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Tutor: Bo Bjurulf  
Characters: 81 224

# Labour Migration in the Enlarged European Union

Katrin Jaakson

# Abstract

The aim of this thesis is to discuss the issue of labour migration from the new member states of the European Union to the old after the enlargement. As the old member states have imposed restrictions towards the new members concerning one of the main rights of the EU citizens - the freedom to move freely and work in another member state - this thesis will use both theoretical and empirical data to study the necessity of these restrictions. The neoclassical, human capital, network and family migration theories will be described in order to explain the main reasons why people migrate. These theories will be tested against today's labour migration realities in order to be able to make assumptions about the possible migratory levels from the new member countries to the old. The realist and liberal theories will be used to analyse the old member countries' migration policies towards the new. The thesis will show that the realist framework (emphasis on the protective measures) dominates the migration policy-making towards the new countries, bringing up the question if it is really justified and necessary. The main goal of this thesis is to use the main theories and empirical analysis in order to demonstrate that the people from the new member states are less likely to migrate to the old member states than was foreseen and even feared by the old member states. Furthermore, this will show that the imposed restrictions on the free movement of labour clause are not justifiable.

*Key words:* labour migration, immigration, Central and Eastern European countries (CEECs), European Union (EU), enlargement

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# 1 Introduction

## 1.1 The Subject of the Study

Immigration is one of the most controversial issues on the European Union (EU) agenda today. Especially after the last accession round on May 1, 2004, the migration issue reached new dimensions. As one of the basic rights of the EU citizen is to move freely and work in other member states, opening up of the labour markets and welcoming the citizens of the new member states has become a matter full of conflicts. According to Grabbe, “freedom to live and work anywhere in the union is a fundamental issue in the enlargement process, given the EU’s commitment to offer full membership to the Central and Eastern Europe (CEE), not partial or second-class membership” (2001: 143). It is exactly the issue of offering full and equal opportunities to the new members in the field of free movement of labour that has been dealt with more caution than any other of the free movement clauses.

Immigration or human mobility can occur via different ways such as permanent settlement, temporary migration, cultural exchanges or tourism. This thesis will clearly focus on labour migrants, in other words on people who move with an intention to find actual employment. Brettell and Hollifield define these migrants as “economic migrants who move from one place of work and residence to another, either within a country or across international boundaries, primarily because of their economic opportunities, as distinct from refugees and those who move because of the migration decisions of others (tied movers)” (2000: 61).

The goal of this thesis is to clarify the controversial issues of labour migration from the East to the West today. It will discuss the main fears prominent in Western Europe about the immigration issues following the enlargement to the Central and Eastern European countries (CEECs) and argue through empirical evidence the inaccuracy of these fears. The thesis will prominently analyze the fear that cheaper, unemployed workers from the new member states will flood the old EU, decreasing the wages of native workers and driving them out of work. It is clear that the wages in the old member states are higher than in the new member states. Similar fears were present when Spain, Portugal and Greece applied for EU membership. Yet, “despite the economic differences between these countries and the richer North, the expected mass migration did not occur” (Bauer and Zimmermann 1999: 1). Therefore, this thesis will argue that the limitations imposed on the new members are unjustified and not in accordance with the spirit of the rights held by the members of the European Union.

In order to clarify the misunderstandings connected to the potential migration from the East to the West, this thesis will give an overview of the theoretical literature and the empirical evidence on the economic and social factors of migration. Understanding the causal factors of international migration is the first important step to be able to make any predictions about the possible migration pressures from the East to the West, and furthermore be able to make assumptions about appropriate policy-making in the field of labour migration.

## 1.2 The Plan of the Study

The thesis will start off by using relevant theories to explain both the reasons why people choose to migrate, and the reasons why they might choose to stay in their native country. It will describe the concept of migration from the migrant's perspective, looking deeper into the neoclassical approach, human capital theory, network migration theory and family migration theory. The main goal is to find either the main reason or a common denominator explaining why people move across borders. It will also provide counter-arguments to migration, describing the reasons why people might choose against migrating and stay in their native country. The main assumption to be made is that labour migrants will move in order to increase their living standards and earn higher wages.

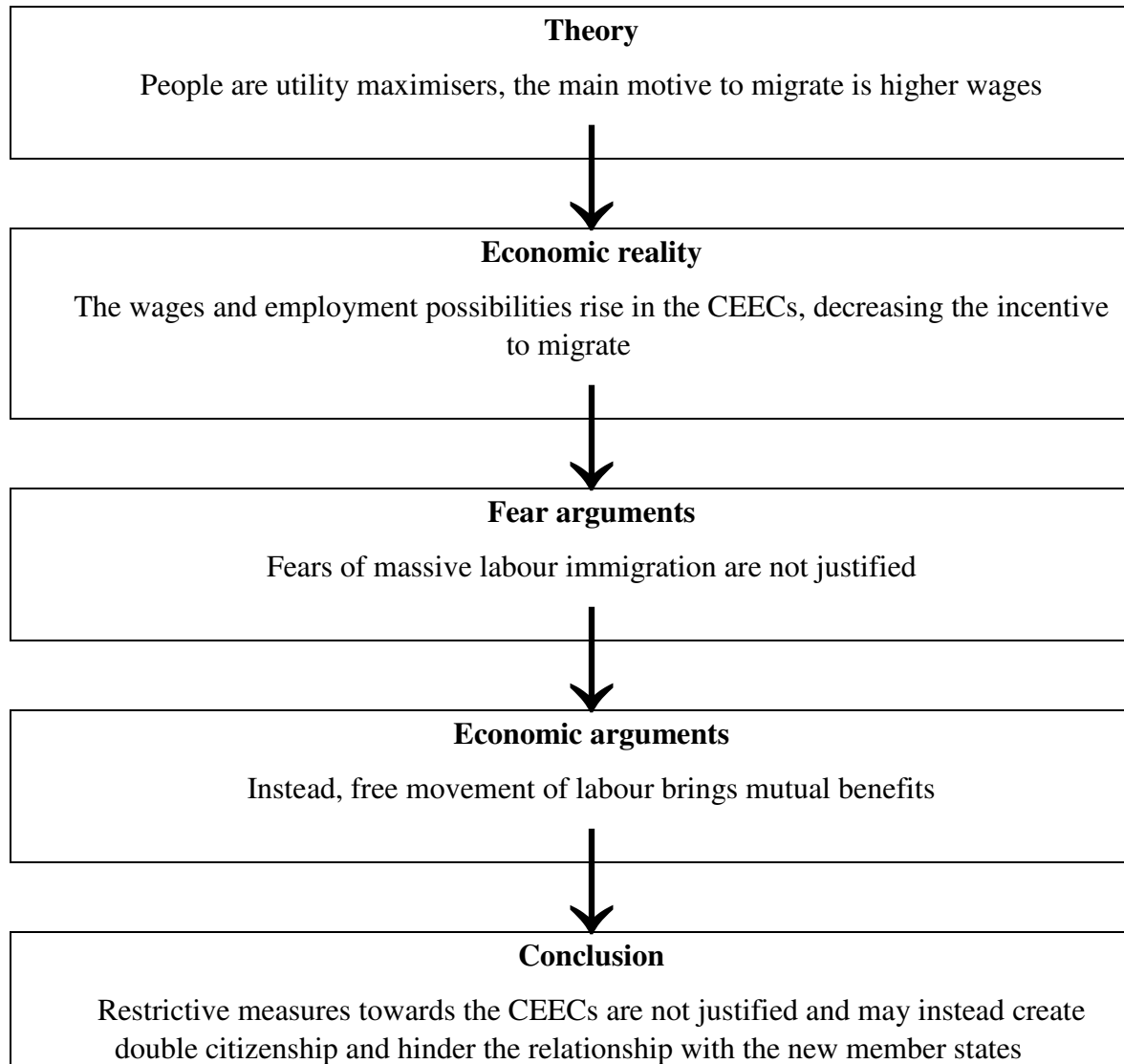
Following the theoretical framework the thesis will next focus on the issue of migration from the new member states to the old. First, the thesis will describe the most prominent fears in the old member states about the labour immigrants from the new member countries. The labour migration realities part will describe the situation today and test the theoretical assumptions described at the beginning of the thesis. The assumption to be made is that with the enlargement process the economic situation in the new member states is improving substantially. Therefore, given the theoretical hypothesis and taking it into the reality of today's economic situation, the thesis will argue that the fears prominent in the old member states about massive inflows of labour immigrants from the East are unjustified. Instead, the table will be turned and a counter-argument to the negative myths about the labour migration from the CEECs will be presented, followed by a description of the positive economic benefits that it may bring. Given the theory, specific conclusions about the migratory trends can be made, which will argue against the prominent fears that masses of Eastern immigrants will march into the older member states after the enlargement. As people move for the higher wages, the motive to move from the East to the West is continuously decreasing as the wages and employment possibilities improve in the native countries.

