# Czech University of Life Sciences Prague

# Faculty of Economics and Management

# Department of Economics

# Diploma Thesis

# Economic evaluation of immigration into the EU

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# CZECH UNIVERSITY OF LIFE SCIENCES PRAGUE

Faculty of Economics and Management

# DIPLOMA THESIS ASSIGNMENT

Meri Duduci

Economics and Management

Thesis title

**Economic evaluation of immigration into the EU**

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**Objectives of thesis**

The objectives of the thesis will be to evaluate the contribution of immigration in the European Union. It will be analyzed the benefits and costs of immigration.

The thesis will be divided in three main parts. In the first part will be analyzed the free movement inside the countries of the European Union, the benefits that this free movement has brought to exchange knowledge between the members, but even the costs and why some countries are even considering leaving the EU because of the rising number of movement between countries.

Another objective will be to analyze the immigration between non EU countries to EU countries. The policies taken by some countries to minimize immigration and the benefits and costs paid by the EU countries for the number of immigrants.

The third objective will be the analyzation of the illegal immigration in the EU. A very important topic in the economic and political situation of EU nowadays. The catastrophic costs of number of lives lost in trying to enter the EU. The policies taken from the EU countries in trying to solve this situation.

A very important object of the thesis will be to show with statistical data the general number of immigrants in the EU and most important will be the analyzing the impact of the economy, in positive and negative numbers, caused by the immigration.

**Methodology**

The methodology used in the diploma thesis for the research strategy will be Quantitative methodology where statistic analysis will be conducted for the immigration. Other methodologies used will be both inductive and deductive methodologies. They are different methodologies with one another but will help to understand better the phenomena of immigration in the European Countries.

**The proposed extent of the thesis**

60 pages

**Keywords**

European Union, Immigration, Free Movement, Illegal Immigration

**Recommended information sources**

DELL'OLIO, F. *The Europeanization of citizenship : between the ideology of nationality, immigration, and European identity.* Aldershot, Hants, England ; Burlington, VT: Ashgate, 2005. ISBN 0754635953.

Haugen, D., Musser, S. and Lovelace, K. (2009). Immigration. Detroit: Greenhaven Press.

MOLLE, W. *The economics of European integration : theory, practice, policy.* Aldershot, England ; Burlington, VT: Ashgate, 2006. ISBN 0-7546-4812-5.

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Prague on 31. 03. 2016

**Declaration**

I declare that I have worked on my diploma thesis titled "Economic evaluation of immigration into the EU" by myself and I have used only the sources mentioned at the end of the thesis. As the author of the diploma thesis, I declare that the thesis does not break copyrights of any their person.

In Prague on 31 March 2016          _____

**Acknowledgement**


I would like to thank my supervisor Ing. Petr Procházka, MSc. Ph.D., for the constructive advices during the whole thesis and my family for the moral support during the thesis.

## Summary

Immigration is a very known phenomena in the whole European Union. Every year the number of immigrants entering the borders of the EU increases. Immigrants coming into the EU are from the Balkans, Turkey and Africa, searching for more opportunities and a better life compared to the one offered to them in their native countries.
It exists a symbiotic relationship between the countries of the EU and the immigrants, where both parts can benefit.

In this thesis it will be analyzed the economic indicators of the EU countries related to the immigration. Through a regression model it will be analyzed the relationship that immigration has with the GDP per capita, yearly average wage and unemployment rate in the EU. How immigration is affected by them and vice verca.

In this thesis is also conducted a survey in a university in an EU country gives an example of the level of integration of immigrants into the EU, not only economically but also in the social life. The results gathered by the survey are analyzed in a regression model to find the relationship that exists between the questions.


**Key words**: Immigration, European Union, non-European Union country, Wage, GDP per capita, unemployment rate.

# Shrnutí

Přistěhovalectví je v Evropské unii známý fenomén. Každým rokem narůstá počet přistěhovalců, kteří překročí hranice EU. Přistěhovalci přicházející do EU jsou z Balkánu, Turecku a Afriky, hledají zde větší množství příležitostí a lepší život ve srovnání s životem, který se jim nabízí v jejich rodných zemích. Existuje vztah mezi zeměmi EU a přistěhovalci, ze kterého mohou profitovat obě strany.

V této diplomové práci budu analyzovat ekonomické ukazatele zemí EU související s přistěhovalectvím. Prostřednictvím regresního modelu budu analyzovat spojitost mezi imigrací a HDP na obyvatele, roční průměrnou mzdou a mírou nezaměstnanosti v EU. Jak tyto faktory ovlivňují imigraci a naopak.

Součástí této diplomové práce je také průzkum, který jsem provedla na univerzitě země EU, jenž uvádí příklad úrovně integrace přistěhovalců v EU, a to nejen ekonomicky, ale i ve společenském životě. Výsledky shromážděné šetřením jsou analyzovány v regresním modelu pro nalezení vztahu, který existuje mezi výše uvedenými jevy.

**Klíčová slova**: přistěhovalectví, Evropská unie, *země mimo EU*, mzda, hrubý domácí produkt (HDP) na jednoho obyvatele, míra nezaměstnanosti.


**Klíčová slova**: Imigrační, Evropská unie, non-evropské země unie, mzdové, HDP na jednoho obyvatele, míra nezaměstnanosti.

**Table of content**

# 1. Introduction

Immigration is a well known phenomena in the European Union. The numbers of immigration tend to increase each year. The EU has always been one of the main destinations of the immigrants. This due to the economic stability that the countries part of the union have and also the geographical position. Immigrants tend to move to countries that are near to their native country. The majority of immigrants are from the Balkan countries, Turkey and Africa due to the small distance

The reasons that cause people to move from their native countries to an EU member country are several. Economic problems are often the main factor obligating them to seek for other opportunities that can offer them a secure

Studies is another important factor, also working is the main reason why people come in the EU and others to reunify with their families that immigrated years ago and that are residents of the EU. Crises are one of the main reasons that obligated the majority of immigrants to seek for a better future outside of the borders of their native countries. From 507 millions of habitants in the European Union, approximately 20 millions are extra EU residents (Eurostat, 2015).

Taking in consideration the several demographic challenges that the European Union is facing now and the more to come in the future, strengthening the human capital is a decisive goal. It is important to mention that immigrants bring with them their ideas and methods and coming from a foreign country, with different culture and habits, brings creativity and innovation not only to their working position but also to the community as a whole.

Immigration can become a problem for the society in the case when the entrance or the prolongation of the stay to the European Union is done illegally.

In a Union of 28 Member States, where most of the internal borders have been demolished and free movement is possible for every person, problems of immigration cannot be controlled by a single country. It is important the cooperation of all the 28 countries of the European Union to manage it the best way possible.

An important factor to be mentioned when discussed about the EU is the free movement inside the Union. This has been a very important and determinant factor of the Union. People have the opportunity to move freely without having to be checked at EU

members borders. It also has given the right to the European Union citizens to live in a country of their choice and having the opportunity to work there or to open their own business. An important number of citizens have moved through the countries of the union to find a better future and better chances for their career. During the thesis it is possible to see how this flow of movement has changed due to economic crises. The main group of people to prefer the movement from an EU country to another are young people, who seek for better opportunities in their career and living conditions.

Number of people coming to the EU from a non EU country have also changed through the years. In the years where the economic crises damaged the economy, it is noticeably a decrease in the entries. It is also shown that during economic stability the number of the entries has increased constantly.

It has to be explained carefully that immigration is not beneficial only in one way, to the immigrants. The economy of the European Union needs the immigrants as well. Professions as specialized engineers, doctors, IT specialists and other basic professions that cannot be filled by the EU citizens. There is not enough working force for these specific professions, which happens to be the profession of a big number of immigrants applying for the entry the EU. Having the possibility to have new working force specialized and not having invested funds in their studies can only be benefiting for the EU.

Immigration has always been closely related to important economic factors of the economy. Such as wage, GDP per capita and unemployment rate.

It has been stated by skeptics that it influences negatively the average wage of citizens of the EU, due to the fact that the amount required by the immigrants for a working position is relatively lower than the one required of a citizen of the EU. It will be deeply analyzed in the thesis through a model the relationship that exists between these two important factors of the economy of the EU.

For the immigrants to have a positive effect on the economy of the EU they have to be integrated not only in the economic sector but also in the social life of the citizens. A lot has been done for this fact, as schools have been opened to help them learn the language so not to feel excluded from the society. They are also involved in different projects so to feel welcomed and to learn more about the culture and to share their own culture as well. All the process to integrate them requires expenses from the government of each EU country. Lately the EU has been facing one of the biggest flows of immigration and several funds

have been required to invest.  But this cannot be considered a negative side of immigration. Each country benefits yearly from an immigrant more than what they spend for them, through labor productivity and tax payments. Through an analysis during the thesis it will be explained the relationship between the immigration and the GDP per capita of the European Union.

The unemployment rate is one of the main indicators of the economic situation of a country so each country of the EU aims to keep it as low as possible. Having immigrants with a degree in different fields is helpful for the economy to benefit as a whole society from it.

Immigration is one of the most delicate topic to discuss, as there are some disadvantages that come with it, but this should not allow a society not to recognize all the other benefits.

Diversity is a positive element in the working environment and in the everyday life. If  the immigration situation is treated the right way not only the country will not suffer from it, but the advantages that the European Union gains are relatively high.

# 2 Objectives and Methodology

## 2.1 Objectives

The main objectives of this thesis is to evaluate immigration in terms of the economy, this means to find and study the relationship of the economic indicators directly related to it.

As three of the most important factors of the economy, Yearly average wage, GDP per capita and unemployment rate will be studied through a regression model as explanatory variables to the dependent variable, immigration. Though the results will be possible to check the significancy that they have related to immigration, and if this relationship is positive or negative. Different tests will be conducted through this model to check and explain how they affect each other.

A survey has been created and filled by the students of an EU university. The survey contains different questions that have as an objective to find out how well they have been adapted to the society and what is the thinking of EU citizens regarding immigrants. Also, through the questionnaire are studied topics as asylum.

The objective is to collect the data and analyze the data carefully. It is a survey that only illustrates a very small number of respondents compared to the number of people livening in the EU, but the objective is to have a direct approach with the incorporation of immigrants in the economy and the mentality that people have toward them.

Another objective in the thesis will be related to this survey. An analyze of the survey not only with pie charts, but also with an econometric software that will help to analyze better the relationship that there is among the questions of the survey.

## 2.2 Methodology

There are used different methodological tools to conduct the thesis. The resources used to write this thesis have been mainly gathered from literature resources regarding immigration, different statistical websites, analyzing the immigration situation in the European Union countries.

The selective research was used to collect the information in a selective way, focusing only on the economic sector of the EU countries affected by the immigration.

Bibliographic research has been conducted through the whole thesis, by collecting different citations of economic experts given in their books where the main topic was immigration in the European Union. These citations have contributed as references and a solid ground from where the thesis has been built.

Another research that is used in this thesis is the factual research. Through this research it was possible to focus on finding specific dates through several years, which are important in the history of immigration in the European Union. This research has also been used to find specific information that could enrich the thesis by giving selective information to have a better understanding of the immigration.

The nonrecurring analysis has been also used in this thesis to gather specific information. The information regarding immigration in the European Union is found in a lot of books, journalists write articles about it very often and there are different websites that discuss this issue, but all this information cannot be inserted in the thesis, the information need to fit the topic and give further information regarding the specific topic and not give information that is not needed. But with the nonrecurring it is possible to focus only on specific information and not spread around the information that does not fit the thesis

The illustrative research is one of the methodologies used in this thesis. During the survey this research was used to gather a number of responses that would be used as an illustrative example of the integration of immigrants in the economy of European Union countries and also used to gather information regarding the relationship established between the EU citizens and immigrants.

In the entire thesis, in the literature review as well as in the other parts of the thesis there are used Qualitative analysis and as well the Quantitative analysis were used to gather specific data regarding the number of immigrants entering into the EU, the yearly average wage, GDP per capita and unemployment rate were all gathered by the quantitative research. Then the qualitative is used to find out the how the social reaction toward immigrant is, what are the challenges that both parts, EU countries and immigrants have to surpass and this research is used to explain the symbiotic relationship between them.

Regression analysis is used to study the relationship that exists between immigration as a dependent variable and GDP per capita, yearly average wages and unemployment rate. Through this analysis, it is able to study the dependency of immigration toward these indicators of the economy and how elastic are they toward each other.

Inductive analysis is also used in the thesis to derive information from a specific information to general, wider conclusions. The information gathered in the thesis are for specific years, but it is possible to see the strong relationship that there is between the variables and derive from it the conclusion that in the other years as well these economic indicators have been strongly related to one another.

It is also used the deductive analysis that through all the data and information gathered, after studying them it was possible to reach a conclusion. So from general information gathered from books and other resources, the next step is to process and to carefully analyze them that brought to a conclusion. This conclusion is the main conclusion of the topic. So from the start where an economic evaluation of the immigration into the EU was the objective that brought to a conclusion.

The vertical analysis was used in this thesis as well, an analysis that is expanded in time and does not do the analysis of a certain specific time. Immigration is a phenomena that has been present in the European Union the whole time, so to focus on a specific moment was not possible.

Also in the case of the regression model the years used in the data gathered are not of a specific year or moment, but there are several years which data was used to perform the model

Not only was not possible to focus on a specific time moment, but also is not possible to focus on a specific place, this is done by using the Horizontal analysis, which is an analysis expanded in place, by not focusing on just a specific place. In the thesis is studied the European Union as a whole, with the 28 countries part of it. So if focuses on 28 countries

# 3  Literature Review

## 3.1 European Union

The European Union was created on 1 November of the year 1993, in the Maastricht Treaty. It is a political and economic union between countries of Europe

The European Union was created to protect the territories of Europe from the war situations happening in the countries near these territories.

It was because of the European Coal and Steel Community, that in the year 1950, the countries started to be part of a union in an economic and political way with the purpose to maintain a long term peace. The countries who founded this union were six, France, Belgium, Germany, Italy, The Netherlands and Luxembourg.

Then in the year 1957 during the Treaty of Rome was created the European Economic Community,  known also as the Common Market. It was also called the Common Market because it was necessary to demolish all the internal tariffs between the countries. It is important to mention that since then in was created by this Treaty, The European Social Fund, to give more opportunities in the professional sector, creating facilities regarding the movement of workers between these countries. We can see the roots of the free movement since the year 1957.

During the years 1970 and 1980 The European Economic Community was enlarged. The United Kingdom, Ireland and Denmark formed part of it. It was until 1981 that Greece and Spain in 1986 were as well part of the community. (GEDESS, 2008)

## 3.1.1 Maastricht Treaty

The Maastricht Treaty is the Treaty that created the "European Union" on 7 February of the year 1992. In November of 1993 it was when the treaty took effect in all the countries that were part of the Union. There were three pillars of where this union was created, firstly to create a European Community. Common political and security policies, a

high cooperation regarding justice. This treaty gave to the EU more authorities related to previous unions.

It was important for the countries part of the Union to have policies related to education, social and economic issues. An important decision was the establishment of the EU citizenship, giving in this way the right of citizens from different countries of the EU to run and vote for the local elections and the elections of the European Parliament in the country of their residence.

