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THE MIGRATION OF LABOUR WITHIN THE CONTEXT OF AN ENLARGED EUROPEAN UNION: THE ECONOMIC CONSEQUENCES¹

Milan Vošta – Josef Abrahám*

RESUME

Migration has a positive impact on economic growth. It yields income to the migrants as well as to the host country's own inhabitants. However, both for the country of origin and the country of destination there are also certain costs to be taken into account. All these factors in turn influence the amount of people migrating, their quality and qualifications structure, labour market conditions, demographic profile and the economic development in each state. In the EU contradictory opinions prevail on the influence of immigration. Many people still suppose that immigrants are a great burden for the public sector, which is most visibly manifested in France, Italy or Germany. We will try to assess the contribution of views for and against these issues.

Key words: Migration, Member State, European Union, Economic Consequence of the Migration

Introduction

The influx of immigrants to the EU countries has been continuously increasing since the 1990s. Considering that only a very small percentage of EU inhabitants are mobile within the EU itself, this “outside” immigration makes up for the insufficient “inside” mobility. One of the main features of the current migration wave is the variety of immigrants, both from the point of view of their nationality, as well as from that of their reasons for coming to the EU. A large number of them are constituted by seasonal workers, intercompany transfers or

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the growing amount of mobile experts. Student mobility also adds up to this migration trend. Students often go to the developed countries in search of a better education. Amongst other features of the current wave of migration we can mention the fact that we encounter only a very small percentage of asylum seekers. One of the main reasons for migration is to join family members already abroad, followed by employment-seeking migration. There is also decreased trend of a constant migration, but on the other hand, there is a growth of illegal migration. It is precisely this type of migration for which the capital cities of the target countries are still attractive. Out of the total number of migrants the majority are men, even though in the last few years we may see increasing trend toward the feminisation of migration. Migrants' countries of origin are often neighbouring states, former colonies and other states within Europe. Examples of such colonial ties are Great Britain, where there are large numbers of immigrants from India; or Portugal, which was linked to Angola or Brazil. Further examples are, for instance, such links as Italy and Albania; Spain and Morocco; Finland and Russia.

The impact of migration on the labour market, as well as on the economy as a whole, depends on the age, education, and the length of stay of the migrant in the specific country. Migration can be more influenced by unqualified or seasonal jobs. The overall economic effects on the labour market are relatively marginal. Positive effects are: an increase in economic prosperity, in the host state as well as in the country of origin; wages for the migrant are lower than the added value he produces; existing economies of scale in specific production sectors. Negative effects are: the uneven distribution of capital income, the time horizon of migration, pressure on the health care and social system in the case of illegal migration.

Regarding the present demographic situation in most EU Member States, immigration is one of the ways to solve the problem of the shrinking labour force. Leading representatives try to coordinate the migration policy, which would ensure a concerted approach to, and legal framework for, immigration. This policy should not be based exclusively on the temporary needs of the labour market, but it should rather include and address the issues of human rights, equality and freedom from discrimination.

To which extent the states should conduct an open or restrictive migration policy is still subject to debate. It is necessary to search for a model which would correspond to the protection of human rights as well as to the democratic principles of the states. Restrictive measures taken by the states are

understandable as a security measure. But the level of these measures is crucial if they are to have a direct impact on illegal migration and organised crime.

To get a complex view it is crucial to mention also demographic and social factors. The impacts of migration on the states' economy differ in each case, so it cannot be seen as the only solution to address the problem of ageing population.

Migration has a positive impact on economic growth. It yields income to the migrants as well as to the host country's own inhabitants. However, both for the country of origin and the country of destination there are also certain costs to be taken into account. All these factors in turn influence the amount of people migrating, their quality and qualifications structure, labour market conditions, demographic profile and the economic development in each state.

1 Labour mobility in the EU

The chief characteristic of the European area is the generally low level of mobility of the population. Roughly 2 per cent of the European workforce was born in a different state in respect to the one where it currently resides. Mobility decreases with increasing distance. Within the regions almost 25 per cent of inhabitants move; however, only 18 per cent move outside their regions. About 4 per cent of the European population live in another EU member state and another 3 per cent live in countries outside the EU (Mobility in Europe - The way forward, 2007).

