EU ENLARGEMENT: TOWARDS AN EQUITABLE EUROPE


CARITAS EUROPA POSITION PAPER
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EU ENLARGEMENT:

TOWARDS AN EQUITABLE EUROPE


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Shortly after the fall of the Berlin wall, Caritas Europa initiated its own European enlargement. In quick succession, and with the support of existing Caritas structures, the development of new Caritas organisations took shape in those countries that had previously been under communist rule. As a result, the Caritas Europa network of today extends to a total of 44 countries in Europe.

The Caritas organisations in those countries that will shortly join the European Union, as well as those in the countries that will be on the new outer borders of the enlarging Union, have become fully established and active members of the network. Indeed, they have been leaders in the process of preparing the member organisations for accession to the European Union through three Conferences on Enlargement, organised in partnership with, and supported by, the European Commission.

Caritas Europa believes that the enlargement of the European Union offers a unique opportunity to renew efforts to integrate the European ‘social model’ into EU policy.

According to Joseph Stiglitz, winner of the 2001 Nobel Price for Economics and former Chief Economist and Vice-President of the World Bank, growth in itself does not solve poverty and its related consequences. As Mr. Stiglitz says: ‘If there is growth, this does not automatically imply that everyone will benefit from it. It is not correct to assume that ‘when the tide rises, all the boats on the water will rise with it’. Often, when the tide rises very fast, especially during heavy weather, the frailest boats will be cast on the rocks and disintegrate into pieces’. In other words, the weakest and most vulnerable in society will continue to need our special care and attention.

Caritas Europa cannot accept a continued - or even growing division - in society caused by poverty or social exclusion. It cannot accept a division between rich people and poor people, or indeed a division between rich countries, less affluent countries and extremely poor countries, either in Europe or in other regions of the world. Internal solidarity in Europe cannot exist without external solidarity.

The objective of this Caritas Europa document, EU Enlargement: Towards an Equitable Europe is, therefore, to foster reflection on the needs of those for whom the benefits of enlargement are not so evident. An equitable enlargement demands the inclusion of policy-making instruments for vulnerable groups of society such as migrants, the unemployed, the sick and the elderly.

With this publication, Caritas Europa wishes to contribute to the enlargement debate by bringing into the discussion its grass roots experience of working with the poor and the excluded, together with its political and advocacy experiences. Caritas Europa advocates the strong involvement of civil society and NGOs in policy making at local, national and international levels, in all European countries, but especially in the New Member States, where a current lack of adequate policy instruments to combat social exclusion could ensnare large sections of the population in the poverty trap.

The imminent enlargement of the European Union offers many new opportunities to most citizens in the enlarging Europe. However, the European Union has to assume its proper responsibility to address the needs of those who will be at risk as a result of the process.

Enlargement will pose a unique opportunity to develop integrated policies in social affairs, health and employment - policies that take into account the need to fight poverty. EU Enlargement: Towards an Equitable Europe advocates a Europe of solidarity and values which respect the needs of its entire population. This enlarging European Union needs to be based on a solid social foundation.

Denis Viénot
PRESIDENT
CARITAS EUROPA

Caritas Europa is one of seven regions of Caritas Internationalis, a confederation of 154 Catholic organisations, present and active in 192 countries and territories throughout the world. They are active in the fields of humanitarian relief, development, and health and social services.

Caritas Europa was created in 1971 and brings together 48 organisations that are working in 44 European countries at local and national levels. Caritas Europa focuses its activities on issues relating to poverty and social inequality, and issues of migration and asylum, both within the European Union and in all other European countries. The organisation is also involved in supporting the activities of its members in the fields of international cooperation, emergency humanitarian relief and development.

With regard to the above issues, Caritas Europa and its members also develop and implement policies with regard to political advocacy and lobbying at a European level as well as at national levels.

The Secretariat in Brussels co-ordinates the institutional support to its member organisations. It is charged with the co-ordination of the Caritas Europa activities as directed by an Executive Board. It is a tradition that the President and Vice President of this Board are persons delegated by one organisation from Western Europe and one organisation from Eastern Europe.

The operational work is carried out by thematic commissions and working groups, whose activities are co-ordinated by desk officers under the leadership of the Secretary General.

This network is one of the most important international social actors in Europe. It works together with the European institutions, with States and with many different public authorities, as well as with many public and private partners around the world, including Caritas organisations in other regions.

In particular, Caritas Europa and its member organisations are committed to and involved in:

- The reduction of inequalities between countries and within countries, fighting against poverty and social discrimination and promoting the integration of all;
- The peaceful solution of conflicts, seeking reconciliation in the face of nationalist tendencies;
- Fighting unemployment;
- Guaranteeing the rights of minorities;
- Preserving Europe as a place of refuge and protection for those who are persecuted and as a place where non-nationals are treated with respect;
- Eliminating the causes of forced migration.

This network, inspired by the Gospel and Catholic social teachings, is totally opposed to every form of oppression and is firmly committed to justice. The inviolable dignity of the human person is its essential guiding principle, since nothing on earth is as sacred as man and woman, created in the image and likeness of God.

Marius Wanders
SECRETARY GENERAL
CARITAS EUROPA

This basic expression of evangelical love is likewise the inspiration of countless programmes of solidarity towards migrants and refugees in all parts of the world. To understand the extent of this ecclesial heritage of practical service to immigrants and displaced people we need only to remember the achievements and legacy of such figures as Saint Francis Xavier Cabrini or Bishop John Baptist Scalabrini, or the extensive present-day action of the Catholic relief agency "Caritas" and of the International Catholic Migration Commission.

Pope John Paul II
Message for the 89th World Day of Migrants and Refugees 2003
EXECUTIVE SUMMARY

In May 2002, the Executive Board of Caritas Europa commissioned a report on the enlargement of the EU and its consequences for the poor in the countries of the enlarged EU and its new neighbours. This position paper, EU Enlargement: Towards an Equitable Europe, is a result of this initiative. It is written for all those involved in policy making on the European and national levels, i.e. the EU institutions, national and local governments, NGOs and social partners.

EU Enlargement: Towards an Equitable Europe is based on experiences in three different groups of countries: the EU Member States (EU15), the New Member States, and the countries that will be on the borders of the enlarged EU after enlargement (Future Border Countries). For each of these country-groups, this document tackles three major topics of concern: the free movement of people, employment, and non-statutory welfare services (the provision of health and social care by non-governmental bodies). In preparing this position paper, Caritas Europa consulted existing research, commissioned its own research and consulted Caritas Europa member organisations on their grass-roots experience in these three areas.

CARITAS EUROPA concludes that a comprehensive social protection strategy is essential for the Enlarged EU in the context of a wider Europe. A strategy that prioritises the human rights of migrants, that focuses on access to health and social care for all Europe’s residents and that seriously invests in creating real employment opportunities. Such a strategy should involve governments, regions, NGOs, non-statutory welfare agencies and other stakeholders.

Without a comprehensive social protection strategy, the poverty gap will divide Europe as never before. Indeed a two-tier Europe will emerge – one Europe for the rich and the other for the poor. Such a Europe would be both ethically unacceptable and socially and economically unsustainable.

1. The Free Movement of People

On a continent which has been fashioned by the ebb and flow of people over centuries, migration has always been a locomotive of progress. Migration is also a source of fear for some of our citizens.

It is necessary to clarify the terminology used in the context of this paper. As EU citizens after accession, the citizens of the New Member States will have the right to free movement after a transition period of a maximum of seven years.

However the legal status of being an EU citizen will not eradicate the challenges caused by migration. For this reason, to be able to discuss old and new challenges caused by migration in the context of enlargement, in this paper, we use the term ‘migrants’ and ‘migration’, despite their sometimes negative connotations, to describe movements of people from one country to another, regardless of whether they are moving between countries within the EU15, from the New Member States into the EU15 or from countries outside the enlarged EU into the EU.

Our survey shows that there would only be a small increase in migration from the New Member States to the present EU15 and from the Future Border Countries to the enlarged European Union. The enlarged EU will benefit from these migration movements, especially in the long term. However, some tensions could develop in the border countries, firstly, due to stricter border controls that do not allow people from these countries to enter the EU and secondly, where migrants are forced to live in congested and segregated areas.

In all the countries of the enlarged European Union, there is and there will continue to be “a grey sector employment problem”. In all these countries, the very structure of the economies gives rise to flourishing
informal labour markets. The main underlying reasons are avoidance of payments into existing tax regimes and the reluctance of some employers to pay the employer’s part of social protection for their employees. The fact that these markets employ a large number of migrants in an irregular situation is clearly a natural consequence of their very existence. This shows that new reflections and new approaches to legal and social support will be required. The complex issue of the illegal employment of migrants cannot be addressed by simply performing better checks at the borders. A more detailed analysis needs to be undertaken by the EU to assess the needs and requirements of all those involved in the grey sector issue.

Training and education will be an important strategic component across society. Training and education is essential for those who wish to migrate, for those who are resident in a new country and for those who are living with migrants. Given their unique experience and competence, civil society stakeholders, NGOs and religious organisations have a great deal to offer in building sustainable and humane solutions for the newly enlarged Europe and its neighbours. Caritas Europa, through its presence in the integration process at a grassroots level, believes that successful integration has to start through local initiatives.

In addition, given their specific profile in many of these countries, NGOs can make an important contribution. In particular, they are able to do this through formulating and disseminating core messages promoting tolerance, hospitality and a respect for differences. Ensuring the involvement of an informed media will be a priority in minimising xenophobic reactions. Specific training needs to be made available to the media on these issues.

Information about the dangers of human trafficking is an important issue. All institutions, social partners, civic stakeholders and religious organisations must disseminate this information. However, the affected States must accept a specific responsibility in controlling and sanctioning those who take advantage of impoverished migrants. Governments need to protect migrants against those who profit from their desperation. They need to take effective action to hold this new tide of trafficking, which is blind to human dignity and indifferent to human rights. The ability of the EU, in cooperation with the governments of the Future Border Countries, to eradicate the flow of human trafficking will be a litmus test of the reality of human rights, the dignity of the human person and freedom in tomorrow’s Europe.

Additional special social services for migrants and for rejected migrants should be organised. Especially near the borders, human dignity should be guaranteed. The recognition of migrant rights for all countries in Europe is an important challenge which requires concerted lobbying by NGOs and other human rights organisations.

To mobilise an effective policy response, partnership between different NGOs such as Caritas, is essential. It has the potential to provide positive outputs, especially where NGOs from source countries cooperate with those from countries of destination. Such cooperation can yield vital exchanges on legal matters, cultural sensitivities, training and counselling courses for migrants and those who work with them professionally. Cooperation with and between NGOs across the new borders should be actively encouraged and supported by the EU and other international donors.

Migration is a field where networking activities are effective in promoting and protecting respect for the human dignity of migrants. The Parliamentary Assembly of the Council of Europe has proposed A European Monitoring Centre for Migration. This Centre would be tasked with monitoring regular and irregular migration as well as having an advisory role on legal immigration, integration policies and best practices. This is a positive proposal and should be actively examined and pursued by the EU.

An active, open and coherent migration policy should be adopted not only with the New Member States, but also in close collaboration with the Future Border Countries. A wider Europe will only become a more peaceful and prosperous Europe if new instruments are developed to promote sustainable migration. Significant emphasis needs to be placed on human rights and respect for human dignity in all dealings with migrants.

Long-term visas allowing a stay of longer duration in the enlarged EU should be available for those citizens of the Future Border Countries that need to avail of them for reasons of work, trade or family relations (for example, with regard to cross-border ethnic groups, a strict border control would stand in the way of
sustaining family links for many future border country citizens). The importance of border trade between the Future Border Countries and the Member States should be recognised. At present, this trade forms an important source of income for both regions.

New policies on visas for citizens on both sides of the future EU borders are not only needed to facilitate the continuation of a flourishing border trade and to keep opportunities for seasonal work migration open. Greater isolation, coupled with increased poverty and continued failure to undertake structural reform, may well increase pressure for trafficking and smuggling. A greater coherence between the EU’s employment policy and migration policy is an essential goal for an equitable Europe.

Migration is a structural challenge to the cohesion and development of Europe. It presents both advantages and difficulties. In the light of the EU’s enlargement and the freedom of movement of people, it should be seen as an opportunity to boost integration policies. In order to develop these policies it merits a new and dedicated structural financing instrument within the EU.

The EU, in collaboration with the governments of European countries, needs to provide real impetus to the construction of a Europe of freedom, security and justice. Having done so much since the fall of the Berlin Wall to reunify and renew the continent, the EU must not allow Schengen arrangements to impose by default a new Iron Curtain.

2. Employment

With regard to employment, there will be both winners and losers in the enlargement process. The overall rising tide of prosperity will mean that those with marketable skills in the big cities will reap the rewards of enlargement. However, for enlargement to be politically and socially sustainable, action needs to be reinforced to target those stranded by the prosperity tide. There will continue to be a critical mass of abject poverty in many of the New Member States and Future Border Countries.

Among the elderly, the unskilled youth, farmers and traditional heavy industry workers, poverty is increasing. In the New Member States, rural communities with a 95% unemployment rate are no exception. Caritas Europa welcomes the Commission’s recommendation to prioritise activities aimed at the removal of geographical disparities. The EU and national governments should dedicate generous structural financing instruments to build a sustainable social and economic infrastructure in rural areas. Programmes such as INTERREG are to be supported and extended for this purpose. European Structural Funds should be employed generously to support programmes of re-training for those affected.

In the New Member States, unemployment remains very high. Investment in human capital is therefore a priority. A whole section of society needs to be provided with the skills to work their way out of poverty. The European Employment Strategy (EES) proposed by the European Commission is a welcome step in this direction. The importance of requiring New Member States to involve civil society actors in developing national employment strategy inputs cannot be overstated.

Some of the pressure in the EU15 is attributable to demographics. It is anticipated that some of the migrating citizens from the New Member States and migrants from the Future Border Countries will meet existing labour shortages in the EU15. However, they will form but a small part of the total labour migration needed. Migration will, over time, help to renew the social security base for the ageing population of the enlarged European Union. In this light, there may be mutual benefits in providing the unemployed from New Member States and from neighbouring countries with opportunities in the enlarged EU, particularly for the labour-intensive health care needs of an ageing population. However, if the EU15 recruits skilled and unskilled labour from New Member States and Future Border Countries, it will need to commit to the following measures:
promoting legal work by heavily penalising employers involved in illegal employment;
• providing proper social protection to migrant workers;
• facilitating their integration into the host society;
• increasing the inter-cultural competence of those who, through their jobs, have direct contact with migrants (government officials, teachers, health care personnel etc.);
• expanding citizenship rights for long-term legally residing migrants;
• reinforcing cheaper channels for remittances;
• establishing legislation that allows for family reunification in the case of Future Border Countries.

Due to the high rate of poverty and unemployment, public authorities of New Member States need to invest more in the development of structures and instruments that are capable of dealing with the poor and socially excluded. Employment Ministers and Social Affairs Ministers of New Member States’ governments are, of course, responsible for the formulation of national economic and social policy. However, in order to ensure that the needs of the most marginalised are represented, it should be a requirement that civil society actors are involved in the planning, implementation and evaluation stages of National Action Plans for Employment.

One of the Lisbon objectives is to raise employment to 70%. The European Employment Strategy links an increase in work opportunities with a reduction in social exclusion. Whilst Caritas Europa fully supports this Lisbon objective, it believes that employment is only one of the ways through which the socially excluded can be brought out of their isolation.

However, in order to increase the likelihood of achieving the ambitious targets for social inclusion that are part of the European Employment Strategy, NGOs in the current and in the New Member States should be given the opportunity to be involved in establishing or improving employment services. These services could include setting up professional information systems for job seekers and job-providers as well as establishing professional counselling desks for the unemployed. NGOs should play an important role facilitating access to the labour market for those groups of the population that have so often been sidelined in national policies (for example migrants, the young unskilled (rural) population and women).

The current move to privatise social protection systems in New Member States needs to be countered. The systems of social protection will have to be restructured and improved in order to ensure security for the most marginalised people in society.

3. Non-Statutory Welfare

NGOs are often non-statutory welfare service providers, involved in providing services of a social nature that are on a not-for-profit basis. These services do not only need to be protected in EU legislation, it should also be recognised that they could be an important source of employment, provided that the requisite regulation of their operations is included in national and European legislation.

Non-statutory welfare means the involvement of non-profit and non-governmental agencies, motivated by philanthropic or religious concerns, in the area of social welfare provision and the delivery of social services. In their daily work, such agencies combat poverty and help people maintain their link with society. In EU countries, the specific character of solidarity in the non-statutory welfare sector often means the involvement of a large number of volunteers.

Non-statutory welfare agencies work towards the common good and not for the sake of specific economic interests. Often the different agents involved in non-statutory welfare services find themselves working alongside or competing with the public sector and private business in delivering welfare to the needy. However, non-statutory welfare agencies in the newly enlarged Europe need to be properly recognised, on the
grounds of high quality standards and not solely on the grounds of a financial evaluation. The European Convention should acknowledge the role played by non-statutory welfare providers. Non-statutory welfare provision should be part of European Services of General Interest.

Adequate training needs to be assured in view of demographic ageing and a resulting future shortage of health care personnel. Working conditions and proper training for health care workers in the current Member States needs to be ensured and improved. This investment in human capital should be prioritised over enticing skilled labour force from the New Member States to the more affluent countries in Europe to avoid a potentially damaging brain drain.

Structural channels of communication for the poor need to be provided in the New Member States and Future Border Countries. Non-statutory welfare providers should be recognised as valuable partners in making the voices of the poor heard by decision-makers. A joint national representation of the NGO sector should be encouraged to create a platform for discussion and policy making.

Illegal employment in the health and social care sector needs to be pre-empted by creating incentives for migrants to work legally.

Networks and East-West "twinning" programmes for training and job creation in the field of non-statutory welfare need to be promoted in the new Europe and its Future Border Countries. Thus, a network of solidarity with other non-statutory welfare providers will be created where experience in capacity building and project management can be shared.

The value of voluntary work on social issues and collective self-help programmes need to be promoted in order to foster citizens' own initiative and solidarity.

The development of NGOs into social welfare providers needs to be enhanced. Given that the health and social services sectors will grow in line with economic development and the demographic ageing of the population, a strengthened role for non-statutory welfare providers will in itself create employment.

Health generates wealth. A healthier population will make a greater contribution to society and the economy, throughout longer and better lives. Given the fact that there is an ongoing decline in the quality of healthcare in most New Member States and beyond, a special effort from the EU and national governments is critical. The following challenges are identified in this report:

- The small space that the health care sector occupies in the "acquis communautaire" needs to be broadened. Structural Funds are needed to tackle the reform of health care systems as a key investment in social capital.

- Access to health care must be ensured for all citizens. It is the responsibility of the EU to ensure equal access for all citizens to fair and adequate health and social care, so that the rights of the poorest in society are guaranteed. To this end, all countries in the new Europe must adopt and implement policies against social exclusion.

