

## Migration and Mobility

**Economic Update on Europe and Central Asia**  
Office of the Chief Economist  
October 2017



## ECA Economic Update Fall 2017

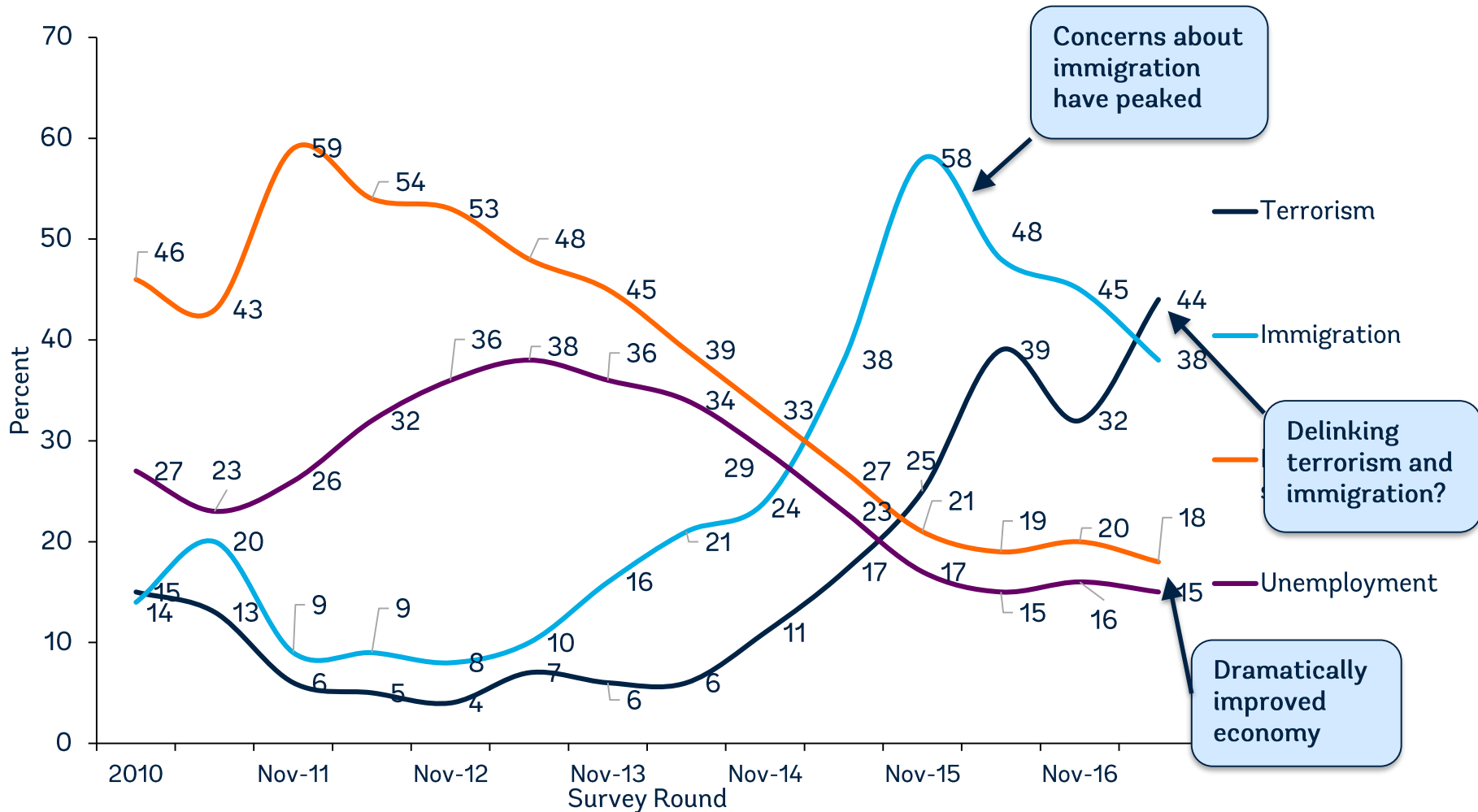
Hans Timmer, Chief Economist,  
Europe and Central Asia  
November 30, 2017



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Kirsten Schuettler

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# Migration biggest concern during last two years