Following these assumptions, this thesis will describe the old Europe's migration policy views towards the new member states. In doing so, it will study the main theoretical approaches that govern the policy-making in the field of immigration towards the new member states. In that field, it is possible to

distinguish between two different theoretical themes: the realist theory that deals with internal security and the liberal theory that deals with human rights. Lavenex describes a competition between two partly conflicting policy frames as “the realist frame of internal security, which emphasizes the need to tighten up territorial borders and to fight illegal immigration, and the liberal frame of humanitarianism, which incorporates the human rights-based notions of freedom of movement and refugee protection” (2001: 24). The main goal is to find out if the policy towards the new member states follows more of the liberal (equal opportunities to new members) or realist (protectionist) approach. The conclusion will argue that the immigration policy towards the CEECs is mostly dominated by the realist view of security policy-making rather than by liberal policy ideas. The concept of transition periods imposed on the new members will support this idea, and will show how little impact it has in trying to protect internal markets. The main goal of this paper is to provide an understanding that the citizens of the new member states do not impose a real threat on the old EU’s labour markets, and that on the contrary, they may benefit the receiving countries’ economies. Therefore the need to impose limitations on the free movement of labour from the new member countries to the old, which are evident in the last section, is unjustified.

In order to simplify the structure, a model can be drawn to illustrate the reasoning of this thesis:

**Figure 1. The framework of the thesis**



Source: own interpretation

As the structure of the thesis will follow the previous model, the **main questions** to answer in this thesis are:

- Are the fears of massive inflows of labour migrants from the CEECs justified?
- Is EU imposing restrictive measures on the free movement of labour towards the new member states and is that justified?

## 1.3 Methodology

Different critics dealing with labour migration from the new member states to the old argue about the size and speed of potential migration flows from the East to the West. There are several different approaches to predict the East-West migration potential and as expected, the results vary according to the methods used and the assumptions made.

Most of the models rely on microeconomic migration theory, which is mostly based on human capital, wage and job search theories. Some scholars follow yet a completely different approach, relying on opinion polls and surveys. Following the polls and survey approach, the results usually portray a relatively high migration potential. This outcome is not surprising as the answers to the question of whether or not one would like to migrate to West can be given without any real consequences. The positive answer may portray an intention to migrate and consequently is not a strong migration commitment. As the polls and survey approach has less credibility in making predictions about future migration, it will not be used in this thesis. This thesis will discuss the neoclassical, human capital, network migration and family migration theories in order to explain why people migrate. Liberal and realist theories will be used in order to portray the EU's migration policy views towards the new member states.

The methodological approach of this thesis is a critical analysis of the labour migration issue from the new member states to the old. The main theoretical approaches are first discussed in order to provide an understanding of the subject, followed by a more empirical analysis to answer the questions posed.

The literature mainly consists of articles, supported by background information from several books. As labour migration following the enlargement on May 1, 2004 is a relatively new subject, most of the published material on the subject can be found in the respective articles.

## 1.4 Delimitations

In studying the relationship between policy ideas and policy-making, it is important to understand that the emergence and establishment of policy frames are often defined by the presence of conflicting views and political struggles over facts, values, and outcomes. The implementation of public policies often reflects the positions of the most influential actors who hold certain views. "Nevertheless, once implemented into public policies, these frames become independent from the underlying power relations and can continue to affect the course of policymaking, even after the social power relations that facilitated their emergence have changed" (Coleman 1998: 634). As the issue under observation becomes independent of its policy-makers and starts living a life of its own, along with the changing environment, the ways to predict the outcome become more difficult.



According to Straubhaar “the main methodological difficulty lies in the fundamental political and institutional change that goes along with the accession to the European Union” (2001: 167). Favell and Hansen argue that “the wider process of EU enlargement has itself generated unpredicted and often unnoticed patterns of migration - some temporary, some permanent, and much of it circular or return in nature - that have little to do with the mass, one-way East-West migration feared at the beginning of the 1990s” (2002: 582). Methodologically questions which are difficult to answer are: a) how much can we use the past experiences to make predictions about the future and b) what predictions can we make about free migration in an area where there has not been any (legal) migration in the near past? The difficulty in making future predictions lies in the fact the CEECs have no historical experience in free migration at all; firstly, because for decades (legal) emigration was not allowed and secondly, because during the last decade there was no right to (legally) immigrate into the EU.

With these methodological problems in mind, the forecasting power of structural East-West migration models must be carefully evaluated. In the theoretical part the problem lies in predicting an individual’s point where migration becomes undesirable. The theory assumes that people will move in cases where they will benefit. Not knowing their income level at home makes it harder to predict if employment in a similar sector matching their skills abroad might benefit them. Therefore it is hard to predict an individual’s exact point when expected benefits of migration exceed the expected costs. The theory only makes rough generalisations and neglects an individual’s social and family ties at home, which may increase their willingness to stay in their native country. “For reasons of simplification, and as a consequence of the limited transferability to other times and places and finally due to the lack of data availability the macroeconomic migration specification remains rather *ad hoc* and poor in most of the models applied to the question of future East-West migration potential” (Straubhaar 2001: 168).

## 2 Why Do People Migrate?

Migration across borders cannot be merely explained by one defining model that focuses on one specific analysis in a certain time frame. As Smith argues, “although traditional neoclassical economic analysis suggests a cost-benefits approach to international migration, the decision that comes from this model only applies to the actual decision of whether or not to migrate based on the situation of the individual in question at a particular moment” (1999: 1). Massey states that “decisions such as these are not made in a black box and it is necessary to examine the conditions that make up the individual situation; how these conditions are created by social, political, and geographic forces at local, national, and international levels” (Massey *et al.* 1993: 432).

Critics suggest that taking into account the historical perspective, many assumptions about the future migration trends can be made. On the other hand, however, this takes us to the methodological problem of the new member countries not having legal migration in the past. As the situation of the new member states has significantly changed within the past 15 years, those changes themselves may have a role to play in the issue of migration. Substantial economic changes that have taken place in the CEECs may shift the decision to migrate one way or the other. “To understand international migration and develop a comprehensive theory of it, it is necessary to identify reasons for the changes that are either encouraging or discouraging migration” (Smith 1999: 1). Therefore it is necessary to closely examine each of these factors driving individual migration in order to provide an understanding to the theory of international migration.

An important factor to consider lies in the structural changes in the society that surrounds the individual and determines their decisions to migrate. “This is a critical point of conflict between the neoclassical interpretation, which concentrates on the individual, and the new economics of migration, which focuses on the structures surrounding the decision-makers” (Massey *et al.* 1993: 434). When taking into account the local economic conditions of the sending country, the individual is faced with different set of costs and benefits when thinking about migration.

The following theories will provide the reader with an understanding of the reasons for an individual to choose whether or not to migrate. Taking into account the neoclassical theory, the human capital theory, network and family migration theories, the main purpose is to try to find a common motivating factor for people to move across borders or instead, to stay at home.