- All people residing in the New Europe need to be informed about their social rights and their duties, to enable everyone to access their entitlements in the new social system, particularly where privatised systems dominate.

Caritas Europa supports the EU’s extension of the open method of co-ordination in the health sector. Common indicators to compare the effectiveness of different policies in the field of health care should be determined. A permanent assessment of the needs of disadvantaged social groups in society is required in order to make social expenditure more effective.
The enlargement of the European Union represents the greatest challenge to the European social model since its foundation. In order to build a Europe that is fair and free for all its citizens, significant attention needs to be paid to the state of social protection instruments and policy in many of the New Member States and beyond.

The publication of this report comes at a crucial time in the construction of Europe - as the Constitution for the future of the "New Europe" (EU15 and New Member States) is being drafted. As active partner in this debate, Caritas Europa recommends to the European Convention the following three points:

- The EU has to find synergy between its economic, social and financial objectives. Social inclusion and the fight against poverty must be among the priority objectives of the EU.
- The EU has to guarantee equal rights to residents and to citizens of the enlarged Europe.
- The EU should actively promote new forms of democracy and reinforce civil society dialogue in the enlarged European Union.
The expansion of the European Union or rather, for the process of "Europeanization" of the whole continental area, that I have fostered, is a priority to be pursued courageously and quickly in order to respond effectively to the expectations of millions of men and women who know that they are bound together by a common history and who hope for a destiny of unity and solidarity. It requires a rethinking of the European Union's institutional structures to adapt them to the greater needs. At the same time, there is an urgency to establish a new order to identify clearly what are the objectives of the European construction, the responsibilities of the Union and the values on which it must be based.

MESSAGE OF JOHN PAUL II TO THE EUROPEAN STUDY CONGRESS
June 2002
EU Enlargement: Towards an Equitable Europe takes into consideration three major, closely interlinked aspects involved in the enlargement of Europe: the free movement of people, unemployment and non-statutory welfare.

EU Enlargement: Towards an Equitable Europe examines the impact which the accession of 10 central and eastern European countries\(^2\) will have in each of these fields. What are the issues and trends for the citizens of the three European geographical groups concerned: the 15 EU Member States (the EU15), the central and eastern European acceding countries (New Member States) and the Future Border Countries\(^3\) of the newly enlarged EU? What needs and priorities have to be addressed and what role does Caritas Europa see for civil society and NGO networks operating within it, in helping to address these needs? Finally, what recommendations does Caritas Europa make to the national authorities of Europe and the EU institutions?

Below are the countries included under the three groupings used throughout this position paper:

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<tr>
<th>EU Members States</th>
<th>New Member States</th>
<th>Future Border Countries</th>
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<tbody>
<tr>
<td>Austria</td>
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<td>Albania</td>
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<td>Czech Republic</td>
<td>Belarus</td>
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<td>Denmark</td>
<td>Estonia</td>
<td>Bosnia-Herzegovina</td>
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<td>Greece</td>
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<td>United Kingdom</td>
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</tbody>
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\(^2\) Cyprus and Malta have been excluded in this study but Romania and Bulgaria are included even though they will join the European Union in a second wave.

\(^3\) Iceland, Norway, Switzerland, Andorra have been excluded for the purposes of this study.
The founding principles of the European Union (EU) include the free movement of goods, services, capital and people. These freedoms animate the process of European integration. This applies not only in relation to Europe's economic functioning, but to its socio-cultural context. This chapter concentrates on the free movement of people and its consequences for an enlarged Europe and the enlarged EU's neighbouring countries. The opportunity to move freely within Europe may result in an internal EU migration and a stronger migration pressure at the new borders of the enlarged EU.

It is necessary to clarify the terminology used in the context of this paper. As EU citizens after accession, the citizens of the New Member States will have the right to free movement after a transition period of a maximum of 7 years.

However, the legal status of being an EU citizen will not eliminate the challenges caused by migration. For this reason and to be able to discuss old and new challenges caused by migration in the context of enlargement, in this paper the terms 'migrants' and 'migration', despite their sometimes negative connotations, are used to describe movements of people from one country to another, regardless of whether they are moving between countries within the EU15, from the New Member States into the EU15 or from countries outside the enlarged EU into the EU.

The root causes of migration are manifold. There are factors within the migrants' country of origin which encourage emigration or even force people to migrate, otherwise known as "push factors." These may include insecurity, lawlessness, political instability, the oppression of ethnic or other groupings, the denial of human rights, poverty, war, disease etc. Factors also exist within the countries of destination which may motivate the movements of people, known as "pull factors." They may include safe havens, the rule of law, the protection of human rights, minimum standards of welfare, housing, economic opportunity, etc.

Throughout history, migration has been a dynamic factor in the evolution of European societies. Depending on the context and circumstances, this has been both positive and negative for those involved. Migration is, therefore, by no means a new phenomenon. The current issue is to fulfil the EU's commitment to the free movement of people within an enlarged EU in a manner which is beneficial and sustainable for all concerned.

As is the case throughout this position paper, this Chapter deals with migration in the context of enlargement, seen from three geographical perspectives:

- That of the EU15 Member States
- That of the central and eastern European New Member States
- And that of the Future Border Countries (countries that will border the enlarged European Union).

In this context, a number of key questions must be addressed: What are the migratory flows from the central and eastern European New Member States and Future Border Countries to the present EU15 likely to be? What fears exist in the present EU Member States? Are these fears well founded? How will enlargement affect the Future Border Countries? Will there be more or less opportunities for people seeking employment in the enlarged EU? How will enlargement affect people living near the borders of the enlarged European Union? What groups of people are likely to migrate? Is migration an answer to the problems of demographic ageing? What measures need to be taken to integrate newcomers? What role should NGOs, such as Caritas Europa, play?
1.1. The Free Movement of People from the Perspective of the EU15 Member States

1.1.1. THE DEMOGRAPHIC SITUATION

The perspective of the EU15 cannot be discussed without first describing the recent demographic trends in Europe. They are marked by a population decline (as a result of a low birth rate) and an increased number of elderly people (as a result of a decrease in the mortality rate and a growth in life expectancy). This situation is common to all European countries including the New Member States. Everywhere the fertility rate is below the replacement equilibrium rate (of 2.1%) and in all European countries there is a high percentage of people over 60 years of age.

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<tbody>
<tr>
<td>Over 60 years of age</td>
<td>15.6</td>
<td>17.6</td>
<td>17.9</td>
<td>19.9</td>
<td>20.5</td>
<td>21.7</td>
</tr>
<tr>
<td>Dependency rate</td>
<td>29.5</td>
<td>34.9</td>
<td>34.4</td>
<td>36.4</td>
<td>37.2</td>
<td>39.2</td>
</tr>
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</table>

(Dependency rate: % of people over 60 in relation to % of people ranging from 20 to 59)

Eurostat indicates that, by around 2020, the population of the EU15\textsuperscript{4}) will probably start to decline due to natural decrease. Germany, Italy and Spain will see their population decline within the next ten years. Germany, Italy and Austria will be the most "dejuvenated" Member States. For all countries in the enlarged EU, the ageing of the population will accelerate over the period between 2010-2020.

The demographic ageing of European society will have far-reaching consequences for the financing of social security systems, the labour market and the health care and social services sector.

As the dependency rate grows, the financial pressure on social security systems, in particular pension funds will increase. It will be harder to sustain the principle of "inter-generational solidarity" in the enlarged EU, as fewer (i.e. the reduced group of the population in the ages of 20-65) will have to support more (i.e. people over 65).

Moreover, a higher percentage of elderly beneficiaries will lead to a growing demand for specific health and social services. This demand will become increasingly difficult to satisfy, because of a decrease in the overall workforce. The health care sector, in particular, will experience a shortage of skilled and unskilled personnel. Member States will need to invest in its labour force in the health and social care sector, an issue which will be discussed in more depth in Chapter 3 on Non-Statutory Welfare.

\textsuperscript{4}) Eurostat: Demographic statistics, 2002.
Could the movement of people from the New Member States into the present EU15 be an answer to the EU’s future labour shortage? According to the United Nations, one scenario to keep the EU population stable would require more than 47.4 million immigrants between 2000 and 2050. The German Institute of Demography assumes that an annual immigration rate of 400,000 persons is necessary to compensate for a natural decline in the population in Germany. In view of the current EU’s future demographic pattern and its consequences for its labour market, migration could make a positive contribution. On the other hand, we need to consider the fact that the New Member States will also face the same demographic challenges in the long term.

The assumptions concerning the need for the migration are in sharp contrast to the deeply ingrained anxieties of many EU citizens regarding any large influx of labour from central and eastern Europe.

Such fears are often used as arguments by those opposed to enlargement. If current demographic trends are maintained, a number of difficult questions need to be posed. Innovative solutions will be required to maintain the European social model. It is important to examine the issue of free movement of people against this background.

Innovative solutions will be required to maintain the European social model. It is important to examine the issue of free movement against this background.

Caritas Europa has developed several tools to further cooperation between its member organisations in the field of migration. Among them the Partnership Programme on Migration and Asylum, the Migration Study Visits and the Basic Trainings on Migration.

The Partnership Programme on Migration and Asylum encourages exchanges between EU Caritas’ member organisations and New Member States’ Caritas member organisations. Its aims are to effect a transfer of skills and to share and compare working methods. The following Caritas organisations are working together under this programme:

- Caritas Czech Republic & Caritas Austria
- Caritas Slovakia & Secours Catholique (Caritas France)
- Caritas Poland & Caritas Germany
- Caritas Bulgaria & Caritas Belgium
- Caritas Romania & Caritas Germany

Activities include: collaboration on social and legal counselling for migrants and asylum seekers, the provision of basic humanitarian aid to migrants at borders (i.e. provision of food, clothing, primary health care) and legal counselling in asylum centres.

The Migration Study Visits take place annually. A Caritas Organisation invites all Member Organisations interested to learn about their work in the field of migration. The last visit took place in 2002 in Poland.

The Basic Training on Migration takes place every two years. It aims to improve the capacities of Migration Officers. In 2002 this took place in Ukraine.

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5) New report on replacement migration, UN population division, March 2002
6) i.e. an average of 949,000 migrants a year. To keep the size of the population aged 15–64 at its 1995 level it would be necessary to have 1.4 million immigrants per year.
7) J. Flüthmann quote by O’Rourke, RFE, 29.08.2002 and also Fuchs and Thon (1999) for the “German Bundesanstalt für Arbeit”.

TOWARDS AN EQUITABLE EUROPE
1.1.2. THE EXISTING MIGRANT POPULATION

About 850,000 migrants from central and eastern European countries are residing legally in the present EU15. An estimated number of 600,000 migrants in irregular situations are yearly migrating into the EU15. The legally residing migrant population represents less than 0.8% of the total current EU Member States’ population. Germany is the biggest host country in this respect, with a total of 535,000 legally residing migrants from central and eastern Europe. Austria and Finland are the next two largest host countries. The majority of these migrants immigrated before 1993.

The migrants from the central and eastern European countries presently form a large part of the EU15’s migrant population. According to the statistics, there is currently an annual inflow of 300,000 migrant workers from the New Member States into the EU15 (0.3% of the EU workforce). From the Future Border Countries, no reliable official statistics exist, but some estimates indicate that there are around 700,000 new migrants coming to the EU15 for employment purposes every year (Ukrainians to Germany, Italy and Portugal; Russians to Finland).

1.1.3. FEARS AND OPPORTUNITIES

The most recent Eurobarometer survey shows that a majority of EU citizens (66%) is favourable towards enlargement. However an average of 22 % is opposed. In countries where the impact of immigration is estimated to be higher, opposition is higher than this average (Austria, 32%, Sweden 28%, France 27% Germany 27%, Finland 27%). One of the reasons for opposition to enlargement is the fear that the New Member States’ citizens would settle in the EU15 countries. The same survey indicates that those who were informed about the enlargement process tended to be more in favour than those who were not informed.

It is the task and duty of national governments and the EU to provide accurate information on precisely what enlargement will entail. Citizens’ fears need to be heard and treated seriously. Factual information about the practical consequences for peoples’ lives needs to be widely distributed as a matter of priority. Otherwise, enlargement can be used, particularly by unscrupulous politicians, as a pretext to exploit peoples’ fears or to create exaggerated expectations.

Enlargement will hopefully mean greater economic prosperity for Europe in the future, but the reasons for the re-unification of Europe go beyond economic considerations. To be meaningful, European reunification and renewal must include - alongside prosperity, peace and stability - the fundamental binding forces of solidarity and cultural synergy. With this in mind, only an honest information campaign can lay the foundations for an open-minded approach to the citizens of the New Member States. Such a campaign will make it easier to counter xenophobia and help ensure the fair treatment of present and future migrants.

Solidarity... is not a feeling of vague compassion or shallow distress at the misfortunes of so many people, both near and far. On the contrary, it is a firm and persevering determination to commit oneself to the common good; that is to say, to the good of all and of each individual, because we are all really responsible for all.

Solicitudo Rei Socialis
Pope John Paul II, 1997

8) L. Baan “Creating a Europe whole and free?”, Groningen University, July 2002. Data about migration are approximations.
9) idem and the Information note of the European Commission 06.03.2001.
European politicians need to strike a balance and be sensitive to the feelings of their fellow citizens. The authorities of the EU15 have the option to pursue a positive strategy to welcome migrants in a structured way - as suggested by the communication of the EU Commission 11) - or they could opt out by leaving matters to unfeathered market forces and the goodwill or prejudices of individuals. Given the importance of maintaining social equilibrium, it is the view of Caritas Europa that the appropriate authorities at local, regional, national and European levels must take an active role to promote the successful integration of migrants as part of a managed migration strategy.

From a macro-economic perspective, there are many positive aspects to migration. These include a greater number of productive workers to serve the economy, more taxpayers, more contributors to social protection schemes, and new skills brought in by young people. This will have a positive influence on the efficiency of the EU15’s economy. Most studies estimate that the migration flow will be moderate after accession. The current EU15 have the right to restrict the inflow of labour from New Member States for a period of up to seven years. However, they also have the option to shorten this period, which Spain, the Netherlands, Denmark and Ireland have already announced they will do. Given the fact that migration often leads to greater economic prosperity in a country and that the EU15 faces labour shortages, this is a position that other current Member States are also likely to adopt.

The migration of people into the EU15 will differ from Member State to Member State. EU countries closest to the New Member States are likely to be more affected than others - as is currently the case in Germany, Austria and Finland. Because of a higher rate of the migrant population, increased tension is more likely to occur in these countries.

In many of the EU15, the integration of migrants remains a challenge. Preparing for new migrants after enlargement should be seen as an opportunity to find innovative ways to facilitate integration. Integration should entail full participation in social and cultural life, as well as respect for the cultural, religious and ethnic backgrounds of people. Integration measures should provide a framework for all migrants, enabling them to participate fully in society. For example, measures are needed to increase the inter-cultural skills of people who through their work have direct contact with migrants (government officials, teachers, health care personnel etc.) as well as programmes to ensure a proper infrastructure in the areas where migrants settle.

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Interdependence must be transformed into solidarity, grounded on the principle that the goods of creation are meant for all. Avoiding every type of imperialism, the stronger nations must feel responsible for the other nations, based on the equality of all peoples and with respect for the differences.

Solicitudo Rei Socialis
Pope John Paul II, 1997

1.1.4. POST-ENLARGEMENT TRENDS

Forecasts from different studies and a survey of all Caritas Europa member organisations indicate that the migration flow will not expand significantly up to 2011, even with a large degree of openness of borders. Some 350,000 people are expected to move from New Member States to the EU15 Member States each year during the first decade after 2004. The figure will then fall to about 150,000 a year. Among them it is estimated that 65% will move to Germany, 12% to Austria, 5% to the United Kingdom, and will mainly come from Poland (30%), Romania (30%) and Bulgaria (10%). By 2015 there are expected to be 2.9 million more legal residents from the New Member States, increasing to 3.9 million in 2035 (less than 3% of the present EU population).

The expected flow of people coming into the EU15 cannot be considered large. In the long term (30-40 years) the figures could even be lower, when the unemployment rate in the New Member States diminishes due to demographic ageing. Not only will more jobs be available in central and eastern Europe, if enlargement leads to economic growth, there will also be a more attractive employment market in the New Member States with more demand for skilled labour and with better incomes. As happened in previous acceding countries (Ireland, Portugal, Spain), emigrants will return to their countries of origin and contribute to its growth, possibly with new skills acquired from abroad.

- During 2004–2014, an annual number of 350,000 people are expected to move from the New Member States to the EU15;
- After 2014, this figure will decline to some 150,000 people a year;
- People will move mainly from Poland (30%), Romania (30%) and Bulgaria (10%);
- The majority of migrants are expected to move to Germany and Austria;
- By 2015, the EU15 will have 2.9 Million more residents from the New Member States;
- By 2035, this figure will have reached 3.9 Million or less than 3% of the EU15 population.

The experience of previous accessions of low-income countries teaches that migration can be beneficial to the country of origin. Through remittances, migrants support their country financially. Migrants also have the opportunity to acquire skills that are difficult to obtain in their own country, and can thus, at a later stage, make a higher contribution to their country’s economic growth. When the economic balance is redressed, migrants generally tend to return to their country of origin.

Another type of movement will be beneficial to all countries in the enlarged EU. Cultural exchanges will be more easily organised which will enrich the experience and knowledge base of universities and cultural institutes in both the countries of origin and the receiving countries.

However, the disadvantages of migration for the individual should not be overlooked. Migrants often work below their skill level, earn less than nationals, are away from their home environment and easily end up in situations of illegality. It is the duty of the receiving country to facilitate the integration process.

12) The IOM report gives figures between 0.3 and 0.6 millions, the IFO study commissioned by the German Ministry of Labour, DIW study (Brücker), and an IZA report for the European Commission in 2001 provide different figures but there are numerous discrepancies in their methodologies. The major factor in forecasting is the income factor. The different results illustrate the difficulty of accurate forecasts.

13) Plus half a million (minimum figure with Romania and Bulgaria included) in an irregular situation.
1.1.5. CHALLENGES AND RECOMMENDATIONS

In order to create a Europe of freedom, security and justice:

• The effective integration of migrants should include full participation in the host country's social and cultural life. The cultural, religious and ethnic background of migrants should be respected.

• Innovative ways and actions to facilitate integration should be promoted. The most important measures would include: inter-cultural training for personnel dealing with migrants; cultural and educational integration programmes for migrants; ensuring equal rights for migrants to housing; ensuring access to employment and social protection schemes; and raising awareness of migrants’ cultures in schools and the media.

• Migrants should be encouraged to remain aware of their culture and traditions, without, however, forming a closed group which could militate against their integration into the host country society.

