had the highest mortality rate.

In 2003, 95% of the enterprises employed less than 10 employees.

The number of companies with less than 50 employees has risen by 20%, at the same time those with more than 50 employees have decreased. Medium enterprises with employees between 50-249 were only 0,7 % of the total and 0,1 % was the number of corporate enterprises (with more than 250 employees).

#### ***Main sectors of activity of enterprises in Hungary***

Regarding the economic sectors of enterprises 26.4% of them operated in real estate, renting and business activities, 23% on wholesale and retail trade, 10.1% worked in industry, 9.9 % construction, 7.3% in personal service activities, 5.5% in transport and storage. Education and financial intermediation have the lowest proportion among enterprises, however, the most significant increase in number was realised among them.

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<sup>94</sup> Demography of Enterprises, 1999-2003. Hungarian Central Statistical Office, 2006

**4. Működő vállalkozások száma gazdasági ág szerint**  
*Number of active corporations and unincorporated enterprises by industries*

**Vállalkozások demográfiája**  
 Egységes európai módszertannal végrehajtott vállalkozásdemográfiai felmérés

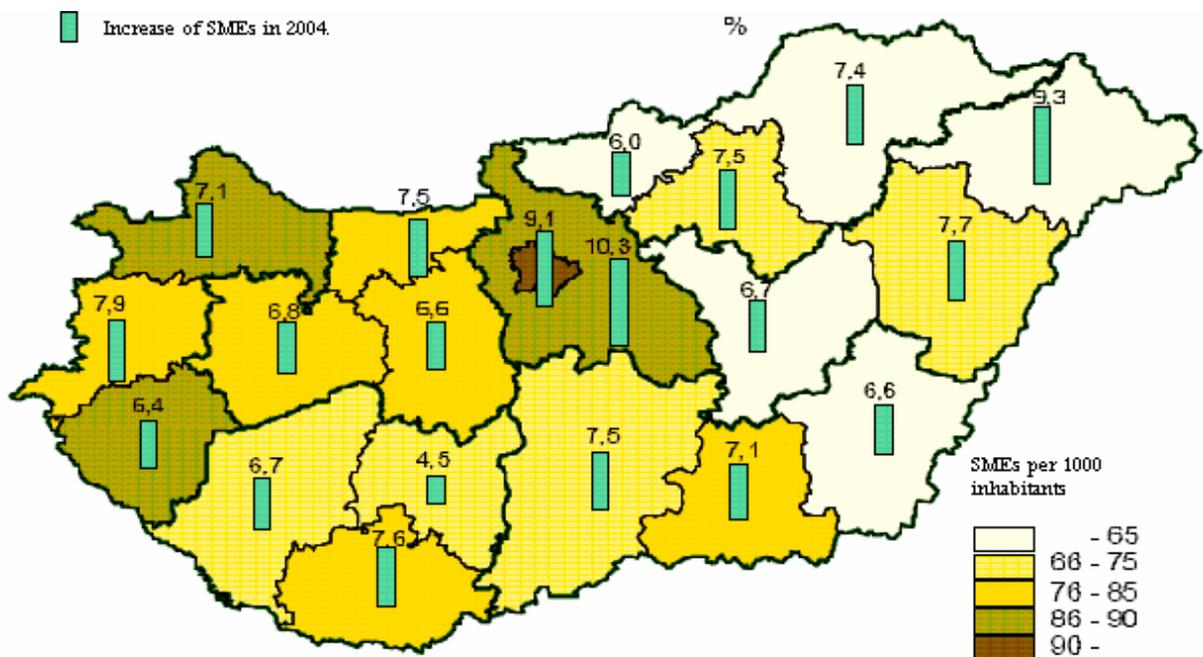
Kód Code	Gazdasági ág Industry	1999	2000	2001	2002	2003
A+B	Mezőgazdaság, erdőgazdálkodás <i>Agriculture, forestry</i>	25 880	26 775	26 531	26 154	25 246
C	Bányászat <i>Mining and quarrying</i>	316	348	416	435	433
D	Feldolgozóipar <i>Manufacturing</i>	66 845	69 104	70 584	71 841	68 560
	Ebből: – <i>Of which:</i>					
DA	Élelmiszer, ital, dohány gyártása <i>Manufacture of food products, beverages and tobacco</i>	6 764	6 881	7 034	7 108	6 956
DB	Textília, textiláru gyártása <i>Manufacture of textiles and textile products</i>	9 788	9 851	9 479	8 939	7 996
DC	Bőr, bőrtermék, lábbeli gyártása <i>Manufacture of leather and leather products</i>	1 274	1 269	1 373	1 132	935
DD	Fafeldolgozás <i>Manufacture of wood and wood products</i>	5 550	5 675	6 612	6 069	5 496
DE	Papírgyártás, kiadói, nyomdai tevékenység <i>Manufacture of pulp, paper and paper products; publishing and printing</i>	7 680	8 104	8 158	8 529	8 438
DF	Kokszgyártás, kőolaj-feldolgozás, nukleáris fűtőanyag gyártása <i>Manufacture of coke, refined petroleum products and nuclear fuel</i>	10	9	14	8	8
DG	Vegyí anyag, termék gyártása <i>Manufacture of chemicals, chemical products and man-made fibres</i>	844	853	798	786	731
DH	Gumi-, műanyag termék gyártása <i>Manufacture of rubber and plastic products</i>	2 608	2 655	2 485	2 513	2 432
DI	Nemfém ásványi termék gyártása <i>Manufacture of other non-metallic mineral products</i>	2 750	2 867	2 462	2 703	2 650
DJ	Fémalapanyag, fémfeldolgozási termék gyártása <i>Manufacture of basic metals and fabricated metal products</i>	10 480	10 977	10 484	11 096	10 621
DK	Gép, berendezés gyártása <i>Manufacture of machinery and equipment n.E.C.</i>	5 217	5 459	6 751	7 330	7 049
DL	Villamos gép, műszer gyártása <i>Manufacture of electrical and optical equipment</i>	6 540	6 807	7 161	7 531	7 463
DM	Járműgyártás <i>Manufacture of transport equipment</i>	828	851	816	841	833

