

Financial Aspects of Labor Movement in the Black Sea Area

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1. Introduction

Twelve BSEC (Black Sea Economic Cooperation) member countries are facing a common challenge. It is the problem of international migration. The BSEC countries except Russia and Azerbaijan have been active “people-exporting” countries today and in the past. This would have some important impact on the society of the region. As for Russia, it is a large laborers-accepting country and we regard that it has the same kind of problem as other part of the region, though Russia stands on the other side of the shore. As for Azerbaijan, it has both faces, laborer-supplying and laborer-accepting country. In this paper the author would like to examine the causes of labor migration and economic meaning of the migration in the region.

2. International Human Movement from the BSEC region

Before analyzing the financial aspects of migration, it is necessary to survey the general situation of migration in the BSEC region. Here we investigate migration from the BSEC countries to Western Europe in order to concentrate our attention on the relation between the Black Sea region and Western Europe. The Development Research Centre on Migration, Globalisation and Poverty (Migration DRC) developed a 226 x 226 matrix of origin-destination stocks of migrants by country and economy.¹ The reference period of the matrix is the 2000 round of population censuses. Table 1 is made from the 4th version of this data set,² in which the author selected the figures of twelve BSEC countries, and seventeen European OECD countries as proxy for “Western Europe”. It must be noted that they are stock data,³ and they

¹ The outline of the database is explained by Parsons *et al.* (2007).

² The data have been revised several times. The 4th version is the updated data set as of March 2007.

³ Here the definition of “origin” is a mix of “origin by nationality” and “origin by birth”, though the figures of the former are sometimes far different from those of the latter.

do not represent population flows in a strict sense. They can be regarded as the equivalent of “lifetime migration” in studies of internal migration.⁴ It is not surprising that Germany is far and away the largest European acceptor of migrants from the BSEC and that Turkey is far and away the largest supplier of migrants to Western Europe. BSEC people living in Germany were over three million and Turks living in the OECD 17 were about 2.3 million around 2000. Surprising is the fact that people of Serbia and Montenegro living in the OECD 17 was about one million and the second largest in the region. In Austria and Switzerland Serbians and Montenegrins were more than Turks. Of course, the figures of Greeks, Albanians, Romanians, Russians, and Ukrainians are also worthy of note.⁵ How has this situation changed in the new century?

Table 2 is made by the data of OECD’s research project and shows general tendency of migration of the region in the new century. Here we must note some shortcomings of the data. First of all, the definition of “migration” of Table 2 is different from that of Table 1, so we cannot connect Table 2 with Table 1 directly. It is also a serious defect that there are no data on Armenia, Azerbaijan, and Georgia. The data for Greece are not perfect at all. Besides, this table does not consider people who returned from the host countries to their home countries.⁶

Notwithstanding, we can find out several interesting features of the problems if we examine Table 2 together with Table 1. Firstly, Romania, whose population stock⁷ was about 400 thousand around 2000, has become the largest migrants-supplying country⁸ in the region recently. During the year of 2007 it provided 265 thousand people to OECD 17. According to another source, Romania-born people have become the sixth foreign ethnic group in Germany in 2009 reaching 386 thousand. They have become the largest group in Spain in 2009 reaching 784 thousand (OECD, 2011, p. 390, p. 397).

Secondly, Turks still consist one of the main human streams from Black Sea Region to Western Europe. Today the Turkish economy has become too large to be affected by the migration movement, but the number of Turkish emigrants to Western Europe is large enough

⁴ http://www.migrationdrc.org/research/typesofmigration/global_migrant_origin_database.html

⁵ As the author only quoted the data between BSEC and OECD 17, he omitted other important information from the table. For example, 3.56 million Ukrainians were living in the Russian Federation around 2000, which are not shown in the table (Migration DRC, 2007). Of course many men and women born in the BSEC countries are now living in Canada and the USA.

⁶ It is because only gross inflows of the people of BSEC into OECD 16 are shown in the table.

⁷ Here the definition of Romanian is made mainly by birth.

⁸ Here the definition of Romanian is made by nationality.

to have considerable impact on European society not only on the stock dimension but also on the flow dimension.

Thirdly, although the flow of Russians to Western Europe has been declining recently (Table 2), the stock of Russians living there is large enough to pay attention to (Table 1). It is true that Russia is a large acceptor of immigrants from former Soviet Union and a provider of much remittances and wages, but it has a large amount of compatriots living abroad. These are important factors in the problems of migration around the region.

Last, but not least, Table 2 shows that the Subprime crisis left a serious influence on migration movement in the region. The total inflows of the people from BSEC to OECD 17 suddenly declined in 2008 and the declining trend did not stop in 2009. Especially, Romanians seem to be affected most seriously by the crisis, whose emigration to OECD 17 decreased from 2007 to 2008 by more than 40%.

The problems that we face are why the migration occurred, what are the effects of the migration on economic activities of the region.

3. Unemployment and Emigration

A logical reasoning would lead us to a hypothesis that high unemployment in a country pushes its people to go out of their country for jobs. On the other hand, however, if the amount of emigrants from a country is large enough, it would reduce its unemployment rate. Which has been true in the case of this region?

Our preliminary statistical investigation has reached a tentative conclusion that an unemployment rate of a county has nothing to do with its amount of emigrants. The fact that the amount of emigrants could not have any effect on the trend of unemployment rate can be regarded as a matter of course, because the unemployment rate is a result of very complicated factors in operation in a national economy, whereas the emigration is usually only a small portion of economic activities of an economy. On the contrary, why was the trend of emigrants not affected by the unemployment rate? Would people think of going out of their country under the pressure of unemployment? One interpretation is that emigration is a very serious decision of a human life, which needs much preparation in advance. It also demands people relatively high working ability including language ability. Only a pressure of unemployment could not persuade people to go out of their country.

Although there is no clear relation between emigrant and unemployment, we found one

interesting exception in the statistics. It is the case of Romania. Figure 1 shows the relation between unemployment and emigration of Romania for 1995 - 2009. This suggests an inverse relation of the two variables: the more emigrants, the fewer unemployment is. The causal relation seems to have occurred in that the emigration happened at first to reduce the unemployment rate after.

The reason for this phenomenon is the largeness of the emigrants from Romania to OECD 17. Table 3 shows how much percentage of the population of selected BSEC countries are going to OECD 17 since 2000. Out of 22 million Romanians 0.69 % of them are going to OECD 17 every year.⁹ This figure is high enough in a country like Romania, where the unemployment rate was about 7 % (simple average rates for 2000 - 2009), to have substantial impact on the situation of labor market. Although the figure for Albania is also high, we cannot find any clear numerical relation between emigration and unemployment there, because the unemployment in Albania was too large. Annual average of unemployment rate in Albania for 2000 – 2009 was 15 % (simple annual average).