• The Parliamentary Assembly of the Council of Europe has proposed a European Monitoring Centre for Migration. This Centre would be tasked with monitoring regular and irregular migration as well as having an advisory role on legal immigration, integration policies and best practices. This is a positive proposal and should be actively examined and pursued by the EU.

• Undeclared work should be transformed into regular employment especially for immigrants in irregular situations. This should be achieved by preventive actions, incentives and the application of sanctions directed at employers and those involved in exploiting migrants through human trafficking. Irregular immigration would be far less appealing if there were no grey market to find work in. “Legal paths” to migration should be established to encourage potential immigrants to choose this route.

• Structural strategies on a reform of social protection systems should be developed. These strategies should take account of an increased dependency rate, the need for migrants to work legally (social contribution and protection), and of the expected increase in demand for labour in the health care and social services sectors.

• Instruments dealing with the fight against poverty and social exclusion should be reinforced. This is a major responsibility for national governments for the benefit of both migrants and the population as a whole. EU social and structural funds (especially: the European Regional Development Fund, the European Social Fund and the EQUAL initiative) should be mobilised for these purposes.

• New financial instruments under the EU’s Financial Perspectives 2007-2013 should be introduced. These should allow the concrete needs of migrants and their societies - on a local level as well as on national and European levels - to be addressed.

We must pay more attention to the one who works than to what the worker does. The self-realisation of the human person is the measure of what is right and wrong.

Laborem Exercens

Pope John Paul II, 1981
1.2. The Free Movement of People from the Perspective of New Member States

The New Member States will show a similar demographic trend to that in the EU15 - an ageing population, a declining birth rate with a resultant increased dependency rate. This is shown in the table below:

<table>
<thead>
<tr>
<th></th>
<th>1996 Under 15 years</th>
<th>1996 More than 65 years</th>
<th>2000 Under 15 years</th>
<th>2000 More than 65 years</th>
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<tbody>
<tr>
<td>Bulgaria</td>
<td>17.0%</td>
<td>15.3%</td>
<td>15.9%</td>
<td>16.2%</td>
</tr>
<tr>
<td>Czech Rep.</td>
<td>18.1%</td>
<td>13.4%</td>
<td>16.6%</td>
<td>13.8%</td>
</tr>
<tr>
<td>Estonia</td>
<td>20.0%</td>
<td>13.6%</td>
<td>18.3%</td>
<td>15.0%</td>
</tr>
<tr>
<td>Hungary</td>
<td>17.8%</td>
<td>14.2%</td>
<td>17.1%</td>
<td>14.6%</td>
</tr>
<tr>
<td>Latvia</td>
<td>20.1%</td>
<td>13.8%</td>
<td>17.8%</td>
<td>15.0%</td>
</tr>
<tr>
<td>Lithuania</td>
<td>21.4%</td>
<td>12.3%</td>
<td>19.8%</td>
<td>13.4%</td>
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<tr>
<td>Poland</td>
<td>22.2%</td>
<td>11.3%</td>
<td>19.2%</td>
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</tr>
<tr>
<td>Romania</td>
<td>20.2%</td>
<td>18.0%</td>
<td>18.5%</td>
<td>19.5%</td>
</tr>
<tr>
<td>Slovakia</td>
<td>22.0%</td>
<td>11.0%</td>
<td>19.8%</td>
<td>11.4%</td>
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<tr>
<td>Slovenia</td>
<td>17.8%</td>
<td>13.7%</td>
<td>16.1%</td>
<td>13.9%</td>
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1.2.1. OUTWARD MIGRATION TRENDS: NEW MEMBERS TO THE EU15

Out of the 850,000 regular migrants from the New Member States already living in the EU15, the highest number of people comes from Poland (435,000)\textsuperscript{14}. Various research studies, cited in the previous chapter, have shown that the increase in legal migration will be modest. Most new migrants will be aiming at a short-term stay (legal or illegal), particularly those who migrate from New Member States that border the present EU15. Most migrants will be low-skilled workers who will be looking for short-term unskilled labour. This particular type of migration will be relatively high immediately after enlargement. In the medium term, with anticipated economic growth in the New Member States, the number of such migrants will decrease as a result of increased opportunities in their countries of origin.

In addition to the outward migration of low-skilled people, there is a distinct possibility of a significant number of highly qualified persons emigrating. This group could for example include medical doctors and computer specialists, who will be attracted by higher salaries abroad and possibly by more favourable research environments. This brain drain is seen as a threat in New Member States, because it will deprive the national economies of their highest skilled people. Such people are indispensable, especially at a time of growth following enlargement. As with low-skilled migrants, these migrants are most likely to move in larger numbers just after enlargement, when the differences in salaries will still be significant.

Quite a high percentage of illegal migration could be expected from outside the newly enlarged European Union, particularly from the Future Border Countries. The New Member States could be used as a bridge to enter the present EU15, or they could become the countries of final destination. This migration is difficult to predict but could be quite significant - some estimate a flow of 700,000 migrants a year.

Under the Europe Agreements, there are existing arrangements in place which facilitate a limited movement of workers with rights to establishment and the provision of services in the EU and acceding countries. There are also some limited bilateral agreements between current and future Member States in these areas. One of the major constraints to immediate migration after enlargement is the current legislation agreed upon between the EU15 and the New Member States. This legislation stipulates that, immediately after enlargement, there will be a transition period with two phases. First, a two-year period after accession, during which national laws and bilateral agreements are in force. Then, after an evaluation process, a second phase, lasting five years at the most, which will see a progressive opening of borders leading to the full free movement of people. There is no free movement of workers during the first phase. Exceptions are taken into account for countries such as Germany\textsuperscript{15} and Austria, who will be more exposed to immigration. In these countries, strict control measures and limitations will probably be applied for the maximum period. However, as mentioned above, Spain, the Netherlands, Denmark, and Ireland have indicated that they will open their borders sooner rather than later.

The New Member States had difficulty in accepting and agreeing to the legislation pertaining to a transition period for the free movement of people. Many argued that it was incompatible with the basic principles and freedoms underlying the EU's foundation. The legislation seems to divide Europeans into two categories of citizens: with a form of second-class citizenship - at least in the short term - for people from the New Member States.

\textsuperscript{14} Data from Eurostat (labour force survey, 1999) and quoted in the Information note of the European Commission, 6.03.2001.

\textsuperscript{15} Germany has concluded bilateral agreements with many Candidate countries.
Caritas assisting irregular migrants – two examples:

The Caritas centre for migrant families, Slovenia

Caritas Slovenia, Jesuit Refugee Services Slovenia and the Ministry for Internal Affairs are developing a project for a home for migrant families with small children in irregular situations near the Italian-Slovenian border. The migrant families, coming from various locations, are first accommodated in an asylum centre in Ljubljana before being moved to more suitable housing. Professional workers and volunteers will provide day care, social services and informal educational programmes. Special emphasis will be placed on integration activities, where culture, language and communication with local people play a large role. The Ministry will provide the centre with security and basic medical care.

Humanitarian Border mini-stores on the Czech Borders

In this project, Caritas Czech Republic provides assistance to arrested migrants through the establishment of 40 Caritas Humanitarian Border mini-stores. The Humanitarian Border mini-stores are situated near or in police stations that are not official border crossings but rather green zones where people attempt to cross the border illegally. The 40 stores are located at the Czech-Slovak, Czech-German, Czech-Austrian, and Czech-Polish borders. The border stores come to the aid of migrants who have been arrested for illegally crossing a border. Caritas targets the most vulnerable groups amongst migrants, such as children, pregnant women, the handicapped and the elderly.

Czech Caritas initiated this project in 1997 when, together with the United Nations High Commissioner for Refugees (UNHCR), Caritas was present to monitor illegal migration. The first stores were opened in 1998. The main goal of this project is the training and sensitisation of the police in order to provide them with the necessary skills to focus on the humanitarian aspects of their assistance to migrants.

The border mini-stores provide basic humanitarian requirements such as dry clothing, food, medication and hygiene products, which are now handed out by police officials. Furthermore, the border stores offer counselling services to underage migrants and migrants held in detention. In cases of higher number of detainees, Caritas employees are present and, through direct contact and conversation, the detainees are helped to deal with stress, confusion, disorientation, and loneliness as a result of their plight at the border.

The strengths of this project lie in the fact that it is easily replicable. It is possible to launch it on a small scale and over time develop it into a full-fledged migration project. Caritas Slovakia has already replicated the project and Caritas Poland and Caritas Ukraine are in the process of establishing Humanitarian Border mini-stores on their borders.

Yet the workers' rights cannot be doomed to be the mere result of economic systems aimed at maximum profits. The thing that must shape the whole economy is respect for the workers' rights within each country and all through the world's economy.

Laborem Exercens
Pope John Paul II, 1981
1.2.2. INWARD MIGRATION TRENDS

The New Member States will be the receiving country of migrants from the Future Border Countries, especially from Ukraine, Russia, Belarus and the western Balkan states. At present, migrants from Russia and the western Newly Independent States account for 23% of the total immigration in the New Member States. Four principal reasons for this migration flow can be identified: cross-border trading, commuter migration, seasonal work (often in the grey market), and lastly transit towards other countries (especially to the EU15).

The New Member States are very much in need of the labour force available through this immigration to support their manufacturing plants. The supply of labour from the neighbouring countries is part of a long tradition of cooperation, for example, Ukrainian workers in Poland.

The Czech Republic, Hungary, Lithuania, Slovakia and Slovenia have been experiencing a net influx of workers. These new settlers come from the former Soviet Union (Ukraine and Belarus) or former Yugoslavia. The New Member States need to ensure good relations with their neighbours. However, this will not be easily compatible with EU border regulations, which are very strict.

With the implementation of the Schengen Treaty, current migration will become more difficult and more costly and could become a source of regional tension and misunderstanding. During the last few years, and perhaps increasingly during the transition period, countries becoming new EU members have become "waiting rooms" for migrants from border countries who aim to migrate to the EU15. The Baltic States are prime examples.

This particular type of immigration will be severely hampered as a result of the Schengen regulations. Under Schengen, the internal frontier controls on persons moving within EU15 Member States will be abolished (except in the UK and Ireland). On the external borders, it means a tightening of border control and visa regimes. With a larger group wishing to migrate from the Future Border Countries to the enlarged EU and a tightened security check at borders, tensions are likely to rise. The attraction of the New Member States as receiving countries for migration will be increased when they obtain their full rights of free movement and as they become more prosperous. This is particularly likely if present levels of poverty and social exclusion in the Future Border Countries remain. The New Member States will increasingly become receiving countries and, to a lesser extent, transit countries. Statistics describing different aspects (i.e. legal and illegal) of East-East migration are sparse, but some experts estimate that the flow from Future Border Countries to the New Member States could be around ten million people, most of whom would be shuttle or trade migrations.

The fact that ethnic groups living outside the New Member States will be cut off from their home countries after enlargement may provide another source of tension. (Hungarians in Romania, Poles in Belarus, Russians and Belarusian minorities in the Baltic States, Roma in various locations). These minorities will still have connections to their relatives in their home countries, which they will find more difficult to maintain when borders are more strictly controlled. The same difficulties may apply to the "new minorities:" Vietnamese and Armenians in Poland, Chinese in Hungary.

Against this background, there is a real risk that, with the strengthening of border security after enlargement, trafficking and smuggling practices will increase. Traditional ways of crossing the border will no longer be available. Prior to accession and during transition, these practices are likely to rise.

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16) Moldova is the poorest country in Europe, closely followed by Ukraine.
17) Data from Caritas confirmed by other estimations (RFE report 8.04.2003). S. Pirozklov for Rand Corporation in his study "Trend in Ukrainian migration and short term work trip" gives a higher figure: 7 millions workers from Ukraine alone are migrating.
18) There are 575,000 Roma in Hungary, 480,000 in Slovakia and 275,000 in the Czech Republic. There are 3 million Hungarians in Romania, Serbia, Ukraine... and 900,000 Poles in Ukraine, Belarus and Lithuania.

Anti-Trafficking Work in Caritas – four examples:

1. Coatnet – Christian Organisations against Trafficking in Women

Caritas organisations from Czech Republic, Ukraine and Switzerland, IN VIA – Berlin and the Missing People Support Centre in Lithuania set up a communications platform for organisations combating trafficking in women, in order to facilitate the exchange of information across borders, plan and coordinate common lobbying activities and assist victims. Coatnet (Catholic Organisations against Trafficking in Women) was established through an initiative of Caritas Europa, as a pilot project under the co-ordination of Caritas Germany in April 2001. The platform consists of the Extranet, a database restricted to members of Coatnet, and of a Website www.coatnet.org with information on participating countries, which should serve as source of information for professionals, volunteers and the trafficked women themselves. New members joined Coatnet and it has become an ecumenical communication platform for 27 Christian Organisations against Trafficking in Women.

2. Christian Action and Network Against Trafficking in Women (CAT)

The CAT (Christian Action and Networking Against Trafficking in Women) project combines ongoing activities of different services in the Czech Republic, France, Italy, Greece, Germany, Lithuania, Romania, Russia, and Ukraine, as well as of the Conference of European Churches. The primary aim of both CAT and COATNET is to improve the assistance for and protection of victims. Therefore exchanges of experience, knowledge and best practice in the work against trafficking will be at the heart of the CAT project. Through mutual exchange visits, the participating organisations familiarise themselves with the work of partners in other parts of Europe and thus become familiar with different successful strategies in the work against trafficking. Partners will share their experiences of cooperation with the local police, for example. They also share their experiences in awareness-raising work, in crime persecution, or in liaison work with schools and youth centres. The exchange visits and workshops enable the staff and volunteers of the participating organisations to assess and improve their own training modules in order to make them available to a broader range of users and to raise awareness for assistance and protection of victims. The project has been initiated by the Churches’ Commission for Migrants in Europe (CCME) and Caritas Europa (linking with the Coatnet-group). It began in December 2002 and is funded for one year by the European Commission’s STOP II Programme.

3. Capacity Building in Anti-Trafficking work

In October 2001 the Diocesan Caritas of Essen, Germany launched the project: Combining Forces against Trafficking 2001: A Capacity-building Programme, co-financed by the European Commission’s STOP II Programme. The Diocesan Caritas of Essen has gained extensive experience in its work against trafficking in women and girls for the purpose of sexual exploitation through the activities of its women’s centre “Nachtfalter”. The fundamental goal of this project is to support the fight against trafficking in human beings through capacity building. This goal was achieved through developing cooperation programmes between local and regional government officials and social workers and NGOs dealing with this issue. It included two Regional Workshops, four Exchange Programmes, a Policy Conference, and a Website aimed at local and regional government officials, social workers and relevant NGO representatives from Germany, Italy, Spain, Estonia, Latvia, Lithuania, and Ukraine.

Innovative approaches of cooperation between governmental and non-governmental organisations were forwarded to 247 relevant representatives of the governmental and non-governmental sector of the participating countries. Existing networks against trafficking have been strengthened, new organisations have become involved and a platform for future cooperation has been established.

4. Shelter for Trafficked Women in Ukraine

Caritas Ukraine is operating a shelter for trafficked women who, after returning to Ukraine, are in need of secure housing and professional care. At the shelter up to 10 women can find a safe, supportive environment for the period of their social reintegration into the community. Trained caring personnel assist the women in their way back to normal lives, by giving them psychological support and counselling. In addition, Caritas Ukraine organises medical treatment, vocational courses for the women and tries to find new jobs for them. Professional individual and group psychological therapy is provided three times a week at the shelter.

Social workers help the women to deal with local authorities, employment agencies, and organise the assistance of physicians and lawyers. There is a close cooperation with other NGOs that assist trafficked women in Ukraine.
The urgent need for the EU to develop new policies, instruments and relations with the Future Border Countries has been acknowledged and prioritised by the European Commission. In its Communication on "A Wider Europe19", the Commission states, "the EU has a duty, not only towards its citizens and those of the New Member States, but also towards its present and future neighbours to ensure continuing social cohesion and economic dynamism". The Commission recognises the importance of liberalising trade relations and the importance of opening the four freedoms (persons, goods, services and capital) to the Future Border Countries. Conflict at the borders (trafficking, organised crime, etc.) will require joint approaches with neighbouring countries. A user-friendly system for *bona fide* third country nationals living in border areas who have legitimate grounds for regular border crossing should be established. Similarly, long-stay visa policies will be required.

Together with immigration from the Future Border Countries, a small flow of immigrants is likely to come from the present EU15 to the New Member States. The pull factors could be professional reasons (highly skilled managers for European businesses, multinational executives) or leisure, especially for people who are retired, and who may want to take advantage of the lower cost of living in the New Member States.

1.2.3. THE MIGRANT POPULATION, THE HUMAN ASPECT

The expected flow of migration from the New Member States after accession is relatively low compared to what one might expect looking at the income differentials between the present EU Member States and the New Member States. The highest percentage of migrants is likely to be seasonal workers and short-term migrants who will not bring their families. It is important to underline the human realities behind the impersonal migration statistics. For the individuals concerned, whether fathers, mothers, children or grandparents, the choice to uproot oneself from one's community, parish, factory, family and friends is never taken lightly. Nobody leaves their home without having compelling reasons to do so.

In weighing these issues, potential migrants would examine the advantages and disadvantages.

Positive considerations for migration could include the following:

- hope for a better future
- an increase in income
- the acquisition of new skills

which would be weighed against the negative considerations:

- the frustration of being out of one's home country, away from one's own culture and family support network
- the degree of hospitality that will or will not be offered by the receiving population or by the kinship group abroad
- the ability to live in a different environment with different cultural and language traditions.

This is, of course, an over-simplification of the choices that face New Member States' potential migrants. However, it should be clear that migration is nearly always the result of a difficult choice, which often entails the stress of insecurity. Only the most adventurous or the most desperate are ready to face these challenges.

Field studies show that migrants often have to settle for less than their qualifications merit in the labour market of the receiving country. Either their diplomas are not recognised or they face significant competition from local residents. Generally, migrants tend to work in lower skilled, lower paid jobs, regardless of their qualifications.

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1.2.4. CHALLENGES AND RECOMMENDATIONS

- The EU15 should consider shortening the transition period envisaged prior to their opening of borders to freedom of movement.

- New Member States' governments need to offer real incentives to highly skilled potential migrants to build a future in their home countries in order to prevent a brain drain. At the same time, steps should be taken towards a standardised recognition of diplomas and qualifications so that skilled migrants are not compelled to accept work way below their capacities.

- The European Commission should be supported in its proposals to extend the liberalisation of the internal market to the Future Border Countries. The freedom of movement of people, alongside the other three freedoms, is essential to maintaining good neighbourly relations, where cross-border trade and labour can flourish legally.

- Ethnic minorities from the Future Border Countries who have links with the New Member States need to be given special visas that are affordable. Seasonal and other regular workers should be granted long-term visas.

- Legal paths towards migration should be set up by EU legislation. This will reduce cross-border crime and trafficking in people.

- NGOs need to be supported in their work to combat trafficking and illegal practices as is done through the EU STOP Programme, for instance.

