

# Economic and Social Aspects of International Labor Migration



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**Abstract:** *The article is devoted to the consideration of socio-economic aspects of international labor migration. It is established that international labor migration determines a number of positive effects in the economy of the host country. It is determined that in modern conditions, illegal international labor migration is becoming increasingly widespread. At the same time, illegal labor migrants fall into the shadow sector of the economy, increasing its share. This effect is negative and in the long-term perspective has destructive impact on any national economy of the recipient country of international labor migrants. It is proved that the negative impact of international labor migration on the economy of the recipient country is manifested in the fact that immigrants lay their claim to a certain share of public benefits that the state provides for its citizens. This effect is especially enhanced when families migrate with parents who will be paid a pension in the recipient country.*

**Keywords:** *international migration, labor force, migration policy, society, government, citizenship, strategy, social effect.*

## I. INTRODUCTION

International migration is a global phenomenon, the complexity, volume and influence of which are constantly growing. An important element and object of special attention of international institutions and national governments is the problem of international labor migration. The complexity of the phenomenon itself, the multifactorial causes of its occurrence, and the ambiguity of the consequences of international labor migrations necessitate the development of effective migration policy. If the policy of the host countries is aimed at regulating the level of immigration, encouraging the immigration of highly skilled workers, and promoting the integration of migrants into the host society, the strategies in the countries of origin are aimed at regulating emigration, adopting dual citizenship, policies to stimulate the return of citizens, and measures to promote the attraction of the diaspora. An analysis of recent studies and publications makes it

possible to assert that in the scientific and practical dimensions, international labor migration is a complex problem. Evidence of this is contained in the research by Volokh [1], Nizova [2], Tarasenko [3], Tsutsieva [4], Chernyshev [5], Yamshchikova [6] and others. The research is mainly devoted to a systematic study of the theoretical, methodological, organizational and practical foundations of international labor migration. However, there is a lack of a systematic view of the state and development of the system of international labor migration, control and analysis of important management functions in the context of socio-political instability in the country and the destructive processes of the systematic migration crisis.

## II. METHODS

The methodological basis of preparation is the general scientific methods of cognition of objective reality, associated with the complex processes of the functioning of the system of international labor migration and its important functions in risky conditions, namely: the method of a systematic approach, analysis and synthesis, the method of determination, the inductive and deductive approach, as well as the historical method.

The information base of the article is the statistical data of state bodies, legislative and regulatory documents, regulating the processes of international labor migration in modern conditions.

In the research process, it is planned to improve approaches to organizing the system of international labor migration, develop measures to coordinate activities between the main participants in the migration process, substantiate the statement regarding the formation of a rational organization of international migration, ensuring the development of economic processes.

## III. RESULTS

The practice has shown that now more than ever before, people live outside their country of origin. For the 1990-2018 period, the number of international migrants worldwide has grown by more than 78 million, or 50%. Most of this growth occurred between 2000-2018. The global number of international migrants increased from 155 million people in 1990 to 233 million people in 2018. During this period, their number in the most developed regions increased by 56%, while the number of migrants in the southern countries increased by 18%.

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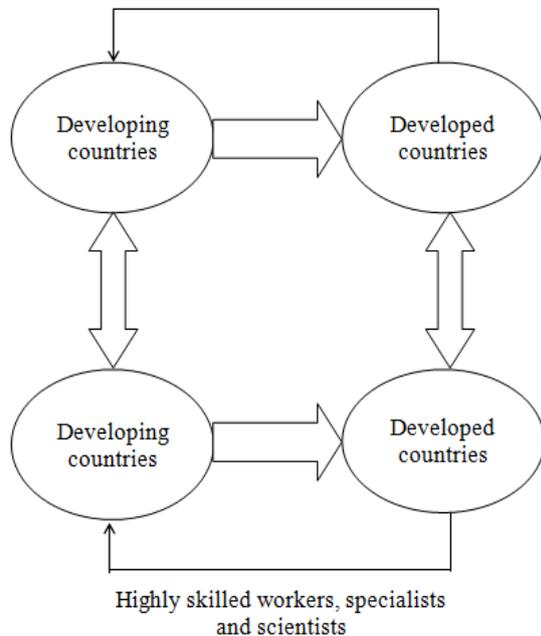
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The most significant stable centers of attraction for the population from poorer countries of the world were such countries of immigration as Australia, Canada, New Zealand, the United States of America, and the European countries. Between 1990-2000 and 2000-2018, the number of countries with net immigration increased in Asia, Europe, Latin America and the Caribbean, declined in Africa and Oceania, and remained constant in North America. The studies show that the main sources of movement of the population are political, environmental (forced relocation from a contaminated territory) and other (Figure 1).



