

The importance of social expenditure in immigration management policies from Eastern European countries

Flavia Piperno

January 2007

I would like to introduce my speech with some general comments to the World Bank's Report *Migration and Remittances: Eastern Europe and the Former Soviet Union*. I'm very pleased to see that the report emphasises the potential link between migration and economic development and stresses out the importance of setting up policies for enhancing the impact of migration and remittances on local development. This is a very important starting point, as migration shouldn't be seen only as a problem, but also as a resource, a *key resource*. However, what seems to me not sufficiently underlined is the importance and the implications of the social dimension of human mobility. As we will see migration can have a strong impact not only on the local economic development but also on the welfare state and more in general on the social fabric (including gender relations and family patterns and behaviours) of the origin and arrival countries. At the same time the global evolution of the welfare states is rapidly transforming migratory flows and, as a consequence, the impact that migration can have on the economic and social local development also changes. I myself and we at CeSPI are convinced that this dimension is crucial and that it must be understood and managed.

1. SOME COMMENTS ABOUT THE LINK BETWEEN DEMOGRAPHIC AND MIGRATORY TRENDS

The first chapter of the report is an overview of migration trends in Europe and Central Asia. The report divides the ECA states in four groups where natural increase or decrease and positive or negative net migration differently match. There is only one group of countries where the fall in population numbers coincides with negative migration. These countries are the three Baltic countries, the four central-eastern European countries, Ukraine and Moldova. In my view, this is a first very important point. As it is focusing for a while on what is an increasingly important sending area for Italy in particular.

While it is very often noted how the ageing population in western countries is one of the main reasons for larges influxes of foreign workers, it is seldom mentioned that in many "sending" countries (countries like Ukraine and Romania, providing Western Europe with a large part of its social care workforce), the demographic trend is very similar to ours. In these countries the link between an ageing population and significant emigration might be an explosive combination, which might create new and important social needs that can not be matched by remittances alone.

But this is not all. The report does not stress that in many of these countries the problem is not only that the fall in population levels is accompanied by a negative migratory net result, but also that the type of migration itself is changing. As a matter of fact, also due to the transformation of welfare states in many arrival countries, an increasing number of migrants consist of women who are attracted by the strong demand for work in the fields of assistance and family care in western countries. They are not wives joining their husbands to settle in the receiving country. They are workers who are responsible for their own migratory experience and who often leave their families in their country of origin.

In Ukraine and Romania – where CeSPI is carrying out field research since a couple of years now – the emigration of women has risen significantly in the last years and according to local surveys this represents about 30% of the overall level of migration with a particularly high concentration in some regions or origin. This again has an impact on welfare. In these countries women still play an

exceptionally important role as ‘natural care-givers’ within the family and their departure could mean a draining of care from the country of origin to the immigration countries; we can hence talk about a *care drain* that joins the better known *brain* and *skills drain*. Taking an extreme and simplistic example, we could imagine that that for each baby or elderly person who receives care and affection in the west, someone is deprived of the same care and affection in the country of origin.

Plus: what we think is that this migratory trend is not bound to come to an end, but to grow (at least as far as the pull factors are concerned). The fact, as set out in the report, that the new destination countries for migratory workers are no longer Germany and the UK, but are more often the countries of southern Europe such as Spain and Italy, which absorb a significant quota of foreign workers in the field of care, leads us to this conclusion. It is useful to remember that, during 2004 and 2005, Italy and Spain were the two countries in Europe with the highest amount of legal immigrants from the east of Europe (with the exception of the Polish rush to the UK and Ireland) and that in both countries the percentage of migrants from this origin grew. Romanians and Ukrainians ranked respectively first and second in the 2002 Italian regularization and they ranked second and seventh in the Spanish regularization in 2005.

The disappearance of ‘informal carers’ not only creates new social needs within the family, but it also strengthens the pressure on the local welfare infrastructures such as schools, social services etc. The example of Romania seems to me very significant: the National Authority on child protection (ANPC) estimates that about 14% of minors with parents who are legal emigrants are granted some sort of public social support. I want to remember that pressure on welfare can be particularly strong in countries where strong migratory chains addressed to the care sector abroad are set up: when new work prospects become available abroad in the field of care these countries (which have a poorly developed and scarcely profitable welfare market) are exceptionally exposed to the risk of skills drain in the social welfare system.

The importance of welfare as a dimension that is progressively more interlinked with migration, should now be clearer. We believe that western governments and international organisations interested in managing the migratory process will have to deal with this dimension more and more, through the creation and improvement of ad hoc programmes and increase in social expenditure.

2. RE-THINKING THE CONNECTION BETWEEN MIGRATION, REMITTANCES AND DEVELOPMENT

I would now like to shift rapidly to another aspect that is central to the report: namely remittances. The report highlights the importance of remittances by focusing on 3 key variables :

- Investment, in terms of the opportunity for migrants who go back to start up entrepreneurial activities in their country of origin.
- Saving, – i.e. money kept in the banking system.
- Consumption, regarded by many experts as the ‘wasted’ part of the remittance. Consumption is in this report analysed and reconsidered, and rightly so, an important contribution to the growth of the country.

This view highlights some innovative issues, but it does not take into consideration some aspects that are, I believe, also very important.