4. Difference of per capita GDP is an Attracting Factor?

Table 4 shows differences between per capita GDP of BSEC countries and three countries' average per capita GDP of Germany, Spain, and the United Kingdom. The figures are calculated by dividing the former by the latter. Therefore the smaller a figure is, the larger a difference is. There are two sets of data. One is the data set in which the conversion of exchange rate from each national currency into US Dollar is conducted by current US Dollar rate. The other is the data set in which the conversion is made by PPP (by constant 2005 international Dollar). The former, for example, tells the difference of the living standard¹⁰ of people who had been working in Germany, and got salary in Euro, brought the money back into Romania, and exchanged them into Lei by current exchange rate on the one hand, and the living standard of the people who had been living in Romania, got money in Lei. The latter tells the difference of the living standard between the people living and working in Germany and the people living and working in Romania. Generally speaking, price level of normal living necessities of GDP-lower countries is lower than that in GDP-higher countries. Therefore the

⁹ We must note that these data don't consider the people who returned to the home country.

¹⁰ The GDP is not necessarily a measure of living standard, but here we use GDP as a proxy of measure of living standard.

figure by current US Dollar rate is smaller than the figure by PPP.

Table 4 indicates how far GDP-low countries like Moldova must climb up to reach the living standard of Western Europe (less than one tenth even in 2010 by PPP). It also shows that there are large gaps between underdeveloped and developed countries among the BSEC countries. These factors have significant relevance to the situation of people's movement around the region.

It is interesting to investigate the relation of the GDP difference to the amount of people's outflows from the BSEC to Western Europe. It is easily expected that the wider the difference is, the more the outflow occurs, because the difference can be regarded as an attractive factor to pull the people of the region into Western Europe.

Figures 2 - 5, however, show curious trend of the two variables. In the case of Bulgaria and Romania, negative relation between GDP differences and outflows are observed.¹¹ Therefore the narrower the differences were, the more the outflows occurred. It is contradictory to our expectation. It is not easy to understand this, but one interpretation is that in the case of new comers to the world of migration movement like Bulgaria and Romania, the emigration would occur not responding to short-term economic fluctuations, but would occur reacting to more structural transformation including institutional changes. In the both countries, the catching up process of GDP growth and the rushing stream of the people out of the countries are occurring at the same time under the process of globalization.

On the other hand, the two variables are corresponding positively in the case of Greece and Turkey. The wider the difference is, the more the outflow emerges. People of old emigration countries like Greece and Turkey might have moved internationally based on shorter-term economic consideration.

We have conducted very preliminary primitive analysis of the relation between unemployment and GDP difference on the one hand, and people's outflow on the other. The result is that both unemployment and GDP difference are not so relevant to changes of people's outflow, though with some exceptions. At least for the new comers like Bulgarians and Romanians, the emigration is a very social action, which is affected not by short-term economic indicators but by general social and structural transformation.

5. Money Brought from Abroad and GDP Growth of Home Countries

¹¹ It must be noted that the fewer the figure of difference is (further to the left on the horizontal line), the wider the GDP difference is.

Now we investigate another aspect of the problems: What has influence been made on the origin countries by the emigration of their people? Here we would like to examine the relation between the money brought by the people working abroad and GDP growth of their home countries.

Before calculation, however, we must confirm the definition of words. What we call usually “remittances” has, strictly speaking, two meanings. One is “compensation of employees” and the other is “workers’ remittances”. The compensation of employees means wages, salaries, and other benefits earned by individuals who have been staying in non-resident countries shorter than one year (IMF, 1993, paragraph 269). The workers’ remittances are financial amount sent to (or sent from) the reporting country by migrants living in non-reporting country longer than one year (therefore they are considered as non-residents of reporting country) (IMF, 1993, paragraph 302). Therefore the former is used to represent money, which a temporary worker brought back to home country with him/her. The latter is used to represent money, which a worker residing in a foreign country for long time sends to his/her origin country. This distinction, however, cannot be regarded as clear criteria when we treat a large amount of data, because of inability of statistical authority and existence of secrecy. Notwithstanding, we admit that this distinction is important, and would like to examine statistical data separately.

Table 5 shows net acceptance of compensation of employees and workers’ remittances. We see several types of countries in the table. Here it must be noted that data of the both financial flows are recorded as the whole amount against the rest of the world instead of Western Europe though most of the people there are going to Europe. Type 1 includes Armenia and Georgia, whose net compensation has been always or almost always larger than net remittances. Type 2 includes Albania, Greece and Turkey, whose net remittances have been always larger than net compensation. Type 3 includes Bulgaria, Moldova and Romania, where we see a conversion of the trend from compensation to remittances after the middle of 2000s. Azerbaijan and the Russian Federation consist Type 4, which have been almost always recorded negative compensation of employees and workers’ remittances. This typology may suggest historical legacy of each country’s emigration. Countries that have long history of emigration to the world like Albania, Greece and Turkey (Type 2) have many compatriots living there for long time and a considerable part of them have been sending their money to home as remittances. A new comer to the migration movement around Europe like Georgia (Type 1)

has been receiving much money through the route of compensation of employees, though we cannot understand that Armenia, which has long tradition of sending its people all over the world, is included in Type 1. Bulgaria, Moldova and Romania seem to have begun to be emigrant supplying countries like Greece and Turkey, whose compatriots residing abroad for long time have already reached considerable amount. Serbia and Ukraine do not show any clear trend.

The sketch above tells us that structure of the problems in this region has been much influenced by social and historical elements. Of course the time-horizon of the analysis is not long enough and the more theoretical or econometrical approach is necessary. However, the distinction between “compensation of employees” and “workers’ remittances” is worth paying attention to.

The author checked relation between trend of “compensation of employees” or “workers’ remittances” and GDP growth. The result is disappointing, because we could not any clear relation between the two variables. For example, there seems to be any clear correspondence between workers’ remittances and GDP growth in Bulgaria, as is shown in Figure 6.

We found, however, a few exceptions. Figure 7 shows the positive correspondence between compensation of employees and GDP growth rate of Greece in 1995 - 2010. It does not necessarily mean that revenue of compensation of employees promoted GDP growth in Greece. It is more understandable, instead, that the GDP growth of Greece corresponds the GDP growth of Western Europe, and that the latter promotes revenue of Greeks working in Western Europe, who are sending money to Greece as compensation of employees. Therefore, the real causality might occur from the GDP growth rate of Western Europe to increase of compensation of employees of Greece.

