

Migration processes in the countries of Central and Eastern Europe – transformation from net emigration to net immigration countries

Central and Eastern Europe countries are subject, at a various pace, to transformation from negative to positive net migration rate. / A characteristic feature of CEE countries is a relatively low percentage of immigrants in their societies – the share of foreign citizens was the largest in the Czech Republic (4.1%), while in the next country – Hungary – it was only 1.4%, and in Poland it was 0.3%. / In 2019 Poland for the first time experienced a larger outflow of money sent by immigrants (USD 7.1 billion, or 1.3% of GDP) than the inflow of money from emigrants (USD 6.5 billion, or 1.2% GDP). In the remaining countries of the region transfers inflowing from emigrants prevailed over outflows sent by immigrants staying on their territories. / In 2018 around 1.1 million foreigners could be staying in Poland, which means that they accounted for almost 5% of the total supply on the Polish labour market, while five years later the share was less than 1%. / The work of immigrants contributed on average to GDP growth by around 0.5 percentage points annually. / The COVID-19 epidemic should not substantially change the transformation-related trend of shifting from negative to positive migration ratio in the countries of Central and Eastern Europe.

Fast development of CEE countries and intensified migration processes in recent years suggest that migration flows may play a more significant role in the future development of CEE countries than it has been presumed so far. Long-term migration statistics data, observation of short-term migration and latest demographic projections show that Central and Eastern Europe countries are subject, at

a various pace, to transformation from negative to positive net migration rate. It seems that the phenomenon will grow stronger as the population in Central and Eastern Europe will be ageing. It will make the dilemmas of migration policy, which have been present in the public debate of developed countries for decades, more important also in the public debate of the CEE countries.

The feature of most Central and Eastern Europe countries in the past was permanent negative migration rate, which, in some of them, got even more negative after the EU accession. Data about net migration show that at the beginning of this decade two countries (Slovakia and Hungary) had a slightly positive rate of migrations recorded by statistical offices. Other countries in the 2010–2018 period went from a negative to a positive migration rate (Poland and Czechia), or reduced their negative migration rate (Lithuania and, in the last two years, Romania). In relation to the total population, the negative migration rate was most noticeable in the Baltic countries, such as Lithuania and Romania.

A characteristic feature of the CEE countries is a relatively low percentage of foreigners in their societies, resulting from historical conditions and – in the first decades of transformation – relatively small attractiveness of these countries for emigrants thinking about permanent stay. Eurostat data show that the share of foreign citizens was the largest in the Czech Republic (4.1%), while in the next country – Hungary – it was only 1.4%, and in Poland it was 0.3%. Most immigrants staying in the CEE countries are the citizens of other CEE countries, including Ukraine and Belarus. Significant groups of foreigners consist also of the Chinese, Vietnamese and Russians, and in the case of Romania – the French. On the other hand, the most common directions of emigration from the CEE countries are Germany, United Kingdom and Austria. The latest emigration

TABLE 1. Directions of migration and money flows in the CEE countries

Country	Directions of emigration	Sources of immigration	Share of immigrants (%)	Annual money transfers (USD billion)	
				outflow	inflow
Poland	Germany, United Kingdom, the Netherlands	Ukraine, Belarus, China/Vietnam	0.3	7.1	6.5
Lithuania	Germany, United Kingdom, Norway	Ukraine, Belarus, Russia	0.8	0.5	1.4
Czech Republic	Germany, Austria, Switzerland	Ukraine, Slovakia, Russia	4.1	2.0	3.9
Hungary	Germany, Austria, United Kingdom	Ukraine, Romania, Germany	1.4	0.9	4.7
Slovakia	Germany, Czech Republic, Austria	Czech Republic, Hungary, Romania	1.1	0.3	2.2
Romania	Germany, United Kingdom, Italy	Moldova, China, France	0.4	0.4	5.2

Source: own study by SGH Warsaw School of Economics based on data of Eurostat.

TABLE 2. Breakdown of the Polish GDP growth (YoY), showing the contribution of immigrants' work and changes in the structure of workers' features and their workplaces

Year	GDP growth (YoY)	Contribution GDP growth (YoY)				
		capital	PL work	work of immigrants	use of potential	TFP
2014	3.3	1.5	1.6	0.3	-0.5	0.3
2015	3.8	1.7	1.1	0.3	-0.1	0.6
2016	3.0	1.5	0.8	0.7	0.1	-0.1
2017	4.7	1.2	0.7	0.8	0.8	1.2
2018	5.0	1.3	-0.3	0.3	0.8	2.8
Average 2013–2018	3.9	1.5	0.8	0.5	0.2	1.0

Source: own study by SGH Warsaw School of Economics

history and the new history of immigration also stimulate considerable migrant money transfers received and sent by CEE countries. It is particularly evident in Poland, which in 2019 for the first time experienced a larger outflow of money sent by immigrants (USD 7.1 billion, or 1.3% of GDP) than the inflow of money from emigrants (USD 6.5 billion, or 1.2% GDP). In the remaining countries of the region transfers inflowing from emigrants prevailed over outflows sent by immigrants staying on their territories, although in the Czech Republic, similarly to Poland, the transfers sent by immigrants grew quickly.

Population projections prepared for the EU countries by Eurostat assume that in the next decades the positive net migration rate will be maintained in Poland, Czech Republic, Hungary and Slovakia. Romania and Lithuania should reach a state close to balance between migration inflows and outflows in the second half of the century.

Immigrants invisible in official statistics were an important factor on the Polish labour market. Estimates based on an attempt to integrate various data sources show that around 1.1 million immigrants could be staying in 2018 in Poland, which means that they accounted for almost 5% of the total supply on the Polish labour market, while five years later the share was less than 1%. Their contribution to the uptake in labour force supply in 2013–2018 was comparable to the increase in the Polish workers' employment in the same period and accompanied by a quickly reducing unemployment rate. In the whole 2013–2018 period the work of immigrants contributed on average to GDP growth by around 0.5 percentage points annually. The estimates took into account, apart from the number of immigrants, also the age and gender structure, education, professions and sectors in which they were employed in Poland.

MIGRATION PROCESSES AND COVID-19

COVID-19 epidemic forced countries all over the world to restrict travel and human contacts, which directly affected immigration. Economies of most countries are in recession. Both these factors considerably reduce the volume of migration flows in the short term but should not substantially change the transformation-related trend: from negative to positive migration ratio in the countries of Central and Eastern Europe being the members of the EU.

In the analysed CEE countries most immigrants before the COVID-19 were the citizens of Ukraine. Money transferred by them accounted for a substantial percentage of the Ukrainian GDP (10.5%). It can be therefore presumed that along with liberalisation of migrant flows and reopening of the economies many of those who had worked during short-term migrations might come to Poland again.

The survey proved that although the immigrants often pursue less productive professions requiring relatively small qualifications, their work contribution is increased by a much higher number of working hours than for local workers.

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