

MIGRATION TRENDS AND PATTERNS IN MACEDONIA

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(Review Paper)

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Abstract

The scope and analysis of both migration and remittances is given an extensive attention from researchers and policymakers because of the increasing trends and their impact in the economy. Emigration from developing countries to West European countries is high and raising. The benefits of migration are allowing more finance to the families directly but there also costs for the families that may be of psychological aspect and may lead to moral hazard. Low skilled migration may alleviate poverty and improve labor market condition for the workers who stay and make pressure for the workers. International migration impacts the labor market by reducing labor supply a factor that is not renewable. The scope of this paper is the migrant trends and patterns in the case of Macedonia: a middle income country, a Candidate Country for European Union, multinational structure country, with high unemployment rate, and in recent years commonly discussed for political instability. The focus of the paper is analyzing migration data from State Statistical Office for the time period 2007-2016 as well as underlying possible consequences in the labor market. Accordingly, on 2005 and 2006 we have the first sharp increase in number of international migration from Macedonia and then on 2011 and 2012 we have the highest number of migration and the smallest number on 2003 respectively 2007. The trends of the emigrants reveal that there has been a change of the pattern of migrants from unskilled to skilled, the number of women has become more significant, the destinations have diversified while the main reasons for migration remain work, study or family union. Concluding policy makers are challenged to prevent brain drain with programs that regulate the labor market, possibly offering variable source of remuneration to qualified, productive and efficient employees in accordance with development strategies and labor market demand. Additionally, policies should be addressed toward optimization of benefits of international migration and possibly minimization of negative consequences.

Keywords: migration, labor, policy.

INTRODUCTION

Labour is a source of economic growth and the study of this important factor remains a question of interest for detailed research. Although studies on migration and remittances usually go hand in hand, the scope of this paper is not the size of remittances and financial aspect of the inflow but the migrants structure in the case of Macedonia: a middle income country, EU member candidate Country, multinational structure country, with high

unemployment rate, and in recent years commonly discussed for political instability. These country characteristics are noteworthy mentioning before drawing conclusions for the magnitude and structure of the international migration. We find the numbers of remittances not reliable because the magnitude is underestimated because of different methodologies so the focus of the paper is the structure of migration as reported by the statistical office. The analysis is only from the reported data from the State Statistical office for international migration of citizens of Republic Macedonia.

LABOR MIGRATION

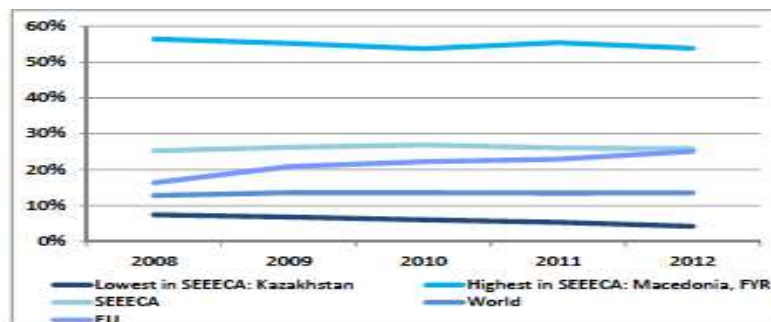
Migration commonly is defined as people who change residence for a certain amount of time. Socio- economic factors and disparities between regions and countries may influence on trends and patterns of migration. Second highest concern of EU according to euro barometer is migration. A negative perception of immigration (outside EU) prevails in Europe as they are considered to negatively influence the jobs, fiscal policy while they support immigration from EU. Migration is both opportunity and challenge for receiving and sending countries. EU has been attractive to immigrants from developing countries as a response to their need for labor market. There are 244 million migrants globally out of which 48% are women and 11.5% youth (15-24) while 37.2 million are from South east and east European countries out of which 54% are women (IOM).