## 2.1 The Neoclassical Approach

The basic assumption in the neoclassical theory is that individuals are utility maximisers and the central argument evolves around wages. “The neoclassical cost-benefit analysis focuses on the individual facing a choice to migrate” (Smith 1999: 2). The main reason for migration lies in the geographical differences in the demand and supply of labour markets. “Regions with a shortage of labour relative to capital are characterised by a high equilibrium wage, whereas regions with a large supply of labour relative to capital are faced with low equilibrium wages” (Bauer and Zimmermann 1999: 13). This difference in wage levels generates a migration flow from low wage to high wage regions. As a consequence, the supply of labour in the high wage region increases, whereas the wages in that region decrease. The similar assumption applies to the low wage region where due to migration, the supply of labour decreases and the wages in that region increase. The migration flow is expected to stop as soon as the wage differences between the two regions are equalized and the costs of movement from the low wage to the high wage region are higher than staying in the home country. This model concludes that labour migration appears from actual wage differentials between the regions. In other words, the assumption is that the larger the wage differential between the regions, the larger the migration flow. Consequently, the model argues that if the wage differentials are equalised, the incentive to migrate disappears.

## 2.2 Human Capital Theory

Migration research is also involved with the human capital model, which treats migration as an investment decision made by an individual. “The main assumption in the human capital theory is that an individual will migrate if the expected benefits from moving exceed the expected costs” (Alvarez-Plata *et al.* 2003: 29). “Depending on their skill levels, individuals calculate the present discounted value of expected returns of their human capital in every region, including the home location” (Bauer and Zimmermann 1999: 16). Migration is expected to occur if the payoffs are greater in a potential destination country than in the country of origin. Among the costs of potential movement are travel expenses, differences in the costs of living, lost wages while moving, as well as emotional costs such as separation from family and friends. The human capital model of migration also deals with the uncertainty about the wage differential between the regions and the costs of migration for the individual. “The costs of migration comprises not only the pecuniary costs of changing the place of residence, but also non-pecuniary costs including all social and psychological costs which result from moving into an unfamiliar environment” (Alvarez-Plata *et al.* 2003: 29). It concludes that keeping in mind the uncertainty factor about the

potential gains from migration, it may be rational for an individual to postpone migration when the expected migration gain exceeds the costs of moving. As a result, these models are able to provide a theoretical explanation of the coexistence of relatively high differences in the levels of income and low migration flows. The economic reasoning here is that an increase in immigration brings about a decrease in wages in the receiving country. “In the case of rigid wages due to union behaviour or minimum wages, immigration could also lead to increased unemployment in the destination country” (Bauer and Zimmermann 1999: 16). Consequently, both the increasing levels of unemployment and the decreasing wage levels may make it desirable for individuals to move to another country or to return home. Due to emigration of labour, growing wage and employment possibilities may also increase return migration.

In addition, it must be noted that migration is also dependent on individual characteristics like age, gender, and level of education. The human capital model assumes that the likelihood of migration decreases with age, as there is a decreased expected lifetime gain from migration for older people. Another assumption states that individuals with higher level of education are more likely to migrate as their ability to process and collect information necessary for finding work and accommodation are higher. That, on the other hand, reduces their personal risks and costs of migrating to a new country.

## 2.3 Network Migration Theory

The network migration approach sees the migration process through the social and information networks point of view, arguing that the costs and risks of migration are lower when these networks are present. If a person holds little or no information about the labour market possibilities in the destination country, he faces higher insecurities and costs. “After the migration of the first individual, the monetary and psychological costs of migration are substantially lowered for the relatives and friends of this individual in the original location” (Bauer and Zimmermann 1999: 19). Following this logic, the existent relationships in the destination country lower the risks of moving, as the individual is likely to receive information about the job opportunities and get help with settling in. These decreased levels of insecurities and costs are likely to increase the migration potential. As supported by Massey *et al.* “in effect, this decreases the costs of migrating and thus encourages immigration into countries with established communities of immigrants” (1993: 449). This may lead to a snow-ball effect, where each person who moves to the destination country holds social ties in their native country, which may lead to gradually increasing migration processes. However, not all people from the home country are willing to move, so the snow-ball effect may stop at some point. Another argument against the gradual migration levels lies in the rising wages in the native country and the possible wage decrease in the destination country, which lowers the willingness to move.

These factors decreasing potential migration are crucial for the equilibrium or stability of this network migration model.

## 2.4 Family Migration Theory

The above-mentioned theories deal mainly with the individual's decision to migrate. The family approach assumes that the migration decisions are taken by families or households. "Various researchers and theoreticians disagree on whether the decision-making unit to consider is the individual or the household" (Smith 1999: 2). Smith goes further to argue that "the existence of family is a unique phenomenon in any economy because interactions between members of the family do not generally conform to standard models of economic behaviour" (1999: 2). The costs and benefits from migration have to take into account the size of the household and the number of working family members. "Those family members who do not move on their own initiative often have to face reduced earnings and employment possibilities in the labour market of the destination country" (Bauer and Zimmermann 1999: 18). The assumption here is that the family will only decide to migrate if the gains of one family member make up for the losses of the other family members. Yet, the labour force participation rates of women make them more interdependent of their partner's migration decision, which may result in decreased migration. In addition, the theory assumes that as the family size increases, the level of migration decreases. People with larger families are less likely to move as compared to single people or families with no children.

Family migration is also assumed to be driven by the willingness to divide resources, like labour, in order to decrease risks to the household income. In case the labour market is unstable in the home country, the family may be willing to send one or more of its members to work in a foreign country. "The basic argument is that families as a whole tend to be risk averse and members of the family may spread out to several different locations in order to decrease the probability that the family will be impoverished by an economic downturn in a particular area" (Ghatak *et al.* 1996: 161). In other words, in case of a recession in the labour market of the host country, the family has still secured a steady income through the income provided by the family members working abroad. As argued by Smith, "this is not dissimilar from a stock market practice of developing a portfolio that seeks to minimize risk by buying equity in several different companies rather putting all available funds into purchasing equity in just one" (1999: 2).

Another assumption brought out in the literature about the motivating factors of family migration is that the families compare their incomes to other households. Following this fairly competitive view, it can be argued that migration takes place in order to improve the living standard of the household as compared to a similar household. Accordingly, it is not only the differences in income between the sending and the receiving countries that drive migration, but

also the income distribution between households in the native country. According to this theory, significant income inequalities in the native country are likely to cause higher migration rates.

The following figure lays down the basic assumptions of each theory, after which the main similarities and differences will be discussed.

**Figure 2. The theories of migration**

	<b>Basic assumption</b>	<b>Incentives to migrate</b>	<b>Incentives to stay in native country</b>
<b>Neoclassical theory</b>	Individuals are utility maximisers, whose migration decisions are driven by wage differences	Difference in wage levels generates migration from low wage to high wage areas	If the wage differences are equalised, incentive to migrate disappears
<b>Human capital theory</b>	Migration is an investment decision of an individual	Individuals will migrate if the expected benefits from moving exceed the expected costs, including the social and psychological costs	Growing wage and employment possibilities at home decrease the incentive to move
<b>Network migration theory</b>	Costs and risks of migration are lower when networks are present	Existing relationships in the destination country increase the incentive to migrate	Rising wages in the native country and possible decrease of wages at the destination country lowers the incentive to migrate
<b>Family migration theory</b>	Migration decisions are taken by families or households, not just individuals	The family will migrate if the gains of one family member make up for the losses of the other family members. Also, one family member may work in a foreign country to reduce risks of economic uncertainty in one region	Larger families are less likely to migrate due to higher costs. Also, equality of incomes as compared to other households decreases the decision to migrate

Source: own interpretation

Taking all the above-mentioned theories together, we can draw a common denominator as a motive to migrate. Whereas the basic assumptions to migrate may differ, especially in cases of family migration and network migration, where one assumes that people will move to divide the family income risks and the other that people migrate in case of existing networks, the incentive to choose not to migrate is the same for all studied theoretical approaches. All of the theories state that as the wage level at home increases, the incentive to migrate decreases. As a key assumption in the studied theories, people are utility maximisers, who's willingness to migrate disappears as the gains from moving do not substantially exceed the costs. As we went through the main theories explaining the individual's or the household's migratory decisions, it became apparent that they all dealt with people trying to earn higher wages and therefore improve their living standards. The main motive for labour to move is money and given that the benefits of moving do not substantially exceed the costs, all of the above-mentioned theories assume that people's incentive to migrate either disappears or are significantly lowered.