The Maastricht Treaty had a main objective that was the monetary policy. To substitute the national monetary currencies of all the countries of the European Union with a currency that would be the same for all the countries. There were some specific conditions that each country had to fulfill to be ready to change the currency. After a period of time discussing about this issue the change of currencies into Euro happened. Not all the countries were able to fulfill the requirements to adopt the new currency. In the year 1999 on the 1-st of January, 11 countries adopted the Euro in their countries. These countries were: Belgium, Luxembourg, Austria, France, Italy, Germany, The Netherlands, Finland, Ireland, Spain and Portugal.

Greece was not able to fulfill all the requirements to be part of the first group, but it was only until 2001 when it was able to change it. In the contrary the United Kingdom, Switzerland and Denmark decided to not change their currencies. Firstly the new currency, the Euro, was used only in the financial markets and companies. It was on 1 January 2002 it was able to use by every citizen of these countries.

One of the main decisions of the Maastricht Treaty was the free movement of people between the area of the European Union. The controls at the borders of states had to be removed. The EU was considered a unified area where the only borders existing would be the ones at the entrance of the area but not between EU countries. It was necessary then to create new common policies for all the countries of the EU regarding immigration and Asylum Seekers. (HAILBRONNER, 2010)

The treaty of Nice, entered on duty in the year 2003, February 1, with a number of reforms to prepare other countries to join the EU. In the year 2004, May 1, the European Union was enlarged by 10 European countries entering in the Union

### 3.1.2  Economic Crisis

During the economic crisis the future of the Euro was uncertain, and at some point, even the future of the European Union was uncertain. A big number of measurements were taken by the European Union countries and from the International Monetary Fund to help these countries overcome this financial situation and to prevent this situation spreading in other countries of the Union. The leaders of European Union countries created a European mechanism of stability, a Found of safety.

While the economic risk was decreasing, the leaders of the EU countries were concentrated to bring back the economic growth in the economies of the European Union. It was in 2013 when Croatia was accepted as the 28th member of the union after fulfilling all the requirements.

### 3.1.3 History of Immigration

There are two types of immigration. First immigration is Economic Immigration and this immigration is cause by the non-developed economy situation in their home countries. It is considered a voluntary type of immigration as they decided to move in another country without being forced.

Second type of immigration is the Asylum. It is considered involuntary immigration. People move to another country obliged by the situation, especially the right to seek for asylum have the people who live in places where there is war. In these cases developed and secure countries should accept them.

As the history has shown immigrants have had a decisive role in the construction of the western countries. History has shown that the massive movement of people from a place to another is seen before.

There have been several waves of immigration in Europe, even before the creation of the European Union during the history.

Causes of these waves have been different but the main reasons pushing these people out of their countries have been the political instability of their home countries and the economic development of the EU countries.

Firstly this wave of immigration was named known as "Labour Immigration". The period where this wave happened was between the years 1950-1960. It was considered a very massively movement. In the economy of European countries happened an economic boom, but the labour force was not enough to bare it all. Labor force when not found in the country, the government has to start searching for it outside of the country, precisely through immigration. It was needed a big labor force and workers coming from not developed countries were able to work and the salaries required by them was lower than European workers requested.

The status given to these workers was "Guests". The expectations were that these workers would help Europe with this economic boom and after the situation would change they would go back to their countries but this did not happen.

The big number of immigrants were permanently stabled in Europe

This economic boom was stopped by the oil crises in 1973-1974, that obliged the European governments to stop other immigrants from coming. Restriction policies were created to bare all this wave of immigration (WEISS, 2002).

All the immigrants that came in Europe during this time, made possible to handle all this economic growth. They were never considered as a problem from the government as they never required for any benefit other than the payment for the work that was done by them.

This was a big step forward for European countries to live together with immigrants and a great example of acceptance.

Another wave of immigration in the happened in an unexpected way, while the restrictions for new labor force were stronger than before. The government did not expect other people to come as this wave happened shortly after the first one. Family reunification caused the second wave to happen. Immigrants who were already settled in the European Union countries, brought their families in the EU.

This was a wave with a greater scope as it is the family and countries were welcoming and easily allowing it.

The next wave of immigrants coming in a massive number to the European Union is dated in the late 1980s. Asylum and Illegal Immigration is the third wave.

Two were the reasons why immigrants chose this way:

First because after two previous waves of immigration the European Union had created very restrictive policies, that made it very difficult to come.

Secondly as the end of the Cold War which created a big number of conflicts and asylum seekers had their life in danger if they would stay in their home countries.

It was a short period of time of only 7 years, between the years 1988 - 1994, but in which a number of three million asylum seekers headed in the Western Europe. It was not possible for the countries of the EU to create new restriction policies for this wave as it existed the international trade obligations, other reasons were the juridical rights of people in difficult situation to require for asylum.

This wave was difficult. From the cultural and especially from the economic view for the hosting countries. Previous immigrants had contributed in the growth of the economy. These immigrants were depending on the state counting only on the benefits given by the state.

This whole wave affected a lot the image of immigrants. Asylum seekers have been considered dangerous for the welfare of a state.

It is important to be mention that in the late 1990s in the EU the net migration reached a number of 850 000 per year till 2000.

In total the number of the postwar immigrants reached 21 million immigrants living in the European Union countries(DESTATIS, 2015).

## 3.2 The Schengen Area

The Schengen Area, is one of the biggest advantages of the European Union, a free area of movement where the controls in the borders have been demolished for all the people, except some specific cases, moving in the countries that are part of this area.

The Schengen area is currently built of 26 countries, 22 countries are part of the European Union and 4 countries are not part of the EU. These countries are Norway, Switzerland, Island and Liechtenstein. There are other countries which are part of the EU and are not part of the Schengen area and these are Bulgaria, Croatia, Romania and Cyprus and countries which are part of the European Union, but never accepted to be part of this

free movement by exercising the so-called exclusion clause opt-out, United Kingdom and Ireland.

The area of Schengen has gradually been applied since 1985, which is the date of a historic agreement from different governments in a small country in Luxembourg called Schengen. The first abolition of the border`s control happened in 1996 between Belgium, Luxembourg, The Netherlands, Germany, France, Spain and Portugal.

The free movement area has gradually entered into force since 1985, the date of an agreement in principle concluded by a group of European governments in the Luxembourg town of Schengen. The first actual abolition of border controls came in 1996 between Germany, Belgium, Spain, Luxembourg, Portugal, France and the Netherlands.

The treaty implies that in the Schengen Area the citizens of the European Union and people of third countries who come to the EU can move freely without having to pass the border check.The contrary happens when moving from a country of this area to a non Schengen country, the border check has to be applied. The fact that there are not internal borders between countries of Schengen has made even stricter the borders to enter this area. It is the responsibility of the countries which are close to the Schengen to have very strict controls and issuing visas for a short time to people who enter a country of the Schengen area.

### 3.2.1  Police cooperation between the countries

Being part of the Schengen implies a police cooperation between all members to stand against any form of terrorism or crime, between a specific system where the data of all countries are shared (it is called the shared Schengen Information System). This means that in a case of a specific crime the police have the right to chase the criminal in every country of the Schengen area.

Even if the internal borders were demolished, the countries part of the Schengen have the possibility to re-established for some some specific case and temporary, the border control. This has to come due to of an important threaten of the internal security of the specific country or in the case when the external borders of the Schengen are failing in some specific points, what can be considered a dangerous situation for the whole area.

Schengen can be defined as strong cooperation in the European Union. The treaty was signed in a small village called Schengen on 14 July of the year 1985 between Luxembourg, Germany, France, Belgium and the Netherlands. It was only until the year 1995 that the treaty entered into force. During time other countries have become a part of the Schengen Area. In the year 1990 Spain, Portugal in 1991 and Greece in the year 1992. Island and Norway have been part of this agreement since 1996 but without being part of the EU, but their decisive power in this agreement is limited compared to the other countries. An important date was 21 December 2007 as nine new countries became part of the Schengen area (Eurostat 2015).

The entries of  foreign workers can influence positively or negatively in the economic situation of a country and this depends on the way how the waves of immigration are controlled by the government. It can, in a short time, lower the labour cost and have a positive effect on the general productivity of the economy. The labor cost of immigrants is lower compared to the native workers due to the fact that coming from abroad, they agree to have lower salaries, forced by their necessities.


## 3.3   Demographic analysis of immigration into the EU


Immigration is considered by many people as a threat to the economy of their country, but if analyzed in the economic view, the big number of immigrants is considered as a big opportunity. Europe is facing a very serious demographic problem. The population is becoming older and in a big number of countries the fertility, considered as a general of the European Union, does not surpass 1.5 children per woman. As fertility is considered a problem due to the low numbers and the expectations for the future raise, the demographic change that immigrants will bring to the EU.  The number of immigrants in the European Union territory is considered to be a sufficient labour force to pay enough taxes for maintaining the youth and the elder people. A lot of governments have understood this advantage. That is coming with the immigrants and have offered through time higher benefits to families who enter the borders with their children.

The demographic problem is an important issue that has influenced on the attitude of different countries of the EU toward immigration. According to official data of the EU,

only Germany will accept 10 million immigrants between the years 2020 and 2060 (UNHCR, 2015). The percentage of people between the 65 and older compared to 15 and 64 will change from 36 % to 59 %, one of the highest in the whole European Union (Eurostat, 2015). Due to this, the working force of Germany will decrease by 25 % by the year 2060 (Eurostat, 2015). This will cause serious problems in Germany, where retirement payments and health assistance will be the most serious ones.

The demographic changes are not as high in the United Kingdom explained to Germany. This easily explains why the different approach these two countries had with immigrants. The UK by the middle of the century is considered to be the highest population of all the countries of the EU by reaching 67 million in 2020 and 80 million by 2060. With a higher fertility number of 1.9 children per woman compared to the medium of the EU of 1.5 makes the situation of the UK better (Europa, 2015).

Also other countries part of the European Union located in the central Europe needs the help of immigrants to solve their demographic problem. Countries like Poloni, Bulgaria and Romania. Also, have lower rate of fertility and young people are moving always more to other more developed EU country. But with the right policies to integrate the immigrants in their countries, not only will they not have problems with them, but also they will solve a very serious problem they are facing.

## 3.4 Movement of people from an EU country to another member of the European Union

The free movement of people is one of the pillars of being part of the European Union. Firstly, it was introduced as an element helping the internal market and to help the development of the trade of countries part of the Union. It was only after the agreement of Schengen that the freedom movement was made possible for citizens too. It has always been considered as one of the advantages the fact of the free movement between countries without controls.

Being a citizen of the European Union means having the opportunity to travel in all the countries of the European Union without having to pass any border control. The

staying in the EU territory in unlimited. People with an EU citizenship can decide to live in one of the countries part of the Union without having any problem

Free movement of people, before the economic crises created serious problems with the economy of European Union countries, was normal. European citizens were studying, working and living in their own countries. The fact of having the possibility to move freely would give them more chances to have foreign experiences in studies or in the professional fields. The whole economy of European Union countries was constantly raising and citizens could find almost the same opportunities to improve themselves in every city of the Union.

With the economic crises reaching EU economy, the first to feel the consequences of it were the citizens. Countries like Greece, Italy and Spain were those countries that the amout loss was bigger than in the other economies and the situation created in the countries was difficult to handle.

During the years 2008 the year 2014 more than 200 000 Greeks have left the country to go to other countries of the European Union, equal to 10 % of the graduated students in Greece (Europa, 2013).

But the key to a successful and positive effect of immigration is the right integration of it in the community. High rate of unemployment among immigrants can create problems for the economy of the EU. Also, the wrong process of integration of immigrants can create serious social problems that might lead to a risk to the security of the country.

Legal immigration has always been one of the main factors of prosperity of the economy of the EU. Immigrants are very well known for their work experience, specialize in different sectors of the economy. In countries of the European Union, in specific sectors of the economy, there are specialized workers missing, in the main sectors as healthcare, education, IT and numerous other sectors. If in the case of the EU this is considered as an important advantage of immigration, having the possibility to gain their knowledge.

On the other hand, for their home countries this is considered a loss because the profitable labor force leaving the country causes a brain, but considered the fact of the experience gained and the economic help sent to their countries, this situation finds an equilibrium.

A higher human capital is always a reason for economic growth, and this is even plausible in countries of the EU where demographic problems have reached a problematic level.

Immigrants have a very important power regarding the labour force, and by being a resource of labour force this affects positively the GDP per capita of the EU.

Immigration benefits countries of the EU in many aspects, but there are still skeptics who fear the damages that it might cost to the economy. In specific, it might hurt the people when in the case that not all of the immigrants can be integrated in the economy and a big number of them can become unemployed. This fact is considered negative for the economy for the fact that they will benefit the payment that each country gives to unemployed people, but this might create problems between immigrants and native citizens. Even in the case when the immigrants will get integrated in the economic life, it is still considered a problem because there will be more requests for a specific working position what might lead to the average salary (Morozzo, 2015).

It has to be pointed out the fact that every country makes the maximum effort to integrate foreign citizens in the social and economic life of the country. Immigrants who get the right to gain the status of immigrants go through different controls and they are chosen between a big number of people. Each country does its best to pick the workers that can highly contribute to the economic life of the country. This does not mean that immigrants take working positions that belong to citizens because the high professional profiled workers are specialized in specific sectors where the labor force from the native country is missing. Native workers cannot fill these positions. It can be mentioned here countries as Germany, welcoming immigrants graduated on IT system, engineers and healthcare and the fact of immigrants specialized in this sector approach the country means a lot, having a graduate and specialized worker and gaining their skills is even more profitable for a country due to the fact that they did not spend any resource in the education of the immigrants as they already owned a degree (Morozzo, 2015).

It is important to mention that not all immigrants entering the country own a degree or any specific skill to help the country, but they still had all the documentation to gain the status of the legal immigrant. Still, in this case the economy of EU gains from them due to the fact that they help the economy by doing low skilled jobs that native citizens do not accept. Not specialized immigrants gain the low positions, this makes it possible for native citizens to gain higher professional positions with a higher salary (Ross, 2013).

## 3.5 Immigration from non-EU countries to EU countries

Immigration is an important part of the demographic development. During different periods of time, it is visible the change of immigration. Nowadays immigration has become a normal and very diffused phenomenon. The history of migration and the benefits that countries of EU have had from it has demonstrated that the European Union cannot prosper without it. Immigration has helped the old continent to become a mix of culture and religious.

Immigration from non-EU citizens to European Union has become an issue discussed every day. Immigration was spread differently around the countries of the EU. The current situation of immigration is very heterogeneous. Immigrants do not come only from a specific country but from different countries not part of the European Union. The destination is one of the EU countries where more opportunities for a better future are offered compared to their native country. Number of immigrants in the EU countries defers. There are specific reasons why immigrants choose more a country than another one.

In some countries like the United Kingdom, Denmark, Ireland the flux of labour force immigrants is higher compared to other countries. Another reason, why a country of EU is chosen to immigrate, is family unification. Germany and Italy have a middle position between these two reasons, this means that the percentage of immigrants to these countries are for two reasons because of the labor force needed and also due to family reunification.