Migration high and increasing trends encouraged researches to study trade, patterns, possibilities and challenges in many alternative contexts such as: demographic, economic, financial and social which all leads to the urge of joint international policies to regulate migration. Here we present international conventions and regulation on migration:

- 1949 ILO Convention concerning Migration for Employment
- 1951 Refugee Convention
- 1967 Refugee Protocol
- 1975 ILO Convention concerning Migrations in Abusive Conditions and the Promotion of Equality of Opportunity and Treatment of Migrant Workers
- 1990 International Convention on the Protection of the Rights of All Migrant Workers and Members of Their Families
- 2011 ILO Convention concerning Decent Work for Domestic Workers.

High skill migrants are regulated by European blue card (2009) but the system does not facilitate high skill migrants. A tremendous fact about Macedonia is that compared to the southeast European countries it has the highest rate of youth unemployment as illustrated in the figure below:

Figure 1 Youth unemployment 2008-2012

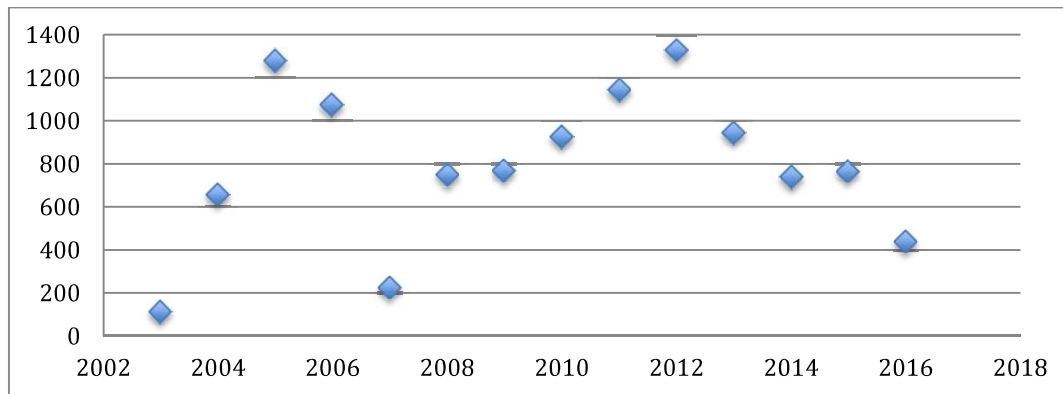


Source: World Bank 2014a

Macedonia: a middle income country, EU member candidate Country, multinational structure country, with high unemployment rate, and in recent years commonly discussed for political instability. These country characteristics are noteworthy mentioning before drawing conclusions for the magnitude and structure of the international migration. In Macedonia we can identify three main trends of migration changed from asylum seeker after the fall of Yugoslavia family reunion and economic reason, study, work and recent trends is characterized by highly skilled migrants. In 2013 30.2% of population in Macedonia emigrated while in the last year there are 564,949 registered migrants to the world from Macedonia.

We find the numbers of remittances not reliable because the magnitude is underestimated because of different methodologies so the focus of the paper is the structure of migration as reported by the statistical office. The analysis is only from the reported data from the State Statistical office for international migration of citizens of Republic Macedonia.

Figure 2: Migration trend

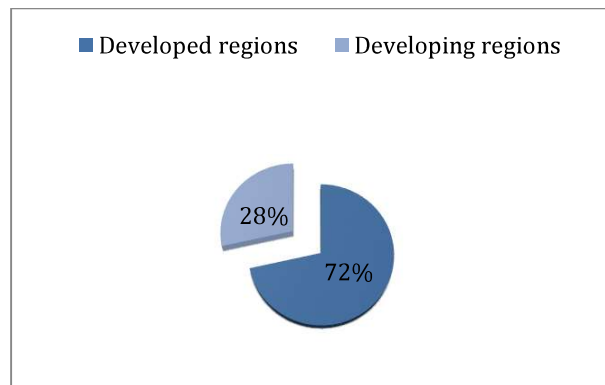


Source: The Statistical Review; www.stats.gov.mk

On 2005 and 2006 we have the first sharp increase in number of international migration and then on 2011 and 2012 we have the highest number of migration and the smallest number on 2003 respectively 2007. The literature acknowledges push and pull factors as determinants of the size of migration.