There are often comparisons made between labour mobility in the EU and the one in the United States, where 32 per cent of the population live outside the state in which they were born. Such comparison is, however, problematic. A more realistic view could be obtained by including migration between the individual regions of the EU Member States. The difference in comparison to the United States, then, would decrease with 21 per cent of the European population living in other regions (or in other countries). This difference, however, remains great, and it points to the existing potential for larger geographical labour mobility in the EU (Long-distance mobility in Europe: Getting the balance right, 2006). We must bear in mind, though, that in the United States the mobility is realised within a single federal state representing a single linguistic and cultural area. In the EU the overall costs of mobility are higher (Mobility in Europe: Analysis of the 2005 Eurobarometer survey on

geographical and labour market mobility, 2006).

The 2004 EU enlargement increased its population by more than 19 per cent, and the accession of Bulgaria and Romania in 2007 increased it by another 6 per cent. The Eastern enlargement of the EU was similar to the situation in the 1980s when Greece, Portugal and Spain joined the European Communities. Greece's accession in 1981 was the first case of the implementation of a seven year transition period before granting full freedom of movement of labour. A similar situation repeated itself upon the accession of Portugal and Spain in 1986. However, the originally planned 7 year transition period was, in the end, reduced to 6 years.

Time has shown that emigration from those three South European countries was negligible, both during and after the transition period. Whilst the number of Greeks and Portuguese living in other Member States has raised only slightly, the number of Spaniards living abroad has even decreased. Greece, Portugal and Spain at the time of their accession have already attained almost two thirds of the average GDP per capita of the EU, while in many of the ten new EU Member States the GDP per capita was lower than one half of the EU average, with Bulgaria and Romania having it lower than one third of the EU average.

In addition, the driving force of mobility after the enlargements of 2004 and 2007 could even be the geographical proximity. While Greece and Portugal did not have, at the time of their accession, any mutual borders with the EU, and France shared a border with the more prosperous regions of Spain, many of the new Member States bordered old Member States with much greater GDP per capita. (Evropská komise, 2008)

The accession of the countries of Central and Eastern Europe did not, however, lead to mass labour migration to the EU-15. It did lead to a growth of labour mobility from some of the Central and Eastern European Member States to the EU-15, but this migration flow did not cause any serious negative consequences on the labour markets of the receiving countries (Diez Guardia, Pichelmann, 2006). Given the open character of the borders with the EU it is fairly hard to confront precise data on labour mobility. It is a problem to statistically capture the inflow of foreigners, especially if they come only for a short period, for instance as seasonal workers, or if they are working illegally. The number of citizens of the EU-10 living in the old Member States of the EU-15 has since the 2004 enlargement increased by about 1.1 million, amounting to 900,000 in 2003 and approximately two million today. The number of citizens

of Bulgaria and Romania in the EU-15 has increased from 690,000 in 2003 to 1.6 million in 2007.

These figures are for this short period of time fairly significant. In the same period (2003 - 2007), for instance, the number of third country citizens living in the EU-15 has increased by about 3.4 million. Moreover, the number of EU-15 citizens living in other Member States has increased by more than 700,000. In relative numbers, the average share of third country citizens and those of the EU-15 living in the old Member States remains higher than that of the citizens of the new Member States. In 2007, the EU-15 citizens living in other EU-15 Member States amounted to approximately 1.7 per cent, and third country citizens living in the EU-15 made up approximately 4.4 per cent of the EU-15 total population. In comparison, the share of EU-10 citizens living in the EU-15 is about 0.5 per cent (up from 0.2 per cent in 2003), and the percentage of Bulgarians and Romanians in the EU-15 was 0.4 per cent (0.2 in 2003) (Evropská komise, 2008). The main countries of origin in respect to the EU-15 are mostly the other countries of the EU-15: Germans in Austria; French in Belgium; Germans and Swedes in Denmark; Swedes in Finland; Portuguese in France; French and Germans in Italy; Germans and Belgians in the Netherlands; French in Portugal and Spain; Finns in Sweden and Germans and Irish in Great Britain. The exception represents only Austria, Spain, Greece and Italy, where the percentage of foreign born citizens from the EU-12 outweighs the corresponding percentage from the EU-15. In Austria there live many foreign born citizens from the neighbouring countries (the Czech Republic and Hungary), but also from Romania and Poland. Romania is also the main country of origin in respect to Italy and Spain, with Bulgaria performing that role for Greece. Of the EU-12 countries, Poland is the main country of origin in respect to Great Britain (Geographic Mobility in the European Union: Optimising its Economic and Social Benefits, 2008). The greatest percentage of citizens of other old Member States can be found in Belgium, Cyprus, Luxembourg, Ireland and Spain. The highest numbers of EU-10 citizens reside in Ireland and Great Britain, which is caused mainly by the consequences of the migration flow resulting from the expansion of the EU. In Austria, the percentage of EU-10 citizens is around 1.1 per cent, but most of them already lived in Austria before their home states joined the EU. A large influx of Romanians (and to a lesser extent also Bulgarians) has been noted in Spain and Italy. Cyprus, Hungary and Greece are also host countries for a significant number of Bulgarian and Romanian citizens. The number of EU-15 citizens living in the new Member