**Fig. 1. The main flows of international labor migration**

Therefore, when examining the movement of the economically active part of the population, the authors identified three main forms of labor migrations: pendulum migration of the able-bodied population, which was aimed at regular trips to the place of work outside the boundaries of one's own locality; internal, which was associated with labor movements within the country; international migration due to the movement of labor force from one country to another.

At the same time, labor migration is the main type of world migration. Representing a process of territorial interstate movement of workers, international labor migration is a rather complex and controversial phenomenon, as evidenced by official international documents. The international regulatory framework for international labor migration includes documents of the UN, the International Labor Organization, and the Council of Europe regarding the general rights of migrant workers and the special rights of migrant workers, the protection of refugees, the fight against the smuggling of migrants and human trafficking.

At the same time, the lack of reliable and verifiable statistical information not only gives an erroneous idea of the lifestyle of a significant part of the population but also hinders the analysis of the causes of labor migration and critical understanding of migration risks. The problem of economic development is the central cause and the driving

force of international labor migration. First of all, this relates to an extremely low level of wages. In addition, self-employment and the development of small and medium-sized businesses are an effective mechanism for solving this problem.

According to a sample survey of the population on the issues of economic activity, the average monthly number of economically active people aged 15-70 years in 2018 compared with 2017 decreased by 4.3%, of which 95.6% were of working age. Out of the indicated number of citizens, 90.7% were engaged in economic activities, while the rest were classified as unemployed. The situation regarding the provision of housing to the population does not contribute to the residency of workers in the Russian Federation. At the state level, due attention is not paid to solving the housing problem, especially for young people who form young families.

The official statistics show that in the Russian Federation there has been a steady tendency to reduce the number of families receiving housing, thus this is an additional factor for departure. As it is known, one working position in construction creates an additional 8-11 new jobs in the related sectors of the economy. Moreover, a new apartment requires arrangement, which further contributes to the creation of new jobs and residency. In order to equalize the supply and demand for housing, to exclude the corruption component in its cost according to generally accepted international standards, about 1 m<sup>2</sup> per person per year should be built in the country, and 0.17-0.22 m<sup>2</sup> is actually built, which is 6-8 times less than in the countries of the European Union.

At the same time, labor migration abroad continues to be a massive and socially significant migration flow. Moreover, the analysis and evaluation of labor migrations regarding their impact on both labor migrants themselves and society as a whole are rather ambiguous. It is well known that labor migration has multidimensional impact on society, it has a peculiar effect on the demographic situation, the labor market, the development of the economy and the social sphere.

Among the negative consequences for society, it should be emphasized that, on the one hand, a country can lose the most active part of the population within their reproductive and working age. On the other hand, in the context of the socio-economic crisis, labor migration helps to reduce tension in the labor market, as well as in society. The positive features of labor migration for migrants themselves include the possibility of improving the well-being of certain categories of workers and their families. At the same time, work abroad is associated with a number of risks and many negative consequences for labor migrants (Table 1).

**Table 1. The consequences of labor migration**

	Positive consequences	Negative consequences
Consequences for migrant workers	receiving higher salary; improving the standard of living of an employee and members of his or her family; gaining new professional experience; advanced training; obtaining language practice; broadening the horizons, gaining consciousness and understanding of the real conditions of a market economy; acquisition of skills to live in a culture of a democratic society.	separate residence of family members and destruction of families; problems of raising children; engagement in simple jobs of low qualification; often illegal and semi-legal employment; employment in heavy, often with no fixed hours, unhealthy jobs; low wages compared to local workers; inaccessibility of qualified medical care; threat of violence from employers; difficult living conditions; general disappointment, loss of the national identity; the acquisition of other people's customs and unusual mentality.
Consequences for society	reducing unemployment in the country; money transfers, improving the living standards of family members of labor migrants; reducing social tension in the context of the economic crisis; reducing the burden on social funds; advanced training for migrants who returned home; the spread in society of values, living in a culture of a democratic society.	unprofitability and losses from investments in education and training of specialists; loss of highly skilled and most economically active workers; loss of family values in society; fertility reduction; aging of a nation, growing demographic burden on domestic workers; reduction in tax revenues and contributions to social funds; rising prices for goods and services in the domestic market with the existing low purchasing power of the majority of the population.

Therefore, in the context of globalization and European integration, the rapid intensification of international labor migration increases the importance of regulating migration processes, providing them with an organized, safe and nonconflict nature, and makes the task of creating an effective migration policy relevant for both labor migrants and society as a whole by suspending migration losses and creating the conditions for reverse migration.