- Practical and precise information should be given to potential migrants to enable them to make informed decisions about migration. They should be made aware about the receiving country's job market, legal requirements for workers, the cost of living as well as guidance on the psychological challenges involved in migration.

If Europe is to prioritise human rights, then protection and rights (in relation to the State, the police, the health system etc.) must be provided to migrants in irregular situations. They should be provided with social and legal counselling, and be legally protected and represented.
1.3. The Free Movement of People from the Perspective of Future Border Countries

Through the EU’s enlargement, the future EU borders will shift to the East and thus a number of countries will enter into a new relationship with the EU. Despite a greater proximity to the EU, the people of these countries risk being more cut off from their new EU neighbours as a result of stricter border controls.

This could have a negative effect on the border trade between the Future Border Countries and the EU Member States and which at present forms an important source of income for both regions. Seasonal workers will experience difficulty in continuing their practice of finding work abroad. New policies are needed to facilitate the continuation of a flourishing border trade and to keep opportunities for seasonal migration open. Greater isolation, coupled with increased poverty and continued failure to undertake structural reform, may well increase pressure for trafficking and smuggling.

Legal Information for potential migrants Caritas Moldova-Caritas Czech Republic

Caritas Moldova launched this migration project with Caritas Czech Republic in 2001.

The primary aim of the project is to inform potential migrants about the current legislation and labour laws in the Czech Republic by distributing leaflets. In addition, Caritas Moldova provides free legal consultations.

The second aim of this project includes the distribution of basic materials: food, medicine and hygienic items to migrants. The project is an attempt to help people improve their living conditions and to reduce the number of migrants from Moldova who find themselves in irregular situations in the Czech Republic.

1.3.1. OUTFLOW OF MIGRATION

The Future Border Countries have a tradition of migrating to their neighbouring countries. This movement posed no difficulties during the CIS period. In 2002, the migration ratio for Belarus was 2.78 per 1,000 people, for Serbia and Montenegro: 3.38, for Croatia 9.72, 0.94 for Russia and 0.42 for Ukraine.

The policy failures of border countries’ governments effectively encourage their people to emigrate. Perhaps they consider that, on balance, migration has a positive impact on the maintenance of a peaceful society. It provides income opportunities that do not exist at home. It means a better standard of living for the migrant and the migrant’s family. It also provides the opportunity to acquire knowledge about new technology. On the other hand, they also recognise that the loss of skilled young people may stand in the way of progress. A sizeable migrant population from the Future Border Countries is already resident in the New Member States and in the EU15 (and a high percentage of these migrants are in irregular situations). There are, for example 300,000 Ukrainians living in Poland, 200,000 in the Czech Republic, 200,000 in Italy, 150,000 in Portugal and 100,000 in Spain. According to the Report of the Ukrainian Parliament Commissioner for Human Rights, there are about 5 million labour migrants every year living outside the borders of Ukraine.

Reliable figures for migration are difficult to find. Experts estimate that more than three million workers come to the EU on an annual basis. The total flow of migration is estimated at 10 million per annum, including a majority of short-term migrants and ‘shuttle migrants’.

22) Migration Board of CIS States.
23) Idem. The data include migration outside EU countries and include migration to CEECs.
• More than three million workers come to the EU on an annual basis\textsuperscript{24}.
• The total flow of migration is estimated at 10 million\textsuperscript{25} per annum.
• The majority of migrants are short-term migrants and 'shuttle migrants'.

In addition, some reverse movement must be expected. Border trade could increase through people from the New Member States shopping or trading with their eastern neighbours as a result of lower prices.

\section*{Prevention of Human Trafficking in Ukraine}

Caritas Italiana, in collaboration with Caritas Ukraine, is starting a "Project for the Prevention of Human Trafficking." The project, co-financed by the Italian Ministry of the Interior, will cost €46,481 and is to be realised by the end of 2003. Additional assistance will be provided by I.O.M. Italy as well as by Italian regional Caritas organisations, which have grass roots experience in dealing with Ukrainian women victims of trafficking.

The project's objectives are:

• To provide assistance to potential victims of human trafficking (information about dangers of trafficking, social integration measures, prevention and protection measures for themselves and their families)

• To establish a network of collaboration between Italian and Ukrainian government and diplomatic officials, representatives from local institutions, officials from local authorities, and NGOs competent in the field of trafficking.

Activities include the organisation of meetings between all stakeholders, the organisation of lectures, seminars and information campaigns, the production and circulation of accessible material (videos) by and for the victims of trafficking, broadcasts on local radio and TV and the dissemination of printed material.

At a later stage, the project may be replicable. A wider collaboration with other NGOs and Institutions in Ukraine may ensue.

\begin{footnotesize}
\textsuperscript{24} Migration Board of CIS States. The data include migration outside EU countries and include migration to CEECs.
\textsuperscript{25} \textit{idem.}
\end{footnotesize}
1.3.2. POTENTIAL DIFFICULTIES

With the participation of the New Member States in the Schengen Treaty, it will be more difficult for people from the Future Border Countries to migrate than previously. As already noted, trafficking in human beings and illegal practices are in danger of escalating in this environment. The EU15 needs to get a clearer picture of the scale and nature of this problem. This new form of slavery should not be tolerated in a Europe of freedom, security and justice. The ability of the EU and its New Member States as well as the Future Border Countries to staunch the flow of trafficking will be a barometer of their effectiveness in guaranteeing human dignity and human rights in the enlarged EU and beyond.

Apart from the desire of potential migrants to move Westwards, there will be an additional group of potential migrants from other parts of the world (Vietnam, India, Iraq, Bangladesh, China etc) who will choose these Future Border Countries as a transit route to the EU.

A great deal will depend on how the EU chooses to implement the conclusions of the December 2002 Copenhagen European Council which states, “The EU should take the opportunity to enhance relations with its neighbours on the basis of shared values”.

Attention is urgently needed to address a wide range of supporting actions that can form the basis of a better policy towards the EU’s neighbours. Such measures for a wider Europe could include the liberalisation of trading relations, regional and political cooperation, joint action on border control and trafficking, a positive policy towards legal migration, the active promotion of freedom of expression and association. In the absence of concerted action and effective new policies and instruments, the situation on the EU’s future borders is potentially unstable for the region. Current tensions (xenophobia, anti-Roma sentiment) risk being exacerbated by the impact of new border management policies.

Caritas Europa welcomes the European Union’s “determination to avoid drawing new dividing lines in Europe and to promote stability and prosperity within and beyond the new borders of the Union”, and the willingness of the European Union “to spread the benefits of enlargement for political and economic stability in the neighbouring countries” as well as the willingness “to work with the partners to reduce poverty and create an area of shared prosperity and values based on deeper economic integration, intensified political and cultural relations, enhanced cross-border cooperation and shared responsibility for conflict prevention between the EU and its neighbours”.

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Networking for Advocacy

Seven Christian organizations (including Caritas Europa, Churches Commission for Migrants in Europe, International Catholic Migration Commission, Commission for Justice and Peace, Quaker Council for European Affairs, Jesuit Refugee Service, the Society of Friends and, the Commission of the Bishops’ Conferences of the European Community) commented on the 27.01.2003 directive of the EU concerning Family Reunification for third country Nationals. This commentary forms part of an ongoing lobby for decent international human rights and standards for migrant family members.

The same Christian Organisations contributed to the debate on a Community Immigration Policy (COM 2000. 757 Final).

They advocate a necessary shift in emphasis from preventive migration policy to an active immigration policy. The importance of encouraging a welcoming European society through a co-ordinated approach between all regions concerned is underlined.

1.3.3. CHALLENGES AND RECOMMENDATIONS

- Honest and well-targeted information campaigns should be provided to the potential migrants of the Future Border Countries about the dangers of trafficking in human beings and smuggling. The consequences should be spelled out, and alternatives should be presented and discussed.

- Special assistance needs to be offered to rejected migrants, especially to those in detention.

- The human dignity and human rights of detainees need to be guaranteed; poor conditions are unacceptable. Border police and security officers need to be made aware of these human rights and that most people entering another state without legal papers are people in need, not criminals.

- Effective action against human trafficking is urgently needed. This action should include co-ordinated policing between all countries concerned. Police, local governments and NGOs should collaborate to combat trafficking in people through a continuous exchange of information. They should also ensure the protection of victims. As a preventative measure, Governments and NGOs should provide information to potential victims of trafficking. Better alternatives should be offered to people in danger. More financial instruments should be available to combat human trafficking.

- All European Governments need to get a clearer picture of the scale and nature of this problem. This new slavery should not be tolerated in a Europe of freedom, security and justice. The ability of the EU to staunch the flow of trafficking will be a barometer of their effectiveness in guaranteeing human dignity and human rights in the new Europe.

- The Governments of the Future Border Countries should be offered additional support to cope with the impact of new EU borders. New EU instruments of cooperation are needed to tackle the root causes of poverty and migration through structural, trade, economic and social reform.
An active and open EU immigration policy should be adopted not only with the New Member States, but also in close collaboration with the Future Border Countries. A wider Europe will only become a more peaceful and prosperous Europe if new instruments are developed to promote sustainable migration. Significant emphasis needs to be placed on human rights and respect for human dignity in all dealings with migrants. The enlarged EU will be judged best by how it handles its most vulnerable residents. The EU must avoid creating new divisions in Europe. It must concentrate on finding a user friendly system for *bona fide* third country nationals living in border areas who have valid grounds for regularly crossing the border. The efforts to resolve difficulties regarding the (oblast) of Kaliningrad suggest that such solutions are feasible. Both economic and cultural arguments (in the case of new ethnic minorities) must be fully understood and addressed. The new neighbourhood instrument put forward by the Commission proposes to enhance relations with the Future Border Countries to further political stability, to reinforce the rule of law and to facilitate trade relations. Cooperation on combating crime and trafficking across borders forms an essential element of this proposal. The adoption of this proposal would be a positive step in the right direction.

**Migration Work in Ukraine**

A global project designed to support Ukrainian migrants was launched in 2000 by Caritas Ukraine (Spes), in collaboration with Caritas Czech Republic, Caritas Munich, Renovabis, UNCHR, and members of the Ukrainian Parliament.

The central office in Kiev welcomes migrants in irregular situations from all around the world. The centre provides socio-pastoral care and legal counselling for migrants and refugees.

In Boryslav, a refugee centre has been established, housing 37 Chechens. Board, lodging and rehabilitation are provided.

In Transkapatia a centre has been established for Roma people who are traditionally migrants.

On the basis of these projects, Caritas Ukraine (Spes) does advocacy work to promote new laws for migrants and a more welcoming environment. In addition, Caritas informs the Ukrainian population about migration.

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28) *idem.*
1.4. Towards an effective Migration Strategy

Our survey shows that only a small increase in migration from the Future Border Countries to the New Member States and from the New Member States to the EU15 is expected. The enlarged EU will benefit from this migration, especially in the long term. Only in places where migrants live in dense accommodation, xenophobia and other tensions could arise.

In all the countries of the enlarged European Union, there is and there will be “a grey sector employment problem”. In all these countries the very structure of the economies give rise to flourishing informal or grey labour markets. The main underlying reasons are the avoidance of payments into existing tax regimes and the reluctance of some employers to pay the employer's contribution to social protection schemes for their employees. The fact that these grey markets employ a large number of migrants in an irregular situation is clearly a natural consequence of their very existence. This demonstrates that new reflections and new approaches to legal and social support will be required. The complex issue of illegal employment of migrants cannot be addressed by simply performing better checks at the borders. A more detailed analysis needs to be undertaken by the EU to assess the needs and requirements of all those involved in the grey sector issue.

The justice of a social and economic system is finally measured by the way in which a person's work is rewarded. According to the principle of the common use of goods, it is through the remuneration for work that in any system most people have access to these goods, both the goods of nature and those manufactured. A just wage is a concrete measure - and in a sense the key one - of the justice of a system.

Laborem Exercens
Pope John Paul II, 1981

Training and education will be an important strategic component across society - for those who wish to migrate, for those who are resident in a new country and for those who are living with migrants. Given their unique experience and competence, civil society stakeholders, NGOs and religious organisations have a great deal to offer in building sustainable and humane solutions for the new Europe.

In addition, given their specific profile in many of these countries, such stakeholders can make an important contribution - to promote tolerance, hospitality and respect for differences. Ensuring the involvement of an informed media will be a priority in minimising xenophobic reactions. Specific training needs to be made available to the media on these issues.

Information about the dangers of trafficking in people is an important issue. All institutions, social partners, civic stakeholders and religious organisations must disseminate this information. However, the affected States must accept a specific responsibility in controlling and sanctioning those who take advantage of impoverished migrants. Governments need to protect migrants against those who profit from their desperation. They need to take effective action to stem this new tide of trafficking, which is blind to human dignity and indifferent to human rights. The ability of the enlarged EU to staunch the flow of human trafficking will be a litmus test of the reality of human rights and freedom in tomorrow's Europe. The success or failure in tackling human trafficking is a key indicator of the existence of an effective migration policy. The initiative of the "Brussels Declaration" by the European Commission and the IOM, promoting transnational and cross-sectoral cooperation, is an important step in this direction.
In order to avoid xenophobia across the enlarged EU, it would be useful to disseminate information on the history of migration to and from Europe. This would facilitate a more objective debate on migration processes and show how Europe has been built through constant migration flows.

Special social services for migrants and for rejected migrants should be organised, especially near the borders, in order to ensure respect for human dignity. Lobbying to ensure that the migrant’s rights are recognised and protected is an important challenge.

To mobilise an effective policy response, partnership between different NGOs such as Caritas, is essential. It has the potential to provide positive outputs, especially where NGOs from source countries co-operate with those from countries of destination. Such cooperation can yield vital exchanges on legal matters, cultural sensitivities, training and counselling courses for migrants and those who work with them professionally. Cooperation with and between NGOs across the new borders should be actively encouraged and supported by the EU and other international donors.

Migration is a field where networking activities are effective in promoting and protecting respect for the human dignity of migrants. The Parliamentary Assembly of the Council of Europe proposes a European Monitoring Centre for Migration. This Centre would be tasked with monitoring regular and irregular migration and would have an advisory role on legal immigration, integration policies and best practices. This is a positive proposal and should be actively examined and pursued by the EU.

Migration is a structural challenge to the cohesion and development of the enlarged EU. It presents both advantages and difficulties, and it merits a new and dedicated structural financing instrument in the EU. The EU needs to provide real impetus to build a genuine Europe of freedom, security and justice at the centre of what it calls a “wider Europe”. Having done so much since the fall of the Berlin Wall to reunify and renew the continent, the EU must not allow Schengen arrangements to impose by default a new Iron Curtain.

29) Council of Europe Recommendation 1449/2000 “Clandestine migration from the south of Mediterranean into Europe”
Employment is an essential issue for all European citizens, in particular within the context of EU enlargement. On the one hand, fear and anxiety exist concerning the connections between migration and employment. Will there be a large flow of migrants who will be crowding the labour market? Will this lead to a higher unemployment rate? Will the social security systems be sustainable? On the other hand, many live in the hope that the current high unemployment rate will be reduced as a result of European integration and the expected economic growth after enlargement.

The obligation to earn one’s bread presumes the right to do so. A society that denies this right cannot be justified, nor can it attain social peace.

Centesimus Annus
Pope John Paul II, 1991

2.1. Employment from the Perspective of Current EU15 Member States

After a period of economic crisis characterised by a high unemployment rate, the labour market seems to be recovering. However, new difficulties have appeared in the current EU15 Member States.

2.1.1. LABOUR MARKET

The unemployment rate for 2001 in the EU15 was on average 7.4%, a decrease compared to previous years (the peak was reached in 1994-1996). Spain, Italy and Greece showed higher unemployment rates, especially for women. Long-term unemployment affects 3.3% of the labour force (again, the figure is higher in Italy, Greece and Spain). The different regions of the EU show a large variation in the unemployment rate, the composition of family units and people’s qualification levels.

30) The US unemployment rate was around 5.5% for the same period.
The relatively high unemployment rate is exploited by some European politicians to promote an anti-immigration agenda. They argue that job creation should be directly aimed at current EU citizens and call for protectionist measures to curb or halt immigration. The presence of non-national workers in regular and irregular situations is a reality in all the EU15 Member States. They include many citizens from New Member States and Future Border Countries. Migrant workers who have settled in the EU15 come from Poland (435,000), Romania (155,000), Hungary (70,000), the Czech Republic (35,000), Slovenia (20,000), Slovakia (20,000), Estonia (15,000), Lithuania (8,000) and Latvia (7,500). The majority of them have settled in Austria (1.2% of the workforce) and Germany (0.4% of the workforce). Finland hosts a significant number of workers from Russia; and Germany, Italy and Portugal host a high number of migrant workers from Ukraine and Croatia.

Contrary to what populist politicians claim, the EU15's production system is partly sustained by the supply of workers from abroad. Some EU15 countries even have a shortage of labour. This shortage has prompted Ireland, The Netherlands, Denmark and Spain to announce that they intend to use their right to shorten the seven-year transitional period for the free movement of people to and from the New Member States.

A change of mentality is needed, no longer seeing the poor as a burden, or as intruders trying to profit from others, but as people seeking to share the goods of the world so that we can create a just and prosperous world for all.

Centesimus Annus
Pope John Paul II, 1991

31) Labour force survey, 1999; data provided in "Information note of the European Commission, 06.03.2001".
In order to achieve sustainable growth in the EU15, forecasts indicate that there is a need for over 550,000 workers a year up to 2010 and more than likely an increased number in the years following 2010. Germany would need more than 300,000 workers a year (2.5 million immigrant workers are expected to reside there by 2020).

Some sectors are particularly in need of a highly qualified workforce, such as the Information Technology sector and the health care sector. Other sectors are in need of lower-skilled labour for specific, less qualified tasks (cleaning services, home help, etc.). To give but one example, 170,000 health care workers are needed in Germany by 2010.\(^{32}\)

In this context, the enlargement of the European Union can be regarded as a means of increasing the Gross Domestic Product (GDP). Enlargement will extend the market and open up new economic opportunities. This would boost the growth rate for the benefit of the whole EU population and decrease its unemployment rate. However, the EU 15 should be cautious about enticing qualified people away from countries, acceding or in transition, who will need their people to develop sustainable growth.

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**Caritas Luxembourg – Training Child-care Workers, Creating Flexible Care Structures**

Since November 2001, Caritas Luxembourg has been implementing the FOGAflex project (training and qualification of child-care workers and creating flexible care structures) under the European Commission’s Initiative EQUAL, an initiative aimed at reducing the inequality in the labour market.

In the framework of “Reconciling family and professional life,” one strand of the FOGAflex project is to provide flexible child-care arrangements for children between the ages of 0 to 4, allowing their parents to have time to join or rejoin the labour market.

Currently, two child-care centres exist in Luxembourg, looking after some 48 children a day. The cost for this service, set by the government, is based on the parents’ income, with a minimum of 40 Euro per month for those with no income. These fees are significantly lower than any other child-care service available in the country.