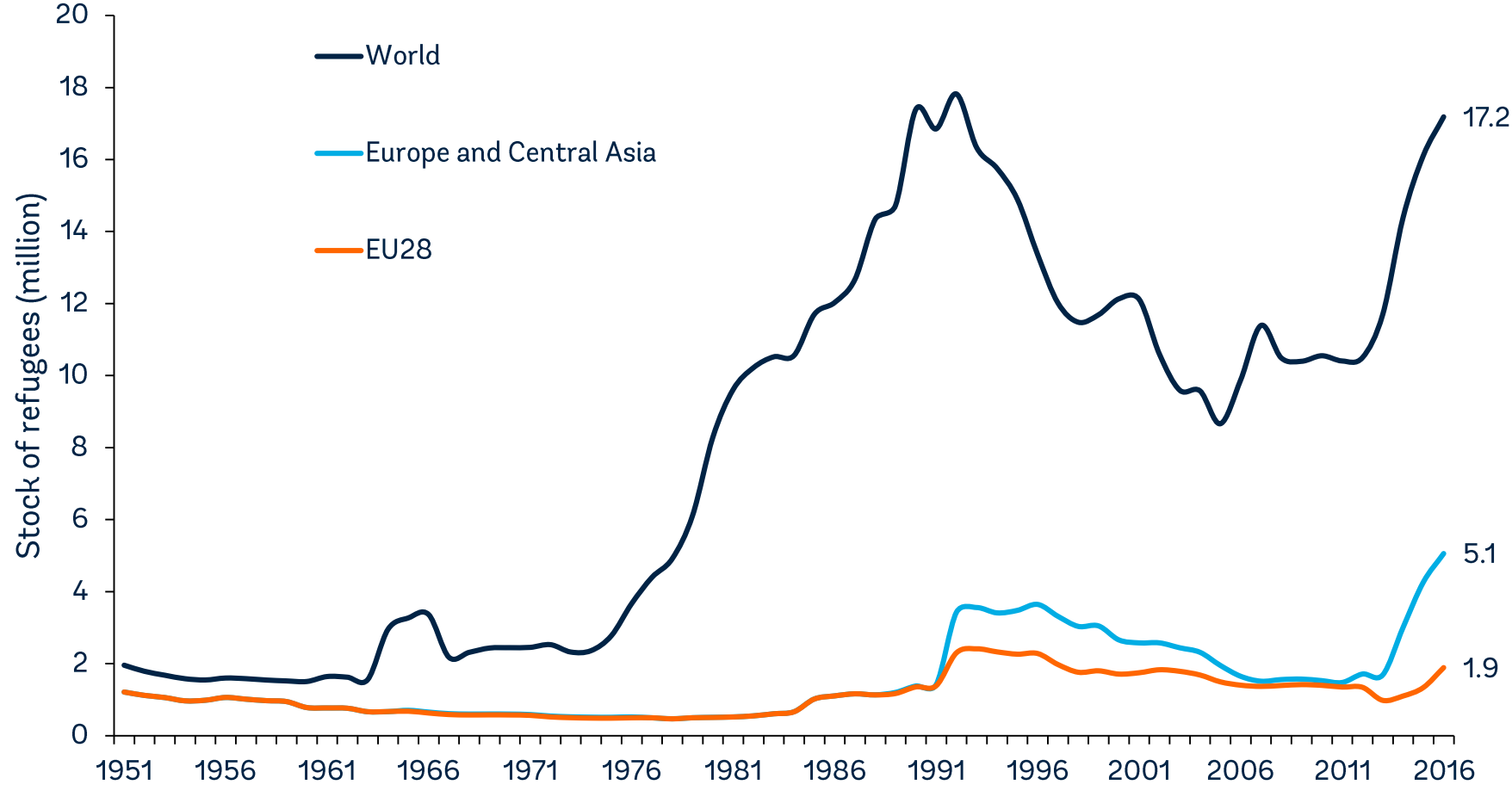
# Migration and Mobility

- The refugee crisis has triggered concerns over migration, but the recent refugee inflow is not unprecedented, is likely to be temporary, and is a small share of total migration, which has long been vital to the region.
- The economies have recovered, but economic anxiety has not disappeared.
- With new technologies and further cross-border connectivity, migration patterns will likely shift toward circular high-skilled migration.
- Reforms should focus on better integration of migrants and help both migrants and nonmigrants cope with the inevitable increase in flexibility and uncertainty in labor markets.

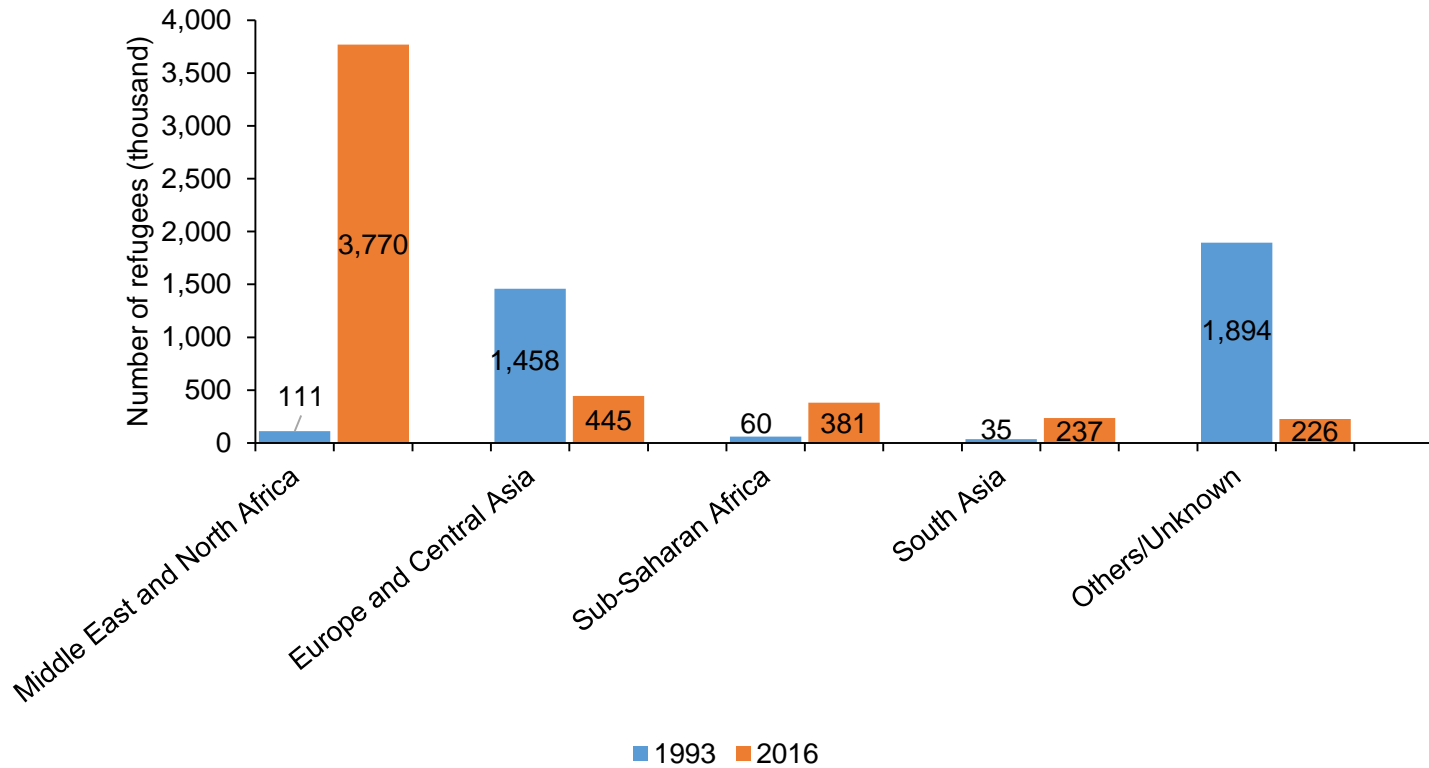
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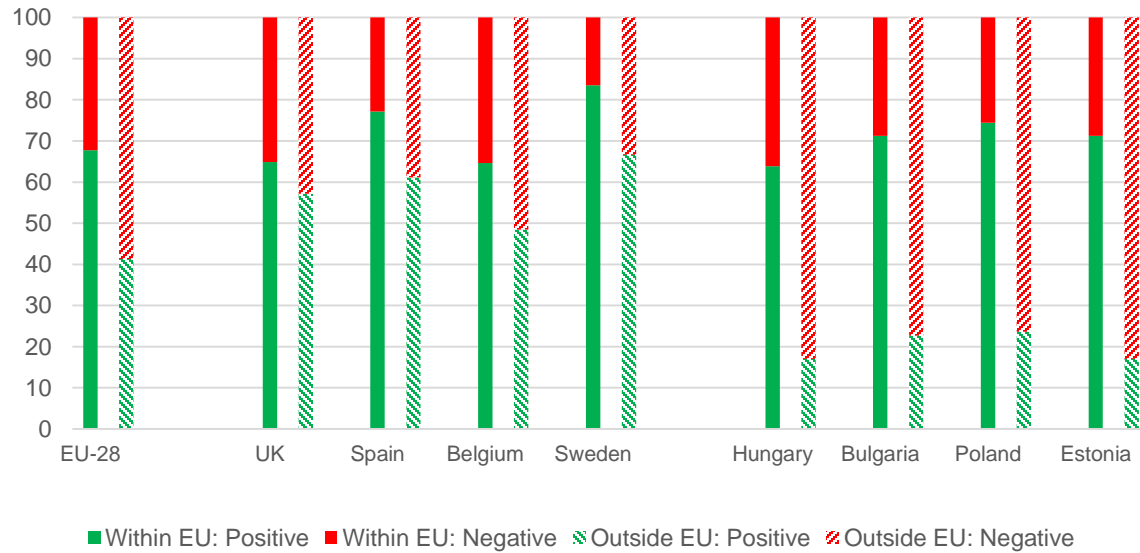
# The stock of refugees has risen, globally and in Europe and Central Asia