The suspension of migration losses centers around creating favorable conditions for doing business, state support in solving the housing problem, especially for young people, in creating new jobs and increasing living standards of the population. An important direction of the migration policy should be a policy to create conditions for the reverse migration of a large number of labor migrants. A proven and reliable factor for reverse migration to the country of origin of workers is to ensure the best economic conditions and decent social standards.

The practice has shown that the direct effect of international labor migration on the productivity of the national economy should logically be manifested in its influence on the volume of one of the basic factors of production – human capital. However, actual correct estimates of the effect of the dynamics of international migration processes of labor resources on national economies are rather difficult. If illegal migration predominates, then such effects, as a rule, remain outside the limits of official statistics, and, therefore, are inaccessible for research.

However, the model of the impact of international labor migration on the economies of donor and recipient countries may not take into account social protection in the recipient country, which is usually quite high compared to the donor country. The existence of a social protection system leads to a situation where the economy of the recipient country has peculiar unoccupied niches in the labor market. Under these conditions, the local population does not show interest in being employed in such niches and prefers to receive unemployment payments.

Therefore, an increase in unemployment and a decrease in salaries in the economy of the recipient country, even in the case of mass migration, are not observed. A significant influx

of labor migrants into the economy may not lead to a significant increase in unemployment, nor reduce the wages of local labor resources. This is due to the fact that migrants perform unskilled labor, and skilled workers do not experience competition from labor immigrants from other countries. Moreover, some industries are constructed on the use of foreign labor. For example, the share of migrants from Turkey at automobile factories in Germany is 80%, almost 100% of the personnel in the construction and hotel industry in Switzerland are foreigners (from Italy, Yugoslavia, and other countries), junior medical personnel in clinics in Switzerland and the USA are mainly from South-Eastern Asia.

The next effect of the positive impact of international labor migration on the economy of the donor country is the fact that living in a new country and receiving income (despite its amount), migrants consume a certain part of the products and services made by local producers, contributing to the growth of the domestic market of the donor country and its national production. In addition, labor migrants help to maintain a stable level of unemployment. The essence of this effect is manifested in the fact that official statistics recognize the country's citizens as unemployed, and during crises, mainly immigrants are unemployed, who in some cases return to their home country.

**IV. DISCUSSION**

The reliability of the presented approaches is confirmed by the fact that in the case of negative trends in the economy, the total number of workers may be reduced due to the dismissal of immigrants, but the unemployment rate in the country will remain unchanged. Thus, immigrants are a kind of shock absorber in relation to local workers, smoothing out the impact of negative trends in the economy on the level of their employment, and hiding the growth of unemployment in such periods.



In the case of immigration of highly qualified specialists, they bring unique knowledge and skills to the economy, increasing the total amount of knowledge and skills that the economy has at its disposal. In addition, the donor country saves money on training highly qualified personnel in the case of their immigration from other countries.

It should be noted that attracting foreign workers to production, the recipient country also saves money on pensions, since in the case of temporary migration, in most cases, migrants return to their country, where they receive pensions or other social assistance provided by the legislation. Thus, the economy of the donor country forms a pension fund for fewer workers than the one that is actually engaged in it.

At the same time, international labor migrants do not reduce the level of wages of local workers, their own wages are much lower, especially in the case of illegal migrants. Such differences exist in all recipient countries. Disparities in wages are beneficial to the economy of the host country, since by reducing the cost of wages, the prime cost of manufactured goods also decreases, which allows diminishing its prices at the same profit rate. This directly affects its competitiveness in both domestic and foreign markets.

### V. CONCLUSION

Summarizing, it can be noted that international labor migration causes a number of positive effects in the economy of the host country. However, there are negative effects of the impact of international labor migration on the economy of the recipient country. At the same time, international labor migration has significant impact on the institutional structure of the economy.

It is established that in modern conditions, illegal international labor migration is becoming increasingly widespread. As a rule, illegal labor migrants fall into the shadow sector of the economy, increasing its share. This effect is negative and has a destructive effect in the long-term perspective on any national economy of the recipient country of international labor migrants. The negative impact of international labor migration on the economy is also made through socio-cultural factors.

It is proved that the negative impact of international labor migration on the economy of the recipient country is manifested in the fact that immigrants lay their claim to a certain share of the public goods that the state provides for its citizens. This effect is especially enhanced when families migrate with parents who will be paid a pension in the recipient country. In addition, if people migrate from a less developed country to a more developed one, then in the case of legal migration, a migrant can hope for the support of the social assistance system, in particular, unemployment payments.

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