A second strand of the FOGAflex project is that it continues to create jobs by employing as yet unqualified students as child-care personnel. Half of the staff in the two centres is undergoing training to become qualified nursery nurses.

FOGAflex is co-funded by the European Social Fund and the Luxembourg Labour Ministry.

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2.1.2. POTENTIAL SOCIAL IMPACTS

In the light of previously projected forecasts about a moderate migration flow (125-150,000 workers at the beginning of the enlargement process)\(^{33}\), coupled with an expected growth in the labour market, fears that European enlargement might increase unemployment seem unfounded.

Different studies have shown that immigration has little impact on the unemployment rate and on wages\(^{34}\) for regular work. Migrants tend to accept jobs that have been rejected by others, or they accept jobs for which there is a labour shortage in the receiving country. In general, skilled migrant workers do not compete with their equivalent in qualifications in the receiving countries, but they do compete with unskilled workers. Qualified migrants very often enter the labour market at a disadvantage and accept jobs below their qualification level. Their willingness to work for less salary could have an impact on wages in specific sectors such as in information technology and communication, and in the motor, textile, transport and construction industries. Equally, low-qualified workers could suffer from competition from migrant workers in a regular situation as well as from those in an irregular situation. This problem of a "devaluation" of jobs and workers can only be addressed if equal opportunities in the workplace are offered to migrants, in terms of wages, recognition of qualifications and social protection.

Concerns have been raised about the possible relocation of labour-intensive economic activities to the New Member States, as a result of cheaper labour costs. However, the current flow of foreign direct investment (FDI) has not shown such a trend, except in a few specific sectors such as the textile, footwear, electrical machinery, rubber and plastic industries, where FDI has increased, but only on a relatively small scale.

2.1.3. THE IMPACT ON SOCIAL PROTECTION FUNDS FOR THE UNEMPLOYED

Among the fears of some EU15 citizens, are doubts about the capacity of social protection funds to support the unemployed\(^{35}\). Given that these funds have been increasingly called upon as a result of rising unemployment and a decline in the employed (and tax-paying) population, they have already had to be restructured into less generous benefit systems.

The viability of these funds depends largely on higher taxes and on economic growth. In the longer term, immigration could have a positive impact on social protection systems as it would help to sustain economic growth. However, if migrants work in illegal situations, the impact on the social security protection systems will be negligible.

If properly managed, migration could contribute to an increase in economic growth and social welfare in the enlarged EU. If migrants are employed legally, not only will they be properly protected against unemployment, their employment will also have a positive effect on the sustainability of the social protection systems in the medium and long term through increased contributions.

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33) Including Romania and Bulgaria, Brücker and Boeri.
35) See the Internet site of Joint Assessments of employment policies that provide information on this topic: www.europa.eu.int/comm/employment_social/employment_analysis/japs_en.htm
**Caritas France (Secours Catholique), Job Creation**

Caritas France has a long tradition of being involved in job creation. Throughout the country, they run local branches where the unemployed are welcomed. They are provided with counselling services on job opportunities, information on training opportunities and psychological counselling.

Sometimes Caritas France involves job-seekers in their own projects, such as for example in their workshops for recycling or repairing clothes, for catering, for gardening, etc. They also have rural and agricultural projects to help country people supplement their income. Caritas France has also developed considerable expertise in helping people who wish to set up their own business. Through their assistance projects on job-seeking and job-creation, Caritas France aims to make people regain their personal dignity and sense of their own ability and self worth.

### 2.1.4. CHALLENGES AND RECOMMENDATIONS

- The fear of some EU 15 citizens regarding a large influx of migrant workers seems to be unfounded. Not only will the flow be moderate, the EU 15 will increasingly need labour from third countries.

- Governments and media should run an honest information campaign on the labour markets in the enlarged EU. The messages should include information on the present and future shortages in the labour market, as well as its supply and demand. This is particularly important for the employment services advising and assisting the (long-term) unemployed. The unemployed need to be well informed to be able to adjust their training to the requirements of a rapidly changing job-market.

- Caritas Europa welcomes and in general supports the actions proposed in the European Commission’s European Employment Strategy\(^{36}\) centred on the objectives of “full employment”, “quality and productivity at work” and a “cohesive and inclusive labour market”, with, however, the following remarks and caveats:

  — The “full employment” objective is based on one of the Lisbon Summit objectives to raise employment to 70% by 2010. Whilst Caritas Europa supports this objective, it believes that employment is but one way through which the socially excluded can be brought out of their isolation. The danger exists that, in pursuing this Lisbon objective, people could be pushed into forced labour schemes, which will achieve the very opposite of social inclusion. Secondly, a serious debate needs to ensue on how we interpret “full employment”. We should not, for example, lose sight of the increased need for care because of an ageing population. Should care of the elderly, sick or handicapped cared for by family members be classified as employment? The issue of working mothers who are better served by a flexible labour market (part-time, working from home) also needs to be brought into the discussion and linked to the debate on restructuring social protection.

  — Caritas Europa welcomes the open method of co-ordination that is pursued in the evaluation of the European Employment Strategy. It welcomes the necessary link with the Social Inclusion Strategy and strategies on pensions and migration. Only an integrated approach will ensure that the socially excluded are taken into account.

  — Caritas Europa welcomes the emphasis on the inclusion of disadvantaged people. Equal treatment and equal opportunities need to be promoted for all workers in the enlarged Europe.

  — Caritas Europa supports the proposal to foster entrepreneurship among the unemployed, especially young people and women.

— Caritas Europa believes in developing lifelong learning in order to help workers develop their potential and access new job opportunities.

— Caritas Europa believes that, whenever possible, the EU and its Member States’ governments should take steps to legalise the situation of those working illegally and to simplify procedures in order for grey sector workers to become official and socially responsible.

— In order to increase the likelihood of achieving the ambitious targets for social inclusion that are part of the Employment Strategy, NGOs in the current and in the New Member States should be given the opportunity to be involved in establishing or improving employment services. These services could include setting up professional information systems for job-seekers and job-providers as well as establishing professional counselling desks for the unemployed. NGOs should play an important role in facilitating access to the labour market for those groups of the population that have so often been sidelined in national policies.

— NGOs, such as Caritas Europa member organisations, provide services that are an important source of employment for disadvantaged people. They often serve to bring people back into the job-market. In this light, the benefits of volunteer work in the NGO sector and beyond should be emphasised.

Caritas Milan, Italy—Supporting Social Entrepreneurship

Caritas Milan Italy is involved in an EQUAL Community Initiative Programme—which targets “transnational cooperation to promote new ways of fighting discrimination and inequality of every kind in relation to the labour market”

This project addresses one of the objectives of the programme, which is strengthening the local social economy. In this particular project, the aim is to strengthen the role of social co-operatives in 4 regions around Milan.

Caritas Milan is the lead agent for this project and co-operates with 90 other partners. The group of partners consists of public administrations, organisations belonging to social co-operatives, NGOs, vocational training agencies, services, trade unions, private companies and the Banca Popolare Etica, which provides co-operatives with consultancy services in order to improve their access to credit and grants. In addition, links are maintained with related programmes, such as NEAR, which focuses on creating social networks and ensuring citizens’ access to services of general interest.

The following activities are part of this EQUAL project:

• Promoting initiatives to support and strengthen social enterprises, improving their management system.
• Promoting and developing mechanisms which foster cooperation between public administrations and the third sector. Negotiation teams between public bodies and social enterprises will be established.
• Comparing different systems of community welfare and identifying best practice.
• Support to social enterprises in creating tools to measure social equality.
• Establishing a system to manage and diffuse knowledge and skills to maximise the use and transfer of information technology.
• Exchanging experiences and good practice at European level, including establishing a European observatory on welfare.

The envisaged budget is €3,781,084 to fund 48 activities dedicated to supporting social entrepreneurship.
2.2. Employment from the Perspective of New EU Member States

2.2.1. LABOUR MARKET

New EU Member States and future accession countries have a high and growing unemployment rate, especially Bulgaria (19.9%), Poland (18.4%), Slovakia (19.4%) and Lithuania (16.5%). Their unemployment rate is higher than in the EU15, with the exception of Slovenia and Hungary. The youth unemployment rate is particularly high in Bulgaria (39.3%), Poland (41.5%) and Slovakia (38.9%). The rate for long-term unemployment is high in Bulgaria and Slovakia, where it is twice the rate of the EU15. It is important to note that these data do not take into account hidden unemployment, which is of major importance in the agricultural sector.

<table>
<thead>
<tr>
<th>Country</th>
<th>Unemployment rate 2001 (in %)</th>
<th>Long-term unemployment rate (in %)</th>
<th>Youth unemployment rate (in %)</th>
<th>Female unemployment rate (in %)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bulgaria</td>
<td>19.9</td>
<td>12.5</td>
<td>39.3</td>
<td>18.9</td>
</tr>
<tr>
<td>Czech Rep.</td>
<td>8.0</td>
<td>4.1</td>
<td>16.3</td>
<td>9.6</td>
</tr>
<tr>
<td>Estonia</td>
<td>12.4</td>
<td>5.8</td>
<td>24.5</td>
<td>13.1</td>
</tr>
<tr>
<td>Hungary</td>
<td>5.7</td>
<td>2.5</td>
<td>10.5</td>
<td>4.9</td>
</tr>
<tr>
<td>Latvia</td>
<td>16.5</td>
<td>9.3</td>
<td>30.9</td>
<td>11.5</td>
</tr>
<tr>
<td>Lithuania</td>
<td>16.5</td>
<td>7.7</td>
<td>22.9</td>
<td>13.5</td>
</tr>
<tr>
<td>Poland</td>
<td>18.4</td>
<td>9.2</td>
<td>41.5</td>
<td>20</td>
</tr>
<tr>
<td>Romania</td>
<td>6.6</td>
<td>3.2</td>
<td>17.6</td>
<td>6.0</td>
</tr>
<tr>
<td>Slovakia</td>
<td>19.4</td>
<td>11.3</td>
<td>38.9</td>
<td>18.6</td>
</tr>
<tr>
<td>Slovenia</td>
<td>5.7</td>
<td>3.6</td>
<td>15.7</td>
<td>6.0</td>
</tr>
</tbody>
</table>

The informal sector of the economy (otherwise called the grey sector or shadow economy) is quite high in the New Member States. Currently it is twice the OECD rate. 21.6% of workers in Slovakia, 21% in Poland and 20.8% in Hungary are employed outside the formal sector and thus work without proper rights and social protection. To exemplify, the informal sector produces 27.4% of GDP in Poland and 39% in Estonia. This poses new questions about the European way of doing business and regulating work.

The high unemployment rate in the New Member States is caused by a number of different factors. The closure of factories because of inefficient methods is one major cause. This inefficiency also pertained in many of the New Member States’ former business operations. Another major factor is a crisis in the traditional agricultural sector as a result of globalization.

With drastic changes in the economy because of the transition towards a free market, many businesses were unable to survive and had to dismiss their staff. Some activities are no longer relevant in the new

economic system. Automation, together with other measures to ensure greater efficiency have led to the redundancy of workers who are no longer needed in the production process. This transitional period is particularly devastating for those workers who thought they had a job for life and did not foresee ever having to leave their home area. Their lack of skills in current growth sectors and their lack of mobility are a structural cause of higher unemployment rates.

After transition, job migration will tend to decrease as a result of an expected economic growth in the New Member States, which will result in an opening up of job opportunities. Therefore, the initial migration flow might be of short duration.

Traditionally, there is a tendency for an inflow of migrants from Future Border Countries (including those in transit from third countries to the EU). Workers in this migration flow either use the New Member States as a stepping stone towards the EU15, or they stay only for short periods or they cross borders for the purposes of shuttle/commuter migration.

Cross border work and trade are already popular, especially in the 100-km zones around the borders. Hungary and Slovakia, for example, have net positive migration flows because of workers coming from neighbouring countries. This is a traditional flow that will probably, but not significantly, increase. The impact of border controls needs to be assessed in this regard.

These migration flows do not have a significant impact on the unemployment rate, because workers take seasonal jobs (in the agricultural sector, for example), or jobs in sectors where there is insufficient or poorly paid labour. This could be perceived as unfair competition for lower skilled jobs, especially in the case of illegal migration. This influx could particularly affect agricultural seasonal work, construction work or services. Fair contracts and equal rights should be assured for migrant workers, even for those in temporary employment.

Illegal migration gives rise to poorly paid workers in jobs with little security or recognition. This grey sector could be expanding and presents a formidable perceived threat to unskilled national workers. Employment could be higher in the sectors where efficiency and productivity are low. And, short-sightedly, workers in an irregular situation may be viewed as a profitable short-term “solution”.

There could be a small migration influx from the current EU15 Member States to the New Member States, composed of business executives and highly qualified professionals working for EU firms that enter the economies of New Member States. This flow is unlikely to continue for long, as growing numbers of qualified workers in the New Member States are enabled to compete.

But above all we must remember the priority of labour over capital: labour is the cause of production; capital, or the means of production, is its mere instrument or tool.

Laborem Exercens
Pope John Paul II, 1981
After the completion of the formal enlargement process, there may be a small decrease in production and an increase in unemployment because of competition from the EU15 with its more developed technology and higher productivity. Experience gathered from previous enlargement processes in Europe (Ireland, Spain, etc.), however, indicates that this situation does not tend to last long. Many national and local businesses will quickly adjust to the dynamics of the market, restructuring and adapting to the new competition. The European Commission will continue to have a significant role to play in assisting this transformation process.

The agricultural sector, which is very significant in Romania (employing 40% of the working population), Bulgaria (28%) and Poland (20%), is likely to be the most affected. This is due not only to enlargement but as a result of the globalization process which is not conducive to subsistence farming but which is still prevalent in many New Member States.

In helping to develop a more sound and sustainable economy, the enlargement of the EU could contribute to solving the problem of unemployment in the medium term. However, given the scale of the restructuring necessary, unemployment will not disappear overnight.

In short, the enlargement process is likely to have a slight impact on the employment situation in the short and medium term, but promises to be beneficial in the long term.

2.2.2. PENSION AND SOCIAL PROTECTION FUNDS

In the New Member States there has been a significant change in the social security systems. This is particularly true of funds for the unemployed. The New Member States established social security funds at a time when unemployment was still very low. However, the persistently high and rising level of unemployment has generated unexpected demands leading to largely diminished resources.

These difficulties could increase in the short term because of the increase of emigration at the outset of enlargement. Pension funds could equally run into serious difficulties due to a decline in the number of young workers employed in the national economy. This situation is due to a matrix of factors, including slow economic growth, an ageing population and declining birth rate, amplified by emigration. This combination of factors is putting pressure on social security funds which are experiencing increasing difficulty in achieving financial balance.
As a result, in most New Member States, social security funds have been privatised or made more financially rigorous. New regulations recommend stricter criteria for unemployment benefits. Faced with such financial pressure, funds tend to adopt the following solutions: either they reduce the level of pensions or they call for a higher retirement age (which, in turn, has an impact on the youth employment rate). They also tend to tighten eligibility rules, impose lower levels of replacement, allocate a shorter period for benefit entitlement and target a lower percentage of beneficiaries. In Poland, for example, only 20% of the registered unemployed receive benefits. In Romania, the unemployed cannot benefit after 12 months of unemployment. In Slovenia, benefits are granted according to the duration of work, while in Slovakia, people have to show willingness to find jobs. Everywhere, fund managers expect beneficiaries to have a more pro-active attitude.

All these measures exacerbate poverty and social exclusion. Long-term unemployed workers have even more difficulty in surviving the present circumstances – a situation which will deteriorate in their retirement. People who have not yet entered the job-market equally face a difficult situation, as they are not entitled to any short or long-term social security.

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**Services to the Unemployed**

**Caritas Poland in partnership with Caritas France (Secours Catholique)**

Caritas Poland created a project for people who have been long-term unemployed and who, because of this, risk marginalisation. Caritas Poland pays specific attention to such people, of whom 80% does not receive social security and of whom 51% have been unemployed for more than a year.

This project has received support from the EU-PHARE – ACCESS 2000 Programme. The duration of this project is from September 2002 till September 2003.

The partners of Caritas Poland for this project are: Caritas France (Secours Catholique, which has been selected as a partner because of its 25 year experience in this field.), and four diocesan Caritas organisations in Poland. There is also close cooperation with the local authorities, employment agencies and municipalities. This cooperation is essential in order to share knowledge and data on the potential work force and employment opportunities.

Caritas Poland is implementing the following activities:

- The recruitment and training of employees and volunteers to accommodate and accompany the unemployed in their search for a job. Together with institutional partners, Caritas Poland is providing a 3-stage training programme for these recruits to acquire knowledge of the work force and of the Polish economy. They will also receive training in listening to people in difficulty. In France, training is offered on how to conduct an active search for employment and on job interview techniques.
- The creation of 4 pilot reception centres to facilitate the search for employment. The reception centres will provide the unemployed with utilities such as telephones, photocopiers, computers, Internet, and newspapers that will help them in their search. In addition, staff will be available to help resolve any problems that may arise. A participative evaluation makes it possible to record the needs of each participant. Personal guidance will be offered to help the unemployed person to become aware of their strengths and weaknesses and also to tailor their job search towards their professional objectives.
- Co-ordination and evaluation in order to disseminate the findings and experience of this project throughout Poland.
2.2.3. CHALLENGES AND RECOMMENDATIONS

With regard to employment, there will be winners and losers in the enlargement process. The rising tide of prosperity will mean that those with marketable skills in the big cities will reap the rewards of transition. However, for transition to be politically and socially sustainable, action needs to be reinforced to target those bypassed by prosperity. There will continue to be a critical mass of abject poverty in many of the New Member States and Future Border Countries.

- Among the old, the unskilled young, farmers and old heavy industry workers, poverty is increasing. In the New Member States, rural communities with a 95% unemployment rate are no exception. Caritas Europa welcomes the Commission’s recommendation to prioritise activities towards the removal of geographical disparities. In this regard, the EU and national governments should dedicate generous structural financing instruments to build sustainable social and economic infrastructure in rural areas. Programmes such as INTERREG, LEADER and EQUAL are to be supported and extended for this purpose. European Structural Funds should be employed generously to support programmes of re-training for those affected and for developing new areas of economic activity. NGOs and local authorities should collaborate to launch local development initiatives.

- In the New Member States, unemployment remains high. Investment in human capital is therefore a priority. A whole section of society needs to be provided with the skills to work their way out of poverty. The European Commission’s proposed European Employment Strategy is a welcome step in this direction. The importance of requiring New Member States to involve civil society actors in developing national employment strategies cannot be overstated.