Taking these assumptions into consideration, the next section will focus on the migration issues from the Central and Eastern European countries to the West, or in other words from the new member states of the EU to the old member states.

## 3 Myths and Realities of Labour Migration from the East to the West

The theoretical findings in the last section reach similar conclusions about the main causal factors of migration. The following analysis will provide strong empirical support to the theoretical framework that migration is to a large extent determined by the individuals searching for better economic conditions. It is important to describe the fears and myths connected to the issue of immigration from the East to West following the EU enlargement. As the enlargement is likely to increase the living standards of the people from the CEECs, this chapter will argue that the migration flows from the East to the West will be modest and the fears of massive flows of immigration are unjustified.

### 3.1 Main Fears towards the Labour Migration from the CEECs

The enlargement of the European Union towards the Central and Eastern Europe on May 1, 2004 extended the issue of free movement of labour to the new member countries. The implications of this free movement regulation have initiated controversial dialogues among the politicians as well as the general publics. “The lifting of restrictions on movement from the former communist bloc generated (often exaggerated) fears about a mass influx of immigrants from Central and Eastern Europe” (Boswell: 2003: 621). “Many people are afraid of mass immigration to Europe, being, at least in part, supported by articles in well-respected periodicals talking about a migration potential of several million people in Eastern Europe only waiting for the starting signal to launch their march to EU” (Fertig 2001: 707). According to Stacher, “numerous newspapers across the continent warned in large headlines of “millions of Easterners” flooding west and entering the labour markets of Western Europe” (2004: 1). Mitsilegas goes further to argue that “the accession negotiations have been based on the general perception of the EU being threatened by masses of immigrants coming from or via the candidate countries, changing population numbers and importing criminality” (2002: 669). “Several of the existing member states are under pressure from public opinion that is fearful of a tidal wave of immigrants from the former communist East who would undercut wage rates and push up unemployment among the native population” (Leonard 2001: 1). There is an overall fear that the average wage will fall due to cheap immigrant labour. “In a situation of full employment, the introduction of foreign workers who are



perfectly substitutable for native workers may reduce the wages of the latter because of the increase in the working population” (Kondoh 2004: 2). Also, as argued by Boeri and Brücker, “given the magnitude of income and wage differentials and the strong degree of integration involved by the accession, there are mounting concerns among the present EU members that Eastern enlargement may have a number of undesirable effects on labour markets and income distribution” (2001: 1). “In particular, a decrease of living standards of the unskilled workers, associated with job displacement and wage losses triggered by the inflow of low-cost labour and the de-localisation of plants from the West to the East is feared” (Boeri and Brücker 2001: 1). In a very simplified way Drbohlav argues that “an immigrant from either the Third World or Eastern Europe seems to feel (and indeed is treated as) an unwelcome and redundant guest who is unable to contribute to the development of a society which, in turn, sees little reason to increase the stock of its foreign manpower” (1997: 87). There is a general concern that low wage immigrants from the CEECs may result in job losses in EU member states (Abraham and Konings 1999: 585-586).

“Without judging whether or not the following opinions are well-founded, many people in the West feel threatened, or at least burdened, by immigration in terms of its possible disruption of social systems, exacerbation of unemployment and threatening cultural conformity” (Drbohlav 1997: 87). There is also a fear that immigration will increase social costs, like healthcare and education. Educational costs can become especially high in cases of family reunification and accompanying dependants. “The question is whether concerns about welfare migration have led to downward pressure on the EU-15 member states in the form of more restrictive access to their labour markets and adjustments of their social policy benefits” (Kvist 2004: 301). Yet, Kvist argues that there is very little empirical evidence to support the assumption that welfare states with generous social benefits and accessible labour markets will become magnets for welfare migration (2004: 301). In sum, hard evidence to support the above described generalised fears is hard to find.

## 3.2 Migration Realities

The EU is in danger of over-reacting to current fears that the recent enlargement will cost too much and that it will be followed by massive waves of immigration from the accession countries (Grabbe 2001: 128). In the past, the enlargements involving countries well below the economic standard of the existing member states did not result in high migration flows. For example Greece (acceded in 1981) and Spain and Portugal (acceded in 1986) saw only small-scale emigration from their homelands, despite the fact that the differences in per-capita income were roughly similar to those that exist today between the EU-15 and the 10 new members. Many of the migrants returned to their country of origin after a few years, when the economic opportunities back home became competitive with those available elsewhere in the EU (van Selm and Solakis 2004a: 4). “With rising

per capita income, enhanced social security systems and increased political and social stability, migration becomes less attractive” (Kraus and Schwager 2003: 169). “What we have learnt from the EU experience in the past is that if labour has the legal right to move freely, this makes people (especially in border areas) more mobile internationally, but it does not in itself induce mass migration from one country to another” (Straubhaar 2001: 169).

Fears of massive migration flows from the CEECs underestimate the people’s reasons for staying in their home countries, like economic growth and political stability. The Copenhagen criteria for membership – stable democracy, competitiveness within the single market and a well functioning market economy – are strong arguments for people to stay in their home countries. Also, staying in their native country allows people to use their special local know-how on the jobs. This acquired local know-how cannot be transferred across borders as it would be lost in case of migration and would have to be attained again in the new country of residence. Straubhaar argues that “precisely this value of immobility explains why most people prefer to stay even if “to go” seems to be an attractive alternative at first glance” (2001: 170). He goes further to argue that “for most people, however, the second glance clearly shows that the value of immobility is higher than the expected net present value of a move abroad” (Straubhaar 2001: 170). As a consequence, the decision to stay seems to be a rational individual choice. The critics agree that people’s social and cultural ties to their home environment present a crucial barrier to migration, which has been underestimated by the economic theories and has not been taken seriously in forecasting migration flows.

This pattern may be relevant even to the case of East-West migration as the majority of people usually prefer to live and work where they have their roots. The assumption is that people are most likely to prefer the *status quo* to an insecure change and the removal of simple legal barriers to migration is usually not enough to compensate individual (social, cultural and microeconomic) obstacles to migration. “Contrary to what one might expect at first from the theory of international economic integration, European labour has reacted little to the opportunity of free movement within a common labour market” (Straubhaar 2001: 170). A recent report, entitled “The Impact of Eastern Enlargement on Employment and Labor Markets in the EU Member States”, by a consortium of five leading economic think tanks, led by the German Institute for Economic Research (DIW), strongly suggests that the EU may have overestimated the likely level of migration of workers from the East if the present stringent restrictions were to be removed (Leonard 2001: 3).

An economic argument against large-scale migration from the East to West in the enlarged Union is that through the increased investment and trade in the new member countries, living standards will quickly approach the Western European levels and therefore the economic impulse for emigration will decline. During the last few years the GDP growth rates in the new member states have significantly exceeded the growth rates in the EU-15. “It is expected that full integration into the EU internal market will further accelerate economic growth in the new member states, thereby boosting employment and incomes” (Stacher 2004: 4).