An important factor is the geographic situation of immigrants while choosing the country of destination.Numbers of immigration have been different in the countries of EU. Once countries as Belgium, the United Kingdom have been more preferred to immigrate. Other countries as Germany, was only until the end of Second World War that became destinations to immigrants.

The geographic origin of immigrants differs between the members of the EU, this depending from historical events connecting the host and native country of the immigrants. Another important factor is the geographic distance. Immigrants choose the nearest country where to immigrate. We can see instance in Germany, The Nederland and Denmark that the nationality of the majority of immigrants is Turkish. Whereas in countries as Spain

there is a majority of citizens from Maroco and Ecuador. In Greece immigrants from Albania represent the highest number of immigrants.

The real challenge of the EU is how to integrate in the proper way the immigrants coming in their territories. Integration is a delicate and important process on how to make immigration positive for the economy. The process of integration is difficult due to the fact that all immigrants bring with them elements from their native culture.

Immigration can affect positively or negatively if not managed and integrated in the proper way. These effects can be seen in the economic life, political life, social and cultural. It is important to exist an understanding from both sides.
Both parts should be tolerant with the new culture and traditions of the other community. But the key to a successful and positive effect of immigration is the right integration of it in the community. High rate of unemployment between immigrants can create problems to the economy of the EU. Also, the not right integration of immigrants can create serious social problems that might lead to a risk for the security of the country.

Legal immigration has always been one of the main factors of prosperity of the economy of EU. Immigrants are very well known for their skills specialised in specific sectors of the economy. In countries of the European Union, in specific sectors of the economy, there are specialised workers missing, in main sectors as healthcare, education, IT and numerous other sectors. If in the case of the EU this is considered as an important advantage of immigration, having the possibility to gain their knowledge. On the other hand, for their home countries this is considered a loss because of the phenomena happening called "brain drain", but considered the fact of the experience gained and the economic help sent to their countries this situation finds the right equilibrium.

A higher human capital is always reason for economic growth, and this is even plausible in countries of EU where demographic problems have reached a problematic level. Immigrants have a very important power regarding the labor force, and by being a resource of labor force this affects positively the GDP per capita of the EU.

Immigration benefits countries of the EU in many aspects but there are still skeptics who fear the damages that it might cost to the economy. In specifically it might hurt the people when in the case that not all of the immigrants can be integrated in the economy and a big number of them can become unemployed. This fact is considered negative for the economy for the fact that they will benefit the payment that each country gives to

unemployed people, but this might create problems between immigrants and native citizens. Even in the case when the immigrants will get integrated in the economic life it is still considered a problem because there will be more requests for a specific working position what might lead to the average salary. (Gedess, 2008, pg. 87)

It has to be pointed out the fact that every country does the maximum effort to integrate foreign citizens in the social and economic life of the country. Immigrants who get the right to gain the status of immigrants go through different controls and they are chosen between a big number of people. Each country does its best to pick the workers that can highly contribute in the economic life of the country. This does not mean that immigrants take working positions that belong to citizens because the high professional profiled workers are specialized in specific sectors where the labor force from the native country is missing. Native workers can not fill these positions. It can be mentioned here countries as Germany, welcoming immigrants graduated on IT system, engineers and healthcare and the fact of immigrants specialized in this sector approach the country means a lot. Having a graduate and specialized worker and gaining their skills is even more profitable for a country due to the fact that they did not spend any resource in the education of the immigrants as they already owned a degree.

But not all immigrants entering the country own a degree or any specific skill to help the country but they still had all the documentation to gain the status of legal immigrant. Still in this case the economy of EU gains from them due to the fact that they help the economy by doing low skilled jobs that native citizens do not accept. Not specialized immigrants gain the low positions, this makes it possible for native citizens to gain high profile positions with a higher salary.

## 3.6 Irregular Immigration and Asylum Seekers

Irregular immigration in the EU are citizens that do not fulfill the conditions to enter and to live in a country of the European Union. Since the Schengen Agreement, several strict normatives were created to have in control the movement of citizens entering the border of the EU. External borders of the European Union have to be strictly controlled

to prevent the entrance of people that do not have the right documentation to enter the EU area. There is a number between 2.8 million to 6 million immigrants who entered the borders of the EU without a regular status. It is considered that every year this number increases by 350 000 to a number of 500 000 illegal immigrants (Minter, 2015).

It is an important fact the geographic position of the countries of the European Union, that makes illegal immigrants to approach the borders. These illegal immigrants in the majority of the cases come from countries as Africa, East Europe and Middle Orient. Illegal immigration has increased over the years and now that the numbers have reached an alarming point, it has put pressure on the relations between countries the union (Minter, 2015).

Greece has been usually the center of a numerous conflict due to the not so strict controls in the borders of the country (Minter, 2015).

Irregular immigration is one of the main priorities of the EU. Irregular immigration can cause several serious damages to a country in specific and to the whole Union in general. Frontex, is called the agency of surveillance of European Union borders. It was founded in the year 2004, as a cooperation between all the EU countries to have a better control of the external borders, EU government have given a high responsibility to this agency to control all the external borders. The budget of Frontex has increased by a high rate, in the year 2005 the budget would be around 6.3 million Euros and in the year 2010 it increased massively to 88 million Euros. In the year 2007 the number of illegal immigrants had decreased (Frontex, 2015).

Some of the EU countries are more worried about the irregular immigration rather than the legal one, even if the numbers of irregular immigration have decreased during the time. In the year 2009 irregular immigration was considered one of the three topics where the politic of the EU should focus. Entering in a country without the requested documentation and without fulfilling the required conditions is considered illegal immigration.

Asylum is also considered partly immigration and this is why the documentation regarding asylum is different and countries of the EU have requirements which are not that strict as compared to normal immigration. An asylum seeker is protected by the European Union Charter of Fundamental Rights, by the article 1827. The number of asylum seekers compared to the number of illegal immigrants is lower. Requests for asylum have changed

during the years. In the year 1992 the number was of 380 000 requests and in the year 2008 it is obvious the lower request for asylum 238 000 (European Commission, 2016)..

Illegal immigration was created during the history due to different situations in different countries. It is obvious that some small companies prefer to employ cheaper labor force and illegal immigrants are the first choice. This not only damages the workers who do not get paid by their working performance, but it damages the economic situation of the EU. These companies take advantage of the necessities of these people by giving them the minimmun of salary and by not paying their social obligations, as health insurance, by giving opportunity of the black market to be expanded in the economy.

There are different reasons why an immigrant becomes illegal. Illegal immigrants of the European Union can be people who have entered into a country of the European Union, with the required documentation but after the documents have expired have decided not to follow the law and to stay for a longer period of time. Other members of the illegal immigrants in the EU are tourists, that have issued tourist visas, but have decided to not go back to their country. The main reasons why illegal immigrants have decided to immigrate to the European Union countries are the same as the reasons of legal and regular immigrants. As mentioned in the previous pages these reasons are the difficult economic situations in their home country and the ambition to help them and to create a better future they decide to leave their country and try all the opportunities that developed countries of the European Union can offer.

The European Union has shown during the years of its history the welcoming spirit in regard to immigrants. The economy needs them, the mixing of cultures also allows citizens from different countries of the world to adapt in a new European society. But European Union is very strict against illegal immigrants. Breaking the law of the immigration is a serious crime. Not only they are not allowed to enter the country, but in most of the cases, these people are banned to enter in any country of the Schengen Area. The reason for not allowing them to enter the Schengen area can be different, as problems with the law or criminalities also the fact of owning false documents are aery common. The country with the highest number of people not allowed to join the country has been Spain (Minter, 2015).

## 3.7 Immigrants Integration

The integration of immigrants and their families is one of the main objective of the governments of the EU, as it is important for different reasons. The immigration rate has increased in the whole area of the European Union. The integration of immigrants and their families to the working environment is very important in the development of the society and is an important factor for the economic development. It is important to integrate them as soon as possible in the economic field of the EU so that they will feel productive and they also will not be felt left apart from the society but they will consider themselves as part of the society.

There are still different mentalities that stop people from fully integrating immigrants into the social life of different countries of the EU.

How it is possible to measure the integration of immigrants in the society? While integrating immigrants on the economy of the EU government focus main on the unemployment rate. It is important not to create a big gap between citizens employed and immigrants unemployed.

The integration of immigrants in the economy of the EU is a complex process, and it is at some points in time difficult to achieve. It is important not to be only regarding the economic way, but also in the social life, educational level and in different levels as well. It is not a positive element to divide and to set in the population the idea that immigrants should not cooperate with the citizens. In this way citizens distance themselves from them, but also immigrants tend after it to stay only with other people from same nationality, sharing the same culture and habits. It starts only as a social problem, which later becomes into a more serious one in the cases when immigrants and native EU citizens have to share the same working environment.

Immigrants tend to earn a lower amount of money compared to citizens of the EU. After comparing different indicators of the economy, it can be said that immigrants accept a working position which offers lower income compared to what they would offer to a native citizen. What the governments of the EU are trying to do is to teach to the immigrants not to accept these injustices offered to them. In the case that they would accept not only immigrant would harm themselves socially, by not being treated equally as

the others, but also economically because if worked on the same conditions in another correct business they would earn more.

It is important for the immigrants who accept these conditions and for the employees that offer them that not only they are harming themselves, but moreover the economy of the EU, due to the fact that no payment is being done by them to the insurance companies as employees, by giving this way the black market to bloom by causing economic loss to the revenues of the countries, and by not covering the immigrants in case there would be some health issue.

The integration is successful, the longer immigrants stay in a specific country of the EU. It is not an easy process that can be achieved in a few days, but it needs the right time and the right means to be successful. The more immigrants stay in a specific country the more they get used to the habits of the citizens and also the more familiar they get with the language of the country. (MOROZZO , 2015)

Immigrants are divided into several categories depending on the reason that obligated them to immigrate. The most common category is the working category, which implies all the immigrants that came to the European Union in order to find a better working position, or that found the EU market the perfect market where to build their private business. The first category, the working position creates the condition for the second category of immigrants.

When moving from their country, the immigrants have to leave back their families, that after a certain period of time also opt for the possibility to move from their native country and to reunify with the whole family.

Other immigrants that do not fill in these categories fill in the other category named: Others.

### 3.7.1 Immigrants and Labor Market

Highly qualified immigrants also struggle to find a working position in a foreign country. There is a big number of graduate immigrants, unemployed in the European Union countries. This happens not because the EU is not accepting them, actually the EU has been eagerly waiting for immigrants qualified in specific sectors to join the EU economy as they need them. There are specific working position as doctor, IT specialist, electricity

care and other manufactured working position that the EU does not have the working force of the citizen enough to cover these positions. When found in front of a problem the only solution regarding it can be integrated immigrants that are specialized on it.

As mentioned before, it might be strange finding data of unemployemnt between these workers that the EU economy was asking for them to joing the Union.
This happens because to a bureaucratic issue, due to the fact that they graduated and studied their whole life in another country with another university system, it is needed from the EU some specific time to convert the credits from a country to another.
It has to be understood the fact that immigrant when moving to a new country is important to have some time, to find their position the labor market of the welcoming country. They need to find the right conditions where they can improve their human capital and also to be able to be productive to the new economy by sharing the skills gained in another country and by sharing with the other workers experiences. It is important to stress on the fact that the longer will be the period they will live in a country the better will be their approach to the working environment to gradually know the way of working in the new country, the requirements that are different between countries and considered the fact that most of the immigrants come from non developed or developing countries their period of integration might take more time than an EU citizen moving from a country of the European Union to the other.

During the years 2012 and 2013, 13 % of the immigrants that were working in the European Union countries had a temporary working contract. Temporary working position is very diffused due to the fact that immigrants, that have entered the EU from a short period of time, agree to have a temporary position so to start knowing the market. The temporary working positions are more common between the females. This happens in professions, even in Germany, where there are a big number of immigrants that came for searching for professional opportunities and that have graduated in their home countries also find these possibilities through a temporary contract. This is absolutely not an offensive way toward immigrants, but the governments and the private businesses want to let them first find themselves in the new labour market, to explore different opportunities until finding the working positions where can guarantee more success. Also, for the immigrants this should not be taken as an act of non acceptance, but this helps them not only to work in different positions but to relate with different people in different situations.

This is a way how the country opts for the immigrants to be socially connected with the EU citizens. (Europa,2015)

### 3.7.2 Overqualified workers

In the whole European Union there is big percentage, around one-third of immigrants that even if owning a university degree and are very qualified and are a very good potential to be profitable for the EU still, they work in a position where they are overqualified for it. In countries like Italy, Greece and Spain this is a very common phenomena. It happens more between newly arrived immigrants compared to the immigrants who have been for a long time part of the EU.

They still decide to stay in the EU even if it happens to a high number of the immigrants to be overqualified, this happens because they find better opportunities in the Union than what they would find in the home country (ISTAT, 2015).

### 3.7.3 Self employment

Immigrants after coming into a country of the European Union, tend to work in the private sector, more specified most of them have shown a big interest in opening their own businesses, where they feel more comfortable and can express themselves more. The numbers of this fact are increasing over time, but especially in countries such as Italy and Greece, where a very big number have decided to open their own businesses.

This is for sure the best solution for the immigrants, where they can really discover their leading skills and also to test and get familiar with the market of the EU.

This definitely is one of the advantages that the European Union has because of the immigrants. Not only they open their own business by putting even more competitiveness to the one already existing but also they contribute to the revenues of the government by paying the tax duties they have toward the countries.

It is very important to mention another benefiting factor coming from the self employment of the immigrants. By opening the new business they can find a working place for themselves and also it opens new working places for other immigrants and native

people. This serves as an answer to all the skeptics that do not approve the welcoming politic of the EU toward immigrants, it does not deteriorate the economy of the EU or taking working positions of citizens of the EU but it even makes possible to offer new working positions.

## 3.8 Immigration Policies in the European Union

The immigration policies created by the European Union in a compromise of all countries have the aim of stabilizing the immigration situation and drifting all immigrants to follow the requirements of the law to be a citizen of the EU.  All the policies have been created with the knowledge that immigration is necessary for the European Union economy and all countries of the EU only benefiting from it. All policies created aiming to regulate the entrance process and the residence process for specific groups.

One of these groups is specialized and highly skilled workers for whom was created the "EU Blue Card Directive" created in the year 2009. This policy makes possible the possibility to enter into the working market easier than other immigrants and it also gives the possibility to have some social and economic rights that make the process of adaptation in a new society easier. Immigrants who fill the conditions to be included in the Blue Card Directives also have easier conditions to reunificate their family in the EU country where they are immigrants. The Blue card is given to immigrants for a period of time between 1 to 4 years, according to the work position they have (Europa, 2009)

Special policies are created for students of non-EU countries that choose to continue their studies to a country of the EU.
The basic requirements to have the permission to enter the EU zone is the same for everyone. It can be mentioned here the non existence of a criminal record, the necessary financial funds to cover the living in an EU country, a place of residence and so on. In the case of a student applying it is being discussed to shorten the time of decision taking by departments in charge of the weather or not to issue the visa, so make the decision faster compared to other immigrants (Europa, 2009).

