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Yugoslavia as a country of emigration (*)

(*) Communication présentée au cours du Séminaire du CICRED sur la Recherche démographique, en liaison avec les migrations internationales (Buenos-Aires, 5-11 mars 1974).

(1) Enciklopedija Jugoslavije (*Yugoslav Encyclopaedia*), Vol. 4, Zagreb 1960, p. 602; Enciklopedija Leksikografskog zavoda Jugoslavije (*Encyclopaedia of the Yugoslav Lexicographic Institute*), Vol. 3, Zagreb, 1958, p. 576.

(2) Data and estimates by the Centre for Migration Studies of the Institute of Geography of Zagreb University. See: I. BAUČIĆ, *The Effect of Emigration from Yugoslavia and the Problem of Returning Emigrant Workers*, European Demographic Monographs II, The Hague, 1972.

(3) Source: Statistički godisnjak Jugoslavije (*Yugoslav Statistical Yearbook*), 1972.

DEVELOPMENT OF YUGOSLAV EXTERNAL MIGRATIONS

Yugoslavia is by tradition a country of emigration. Emigration from the areas which were united after the First World War to form the Yugoslav community of peoples to countries overseas proceeded continually from the mid-19th century till the Second World War. It is estimated that on the eve of the Second World War about 1.5 million emigrants, who were either born in various parts of Yugoslavia or were descendants of Yugoslav emigrants, were living abroad (1). By origin, most of the pre-war emigrants were from the western parts of Yugoslavia, i.e. Croatia and Slovenia, and the main country of immigration was the United States.

Economic emigrations from Yugoslavia were resumed following the Second World War (about 1954). Spontaneous, and initially also unauthorized, emigration in the search for employment and higher earnings increased especially in 1962. By that time, the Yugoslav political and state leadership had accepted employment abroad as a necessity in the existing socio-economic conditions, and since 1964 the Yugoslav employment service has co-operated increasingly with foreign employers and foreign employment services on the organized employment of Yugoslav workers abroad.

In contrast to the pre-war emigrations to overseas countries, post-war migrations have chiefly been directed towards European countries — West Germany, Austria, France, Switzerland and Sweden — though emigration was also resumed to overseas countries, especially Australia and North America.

The number of migrants increased especially after 1965. On the basis of statistical data collected in the countries of immigration it is estimated that there were 140 000 Yugoslav workers in European countries in 1965, and in the following year their number increased to 210 000 (1969 = 420 000; 1971 = 660 000) (2). In 1973 there were about 830 000 Yugoslav workers in European countries and about 160 000 new active Yugoslav emigrants in overseas countries who had left Yugoslavia after the war. When we compare the total number of 990 000 persons who were employed in European countries as of the summer of 1973, plus the

post-war Yugoslav emigrants in overseas countries, with the total number of Yugoslavia's population (in mid-1973, the estimated total was: 20 994 000 (3) in the *Yugoslav Statistical Yearbook 1972*), we obtain a foreign migration rate of 4.7. If we add the number of Yugoslav workers employed abroad in 1972 (990 000) to the total number of persons employed in Yugoslavia (4 210 000), we can see that Yugoslav workers employed abroad account for 19.0 % of the total number of employed Yugoslavs (5 200 000). For every 100 workers employed in the country, an average of 23.5 are employed abroad. These most basic numerical indicators themselves show that foreign migrations are an important factor in Yugoslavia's economic and social life.

BASIC CAUSES OF THE POST-WAR EXTERNAL MIGRATIONS

In order to determine the highly complex causes of the external migrations of Yugoslav workers since the war, one should first recall that at the end of the Second World War, Yugoslavia was one of the most undeveloped countries of Europe. While Yugoslavia, with its special geo-political position between the interests and pressures of two military and political blocs and with its own course of social and economic development, has not always found the optimum policies for rapid economic growth, it is undeniable that great progress has been achieved since the Second World War in setting the once backward agrarian country on to the path of industrial development. Shortly before the Second World War, less than 6 % of Yugoslavia's total population was employed (Table I). In the last year of the war employment decreased by one half. The country's rapid economic development since the war has manifested itself in an almost continual increase in the number and rate of employment.