“Moreover, EU accession is likely to reduce income gaps between the accession countries and the current member states reducing the incentives to emigrate” (Kraus and Schwager 2003: 165). Although there are still relatively high economic differences between the new and the old member states, the migration potential will most likely decrease with the improvement of living standards in the CEECs. This conclusion is supported by the fact that “the two most important reasons why individuals migrate are better living conditions and higher wages” (Bauer and Zimmermann 1999: 36). It is an important factor that the level of development and the average real per capita income in the CEECs is much lower than in the EU-15. The relatively large income gap will last for a long period of time even if the CEECs’ economies grow faster than the EU-15. For many years the growth rate of per capita income in the new member states has exceeded that in the EU-15 by 2 percent. The main argument is that the individual’s willingness to migrate is higher in cases of larger income gaps and lower in cases of smaller income differences. But a person’s decision to migrate might reach a limit where one’s motives to move are diminished long before equal levels of income are reached.

The critics argue that the liberalization of the EU labour market to the new member states will induce the Eastern European citizens to postpone migration decisions and possibly cancel them in the long run, given that the living standards will improve in the home country. Kane even argues that “economic growth can have the potential to reverse emigration, though only in the long run” (1995: 40). The basic argument is that as the countries become economically more stable, the need to emigrate decreases. Conversely, if EU membership had been refused, the fears of future immigration restrictions would have led to immediate migration decisions and increased migration flows. As suggested by Straubhaar, “in brief: having the option to migrate within a common labour market has turned out to be the most effective anti-migration policy!” (2001: 170).

The nationals of the CEECs currently residing in the EU amount to no more than 0.2 percent of the total population, although they are often thought to be more (Grabbe 2001: 128). Yet, having a concern for the reactions of their electorates, the old member states in cooperation with the European Commission sought to protect their labour markets as well as social welfare resources. “They did so by establishing a transition agreement to phase in the entry of the new member states that are CEECs to the freedom of movement in order to work enjoyed by EU citizens generally” (van Selm and Tsolakis 2004a: 5). The German government for instance, proposed a seven-year transitional period before extending the right to freedom of movement for the workers of the nationals of the CEECs, although the Commission had submitted an ‘Information Note’ in March 2001, which concluded that there would be no spectacular increase in East-West migration and that the overall impact on the European labour market would be limited (Apap 2002: 325).

There are two main approaches that explain the possible pressures of migration from the new member states to the old - long-term and short-term arguments.

### 3.2.1 Long-Term Arguments to Migration

In order to be able to draw some long-term conclusions it is important to look at the migration experience of the 1990s. Despite the fears at the beginning of the decade, immigration from the Central and Eastern European accession countries to the EU-15 has been relatively small. It has still been noticeable but yet much lower than originally expected at the beginning of the 1990s.

“By 1999, around 850,000 people from these countries lived in the EU-15, or only around 0.2 percent of the total EU-15 population. Around 300,000 people of the new EU member states were registered in the EU-15 labour force, or only around 0.3 percent of the total EU-15 labour force” (Stacher 2004: 2). Until the communist regimes of the Eastern Europe collapsed, there had been no large-scale emigration of its people, except for rather rare and very short-term waves to Western Europe (Drbohlav 1997: 87). The main migration flows during the 1990s came from the Bosnian war and from the migration of ethnic Germans from Romania, Poland and the former USSR to Germany.

“The most comprehensive study, assuming free access to the labour market from 2002 onwards, was done by a consortium of European economic research institutes in 2000 and projects that annual migration flows from the new 10 to the present EU-15 would amount to some 330,000 persons in 2002, decreasing to 150,000 in 2012 and only 2,400 in 2030” (Jandl and Hofmann 2004: 38). “The latest update of this study commissioned by DG Employment estimated a net increase of migration from the 10 new member states of initially 286,000 per year, increasing to 360,000 per year and falling to 100,000 by 2012” (Stacher 2004: 5). Most studies see the long-term migration potential at only around 2-3 percent of the whole population of the new members. “Although a large number of studies confirm these results, there have also been estimates of either much higher or much lower migration potential” (Alvarez-Plata *et al.* 2003: 7). Alvarez-Plata *et al.* go further to explain that “an assessment of the migration potential is also seriously hampered by a lack of reliable data on migration stocks and flows in many EU countries” (2003: 13).

In comparing all the different approaches, studies and reports that have made some projections of the future East-West migration potential, one surprising fact becomes evident: independent of the variety of assumptions and models that have been used to forecast potential East-West migration flows, one fact is clear that East-West migration would reach about 3-4 percent of the CEEC population within one or two decades after the freedom of movement has been granted to the citizens of the CEECs (Straubhaar 2001: 168). Following these estimates and taking into account the return migration, the net migration rates would be twice the size and lie between 1-2 percent. The reasoning behind this assumption is that in the long run about every second migrant from the CEECs will return back home or become a citizen of the EU host country. The estimates also take into account the people who leave the EU to go to another country as well as the citizens of the host country who move to the East. In general numbers, different analysts have predicted that the East-West migration potential for the new member states might not reach more than 2-2.5 million people gross and 1-1.5

million people net. “Looked at from the opposite side, this is about 0.8 percent of the total EU population (gross) or 0.4 percent of the total EU population (net, including return migration)” (Straubhaar 2001: 169). According to these figures, the fears of mass migration from East to West seem rather exaggerated. Furthermore, taking into account the decline in the overall size of EU population and the ageing of society (the elderly are less likely to migrate), the expected East-West migration potential does not look so striking at all.

The above described surveys are conducted to predict the future under the assumption that the free movement of persons will take immediate effect. As this is not the case, the data does not fully apply in the short term, which will be explained in the following section.

### 3.2.2 Short-Term Arguments to Migration

Most labour migration will be directly regulated by the national migration policies in the short term. In the accession negotiations a transitional period of up to seven years was agreed upon, during which the old member states may individually regulate the access of the new member states to their labour market. “Aware of the economic and opportunity differentials across the new EU, and sensing their electorates’ broad anti-immigration mood, governments of the EU-15 have imposed measures to protect their labour markets and welfare systems from westward movement by citizens of eight of the ten new member states – those of Central and Eastern Europe” (van Selm and Tsolakis 2004a: 1). The eight countries being restricted are Estonia, Latvia, Lithuania, Poland, the Czech Republic, Hungary, Slovenia and the Slovak Republic (also known as CEEC-8). The transition period will not apply to Malta and Cyprus due to their small population and relative economic strength. The general mood for establishing restrictions was well described by the Swedish Prime Minister Göran Persson who stated that “we have to be realistic and understand that if everyone else says transition arrangements are necessary, then we must also be aware of the risks and protect ourselves” (International Herald Tribune 2004). The Swedish government proposed restrictions in February 2004. The Parliament defeated the proposal in its vote in April 2004, making Sweden the third country along with Ireland and the United Kingdom to place no instant restrictions on citizens of the new member states. In other words, “the old member states are free to limit the freedom of movement (that is the freedom to work on their labour markets without explicit permission and work permits) for citizens of the new member states for up to seven years after the date of enlargement (that is up to 2011)” (Stacher 2004: 6).

According to the transition agreements, two years after the enlargement, (May 2006), the Commission will publish a report on the migration levels from the eight new member countries and the impacts on the labour markets of the old member states. Following that report, the EU-15 will have the option to choose either to open up their labour markets and their welfare system completely or keep the limitations. In May 2009 the old member states are expected to open up their labour markets completely. They are allowed to maintain the restrictions for two

more years in case they can demonstrate serious threats or infringements. In May 2011, exactly seven years after the enlargement, all member states must open up their labour markets to the citizens of other member states. In case a country foresees no problems with opening up their labour market, it may lift the restrictions even before the first formal opportunity of removal in 2006. This means that they can “decide to go further than others in opening their labour markets, according to local needs and circumstances” (Leonard 2001: 3). The countries to open up their markets early may take into consideration a reasoning by most of the analysts who cite “a lack of language skills, an absence of a natural or proven propensity to migrate, and the fact that there is not much internal mobility in the CEECs when arguing that the nationals of the eight new Member States are unlikely to seek employment in the EU-15” (van Selm and Tsolakis 2004a: 5). “Postponing the introduction of free movement has only a marginal impact on the scale of migration: postponing free movement for seven years will reduce initial migration by only a few thousand persons” (Alvarez-Plata *et al.* 2003: 57). Alvarez-Plata *et al.* argues that “small reductions in initial migration inflows can, however, be achieved if free movement is postponed a few years for some of the accession countries, since in this case the inflows are distributed across a larger time period” (2003: 57).