- **Distribution of enterprises on the territory of Hungary**

The major proportion of enterprises i.e. 38% was placed in the Central Region – the capital and the surrounding county.

The other regions have 9-12 % proportion.

In the Central Region the distribution of enterprises per 1000 inhabitants was 95, in the Western regions it was between 63-69, the lowest number was in South-East regions 53-60 and in North-East Region with 49.



- **Services for investment and entrepreneurship support in Hungary**

The **Migrant Consultant Service** at the **Labour Offices** is the only service specifically designed for returning migrants.

Among the services of Labour Offices the following can have a special relevance for returning migrants:

- **Support for job creation to promote self-employment.** Through a bidding procedure, those unemployed may be given support who employ themselves outside regular working activity, including those who start their own business or join a business, and those persons who receive support to make the unemployed become entrepreneurs and employ

themselves as an individual entrepreneur, or as an active member of a business organisation, or as a primary agricultural producer, or as an entrepreneurial member of a co-operative. They must have their own capital necessary to start a business and assurances to secure the repayment of support.

- **Network of migration consultants.** The Labour Centres provide a network of consultants both EURES consultants and migrant consultants. Their main tasks are to provide immigrants with information on job opportunities, give support to immigrants in the official administration (e.g. job permit), helping returnees in reintegration
- The **Foundation for the Development of Small and Medium Enterprises** assist SMEs through regional and sub-regional networks. It provides support for business start ups, training of entrepreneurs, micro-credit management
- The **Italian-Hungarian Chamber of Commerce** promotes the common interests of Italian and Hungarian SMEs. The target group of the organisation is youths between 18-32 years. The financial support programme gives credit to youths who have a solid business plan but have found no sources to implement. Credit provision range from 400 to 4,000.00 EUR
- Also the **Foundation for LifeWire** targets the youth between 18-32 years of age. The financial support programme gives credit to youths who have a solid business plan but no sources to establish it.

## VIII. LESSONS TO LEARN: A POLICY AGENDA ON RETURN SERVICES

*by Veneto Lavoro*

This section will summarise the study indications into conclusions and will depict lessons that can be learned from the information gathered in the study, and from experiences worldwide.

On this basis, it will propose an integrated set of services to encourage temporary labour migration, highlighting enhanced options for return migrants to become economically active in their countries of origin.

Recommended policy options are clustered on two levels:

- general options to foster the mobility of labour migration within the European Union, and to steer its contribution towards local development through entrepreneurship;
- specific proposals for the follow-up of *Migralink*: a package of innovative services that pertain to the promotion of entrepreneurship and local development patterns in the target areas of this project.

The set of services proposed herewith will have the form of **incentives**. Enforcing returns and mobility through rigid clauses in bilateral agreements on temporary labour is deemed to be likely to hamper development potentials rather than stimulating them.

### 1. Conclusions

Host countries have been traditionally prudent towards loosening their immigration policies, for fear that immigration can have a critical impact on social stability, and on raising social costs.

Worries notwithstanding, most developed economies rely on the presence of foreign workers, and their **governments in the European Union are becoming increasingly active in their efforts to attract immigrant labour**. They are easing restrictions on the entry of foreign workers and on the whole, also offering incentives through **targeted immigration programs**.

The governments' main focus is on attracting high-skilled immigrants who will stay for a limited period rather than on recruiting more low-skilled workers. Analysis of recent trends show that the highly-skilled are not only the most sought after people but also the most mobile: people who migrate within the EU are on average not the poor and uneducated, but the qualified in a position to afford the investment of expatriation.

For non EU nationals, the fear that if they leave the host country they won't be able to re-enter it in the near future, seem to have a clear adverse impact on the mobility of migrants between home and host contexts.

The project countries that *Migralink* regards as origin countries are Poland, Slovakia, Hungary, Romania and Serbia.

The mobility of workers from all of these countries, at the exception of Serbia, to Italy is, or will in the near future be, regulated as EU internal mobility.

This implies that **the services that *Migralink* aims at conceiving** in order to foster international labour mobility and steer migrant entrepreneurship and investments, **will mostly target people** who are or will soon be **free to move and access labour markets within the Union**, without concerns as of their future entitlements.

The absence of entry restrictions is deemed to be an encouraging factor for the success of services that promote returns and a more open circulation of migration flows. Available evidence from the last two years' experience in the UK suggests that the right to access the labour market freely depresses the tendency of immigrants to overextend their residence and is conducive to an increase in temporary immigration.