States is at a very low level. With the exception of Cyprus, and apparently even Hungary, the number of EU-15 citizens living in the EU-10, Bulgaria and Romania, is only negligible and will not increase. This applies for EU-10 citizens living in other EU-10 member states, with the only significant exception being the number of Slovaks living in the Czech Republic. Hungary is a host to a significant number of Romanians, while Cyprus fulfils this role for Bulgarians. Movement from the EU-8 countries to those Member States which opened their labour markets immediately upon expansion peaked in 2006, and from that time onwards it has been dropping. Some Member States noted, upon opening their labour markets, a growth in the inflow of migrants from the new Member States. This applies especially for Spain, where the number of inhabitants from the EU-10 doubled (from 40,000 in 2003 to 80,000 in 2007). The number of migrants from the new Member States increased in Italy, Finland and the Netherlands.

Despite the growth in some countries, there was no increase in the free access to the labour markets by potential migrants from the Central and Eastern European Member States, and it did not cause any great disturbances on the labour markets of the old Member States. It did, however, lead to further divisions between individual states, albeit the total influx of migrants to the EU-15 did not change significantly. Even so, some countries, which did not limit the free movement of workers, noted only a small influx of citizens from the new Member States. Examples are Sweden and Finland, which recorded only a very small influx from the EU-10. Greece and Portugal, which opened their labour markets in 2006, have similar experience. Sweden and Finland were, until recently, also the only EU-15 countries which did not limit access of Bulgarian and Romanian citizens to their labour markets. At the moment the available information shows that it has not led to a growth in migration from those countries. What is more, it appears that there was no great increase in the migration flow from Bulgaria and Romania to those countries which became EU Members in 2004. On the other hand, in Austria the number of EU-10 citizens has increased in the past 10 years despite limited access to the Austrian labour market. A similar situation happened in regard to Bulgarians and Romanians in Spain and Italy (Evropská komise, 2008). This shows that limiting access to the labour market has some influence on the division of the migration flow within the EU, but it only postpones the achievement of equilibrium on the labour market, arising on the basis of the total supply of, and demand for, work. Differences in economic levels between the new Member States and the EU-15 have been reduced somewhat during the transition period, but the motives for migration

have not changed very much. The transitional limitation period imposed on the free movement of labour from the new Member States, then, only postpones the movement of workers, and deforms the direction taken by the migration flow to the EU-15. Consequently, this limitation could lead to the expansion of undocumented work. The transitional limits placed upon the free movement of workers could actually serve the interests of the new Member States, because it helps them to prevent emigration, insufficient labour or wage pressure from some sectors of the labour market (Diez Guardia, Pichelmann, 2006).