- Due to the high rate of poverty and unemployment, public authorities of New Member States need to invest more heavily in the development of structures and instruments for dealing with the poor and socially excluded. Employment Ministers and Social Affairs Ministers of New Member States’ governments should take this firmly on board when formulating national economic and social policy. However, in order to ensure that the needs of the most marginalised are represented, it should also be a requirement that civil society actors are involved in the planning, implementation and evaluation stages of National Action Plans for Employment.

- The current move to privatise social protection systems in New Member States needs to be countered. In addition, these systems need to be restructured and improved in order to ensure security for the most marginalised people in society.

Bulgaria: Computer Training for Unemployed

To increase job opportunities for unemployed people in the cities of Ruse and Sofia, Caritas Bulgaria is offering computer-training courses to the unemployed to help develop their skills base and qualifications. The first project in Ruse began in 1998, offering 60 hours of courses a month. The one in Sofia was duplicated in 2000 and offers 120 hours a month. Most students are people over 35 years of age who did not receive computer courses in school.

Both projects are run in collaboration with the State. Close contacts are kept with the local Labour Bureau, which sends registered unemployed people to the courses. At the end of the courses the Bureau helps those who attended find employment. For the year 2002, 70 out of 250 that completed the course have already found jobs due to their higher qualifications.
2.3. Unemployment from the Perspective of Future Border Countries

As a consequence of the enlargement process, the future borders of Europe will shift and a new economic context will take shape for the enlarged EU’s neighbours.

2.3.1. UNEMPLOYMENT SITUATION

In the Future Border Countries, there is limited and somewhat unreliable data on unemployment. This information is still regarded as "classified." Data are also difficult to collect because of hidden employment, which is high in the agricultural and other economic sectors (where there are large numbers of workers with unpaid salaries or on compulsory leave). The existence of a shadow economy compounds this information deficit - whilst commonplace in practice, it is statistically largely absent. The unreliability of official data is responsible for the high number of unregistered unemployed persons. It is not perceived to be in their interest to register with official employment agencies.

Nevertheless, it is generally acknowledged that the real unemployment rate is very high as a result of economic restructuring after the collapse of communist regimes. The closure of businesses has produced massive unemployment. There are large numbers of people with wage arrears and unpaid forced leave, who try to find solutions in the shadow economy. They join the ranks of those who have a job, but try to boost their income through their network of relations in the area of trade and business. These are the seekers of hidden earnings. This shadow sector is large and has a significant impact on the social system.

Except for this shadow sector "solution," there is little prospect in the short term to ease unemployment and poverty. The migration of workers to neighbouring countries or to the current EU15 Member States offers an apparent solution for a many families. Interlinked unemployment and poverty shapes their decision to build a new life elsewhere.

There are needs and common goods that cannot be satisfied by the market system. It is the task of the State and of all society to defend them. An idolatry of the market alone cannot do all that should be done.

Centesimus Annus
Pope John Paul II, 1991

TOWARDS AN EQUITABLE EUROPE
The migration of workers from Future Border Countries is likely to take the form of shuttle work or occasional work. Cross border workers normally leave behind their home and family and send back a high proportion of their wages as remittances. Remittances continue to play a significant role in European and global economic development.

These migration flows play an important role for the authorities in the Future Border Countries as they help ease the social situation and dampen social discontent. In addition, remittances from migrant workers abroad are a major source of income and foreign exchange for national economies\(^{39}\). One million people from Ukraine, 500,000 from Belarus and 3.5 million from Russia are already employed\(^{40}\) in the New Member States, with most of them going to Poland and the Czech Republic. The rate of illegal migration to the New or current EU Member States is reputedly high, although no official statistics on this are in the public domain.

The attraction of the New Member States will increase if the predicted economic growth takes place in the New Member States. In this scenario, new job opportunities will open up for workers from Future Border Countries. The outflow is likely to be higher at the beginning of the enlargement process and should decline thereafter.

However, the need for work permits and visas within the new Schengen area will be an obstacle to this flow. As stated earlier, EU enlargement and the entry into force of the Schengen Treaty will possibly result in an increase in the practice of smuggling and human trafficking. However, finding a job in the EU will be costlier and more risky for migrants in an irregular situation. This in itself could form a barrier to illegal migration.

Provided that the necessary tools for legal migration - such as long-term visas and work permits - are considered, enlargement could have a positive effect on border regions and generate some degree of economic growth with a concomitant reduced rate of unemployment.

\(^{39}\) In its report for 2002 the UN Population Division has calculated that remittances make up 14.1% of the GDP of Albania, 12.9% of GDP of Bosnia-Herzegovina, and 2.8% of the GDP of Croatia.

\(^{40}\) ILO statistics for 2000: there are 18.5 million Russian workers who migrate (1.6 M to Finland, 1.1M to Lithuania, 1M to Poland) as well as 14,270 workers from Belarus and 144,475 from the Ukraine. These are official statistics for legal migration.
**Caritas Turkey, Employment Projects in rural areas**

*Caritas Turkey*, with the financial support of *Caritas Spain*, runs two practical employment projects: bee-keeping and livestock development in the region of Kaynasli, an area that was hit by the earthquake in November of 1999. Both projects aim at providing a model for a more productive, efficient, economic, and sustainable approach for employment in the area. The bee-keeping project is explained in more detail below:

- The Project covers 40 families. Through an in-kind, rural, credit system, each family is provided with 20 hives and a hive box, a queen bee, swarms (starter bee colonies), beeswax etc. as well as tools to handle the hives. In the course of the Project, training and extension services (season specific hive activities, bee health, transportation basics, information on relevant laws and regulations, marketing issues) have been regularly provided.
- In addition, families are offered assistance with marketing the honey they produce. Each participating family has to complete credit repayment in the following 4 years and no interest is charged on the credit amount.
- The funds from credit repayments will be recycled to extend the bee-keeping project to new families.
- The selection of initial Project households was carried out according to a set of criteria which, inter alia, targeted families with low-income and those with some familiarity with bee keeping practice.
- The project provides sustainable development for the area, ensuring a continuous supply of new experts in bee-keeping.

### 2.3.2. CHALLENGES AND RECOMMENDATIONS

A high unemployment rate will remain an important issue for the Future Border Countries, with significant consequences for the migration flow. Action needs to be taken to help the population improve their standard of living:

- Close collaboration with the EU is essential. Investment in human capital, through vocational training, the improvement of technical skills etc., must be part of a cross border strategy in order to strengthen cooperation and good neighbour relations. Neighbour agreements and a benchmarking approach are recommended, as stated in the European Commission Communication[41] to the Council and the European Parliament (2003).
- There should be an equivalence of diplomas, especially in the medical and technical fields.
- Job creation should be a top priority and all stakeholders should pool their resources: States, the private sector, NGOs and other civil society actors - either for training and retraining purposes, or for investment or economic aid in starting businesses.
- Social assistance to the marginalised and economically weak, should be increased in order to protect them from falling prey to the illegal migration racket.
- Counselling for the unemployed is important in a number of sectors: skills, economics and management as well as psychological help and support.

The Caritas Europa recommendations set out in the chapter on the free movement of people are equally valid for the migration of workers.

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Caritas Bosnia – Herzegovina: Three Employment Projects

Integration of the Young into the Labour Market

Since 1988, Caritas Bosnia-Herzegovina has been running courses to facilitate the integration of young people into the labour market. Initially these included English language, computer and music courses. Within the last three years, courses have been extended to include care for the sick and the elderly, office work, agriculture, civil engineering and diverse handicrafts. Participants receive six months of intensive training in theory and practical work. Some are provided with financial assistance to start up their own business.

New Job Openings

Caritas Bosnia-Herzegovina assists in the opening up of job opportunities for people in three ways. Firstly, it provides loans to families wishing to start their own small enterprise. Caritas borrows this money interest-free and in turn lends it to these families without interest. Secondly, agricultural aid is provided through the procurement and distribution of agricultural machinery: for example, tractors with their accessories, mostly several years old but still useful and operable. Thirdly, they founded a craft guild for the purpose of job creation. People are able to network and form links between enterprises which are interested in cooperation and mutual assistance.

Training Centre for Persons with Special Needs

Persons with different mental or physical disabilities can find a job in Nazeret’s special workshops, a centre that helps handicapped persons develop a sense of independence. The centre’s clients are encouraged to develop their physical, spiritual and personal resources. They are trained, through creative and recreational methods, to develop their emotional perception, personal hygiene as well as developing their skills in cooking, shopping, and handicrafts.

At Nazeret, handicapped people experience a sense of success, self-respect, self-reliance and importance. They are assisted in integrating into society through dedicated training programmes. Not only are they trained in handicrafts, they are encouraged to learn how to market and sell the goods they have produced. Their products are sold in Nazeret every day and, on special occasions, displayed in showrooms.
2.4. TOWARDS A COMPREHENSIVE STRATEGY

Unemployment is a major problem in the whole of Europe and the European Commission is already trying to address this challenge with the help of the European Employment Strategy. The recent decrease in the unemployment rate in the EU15 offers opportunities for migrants from the New Member States and the Future Border Countries. In this regard, the enlargement of the EU could have a positive impact on the European economy and boost the labour market.

The importance of migration and the need to have freedom of movement for workers as soon as possible when the New Member States have joined the EU is stressed in this position paper. So too is the need for the requisite policies that the EU, New Member States and Future Border Countries need to implement in an enlarged EU in order to result in a more equitable society across the continent.

Successful employment strategies must emphasise sustainable development. A prerequisite for sustainable development is investment in and growth of human and technical capital. Launching a high level action on sustainable development for NGOs (including Caritas organisations), local authorities and States, should be a priority. The enlarged EU requires an integrated strategy in which all social partners are involved and links are developed between social, economic and employment policies in support of sustainable development, social justice, equality and solidarity.

Actions for local development, especially in the border areas, could make use of existing programmes and structural funds such as INTERREG. Maximising the impact of EU assistance for job creation is an urgent task, in which all stakeholders are called upon to take part.

The agricultural sector is especially under threat in the New Member States and Future Border Countries, but it is also a thorny issue in the current EU Member States. New and specific actions are required for the modernisation of agricultural practices (training, new machinery, etc.), a new approach to agricultural activities and a reorientation of production (with a view to better quality).

The European Agricultural Guidance and Guarantee Fund will be a major tool to make enlargement a smoother process, but its scope and methodologies should be broadened. These actions have repercussions on the Common Agricultural Policy which needs to be reformed in order to take into account the specific features of agriculture in the New Member States and the broader context of globalization.

Training and updating workers’ skills is a top priority in order to achieve the “knowledge-based” society referred to in the Lisbon Summit Declaration.42) The production system in many New Member States is outmoded and inefficient. Economies have to restructure their production of goods and step up the provision of services.

A wide-ranging political reflection should be conducted within civil society at large in order to restructure the structural and social funds used for protecting the unemployed and their human dignity. The enlargement of the Union is a good time for launching a programme that associates economic efficiency with solidarity.

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42) Lisbon Summit, March 2000: “Building an inclusive Europe” (European Commission Communication) and the Summit Declaration on “Employment, economic reforms and social cohesion – Towards a Europe based on information and knowledge”
NON-STATUTORY WELFARE

Introduction and Definition

NGOs are often non-statutory welfare service providers, involved in providing services of general interest of a social nature that are not-for-profit. These services do not only need to be protected in EU legislation, it should also be recognised that they could be an important source of employment, provided that proper regulation for their operation is insisted upon in national and European legislation.

Non-statutory welfare is the involvement of non-profit and non-governmental agencies, motivated by philanthropic or religious values, in the area of social welfare and the delivery of social services. This is especially the case where social welfare deals with poverty and social disruption. Non-statutory welfare agencies work towards the common good and not for the sake of economic interests. Often the different agents involved in non-statutory welfare services find themselves working alongside or competing with the public sector and private business in delivering welfare to the needy. This relationship between the different actors in the field of social welfare delivery is complex and often challenging in a number of European countries. However, non-statutory welfare agencies are playing an increasingly important role in progressive social welfare delivery in current EU15 Member States where their role and contribution is well established and valued.

The enlargement of the European Union to (up to) 27 Member States will pose the greatest challenge to the cohesion of the European social model since its foundation. The different social security systems are designed to protect people, especially the weakest, in the field of social welfare, health, pensions and other social matters. In seeking innovative solutions to this challenge, enlargement presents a unique opportunity to reconsider the role of non-statutory welfare agencies in providing appropriate solutions.

European integration will inevitably create pressure for greater coherence and convergence between different social security systems. At present, whilst current EU systems may have somewhat varied approaches, there is a significant degree of cohesion and general convergence in the fulfilment of the European social model. In the Europe of tomorrow, such levels of cohesion will require additional innovative responses. Non-statutory welfare agencies have a significant role to play in this regard.
Caritas Bilbao/ Spain: Database for the Socially Excluded

Caritas Bilbao runs 120 social centres in Bilbao. Their activities range from immediate poverty relief, child care, counselling of the unemployed, to providing shelter to the homeless and assistance to drug addicts. In order to maximise the impact of their array of activities, Caritas Bilbao created a database in 1999, which records and tracks details of all the people that have sought assistance at any of Caritas Bilbao’s centres.

The database is a constantly updated tool. In four years it has already collected and processed information on 25,000 people in need. Among the information gathered is the visitor’s social dynamics, such as family history and illness, education, employment and financial status, the reasons for each visit and the assistance offered each time. The database has been set up to enhance the functioning of the social workers employed in Bilbao’s various Caritas care centres. Thus, with a click of a button, staff are able to identify individuals and know their past and social dynamics, each time they arrive at their centre. The database is utilised to evaluate each individual’s current situation and helps to tailor the assistance to each individual’s needs.

On a wider scale, the database is a useful tool for monitoring the extent and reality of social exclusion in Caritas Bilbao’s diocese. It provides an important mechanism for flexible policy making with regard to combating social exclusion. It allows Caritas Bilbao to strengthen its advocacy work by being more knowledgeable on the often hidden problems of social exclusion.

Through press releases and annual reports, Caritas Bilbao is able to inform the media and the public of trends and issues in need of urgent attention. At times, the local government seeks assistance from Caritas to learn more about present concerns, for example, if there is a large drug problem in the area. For the future, Caritas Bilbao is planning to publish regular thematic brochures on the most pressing problems in the area.

Three models of Non-Statutory Welfare Provision

It is possible to delineate three distinct models for financing public benefit activity pursued by non-profit organisations: the hierarchical model, the market model, and the network model. In reality, non-statutory welfare organisations are a mixture of elements of these three models. It is, however, to the network model that most non-statutory welfare agencies aspire.

The hierarchical model (vertical subsidiarity) occurs where cooperation between the public administration and the non-profit sector is pursued in societies with an interventionist State. In this scenario, the non-profit organisations adapt to the operational requirements of the State bureaucracy from which commissions for their work flow. With this model, social organisations are just another link in the “top to bottom” chain that enables the delegation of public functions and the transfer of funds for their implementation. Public administrations select the organisations deemed best suited for the performance of public functions, usually by bestowing the status of “social utility organisations” (or public benefit organisations) on those chosen.

43) This tripartite delineation has been formulated on the basis of on-the-ground realities observed in central Europe by J. Pratt, Director of the Minnesota Council of Nonprofits co-operating with NGOs in Poland “Nonprofits as Network Organizations”, The Nonprofit Quarterly, July 2001.
The benefits that would accrue to the non-profit sector in this scenario would include a stable income and increased professionalism (through, for example, the ability to hire qualified employees, such as social workers). However, in the past, the absolute patronage of the State has carried significant risks for civil society. Such a system of granting licenses could result in a network of social utility organisations pressured to adapt and conform uncritically to the narrow commissions of public administrations which often lack transparency. Indeed, in such a situation, social utility becomes indistinguishable from the duties of the State. Social utility organisations almost become an extension of public administration, (sometimes known as Quangos - Quasi Autonomous Non-Governmental Organisations).

However, if properly managed, public procurement should not be disregarded, as it is a way to promote social welfare and permits non-statutory welfare organisations to play their role. What is important is to ensure that the specific nature of non-statutory welfare services (or "non-statutory services of general interest") is properly taken into account and that fair tendering procedures are used. European social NGOs frequently appeal in this regard for the inclusion of "social clauses" in public procurement contracts.

The **market model** arises in the context of a contract culture, with a procedure where the public administration assigns tasks to non-state entities on the basis of the mechanisms of free market competition. In this scenario, public administrations as well as the non-profit organisations are receptive to market influences.

In this model, the selection of organisations for the performance of public functions is ruled by the principle of the equal treatment of all organisations interested in providing social services. The goal is not so much to establish partnership relations between public administration and private organisations, but to foster free competition among service providers. Bodies in charge of public funds select service providers through public tender. Social organisations enjoy no priority or privileged status giving them greater access to public funds. All organisations willing to sell their services, including profit-oriented companies, have equal rights. Non-governmental organisations must compete on the free market for access to public funds and thus become similar to commercial businesses. They change their status from "non profit" to "not for profit". In other words, non-government organisations also try to make profits, but these profits may only be used to finance their statutory objectives. Hence, this scenario may be dubbed "commercial". However, not-for-profit organisations, unlike commercial organisations, operate under particular constraints, which forbid the organisations to benefit from their assets.

The opportunities offered by this model include greater efficiency and flexibility among non-governmental organisations and a sharper focus on innovation. The dangers of this model are related to the commercialisation of non-profit organisations. By making non-governmental organisations bid for contracts to provide social services in return for money and by diminishing the relative importance of other forms of funding for the non-profit sector (such as project-oriented subsidies or donations), the distinction between social and charitable work and business activity becomes undesirably blurred. Social organisations risk compromising their fundamental social objectives because of their efforts to compete with commercial providers. Social organisations do not need "privileged" status: they need to be properly recognised, on the basis of providing high quality standards and not solely on the grounds of financial considerations and evaluations.

The **network model** (horizontal subsidiarity) refers to the original tradition of non-profit work under which organisations concentrate on the execution of their own service missions, with the State not so much including the non-profit sector in the public system, as creating the space (rules and regulations) and the environment (financial viability) conducive to its healthy growth. The non-profit organisations pursue their relations with other organisations, with community leaders, and with local bodies so as to increase their flexibility, their access to resources, and their influence on policy. In the delivery of social services, the non-profit organisations use and promote mechanisms of self-help and of mutual help as well as volunteer work. Much emphasis is placed on utilising the resources of the local community.
The implementation of the network model is based on the premise that, in order to redress such societal ills as poverty or social marginalisation, it is necessary not so much to develop social services *per se* but to strengthen and empower local communities. This relies on creating networks of connections between people, ideas, and undertakings – an area in which non-profit organisations play a catalytic role.

The network model carries less risk for the healthy development of the non-profit sector than the hierarchical and the market models, especially where small organisations operating on a local level are concerned. Yet its construction in practice requires appropriate self-awareness on the part of non-profit organisation leaders as well as of representatives of the public administration and of the local communities. The second prerequisite is the provision of resources by the local communities – social capital as well as infrastructure. As a result, the implementation of the network model in the countries which have recently emerged from communist rule has so far proved to be a difficult and time-consuming process.