It is a fact that **conventional categories of one-way migration**, or one-way emigrations and one-way returns, **seem to be giving way to a progressively more open mobility of migrants**, who maintain close linkages with their origin countries, both making return there or contributing to their development from abroad.

There is some evidence that **temporary migrants remit more money to their home country than permanent migrants do**.

Similarly, skill transfers may be facilitated if there is repeat migration between host and home countries.

Generally, **temporary migrants are less likely to sever their ties to the home country and therefore potentially more prepared to invest in their country's development**.

**Entrepreneurship is a key driver of local economic development**. The establishment of new enterprises, provided they are active and have sustainable business plans, expands employment demand and contributes to economic growth.

Sponsoring the entrepreneurship potential of migrants may be a challenging undertaking but one that may lead to positive results, if it is well guided: the **increased mobility** in the international labour market that the study maintains is currently taking place, **opens up more opportunities to link returns and mobility with entrepreneurship, and ideally to bridge productive efforts in different countries**, building on the double belonging and context knowledge of people on the move.

**The initiative of migrants can be directed towards entrepreneurship upon return in their home regions**, thus promoting self-employment and possibly creating new jobs, **but also in the host country, including to finance trans-national partnerships** for entrepreneurial opportunities in the business and trade sectors.

Qualitative analysis suggests that **returning migrants who opt for establishing a business at home often do so in continuation of investments or employment experiences they made abroad.**

The outputs of empirical research studies that have been taken into account in this study also suggest that **migrants who plan to be self-employed upon return usually work longer and save more while abroad.**

**Pre-departure access to information in home countries** concerning employment opportunities abroad and available support to start up a business **is** indicated by interviewed migrants as **essential to help people plan ahead their migration project and prepare for future investments.**

**Stimulation of entrepreneurship upon return or from abroad may soften the mixed effects that migration can have for origin countries.**

Amongst positive repercussions we may count:

- Inflow of remittances and foreign exchange: about 126 billion dollars were transferred through formal channels worldwide in 2004, according to the International Monetary Fund
- Possible containment of unemployment
- Remittances devoted to family support, reducing social costs
- Investments and venture capital from diasporas
- Increased trade flows with host countries
- Contributions of diasporas, promoting local development
- Boosting of the country's human capital

As of possible negative effects:

- Loss of highly skilled workers and reduced growth and innovation capacity
- Insufficient return from public investments in public education
- Risks related to the insurgence of a remittance dependent economy

An increasing number of **bilateral agreements** between sending and receiving countries, at different government levels, allow for governments **to tailor migration to the specific supply and demand needs of the countries involved**.

The European Union's current emphasis has been placed on having a coherent and integrated approach to migration and development issues, via partnerships with developing countries.

The **indications of the European Commission** and other concerned international institutions **hold it that origin countries stand to make more gains from the temporary and circular migration of their citizens than from their permanent departure**.

**National and regional governments, as well as international actors like the International Organisation for Migration, have already developed programs to assist returnees in business activities.**

As of the focus of this study, returning, circular and circulating migration, it remains difficult to assess their overall effects on local development as there is a lack of data and evidence available concerning both the extent to which return migration is occurring, and the characteristics and implications of the return of workers to countries of origin.

However, we can draw general conclusions on the occurrence of return migration, and in the Lessons to Learn chapter we will attempt at incorporating useful indications from the returnees who were interviewed in origin countries.

As of the quantification of the phenomenon of return and circular migration, **available data are not accurate** and structured enough to assess it precisely; **estimated indications however hold it that return migration is on the increase in Europe**. Cancellations from labour registers and the increased demand for support that labour offices and non governmental organisations in origin countries have been allegedly receiving over these last years, seem to confirm these indications.

**Concerning return migration from Veneto**, rough assessments can be made counting the notifications of immigrants to register offices that they are leaving to a foreign country. More

adjustments in the registries are a consequence of verifications regularly undertaken by municipal offices that individuals actually reside where they have declared they do. However, it is not too often that people announce their departure officially, and on top of that, cancellations indicate that individuals are gone abroad but do not specify whether they have returned home or have moved somewhere else. On the whole, **data on return remain largely unavailable.**

As it occurred in the countries that have opened their labour markets to EU8 workers since 2004, a **substantial increase in the number of EU8 immigrants** may be **expected to take place in Italy as a direct consequence of its decision in July 2006 to lift restrictions in the access to its labour market** by EU8 nationals. The same freedom of access is expected to apply to Romania after the 2007 accession round.

This would be a potentially positive scenario overall: the **migration flows following enlargement have had positive effects on the economies of UK, Ireland and Sweden**, although a limited percentage of EU8 migrants elected Sweden as their host destination: the 2006 Report on Enlargement of the European Commission maintains that new Member States nationals positively contributed to labour market performance, to sustained economic growth and to better public finances.

The level of education and skills of the resident labour force from the EU8 Member States is above the national averages, with a **high enterprise creation rate by EU8 nationals all over the EU, including in Italy**, which reinforces the indication that it is mostly the educated and the skilled who emigrate from EU8 Members States.

It is presumable that highly skilled workers from EU8 Member States may further contribute to business creation and perspective economic and employment growth in both host and home communities.