Among the EU-15 Member States, just as among the new members, we may encounter states with high level of mobility of their inhabitants, as well as those with lower mobility. The highest number of citizens, who in the past four years moved abroad, originates from Lithuania (3.1 per cent); Cyprus (3.0 per cent); Romania (2.5 per cent); Poland (2 per cent); Slovakia (2 per cent) and Bulgaria (1.7 per cent). Latvia and Estonia recorded a smaller (but still fairly significant) outflow. High mobility was noted in Portugal, Ireland, and to a lesser extent the Netherlands. On the other end of the scale, the Czech Republic and Hungary have a low level of mobility (around 0.5 per cent) (Evropská komise, 2008). Large part of the migration wave after the Eastern enlargement takes place during the transition period. Workers from several countries go to other Member States for a certain period of time, but they do not plan to stay there permanently. In 2006, there were more than 750,000 workers sent by their employers to work in another EU or EEA Member State, or Switzerland for periods of less than 12 months. Almost two thirds of these workers originated from the old Member States and one third from the new Member States. In relative terms, however, the workers who were sent abroad represented only 0.3 per cent of the population of the EU-15, and 0.5 per cent of the population of the EU-10 in the productive age. In regard to the new Member States, the highest number of workers was sent from Poland (200,000), and in respect to the old Member States from Germany (194,000). Belgium, Luxembourg, Great Britain and the Netherlands also sent significant numbers of workers. Most of the workers headed to the old Member States (up to 80 per cent). The highest numbers of these workers were received by Germany (150,000), followed by France, Belgium and the Netherlands. While the majority of workers going to Germany came from the EU-10 (mostly from Poland), the bigger part of the workers going to other Member States came from the EU-15 (Evropská komise, 2008).

2 Economic consequences of migration

The relationship between migration and economic indicators is clear. Waves of migration are influenced by economic factors and vice versa. Statisticians and prognosticators most frequently examine the rate of unemployment, annual changes in real wages per worker, the absolute level of GDP per capita, as well as the relative level in comparison with the EU average, in addition to the yearly relative growth of GDP. The relationship between economic indicators and migration manifests itself in the different EU countries with varying intensity. Different groups of migrants are influenced by different economic indicators. For some states the most important thing is the influence of migration on unemployment.

Economic factors are usually the most frequent motivation for migration. The immigrants bring with them human capital and the culture of their country of origin. The new knowledge and experience which they gain in the new country increases their human capital, and thus they profit from having emigrated from their home country. In the new country, however, they encounter new language and cultural barriers, which in turn reduces their human capital. According to some studies, income of the individual coming from a poor country to rich one amounts to only about 55 per cent of the income of the resident worker of the same age, sex and educational level. The level of human capital is also influenced by the institutions and policies of the host country. These have an impact on the level of income and productivity rate.

The contemporary global environment supports the movement of migrants seeking work, and “enables” employers to take on foreign workers as part of the strategy of minimalizing costs. The migration policies of individual EU Member States are becoming, accordingly, ever more flexible. More liberal policies are implemented, especially in the services, particularly in the hospitality, software, insurance, and finance sectors. The driving reason is the changing character of the labour market. Jobs which were in the past mostly situated in the industry and in the traditional working class professions, have shifted to the area of services. They demand higher qualifications, which are much harder for new immigrants to attain. This has to a certain extent an impact on their unemployment rate, consequent social exclusion and other ethnic tensions. States welcome the influx of migrants, but especially those who are highly qualified. The problem remains the division of immigrants into the “qualified” and “unqualified” groups. The demand on the labour market is mostly for qualified

and expert workers, but there is also a shortage of unqualified workers. On the one hand, unqualified foreign workers represent a certain amount of competition for the domestic workers, which in turn leads to a reduction in wages. On the other hand, the gains for the employers can lead to the expansion of production capacity and to the employment of additional workers. Likewise, in the final analysis such development may for the consumer bring lower prices of the end products and services.

In the EU-27, the number of educated immigrants from third countries comes to 26 per cent. Even foreigners with lower education are included, with their number at 36 per cent. These high numbers may be, to a large extent, attributed to the high demand for highly qualified, or less qualified, workers. In a perfect economy we could talk about the mostly positive influence on the economy. They create new jobs and support economic development; higher number of people means greater need for food, more transport, and more potential customers; in other words, greater economic growth.

From the point of view of economic models based on the assumption of perfect information, zero transactional costs, free movement of production factors, etc., it transpires that people will relocate where their waged work productivity will be highest. In reality, though, it does not work like this. People are motivated to move by a broader spectrum of factors than purely economic gain. For instance, personal reasons, family ties, and cultural proximity influence their decisions. From the point of view of time, the migrant represents a burden for the target economy until he or she finds work and starts to contribute to the economic cycle. Therefore, the overall influence on the economy depends also on the length of the migrant's stay in and his/her motive for moving to, the foreign country. In the EU states, however, the market is deformed by such factors as tax, insurance and social systems, among others. Another economic indicator which relates to migration is GDP. Some sources state that GDP, as an economic indicator, does not show the economic impact of migration objectively. According to many studies, GDP determines migration positively. Literature, however, shows that 7 to 16 per cent of GDP in the EU probably has its roots in the shadow economy, where, of course, not only illegal migrants work.