# Number of refugees now similar as in 1993, but composition has changed



# Feelings towards intra-EU migrants more positive than towards migrants from outside the EU



Source: Eurobarometer, 2017



# Putting the refugee crisis in perspective

Refugees as % of total immigrants in Germany  
1993: 19  
2016: 10,5

1,3 million refugees from former Yugoslavia in 1996

In 1989 370,000 Bulgarian Turks migrated to Turkey

- 2 million emigrants after Poland joined the EU
- 20 million people of Polish origin live abroad
- 1 million people from Ukraine work in Poland
- 6,182 EU quota to host relocated refugees

More than 40 million people emigrated from Europe to the new world between 1850 and 1913

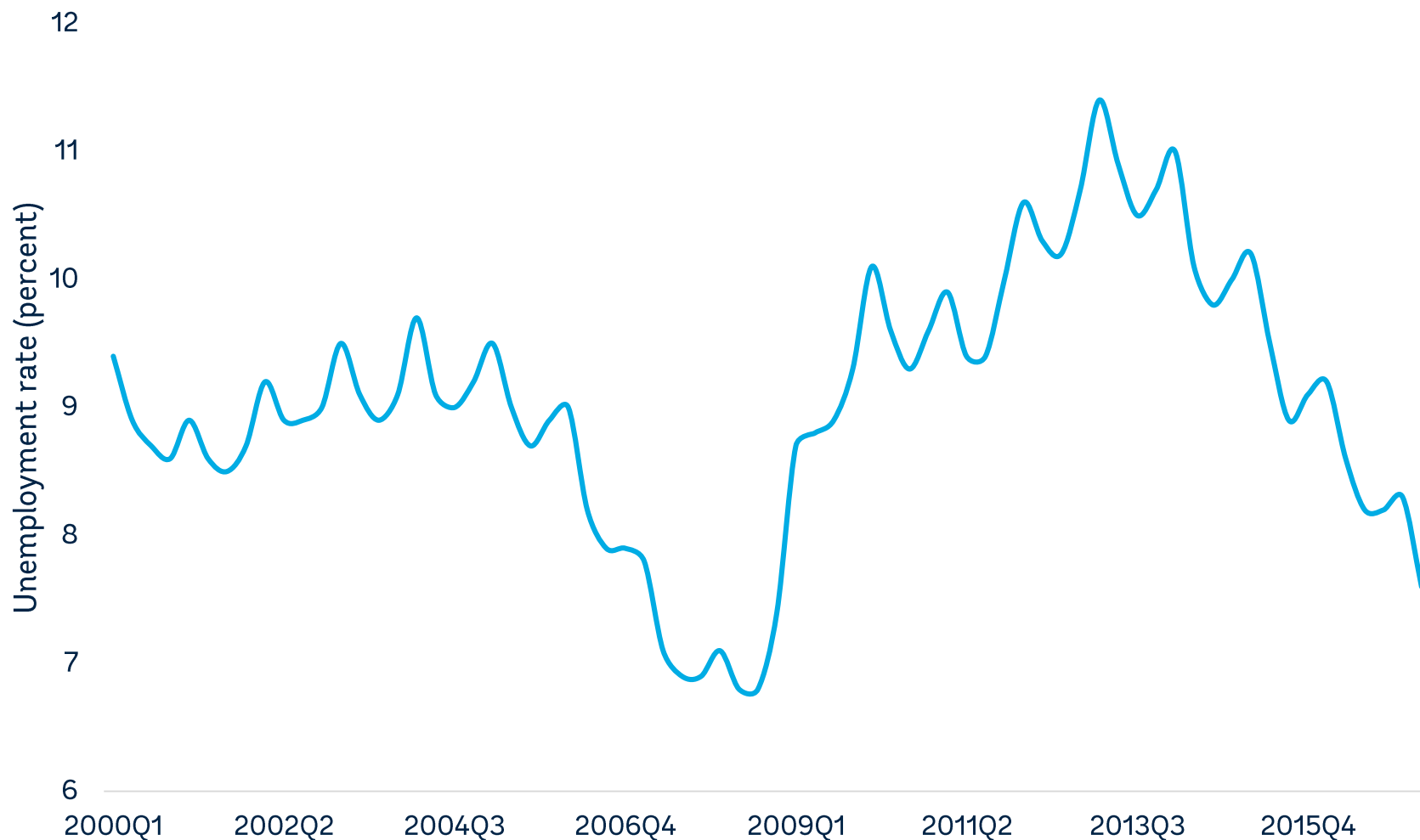
After WWII 20 million people migrated under duress in the ECA region, with another 10 million ethnic migrants in following decades