As of trends in the duration of immigration from new Member States nationals, the UK data system registers a **clear tendency of EU8 nationals to seek temporary rather than long term employment.**

Indications on nationalities report that **Poles** have manifestly been **the most active so far in seeking labour in other EU Member States**, followed at some distance by Hungarians and Slovaks.

## Focusing on inflows to Veneto of workers from new or perspective EU Member States in South and Eastern Europe.

At the inauguration of 2006, 6,1% of the resident population in Veneto was of foreign origin.

**New immigration movements are mostly composed of country nationals from Central and Eastern Europe**, who make up to 45% of all foreign population in the region.

The average profile of new immigrants depicts **youth in a working age**: 43% of all foreigners in Veneto is between 25 e 39 years of age.

In 2004, 107.691 residence permits were issued in Veneto to nationals from Central and Eastern Europe, official category that includes Albania, Serbia, Montenegro, Bosnia-Herzegovina, Croatia, Macedonia, Moldava, Poland, Romania, the Russian Federation, Slovenia, and Ukraine.

**Romania (12,82%) and Serbia and Montenegro (6,41%)** are the first and the second country by number of presences; **Poland has 1,35% of the total resident permits issued in 2004**.

In 2005, 43.093 Romanians resided in Veneto, 21.468 Serbs and Montenegrins, 3.410 Poles, 636 Slovaks, and 559 Hungarians.

Immigrants from **Morocco, Romania, Albania, Serbia and Montenegro**, together with the **Chinese**, account for 66% of the total foreign presences, and since 2003 represent the **5 most numerous foreign nationalities** in the region.

The localisation of the foreign population in Veneto shows a **concentration in industrial areas**, where a positive labour demand and the availability of accommodations encourage migration chains and the subsequent insurgence of national immigration networks.

In general terms, immigrants favour **big metropolitan centres**, as compared to smaller cities.

In 2005, about the 66% of the immigrant population lives in the industrial provinces of Vicenza, Treviso e Verona, although immigrants are gradually expanding also in the other provinces of Veneto: Padova, Venezia , Rovigo and Belluno.

**Romanians** are mostly in the provinces of Padova (30%), Treviso (23%) and Verona (22%). Immigrants from **Serbia and Montenegro** are mainly concentrated in the area of Vicenza, where 54% have their residence.

Each province, thus, has peculiar characteristics as it pertains its foreign residents: in the province of **Padova**, citizens from Eastern Europe amounted to 70% of all foreign residents in 2004.

Similarly, in the territories of **Treviso** and **Venezia**, Eastern Europeans account for 34% e 31% respectively of their immigrant population.

In the province of **Vicenza**, Serbs and Montenegrins are the most numerous Eastern Europe community, the presence of immigrants from different continental areas is more balanced: the top five nationalities account for less than half of the foreign population.

In the area of **Belluno**, immigration from Eastern Europe account for 55% of the total foreign residents, but the first three communities are Moroccans, Albanians and Chinese, that registers the highest increase in presences in the province.

Amongst industrial areas in Italy, the **productive enterprises of Veneto show an increasing inclination to employ foreign labour force**, highlighting a concrete need for immigrants.

Most immigrant are employed in the **private sector**.

With regard to the sectors that mostly employ foreign immigrants, 45% of subordinate workers employed in the private sector work in the **industrial mechanic compartment** (19%), in **constructions** (14%), and in the **fashion industry** (12%).

In 2005, **immigrants with entrepreneurial responsibilities** still accounted for 4% of the total labour force in Veneto, but registered a regular annual increase by 15% in stock numbers, as they were 19.000 in 2001 and became 29.000 in 2005. Immigrants in responsible positions within local enterprises are particularly present in **constructions** (30%), where they cover approximately the 9% of the entire sector in Veneto, **trade business** (29%), by 5% run by foreign residents, and the **manufacture** sector (15%).

**Romanian entrepreneurs** increased in numbers by 70% in 2004, outnumbering Albanians. Romanians and Albanians are mainly active in the construction sector, while Romanians, **Serbs and Montenegrins** prevail as business service providers.

Poland, Slovakia, Hungary and Czech Republic account for approximately 1.3% of the total number of **foreign companies registered with Chambers of Commerce**. Polish business activity is by far the largest in Veneto. Bosnia-Herzegovina, Romania and Serbia-Montenegro account for approximately 14% of all foreign companies registered.

### **Synopsis of current emigration trends in Poland and Romania**

It is important that policy and services on migration take account of the existing factors, contexts and dynamics that influence migration in both the receiving and the sending regions. We will depict current trends in Romania and Poland. Further information and analysis would be necessary to sketch indications on migration from Serbia, Slovakia and Hungary.

We would particularly like to highlight that Serbia should be a clear target for *Migralink*, in light of the increased number of Serbian nationals who have been entering Veneto in recent years (one third of all Serbs living in Italy reside in Veneto), mainly concentrated in the province of Vicenza, and of the indications of this study on the strong tendency of Veneto entrepreneurs to invest in Serbia. We therefore strongly advise project stakeholders to undertake the necessary efforts to investigate further migration trends and features from and back to the country.

Looking at **Romania**, almost **one fifth of the labour force works abroad**.