As far as the level of savings is concerned, foreigners have a greater tendency to save. Consequently, compared to the host population, they invest more in the human capital. The integration of migrants to the labour market in individual Member States is mostly analysed by means of the comparison of wages and salaries and the level of employment in comparison with the

domestic population.

Differences in the income of migrants in comparison with the domestic population are caused by the migrants' lower qualifications, language barriers and problematic or entirely lacking acceptance of degrees and other certificates gained abroad. The time factor also plays an important role. The longer the immigrant lives abroad, the less the differences in income are manifested, and the migrant also becomes more socially integrated. States are trying to implement more efficient educational systems, which would respond to the needs of the labour market, and re-train the immigrants in professions that are more in demand on the market.

Immigration concerns both employees and employers. In the framework of the fight against the employment of illegal migrants, there is a proposed directive on the punishment of employers who do so. It applies only to those immigrants who have "illegal stay" status. The directive imposes sanctions of a mainly administrative character, but also imposes the obligation to make up for unpaid wages. This should help avoid the situation where immigrants are afraid of being declared "illegal immigrants" by the authorities and subject to deportation, and therefore they prefer to accept the exploitive conditions of the employers (Potužáková, 2010, p. 110 -115).

The overall impact of migration on the economy, then, depends on how flexible and functional the labour market is in the target country. In assessing their impact it is opportune to investigate to what extent do the migrants mean a gain or loss for the target labour market, and whether they compete against the domestic workers, or they fill gaps in the domestic labour market.

Relations between economics and migration exist in different countries with varying intensity. Strong links to economic indicators can be found particularly in the Netherlands, Germany and Great Britain. Links to unemployment in these countries is crucial; as to the other indicators such as the relative level of GDP per capita, or workers' wages, the links are not so important. In light of the fact that the states of Western Europe have to cope with ageing populations, they need migrant workers. Migration positively influences the economies of developed states, mostly in some of the key professions, as well as in the ranks of the unqualified jobs (OECD, 2006, p. 194). The labour markets of the Western European states already show a high percentage of foreign workers. Most of the foreigners are employed in such sectors as agriculture, construction, housekeeping, caring services, food-processing industry, cleaning services and tourism. While highly qualified

workers are preferred, foreigners make up only a small percentage of those employed in highly qualified positions. Examples would be doctors, IT specialists and business managers.

In the Western European countries, however, the inflow to some professions is greatly limited. Case in point is France, which limits access of migrants to 46 professions, such as pilots, architects, chemists and so on. Generally speaking, the growth in unemployment in the target countries means reduced migration. Examination of the elasticity of unemployment (the impact of a 1 per cent increase in unemployment on the corresponding percentage reduction of immigration) brought to light that in such comparisons in selected countries (the Netherlands, Germany, Great Britain and Sweden) Germany had the strongest links between changes in unemployment and their impact on immigration. According to long-term analyses, a 1 per cent increase in unemployment led to a 14.4 per cent drop in immigration. Conversely, in Great Britain, such a shift in unemployment brought only a 1.6 per cent reduction in immigration, while in the Netherlands it caused a 5.2 per cent drop. The big concentration of third country immigrants in the regions of Southern Europe resulted in greater attention being paid to the influx of migrants on the given economies. Employment in the Southern EU Member States has a strong seasonal character, mainly among women and in such sectors as services and housekeeping (OECD, 2006, p. 147). This arises from the overall character of services in coastal states. Their economies are very much dependent on the tourist industry. Illegal migration is a classic problem in Mediterranean states. It is estimated that the share of the shadow economy on the GDP is about 15 – 16 per cent. In the areas of seasonal employment, the average rate of the shadow economy may reach roughly 20 per cent of GDP. However, this phenomenon is very difficult to quantify due to the unavailability of precise data. Immigrants are often employed in areas and types of work which the host population is unwilling to perform; predominantly in the unqualified jobs (OECD, 2006, p. 151). Due to the fact that migrants are willing to work under the most demanding conditions there is greater participation of foreigners on the labour market in contrast to the native population. This is typical of the industrial sector in the Southern regions of the EU. It applies in particular to light industry (e.g., shoe making, textiles, and furniture), as well as high concentrations of small and medium sized enterprises, construction and services in the area of tourism. Foreign workers head to those sectors where there is traditionally a demand for an unqualified labour force. Outside the area of tourism they are employed primarily in