Another exception is the case of Romania in 2005 - 2010 concerning remittances and GDP growth (Figure 8). We see positive correlation between remittances and GDP growth. Considering much amount of remittances of Romania as percentage of GDP, here we might conclude that inflows of remittances into Romania promoted Romania’s GDP. This conclusion is, however, very tentative because observation period is too short.

The analysis in the above three sections tell that amount of emigrants or the amount of money brought by them to BSEC has no clear relevance to some elements of economic activities of the countries, though with some exceptions. Isn’t there any clear correlation between the emigrants or their money and economic variables?

6. Money Brought from Abroad in Balance of Payments

Out of twelve BSEC member countries, ten countries have been recording deficit of current account balance recently. According to IMF's Balance of Payments Statistics, from 2006 to 2010, all the BSEC countries except Azerbaijan and Russia (non-oil-exporting countries) recorded a large amount of current account deficit ranging from US\$ 600 million to US\$ 38 billion per year (see Column (a), Table 6). The current account deficit in balance of payments of a small country sometimes indicates economic vulnerability of the country. Here we must emphasize that the deficit must be financed in the international financial market, which, in turn, would restrict policy-freehand of the government of the financially underdeveloped country like countries in this area. The BSEC countries except Azerbaijan and Russia have a common policy challenge to their governments in this sense.

More interesting, however, is the fact that the balance of goods' trade of every non-oil-exporting country of the BSEC recorded larger amount of deficit than the current account balance (see Column (a) and (b), Table 6). The statistical notion of "goods' trade" is narrower than and included in the notion of "current account". Therefore, if the amount of goods' trade balance deficit of a county is larger than the amount of current account deficit, it means that some items in the current account, but not in the category of goods trade, played a role to counterbalance the current account deficit (see Column (c), Table 6). In the case of BSEC, the most important factor of the counterbalancing is workers' remittances and compensation of employees from abroad. In other words, these two items in the balance of payments have been somewhat mitigating the economic damages, which would have been made by current account deficit in **this area**.

Columns (c) and (d) of Table 6 show that the two items have played a significant role to counterbalance the deficit of current account in the most of the non-oil-exporting countries in the region except Greece and Turkey. In these countries if they had not received compensation of employees and workers' remittances, their current account deficit would have deteriorated more severely. This is the economic function of compensation of employees and workers' remittances in the region.

7. Concluding Remarks

After explaining the causes of emigration, the author examined relations between money

brought by emigrants and some economic indicators. He found no correlation among the variables, though with some exceptions. One significant finding here is that the money brought by emigrants has been playing an important role to mitigate the economic damages by current account deficit in the region. In this regard, the Subprime crisis had a serious impact on the economies of the region, because the crisis decreased the number of foreign people working in Western Europe, in turn it would raise the level of current account deficit of the BSEC countries to a dangerous point.

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Table 1) Migrants Stocks Matrix between BSEC and Selected European OECD (OECD 17)¹
(Around 2000)

Origin Countries (BSEC) \ Destination Countries (OECD 16)	Austria	France	Germany	Great Britain	Italy	Netherlands	Spain	Switzerland	Other European OECD 17	Total
Greece	3234	12699	264659	35621	11705	7375	1132	7353	31272	375050
Serbia and Montenegro	143563	8765	425358	32502	47190	53098	2002	161068	133373	1006919
Albania	2149	2852	92415	3130	167439	437	467	3426	2993	275308
Bulgaria	7108	7996	23165	5532	8856	1872	27071	3168	14537	99305
Romania	39243	26592	140981	8148	81240	4554	59302	8263	45114	413437
Russian Federation	7032	18211	331905	16400	11324	5415	14023	8992	52515	465817
Armenia	479	6182	17131	745	177	1762	3100	595	3405	33576
Azerbaijan	182	328	26520	784	93	2600	179	331	1122	32139
Georgia	565	1086	30177	814	293	867	1662	703	1574	37741
Moldova, Republic of	367	682	14845	525	4496	140	2272	322	5710	29359
Ukraine	3452	6540	136487	12546	12961	1473	22915	2896	53188	252458
Turkey	126089	191894	1505696	57073	8414	181865	986	65021	146878	2283916
Total	333463	283827	3009339	173820	354188	261458	135111	262138	491681	5305025

Note)

¹ = "OECD 17" includes Austria, Belgium, Czech Republic, Denmark, Finland, France, Germany, Great Britain, Ireland, Italy, Luxemburg, Netherlands, Norway, Portugal, Spain, Sweden, and Switzerland.

Source)

Calculated by the author using the data of Migration DRC (2007).

Table 2) Inflows of Selected BSEC People¹ into Selected European OECD Countries (OECD 17)²
(Thousand)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	Annual Average for 2000 - 2009
Albania	31.2	27.9	39.1		29.6	17.1	16.1	29.3	26.6	n.a.	24.1 ³
Bulgaria	18.3	28.6	33.5	31.0	36.4	31.3	32.8	62.7	50.7	51.2	37.7
Greece	22.9	22.1	15.0	12.1	10.2	n.a.	n.a.	n.a.	n.a.	n.a.	-
Moldova	1.9	10.3	4.8	2.6	7.8	8.7	9.9	27.6	22.4	2.2	9.8
Romania	67.9	77.3	135.3	90.4	201.2	181.2	200.1	265.6	153.2	152.5	152.5
Russian Federation	42.9	48.6	53.4	44.5	51.0	37.9	30.7	28.7	29.9	27.4	39.5
Serbia and Montenegro	52.7	49.5	53.8	43.1	49.0	39.6	31.4	17.5	17.7	8.8	36.3
Turkey	75.6	82.1	92.3	83.5	71.9	63.2	53.4	48.6	50.9	49.8	67.1
Ukraine	23.8	74.4	57.4	37.9	45.1	33.3	38.5	43.1	21.9	9.2	38.5
Inflows from BSEC to OECD 17 Total (A)	337.2	420.8	484.6	345.1	502.2	412.3	412.9	523.1	373.3	301.1	411.3
World Total Inflows into OECD 17 (B)	2066.2	2329.2	2523.4	2070.7	2724.9	2624.4	2811.9	3154.2	2991.8	2347.6	2564.4
(A) / (B) [%]	16.3	18.1	19.2	16.7	18.4	15.7	14.7	16.6	12.5	12.8	16.0

Notes)

¹ = BSEC people means people who have nationality of the BSEC countries.

² = "OECD 17" includes Austria, Belgium, Czech Republic, Denmark, Finland, France, Germany, Great Britain, Ireland, Italy, Luxemburg, Netherlands, Norway, Portugal, Spain, Sweden, and Switzerland.