The **temporary character of labour outflows to Italy** has the peculiarity that **individual migrants are often part of a network composed of relatives or friends who live in the same locality and work in the same position**: individuals spend in Italy 2-3 months on average every year, after which they tend to have their position at work replaced by a member of the same network. This is a way to elude the 3 months limit of residence abroad set by Romanian law for nationals who do not have residence status in the host country, but may also be an interesting system to enhance the benefits of temporary migration projects, as it collectivises migration risks and revenues. It could for instance channel individual remittances into larger saving availability that could be steered into productive investments. And, by establishing a solid immigration network, it is likely to mitigate the difficulty of integrating into a host society.

The main regions of origin are the most developed areas of the country: the Northern part of **Transylvania** and Western **Moldavia**. Emigrants mostly come **from big or mid sized cities**.

Most emigrants are educated **young people, who regard expatriation as a temporary experience** abroad, to study, maybe specialise, and undertake temporary work

The **main destination country** is **Italy**, with a 26% share on total emigration, 50% of which is composed of women.

According to the national employment services, and to a number of field studies, the **propensity to return is on the increase**: the services are allegedly receiving a growing number of requests for job placement in Romania from their nationals abroad. A recent study appreciates that *“in 2006 the Romanians number with repatriation intentions is growing by five-six times than two years ago”*.

When people return home they rarely work in the same employment sector they were active in while abroad. In most cases, they take up more qualifying positions, treasuring the experience or the savings made abroad.

Interviews with returnees suggest that before embarking in emigration abroad, migrants who are not from Bucharest tend to verify the possibility of moving somewhere else in the country, most often the capital city.

Although it should be highlighted that the champion of interviewees was not representative, some indications can be detected as of the **propensity of Romanian returnees to entrepreneurship**: in most cases interviewees reported to would like to establish a business upon their return home, or even better to set up a business in the host community. This seems particularly relevant for those who were employed in or run a business in their host country. The main constraint in leading intentions into practice is indicated in the fact that their savings “*are not enough and the credits are difficult to obtain; only real property is accepted as guarantee, the risk is too high*”.

If we look now at outflows from **Poland**, the growing emigration trends that the country has been registering since the late '90s have continued following EU accession, with **EU Member States becoming the preferred destinations**.

Traditional emigration to Germany continue, specially of seasonal workers from the Polish regions along the border with Germany, but flows have been since 2004 heading in **increasing numbers towards the UK, Ireland** and to a lesser extent, Sweden, the three **countries that did not impose limitations to the access of EU8 workers**.

The **average emigrant today is a young and well educated person**, who either intends to study abroad or is ready for a limited period of time to take up non qualified positions in the host country, as waiters, bartenders, bus and taxi drivers, or are skilled professionals who will be employed abroad in sectors for which the host countries have launched programs to attract foreign labour. A typical example is the health sector. The percentage of female emigration is clearly on the increase.

According to a recent World Bank report on labour migration from new EU Member States but also to UK available records,<sup>95</sup> **migration from Poland is predominantly short term**. A significant part, 60 to 70% of all temporary migrants from Poland between 2003 and 2004 stayed abroad for less than 12 months.

Since Poland's accession to the EU, the quantity of remittances has constantly been increasing, although inconsistently across the country: the **Opole sub-region, where one third of the population has double German and Polish citizenship and has unlimited access to EU labour markets, registers the highest shares of remittances**.

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<sup>95</sup> Labour Migration from New EU Member States World Bank EU8, Quarterly Economic Report, September 2006

Of the 55 returnees who were interviewed, 45.5% declared to **invest their remittances** mostly for family consumption, and to increase the quality of everyday life, 14.50% said their savings are in a bank account, and less than 2% allegedly intend to invest in a business initiative.

**Migration to Italy has increased since 2004**, although Italy in 2004 had imposed currently lifted restrictions in the access to its labour market.

The voivodships with the **highest emigration rate** are in the **South Western part of Poland**: Śląskie (Silesia), Dolnośląskie (Lower Silesia), Opolskie (Opole), Małopolskie, **and from the North**: Pomorskie (Pomerania).

The voivodships of Świętokrzyskie and Lubelskie (Lublin region) have the lowest emigration rates. However, the region of Lublin has peculiar migration features, as its emigration is by large labour driven, being a very poor area, and simultaneously the region attracts legal and illegal labour immigration from Poland's Eastern border, mainly from Ukraine.

## 2. Lessons to Learn

- ***Lessons from the EU Enlargement: post-accession mobility of new Member States nationals from the perspective of a host country***

Evidence from receiving countries seems to argue in favour of lifting restrictions on labour migration from countries in South and East Europe.

According to the 2006 Accession Monitoring Report recently released by the European Commission, the **economic impact** of these movements has been **overall moderate**. Foreign workers have tended to supplement rather than replace domestic labour. The **majority of flows are of a short-term nature** with no visible fiscal implications for the receiving countries.

A recent qualitative and empirical survey in the UK, one of the three EU countries that did not apply labour access restrictions to nationals of EU8 Member States after the 2004 enlargement, report that emigration from these countries is mostly economically motivated. Specially the youth look at emigration as an opportunity to earn some money, gain profitable experience and skills, and return home with brighter career prospects.

**The Italian decision** in July 2006 **to lift restrictions** to labour market access for nationals of EU Member States from Eastern Europe is **deemed to lead to further increase the already high**

numbers of new comers from new Member States, which is expected to bring benefits to development and employment dynamics in the country.