Students also have the possibility that after having the visa issued can re apply to get a Permanant Residence, They have the possibility to travel in the whole area of the European Union with this document. Also, it allows for the students to work, working hours depending from the state where they are studying, but every student has the right to work at least 10 hours per week to have the possibility to cover their spending (Europa, 2009).

New policies have been created for the Asylum Seekers as well, where it is opted for higher standards and a bigger cooperation so for the asylum seekers to be able to be treated the same equally and fair way in each country of the EU.

The time of analyzing the situation for the request of the asylum has become shorter with the new policies and during this time those asylum seekers in need will receive help from the state where they applied.

The European Commission has also applied very strict policies regarding the external borders of the European Union. The main scope is to protect as much as possible the Schengen area only by the external borders and keep the internal still non existing. It has to be mentioned the fact that countries as Austria or Germany have enabled the borders for some emergency situations of immigration. This is the reason why very strict policies are being applied so to protect the free movement inside the Union. The European Commission is suggesting a special protection of the external borders


## 3.8.1 Immigration Policies toward irregular immigration


In the year 2014 it was a very high number of immigrants that entered the borders of the EU irregularly, around 270 000 immigrants. For surpassing the EU borders in an illegal way, the majority of the immigrants does it through criminal organizations. To help people pass the borders of every country in an illegall way is considered a crime and is called "immigration traffic"

The European Union has been fighting in a very severe way the immigration traffic through the political way.  It was in the year 2002 when the sentence for the people that help immigrants to surpass the borders illegally became stronger.

Still the irregular immigration, especially the one through the sea, it can be mentioned here through the Mediterranean sea, has been increasing during the last two years. It can be counted around 220 000 the number of immigrants approaching the external borders of the EU (Frontex, 2015).

The situation has achieved extreme points, where a scary number of people are dying due to the dangerous ways that the criminals find to enter them into the EU. Only in the year 2014 it reached 3 000 the number of immigrants that lost their lives in the Mediterranean sea (UNCHR, 2015).

The European Commission is working against these criminal organizations that benefit through the immigration traffic. The aim is to prevent them from putting in danger those people. The EU is working very closely with the native countries of the immigrants that aim to enter illegally the EU. Information is shared between the two parties in the benefit of both parts.

The dangerous situation does not stop until the immigrants enter illegally the European Union, but these organizations can also provide the immigrants with false documents to continue their staying in the EU.

Immigrants through illegal situations are more vulnerable to get a working position where the irregularity continues, by working on the black market. This makes it difficult for the EU governments to protect the rights of the employers.

The EU is controlling these phenomena by conducting very strict controls to the businesses regarding the documentation of the workers, especially when they are immigrants.

Also, the EU will have severe legal penalties for employees who will accept to hire illegal immigrants.

## 3.8.2 External Borders Improvement

Images of immigrants and asylum seekers entering through different ways, especially by putting in danger their lives, in the EU territories are an indicator of the gravity of this phenomena. Illegal immigration through the sea is the most dangerous way how to

approach the borders. To prevent tragedies, the coastguard of the EU borders is monitoring very carefully the situation (FRONTEX).

Other illegal immigrants have entered the territories of the European Union by issuing a short time visa and prolonging the staying because of economic problems in illegal ways. The European Union has for this reason applied a very strict control at the borders.

Very strict measurements have also been applied to prevent the illegal immigration, by counting on each country of the EU to control very carefully the external borders. Some of the legislative measurements taken to protect the borders have been:

- To strengthen the power of FRONTEX so that it can have more power to decide over immigration situations.
- To establish a specific and strict mechanism into checking if the rules of the Schengen area are being applied in the correct way.
- The intensification of the collaboration of different EU country`s borders check and considering the idea of creating a single protection system of the European Union borders.
- Establishing new rules to check and protect the sea borders of the European Union

# 4. Practical Part

## 4.1 Data of the model

In this part of the thesis it will be done a practical economic evaluation of the immigration into the EU. A regression model will be conducted to see the relation that there is between the variables: Immigration as a dependent variable and GDP per capita, average wage yearly and unemployment rate. The following data were gathered for a period of time of 10 years, from year 2004 to 2013, of all 28 countries of the European Union.

Immigration, the data on the immigration represent a sum of all immigrants from 2004 until 2013 in the 28 countries of the EU.

One of the variables is the Gross Domestic Product per capita of the European Union. It is one of the main indicators of the economy. It divides the GDP, by the number of population. This variable was calculated by collecting the data of each country of the EU from the same time period as other variables and calculated the average of it. GDP as mentioned before has a tight relation to immigration, an indicator that shows how wealthy a country is. It also gives a clear idea of the living standard of the specific country. As mentioned in the previous chapters immigrants choose countries with a high living standard to have a high opportunity to work.

The unemployment rate is another variable. The unemployment rate of a country is considered to be highly connected with immigration. The lower it is the most preferable it is from the prospective of an immigrant to choose that country as the main scope is to find a country where the possibility of finding a working position is high. The rate is an average of each country`s yearly rate of unemployment in the period of time from 2004 to 2013

Yearly average wage of the European Union is another independent variable used in the model. The wage is calculated as the average of each of the EU countries yearly average wage from the year 2004 until 2013.

Table 1. Data of the economic indicators

| Years | Immigration (Millions) | Unemployment rate (percentage) | GDP per Capita (Millions) | Average Wage Yearly thousand |
|---|---|---|---|---|
| 2004 | 3.308 | 8.596 | 1.55 | 15.743 |
| 2005 | 3.191 | 8.196 | 1.65 | 16.275 |
| 2006 | 3.509 | 7.28 | 1.75 | 17.091 |
| 2007 | 3.966 | 6.4074 | 1.74 | 15.314 |
| 2008 | 3.889 | 6.3074 | 1.82 | 16.321 |
| 2009 | 3.082 | 8.91111 | 1.77 | 16.945 |
| 2010 | 3.233 | 10.1 | 1.83 | 17.355 |
| 2011 | 3.258 | 9.97037 | 1.90 | 17.938 |
| 2012 | 3.32 | 10.6259 | 1.96 | 18.454 |
| 2013 | 3.401 | 11.15357 | 2.02 | 17.819 |

Source: Eurostat, 20166

After putting all the data in the Gretl software we test the variables for the Ordinary Least Square

## 4.2 Analysis of immigration and GDP per capita time series plot

In this analysis it will be studied the time series plots of two important indicators of the economy of the European Union. In the figur 1 it can be noticed the time series plot of the immigration and on the figure 2 the time series plot if GDP per Capita. GDP per capita is the average income of one person in a country, in this case the average income of a person in the European Union.

In the time series plot of immigration between the time 2004 and 2013 it can be noticed the performance of immigration between these years. In the year 2005 it can be noticed a slight decline of immigrants in the European Union. The reason for this decline was because a big number of immigrants during this year immigrated to The United States and to Australia. Also, because of the big number of immigrants entering the borders

legally and illegally to the EU, in the year 2005 the requirements to enter a country of the EU were really tightened. An important factor is that a big number of immigrants during this period came from Romania and Bulgaria but in 2005 both of these two countries opened the negotiations to become an EU country so the number of immigrants decreased.

Figure 1. Immigration time series plot
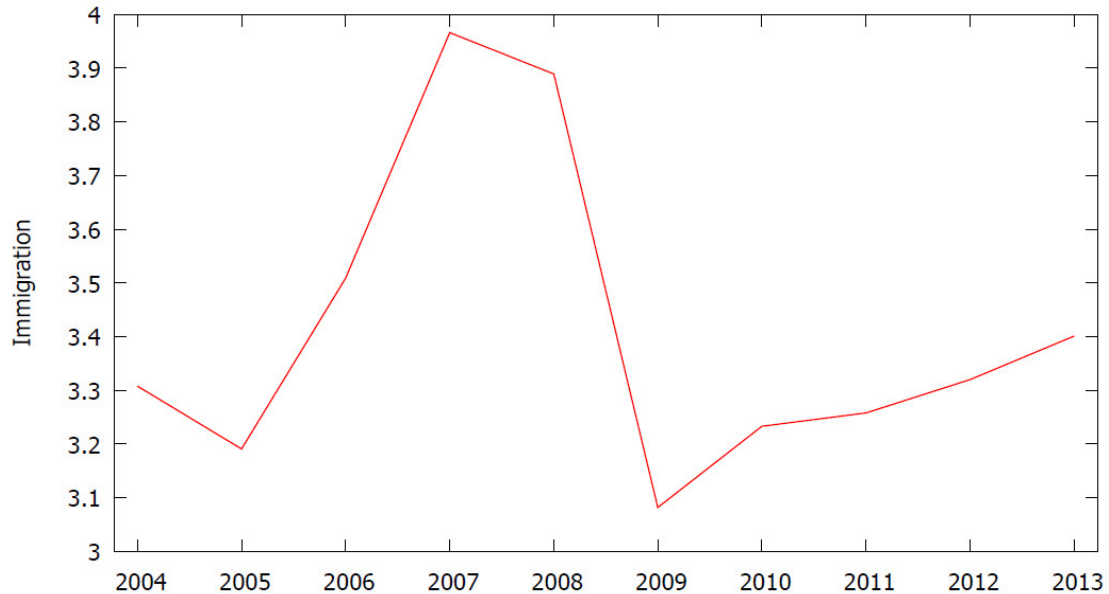


Source: Gretl software

If analyzed the GDP per capita it can be noticed that during these years there was a constant increase in the income per person in the EU. It is important to notice that during the period 2004-2005 both variables had a constant increase without being influenced by the other variable.

While the increase of the immigration rate continues in the EU during the year 2006 and 2007, the contrary happens with the variable GDP per capita. There is a strong reason for the economy to face some difficulties and this is related to the Housing market of the USA that crashed in the year 2006. The European Union and the USA are two of the main economies of the world so any issue that one of these economies might have is reflected on the other one.

It was until the year 2008 that the economy of the EU was affected by the economic crises. It was felt in every economic indicator. Immigration decreased drastically to arrive in the year 2009 with very low number of immigration into the EU. Countries as Italy,

Greece, Spain that once were the main destinations of the immigrants now were facing big numbers of citizen abandoning the country. The economy of the European Union was heavily damaged by the crises, with high rate of unemployment and difficult economic condition where to live.

It can also be noticed in the plot of the GDP per capita that also reached low numbers during the years of crises. Some of the economies were dangerously damaged by this crises, others could manage to afford the crises and to be able on the year 2010 to get slowly back on the positive numbers of the economy. Also immigration started to increase again, by pointing these economies that could manage the crises. Immigration started to increase, to reach numbers of a huge historic flow in the European Union.

Figure 2. GDP per capita time series plot
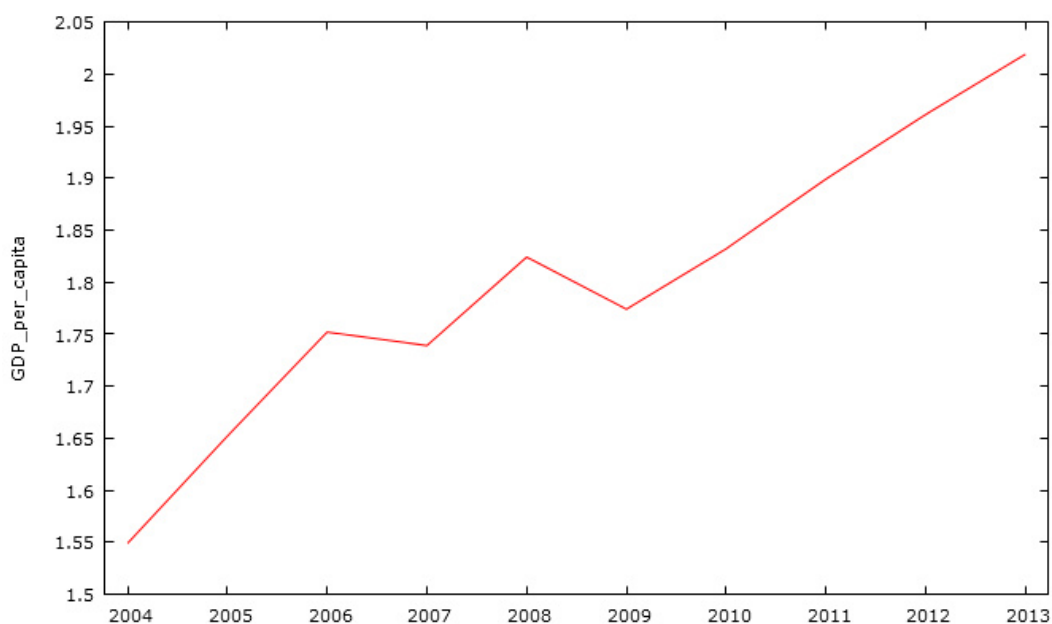


Source: Gretl software

It is important to notice that not only the GDP per capita of the EU did not decrease because of the immigration flow but it continues to increase constantly. This is a very important fact to notice that immigration does not affect the income of the EU citizens, but it is supported to increase. Immigrants coming to the EU are successful graduated students and professionals that the EU economy is eagerly searching for their skills. It is noticed in the two plots of immigration and GDP per capita that the moments when there was a

decrease in these two variables was caused by other economic factors. Immigration helps the GDP per capita to increase by offering a productivity, labour force that influence in the whole economy.

Also, other immigrants not as skilled as the others also help to increase the GDP per capita by doing basic jobs, by occupying work positions based on manufacturing and helping in this way the EU citizens to work in higher positions with a higher salary.

Both these time series plots show that these two indicators are very important variables of the EU economy, but that do not interfere with each other, but the contrary, immigration helps to increase the GPD per capita.

## 4.3 Economic Verification of the model

The results from Gretl output estimation confirm the relations between the parameters that we chose for the model and the number of immigrants in European Union countries.

### 4.3.1 Correlation matrix

- The correlation between unemployment and immigration is negative (coefficient is -0.6931). It indicates that immigration will decrease if unemployment increases in the European Union countries.
- The relation between the variables, GDP per capita and immigration is positive. The coefficient of correlation is 0.0059. This means that if GDP per capita will increase this will cause the immigration to increase too. GDP per capita is an indicator of the wealth of the economy, which means that the healthier an economy is the bigger the number of immigrants will be.
- A negative correlation (coefficient of -0.4830) can be seen in the dependence of immigration from annual average wage. It means the greater the average wage, the lower the immigration. As wages rise, the minimum wage will also rise, and this in many cases leads to increased unemployment which is directly related to immigration decreasing.

Between wage and GDP per capita we can notice a high correlation, with a coefficient of 0.8048. This means that there is the possibility that these two variables can be influenced by each other. This can be solved by omitting one of the variables, but while GDP and wage are important variables they are not omitted from the model.

Table 2.Correlation Matrix

```
Correlation Coefficients, using the observations 2004 - 2013
5% critical value (two-tailed) = 0.6319 for n = 10

    Immigration Unemployment_r~  GDP_per_capita Average_Wage_Y~
       1.0000         -0.6931           0.0059          -0.4830 Immigration
                       1.0000           0.5828           0.7939 Unemployment_r~
                                        1.0000           0.8048 GDP_per_capita
                                                         1.0000 Average_Wage_Y~
```

Source: Gretl software

- A negative correlation (coefficient of -0.4830) can be seen in the dependence of immigration from annual average wage. It means the greater the average wage, the lower the immigration. As wages rise, the minimum wage will also rise, and this in many cases leads to increased unemployment which is directly related to immigration decreasing.