The process of post-war Yugoslavia's dynamic social and economic development is clearly observable in the gradual decrease in the ratio of the country's agricultural to total population (Table II). From 1948 to 1971, this ratio decreased from 67.2 % to 36.4 %. During the same period the proportion of active farmers in the country's total working population

TABLE I

Trends in the total Yugoslav population and in the number and rate of employees in 1939, 1948, 1953 and 1961-1972 (*)

Year	Population in 1 000	Employed (**)		Rate (***)
		Number in 1 000	Chain index	
1	2	3	4	5
1939.	15 996	920		5.9
1945.	15 216	461		3.0
1948.	15 772	1 517		9.5
1953.	16 937	1 836		10.8
1961.	18 549	3 242	109.1	17.4
1962.	18 819	3 318	102.3	17.6
1963.	19 029	3 390	102.2	17.8
1964.	19 222	3 608	106.4	18.7
1965.	19 434	3 662	101.5	18.8
1966.	19 844	3 582	97.8	18.2
1967.	19 840	3 561	99.4	17.9
1968.	20 209	3 587	100.7	17.9
1969.	20 209	3 706	103.3	18.3
1970.	20 371	3 850	103.9	18.9
1971.	20 505	4 034	104.8	19.7
1972.	20 772	4 210	104.4	20.7

(*) Source : Yugoslav Statistical Yearbooks and the publication *Yugoslavia 1945-1964 — A Statistical Survey*. Federal Institute for Statistics, Belgrade, 1965.

(**) In Yugoslavia the concept "employed" applies to persons employed either in the social sector of the economy or with private employers.

(***) Proportion (%) of the total population.

decreased from 74.2 % to 38.5 %. In the interpretation of these figures one should keep in mind that the diminishment of the agricultural population over the past ten years has to a large extent been also due to employment abroad.

However, despite the great decrease in the ratio of agricultural to total population, a very large proportion of Yugoslavia's population still derives its livelihood from farming and is one of the largest in Europe. This becomes particularly evident when we consider that only 39.6 % of the country's total area is arable land (of Yugoslavia's total area of 255 804 km² only 101 250 km² is arable land). Thus there are 73.1 agricultural inhabitants per square kilometre of arable land, and only 2.6 hectares of arable land per active farmer. In 1961, i.e. before the number of Yugoslav workers going into employment abroad began to increase rapidly, there were as many as 90 inhabitants per square kilometre of arable land, with each active farmer cultivating an average of 2.2 hectares of land. One

TABLE II

Proportion of the agricultural population in the total population and of active farmers in the working population of Yugoslavia — according to post-war censuses

Year	Agricultural population in % of the total population	Active farmers in % of the total population
1	2	3
1948. .	67.2	74.2
1953. .	64.3	68.3
1961. .	52.9	56.3
1971. .	36.4	38.5

(4) Source: Idem, 1969, p. 107.

(5) In 1972 an average of only 20.7 % of Yugoslavia's population were employed.

(6) A. WERTHEIMER-BALETIC, *Some Recent Tendencies in the Trends in the Economic Structure of the Population*, Ekonomski pregled 1-2, Zagreb 1969, p. 55.

(7) Source: for earnings in Yugoslavia—*Yugoslav Statistical Yearbook 1970*, p. 264; for earnings in Germany—*Handbook of Statistics for the Federal Republic of Germany 1970*, p. 164. The relation of the US dollar and the West German mark to the dinar—according to the official rates of exchange of the National Bank of Yugoslavia in spring 1973 (1 US dollar = 16,75 dinars, 1 DM = 5, 69 dinars).

(8) At the end of 1970 the purchasing power of the German mark was 31.5 % higher in Yugoslavia than it was in Germany. After the 20 % devaluation of the dinar in January 1971 the purchasing power of the mark in Yugoslavia exceeded that in the Federal Republic by 57.7 %. Source: *Ekonomika politika* No. 984, Belgrade, 8, February, 1971.

(9) Before 1973 the reduction on the price of goods purchased with foreign currencies was 10 %; since then, different reduction rates have been applied to different goods (generally less than 10 %).

should also recall the generally low rate of return on labour in agriculture. In 1961, active farmers accounted for 56.3 % of Yugoslavia's total population but realized only 23.2 % of the country's total national income (4).