**From the sending countries' perspective**, following accession a large number of emigrants have tended to be younger and relatively well educated people, with good employment prospects in their home country. This has led to skills shortages in several sectors, health professionals as well as qualified labour in construction and in technical professions, but there is no clear indication of serious brain drain risks.

▪ ***Useful lessons in the opinions of returnees interviewed in Poland, Romania and Hungary***

**Better assessments of both temporary and long-term demand for skilled personnel** are needed in both countries of origin and destination.

A serious obstacle to the decision to return home is indicated in **poor information on vacancies and poor placement services**. The mismatch of demand and supply, and of possessed and required qualifications, makes it difficult for both employers and employees to make their complementary need meet.

The **limited availability of credit, or the challenging conditions to obtain credit**, are indicated as adverse conditions that hamper the otherwise strong propensity of returnees or of diasporas to invest in business activities.

### **3. Policy Indications**

▪ ***Recommendations for future action in the migration-development realm of this study: policy indications to encourage intra EU migrant mobility and their contribution to local development***

Incentives to promote return and the beneficial effects of migration include

- the strengthening of knowledge, trade and investment linkages between the societies of origin and their expatriate communities
- the availability of effective support to migrant entrepreneurship and to the internationalisation of business and trade via programs and services launched by Chambers of Commerce
- favouring the insurgence of diasporas associations

- making further efforts to align migration and development policies in the definition of regional operational plans, including investigating the grounds for lining up aid funds with migrant investments and initiatives in their home communities
- investigating further the possibility to channel the savings of migrants into credit schemes to finance the initiatives of migrants in both host and home contexts
- the expanded recourse to bilateral agreements regulating temporary labour migration
- Improving databases on labour migration on a bilateral basis, pending results of current efforts at European Union level

It is deemed beneficial for both countries of origin and destination to establish additional **temporary labour migration programs**, attracting foreign workers in needing sectors, in accordance with the dynamics of labour markets, and with actual individual qualifications.

Agreements between countries within the EU will benefit of eased entry and recruitment formalities, but would still be beneficial to steer labour flows into concrete labour and development dynamics.

Rather than rejecting temporary migration programs because of the difficulties and the potential counter-effects of their implementation, governments, employers, trade unions and other stakeholders should focus their attention on the effective design of such initiatives.

The Programs should be discussed bilaterally by representatives of origin and receiving territories. Provisions should tackle the necessity to facilitate the reintegration of migrants in the home labour market upon return, giving result to incentives conducive to self-employment and enterprise creation. This includes informing diasporas of available credit and skill facility opportunities.

Also, temporary programs may include clauses that, instead focusing on one-way emigrations and one-way returns, would boost the circularity of migration and even circular movements between two specific territories.

In addition, host countries should complement the recruitment of skilled personnel by supporting the formation of human capital in origin countries if shortages are in sectors that risk brain drain effects.

**Governments and the private sector** should jointly review existing obstacles to professional mobility, with a view to removing those that are preventing enterprises from deploying the resources they need, and human resources to be able to respond to the demand of the private sector.

Bilateral agreements regulating temporary migration **may be discussed and concluded at central level, but also at the initiative of pro-active regional authorities, or between central and**

**regional bodies**, specially if one of the countries involved has an advanced decentralisation process.

**Improving databases on labour migration on a bilateral basis**, pending results of current efforts at European Union level, would be very important to base programs on actual dynamics. As a generic indication, migration records data should work towards ensuring that the data refer to persons and not to issued documents.

**The possibility to channel the savings of migrants into credit schemes to finance entrepreneurship should be further explored.**

Remittances have the potential of supporting local development provided they are guided by appropriate policies. The extension of banking services and of basic financial training to families receiving remittances, the promotion of collective remittances for development purposes and the use of remittances as collateral to reduce borrowing costs in the financial markets are all strategies worth considering.

Migrants, including temporary migrants, could be offered specially convenient conditions of credit if they have invested in such (guaranteed) schemes. Or, migrants could use remittances as collateral guarantee to obtain credit for small scale initiatives. Moreover, issuing *migrant bonds* to be sold to migrants abroad, guaranteeing them a reasonable rate of return, as a number of origin countries worldwide already do, could increase the financial mass available for sponsoring community-based development projects.

Collective remittance systems may be encouraged to enhance chances to reach a dimension of savings that allow the start up of new initiatives. The family networks of Romanian temporary workers are very interesting in this regard, and support the belief that diasporas associations may play a crucial role in linking migration with development.

Channelling remittances into a credit instrument can provide access to credit not only to those directly receiving remittances but also to other households, thus leveraging the funds available and the potential for investment.

**Placing migration within the field of regional cooperation, and making it a central part of the efforts to promote economic relations between countries in the same region**, would be very important.

**Regional institutions have an important role to play** in this regard, for their vicinity and acquaintance with the specific necessities of their territory and of the actors on their territory, and for

their responsibility in the governance of development dynamics through the definition of regional operational plans. It would be important that the definition of development plans involves the largest audience of stakeholders, including immigrants.

Moreover, regional administrations in Italy have large autonomy in the **programming and destination of bilateral development funds**, that could be channelled into complementing the initiative of migrants, or to compensate the impact of emigration on source countries.