³ = Annual average for 2000 - 2008.

Source)

OECD, 2011, Various pages.

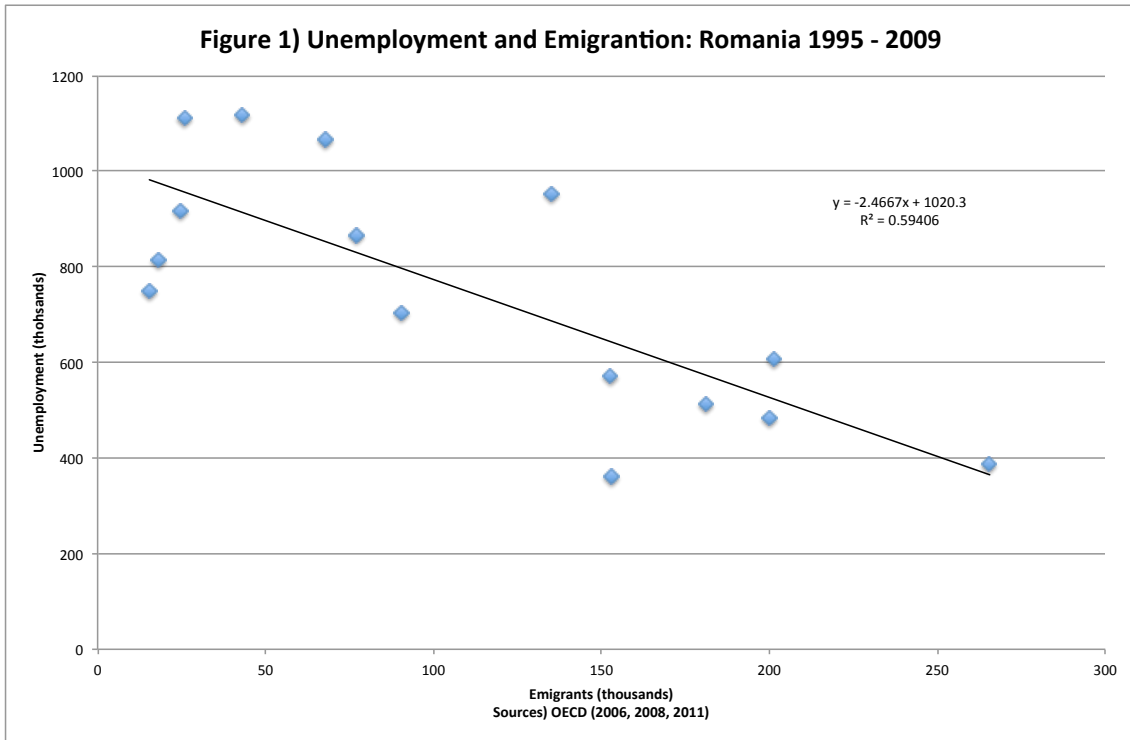


Table 3) Population and Outflows into OECD 17

	(A) Population in 2000	(B) Outflows of the population into OECD 17	B / (A×1000)
	Million (Midyaer estimates)	Thousand (Annual average for 2000 - 2009)	%
Albania	3.07	24.1 ¹	0.79
Bulgaria	8.01	37.7	0.47
Greece	10.94	16.5 ²	0.15
Moldova	4.1	9.8	0.24
Romania	22.14	152.5	0.69
Russian Federation	146.67	39.5	0.03
Serbia and Montenegro	10.13	36.3	0.36
Turkey	66.46	67.1	0.10
Ukraine	48.87	38.5	0.08

Notes)

¹ = Annual average for 2000 - 2008.

² = Annual average for 2000 - 2004.

Sources)

A: IMF (2011).

B: OECD (2006, 2008, 2011).

Table 4) Per Capita GDP Differences between BSEC and Three European OECD Countries¹

	Exchange Rate for Conversion	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Bulgaria	A ²	0.071	0.048	0.057	0.071	0.072	0.077	0.084	0.089	0.097	0.103	0.115	0.125	0.139	0.166	0.178	0.177
	B ³	0.277	0.249	0.240	0.245	0.244	0.254	0.265	0.276	0.290	0.305	0.322	0.336	0.352	0.375	0.374	0.372
Albania	A	0.035	0.044	0.033	0.040	0.050	0.057	0.063	0.063	0.067	0.076	0.082	0.084	0.085	0.100	0.105	0.103
	B	0.146	0.158	0.139	0.152	0.163	0.169	0.177	0.180	0.187	0.194	0.200	0.204	0.210	0.226	0.244	0.248
Azerbaijan	A	0.018	0.018	0.024	0.025	0.026	0.031	0.034	0.034	0.032	0.033	0.048	0.072	0.097	0.129	0.134	0.158
	B	0.075	0.074	0.075	0.080	0.082	0.088	0.094	0.102	0.111	0.120	0.147	0.191	0.231	0.251	0.282	0.289
Armenia	A	0.021	0.023	0.024	0.027	0.027	0.030	0.033	0.034	0.034	0.037	0.049	0.060	0.076	0.093	0.077	0.084
	B	0.069	0.073	0.074	0.078	0.079	0.081	0.087	0.098	0.110	0.120	0.134	0.148	0.164	0.176	0.158	0.157
Romania	A	0.071	0.071	0.073	0.084	0.071	0.079	0.087	0.092	0.100	0.110	0.140	0.164	0.199	0.228	0.209	0.211
	B	0.292	0.299	0.274	0.254	0.244	0.241	0.253	0.268	0.279	0.298	0.307	0.324	0.336	0.369	0.355	0.354
Russian Federation	A	0.121	0.120	0.129	0.083	0.060	0.085	0.100	0.104	0.109	0.130	0.164	0.201	0.231	0.286	0.240	0.292
	B	0.317	0.301	0.299	0.275	0.285	0.303	0.313	0.327	0.348	0.369	0.389	0.411	0.438	0.462	0.448	0.459
Georgia	A	0.026	0.030	0.036	0.036	0.028	0.033	0.035	0.034	0.034	0.038	0.045	0.051	0.059	0.071	0.068	0.073
	B	0.071	0.080	0.087	0.088	0.089	0.088	0.091	0.096	0.106	0.111	0.118	0.125	0.138	0.141	0.142	0.147
Greece	A	0.563	0.587	0.590	0.567	0.551	0.551	0.572	0.590	0.647	0.660	0.670	0.687	0.702	0.756	0.806	0.754
	B	0.718	0.717	0.720	0.718	0.717	0.721	0.736	0.752	0.785	0.802	0.806	0.822	0.835	0.841	0.862	0.809
Moldova	A	0.022	0.021	0.025	0.020	0.014	0.017	0.019	0.020	0.020	0.023	0.026	0.027	0.031	0.042	0.042	0.046
	B	0.075	0.070	0.069	0.063	0.059	0.058	0.061	0.065	0.069	0.073	0.077	0.079	0.080	0.087	0.086	0.090
Serbia	A	n.a.	n.a.	0.131	0.096	0.104	0.039	0.073	0.089	0.096	0.101	0.104	0.114	0.135	0.163	0.158	0.150
	B	0.231	0.245	0.265	0.262	0.227	0.231	0.240	0.247	0.251	0.268	0.280	0.288	0.302	0.320	0.327	0.330
Turkey	A	0.131	0.137	0.146	0.196	0.178	0.201	0.145	0.156	0.167	0.185	0.218	0.222	0.234	0.252	0.238	0.283
	B	0.352	0.366	0.377	0.368	0.340	0.346	0.316	0.328	0.336	0.357	0.376	0.386	0.390	0.388	0.383	0.406
Ukraine	A	0.043	0.039	0.046	0.038	0.028	0.030	0.037	0.039	0.038	0.043	0.056	0.067	0.078	0.095	0.071	0.084
	B	0.158	0.141	0.134	0.129	0.126	0.130	0.141	0.148	0.162	0.180	0.183	0.193	0.205	0.210	0.189	0.195