In trying to explain the causes of the external migrations from Yugoslavia, one should keep in mind that despite the fact that the rate of employment of the population increased almost three times between 1948 and 1972 (see Table I, column 5), it is still comparatively low (5). Another important fact is that over the last ten years, i.e. from 1963 to 1972, there has been a comparatively small increase in the rate of employment 2.9 in all, i.e. from 17.8 to 20.7. The desire among Yugoslavia's agricultural to give up exacting and decreasingly profitable agricultural activity is developing much faster than jobs are created in non-agricultural activities.

Another characteristic of the employment of Yugoslavia's population since the war has been the great oscillations in the rate of increase employment. Each period during which efforts were made to reform the country's economy was marked by a stagnation in the employment of new workers. Especially important for the contemporary external migrations was the economic and social reform of 1965, which actually led to a decrease in the total number of employees in 1966 and 1967 (see Table I, column 3). At the same time there was a great increase in the number of persons seeking employment while the availability of jobs decreased (fig. 1).

The rate of increase in employment after 1965 did not provide employment for even that part of the population which was reaching active age, despite the comparatively low current average employment rate (1965 — 18.8). One should also consider the unemployed population which had reached active age earlier but could not find employment, and the growing need to provide jobs for inadequately employed persons in agriculture.

In view of these conditions in Yugoslavia over the past ten years, and especially following the economic reform of 1965, one can easily understand the readiness of many of those who could not find jobs in Yugoslavia to seek them by taking employment in foreign countries. The external migrations of labour from Yugoslavia are mainly a form of the transition of inadequately employed agricultural population into other sectors of the economy.

Additionally, people born during the period of greatest natural increase during the early post-war years reached active age or completed their schooling (6).

Another cause of great importance of Yugoslav external migrations derives from

the difference between the levels of income in Yugoslavia and the more economically developed countries of western and central Europe. Almost one half of the Yugoslav external migrants have been attracted to work abroad by the prospect of obtaining higher pay for their work. While the average monthly earnings of employees in Yugoslavia amounted to about 80 U.S. dollars in 1969, the average monthly income of persons employed in West German industry was about 255 U.S. dollars, i.e. 318 % more than in Yugoslavia (7).

The attraction of employment abroad is not diminished by the fact that, due to the higher cost of living, the purchasing power of the currencies of the immigration countries is considerably below the official exchange rate of the dinar. This is because the migrant, during his employment abroad, tries to restrict his living expenses to a minimum and, on his return to Yugoslavia, benefits from the higher value of the savings he brings home with him. Thus he is directly stimulated to go into employment abroad (8). Moreover, when buying industrial goods in Yugoslavia with foreign currencies, the migrant is entitled to a price reduction, and this is an additional way in which he can increase the value of his savings from work abroad (9).

When considering the causes of the departure of workers who were employed or could find employment in Yugoslavia, one must not overlook the fact that many of them had no real prospects for obtaining satisfactory housing working in Yugoslavia, in the foreseeable future. For a certain number of migrants the motive for taking employment abroad has also been unfavourable prospects for advancement in their particular jobs or for a full application of their creative abilities, etc. These motives for taking employment abroad can be observed especially among persons with higher technical qualifications.

STRUCTURE OF MIGRANTS

The census taken in Yugoslavia on 31 March, 1971 recorded for the first time « persons in temporary employment abroad ». Although the census did not cover all Yugoslavs who live abroad because of employment but only those « in temporary employment abroad » — leaving the assessment of temporariness to the suppliers of the data (the family or neighbours) — the census supplied the best and most reliable information to date on the structural characteristics of Yugoslav migrants.

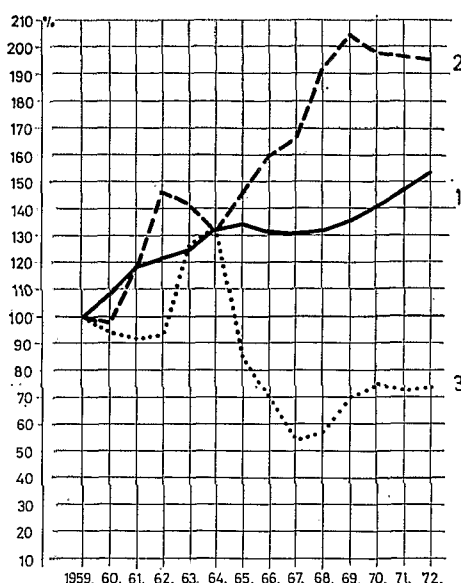


Fig. 1 — Trends in the total number of employed (1), the number of persons seeking employment (2), and the number of vacant jobs registered (3) in 1960-1972 (1959 = 100).