2 million net immigration into Russia from FSU 1993-1995

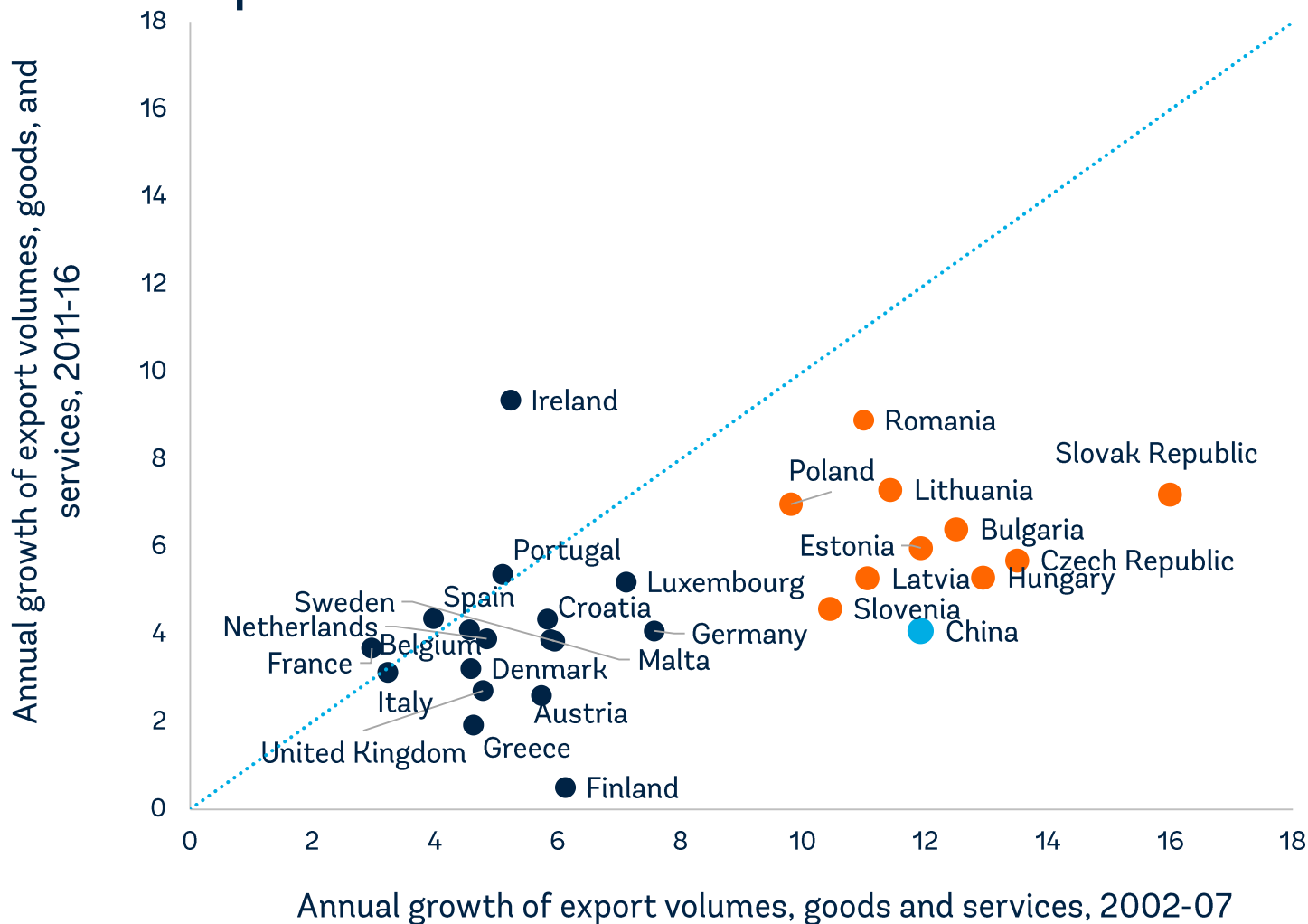
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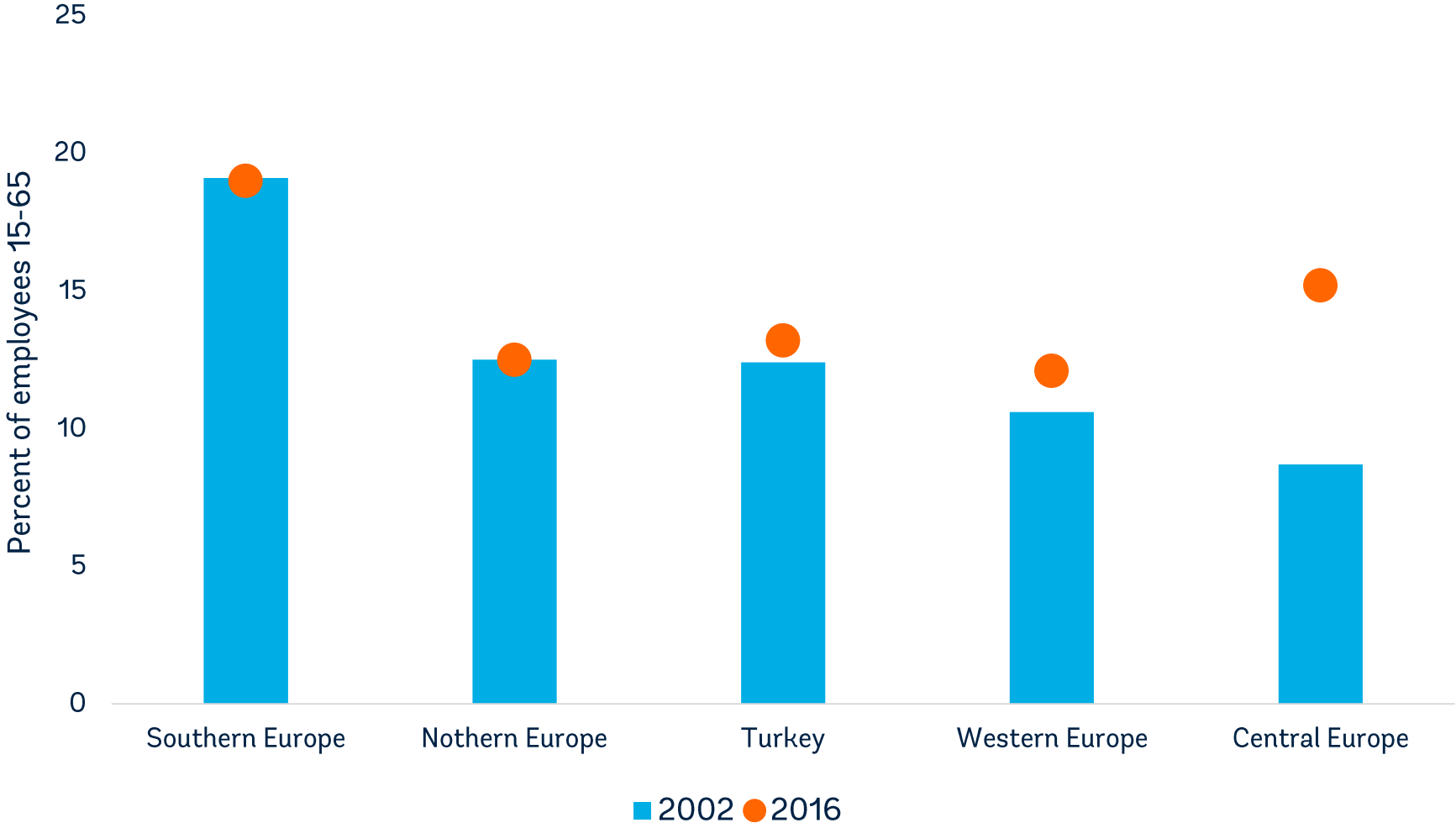
# The unemployment rate in the EU-28 has fallen back to pre-crisis levels