Although extensive political and administrative decentralisation was evident after 1989 in Poland, Hungary, Slovakia and the Czech Republic, economic decentralisation has met formidable obstacles. This has had a negative impact on the overall healthy development of the non-profit sector. Centralised State financing, together with limited opportunities to raise their own revenues, keeps the non-profit sector dependent on the State. Thus, most NGOs in New Member States still find themselves in the hierarchical model described above.

Substantial opposition to a shift in the role of the state administration (from directly providing services to just financing the provision of these services by other parties) is embedded in a pervasive mindset that embraces a State monopoly of social services and views the non-profit sector as merely a fringe activity – a supplement to the State provision of services. Professionalisation is thus hindered by the lack of secure financing and the concomitant concerns about job security and unclear career prospects.

On the basis of the three models described above, it is desirable that the New Member States create conditions which enable non-statutory welfare providers to operate according a model that closely resembles the above described network model. This will enhance the quality of health and social care, improve cost-effectiveness and ensure access for all citizens.
3.1. Non-Statutory Welfare from the Perspective of the EU15 Member States

3.1.1. SERVICES PROVIDED

In the EU15, there are different traditions for delivering welfare to people in need. However, in all of them there is an established openness to non-statutory welfare associations such as Caritas. In the Maastricht Treaty, which all EU Member States have adopted, the declaration on cooperation with charitable associations (n°23) states: “The Conference stresses the importance, in pursuing the objectives of article 136 of the Treaty establishing the European Community, of cooperation between the latter and charitable associations and foundations as institutions responsible for social welfare establishment and services”.

In the best case scenario, this approach exemplifies good governance by allowing for close collaboration with non-statutory welfare stakeholders. However, in some cases, competition for scarce resources between the public sector, non-statutory welfare providers and private business does not allow non-statutory welfare agencies to compete on equal terms. This occurs when competition is tilted towards a low-cost quantitative approach rather than the provision of high quality care. Balancing extensive coverage of services (the client base) with the quality of services provided is a particular challenge in Europe today.

Where non-statutory welfare agencies are encouraged to bring their unique approach to the delivery of quality care to those most in need, real opportunities for improving the delivery of social services arise. In such a favourable environment, for example, Caritas has been able to develop a wide range of activities: from charitable activities and the running of social and health care units, to lobbying for public policies and cooperation with all stakeholders in social policy formulation.

In addition to the provision of actual services, non-statutory welfare agencies are themselves significant job providers. For example, such agencies currently employ 1.2 million people in Germany. In an enlarged Europe, faced with a range of social challenges from ageing to unemployment, non-statutory welfare organizations offer very real opportunities for generating new and sustainable jobs across the continent.

Caritas Europa regards the enlargement of the European Union as an unrivalled opportunity to promote greater solidarity between the western and eastern parts of Europe and to address the needs of all people. Non-statutory welfare agencies are partners in the formulation of EU policy in these different spheres of activity to which they bring their own specific expertise.

However, as described in the two previous chapters, enlargement poses new challenges to our societies. Migration will increase, albeit moderately, necessitating additional programmes to facilitate population movements. These programmes should include addressing problems in housing, providing adequate training and counselling, and offering a range of services to facilitate the integration of the marginalised in society.

Concerns remain that enlargement could result in a brain drain from the New Member States or the Future Border Countries to the current EU15 Member States. The danger of this occurring depends to a large extent on the level of political and economic progress in the countries of origin. The brain drain from Poland was high at the beginning of the 1980s, when it lost 15% of its academics, doctors and engineers. However, since the beginning of the 1990s, with the positive political, economic and social changes, the emigration of highly skilled people has fallen dramatically.

The loss of skilled workers could also affect the non-statutory welfare sector. The enlarged EU will be confronted with the problem that, in an individualistic and simultaneously ageing society, the need for health care workers is growing. The danger exists that the wealthy countries of the European Community will solve their own problems by recruiting skilled workers away from poorer countries rather than providing adequate training and improving conditions for workers in their own countries.
In this light, the task of the EU is not only to ensure that the present EU15’s interests are promoted, but that the **common good** of all the people in the new enlarged Europe and its neighbour countries are taken into account. It is a fundamental mission for the EU to manage European integration with sensitivity to the requirements of equity and the common good. **Recruiting skilled people from countries where, at present their skills cannot be used to their full potential, (doctors, nurses, computer programmers) is neither a responsible nor a sustainable policy.** It is in fundamental contradiction to the objectives of structural aid. It is also in basic conflict with the policy of developing sustainable societies with our neighbouring countries.

With the flow of old and new migrants, there will continue to be workers in an irregular situation – for example those working in the grey sector. This could become a problem for the management of social funds. On the one hand, people working in an irregular situation will not be contributing to State social security funds, which are already diminishing because of a reduction of employed contributors in an ageing society. On the other hand, people working and living in irregular situations will not be protected in cases of illness or unemployment and risk being ensnared in the poverty trap.

### 3.1.2. CHALLENGES AND RECOMMENDATIONS

Services delivered by non-statutory welfare agencies in the EU are of considerable social importance. Historically, they benefit from a specific legal and economic status and are not subjected to profit-oriented market rules. This specificity needs to be recognised and protected in European legislation. As Caritas Europa and Eurodiaconia have already declared in their joint contribution of 7 June 2002, *"the Convention should acknowledge the role played by non-statutory welfare providers"*. This contribution also states that as a result of European enlargement, the range of activities of non-statutory welfare agencies requires the following improvements:

- In the enlargement process, the EU15 Member States should assume their proper responsibilities as far as poverty and social exclusion are concerned and not see poverty as some unfortunate side effect of the transition to a market economy;

- The protection of non-statutory welfare provision as part of European Services of General Interest should be advocated. This will allow citizens to be involved in a society based on the overarching principle of solidarity.

- Structural channels of communication should be provided for the poor. Non-statutory welfare providers could act as valuable partners in making the voices of the poor heard by decision-makers.

- Access for non-statutory welfare providers to national and European funds (Structural Funds) should be increased in order to be more effective in helping the integration process of migrants.

The EU15 Member States’ Governments and non-statutory welfare agencies need to:

- Provide adequate training and improve working conditions for health care workers in present EU Member States rather than enticing skilled labour away from the New Member States.

- Promote networks and East-West “twinning” programmes for training and job creation in New Member States and Future Border Countries in the field of non-statutory welfare.

- Develop a network of solidarity with other non-statutory welfare providers, in order to share experiences in capacity building and project management.
Caritas Germany: International Home Care Projects, New Member States, New Border Countries

Caritas Germany renders indispensable services in the field of medical home treatment, care and assistance in a large number of Central and eastern European countries. Among the patients treated are the elderly and chronically ill, as well as an increasing number of children and adults suffering from infectious diseases and cancer.

Home care will become more significant in Europe as a result of its ageing population. Central and eastern European countries will have to cope with the phenomenon of demographic change under more difficult social conditions. EU Caritas associations have responded to the increasing needs of home care services in the New Member States and the Future Border Countries by supporting local and national home care programmes.

Caritas Germany is at the centre of welfare work and functions as an umbrella association for hospitals. It also runs institutions for outpatient health care. Their main focus is assistance to elderly and disabled people. Home care has become one of Caritas Germany's priority tasks in the New Member States and the Future Border Countries. Since 1990, Caritas Germany has supported the establishment of almost 300 home care services (to be followed by many more) in eight countries:

<table>
<thead>
<tr>
<th>Country</th>
<th>Number</th>
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<tbody>
<tr>
<td>Bulgaria</td>
<td>5</td>
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<tr>
<td>Poland</td>
<td>172</td>
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<tr>
<td>Romania</td>
<td>64</td>
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<tr>
<td>Slovakia</td>
<td>3 (7 in preparation)</td>
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<tr>
<td>Bosnia-Herzegovina</td>
<td>3</td>
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<tr>
<td>Moldova</td>
<td>30</td>
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<tr>
<td>Serbia-Montenegro</td>
<td>23 (in preparation)</td>
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<tr>
<td>Ukraine</td>
<td>12</td>
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</tbody>
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A specialist concept paper on "Home Nursing in Central and Eastern Europe" has been prepared for these projects.
3.2. Non-Statutory Welfare from the Perspective of the New Member States

The picture in the New Member States is very different from the situation in the EU15, largely due to their ideological heritage. Marxist governments did not allow for "private initiative": a concept that improperly includes non-statutory welfare organisations.

At present, there is an increase in the establishment of non-statutory welfare providers in the New Member States, but their presence is still weak compared to that of the EU15. Moreover, even now, the religious motivation of organisations, such as Caritas, often forms a barrier to obtaining the legal status required by the authorities for carrying out activities in the health and social sector.

3.2.1. SOCIAL PROTECTION SYSTEMS IN THE NEW MEMBER STATES

At the beginning of the twentieth century, the majority of the New Member States established their social security system on the Bismarck model of occupationally based social insurance. Under this system, compulsory insurance payments were made by employers and employees into an insurance fund which redistributed it to workers and their families (spouse, children, etc.) Over the next four decades, the system gradually became more citizen-centred, i.e. it went beyond just covering those people in employment. At the beginning of the 1990s, the system was faced with the economic reforms required for the transition to a market economy.

The underlying principles of social protection are often the same in each of the New Member States; they are based on solidarity (Bulgaria), universality (accessibility to all), equality (no discrimination) and uniformity (Czech Republic).

Universality is at the core of the philosophy of social protection systems in the CEEC's although there are some important differences in implementation. For example, in Estonia where the principles of the free market are extensively applied, new legislation increases the financial responsibility of the individual by increasing the direct payments of patients for pharmaceutical products and specialist care. It allows increasing fees for home visits and co-payments for hospital services.

Society and State need to afford protection against the nightmare of unemployment through economic policies that ensure balanced growth and full employment or through unemployment insurance and retraining programmes.

Centesimus Annus
Pope John Paul II, 1991
Three main categories of systems exist:

- Employment-centred – the most traditional, (e.g. Bulgaria, Latvia, Slovenia)
- Resident or citizen-centred – the most generous, (e.g. Estonia, Lithuania, Poland)
- A combination of both systems – the most exhaustive (e.g. Hungary, Czech Republic, Romania, Slovakia)

Definition:

Employment centred system: the system is financed through social insurance contributions levied on earnings. It is necessary to be in employment to be entitled to claim for social insurance.

Resident or citizen-centred system: the system is financed by tax revenues. The criteria are the place where one resides or one’s nationality.

Organisation

At present, some of the New Member States’ systems remain centralised and administratively run (e.g. Estonia), whereas others (e.g. Poland) have decentralised systems. The centralised systems are often cut off from reality in the sense that they are not able to respond effectively to the needs of the population. However, this is often countered by the use of means-tested schemes.

Furthermore, in order better to adapt to the requirements of citizens, some countries include NGOs, professional bodies, and representatives of the elderly in their decision-making process, as is the case in Hungary.

In the decentralised systems, civil society organisations, though better aware of the local needs, do not always have the financial means and adapted infrastructure to cope with their new responsibilities. Furthermore, it is difficult to control their management, which often leads to an increase in the informal economy.

Poverty and Social exclusion

In some countries social legislation does not include special provisions for poor and marginalised citizens (e.g. the Czech Republic, Hungary, Bulgaria). The differences between the EU15 and the New Member States concerning poverty and social exclusion often reside in the way they fix their threshold of eligibility for social insurance and social assistance.

The threshold is sometimes generous but often directly or indirectly discriminatory. In some countries, it is discriminatory towards migrants (in nearly all the New Member States with the exception of the Czech Republic). In others, it is ill targeted (because of the inadequacy of the indicators) or lacking in a long-term vision (grounded on electoral purposes e.g. Baltic States).
Impact on social groups

Groups particularly at risk from poverty and social exclusion are the following:

- Roma and other ethnic minorities (e.g. Bulgaria, Romania, Hungary)
- Families with more than 2/4 children (e.g. Bulgaria, Poland, Romania, Latvia)
- Children (e.g. Bulgaria)
- Unemployed (e.g. Bulgaria, Slovenia, Estonia, Poland)
- Pensioners (e.g. Bulgaria, Romania, Latvia)
- Women
- The most needy (homeless, severely handicapped people) (e.g. Bulgaria, Poland, Estonia, Romania, Latvia)
- Unskilled or low skilled workers (e.g. Romania, Poland)
- Young workers (e.g. Poland)
- Informal workers (all New Member States)

In some countries there is a sharp distinction between rural and urban areas in terms of their poverty level (e.g. Bulgaria, Poland, and Romania). There is a need for targeted legislation to protect the most vulnerable groups in rural areas, children, the unemployed and low skilled workers.

Health Care Systems

Each system of health care organisation is very different in each of the New Member States. Universal coverage is the main underlying principle of these systems. Public funding is predominant. The major actors in these fields are the State, the local authorities, the professional bodies and providers such as State institutions and private hospitals. The quality of the system often depends on the ability to co-ordinate efficiently.

In the New Member States, there is a higher rate of cardio-vascular disease than in the present EU. There is also – in order of importance – a high rate of lung disease (tobacco related and tuberculosis) and communicable diseases such as HIV, which are increasing at an alarming rate (e.g. Estonia).

In comparison with the EU15, the life expectancy in the New Member States is lower by an average of seven years. In France, for example, the life expectancy at birth was 79.02 years in 1999, whereas in Bulgaria it was 71.91 years in 2001.

However, other New Member States have high levels of life expectancy, such as the Czech Republic (75.49 in 2002) and Slovenia (76.49 in 2001).

The lack of financial resources has an impact on the quality of the services provided (not enough beds, or too many people in the same room) (e.g. Poland, Czech Republic, Latvia). Moreover, financially, administrations still suffer from the communist era and are often confronted with cost containment issues. Therefore many reimbursements are delayed, or only partially paid. If nothing is done to improve the speed of reimbursement and the quality of health care, the New Member States will have to face the expensive prospect of an increase in cross-border health care demand engendered by the existing gap in quality between their health care systems and those of the EU15.

To counter this trend, New Member States are devising new policies targeted at enhancing the responsibility of the client or reallocating financial resources to outpatients rather than to institutional care. Others follow a free market approach with the aim of improving efficiency (Slovenia, Estonia). Hospitals receive incentives for cost-containment. Some governments encounter problems in applying their health care legislation and consequently will negotiate the price with each patient (e.g. Romania). All these measures run the risk of further decreasing the quality of care.
At the same time, however, there is an attempt to improve patients' rights and information through a greater transparency and improved statistical data. This facilitates the workings of the administration systems in terms of their planning and increases the chance of monitoring the effectiveness of health care systems (e.g. Estonia, Romania, and Latvia). Systems of compulsory health insurance contributions are increasingly in competition with voluntary health contribution schemes, since ultimately the former do not deliver the desired necessary health care. Voluntary contribution, which is perceived as less expensive and of better quality, is considered interesting by workers in illegal situations, a trend which encourages the informal economy (e.g. Lithuania).

It is generally agreed as significant that the European Commission and the PHARE programme have supported the transformation process, but obviously they have no mandate to dictate to any State that it has to introduce a "better" health system. This is already having an effect today in the EU with the ongoing decline in quality and also clearly applies to the New Member States. In the so-called “acquis communautaire” – that is to say, the whole of EU's legal measures - the health sector, only occupies a small space. This explains why the tax content of cigarettes is regulated in a legally binding manner, whilst the existence of an efficient health fund is only stipulated insofar as this should be “capable of being co-ordinated” on the basis of the legal decree EC 1408/71.

Health care reform is of vital importance to the macroeconomic and social progress of the New Member States. Health generates wealth. Investment in health and social capital is an essential precondition to sustainable economic growth - a healthier population makes a greater contribution to society and the economy, throughout longer and better lives. Healthcare reform is a structural reform, which needs to be addressed under revised arrangements for the structural funds in the enlarged EU.

3.2.2. THE DYNAMICS OF NON-STATUTORY WELFARE ORGANISATIONS

There are tremendous differences between the various policies followed by the New Member States as far as non-statutory welfare is concerned, but enlargement could have a positive impact in order to develop the non-statutory welfare agencies and the proper recognition of their activities.

The number of associations has mushroomed since the end of the communist era, largely because many organisations registered themselves, sometimes with the encouragement from NGOs from the EU15 or with support from EU (PHARE) funds.

However, the absence of a structural approach to the development of the NGO sector governed by a clear set of legal rules has resulted in the State's continuing residual lack of confidence in civil society organisations. This distrust continues to hamper fruitful collaboration between NGOs and the State. In the majority of the New Member States, very few NGOs have a direct membership. In reality, civil society is only just emerging and has a low activity profile in the New Member States.

In the Czech Republic, NGOs were viewed simply as organisations that take care of their own specific interest groups. Social activities are the monopoly of the State, which is responsible for the common good. However, this perception is losing ground at present in the Czech Republic.

In the Baltic countries, the State is only just beginning to accept NGOs as part of society, with a legitimate role to play and with responsibilities in the social field.

A reverse situation exists in Poland, where NGOs run social services, health care centres and educational facilities. The situation in Poland is marked by a long history of Church involvement in the charitable field and which has always had the approval of the majority of the population. To a lesser extent, this is also the case in Slovakia.
In Hungary NGOs whose work is focused on public duties can be legally registered as Public Benefit Organisations (PBOs). These PBOs take over some of the State social infrastructure, provided they meet the service quality standards set by the State. The price paid by PBOs is that they have to submit to supervision and scrutiny by the State and in fact become Quangos (Quasi Non Governmental Organisations).

In Hungary and Slovakia, citizens have the opportunity to deduct a percentage of their income tax if they make donations to PBOs. Poland plans to provide such an incentive in the near future. A new law in Slovakia makes the recognition and the functioning of Foundations easier.

Faced with the difficulties of the transition period and the high poverty rate, non-statutory welfare agencies offer a wide range of activities to combat poverty and to extend existing services. These include, inter alia, programmes for the homeless in Slovakia, for Roma education in Romania, for temporary housing in the Czech Republic, for the unemployed in the Polish countryside and so on. As stressed above, a major reform of the health sector is needed to adjust to the new economic and social realities, and non-statutory welfare organisations could be a major actor in formulating this new strategy.

In the New Member States, reforms in social protection programmes have taken place as a result of the transition towards a market economy. In many New Member States, social protection schemes have often been reorganised on a private basis. This presents added difficulties for the very poor, who are unable to pay the hefty contributions demanded. The economic crisis and privatisation measures for health care were used to justify cuts in public spending, adding even more difficulties for the poorest. With enlargement, there are fears among the population that inequalities will grow and that the poorest will suffer the most. In these difficult conditions, non-statutory welfare provider’s services are essential to provide affordable quality care for those most in need.