agriculture, the health services and in domestic service. The greater willingness of the migrants to accept temporary or short term employment in contrast to the preferences of the domestic population also plays a substantial role. In the Southern regions of the EU there is a growing trend of EU non-residents to run their own businesses. Their areas they operate in are most often oriented on trade, construction and manufacturing.

In Italy there exist great differences between employment in the North and South of the country. Italians, however, have a low level of mobility, which is equalised by the immigrants. They mostly travel to the Northern industrial regions. Like in most EU Member States, even in the Northern European countries, immigrants boost the workforce of the host country. They offer cheaper and less qualified work force, and many studies show that in this way the average wage decreases in the host country. Labour migration in Estonia is, to a great extent, influenced by its neighbouring states, especially Russia. Thanks to the repatriation of the Russian minority, the number of foreigners in the country decreased. Upon accession to the EU, Estonia had to accept the EU's standards in the area of human rights, and for immigrants from Russia it was thus easier to gain Estonian citizenship. Currently, Russian immigrants are a significant part of the work force (UNESCO, 2004, p. 9).

The labour markets of the Central European states became attractive for immigrants after the changes in the 1990's (Kaczmarczyk, Okólski, 2005, p. 12). The growth in economic prosperity has been accompanied by the inflow of labour migrants. Just like in other EU Member States, the economically motivated migrants are the motors of economy in Central Europe in such regions as the capital cities and the urbanised areas. Migrants are motivated to work there partially because of the higher wages, good conditions and a better business climate. Further incentives are social security and low unemployment rates.

Foreigners in the Czech Republic and Poland are most frequently employed in manufacturing, construction, wholesale and retail. Furthermore, they participate in real estate market and in the area of property rental. In comparison with the domestic population, they are employed in different sectors than those preferred by Czechs. Foreigners also engage in business in the agricultural and industrial sectors. Except for Hungary, a decisive part of the migrant workers coming to most of the Central and Eastern European countries come from Ukraine. This is true especially in the case of Poland, where regions in the border areas are culturally and ethnically close. Warsaw, in particular,

benefits from this cheap labour force. Ukrainian students in search of education also head to Poland. The decisive factor in the integration of foreigners is employment. In the Czech Republic, the employment of foreigners is difficult due to the fact that they must obtain a work and residence permit. Some of them must leave the country upon the expiry of their work permit. The Czech Republic was also the first country which upon accession to the EU imposed visa requirements on immigrants from the East. These obstacles raised by rather restrictive migration policies forced the immigrants into illegal work.

3 Managing labour migration in the Czech Republic

The Czech Republic still has great potential for migrants, mostly from third countries. In order that the use of this potential is efficient, and that it may at the same time provide the labour market with good quality workers and migrants with good living and work conditions, it is necessary to implement the following measures:

- Give foreigners information and offer them simple, legal migration;
- Strengthen the rights of foreigners on the labour market and offer them integration;
- Put in place a functional system of control and enforcement.

As for the illegal migration, it is necessary to ensure an effective system of enforcement for employers in order to limit the illegal employment of migrants and their abuse. Some economic studies even show that limiting illegal work actually causes migrants' salaries to rise. This results in the growth of the overall GDP of the economy.

According to IOM (International Organisation for Migration) studies, in connection with the situation in the Czech Republic it is possible to adopt the following measures for the limitation of the illegal employment of foreigners:

- Increase checks on employers, increase enforcement, harmonise the competence and cooperation between the individual control bodies;
- Enforce the regulations against employers who do not check to see whether the foreigner is legally in the country or not. There will be a database created for the purposes of checking the status of foreigners on-line;
- Cooperate with the foreigners themselves (active participation in uncovering illegal employment);

- Before opening the labour market to new immigrants, give priority to those who are already on the labour market.