# Trade: EU accession countries have outperformed China in export markets



# The share of temporary employment increased in Europe and Central Asia between 2002 and 2016



# Transformational companies came on the market at the beginning of the crisis

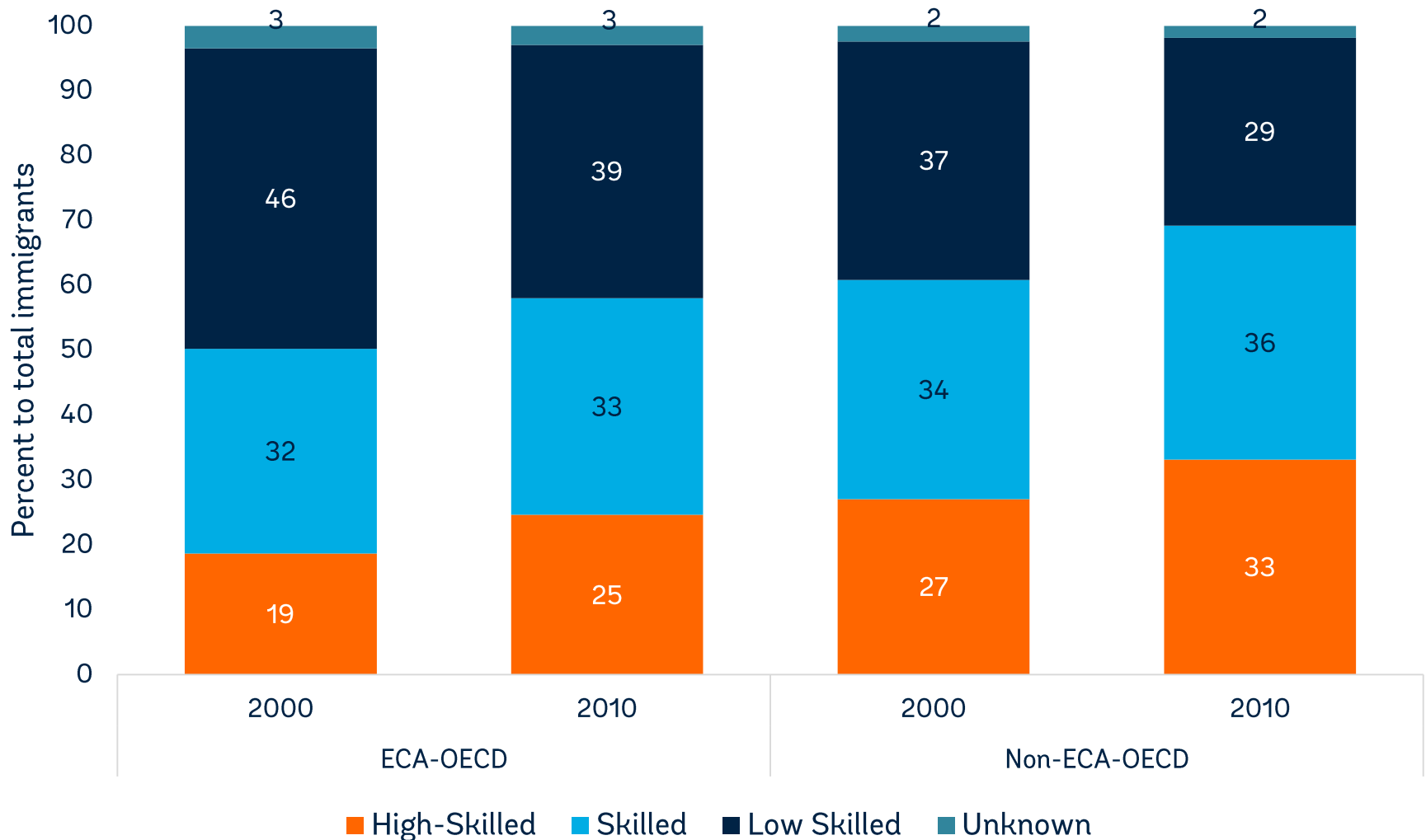
- In 2007 Netflix started streaming and the first iPhone came on the market.
- In 2008 the term MOOC (massive open online course) was first mentioned, the first prosthetic leg was created by a 3D printer, genome sequencing costs fell dramatically, bitcoin was invented, and Airbnb was created.
- In 2009 Uber came on the scene.



# Migration and Mobility

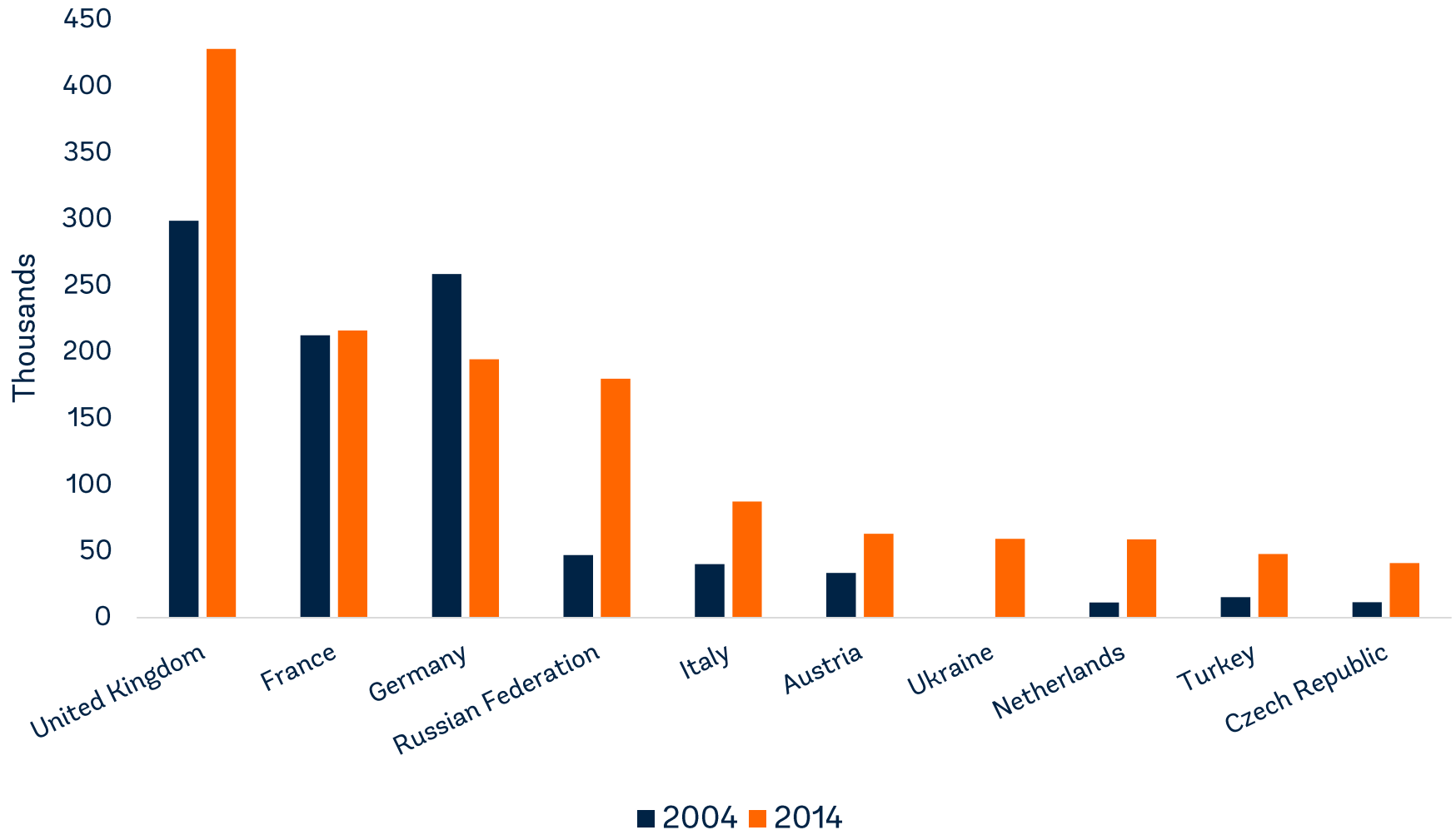
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# The share of high-skilled immigrants in OECD countries increased between 2000 and 2010