Given the limited size of the market and difficulties in realizing economies of scale, *international migration tends to become a structural feature of small landlocked economies that have limited access to foreign markets for competitive export of goods.* (Mughal et al, 2008, p11). Macedonia an upper middle income country has increasing trend of migration. The unemployment rate is 26% (NBRM), average net wage 22 294 denars, (stat.gov.mk), mandatory education up to secondary school, gini 43.56 for 2010 WB.

The benefits of migration are allowing more finance to the families directly but there also costs for the families which may be of psychological aspect and may lead to moral hazard. Low skilled migration may alleviate poverty and improve labour market condition for the workers who stay and make pressure for the workers. International migration impacts the labour market by reducing labor supply, a factor that is not renewable. Also the reduction of labor supply may be because family members who have a migrant are expecting financial contribution of their family member but the reduced labour supply may also be as a result of higher reservation wages. Thus the structure of migrants should be analyzed in detail before withdrawing conclusion of the effect of migration.

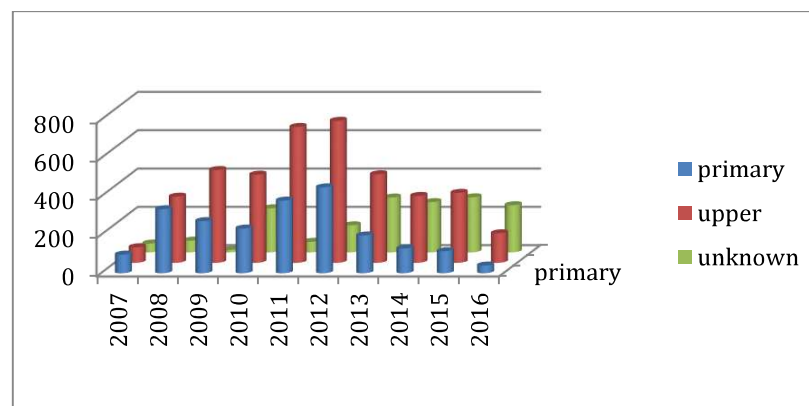
Figure 3: Destination of migration

Source: United Nations, Department of Economic and Social Affairs (2015). Trends in International Migrant Stock: Migrants by Destination and Origin (United Nations database, POP/DB/MIG/Stock/Rev.2015).

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The structure of migrant by education level attained for the period 2008- 2016 is presented in the graphs below:

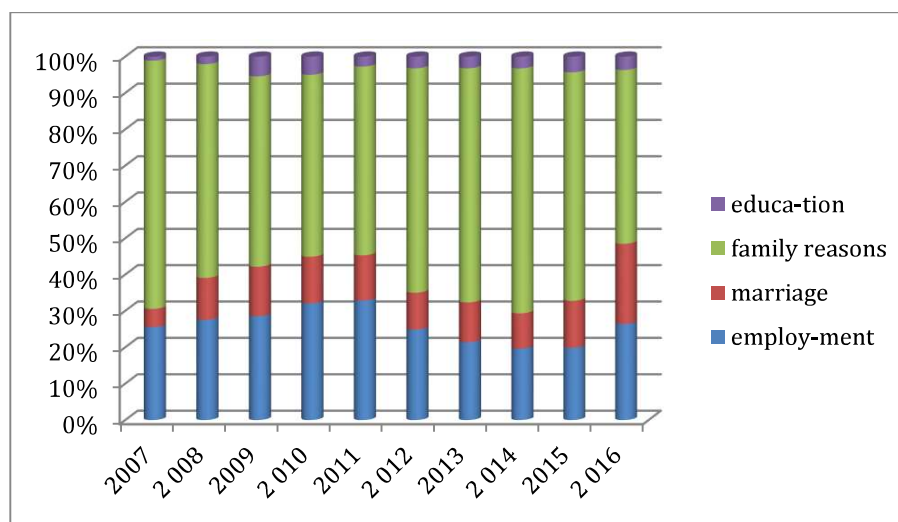
Figure 4: Migration by education level attained

Source: The Statistical Review; www.stats.gov.mk

According to the data in recent years the proportion of people with higher education is increasing compared to people with lower education.