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## 4.4 Estimation of Ordinary Least Square Model

Table 3. Estimation of OLS model

```
Model 1: OLS, using observations 2004-2013 (T = 10)
Dependent variable: Immigration

                    coefficient   std. error   t-ratio   p-value
  ------------------------------------------------------------------
  const                4.34088      1.03308      4.202     0.0057   ***
  Unemployment_rate   -0.116930     0.0458600   -2.550     0.0435   **
  GDP_per_capita       2.11870      0.575883     3.679     0.0103   **
  Average_Wage_Yea~   -0.219512     0.106968    -2.052     0.0860   *

Mean dependent var   3.415700    S.D. dependent var    0.293753
Sum squared resid    0.121025    S.E. of regression    0.142024
R-squared            0.844164    Adjusted R-squared    0.766246
F(3, 6)             10.83402     P-value(F)            0.007779
Log-likelihood       7.882346    Akaike criterion     -7.764691
Schwarz criterion   -6.554351    Hannan-Quinn         -9.092432
rho                 -0.190499    Durbin-Watson         2.204428
```

Source: Gretl Software

*The estimated econometric model*

Immigration = 4.340 - 0.116 Unemployment + 2.118 GDP - 0.219 Wage $+u_{1t}$

The results from Gretl output estimation confirm the relations between the chosen parameters for the model and the immigration. In the output of Gretl it can be seen that the independent variables, unemployment, GDP per capita and the average wage are all significant variables as rated with stars.

- If unemployment will increase by 1%, then immigration will decrease by 0.12 million people in the countries of the European Union (120 000 people).
  This is explained by the fact that unemployment is a very important variable when it comes to immigration as people choose countries where the working possibilities are higher than in their native country. So the higher the unemployment the lower the immigration.

- If GDP per capita will increase by 1 million Euros than immigration will increase by 2.12 million people (2120000 immigrants more in the European Union).

   GDP per capita is an important variable that shows the economic situation of a country. The higher this number is then the wealthier the country is economically. GDP per capita divides the GDP of the whole country with an average income of a person living in the European Union in this case. It is clear that these two variables, immigration and GDP per capita, are both positive due the fact that when choosing an immigration country people choose a healthy economy

- If average annual wage will increase by 1000 Euros, then immigration will decrease by 0.22 million people (220 000 immigrants less in the EU countries)

## 4.4.1 Coefficient of determination $R^2$

The coefficient of determination is: *R-squared = 0.844164*

Through this coefficient it is easy to understand how well the data fits the econometric model, how well the regression line approximates the real data points. This important statistic gives information about the *goodness of fit* of the model. In general, the higher the R-squared, the better the model fits the data. Since the result in the previous model for $R^2 = 0.844164$, this shows that 84.0% of the variation of the immigration is explained by the regressors unemployment rate, GDP per capita and wage of the countries of the EU..

The coefficient of adjusted determination is: *Adjusted R-squared = 0.766246*

   *R*-squared is generally higher as a result of increasing the number of variables in the model, as a result of this is important to check the value of the Adjusted R-squared. Since the adjusted coefficient penalizes the statistic such as extra variables included in the model, it will be used the "raw" $R^2$ value = 0.766246 which shows that the dependent variable of this model is still explained by 77.0% by the regressors.

## 4.4.2 Test for heteroscedasticity

One important test to be conducted for checking the OLS model is the test of Heteroscedasticity.

*"Heteroskedasticity, in statistics, is when the standard deviations of a variable, monitored over a specific amount of time, are non-constant". (Investopedia*, 2016)

Heteroscedasticity happens when the error variance is not constant for all the individuals in the sample, but increases. As the error variance increases, the variables are no longer Best, in particular Least Squared Estimated are no longer blue.

Also, it should be mentioned that under the case there is heteroscedasticity this also means that the standard errors that the statistical software reports were actually wrong and they have to be corrected and this is why is important to test for it *(Investopedia*, 2016).

### Breusch-Pagan test

The test used to check for Heteroscedasticity in this model is the Breusch-Pagan test. This test shows the existence of Homoscedasticity or Heteroscedasticity but does not tell the reason that is causing it, it only provides the existence.

**Conditions of the test:**

Ho: There is homoscedasticity in the model

Ha: There is Heteroscedasticity in the model

The p-value has to be analyzed to know which of the two hypothesis holds.

Table 4. Breusch-Pagan test

```
Breusch-Pagan test for heteroskedasticity
OLS, using observations 2004-2013 (T = 10)
Dependent variable: scaled uhat^2

                    coefficient   std. error   t-ratio   p-value
  ---------------------------------------------------------------
  const                 5.67784     13.6922      0.4147    0.6928
  Unemployment_rate     0.206479     0.607819    0.3397    0.7457
  GDP_per_capita       -6.90440      7.63263    -0.9046    0.4005
  Average_Wage_Yea~     0.351132     1.41774     0.2477    0.8126

  Explained sum of squares = 3.92119

Test statistic: LM = 1.960597,
with p-value = P(Chi-square(3) > 1.960597) = 0.580625
```

Source: Gretl Software

If p-value > α then Ho: In the model there is  homoscedasticity

p-value = 0.580625 and α = 0.05

0.580625 > 0.05

After checking the p – value the conclusion is that hypothesis Ho holds and that there Homoscedasticity in the model and no presence of Heteroscedasticity.

The fact that in the model, there is no Heteroscedasticity means that the model is healthy.

### 4.4.3 Test for autocorrelation

It is important to check for autocorrelation because if there is existence of it in the model, then the error term of a date that has been studied can be correlated with the error terms of another period of time, previous to the first one. Autocorrelation can be a serious problem for the model as the OLS will not result BLUE anymore and the standard errors are no longer correct.

For testing for autocorrelation it is used the Breusch-Godfrey test. It was chosen to run this test as it is more general than the standard Durbin Watson and it also tests for higher order serial correlation

**Conditions of the test**

*Ho: There is no autocorrelation*

*Ha: There is autocorrelation*

*if p-value > α then Ho: hypothesis holds – no autocorrelation*

Table 5. Breusch-Godfrey test

```
Breusch-Godfrey test for first-order autocorrelation
OLS, using observations 2004-2013 (T = 10)
Dependent variable: uhat

                    coefficient  std. error   t-ratio   p-value
           ---------------------------------------------------------
   const              0.167278    1.16060      0.1441    0.8910
   Unemployment_rate  0.00365975  0.0497181    0.07361   0.9442
   GDP_per_capita     0.105581    0.655196     0.1611    0.8783
   Average_Wage_Yea~  -0.0230027  0.124269    -0.1851    0.8604
   uhat_1             -0.229684   0.480203    -0.4783    0.6526

   Unadjusted R-squared = 0.043753

Test statistic: LMF = 0.228777,
with p-value = P(F(1,5) > 0.228777) = 0.653

Alternative statistic: TR^2 = 0.437535,
with p-value = P(Chi-square(1) > 0.437535) = 0.508

Ljung-Box Q' = 0.48384,
with p-value = P(Chi-square(1) > 0.48384) = 0.487
```

Source: Gretl Software

The p-value is equal to 0.653 and $α = 0.05$

$0.653 > 0.05$ this brings to the conclusion that there is no autocorrelation of residuals in the model.

Through the Breusch-Pagan test it was checked for autocorrelation in the model and it was not found any sign of it. This means that there is no relation between the error terms between the observation.

**4.4.4 Test for Normality of Residuals**

This test is conducted to check if the residual is distributed normally in the model or if it is not. A perfect regression model should have a residual which is normally distributed.

To check this, first the hypothesis are constructed:

Ho: normal distribution of residuals

Ha: not normal distribution of residuals

Table 6. Normality distribution test

```
Frequency distribution for uhat1, obs 1-10
number of bins = 5, mean = 9.32587e-016, sd = 0.142024

        interval              midpt    frequency    rel.      cum.

             < -0.20559     -0.25584        1      10.00%    10.00% ***
   -0.20559 - -0.10509      -0.15534        1      10.00%    20.00% ***
   -0.10509 - -0.0045864    -0.054837       0       0.00%    20.00%
 -0.0045864 -  0.095916      0.045665       6      60.00%    80.00% ********************
         >=  0.095916        0.14617        2      20.00%   100.00% *******

Test for null hypothesis of normal distribution:
Chi-square(2) = 3.467 with p-value 0.17662
```

Table  Gretl Output

Conditions of the test

if p-value > α then Ho hold that means there is a normal distribution of $u_t$ in the model

As we can see in the table the  table 6 p-value = 0.17662 and α = 0.05

0.17662 > 0.05 this means that the conclusion: Normal distribution of $u_t$

From the output of Gretl it can be noticed that the graph has a normal bell shape and in this case it confirms the hypothesis that there is a normal distribution of the residuals in the model

Figure 3. Test statistic for normality
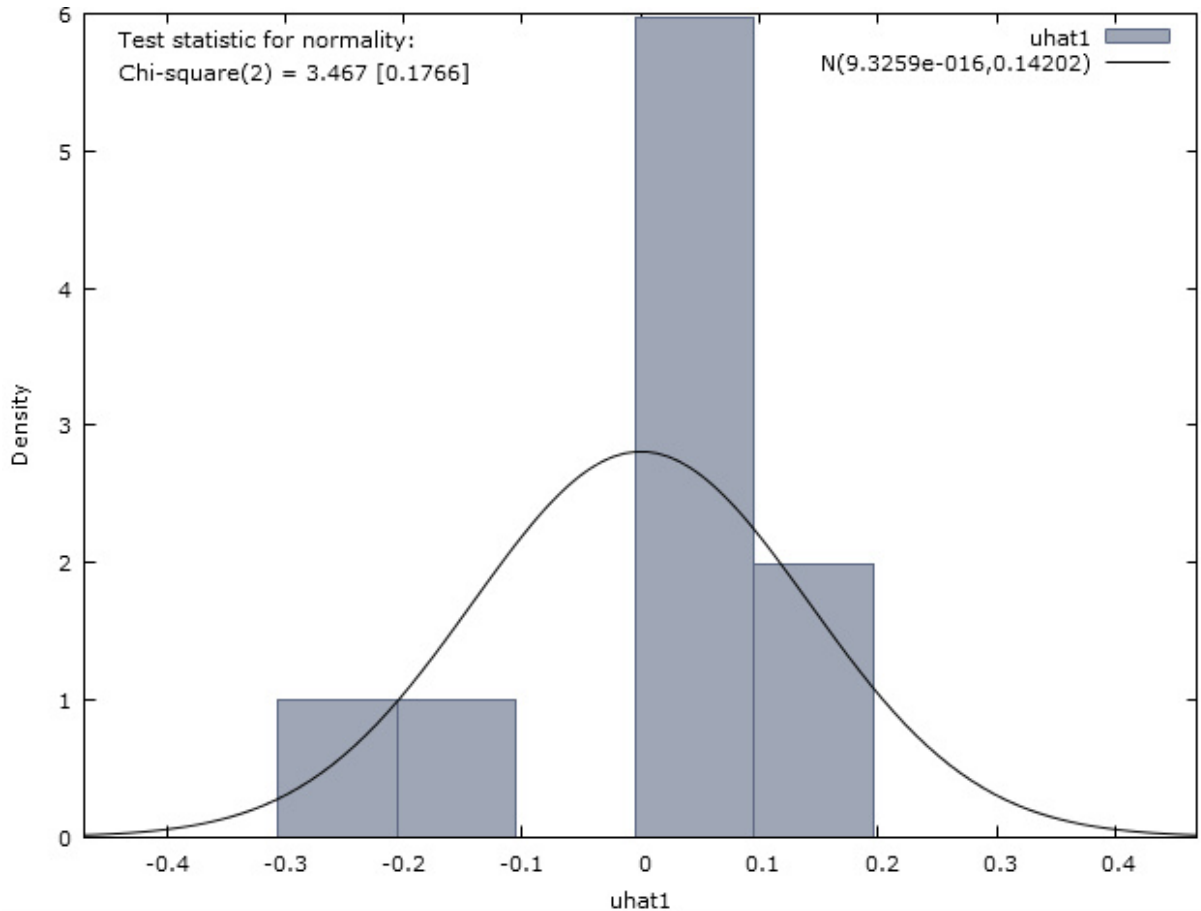
Source: Gretl Software

### 4.4.5 Elasticity

The elasticity coefficients have been calculated with the formula $(\frac{\partial Y_{1t}}{\partial X_{1t}} * \frac{X_{1t}}{\hat{Y}})$

Through the table 7 of elasticity, it can be analyzed the elasticity of each year from 2004 till 2013. As an example it will be analyzed the year the year 2013
If unemployment rate will increase by 1%, then immigration will decrease by 0.378 %, as explained in the table 3 the more the unemployment increases the more immigration decreases due to the fact that there will be lower opportunities to find a working position in the EU.

Table 7 . Elasticity Coefficients

| Year | Unemployment Rate | GDP per capita | Average Wage |
|---|---|---|---|
| 2004 | -0.313 | 1.032 | -1.084 |
| 2005 | -0.286 | 1.052 | -1.073 |
| 2006 | -0.244 | 1.071 | -1.082 |
| 2007 | -0.189 | 0.938 | -0.853 |
| 2008 | -0.188 | 0.991 | -0.919 |
| 2009 | -0.309 | 1.120 | -1.109 |
| 2010 | -0.361 | 1.194 | -1.171 |
| 2011 | -0.352 | 1.227 | -1.197 |
| 2012 | -0.383 | 1.290 | -1.256 |
| 2013 | -0.378 | 1.250 | -1.140 |

Source: Eurostat, 2016

Through the table 7 of elasticity, it can be analyzed the elasticity of each year from 2004 till 2013. As an example it will be analyzed the year the year 2013
If unemployment rate will increase by 1%, then immigration will decrease by 0.378 %, as explained in the table 3 the more the unemployment increases the more immigration decreases due to the fact that there will be lower opportunities to find a working position in the EU.
If GDP per capita will increase by 1%, then immigration into the EU will increase too by 1.250%, as explained in the  table 3 the more the GDP per capita of an economy increases, the healthier economically this economy is. With the economy being economically healthy, the more will increase the immigration to this country that offers better living conditions.
In the case when the average wage increases by 1%, then the immigration will decrease by 1.140%.  The fact that average wage increases this causes the minimum wage to increase too. With the minimum wage increasing there are other factors following as the more employers will spend for the salaries, that will cause to decrease the number of workers in the companies and will increase the price of products due to expenses increasing.
With living conditions and higher unemployment, the immigration rate will decrease.