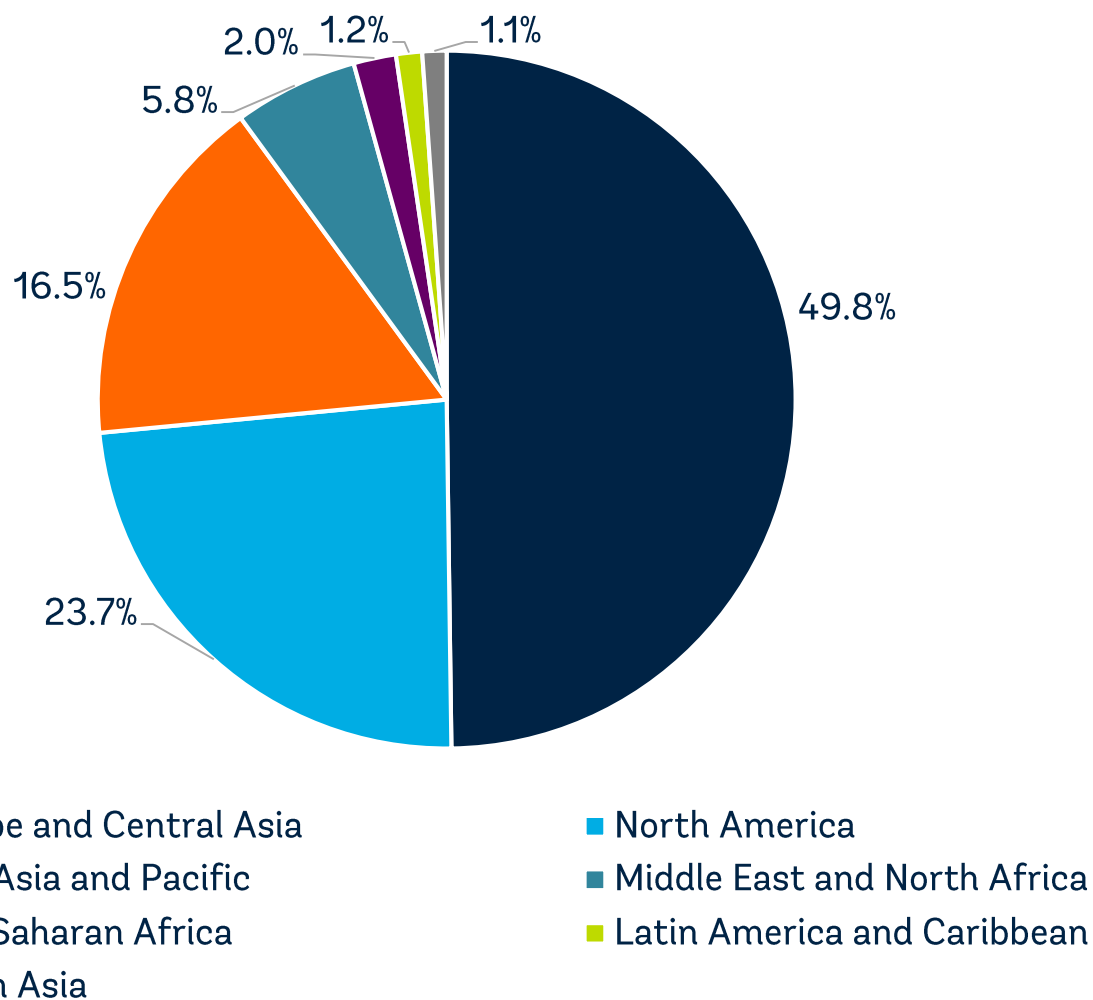




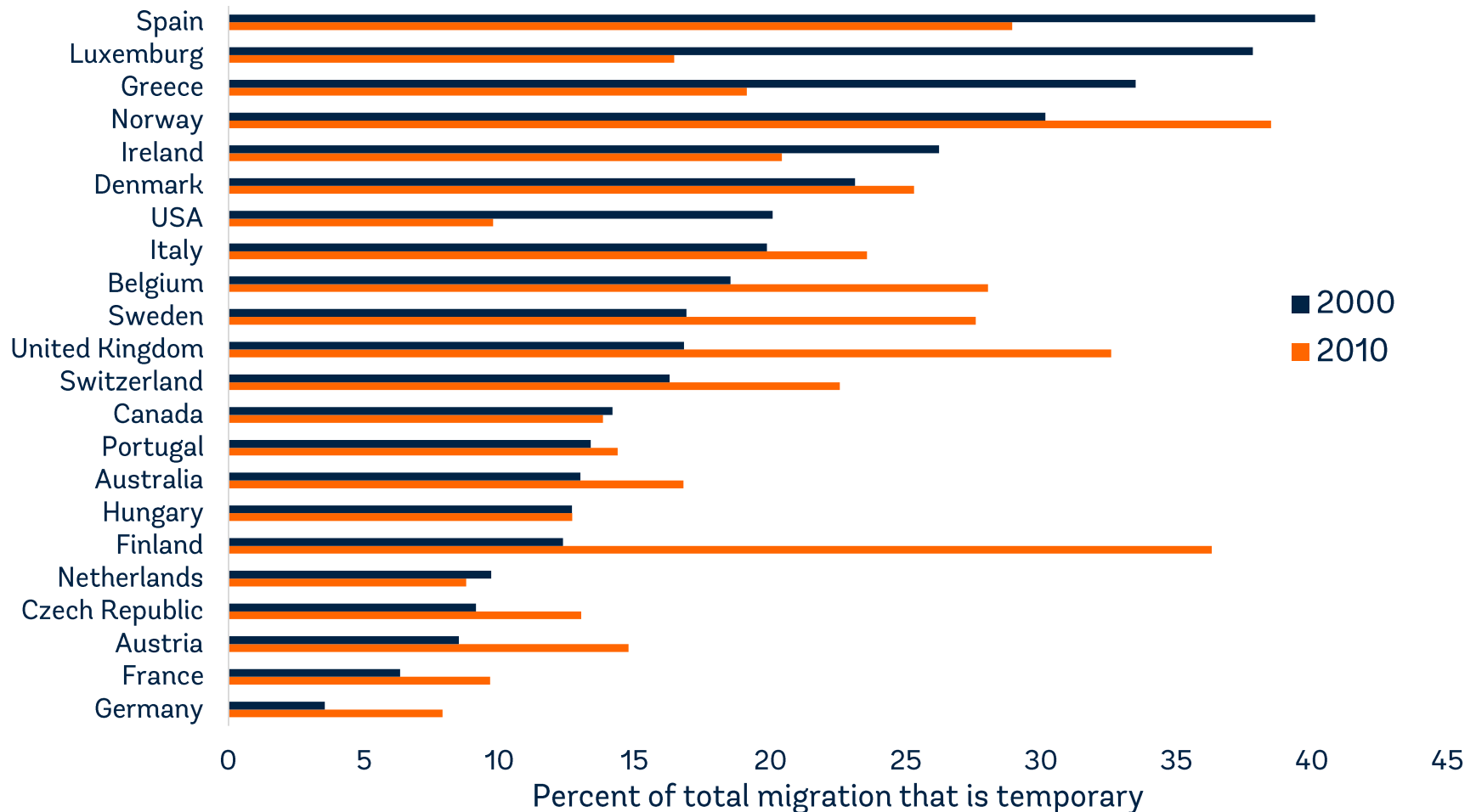
# Most top ECA destinations attracted more international tertiary students in 2014 than in 2004