It must not be forgotten that the establishment of transition period is a complicated arrangement which creates a two level EU citizenship and excludes the new member states from their initial rights, and is yet expected to have little impact on actual migration flows. “At the same time, the imposition of labour and welfare restrictions – counter to the spirit of EU citizenship – demonstrates that domestic concerns still outweigh the impetus to integrate new members fully into one European Union” (van Selm and Tsolakis 2004b: 2).

As argued above, the labour migrants from the new member countries are not likely to impose a real threat to the labour markets of the old member states. Given the constant increase in economic well-being in the new member countries, the migration levels are expected to decrease each year, therefore making the fear arguments less and less justified. Instead, as will be discussed further, allowing the new members to migrate freely will bring benefits to both sides, the old member states as well as the new member states.

### 3.3 How Can Labour Migration from the CEECs Benefit the “Old” Europe?

Free movement of labour is one of the four freedoms of the Single Market, and long-term restrictions in that area might lead to difficulties in deeper economic integration. In addition, such restrictions on the CEE citizens will diminish the benefits of labour mobility and flexible labour forces demanded by the business environment. According to Grabbe, “the political management of this issue has so far been defensive rather than proactive” (2001: 143).

It has to be kept in mind that the free movement of persons has primarily been conceived as an economic phenomenon. “It was the mobility of human resources as a factor of production which inspired the chapters of the European Economic Community (EEC) relating to free movement of workers, freedom of establishment and, to a certain extent, the freedom to supply certain services” (Veil in Dale and Cole 1999: 50).

In general, economic theory does not offer any absolute predictions about the labour market’s impacts on immigration. “Whether the native population can expect gains or losses from immigration depends, among other things, on the size and the structure of the immigration flow and the labour market institutions in the receiving countries (i.e. wage flexibility)” (Bauer and Zimmermann 1999: 1). Most of the existing empirical studies that deal with the impact of immigrants on the employment and the wage levels of the native population find only relatively small negative effects. In many cases, the studied effects even seem to be positive. “Economic theory predicts that migration enhances aggregate welfare in both, the home and the host countries” (Boeri and Brücker 2000: 15). The scholars argue that immigration can also provide benefits for the natives. “At the most basic level, immigrants increase the supply of labour and help produce new goods and services” (Castles and Miller 2003: 194). Immigration policies should be proactive and designed to meet economic and demographic needs such as the economic and labour market developments, the required quantity and quality of workers, and the size and skills of the population (Niessen 2001: 424). A lot of the literature suggests that in an economy without borders, labour should be able to move freely without any obstacles in order to meet the labour market needs. As said by Niessen, “economies profit from migration and mobility, and societies benefit from the diversity that is the result of migration” (2001: 424).

The enlargement will not only have effects on the labour markets of the EU-15 but also on the markets of the new member states. The European Association of Craft, Small and Medium-Sized Enterprises (*Union Européenne de l’Artisanat et des Petites et Moyennes Entreprises*: UEAPME) states in its independent research that the “economies are so interrelated that enlargement will also bring a lot of positive evolutions boosting the modernisation of the candidate countries’ economies” (2003: 5). The efficient economic modernisation requires, in addition to the effective industrial relations, flexible and adaptable labour markets. “Migration responds rather quickly to changes in GDP and employment growth, thus, international migration contributes significantly to adjusting the labour supply to fluctuations in economic activity” (Alvarez-Plata *et al.* 2003: 57). “It will require a lot of effort on the part of the social partners, who will have an increasing role to play, but in the end, it will bring long-term gains for all” (UEAPME 2003: 5). Also, the growth of the internal market to nearly 500 million consumers provides beneficial economic opportunities to all 25 member states. “In addition to the gains from trade and investment already benefiting EU member states, the accessions have the potential to boost economic growth with at least 60-80 billion euros” (Grabbe 2001: 127-128). The Irish, Portuguese and Spanish experience has shown how the accession can boost up the relatively poor countries’ economies.

One of the main questions regarding immigration is whether or not the incomers can help the society to pay for future social spending, especially pensions. Angrist and Kugler write that “many observers also note that increased immigration is likely to be part of any strategy to keep European social security systems solvent” (2003: 302). The argument is that more young immigrants mean more young workers and therefore more revenue for social services and pension funds (OECD 2004: 29). The main focus here is on employing high-skilled immigrants rather than focusing on recruiting more low-skilled immigrants. The general understanding is that the high-skilled migrants tend to be more favourable for labour market success. That is, “economic migrants are described as tending, on average, to be more able, ambitious, aggressive, entrepreneurial, or otherwise more favourably selected than similar individuals who choose to remain in their place of origin” (Brettell and Hollifield 2000: 61). Brettell and Hollifield go further to argue that “the more highly favourably selected are migrants, the more successful will be their adjustment in the destination country, and the more favourable their impact on the destination economy and society” (2000: 61). The same is argued by Bauer and Zimmermann who state that “a selection of migrants with higher skills may be beneficial” (1999: 2). They also suggest that “a temporary, selective immigration policy towards the new member countries should be seriously considered” (1999: 2). The argument here lies in the fact that high-skilled labour earns higher wages and therefore pays more taxes from their earned income. “In this way, they contribute to the financing of public goods (like streets, schools, hospitals etc)” (Straubhaar 1992: 469).

In the single market of the EU, labour has not been very mobile. According to Straubhaar, the free movement of labour is still the least used freedom in the EU Single Market (2001: 169). To illustrate this assumption in numbers, less than 2 percent of EU citizens currently live in another EU country. The labour mobility is the central feature of the international economy and a possible solution for the labour shortages in some European labour market sectors. “Moreover, the decline in the proportion of the population of working age may well increase these shortages, and migration, along with steps to raise participation rates among the existing population, is part of the answer” (Spencer 2002: 224). The right to free movement is most likely to mainly attract young people who are better trained and have better language skills and experience travelling in Europe. They are expected to be more willing to be geographically mobile. The second group most affected by the free labour mobility is the workers with professional experience who are more demanded on international level, while unskilled workers are less in demand.

The enlargement is a unique source of opportunities also for small and medium size enterprises (SMEs) as the labour market provides expanded opportunities. On one hand, the enterprises in the old member countries have to deal with higher competition from the countries with lower production costs, but on the other hand, they will have easier access to new markets. “Another aspect during the first years will be new immigration to the EU from low-skilled but also highly skilled people, who both can help to solve the lack of labour force and bottlenecks on the EU labour market, in particular SMEs facing difficulties in



recruiting workforce” (UEAPME 2003: 4). Reflecting today’s economic structure, labour migration is most encouraged in the hard-to-fill positions requiring very high skills such as information technology and also in relatively low-skill niches like tourism where low pay and unpleasant conditions prevail (Menz 2002: 726).

“In order to mitigate potential adverse effects of Eastern enlargement on employment and income distribution, economic policies should accommodate, rather than oppose structural change both in candidate countries and in the current EU members” (UEAPME 2003: 5). Changing specialisation patterns of different business sectors can be better accommodated by flexible labour markets. “As long as there is a demand for workers, the market-based reasoning for integration allows that the European labour market can draw on labour from throughout the European Union and beyond, orienting its demands to geographically proximate countries found in the periphery of Europe and in the newly opened East” (Favell and Hansen 2002: 586).

## 4 Europe's Migration Policy Views towards the CEECs

Given the arguments in the previous chapters that the labour migrants from the East are not likely to impose a threat to the labour markets of the old member countries but rather may bring benefits, it is necessary to look at the migration policy views of the old members towards the new. When it comes to asylum and immigration policies, the EU is captured in between two controversial views - the liberal values and realist fears. The next section will closely study the both views and try to see which is more dominant in today's policy-making and discuss whether it is justified.

