

## Editorial

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This issue of the journal considers the various aspects of migration from different views and disciplines. Labor mobility is probably one of the most challenging topics: many push and pull factors influence people's incentives to migrate. Additionally, the decision making process is explained by highly endogenous variables. Very roughly and generally considered from a neoclassical economic point of view, migrants should be better off after their movement, otherwise they would not decide to migrate. But what happens with the others that do not migrate? What is the impact of migration on the countries of origin and destination?

The European Union has faced a strong change in economic and political integration over the last 20 years. Especially due to the free labor mobility, every European citizen can choose the place of work in any European region. Despite language barriers, one may expect increasing migration flows within the EU for several reasons: first, there is a high level of (youth) unemployment and uncertainty in Southern European countries. Second, Northern European countries face demographic change with an aging and shrinking society. There is the fear of labor shortages during the transition period. Then, relocation of labor is expected to equalize labor supply and demand and thus, migration flows within the EU are expected to increase. From a policy point of view, practitioners from destination countries would like to know the countries as well as the educational level migrants come with. Therefore, forecasting models are used to evaluate the effects of in-migration on the host countries' labor market and economy. The first article by D. Massey aims to identify the weakness of existing forecasting approaches. He especially points out that the incentives to migrate change over time and migration flow forecasting models then fail to predict valid outcomes when holding migrant characteristics constant.

Once migrants have left a country, there are issues for policy makers in the sending countries as well: will they not just shrink in population but also in economic terms? will migrants remit money to their home countries? If so, which policy strategy might be chosen by the government in order to foster economic development?

The article by T. Ziesemer addresses the question and focuses on the macroeconomic effect of remittances on taxes and provision of education. Using world-wide data, he controls for parameter heterogeneity among the groups of

‘poorer’ and ‘richer’ countries and employs System GMM techniques to seriously account for endogeneity issues. For both groups he identifies significant changes in taxes and educational spending due to remittances.

The paper by C. Incaltarau and L.-G. Maha also considers the macro-economic effects of remittances and provide evidence for Romania. They argue that the main motive for Romanians’ migration decision is to remit money to their families. Insofar one may wonder whether there would be an effect on consumption in Romania. Indeed, their empirical results suggest that remittances have a positive effect on consumption as well as on investment, the impact being stronger on the latter. Thus, there are positive effects on the economic wellbeing in the sending countries.

Turning to the micro-level, Z. Goschin and M. Roman focus on the amount of money sent home to Romania. They consider emigrant characteristics that may explain differences in remittances and show evidence that emigrants’ income, their incentive to return-migrate and the presence of the spouse in the host country influence the amount of remitted money.

Even if remittances may improve wellbeing and income in receiving countries, the outflow of people weakens communities. Therefore, M. Siegel and J. Waidler focus on the impact of out-migration and remittances, on economic factors and wellbeing in Moldovan communities simultaneously. Not surprisingly, they provide evidence that higher outmigration weakens communities. Additionally, there is no significant effect of remittances. However, considering the variation between communities, they show that those communities are typically better off when larger in size, with higher income levels and closer to the capital.

Whereas previous articles dealt with the impact of remittances on economic characteristics, the article by M. Alexandru sheds new light on regional development due to return migration. She considers shifts in tradition, living conditions and habits in rural Romanian communities and some kind of ‘redeveloping’ on the basis of qualitative interviews.

There are two more articles that consider social segregation and attitudes towards immigrants from a host country perspective. The one by A. Hodosi focuses on the socio-economic landscape of the UK. She analyses the fragmentation among ethnic groups within the UK and shows that there is a strong intra-community tie but a very weak one between communities. There is fragmentation and segregation between ethnic groups. Also, minorities are more frequently affected by disadvantageous socio-economic factors and are disposed to income inequalities.

The article of T. Paas and V. Halapuu analyze the attitudes towards immigrants and integration of ethnically diverse societies employing micro data for European countries. They provide evidence that attitudes towards immigrants depend on the socio-economic characteristics of the respondents. Most

importantly, taking other relevant factors into account they find no connection between the labor-market status and the attitudes towards immigrants.

The articles presented in this issue add to aspects discussed in existing literature. They clearly show that migration does not just affect the people that move. Migration flows affect economic and social conditions in the regions of origin and destination in any direction. The evidence on remittances provided by the articles in this issue show no direct negative impact on macroeconomic outcomes in the receiving countries. Return-migration could be seen as a factor that possibly yields gains for regional development. There are important challenges for the destination countries: they should provide an environment that welcomes migrants, that favors their integration and that avoids ethnic segregation.