The reason for emigrating as employment is stated by a share of 15%, 13%, 8% and 7 % for 2012,2013, 2014 respectively 2015; marriage is stated by a share of 6%,7%,4% and 5% for 2012,2013, 2014 respectively 2015; family reasons is stated by a share of 37%, 41%, 28% and 24% for 2012,2013, 2014 respectively 2015; education is stated by a share of 2% for all the years; all of these reason is stated by a share of 20%,37%, 29% and 31%for 2012,2013, 2014 respectively 2015; without response is stated by a share of 20% 29% and 31% for 2012, 2014 respectively 2015. The main reason reported is family reasons and a considerable number stated all of the above mentioned reasons and did not respond. The number of persons emigrating for employment is decreasing from 2012-2015 while the number of people who do not respond the reason for emigrating is increasing.

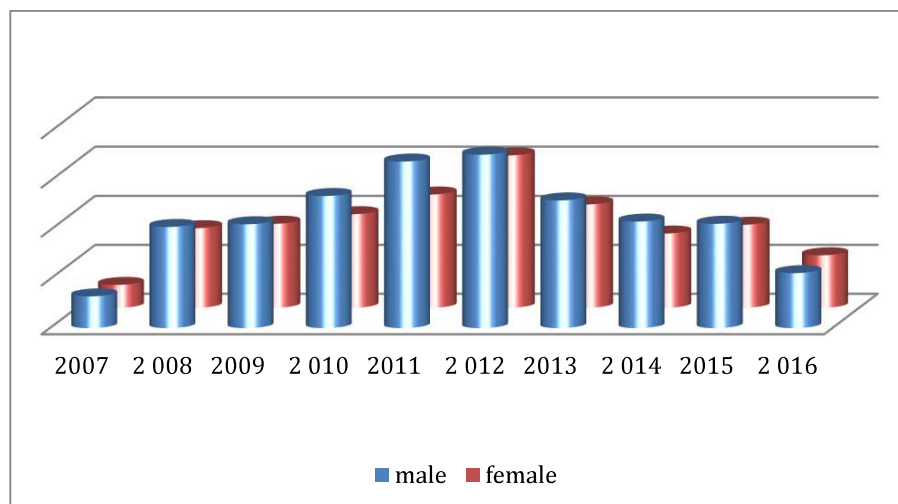
Figure 5: Reasons for emigrating



Source: The Statistical Review; www.stats.gov.mk

Taking under consideration gender we find that in the last three years approximately 55% are male and 45% female emigrants.

Figure 6 Emigration by gender



Source: The Statistical Review; www.stats.gov.mk

BENEFITS AND DRAWBACK FROM MIGRATION

In the medium term migrants may be possible resource of remittance that possibly may contribute to alleviation of poverty in transition countries. Determinant of remittances and potential benefits of remittances have been an interesting topic among researches and often considered as a benefit from migration. Remittances are considered as consumption or investment possibility. When the migration is not on the first stage, and already a network and knowledge in countries is attained, the migration is not as costly as it is in the first stage when the structure of the migrants is from low income households (Mckenzie and Rapoport (2004)). Low income emigrants are less prone to invest in businesses. Moral hazard problem of migration is outlined in Chami et al m (2003). Effects of remittances are direct and indirect. The share of remittance as a percentage of GDP shows increasing trends and the numbers only show measurement from official transfers. Mainly the remittances may be considered as assistance programs. Positive effects of remittances: entrepreneurial spirit, school enrollment, healthcare. Whether the remittances are spent on investment or consumption may lead to moral hazard and negative impact on long run growth. In the medium term they may be possible resource of remittance that possibly may contribute to alleviation of poverty in transition countries.

The most commonly drawback discussed from migration is brain drain problem specifically leading to human capital conquer for countries; students from developing countries do not come back which makes skilled labor scarce, expensive hard to retain.

CONCLUSION

The number of migrants suggests that there is significant intraregional migration while the structure of migrants suggests diversification of migration patterns, high youth and female migration with search for employment as the main reason for migration. Migration leads to brain drain for the sending countries and brain waste for individuals respectively receiving countries. All of this urges discussion and regulation for migration policies and we suggest environment for rewarding opportunity to skilled labor. Another urge is analysis if this is a signaling for low quality in education and distortions in the labor market.

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