### 4.1 Realist Framework

The realist approach concentrates on the question of border controls and focuses on state sovereignty. "The basic assumption of realist theory would lead us to expect sovereign states to act according to their national interests to control immigration" (Cornelius, Martin and Hollifield 1999: 28). These national interests, among other things, may include the willingness to control the supply and demand of labour, the desire to limit population growth or the desire to maintain the cultural and ethnic harmony within the society. In this framework no distinction is made between different cross-border movements, meaning that asylum seekers, refugees and illegal immigrants are treated equally in the sense that they are all third-country nationals whose entry into the state's territory has to be controlled for the sake of internal stability and security.

"The development of a common migration policy in the European Union is embedded in wider societal, political and professional processes that articulate an endangered society" (Huysmans 2000: 752). The welfare states of the Western Europe face many challenges to their political legitimacy and social integration. Huysmans argue that "these include economic and financial globalisation, the rise of poverty, the deterioration of living conditions in cities, the revival of racist and xenophobic parties and movements, the estrangement of the electorate from the political class, and the rise of multiculturalism" (2000: 752). Taking these factors into consideration, immigration seems more and more a threat to labour market stability, public order and national identity and special security measures have to be considered. In the Western European welfare states the issue of immigration is seen as a security matter as it may endanger the high living standard of the natives. The abolition of internal border controls within the European Union has

raised questions of internal security, especially after the last accession round. Security policy measures can also be a way of showing belonging. Membership and political integration is influenced by the existing threats. Immigration is seen as a great threat to the national identity as well as to the wages and the employment level of the natives, therefore it should be regulated and be a part of security policy making.

Researchers of the subject have brought out three related themes that have developed the securitisation of migration within the EU, being the internal security, cultural security and the crisis of the welfare state. Firstly, the central element in the internal security and migration measure is that the abolition of internal borders may challenge the internal public order. With the Single European Act (SEA) the decrease in internal border controls raised the need for stronger external border controls. Nonetheless, the link between the decreasing internal border controls and the increasing external border controls has played a major part in the spill-over process of what was essentially an economic project into a security matter. In the enlargement process this security issue became apparent with the requirement for the new member states to adapt Schengen *acquis* and protect the internal borders from outsiders. The Schengen *acquis* in short means the abolishment of internal borders between the signed members and the creation of a single external border accompanied by a single set of rules for carrying out immigration checks. The term *acquis* itself refers to the complete text of the EU law. “A key issue in the eastward enlargement of the European Union has been the ability of the candidate countries to assume membership of the Schengen zone and to guard the external border of the Union, which will be moved to their eastern border post-accession” (Mitsilegas 2002: 665).

“Empirical research shows that the accession countries are not only the suppliers of labour to Western Europe but they themselves have become the centre of attraction to migrants, particularly for their Eastern European neighbours” (Biffi 2001: 173). As Marfleet notes, “EU ministers have argued that Europe’s main threat no longer comes from the communist East but from behind a “new fault line” which has allegedly replaced the Iron Curtain” (1998: 82). This has developed with the abolition of internal borders within the EU, which in turn requires equal development in the strengthening of the external border. The old member states need to be convinced that the CEECs’ eastern and southern borders are well protected against illegal migration and crime. In any case, the issue of the Eastern neighbours of the new member states wanting to enter Europe is an additionally concerning issue within migration policy.

Secondly, the issue of migration is not only a technical issue within the EU, it is also a hot political matter, which on one hand is concerned with making politically popular decisions in that area in order to gather or keep votes and on the other, tests the level of belonging of the new member states in the EU. In other words, immigration policies are not only influenced by international development, but also by the domestic political regimes. Ugur paraphrases Hollified who identifies the right-based political system of the receiving countries as the major variable that explains the contrast between the realist view and liberal outcomes of immigration policies (1995: 967). The cultural aspect of security making and

immigration deals mainly with the third world nationals who may threaten the cultural identity of the natives. Again, the new external Eastern borders play an important role in securing the internal market from unwanted immigrants and the new member states must make sure that their borders are well protected and that they are not turned into transit countries for third world nationals on their way to Western Europe.

Thirdly, the immigrants' access to a receiving country's welfare system is also a big argument in the realist view of security policy, as the generous welfare systems of the Western countries are perceived as a magnet for the immigrants. The immigration policy, and specifically the application of transition period towards the new member countries, is portrayed as a measure to keep the new citizens from taking advantage of the more generous welfare systems. "As a result of successive economic recessions and the rise in unemployment since the early 1970s, the struggle over the distribution of social goods such as housing, health care, unemployment benefits, jobs and other social services has become more competitive" (Huysmans 2000: 767). This scarcity makes the immigrants into competitors for the natives for social goods and public benefits. Therefore the concept of privileging natives above immigrants in the distribution of social benefits has come into play.

## 4.2 Liberal Framework

The liberal frame, on the other hand, deals with the humanitarian viewpoint. It concentrates on the individual person and emphasises the rule of human rights. According to this viewpoint the central concern is on the individual's rights and not on the cross-border movement in itself. "More generally, the argument proposes that the expansion of liberal norms, together with the *de facto* persistence of settled minority communities and their integration into the "host" society's circuits of work, education, and daily life, is bound to translate into a general recognition that rights should be granted to all residents irrespective of their origins" (Dale and Cole 1999: 3). When it comes to refugees, this frame has an emphasis on their right to receive protection and have access to fair asylum procedures.

Following the logic of a liberal frame of policy-making and bringing it to the concept of the recent enlargement, the basic assumption would be that the citizens of the new member states should be treated equally to the citizens of the old member countries. With regard to the transition period, which the old member states have imposed on the new Eastern members, it is safe to say that the liberal framework is not prominent in this case. Yet, it can be argued that migration policy-making is a combination of the two theoretical approaches, shortly described in the following Figure 3.

**Figure 3. The main theories of migration policy-making**

	<b>The central idea</b>	<b>The main argument</b>
<b>Liberal approach</b>	The concentration should be on individual person and emphasis on the rule of human rights	The citizens of the new member states should be able to enjoy the same rights as the citizens of the old members states
<b>Realist approach</b>	Sovereign states act according to their national interest to control immigration	Immigration is seen as a threat to labour market stability, public order and national identity. Immigration should be treated as a security matter that may impose threats to the economic well-being of the natives

Source: own interpretation

The relationship between the liberal and the realist views will be studied next and the strong influence of realist approach towards the immigration policy will be explained in the following section.

### 4.3 Liberal Policy Ideas versus Realist Security Policy-Making

While the recent developments in the EU point at a reassertion of the liberal values and principles underpinning integration, enlargement politics towards the Central and Eastern European countries give priority to the realist aim of securing eastern borders against (illegal) immigration and (bogus) refugees, therefore leaving the promotion of humanitarian standards, freedom of movement and the rule of law to the background (Lavenex 2001: 25). In other words, although the recent developments under the Amsterdam Treaty show the willingness to defend liberal elements against a realist approach, it is clear that the extension of asylum and immigration policies to the Central and Eastern European countries is outweighed by the ambition to secure the new border against unwanted immigration. This homeland security agenda, according to Lodge, “signals the increasing securitisation of the EU but challenges the EU’s commitment to the principles of freedom, democracy and justice” (2004: 253).

“The dilemma in studying these framing processes is that in liberal democracies, immigration regimes always pursue a middle way between these

two normative extremes; both aspects, efficient control and the respect of liberal values, are interdependent” (Lavenex 2001: 26). Too liberal policies can lead to lack of control and therefore invalidate state sovereignty and possibly internal security. On the other hand, too much stress on control can sabotage international human rights standards and the liberal principle of freedom of movement. The liberals also see migration as a challenge to nationalism and do not treat it as a threat but as an opportunity for a more multicultural society.