It should also be recalled that the provision of these services creates jobs for people. Non-statutory welfare agencies could be important job providers as well as central players in shaping an inclusive social policy.
Programmes for the Roma in Romania

The majority of Roma people in Romania live in poverty, characterised by inadequate living conditions (single room housing), a lack of infrastructure (clean water, sanitation, paved streets), unemployment and a lack of education. With the exception of some private initiatives, local governments are failing to service the basic needs of these people. Different diocesan Caritas organisations in Romania run a variety of programmes throughout the country to support Roma families and to integrate them into society. The following is an example of one such programme:

Caritas Satu Mare: Educational programs in Ardu

Caritas Satu Mare ensures primary education for Roma children with the aim of improving their quality of life as adults. Since 1992, Roma children in Ardu are able to attend kindergarten. They improve their social skills and are given a routine by their daily school attendance. They are taught to live together with other children and to be part of the local community. At the same time, they are supported in preserving their own identity, their traditions, and cultural values. They should integrate themselves into society as Roma and not by losing their identity.

At school, the Roma children receive three meals a day, which is beneficial to their health, as they are often under-nourished at home. Currently, 56 Roma children are attending the Caritas kindergarten. After three years at kindergarten, the children are transferred to an elementary school with other children from the Ardu community.

Roma children often do not have the possibility to learn and do their homework at home, due to small, overcrowded living spaces and illiterate parents. For this reason, Caritas has opened up the "semi-internat," where children are encouraged to do their homework and to prepare for the next school day with the help of tutors. The semi-internat also offers leisure programmes like dance and music, sports and group games. Currently about 120 children and young people are enrolled.

Caritas has started an additional programme called "Learning for Life," which aims to provide young Roma of 12 years and older with the tools to achieve a better quality of life. Training programmes on health, housekeeping, cooking, gardening and sewing are provided.

The Caritas programmes are implemented in close collaboration with the school authorities, who are responsible for providing education to ALL citizens, and with the local authorities, who are responsible for tackling problems in the community, including those of the Roma. The school authorities pay the staff and the local authorities provide the building where the training programmes are held.
3.2.3. CHALLENGES AND RECOMMENDATIONS

- There is a critical need for enhancing social protection systems. Economic crisis, the impact of globalization and economic restructuring, adhesion to the European Union are resulting in strains on already fragile social security systems. These difficulties are exacerbated by demographic trends - ageing societies, declining birth rates, migration - which all demand an urgent response in the form of strategic planning. The governments of New Member States should recognize NGO specific competence to provide social, health and education services and to facilitate their collaboration with the public authorities in the creation of a social strategy (network model). The development of NGOs into social welfare providers needs to be enhanced. Given that the health and social services sectors will grow in line with economic development and in line with the demographic ageing of the population, a strengthened role for non-statutory welfare providers will create jobs.

- The value and importance of volunteer work among citizens in response to social concerns should be promoted and encouragement should be given to initiatives for collective self-help for daily survival and dignity.

- There is a need for a reform of social protection legislation and which prioritises the poorest and most marginalised in society.

- Increased quality health care providing affordable services is a priority, especially for the poorest and most marginalised in society - the unemployed, migrants, the weak and elderly, women and youth, and those with disabilities. Assessment criteria for health care provision should not simply be quantitative but should look at the quality of services provided. The balance between financial sustainability and universal coverage needs to be improved. In this light also, adequate training to increase motivation, efficiency and professional skills should be provided, on the technical side but also on psychological and spiritual levels. This is vital to stem the outflow of skilled professionals.

- Joint representations of the NGO sector should be encouraged and pursued in the New Member States in order to increase the voice of the disadvantaged in negotiations with public administrations. Given the fact that there is an ongoing decline in the quality of healthcare in the New Member States, the EU Structural Funds need to tackle the reform of health care systems as a key investment in social capital.

- NGOs need to be provided with the necessary funds and an environment conducive to the healthy development of civil society. EU Structural funds could be made available for this purpose. A decentralized system should be used for the repartition of EU structural funds to enhance the principle of subsidiarity; it will encourage local authorities to collaborate with the non-profit sector in meeting the specific needs of the regional communities.

- Country surveys of social exclusion for the EU 15 and the New Member States need to be undertaken. Common indicators need to be determined to compare the effectiveness of different social policies and with a view to identifying best practices.

- The systematic use of the Open Method of Co-ordination, linking policy making for non-statutory welfare, social exclusion, employment and social protection would increase the effectiveness of programmes aimed at poverty eradication.
3.3. Non-Statutory Welfare from the Perspective of the Future Border Countries

3.3.1. NON-STATUTORY WELFARE SITUATION AND ACTIVITIES

In the Future Border Countries the economic crisis is deep and has affected major sectors of industry and agriculture. The result is a significant increase in poverty because people are unemployed, have been made redundant or have not been paid their wages by companies fighting for survival or closing down.

Civil society is a new concept in the Future Border Countries and non-statutory welfare agencies still face many obstacles to State recognition for their activities as stakeholders in the improvement of the well-being of society. The States, as in the past, retain the monopoly of social services. This sector is providing many unsustainable and inefficient jobs. Workers in these institutions are often reluctant to change and want to keep their own privileges.

Volunteer work is often not recognised and not sufficiently valued by people. There is a lack of confidence in social initiatives and distrust in the State's systems.

Caritas Bosnia-Herzegovina: Two Non-Statutory Welfare Projects

**Preventative care for Blind and Poor Sighted People**

There is an increasing number of blind and partially sighted people in Bosnia – Herzegovina. At present 5,500 people are suffering from some form of blindness and can be counted among the most vulnerable categories in the society. In this Preventative Care Project, Caritas Bosnia-Herzegovina has begun tackling the problems that face them in their every day routine. Campaigns to educate the public that blindness is a serious handicap will hopefully ease the position of the blind and partially sighted in society. This project is expected to make people more sensitive towards full and partially blind people. Using mass media and promotional printed material, Caritas Bosnia-Herzegovina encourages responsible ministries to speed up the process of social and health reformation and in that way improve the quality of care for the blind and protect their rights.

Priorities of this project are promoting eye, health and preventative treatment, organising further care and treatment in institutions who deal with this problem, educating partially sighted individuals, so that they can keep their eye-sight as long as possible, and celebrating the White Stick Day and the Handicapped Day.

**Caritas Shelter for Women and Children in Need**

Caritas Bosnia-Herzegovina offers temporary accommodation to women with children who find their lives threatened or endangered through violence within their own family. Supervision and protection is provided in the shelter, as well as counselling and spiritual assistance. Caritas Bosnia-Herzegovina acts as a mediator between the women affected and their families. In compliance with models of similar shelters elsewhere in the world, safety and confidentiality is assured.
As the rate of poverty is high, social protection systems have to support a large number of families. The economic crisis is deep and has affected major sectors of industry, increasing the poverty rate even more. In addition, there is a tendency, in recent years, to implement cuts in government spending on social security programmes and impose further restrictions on government benefits to socially vulnerable categories of the population. Sometimes there is a perceptible reluctance to admit social problems and the existence of exclusion processes. Health protection for the most vulnerable is rapidly disappearing as the systems are shifting towards paid medical services. At the same time the cost of pharmaceuticals and health services are increasing and are thus out of reach for a large part of the population.

However, the non-statutory welfare sector is acquiring more recognition as the economic crisis deepens and State resources fail to meet the demands for the provision of health and social care. Thus, the demand for social services is growing, especially for the services of those NGOs that have a proven track record. There is an urgent need to continue developing programmes to assist socially unprotected people.

Certain kinds of demands often call for a response which is not simply material but which is capable of perceiving the deeper human need. One thinks of the condition of refugees, immigrants, the elderly, the sick and all those in circumstances which call for assistance, such as drug abusers: all these people can be helped effectively only by those who offer them genuine fraternal support, in addition to the necessary care.

Centesimus Annus
Pope John Paul II, 1991
Caring for people and healing are amongst the most comforting and reassuring activities missionaries perform towards people in need. In Albania, many congregations of women religious dedicated a large part of their time to health care. The quality of health care from government health services is sometimes dismally low, or showed an unfair balance towards the affluent in society to the detriment of the needy.

During the period of the war in Kosovo, health centres of all kinds and dimensions proliferated in Albania. At the end of the emergency, all organisations providing health care were faced with new rules introduced by the Government. They had to control and politically manage the institutions and protocols according the directives of the World Health Organisation.

Caritas Albania, with the support of Caritas Italiana carried out a professional investigation on all Catholic run health stations and centres. The data collected demonstrated the need for and the real potential of a nationally co-ordinated plan aimed at offering standardised, good quality and improved health services in the framework of a private national health system.

Caritas adopted the new rules issues by the Ministry of Health and proposed a project that standardised a three-tier health service consisting of:

- 19 Health Centres
- 16 Infirmaries
- 10 Counselling Centres for health education and prevention.

The Albanian Bishop’s Conference approved the methodology and the long-term strategy and the official decree was obtained from the Ministry of Health in 2001. It mentioned the Caritas led National Health Centres Network as a “parallel private Primary Health Care system”.

Caritas Albania accepted the conditions of the Ministry of Health:

- to be the reference for all the Centres in organising their regular reports
- to engage in the early warning system for epidemics
- to follow the professional and administrative directives of the Ministry
- to impose ethical rules about medication and medical examinations, to be applied in all Centres.

In addition, they engaged in providing professional training for medical and paramedical personnel. They also produce prevention initiatives for health care in cooperation with the local communities.

The decree mutually agreed by the Albanian Ministry of Health and Caritas Albania is the first cooperation of its kind between the Catholic Church of Albania and the Albanian Government.
3.3.2. CHALLENGES AND RECOMMENDATIONS

In order to build a Europe that is fair and free for all its citizens, significant attention needs to be paid to the state of social protection instruments and policy in many of the new Member States. In particular,

- There needs to be better planning of the required facilities in the social field in order to maximise efficiency with scarce resources;
- Insurance systems need to be reformed into socially inclusive systems;
- Programmes should be put in place for upgrading the skills of socially unprotected people (higher qualifications, professional development, encouraging small business);
- The quality of services provided has to be increased, especially at the grass roots and community levels.
- There needs to be proper information dissemination to the users of both governmental and non governmental health and social care programmes.
- Advocacy for the freedom of NGOs to engage in social initiatives should be assured. The State needs to create the conditions for the provision of quality services and provide financial means when it out-sources health and social care.
3.4. TOWARDS A COMPREHENSIVE NON-STATUTORY WELFARE STRATEGY

Non-statutory welfare agencies are increasingly recognised as essential, not only to provide services to the needy but to strengthen the social links between people. Such organisations offer quality care to the most needy in society and, as the example of Germany illustrates, can be significant employers providing jobs and skills needed in today's market. In the context of Enlargement, non-statutory welfare has to be emphasised as its importance grows in to the face of other effective social activities and policies dedicated to the fight against poverty and social exclusion.

Organisations, such as Caritas, play an important role in sustaining a multitude of charitable services and in advocating social changes. These organisations are guided by their ethical, religious and social convictions, and their views are shaped by experience in the field. It is essential that such organisations are included in the process of social protection reform.

The major priorities to tackle these issues include:

- Facilitating the emergence of civil society and its involvement in the social field. This could be done through financial and human resources provided by the State and the EU and by offers to participate in national social policies.

- Monitoring poverty and social exclusion and social spending of the State in order to identify the major causes of poverty and the most effective actions. Such monitoring should involve all the stakeholders in the social field and should identify best practices that can be useful for the different European countries.

- Helping non-statutory welfare agencies to deliver social, health and education services to the poorest groups in society with resources whilst recognising that quality is important as financial efficiency.

- Provide opportunities for co-ordination among non-statutory welfare agencies and develop concertation at the European level in order to exchange information on good practices and on the new issues of poverty and social services emerging from the enlarged EU.

- Recognising non-statutory welfare organisations as valuable partners not only in the provision of essential services but as valuable partners in formulating policy strategies, particularly through bringing to policy discussions their experience with the poorest and most marginalised in society.
CONCLUSIONS

The enlargement of the European Union represents the greatest single challenge to the European social model since its foundation. It is critical that the fundamental freedoms underpinning the construction of Europe – the free movement of goods, services, capital and people – are respected in a structured manner which ensures an equitable Europe for all its citizens. A Europe which eschews divisions – within countries, between countries and with its neighbours. A Europe which is equitable, inclusive and based on the principles of justice and solidarity.

The challenges facing an enlarged Europe – and one which seeks to live in harmony with its neighbours - are formidable. European societies face rising unemployment and job insecurity, a decline in population rates, an increasingly ageing citizenry and concomitant fragile social protection systems. Hard-won social security benefits are being seriously eroded as the economic base for such systems is shrinking. Pensions are dwindling, health care systems are under increasing strain and full employment seems a fast fading dream. At the same time, the prospect of increasing migration is frequently seen as a threat, particularly in the richer countries of the European Union. This perception, fanned by an uninformed media, is exploited by unscrupulous politicians who - in time-honoured fashion - use the presence and prospect of migrants as a scapegoat for all of Europe's social ills.

Yet, this study on the interwoven issues of migration, unemployment and non-statutory welfare clearly leads to the conclusion that an enlarged Europe also represents an unprecedented opportunity which, if properly managed, can lead to greater economic, political and social benefits for Europe as a whole.

The chapter on migration provides sound statistical data on migration trends. Whilst migration is likely to increase with enlargement, all the indications are that this increase will be a modest one and will be short term, falling in direct correlation to the increasing economic benefits which enlargement will bring. Far from posing a threat, migration into the European Union of the current 15 will need migrants from New Member States and Future Border Countries to meet their own labour and skills shortages. The most critical element to beneficial migration is to put in place migration policies that maximise the benefits and minimise any potential disruption – either in the host countries or in the countries of origin. Sound policies, backed up by appropriate legislation, will avert both a large flow of unskilled workers in irregular situations into the European Union (both of the 15 and of the enlarged Union) at one end of the spectrum and a disastrous brain drain of highly qualified workers away from the poorer countries of Europe at the other end of the spectrum.

Key to a successful migration strategy is to ensure a welcoming environment to facilitate the integration of migrants into the host society; respect for social, cultural, political and religious differences; and, above all, formulating humane policies which respect the dignity of each and every individual. Such policies are necessary to avoid tensions and xenophobia. Particularly important is to avoid the danger of an increase in the illegal trafficking of people. Penalties need to be imposed on those profiteering from this modern slave trade and who capitalise on human misery and despair. However, in order to deal with the root of the problem, positive measures – such as creating legal paths to employment, helping those who find themselves in an irregular situation, issuing long term visas to facilitate existing cross-border trade - are the priority.

Caritas Europa supports most of the measures proposed to reach the ultimate goal of full employment and, in particular, the Lisbon Summit target of 70% employment by 2010. Again, if this is to be achieved, a pro-active approach is far preferable to a punitive approach. Rather than forcing people to accept jobs below their skills/qualifications level or limiting unemployment benefits to specific time periods, training, re-training and life-long learning as well as allowing for flexible working hours, offer a better chance of dealing with this seemingly intractable problem. People are a country's greatest natural resource and investment in human capital should be the guiding principle of National Action Plans for Employment.
As with migration, civil society organisations have an important role to play in dealing with unemployment. Organisations such as Caritas agencies are well placed to offer the kind of training, counselling, advice and practical assistance that migrants and job-seekers need. As organisations working with the poorest and most marginalised in society, they are also uniquely placed to be the interface between these often socially excluded people and government/local authorities. It is in this capacity that they should be actively involved in policy formulation as well as its implementation, monitoring and evaluation.

Nowhere is this more evident than in the non-statutory welfare sector where such organisations are valued and their experience and expertise recognised. Non-statutory welfare providers offer low cost quality services to those who need them most. At the same time, they are significant employers of people and are involved in skills training, particularly in the health sector. On the basis of this experience, they are ideal partners in the EU’s Services of General Interest and again should be involved in policy formulation as well as its implementation. Specific recognition needs to be given to these non profit organisations and tendering procedures should take into account the quality of care provided and not merely quantitative or financial indicators. This is particularly true in the health care sector where non-statutory service providers are bearing the brunt of declining services as a result of government cuts and where privatisation is seen as the panacea for inefficiency. It must be ensured, in the enlarged European Union - and indeed everywhere else in the world - that health and social systems are not to the detriment of those who need them most - the poorest, most vulnerable and most marginalised in society.

The EU, in collaboration with the governments of European countries, needs to provide real impetus to the construction of a Europe of freedom, security and justice. The enlarged EU must avoid creating new divisions in Europe and enhance good neighbourhood relations with its future border countries. Having achieved so much since the fall of the Berlin wall to reunify and renew the continent, the EU must ensure that it does not, by default, erect a new Iron Curtain.

An equitable Europe is a Europe that hears the voices of all its citizens, a Europe that is as determined to fight poverty, as it is to generate prosperity. An equitable Europe is a just and peaceful place that belongs to all its citizens, and where all its residents belong.
EU Enlargement: Towards an Equitable Europe is very much a collaborative effort. Particular thanks must go to the Caritas Europa Executive Board which commissioned this position paper - and, in particular, to Denis Viénot, President of Caritas Europa, and Marius Wanders, its Secretary General. Much gratitude is owed to Rev. Jean-Claude Lavigne o.p., who drafted this position paper. Thanks are due also to the staff and stagiaires of the Caritas Europa Secretariat for their help and encouragement throughout the project, in particular to Bruno Kapfer and Hubert Cornudet. For the communication and P.R. aspects, special gratitude is owed to Annalisa Mazzella (Communication Officer) and Eileen Sudworth (Consulting Editor). Acknowledgement must also be made to the friends and collaborators of Caritas Europa for their help in realising this document. In this regard, particular mention should be made of the contribution of Albert Brandstaetter, Secretary General of Eurodiakonia.

Thanks are due also to Caritas Europa’s Member Organisations, whose active participation was an essential element of this initiative. This position paper would not have been possible without their invaluable contributions and those of the Caritas Europa ad hoc group on enlargement, under the able Presidency of Alojzij Stefan, of Caritas Slovenia. Particular thanks are due to Rev. Wojciech Lazewski, of Caritas Poland, Andrij Waskowycz, of Caritas Ukraine (G.C.), and Oliver Müller and Martina Liebsch of Caritas Germany, for their untiring efforts as coordinators of this ad hoc enlargement group. For the sharing of their expertise on non-statutory welfare, many thanks to Dominic Verhoeven, of Caritas Catholica Belgica, Patrick De Bucquois, of Caritas en Communauté Française et Germanophone and Roberto Rambaldi, of Caritas Italiana.

Gratitude is owed to the European Commission for its financial and political support of the project - in particular to Günther Verheugen, Member of the European Commission responsible for Enlargement who, when presented on 20 May 2003 with the Executive Summary of this report, stated that, "It is important that organisations such as Caritas Europa participate fully in the enlargement process”.

Finally, a special tribute is owed to our late Secretary General, Hermann Icking, who invested a lot of his time and energy in capacitating Central and Eastern European Caritases, initiated discussion and strongly advocated Caritas Europa’s involvement in the enlargement debate.

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