## 4.4.6 Forecast

Table 8. Forecast of the regression model

```
For 95% confidence intervals, t(6, 0.025) = 2.447

         Immigration    prediction     std. error        95% interval

   2004       3.308         3.162         0.1814       2.718 -    3.606
   2005       3.191         3.310         0.1582       2.923 -    3.697
   2006       3.509         3.450         0.1753       3.021 -    3.879
   2007       3.966         3.914         0.1803       3.473 -    4.356
   2008       3.889         3.885         0.1736       3.460 -    4.310
   2009       3.082         3.338         0.1499       2.971 -    3.705
   2010       3.233         3.232         0.1543       2.854 -    3.609
   2011       3.258         3.261         0.1568       2.877 -    3.644
   2012       3.320         3.202         0.1657       2.797 -    3.608
   2013       3.401         3.403         0.1811       2.960 -    3.846

Forecast evaluation statistics

Mean Error                          7.5495e-016
Mean Squared Error                  0.012102
Root Mean Squared Error             0.11001
Mean Absolute Error                 0.075919
Mean Percentage Error              -0.10887
Mean Absolute Percentage Error      2.3259
Theil's U                           0.316
Bias proportion, UM                 0
Regression proportion, UR           0
Disturbance proportion, UD          1
```
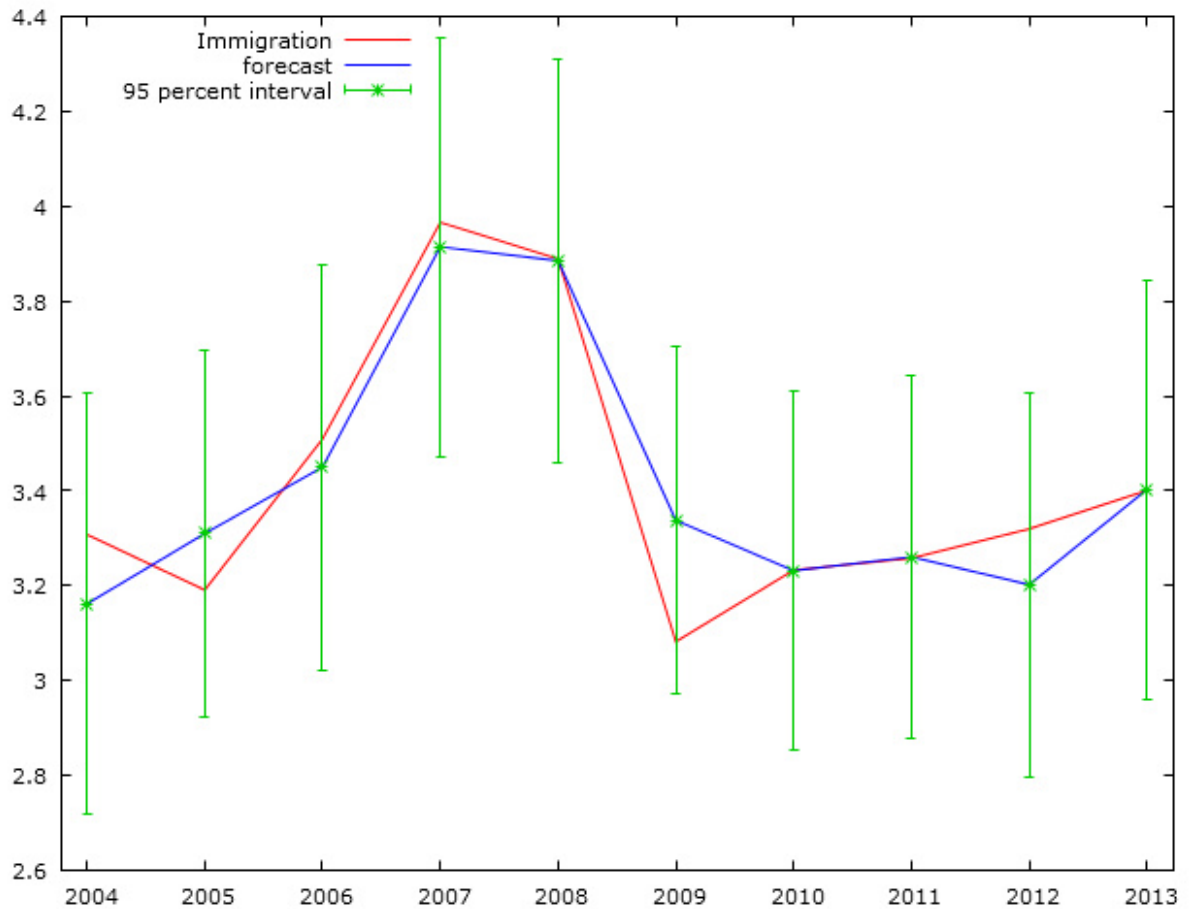
Source: Gretl Software

Through the Table 8 as an outcome from the Gretl software it is possible to see several matrix. The actual Immigration, the prediction of immigration values, the standard errors of the prediction. It is also possible to see the 95% confidence interval of the forecast.

It is possible to see that the difference between the actual values of immigration and the prediction is not big and this means that the data of the model are correct. Also the standard errors are very low.

From all the matrixes offered in the table it is also important to check for the quality of this forecast.

Figure 4. Forecast Confidence Interval



Source: Gretl Software

The graph of forecast is generated and in the red line it can be seen the actual immigration and the blue line represents the forecast. It can be seen that in some points the actual and forecast line touch each other which shows that the actual value are very correct. The green color represents the 95 % confidence interval. The real values are within the 95 % confidence in the forecast.Through the table 8 and the figure 4 it shows that there is a good forecast of the model.

## 4.5 Survey: Immigration in the European

A survey was conducted at a university in Belgium, Ghent University. A university with The survey was conducted between the bachelor and master students.

The survey aims that through the responses will illustrate a direct approach of how immigrants have been integrated in the society, by occupying highly professional position and also an illustration of what the thinking of the respondents is toward immigration.

The survey contains qualitative questions. The questions are close ended where the answer can only be one of the options. Also the survey contains open ended questions where apart the options given to choose can express their ideas The survey was conducted in a university where the majority of students are from Belgium, the Netherlands, Italy and Spain. Students that were part of this university comes also from non European Union countries. The age of the students is between 18 and 38, students from Bachelor and Master Degree participated. The questions of the survey can be found in the Appendix. The number of people that participated in the survey is 408.

The survey was conducted in Belgium but in an international environment as it is a university where there can be found students from all the countries of the EU as well as students from non EU countries.

### 4.5.1 Analysis of the result of the survey

In the figure 5 it is seen that the number of the respondent females was higher than male by 14 %. The number of females that answered the survey is 232. The number of males answering the survey is 175
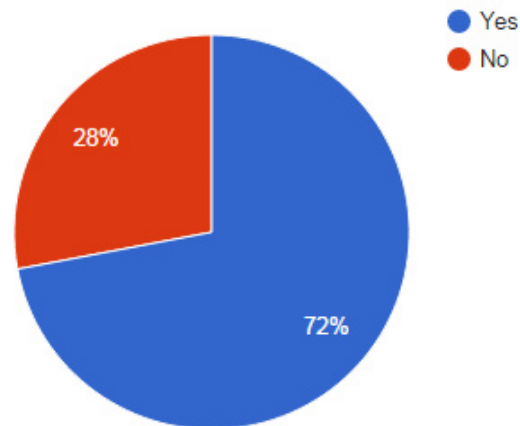
Figure 5. First question of the survey
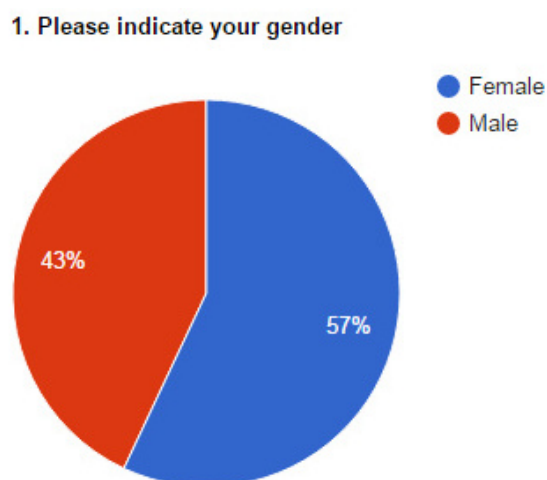


Source: author's computation

Figure 6. Second question of the survey



2. Are you a citizen of a European Union country?

● Yes
● No

28%

72%

Source: Author's computation

In the figure 6 it is analyzed the result relating the question of the citizenship, in order to know if the majority of the respondents are from a non EU member country or are citizens of the EU. From the Figure the result is that 294 respondents are from a European Union country and 114 are immigrants coming to the EU to study.

With the question 2.1 of the survey the aim is to know if the EU citizen respondents have an immigrant background or they have been part of the EU country for several generations. From the answers collected 62 respondents, 15,9%, have been living in the EU from one generation. The number of respondents being EU citizens from two generations is 37 % and more than 2 generations is 47.1 %. From this question it is understandable that the majority of the respondents in this survey have citizens of the European Union for more than 2 generations. This is a positive factor in the survey because allows to check not only the integration, but even the relationship established between EU citizens and immigrants.

Figure 7. Question 2.1 of the survey

**2.1. If yes, including yourself, how many generations has your family been EU citizens?**



- 1
- 2
- More

15.9%

47.1%

37%
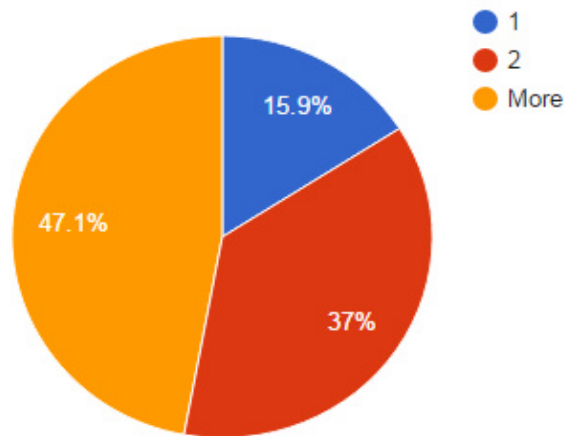
Source: Author's computation

The next question related to the sector where their parents are working is done to see how these immigrants who came into the EU, either one generation old, two or more to check the process of integration is very important to be studied. The result gathered from this question is that the majority of their family members work in the private sector with 89 % or 363 respondent`s family members. The other part of the 11 % (45 respondents)  are working in the public sector. This confirms the fact that the majority of immigrants finds a working position in the private sector due to the fact that a big number of immigrants are highly professional in specific sectors that countries of the EU cannot fill these positions with native citizens as the graduated people in these specific sectors is not high.

Figure 8. Third question of the survey



3. Are your parents working in the:

- Private_Sector
- Public_Sector

11%

89%
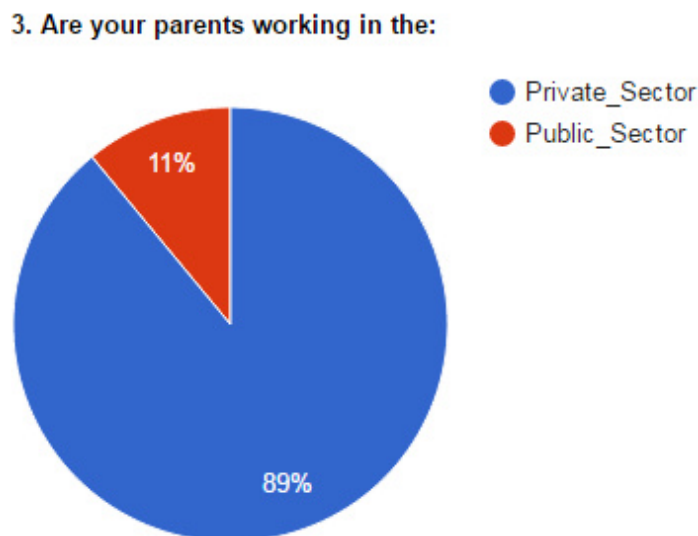
Source: Author's computation

The question number 4 aims to understand the position of the respondents toward immigration if they think it positively affected the economy of the EU or negatively. The respondents agreed to the positive effect of immigration to the EU economy with 86 % so 351 respondents out of 408. The other part of 57 respondents find the effect of immigration negative to the economy of the EU. The explanation of the 14 % thinking that immigration is affecting negatively can be explained even by the fact of the situation in which the survey was conducted considering the problems that immigration has cause the last year has for sure affected the answers.

The fifth question of this survey is an open question where respondents have the possibility to choose which of the statements they think is true. The first statement of new business being opened due to immigration has been chosen in the majority of cases by 97.8 % (399 respondents) of the respondents. It is a fact that immigrants tend to open their own business where they can freely express their abilities. Due to the fact that the majority of the respondents are EU citizens, many of them or their family members might be working in business opened by the immigrants.

Figure 9. Question 4 of the survey
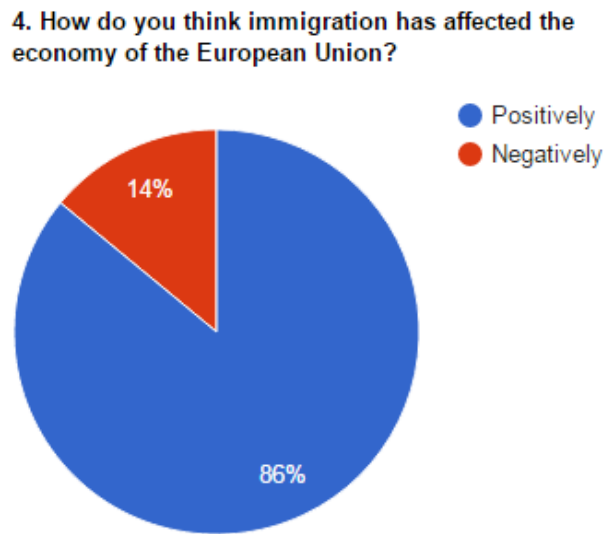


Source: Author's computation

This brings new working places opened as is the second statement in the survey, which was selected by 95.8% (391 respondents). Then the third statement was selected by 6.1 % (25 respondents). IT declares that the crime has increased in the European Union because of immigration. As mentioned before in the thesis, crime and the problems caused by immigration is a topic where answers can be very subjective due to the difficult situation happening in the EU in the last years. Even because of these problems, the respondents selecting this statement are relatively low which brings to the fact that in general, people are very clear on the benefits that immigration brings to the economy of the EU. Immigrants coming into the EU to work are the majority graduate professional workers with specific skills in a sector of the economy.

Figure 10. Question 5 of the survey



5. Please check the following statements that you agree with

Source: Author's computation


There are also cases when they are workers not specialized and in this case they usually get employed in working positions that natives do not prefer to do, such as babysitting or cleaning and taking care of houses. It is related to this topic the seventh question where 84 % (343 respondents) of the respondents think that immigrants fill basic working positions that natives do not want. The other 16 % (65 respondents) think the opposite that immigrants do not take a low working position.

The question 6 is related to the mix of culture that immigrants bring with them while entering a new country. The European Union has become rapidly a mix of different cultures living and respecting each other. This question was made to the respondents if a mix of cultures is important of the EU society. The response gathered from it made it clear the position of the respondents, with a 98 % approving the importance of an environment of mixing cultures with only 2 % against it.