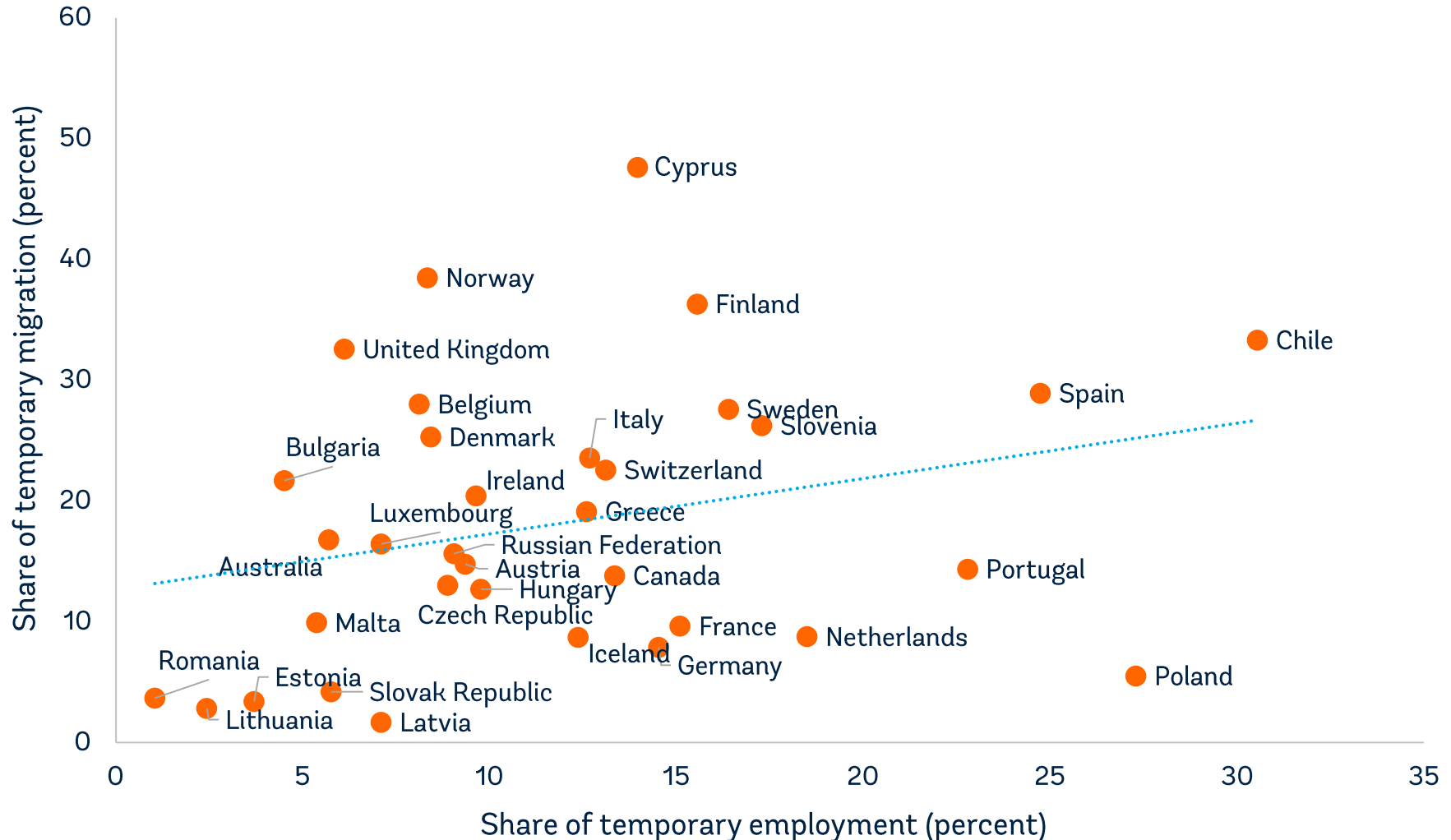
# ECA hosted half of the world's foreign tertiary students in 2014



# The share of temporary migration in total migration increased in most countries in Europe and Central Asia between 2000 and 2010



# The share of temporary migration is positively related to the share of temporary employment



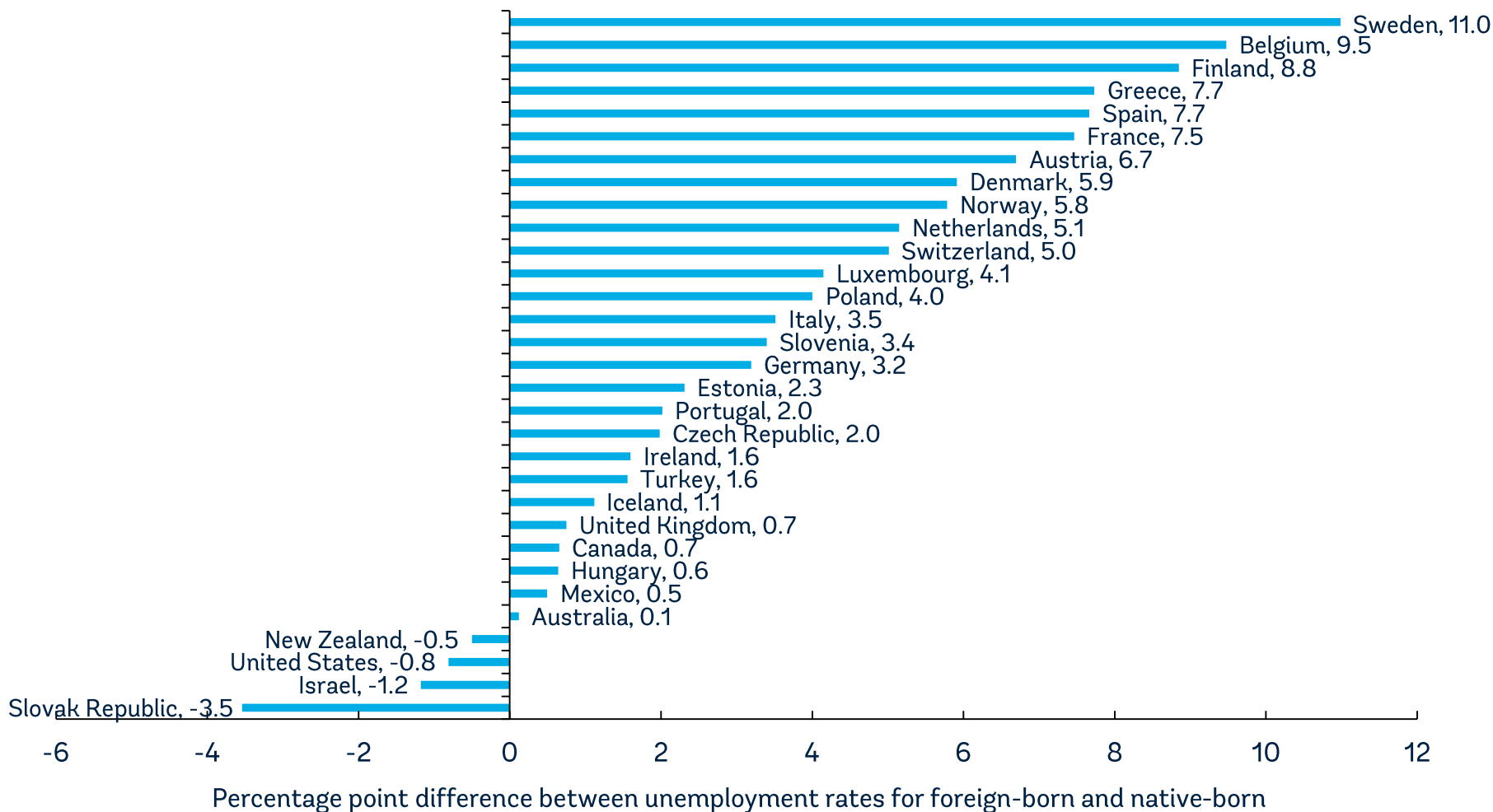
# Countries in Europe and Central Asia with highest and lowest connectivity