Notes)

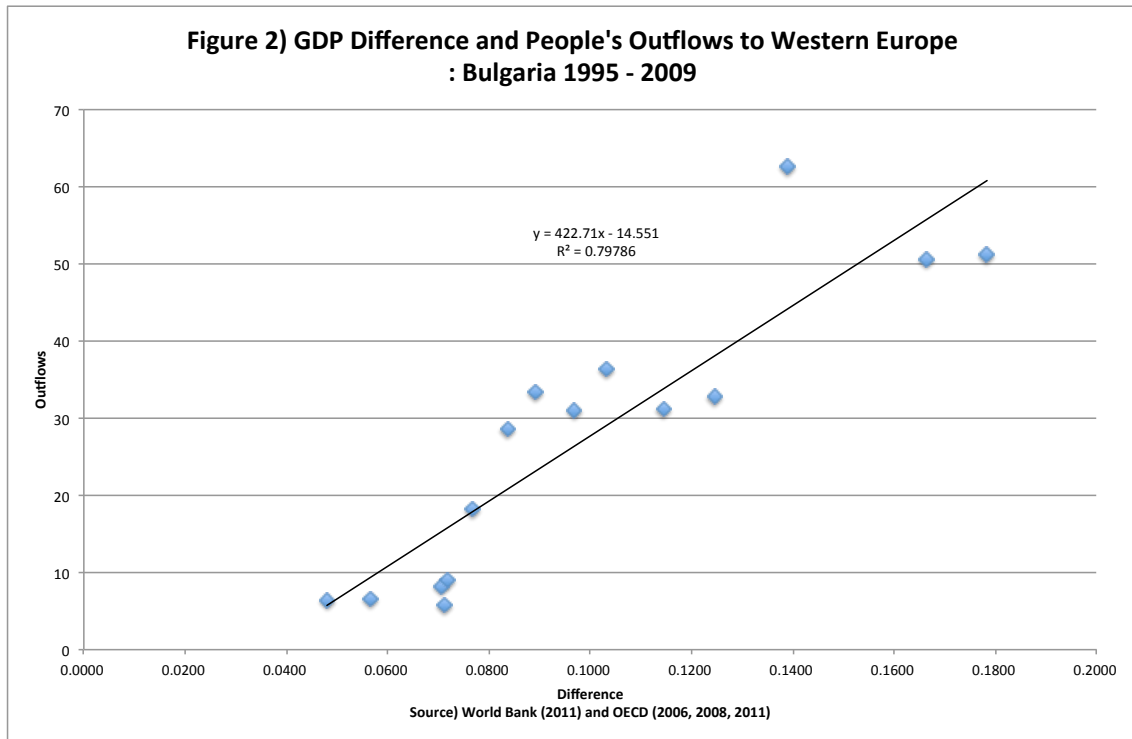
¹ = Per Capita GDP of each country divided by three countries' average of per capita GDP of Germany, Spain, and United Kingdom.

² = Current US Dollar.

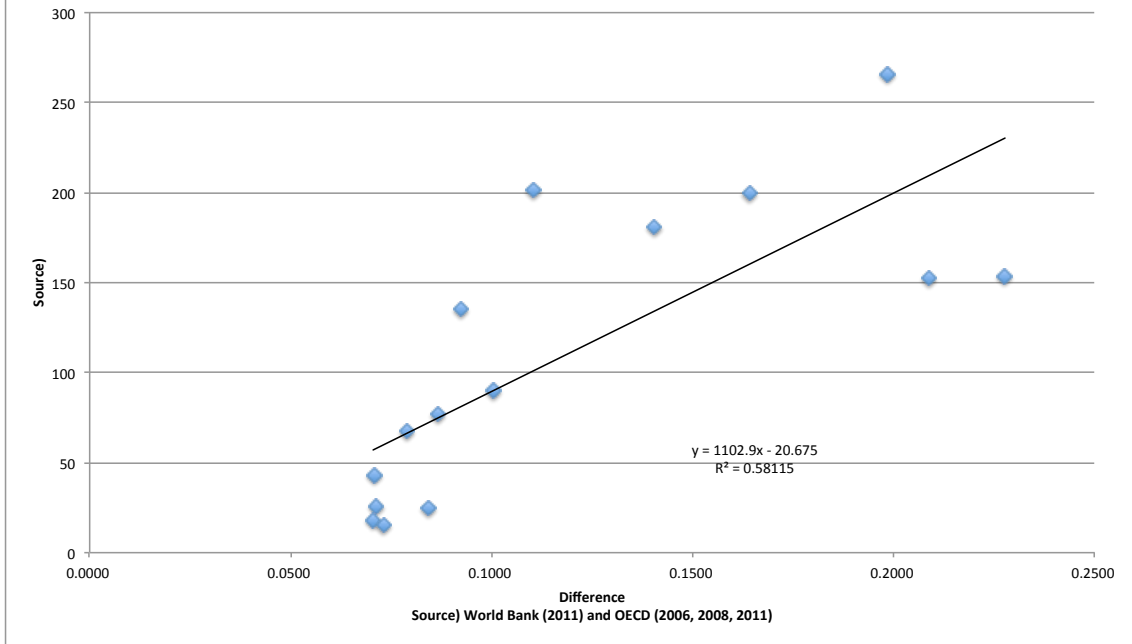
³ = PPP by constant 2005 international Dollar.