In terms of substance, EU asylum and immigration policies have put the main focus on limiting the access of immigrants to the common territory through the strengthening of the external borders, tight visa policies, carrier sanctions, the allocation of exclusive responsibility for the expulsion of illegal immigrants and for the examination of asylum claims, and simplified asylum procedures (Guild and Niessen 1996). In the realist approach, Kvist argues that “we can focus on policy change more broadly by examining how the EU-15 member states restrict access to their labour markets and adjust their social policies in order not to appear attractive to citizens from other, especially new, member states” (2004: 302). In the ever-globalising world the governments of sovereign states are under constant pressure to make rules and pass laws that would regulate the entry of foreign nationals. Since the immigrants are to follow the rules enforced by the sovereign state in question, the levels of immigration to that country should mirror the policy-making of the government. Following the logic of realist theory, “if states do not succeed in controlling their borders, it must be from the lack of political will on the part of governments, or because immigration policies have been flawed in design or inadequately implemented” (Cornelius, Martin and Hollifield 1999: 28). Therefore the government of a country is expected to take firm and visible action in the area of immigration, which again may push the policy-making more towards a realist approach.

“In the light of the growing priority placed on asylum and immigration policies in the EU, the dominance of realism over liberalism *vis-a-vis* the countries of Central and Eastern Europe poses several difficulties to the development of accession policies” (Lavenex 2001: 36). These challenges involve the relationship with the CEECs, their ability to fully adapt the EU *acquis*, and the further relations with the countries beyond the eastern border of the EU. One of the main requirements for accession in the field of immigration was that the CEECs would have fully implemented the Schengen *acquis* and secured their borders. But it has to be kept in mind that asylum and immigration issues are sensitive not only in the current member states but more and more in the CEECs. Although the CEECs have been eager to fulfil the requirements for EU accession, there is a fear of being turned into a buffer territory warding off undesired immigrants from the West. The problem lies in the fact that however tight border controls might be, they will never be able to fully guarantee the prevention of illegal immigration. It also has a political dimension as it challenges liberal freedoms and fundamental human rights for the individuals in question.

## 4.4 Europe as a Fortress?

“Whereas the EU Heads of State and the Commission have recently recognized the need to revalidate the common liberal tradition against the backdrop of an emerging ‘Fortress Europe’, the politics of the eastern enlargement are clearly dominated by a realist approach which subordinates asylum and immigration policies to the securing of the eastern borders and the fight against illegal immigration” (Lavenex 2001: 38). By the widely-used expression of EU as a “Fortress Europe” the critics mean that the member states are indeed in full control of their borders. Or as explained by Grabbe, “if we take the liberal meaning of the term “Fortress Europe” then it would seem to refer to external exclusion based on tight border controls and internal exclusion based on the social marginalisation of immigrant newcomers” (2001: 34).

Many scholars argue that Europe is not by internal and external means a fortress, as the EU as an institution lacks the capacity to fulfil this role. The fortress idea, followed by the fears of uncontrolled immigration and the supposed challenges the migrants pose on the internal societal cohesion, can legitimize the restrictive policies to international migration. It is then the fear of masses of uncontrolled immigration and its impact on the society that drives the idea of a Fortress Europe and the need to create hard borders. This developed as a realist reaction to the liberal tradition of the primary refugee-receiving countries in the EU. Constructed to protect the internal security of the enlarging Union, the realist framework challenges both the deepening and the widening of the EU. The CEEC accession has been associated with fears of cheap labour, asylum seekers and immigrants. “The determination to ensure long transition phases for the realization of the free movement of persons from the CEECs has already been stated by several member states, and contradicts the fundamental logic of integration based on the liberalization of the single market” (Lavenex 2001: 38). “Surely it would make more sense, and result in greater stability for all, if the EU would quickly learn to trust its new members, and grasp this opportunity to put the goal of an area of freedom, security and justice truly into practice” (van Selm and Tsolakis 2004a: 12). The main challenge in the area of migration for the politicians is to agree on policies that would eventually satisfy the main social interests as well as the local electorates.

## 5 Conclusion

The issue of immigration has become one of the hottest topics on today's EU agenda. Following the recent enlargement, several myths about the massive inflows of immigrants from the East have turned heads. The purpose of this thesis was to study if those myths are justified and if indeed, the citizens of the new member states pose a threat to the labour markets of the West.

As we went through the main theories explaining the individual's or the household's migratory decisions, it became apparent that they all agreed that the main reason for people to migrate is to try to earn higher wages and therefore to improve their living standards. These theories also predict that as the wage level at home increases, the incentive to migrate decreases. The empirical part of the thesis demonstrated that the enlargement will improve the economic standards of the new member states, consequently increasing the wages and employment possibilities of the people. During the last few years the GDP growth rates in the new member states have significantly exceeded the growth rates in the EU-15. With sustained growth the living standards are expected to approach the Western European levels in the near future. The concluding assumption is therefore that as the enlargement is likely to increase the living standards of the people from the CEECs, the migration flows from the East to the West will be modest as the economic incentive to migrate disappears. In other words, migration to the old member countries becomes less attractive as income levels rise, social security systems are improved, and social and political stability are enhanced. Following that logic, the discussed fears among the people from the old member states pertaining to the massive inflow of immigrants are unjustified.

Still, it became apparent that the old member states are not fully convinced, imposing an up to seven-year long transition period on the new member countries. The research has shown that the transition period on the free movement has only little impact on migration, reducing initial migration most likely by only a few thousand persons. Yet, the establishment of the transition period is a complicated arrangement, which creates a two level EU citizenship, excludes the new member states from their initial rights, and is still expected to have little impact on actual migration flows. The most important concern here still is that the restrictions on labour mobility does not fully comply with the spirit of EU citizenship and clearly demonstrates that domestic concerns outweigh the willingness to fully integrate the new members into one European Union.

The study on immigration policies towards the new member states also revealed that the realist view of protectionism overrides the liberal idea of same rights to all citizens. Additionally, another concerning issue turned out to be that the neighbours of the new member states entry into the EU might impose a much bigger threat. Some of the literature sees the "victory" of realist framework in the



immigration policy-making as a security precaution towards the countries outside the Eastern borders of the new member states. Still, it does not fully justify the transition period imposed on the new countries, given that all the theoretical and empirical evidence sees no massive inflows of immigrants from the East to the West.

Instead, as the influences of migration to the economy of a country was studied, it suggested that immigrants increase the supply of labour, make the market more competitive and help produce new goods and services. Given the comparison of the East and the West, it is suggested that immigration policies should be proactive and projected to meet the economic and demographic needs of a country's labour market. According to that belief, in an economy without borders, labour should be able to move freely without any obstacles in order to meet the labour market needs. As argued by some critics, economies benefit from migration and labour mobility and societies win from the diversity resulting from migration.

## 5.1 Further Research

Given the short nature of this thesis, it had to be rather compressed and many issues relevant to the subject of immigration could not have been touched upon. If this subject could have been studied further and in more depth, the history of the immigration policy could be studied in order to understand the developments in the recent history. The issue of the Eastern neighbours of the new member countries outside the EU border, which was only briefly mentioned in this paper, could be developed further as it is also among one of the main fears of the old member states that the new countries are unable to protect their eastern borders, therefore letting the "outsiders" flood the EU. Finding empirical evidence to either support or contradict this fear would be an interesting addition to this paper. Given more space, more conflict could have been brought in the paper, describing the benefits as well as the shortcomings of labour migration. Because most of the literature considered the free movement of labour within the EU a positive phenomenon, and because it better supported my arguments, mainly positive characteristics were described. Given the arguments of the both sides, it is possible to bring a higher degree of conflict in the thesis.

Also, as time passes, gathering the real statistics about the actual inflow of labour migrants from the new member countries might prove to be a great challenge and addition to this paper. A thesis is like a city during its building-process, it never really gets completely done and there is always more to develop and research. Yet, the study answering one of the most challenging and controversial issues in the EU today, is developed above.

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