Country	Combined connectivity	Trade	FDI	Migration	ICT	Airline	Portfolio flows
<i>Countries with highest overall connectivity</i>							
Luxemburg	1	2	1	1	1	3	32
Ireland	2	3	5	5	3	5	27
Netherlands	4	5	3	18	14	12	9
Belgium	5	4	4	7	5	18	78
Switzerland	6	6	6	2	2	6	7
Poland	38	36	38	34	49	55	35
<i>Countries with lowest overall connectivity</i>							
Belarus	95	75	103	42	98	106	99
Georgia	102	105	101	62	104	104	93
Armenia	104	91	102	64	103	98	86
Azerbaijan	105	104	108	110	109	107	107
Tajikistan	107	109	106	109	110	110	106

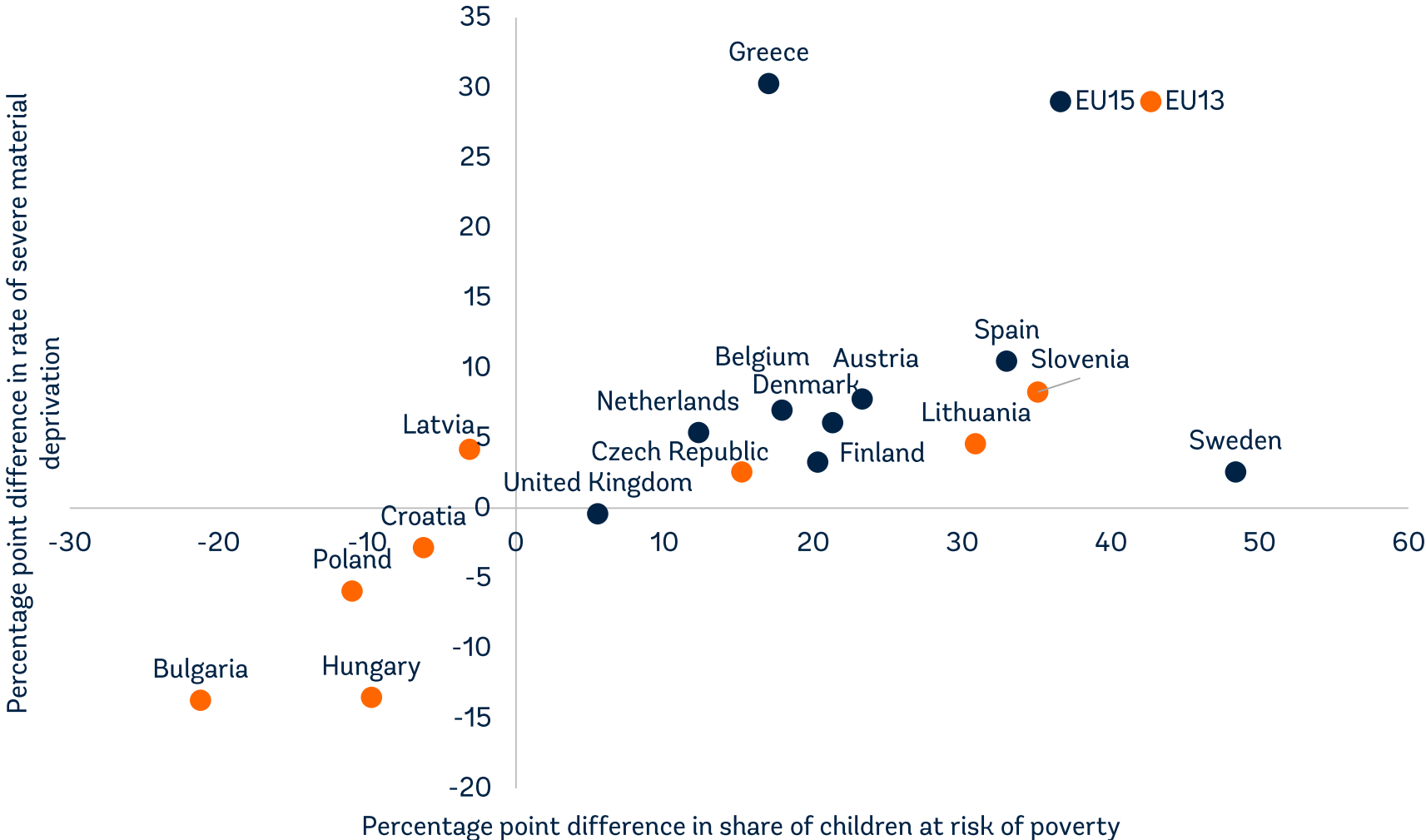
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# Unemployment rates are higher for foreign-born than for native-born workers in most countries in Europe and Central Asia



# The gap between measures of deprivation and poverty of the foreign-born and native-born populations is larger in the EU15 than in the rest of the European Union





# Selected social statistics for people born in the European Union and elsewhere

Item	Born outside the European Union	Born in the European Union	Gap
Unemployment rate among people 15–74	16.4	8.0	8.4
Housing overcrowding rate Percent of population 20–64 living in household with insufficient number of rooms	24.6	16.5	8.1
Housing cost overburden rate Percent of population 20–64 living in households in which total housing costs exceed 40 percent of disposable income	29.6	10.8	18.8
Mean annual income of people over 18 (thousands of euros)	15.4	19.0	3.6
Severe material deprivation rate Percent of population over 18 with inability to afford four of nine necessary items for leading an adequate life	17.9	7.5	10.4
Children at risk of poverty rate by birth place of parents (percent of population below 18)	37.6	19.0	18.6



# Policy priorities

- Further integration of migrants in destination countries;
- Facilitation of circular migration;
- International agreement on a multilateral framework for migration;
- Conditions to help migrants and nonmigrants cope with more flexible labor markets



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# Thank you!



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