Source)

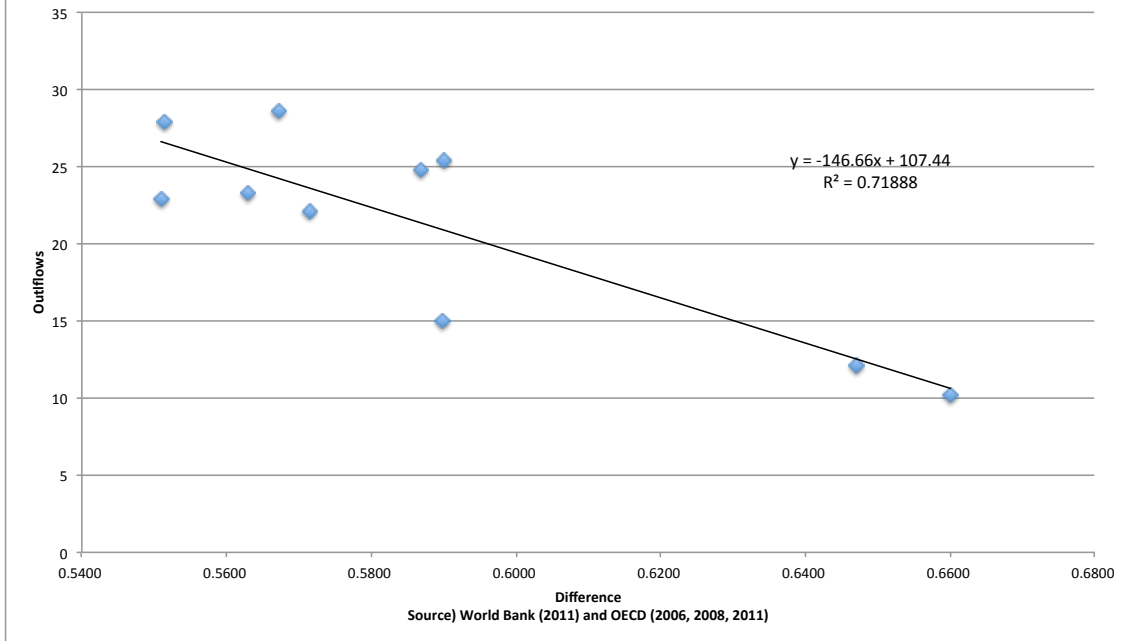
Calculated by the author using the data of the World Bank (2011b).



**Figure 3) GDP Difference and People's Outflows to Western Europe
: Romania: 1995 - 2010**



**Figure 4) GDP Difference and People's Outflows to Western Europe
: Greece: 1995 - 2004**



**Figure 5) GDP Difference and People's Outflows to Western Europe
: Turkey: 1995 - 2009**

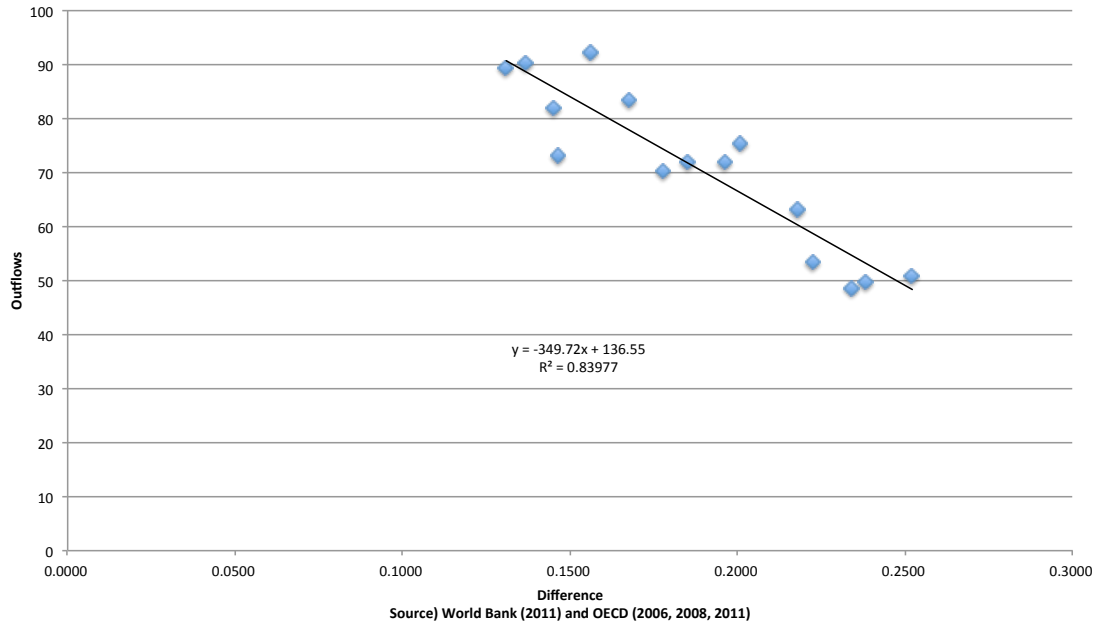


Table 5) Net¹ Receipt of Compensation of Employees and Workers' Remittances
(Millions of US Dollar)