Furthermore, it is necessary to give foreigners the chance to change employment. At the present time they can be forced into less than advantageous conditions because terminating employment can be linked to the termination of the work visa, bringing with it the obligation to leave the country. Thanks to this, employers can abuse their position. Throughout the entire EU there are efforts to attract mainly qualified migrants. The Czech Republic should also offer long-term residence to foreigners with university education.

The Czech Republic has a lower level of wages compared to most EU countries, but as a comparative advantage it could use exactly this more user-friendly immigration policy. Within the framework of the EU countries a rising number of similar programmes are being launched, for example the Blue Cards. In the economy branches exclusively dependent on immigrant labour or sectors only for foreigners should not appear.

A successful migration policy should deal with the integration of foreigners into society. The desired result is the positive acceptance of the foreigners in the environment they live in. The state creates, in cooperation with the non-profit sector, a multitude of integration programmes and courses, which should motivate foreigners to integrate themselves.

One of the methods of prevention is to inform foreigners while still in their country of origin. The correct information should also ensure that only legal ways of immigration are used. There are many ways: by means of public awareness campaigns, information centres, information lines, web pages, and so on. It is essential that emigrants know the real situation in the target country, its immigration and labour regulations, as well as it is important to tell them not to take all promises of the work agencies for granted. Furthermore, they should know the legal means of obtaining all necessary permits and visas. The same attention should be paid to informing foreigners who are already in the Czech Republic. It is necessary to analyse the impact of migration on the Czech economy and society (its share of GDP, employment, tax levies, etc.). It also has to be estimated how many foreigners the Czech economy needs and what are the risks involved. The cheap work force goes, especially, to those processing industries and operations with low added value. Efforts must be made to ensure that the amount of foreigners and their family members does not become a burden for the social welfare system. In the Czech Republic most

of the research on migration is carried out only by sociologists and social geographers, and by the non-profit sector.

Conclusions

Working migrants are the most important factor which migration brings. The influx of migrants is influenced by the protection offered on the labour market, the type of social system and the migration policy of the country. The economic significance of the ageing population in Europe has made immigration much debated topic, as well as the subject of an extensive research.

Nowadays, people can work in one country, live in another and be a citizen of a third. For young people it is the modern way to gain experience. Migrants have the tendency to converge in certain areas of the host country; mostly in the capital city, where they encounter, as a rule, more work opportunities. Many workers may, at the present time, move easily within the economic network of the multinational corporations.

The success of immigrants on the labour market in the host country and the comparison of wages and employment between the domestic population and the immigrants will change in time. Shortly after entering the country, immigrants have, naturally, higher unemployment rates and lower wages. These differences, however, are during the initial stages accompanied by higher social welfare assistance and support for the migrants and tend to level themselves out during longer stays in the host country.

It may be said that in the EU immigrants from non-member states fill gaps in the labour market, mostly in seasonal and unqualified work. Immigrants work longer and for lower wages. Immigrants have a lower rate of unemployment than the domestic population. In the EU countries, however, there exist certain differences due to the varied social systems in the respective countries. Long-term unemployment of immigrants has a far greater impact in the EU Member States than in the United States. This is because of the extensive and generous social system in European countries. In comparison with the United States the public expenditures in the EU is 12 per cent more of the GDP. From this indicator we can see that the expenditures linked to immigration are higher in Europe than in the United States. Moreover, immigrants were less successful on the European labour market compared to those in the United States, thus reducing the economic advantages arising from immigration.

In the EU contradictory opinions prevail on the influence of immigration. Many people still suppose that immigrants are a great burden for the public sector, which is most visibly manifested in France, Italy or Germany. Most sources, however, show that the impact is marginal, even though there are big differences between individual groups of immigrants concerning the contribution to, and gain for, the state budget of the host country. The impact on the economy largely depends on age, education and length of stay of the migrant.

Studies, however, frequently focus on the direct consequences of immigration. They do not include the price level in countries and their real wages, nor do they show economic growth in individual countries. Economic consequences are also, very often, not taken into account from the long-term point of view; only the short-term consequences are examined. According to many studies, however, the economic impact on both the labour markets and the state budgets of the EU countries is relatively small. With high probability migration will continue to rise in the coming decades. Still, however, there remain many unanswered questions concerning the whole migration process.

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