Figure 11. Question 6 of the survey



6. Do you think that a mixture of culture is important for the European Union Society?

- Yes
- No

98%
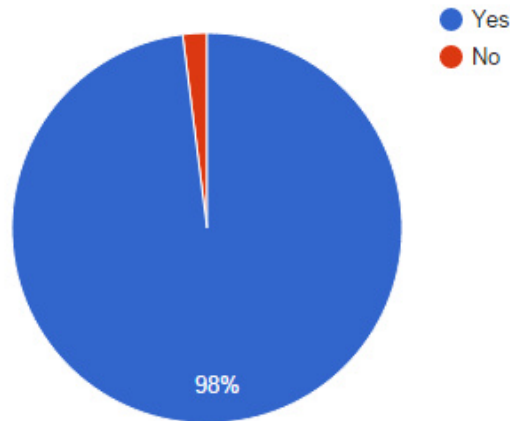
Source: Author's computation

As seen in the figure 11 one of the aims of the survey is to understand the behavior of EU citizens and not only them, but even for the non EU citizens toward immigrants and working in the same environment. From 408 respondents, 92 % (375  respondents) would like to work with immigrants in order to enrich themselves professionally and share different working cultures and experiences. A small number of 8 % (32 respondents) would not prefer to work with immigrants. The reason of this 8 % not agreeing to work with immigrants can be explained by their difficulties of not being able to communicate with them because of language obstacles.

In the figure 12 it is given the pie chart for the result if immigrants fill jobs that most native do not want. From the response there is a high percentage of 84% that agree with the fact that basic jobs are not preferred by the citizens and there is a 16% that do not agree. The 16% can be explained by the fact that their family members maybe are still doing basic jobs and the immigrants did not fill those positions.

Figure 12. Question 7 of the survey

7. Do you think that immigrants fill jobs that most native workers do not want?
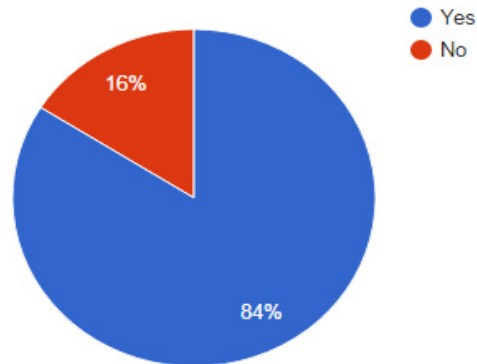
Source: Author's computation

It is seen that 84 % (348 respondents) agree and there is a 16 % (60 respondents) that do not agree.

Figure 13. Question 8 of the survey



8. At work, would you prefer to work with an international team?
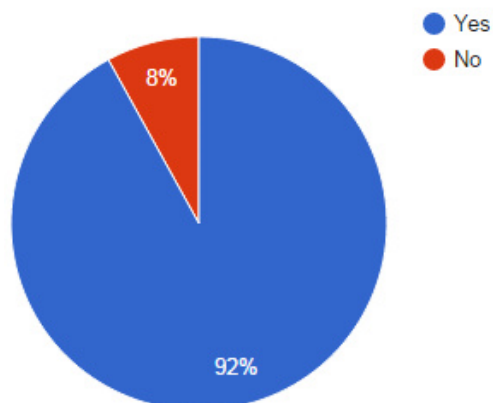
Source: Author's computation

It is known the fact that there are important professions like the case of doctors that the EU cannot fill these positions with EU citizens and the question number 9 is related to the fact if they have ever been treated by any physician or health care person that is from a foreign citizenship. From the answers as seen in the figure 8, 62% (253 respondents) have been treated by a foreign physician, 36% (147 respondents) have not been treated by a foreign physician and 2% (8 respondents) do not know if they have ever been treated by a foreing physician.

Figure 14. Question 9 of the survey

**9. Have you ever been treated by a physician, nurse or other care worker in your country who was of foreign origin?**

- Yes
- No
- I_don`t_now

36%

62%
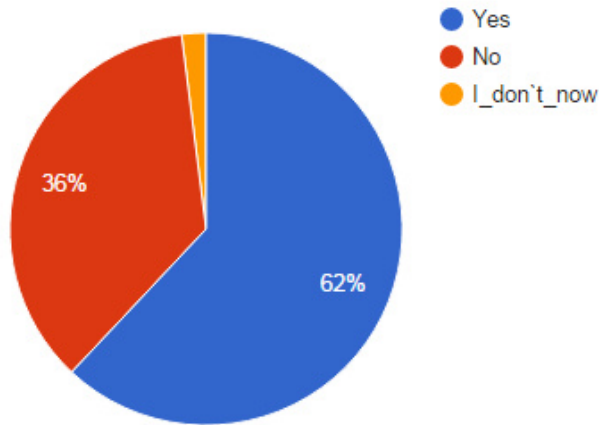
Source: Author's computation

Considering the situation happening in the European Union countries since the year 2015 regarding the asylum seekers. Asylum seekers are considered immigrants, but the conditions of them requiring to enter another country is forced by other reasons as it might be life risking situations in their native countries. It is important to check the reaction of respondents living in the EU to this situation as they are treated with more regards compared to other immigrants.

From the results seen in the figure 10,  88% (359 respondents) of the respondents agree to asylum seekers entering a country of the EU. This means that the situation of asylum seekers is not misunderstood, but there is a 12% (48 respondents) that do not agree with asylum seekers.

Figure 15. Question 10 of the survey

**10. Do you think the European Union should accept the Asylum Seekers**

● Yes
● No

12%

88%
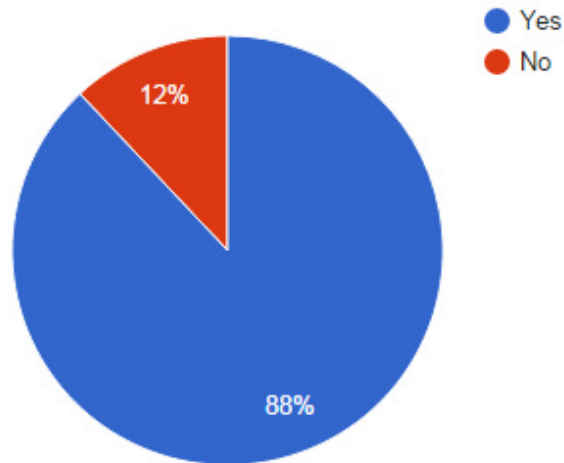
Source: Author's computation

The last question of the survey aims to study the movement of European citizens between the European Union. To the question if the respondents take in consideration, to move after graduation to another EU country the result is that 57 % (232 respondents) of them will move after graduating. This is an important number that is higher than the half due to easy movement between the European area and try new possibilities. Another 40% (163 respondents) denied the possibility of moving to another EU country and this is explained by the fact that they might already have a satisfying career in the current country. The other 3% (12 respondents) is still not sure whether they would prefer to move in another country of the EU or stay in the current country.

F Figure 16. Question 11 of the survey igure 16. Question 11 of the survey

**11. After graduating, will you try to search for other work possibilities in another EU country?**
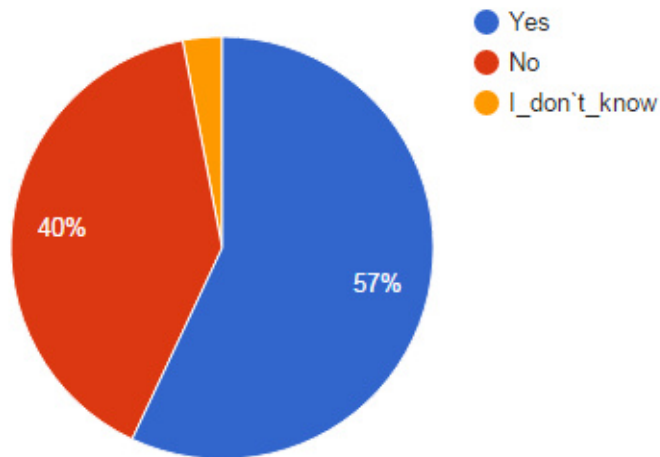


Source: Author's computation

## 4.6 Analysis of the survey in Gretl software

To further analyze the survey, it will be run a logistic and Probit regression model and even a Probit model with a binary dependent variable in Gretl.

Firstly, it will be observed the p-values of the coefficient in Gretl. After observing the p – values it is important to check the slopes of the model.

The first step to test the survey on Gretl all the values are converted to 1 and 0.

The question that will be the dependent variable is: How does immigration affect the economy of the EU?

The other questions present in the model will be the independent variable and will help to check the influence they have in respondents answering positively or negatively to the question regarding the immigration affect into the EU.

Table 9. Logit Model, p-value

```
Model 1: Logit, using observations 2-408 (n = 324)
Missing or incomplete observations dropped: 83
Dependent variable: Immigrationpositive
Standard errors based on Hessian

                     coefficient   std. error      z      p-value
  ------------------------------------------------------------------
  const               0.175173     2.01536       0.08692   0.9307
  EUcitizenship       0.337501     1.55918       0.2165    0.8286
  Generationsparto~  -0.0467186    0.0692122    -0.6750    0.4997
  PrivatePublicwor~   0.716827     0.970971      0.7383    0.4604
  SelfEmployed       -0.185920     0.606679     -0.3065    0.7593
  Workpositionsfil~   0.698746     0.810863      0.8617    0.3888
  PhysicianForeign~   3.23618      1.87919       1.722     0.0850   *
  AsylumSeekers      -1.62766      0.931240     -1.748     0.0805   *
  Aftergraduationc~  -0.983127     1.32140      -0.7440    0.4569

Mean dependent var    0.950617    S.D. dependent var    0.217001
McFadden R-squared    0.067116    Adjusted R-squared   -0.074107
Log-likelihood       -59.45152    Akaike criterion      136.9030
Schwarz criterion     170.9297    Hannan-Quinn          150.4846

Number of cases 'correctly predicted' = 309 (95.4%)
f(beta'x) at mean of independent vars = 0.040
Likelihood ratio test: Chi-square(8) = 8.55446 [0.3813]

           Predicted
            0     1
  Actual 0  1    15
         1  0   308

Excluding the constant, p-value was highest for variable 2 (EUcitizenship)
```

Source: Gretl Software

## 4.7 Logistic model

In the Logistic model it will be run a limited dependent variable model because the values are from 0 to 1 so the values are limited between these two numbers. Logit model has a binary dependent. As seen on the table 9, the model is firstly run to show the p – values inserted in the table so they can be checked.

The variables physician and asylum seekers are significant in the model as graded by the stars.

This means that the more they answer positively to the question, if they have been treated by an immigrant physician, the more are the positive answers regarding immigration affecting positively the economy of the EU .

In the dependent variable regarding the physicians the coefficient is positive, 3.236  and is statistically significant at the 5% level of confidence. When the responders answer positively to the question of having been treated by an immigrant physician then the result of immigration affecting positively the country increases by 3.236%. There is a positive relation between these two questions due to the fact the European Union countries have difficulties to fill these specific professions by their own native citizens, so highly skilled professional immigrants fill these types of professions. By being constantly in contact with physician with an immigrant background this brings the responders to have a positive thinking of immigration because of this factor.

The variable of asylum seekers has a negative relation of -1.627 with the dependent variable of immigration. This means that the more responders agree to asylum seekers the more they have a have a negative idea of immigration affecting positively the economy of the country. This happens because of the fact that responders have a positive opinion regarding asylum seekers as this is a situation where these people need protection due to war situation or other dangerous situations in their country. But the fact that being positive to asylum seekers brings the number of answers regarding the positive effect of immigration to lower due to the fact that accepting asylum seekers means spending more money from the government of their country. Asylum seekers are considered immigrants, but with more favorable factors than simple immigrants. This because of the situation where they come from, which is a situation of life risk in their native country so they need more support by the new country.

The other independent variables do not have a statistically relationship with the dependent variable, this means that they do not influence the immigration dependent variable.


## Confussion Matrix


In the table 9 it is also shown the Confussion Matrix, which is a very important element in the study of the survey. The matrix shows the number of results that are calculated correctly in the Logistic model and it also shows the results calculated wrong.

The numbers that are part of the diagonal show the number of correct results. On the left side, it can be seen that there are the real actual value of 0 and 1 and in the other part are the predicted value 0 and 1. When the actual value is 0 and the predicted value is also 0 then the result was calculated correctly, as seen on the table there is 1 case when the actual and predicted values is 0 so this result was calculated correctly. Also in the case when the actual value is 1 and the predicted value is also 1, in this case as well the result have been calculated correctly, 308 results calculated correctly, adding the other result as well it comes to a sum of 309 results calculated correctly.

On the other hand, when the actual value is 0 and the predicted value is 1, then the results have been calculated wrong, and as seen in the table there are 15 errors which are named "Type 2 errors". When the actual value is 1 and when the predicted is 0 the values are also calculated wrong. In this model, there is no such type of error, named "Type 1 Error"

The number of results part of the diagonal is 309 that is relatively high and shows that the results were predicted most of the cases right.

Slope Gretl Output

In the table 10 it is shown the same dependents and independent variables only with the exception that this time when running for a Logistic Binary Model the p – values are not shown but the slopes are shown in the output. The slope is the changing probability of the dependent variable when it is increased each individual variable by 1 unit while holding on the other variables by their mean.

Table 10. Logit model, slope

```
Model 2: Logit, using observations 2-408 (n = 324)
Missing or incomplete observations dropped: 83
Dependent variable: Immigrationpositive
Standard errors based on Hessian

                     coefficient  std. error      z          slope
      -----------------------------------------------------------------
      const           0.175173    2.01536      0.08692
      EUcitizenship   0.337501    1.55918      0.2165     0.0156130
      Generationsparto~  -0.0467186  0.0692122  -0.6750   -0.00186302
      PrivatePublicwor~  0.716827  0.970971     0.7383     0.0230715
      SelfEmployed    -0.185920    0.606679    -0.3065    -0.00741045
      Workpositionsfil~  0.698746  0.810863     0.8617     0.0368314
      PhysicianForeign~  3.23618   1.87919      1.722      0.478984
      AsylumSeekers   -1.62766     0.931240    -1.748     -0.133008
      Aftergraduationc~  -0.983127  1.32140    -0.7440    -0.0271305

Mean dependent var    0.950617   S.D. dependent var    0.217001
McFadden R-squared    0.067116   Adjusted R-squared   -0.074107
Log-likelihood       -59.45152   Akaike criterion      136.9030
Schwarz criterion     170.9297   Hannan-Quinn          150.4846

Number of cases 'correctly predicted' = 309 (95.4%)
f(beta'x) at mean of independent vars = 0.040
Likelihood ratio test: Chi-square(8) = 8.55446 [0.3813]

            Predicted
              0    1
   Actual 0   1    15
          1   0    308

Excluding the constant, p-value was highest for variable 2 (EUcitizenship)
```

Source: Gretl Software

**Slope Coefficient**

In the table 10 is shown the result of the Logistic variable as in the previous table 9 but this time is not shown the result of the p – values but the slopes of the model. Except this change in the model, the other numbers and variables are still the same as in the previous table.

Slope is the changing probability of the dependent variable when it is increased one variable from 0 to 1 while holding all the other variables by their means.

Let`s take as an example the question whether the respondents are citizens of the EU. When changing this variable from a 0 to a 1 and meanwhile keeping all the other variables of the model to their means, in the probability of having a value of 1, then the slope is 0.0156. So the change of the answers for this question from a yes to a no there is the distance of the slope number, while keeping other variables at their means.