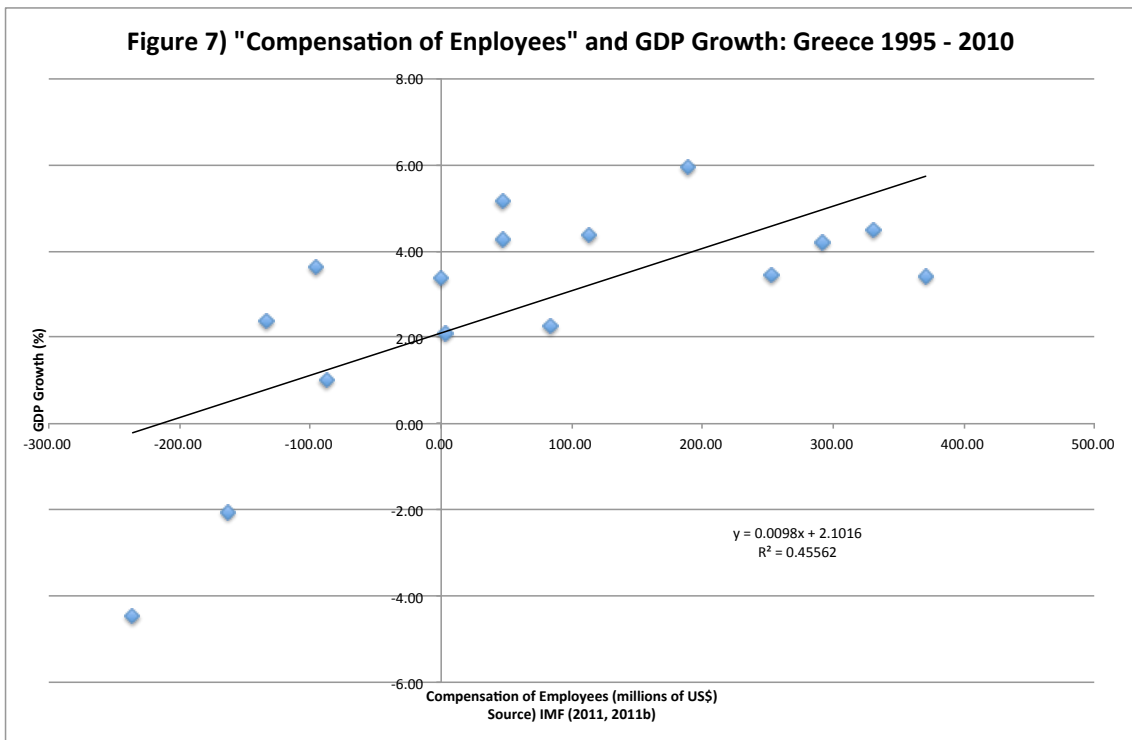
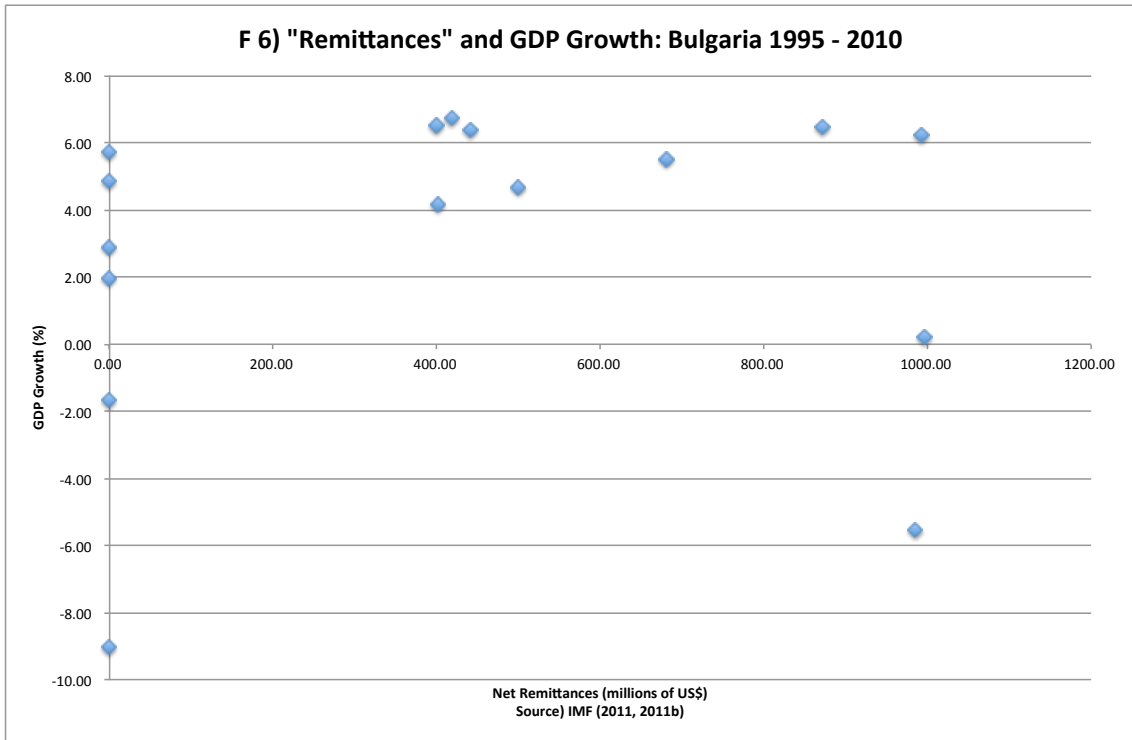
Country	Type	Classification of Migrant Revenue	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Albania	2	Net Compensation (A)	43	51	33	52	51	67	84	90	107	127	122	157	154	254	218	216
		Net Remittances (B)	385	500	267	452	357	531	615	643	778	1028	1161	1176	1305	1226	1089	915
		Net Wages and Remittances (A + B)	427	551	300	504	407	598	699	734	885	1156	1283	1333	1458	1479	1307	1132
Armenia	1	Net Compensation (A)	53	36	124	82	79	77	73	105	134	260	296	446	577	760	547	592
		Net Remittances (B)	12	11	7	7	8	7	4	4	33	42	56	89	113	75	83	
		Net Wages and Remittances (A + B)	65	67	131	89	87	84	76	109	137	292	338	502	666	873	622	675
Azerbaijan, Rep. of	4	Net Compensation (A)	-6	-15	-19	-24	-32	-47	-47	-39	-52	0	0	0	0	0	0	0
		Net Remittances (B)	0	0	0	0	9	4	10	14	76	0	0	0	0	0	0	0
		Net Wages and Remittances (A + B)	-6	-15	-19	-24	-23	-44	-38	-25	25	0	0	0	0	0	0	0
Bulgaria	3	Net Compensation (A)	0	8	35	47	39	32	397	663	1025	1275	1137	1268	719	766	505	367
		Net Remittances (B)	0	0	0	0	0	0	402	500	681	418	440	399	872	991	985	996
		Net Wages and Remittances (A + B)	0	8	35	47	39	32	799	1162	1706	1693	1577	1667	1591	1757	1491	1362
Georgia	1	Net Compensation (A)	0	0	175	231	195	164	87	136	152	221	229	295	379	375	362	336
		Net Remittances (B)	0	0	103	137	127	76	74	73	59	57	86	149	243	303	316	415
		Net Wages and Remittances (A + B)	0	0	278	368	321	240	161	209	211	278	315	444	623	678	677	751
Greece	2	Net Compensation (A)	4	-134	-96	0	371	330	292	252	188	113	84	47	47	-87	-163	-236
		Net Remittances (B)	2982	2894	2816	0	1283	1319	1186	995	996	633	234	513	977	862	341	-197
		Net Wages and Remittances (A + B)	2986	2760	2720	0	1654	1649	1478	1248	1185	745	318	561	1024	775	177	-433
Moldova	3	Net Compensation (A)	0	79	93	100	86	96	123	186	289	439	477	523	593	763	497	663
		Net Remittances (B)	1	2	1	1	0	52	80	101	151	221	392	396	826	1033	627	619
		Net Wages and Remittances (A + B)	1	81	94	101	86	148	203	286	440	660	869	1119	1419	1796	1124	1282
Romania	3	Net Compensation (A)	4	6	13	39	85	89	108	130	103	108	930	1122	1571	1536	620	552
		Net Remittances (B)	3	10	2	4	3	1	3	7	13	17	3750	5502	6546	7098	3962	2904
		Net Wages and Remittances (A + B)	7	16	15	43	88	90	111	137	116	125	4680	6625	8117	8634	4582	3456
Russian Federation	4	Net Compensation (A)	-303	-406	-342	-164	221	268	130	197	-144	-258	-1133	-4168	-7318	-14357	-8868	-9677
		Net Remittances (B)	0	0	0	0	0	0	-59	-557	-1006	-1746	-2430	-3821	-6091	-6462	-5151	-5861
		Net Wages and Remittances (A + B)	-303	-406	-342	-164	221	268	72	-360	-1150	-2004	-3563	-7989	-13409	-20819	-14019	-15538
Serbia, Republic of	5	Net Compensation (A)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	130	167	165	146
		Net Remittances (B)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	2822	2402	3679	3133
		Net Wages and Remittances (A + B)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	2953	2569	3844	3279
Turkey	2	Net Compensation (A)	0	0	0	0	0	0	0	0	0	0	-60	-72	-67	-66	-105	-130
		Net Remittances (B)	3327	3542	4197	5356	4533	4560	2786	1936	729	804	851	1111	1209	1431	934	829
		Net Wages and Remittances (A + B)	3327	3542	4197	5356	4533	4560	2786	1936	729	804	791	1039	1142	1365	829	699
Ukraine	5	Net Compensation (A)	0	5	8	9	15	31	56	70	141	212	349	531	2190	3611	3411	4034
		Net Remittances (B)	0	0	0	0	0	0	84	133	185	193	234	287	2285	2127	1639	1551
		Net Wages and Remittances (A + B)	0	5	8	9	15	31	140	203	326	405	583	818	4484	5738	5050	5585