Opportunities for **regional dialogue** that take account of migration and its impacts on poor people and development are extremely important.

**Public and private partnerships**, including the migrants and their associations, may help promote the inclusion and contribution of migrants in development processes in host and home regions.

**Origin governments can promote** the contribution of their expatriates to the development of their respective countries by encouraging **the establishment of diasporas associations**, encouraging their contributions to bridge host and home regions and establish collective gatherings of funds to finance specific projects. Also, actively encouraging and supporting the formation of trans-national associations involving professionals at home and abroad may be particularly important to enhance knowledge exchanges.

**Chambers of commerce**, on their hand, have a critical role in devising programs and services that are open to migrants, concretely sponsoring migrants' investments in new business initiatives through credit schemes and the provision of business support training, linking the business communities in origin and host countries, including by launching joint trans-national programs based on the identification of common interests.

Targeting programs on migrants exclusively may have adverse consequences on the integration of immigrants in the society at large. Programs should to the maximum possible extent follow an inclusive approach and bring migrants to be active within societies, as an integral part of societies.

Most Chambers already have a mandate to promote trans-national trade and investments, with particular reference to bi-national Chambers. Within their regular programs, they are actively involved in networking, matchmaking, business facilitation, and the provision of commercial information, as well as market research, and export promotion assistance. Chambers of commerce also provide a link to the wider business community within a country or region.

Each of these activities provides an opportunity for diasporas' involvement in the promotion of business in countries of origin.

Providing assistance to immigrants in business start-ups can be part of return and reintegration programs, but also a way of channelling migrant investments from abroad.

Trans-national programs or home country programs that provide the same services to returnees may serve the same purpose.

On the whole, evidence maintains that trade linkages are a main route for the integration of trans-national communities. Migrants may like to embark in the commercialisation of products from their country of origin, of which they also major users, and their community abroad a small market itself. Expatriates are also often the major users of transport to and from the country of destination and of telecommunications services.

The degree to which migration enhance trade flows, foreign investments, and transfers of technology, is susceptible to policy interventions.

▪ **Specific indications for the follow-up of Migralink**

The set of services we recommend to establish to foster the mobility and entrepreneurship of migrants in the project area include:

- The progressive alignment of migration and development policies, including migration policy goals within the context of regional development plans
- The establishment of a Front Office in Veneto, with a mandate similar to that of existing structures in the Netherlands, that would collect and encourage the propensity of migrants to embark in business initiatives, in home but also in host communities, and ideally at the concurrent involvement of host and home territories, and with mixed national partnerships
- The scouting and comprehensive mapping of immigrant representations and associations, with a focus on the nationalities involved in *Migralink*, for services will likely accord priority to project countries, at least in a pivotal stage
- The scouting and comprehensive mapping of returnee associations and non governmental organisations who support returnees in origin countries
- Disseminating widely information on available opportunities and services for migrants, and on job openings

The migration-development nexus should be dealt with as a transversal community issue to be incorporated in the definition of regional development plans.

**Migration and local development policies should at mutual benefit identify shared objectives and a common vision.** Migrants may be encouraged to contribute to local development, and local development policies should take account of all social and economic dynamics on a given territory.

This study encourages the integration of migration issues into regular regional programming, looking at migration as a transversal feature that has an effect on the overall sustainability and development capacity of a territory.

Regional consultative processes are deemed to have an important role to play in promoting the integration of migration issues into local and regional development plans and fostering coherence between migration and development policies.

It is thus recommended that **the definition of Regional Operational Plans** in Veneto follows an expanded participatory approach that **involves immigrant representatives as important stakeholders** to consult during the process, and identifies the enhanced integration and contribution of migrants to local development dynamics as a priority. The support to **immigrant entrepreneurship** is part of this framework.

Rather than placing the burden of initiating local development patterns on single migrants, referring to migrant communities and networks is seen as a better option, as not all migrants are ideal candidates to become development agents.

Also, the recourse to migrant networks and associations may be an important mechanism to address and balance brain gain and brain drain opportunities and concerns.

The contribution of migrants can in fact be directed towards entrepreneurship upon return in their home regions but also in the host country, and incentives can include the sponsoring of **trans-national partnerships** for entrepreneurial opportunities in the business and trade sectors.

Moreover, enhanced cohesion in the definition of migration and development policy objectives would be beneficial to identify and allocate the necessary resources in a efficient manner.

**Resources to support migrant entrepreneurship in Veneto, upon return or integrating regional economies in host and home regions**, may come from

- the **financial resources generated by migrants**. In particular, immigrant associations can promote the gathering of collective savings to be used to co-finance the initiatives of their nationals, with a focus on local development initiatives in their home regions..

More analysis would probably be required to design implementing options, but the example of Romanian national networks could already be a reference to assess the activation of immigrant resources for initiating business activities in both host and home contexts: Romanian representations, local institutions together with business, trade and development bodies can pivotally discuss options to complement immigrant savings with local resources and credit availabilities for the financing of entrepreneurship.