In the case when the slope coefficient is 0, the meaning of slope is still the same so the change of the specific values of the variable from a 0 to 1 answer and the other variables are always kept at their means, with a difference in this case that when changed from a 0 to a 1 this variable under predicts the model so as the independent variable increases from a 0 to a 1 the immigration answers will decrease.

As an example it will be analyzed the slope coefficient of the question: if the respondents family members are self employed or no. The slope coefficient is -0.0074. When the answers of this question are changed from a 0 to a 1 then the answers for the dependent variable immigration will decrease. So the answers for this question are changed from a yes to a no this brings the answers for the immigration to be negative.

The mean values of all the variables used in the logistic model are the following:

Table 11, Summary of values of the survey

| | Mean | Median | Minimum | Maximum |
|---|---|---|---|---|
| Immigrationposit~ | 0.94103 | 1.0000 | 0.0000 | 1.0000 |
| EUcitizenship | 0.85049 | 1.0000 | 0.0000 | 1.0000 |
| Generationsparto~ | 5.4310 | 2.0000 | 1.0000 | 10.000 |
| PrivatePublicwor~ | 0.17488 | 0.0000 | 0.0000 | 1.0000 |
| SelfEmployed | 0.50758 | 1.0000 | 0.0000 | 1.0000 |
| PhysicianForeign~ | 0.98711 | 1.0000 | 0.0000 | 1.0000 |
| AsylumSeekers | 0.047264 | 0.0000 | 0.0000 | 1.0000 |
| Aftergraduationc~ | 0.93612 | 1.0000 | 0.0000 | 1.0000 |

Source: Gretl software

## 4.8 Probit Model

To test the survey once again, it will be used the Probit model. The function of this model is similar to the previous one conducted the Logistic Regression. The main difference between the two models lies in the Standard error. The logistic regression assumes that the standard errors follow the Logistic follow the standard logistic distribution. In the Probit regression the standard errors are assumed to follow the Normal distribution. In the table 12 it is shown the result of analyzing the survey through the Probit model and the result is similar as in the Logistic model.

Table 12. Probit model, p-value

```
Model 3: Probit, using observations 2-408 (n = 324)
Missing or incomplete observations dropped: 83
Dependent variable: Immigrationpositive
Standard errors based on Hessian

                    coefficient   std. error      z       p-value
    -------------------------------------------------------------------
    const             0.145059     1.15140      0.1260    0.8997
    EUcitizenship     0.0373491    0.845505     0.04417   0.9648
    Generationsparto~ -0.0165304   0.0320652   -0.5155    0.6062
    PrivatePublicwor~  0.324274    0.425384     0.7623    0.4459
    SelfEmployed      -0.0850718   0.275275    -0.3090    0.7573
    Workpositionsfil~  0.312430    0.410591     0.7609    0.4467
    PhysicianForeign~  1.89448     1.10285      1.718     0.0858   *
    AsylumSeekers     -0.828196    0.514634    -1.609     0.1076
    Aftergraduationc~ -0.548491    0.665645    -0.8240    0.4099

Mean dependent var   0.950617    S.D. dependent var    0.217001
McFadden R-squared   0.065339    Adjusted R-squared   -0.075885
Log-likelihood      -59.56478    Akaike criterion      137.1296
Schwarz criterion    171.1563    Hannan-Quinn          150.7112

Number of cases 'correctly predicted' = 309 (95.4%)
f(beta'x) at mean of independent vars = 0.091
Likelihood ratio test: Chi-square(8) = 8.32792 [0.4021]

           Predicted
             0    1
  Actual 0   1    15
         1   0    308

Excluding the constant, p-value was highest for variable 2 (EUcitizenship)
```

Source: Gretl sofware

The Logistic output of Gretl software and the Probit output are very similar which is positive for the survey analyzed. In both regressions the number of cases "correctly predicted" is 309 so 95.5%.

The difference noticed in the Probit model where the p – values are shown, is that the significant parameters are not both asylum seekers and physicians, but only physicians are now significant for the model. The question regarding the physician as an independent variable and the question regarding immigration affecting the economy as an independent variable have a positive relationship in the Probit model with a coefficient of 1.894. According to the Gretl output of the Probit model the other variables are not significant for the model.

### 4.8.1 Confussion Matrix

It is important for the Confussion matrix to be checked as a crucial element in the Logit and probit model to check how the responses actually are and how they are predicted. The Confussion matrix shows on the left side the actual values and on the other part the predicted values. In the diagonal it can be noticed that when the actual value and the predicted value are both 0 there is one case calculated correctly. In the case when the actual value is 1 and the predicted value is 0, there is no value estimated. If there would be a value it would be considered an error type 2. In the case when the actual value is 0 and the predicted value is 1 there are 15 cases estimated wrong, these are called type 2 errors. Finally, when the actual values are 1 and the predicted values are also 1, there are 308 cases correct. So in a total there are 209 cases correctly predicted which is equal to 95.3 %, a very high percentage which shows the correctly prediction of the values.

### 4.8.2 Normality test of Residuals

As is written before the Probit model assumes that the standard errors are distributed according to the Normal distribution.
Conditions of the test:

Ho: normal distribution of residuals

Ha: not normal distribution of residuals

Table 13. Normality distribution

```
Test for normality of residual -
  Null hypothesis: error is normally distributed
  Test statistic: Chi-square(2) = 3.80807
  with p-value = 0.148967
```

Source: Gretl software

In the case when the p-value > α then Ho, hold that means there is a normal distribution of residuals in the model

As we can see in the table 13 the p-value = 0.148967 and α = 0.05 and this means that the p-value is 0.148967 > 0.05

Conclusion: Normal distribution of residuals

### 4.8.3 Slope Analyze

In the Probit model is also important to check for the slope coefficients. In the previous table it was shown the p – values of the Probit model and after the model is run again it will be checked for the slope coefficients.

Slope coefficient is the changing probability of the dependent variable when it is increased one variable from 0 to 1 while holding all the other variables by their means.

As an example it will be taken one of the independent variables, the question whether the respondents are citizens of the EU. If the answer of this question is changed from 0 to 1 and the other variables are kept in their mean, the slope is 0.0034. So the change of the answers for this question from a yes to a no there is the distance of the slope number, while keeping other variables at their means.

In the case when the slope coefficient is negative, the meaning of slope coefficient is still the same, when changing the value of the variable from a 0 to 1 answer and the other variables are always kept at their means, with a difference in this case that when changed

from a 0 to a 1 this variable under predicts the model so as the independent variable
increases from a 0 to a 1 the immigration answers will decrease.

Table 14. Probit model, slope

```
Model 5: Probit, using observations 2-408 (n = 324)
Missing or incomplete observations dropped: 83
Dependent variable: Immigrationpositive
Standard errors based on Hessian

                     coefficient  std. error      z          slope
   ---------------------------------------------------------------------
   const                0.145059    1.15140     0.1260
   EUcitizenship        0.0373491   0.845505    0.04417    0.00349141
   Generationsparto~   -0.0165304   0.0320652  -0.5155    -0.00149913
   PrivatePublicwor~    0.324274    0.425384    0.7623     0.0243002
   SelfEmployed        -0.0850718   0.275275   -0.3090    -0.00770921
   Workpositionsfil~    0.312430    0.410591    0.7609     0.0354231
   PhysicianForeign~    1.89448     1.10285     1.718      0.522608
   AsylumSeekers       -0.828196    0.514634   -1.609     -0.137918
   Aftergraduationc~   -0.548491    0.665645   -0.8240    -0.0330833

Mean dependent var    0.950617   S.D. dependent var    0.217001
McFadden R-squared    0.065339   Adjusted R-squared   -0.075885
Log-likelihood       -59.56478   Akaike criterion      137.1296
Schwarz criterion    171.1563    Hannan-Quinn          150.7112

Number of cases 'correctly predicted' = 309 (95.4%)
f(beta'x) at mean of independent vars = 0.091
Likelihood ratio test: Chi-square(8) = 8.32792 [0.4021]

           Predicted
           0    1
  Actual 0   1   15
         1   0  308

Excluding the constant, p-value was highest for variable 2 (EUcitizenship)
```

Source: Gretl software


As an example, it will be analyzed the slope coefficient of the question : if the
respondent`s family members are self employed or no. The slope coefficient is -0.0014.
When the answers of this question are changed from a 0 to a 1 then the answers for the
dependent variable immigration will decrease. So the answers for this question are changed
from a yes to a no this brings the answers for the immigration to be negative.

# 5 Results and Discussion

During the research for the diploma thesis and the analysis of the data gathered, the results show that the GDP per capita is not affected by the immigration values. After analyzing the time series plot of both variables it is possible to notice that immigration if integrated in the society with the right process does not have a negative impact on the GDP per capita of the European Union.

Through the regression model conducted it shown the result that there is a significant relationship between immigration as a dependent variable and the independent variables, GDP per capita, unemployment rate and average wage for the yearly period for the whole European Union.

Through the estimation on the Gretl software of the Ordinary Least Square Model created by these variable all the tests show satisfying results. Through the economic analysis of the model the result shows that there is a positive relation of the immigration with the GDP per capita. The contrary happens with the unemployment rate, when the unemployment rate increases the immigration in the EU decreases. This is explained due to the fact that immigrants choose countries where there are higher opportunities to work compared to their native country, so when they see an increase in the unemployment rate, it decreases the number of people willing to choose it.

There is a negative relation with the average wage yearly, when it increases, immigration decreases due to the fact that the minimum wage increases causing unemployment rate to increase.

Through the Breusch-Pagan test it is possible to check that there is no heteroscedasticity in the model, showing in this way that the standard deviation of the model is constant.

Breusch-Godfrey test checks in the model for autocorrelation and the result shows that there is no presence of it in the model. It is checked for elasticity and through the analyzes done it is noticeable that the variables are elastic. Also through the forecast it is possible to see that the difference between the actual values of immigration and the prediction is not big and this means that the data of the model are correct. Also the standard errors are very low.

In the thesis it was conducted a survey in a university of the EU and the answers gathered from it are analyzed with Pie charts and in the Gretl software through two models, Logit and Probit. From the survey it is possible to come to the result that immigration is very well integrated in the society of the European Union, by occupying important working positions as physicians in the EU countries and EU citizens are interesting to work in the same environment with immigrants to enrich themselves in this way professionally by sharing experiences. Respondents had with a very high percentage the opinion that immigration has affected positively the economy of the EU and it was interesting to notice that some of the respondents who now have the EU citizen status, are part of a family that immigrated as well in the EU.

Through the Gretl software it is possible to analyse the survey in Logit and Probit model. The question "How do you think immigration has affected the economy of the European Union?" is a dependent variable from the other questions. It is possible to check how the significancy of the questions changes from Logit to Probit.

Also in the model there are Type 1 errors from the responses of the survey and also through the slope coefficient it is possible to analyze with what difference would the value of a variable change when other variables are kept on their means. The differences change from question to question and there are cases when the coefficients are negative that means an underprediction of the question regarding immigration.

Through the Gretl analysis of the survey it is possible to notice that there is a high percentage of 95.4 % of correctly predicted cases.

# 6 Conclusions

The thesis "Economic Evaluation of Immigration into the EU" has been analyzed by gathering several information and processing them to come to a conclusion that immigration into the European Union is a dependent variable of the GDP per capita, unemployment rate and yearly average wage of the EU.

Another conclusion of this thesis is that immigration if incorporated in the right way in the economy of the EU can offer several benefits to the European Union. It is better to name it a symbiotic relationship that both parts benefit.

It is a difficult challenge for the EU to welcome a big number of foreigners each year. There are funds invested for the integrating them in the proper way so that it does not become a problem for the economy, but integrating them as soon as possible to be able to contribute to the economy of the EU. When discussing about integrating is not only in the economic way, but also in the social life. Abandoning the immigrants would only become a problem for the country.

On the other hand the EU is deeply connected with the immigration also for the benefits that immigration brings to the country. All the countries of the EU are going through demographic problems where the population is aging. If there would be no immigration, then the EU citizens would not be able to cover all the payments for the future retirement payments.

The EU also is missing very important working force, in some of the main professions of the Union, such as doctors, IT specialists and other working position where specific skills are required. The EU cannot cover these positions only by the native graduates. The majority of immigrants entering the EU is mainly specialized in these professions and have already graduated in the countries. This can only represent a positive factor for the EU, having labour force prepared and ready to work without having invested in their knowledge.

After the actual data for a period of time of 10 years are gathered of GDP per capita, unemployment rate and yearly average wage they are processed in the Gretl software in an Ordinary Least Squared Regression. Also, after the data are processed it is easy to see the direct relationship with the independent variable and immigration as a dependent variable.

When the GDP per capita increases also the immigration in the European Union increases. In the case of the yearly average wage it happens the contrary, so when the average wage increases this means the increase of the minimum wage, which follows by unemployment to increase and that directly leads to immigration decreasing. Also with the direct unemployment rate the more it increases the more the immigration decreases. This happens because immigrants move from their native countries to place where the possibilities of working and of succeeding professionally are higher than in their native country. During the thesis it has been conducted a survey in one of the universities of an EU country, Ghent University in Belgium, and the questions asked to the respondents aimed to check the integration of the immigrants in sectors of the economy. Also, it is a very important aim of this survey to find out the mentality that EU citizens have toward immigrants. In the results it is interesting to notice that a big percentage of them have actually an immigration background and have been in the EU for a long period of time contributing to the economic development of it. Integration into the society is what makes immigration flows to be successful the EU to benefit from them. Not only it is noticed in the survey this integration, but it also is demonstrated the mentality that people have toward immigrants. EU citizens are open to the fact of foreign people entering the country as long as the government can make the economy to benefit from it.

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# 8 Appendix

## 8.1 Questions of the survey: Immigration into the EU

1. Please indicate your gender
   - Female
   - Male

2. Are you a citizen of a European Union country?
   - Yes
   - No

2.1. If yes, including yourself, how many generations has your family been EU citizens?
   - 1
   - 2
   - More
   - I don`t know

3. Are your parents working in the :
   - Private Sector
   - Public Sector
   - I don`t know

3.1. If "private sector" are they self-employed?
   - Yes
   - No
   - I don`t know

4. How do you think immigration has affected the economy of the European Union?

- Positively

- Negatively


5. Please check the following statements that you agree with:

   - New businesses have been opened in the EU as a result of immigration

   - New places of work have been opened in the EU as a result of immigration

   - Crime has increased in the EU as a result of immigration

   - Tax revenues have increased in the EU because of immigration, helping overall economic growth

   - Other (please specify)


6. Do you think that a mixture of culture is important for the European Union Society?

   - Yes

   - No

   - I don`t know


7. Do you think that immigrants fill jobs that most native EU workers do not want?

   - Yes

   - No

   - I don`t know


8. At work, would you prefer to work with an international team?

   - Yes

   - No

   - I don`t know


9. Have you ever been treated by a physician, nurse or other care worker in your country who was of foreign origin?

   - Yes

- No
- I don`t know


10. Do you think the European Union should accept the Asylum Seekers?
- Yes
- No
- I don`t know


11. After graduating, will you try to search for other work possibilities in another EU country?
- Yes
- No
- I don`t know