Notes)

¹ = "Net" = Figure on the credit side of balance of payments + that on the debit side (Minus figure).

Source)

IMF (2011b).



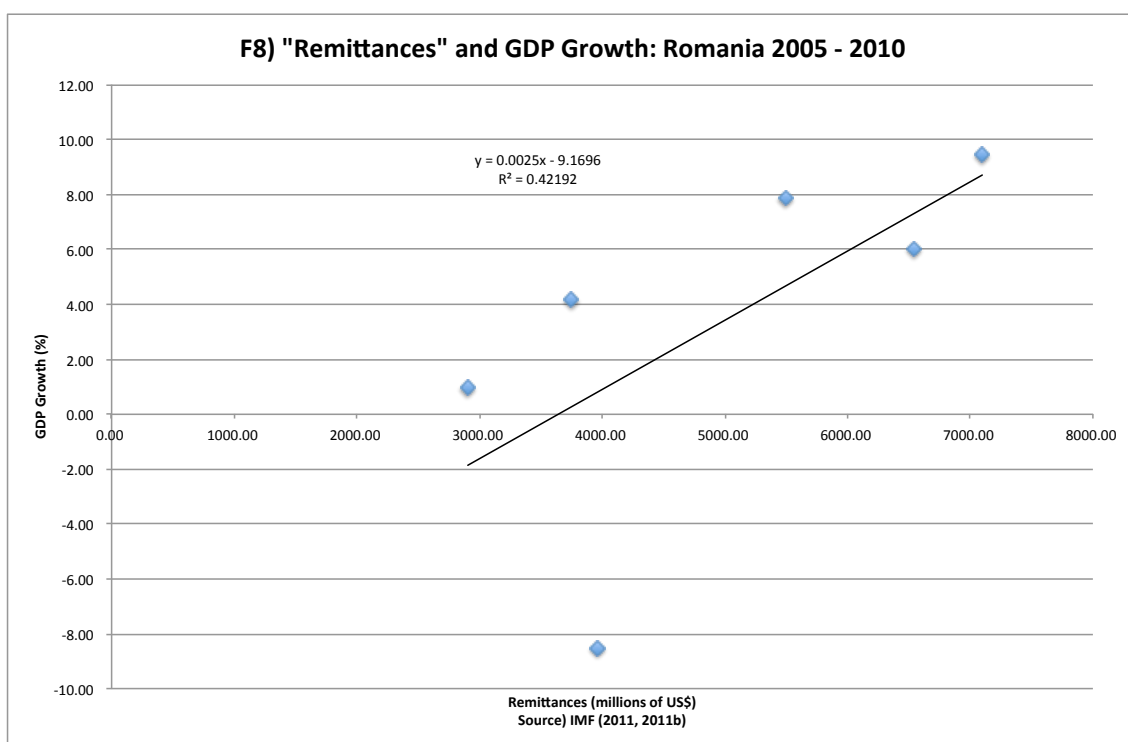


Table 6) Compensation of employees, Workers' Remittances and Balance of Payments
(Annual Average of 2006 - 2010)

Millions of US Dollars

	Current Account Balance (a)	Goods' Trade Balance (b)	Counterbalancing (a) - (b) = (c)	Net Compensation of Employees and Workers' Remittances (d)	(d)/(c) [%]
Albania	-1,420.5	-2,909.5	1,489.0	1,341.9	90.1
Armenia	-951.9	-1,876.5	924.6	667.5	72.2
Azerbaijan, Rep. of	N.D.	N.D.	-	-	-
Bulgaria	-6,796.4	-7,843.3	1,046.8	1,573.5	150.3
Georgia	-1,684.3	-2,742.9	1,058.6	634.6	60.0
Greece	-38,742.7	-49,350.8	10,608.1	420.8	4.0
Moldova	-599.2	-2,245.4	1,646.2	1,348.2	81.9
Romania	-14,603.8	-16,999.0	2,395.2	6,282.7	262.3
Russian Federation	79,143.6	142,580.8	-63,437.2	-	-
Serbia, Republic of ¹	-5,742.6	-8,910.3	3,167.7	3,161.2	99.8
Turkey	-34,854.4	-44,425.2	9,570.8	1,014.8	10.6
Ukraine	-4,853.6	-8,975.2	4,121.6	4,335.0	105.2

Notes)

¹ = 4 years average from 2007 to 2010.

Sources)

IMF (2011b)