- First of all, the main focus is on the individual migrant who is making an investment, while existing empirical evidence of a sociological and anthropological nature, clearly and consistently shows that the family as a whole should be given more attention.
- Besides, the report only considers economic aspects, and seems to neglect, or give little importance to the social impact of the remittances.

Whereas focusing on the “feminine component of migration” – hence also on the “feminisation of remittances”- should bring us to consider carefully such aspects.

About the first point, we must keep in mind that the migration of women, more than that of men, draws attention to the family that is left behind. Scholars underline how often women don't pursue profit for their own but they address their migratory project to the unity and welfare of the family back home. Children, in particular, are often at the centre of the migratory project of migrant women who - as result of migrating - have more resources to contribute to the children's education, entry into the qualified labour market and involvement in social activities. Children of women coming West to work in the care sector are not always “minors in need of care” or static recipients of remittances. Sometimes they are young educated and dynamic adult people, related to their country of origin but also with a transnational background built through frequent travels and communication with parents in a different country. This is a part of the population that can strongly contribute to the development of their country of origin. From this point of view, investment is not exclusively the starting up of a business from a returning migrant, but also investment in people who stay behind. This must be acknowledged and valued through policies that are not only targeting the returning migrant, but their whole family.

Furthermore, as I mentioned already, we must remember that remittances react to a need that is social as well as economic. This becomes very clear analysing the strategies women apply in the use of the money they earned abroad. First of all we must remember that – contrary to more traditional migration circuits - in the case of Eastern Europe, migrant women tend to be older than migrant men. Because of this for many of them the main need is not to accumulate capital in order to enter a more qualified sector of the labour market in their country of origin, but rather to reach a degree of security that will allow them to go back with dignity to their country of origin when they will not be fit for work any longer.

Saving often answers this need and not the general desire to have some money in the bank (which is not always trusted). From this point of view the development of pension schemes and of bilateral agreements allowing the accumulation of contributions paid in the country of origin and of arrival are of crucial importance.

Finally, it is worth to point out that a social need is highlighted not only by the remittances devoted to saving but also by the ones devoted to consumption.

The internationalisation of the family and the rise of a part of population in need of care and support means that a significant part of the remittances is devoted to care expenditure such as expenditures related to carers involved in looking after family members who stayed in their home country, expenditure for grinds to children or for the frequent phone calls that are the main link keeping together international families. On this regard, scholars talk about “relocation” on a transnational dimension of the social reproductive tasks. In this frame, “care remittances” finance ‘DIY (“Do it yourself”)' solutions that could be better managed and improved upon through policies taking on responsibility for the new emerging care needs. It is actually possible to invest in services answering these social needs granting more security and lower costs thanks to economies of scale and quality standards. This way

part of the remittance now labelled as ‘consumption’ could contribute to mixed welfare systems.(E.g. they could finance after school care or family or school assistance programmes) and they could then have a higher impact of social development.

3. CIRCULARITY YES, BUT WITHIN AN INTEGRATED SPACE

To conclude my presentation, I would like to briefly mention a recommendation of the World Bank about the necessity to support, through bilateral agreements, a circular migration which is also not qualified. This is the main recommendation emerging in the last chapter of the report, which analyses the international regulatory framework paying particular attention to the international migration policy and to the analysis of bilateral agreements.

The fieldwork carried out by CeSPI in Ukraine and Romania makes us think that a circulatory policy is important for the management of care related migration: if in targeting the carers, these kind of policies can address the fragmentation and the lack of rules typical of private welfare, the isolation and the weakness of the workers, and they might also contribute to the qualifications of migrant workers. It is also possible to value and promote the tendency – already existing among carers – to share the same job during the year. This dynamic also allows the better management of long distance parenting and to reduce the negative impact of the care drain from the country of origin.

However I would argue that these policies can have a virtuous impact in social and economic terms only if some conditions are respected.

In the first place, circularity must be properly understood as *circularity*, hence the opportunity to alternate a period of time in the country with time abroad. I’m meaning a kind of mobility that is different from the simple seasonal and temporary migration that runs the risk of creating a workforce that is not secure and inexpensive.

Secondly, a circularity aimed at managing care migration must be supported by a more comprehensive strategy aiming at the promotion of local welfare and development and most of all to the development of integrated market and welfare schemes between the country of origin and the country of destination of the migrants. When I speak of “integrated schemes” I think for example of policies aiming at facilitating and improving international recruitment creating competences in loco, for instance through policies of training in the countries of origin.

Another example could be the opportunity to create transnational partnerships between local governments and other local actors in sending and receiving regions aimed at mitigating the negative effects of the above mentioned care drain. I am thinking, for instance, of an offer for training and entertainment in areas of strong emigration or of a network of home based care for the elderly parents that migrants are forced to leave home. I also think of policies promoting the opportunity for migrants to re-enter the local labour market and to use the skills they have acquired, for instance through the implementation of programmes of social entrepreneurship or through the strengthening of commercial agreements.

In conclusion, what I mean is that circularity must not be understood as a dichotomy between a time for work (abroad) and a time to consume (back in the home country) but as a springboard for the creation of a space of co-development and co-welfare.