A good initiative in this sense is the French *Programme Migrations et Initiatives Economiques*, a business support program with a return-oriented focus. The program provides training, support and funding to immigrants who wish to establish a business in

France or in their places of origin. Migrants can use their savings as a guarantee to obtain a loan, which is granted in local currency and conditioned to the actual productive investment of the loan. They can sponsor the start up of businesses in sectors that are of interest to the host region as well;

- **regional development aid funds, to complement the resources of migrants.**

The development cooperation service within the Region of Veneto can draw on the initiative and expertise of diasporas to plan and implement development activities in home countries, including to foster the economic integration of host and home regions.

With the support of local authorities and civil society organizations in countries of origin, diasporas can identify local development opportunities and translate those in concrete project proposals that could attract the investment of regional development aid funds.

Diaspora short business visits in their communities may be useful to this aim.

From its side, development cooperation services in Veneto may want to consult with regional services for social and economic development to try and foster to the maximum possible extent the alignment of development aid funds with local development priorities that involve a trans-national dimension. Aid funds can also be used to compensate the social impact that emigration can have on source countries, specially if skilled labour is involved: the support to the insurgence of social enterprises can be an interesting realm to explore in this regard.

Using bilateral aid funds to support the initiatives of migrants for the development of their home communities is an experience that other countries have been successfully implementing for a number of years now. We refer here especially to the France-Mali and France-Senegal programs, aimed at the co-management of migration flows and at the development of sending regions, but other initiatives exist, for example the *Tres por Uno* program between the United States and Mexico. In the US-Mexico case, for every dollar that a diaspora association contributes, one dollar each is contributed by a development aid agency and by the receiving municipal government.

- **Support services in Veneto**, being open to, instead of targeting solely, immigrants.

Following a similar experience in the Netherlands, **a Front Office can be established in Veneto** to collect and select specific proposals for making credit available for entrepreneurial projects, including at the initiative of migrants, with a clear trans-national dimension.

We opt for avoiding targeting services exclusively on the foreign segment of the population, for this raises a risk to arise resentment and be counterproductive for the integration of immigrants in the social contexts where they live.

The Front Office would single out specific proposals to recommend for funding, acting within set programming guidelines.

Programming guidelines would be agreed upon by representatives of the sectors of the regional government committed to business and productive development, Veneto Lavoro as the regional agency that deals with labour mobility, the regional development cooperation services, business communities and chambers of commerce, and managers of entrepreneurship support funds that are available at regional level.

Programming guidelines will be drawn taking into account the priorities and measures of Regional Operational Plans.

Guidelines will include geographical and sector priorities in accordance with the results of this study.

**Initiatives targeting countries in Central, Eastern and Southern Europe would be accorded specific relevance**, for they appear to be clear targets of the international investments and the internationalisation of productions by Veneto entrepreneurs, and they should help reinforce market integration, for the nationals of some of the countries in the area are present in high numbers and some are also active entrepreneurs in Veneto; for most countries in the region are or will soon be enjoying free mobility within the EU, which should facilitate project implementation, while also applying the EU principle of preference.

**Tasks of the Front Office:**

- undertake dissemination of information as of its mandate, goals and target audience
- serve as a Service and Advisory Centre for developing business ideas that have a trans-national dimension, facilitating contacts between diasporas and local business representations in both countries
- collect project ideas
- assess the feasibility and sustainability of project proposals, treasuring the experience made by the development cooperation services, and recommend selected ones for funding
- verify whether the FO can support the further affiliation of other services or enterprises in Veneto, or, through established networks, in partner countries. The country and trans-

national networks established by *Migralink* as well as existing linkages between diaspora associations and their home countries can be profitably activated in this regard

- advance proposals for regular fine tuning programming guidelines

**Source of funding:**

verify the availability of the resources of the *European Social Fund* to establish the **Front Office**.

**Partnerships** should be overall given preference as compared to individual initiatives.

**The financing of selected initiatives** will refer to the capacity of the FO to activate credit disposals at particularly convenient rates, but the FO shall also provide support to make selected proposals be funded by available entrepreneurship financing programs.

Credit conditions should be designed carefully. Special provisions may be studied for immigrants: they can be allowed to use the deposit of their savings as a credit guarantee.

Reference to national associations would probably be more effective, for they may be in a favourable position to sponsor the collection of a critical financial mass.

The availability of development aid funds to complement initiatives must also be carefully studied and designed.

In order to activate positive patterns of return, mobility and investments at the initiative of migrants, involved territories should warily design and launch joint **information campaigns**, to effectively reach migrants before departure, in Veneto, and upon return.

In particular, pre-departure access to information in home countries concerning employment opportunities abroad and available support to start up a business would help people plan ahead their migration project and prepare for future investments.

**Diaspora and returnees associations**, as well as local government or non governmental institutions that are in contact with migrants, can be extensively involved to get to migrants, and in the design of information campaigns. They can be important vehicles to establish a contact with and spread regular information onto migrants concerning available employment and self-employment opportunities.

The offices of **Chambers of Commerce** on their hand may provide detailed information on business opportunities and on available training and financial support. The availability of such services for migrants as well should be effectively advertised.

**EURES networks**, as reliable and locally-based information and advise sources, can serve as info points on available business incentives, and in disseminating information on work opportunities that remain unassigned in employment offices in Veneto.

## **Bibliography**

### **Annexes**

**Annex I - A Compendium on Migration and Development: Selected Practices Worldwide**

**Annex II - Questionnaires for qualitative interviews**