The 1971 Yugoslav census enumerated a total of 671 908 persons « in temporary employment abroad ». Comparing this figure with the statistical data about Yugoslav workers collected in the individual countries of immigration (which gave a total figure of 780 500), one will see that the Yugoslav census did not cover 15 % of the workers who in the immigration countries are covered by the concept « foreign workers from Yugoslavia » (10). The difference in coverage was smaller in respect to European countries (7.7 %) than in respect to overseas countries (47.7 %) where it may be assumed with more justification that the stay of European workers is not of a temporary nature.

According to the results of the 1971 census, women account for 31.4 % of the total number of Yugoslav migrants. This proportion is equal to the proportion of women in the total employment in Yugoslavia (31.8 %). Numerically the largest age group among migrants from Yugoslavia is the age group of 20-24 which accounts for one quarter of all migrants. As much as 83.3 % of the migrants are below 40 years of age. On the average, women are much younger than men. 48.0 % of the men and as many as 62.3 % of the women migrants are below the age of 30. Comparison of the proportions of migrants from individual age groups with the proportions of the population of the corresponding age groups in Yugoslavia's total population shows that 11.1 % of Yugoslavia's population in the age group 20-24, and 10.5 % in the age group of 25-29, are employed abroad.

Educational attainments of Yugoslav workers who take employment in foreign countries is better than is that of Yugoslavia's population as a whole. While the migrants contain a smaller proportion of persons who have completed university studies or a secondary school (5.7 %) than is the proportion of these categories in the country's total population (8.1 %), as much as 16.6 % of them have completed a school for skilled or highly-skilled workers, whereas in Yugoslavia's total population such workers account for only 9.0 %. Persons who have completed 8-year elementary school also have a larger share among the external migrants (19.8 %) than among the country's total population (14.6 %). Fully 42.1 % of all migrants have completed an eight-year elementary school, vocational school, a grammar school or faculty, while in Yugoslavia's total population, such persons account for only 32.8 %. As regards school education, it appears that Yugoslav migrants have the best structure of all the migrants from European emigration countries.

Only some 10 % of Yugoslav external migrants have changed their status of activity by taking employment abroad, i.e. have moved from the status of supported persons into the status of active persons, and about 40 % of all Yugoslav migrants had jobs in Yugoslavia before taking employment abroad. We should also add those migrants who after completing schooling or on reaching active age did not even try to find employment in Yugoslavia but took their first employment abroad to those who were employed in Yugoslavia. Although the migrants who went abroad mainly from private smallholdings may be regarded as having been inadequately engaged, they still include many persons who, in view of the size of their small-holdings, could have earned a fairly good living in the existing agro-technical and market conditions in their own country.

REGIONAL DIFFERENCES IN THE ORIGIN OF MIGRANTS

There are very great and unexpected differences in regards to the proportion of external migrants from Yugoslavia's individual regions. The differences are unexpected because in Yugoslavia — in contrast to the situation prevailing in other countries of emigration — the rate of external migration is generally higher in the more highly developed (western) parts of the country.

The differences in the intensity of external migrations become especially evident when we compare the shares of the individual Yugoslav republics and autonomous provinces in the country's total population and among Yugoslav migrants employed in foreign countries (Table III). Bosnia/Herzegovina, Croatia and Macedonia have larger proportions of Yugoslav workers in employment abroad than are their respective proportions in the country's total population, while Montenegro, Slovenia and Serbia have smaller shares in the total number of Yugoslav workers abroad than are their respective shares in the country's total population. Even within the individual republics there are differences in the individual regions' proportion of external migrants to their own total population (fig. 2).

The data on the share of the individual republics and autonomous provinces of Yugoslavia in the total number of Yugoslav migrants who have taken employment abroad in individual years show that the proportion of migrants from Croatia is diminishing while that of migrants from

(10) For a more detailed interpretation of the results of the 1971 census see I. BAUCIĆ, *Yugoslav Workers Abroad According to the 1971 Yugoslav Census* (Summary in English, French and German), in *Radovi Instituta za geografiju Sveučilišta u Zagrebu*, Vol. 12, Migration of Workers, Vol. 4, Zagreb, 1973.

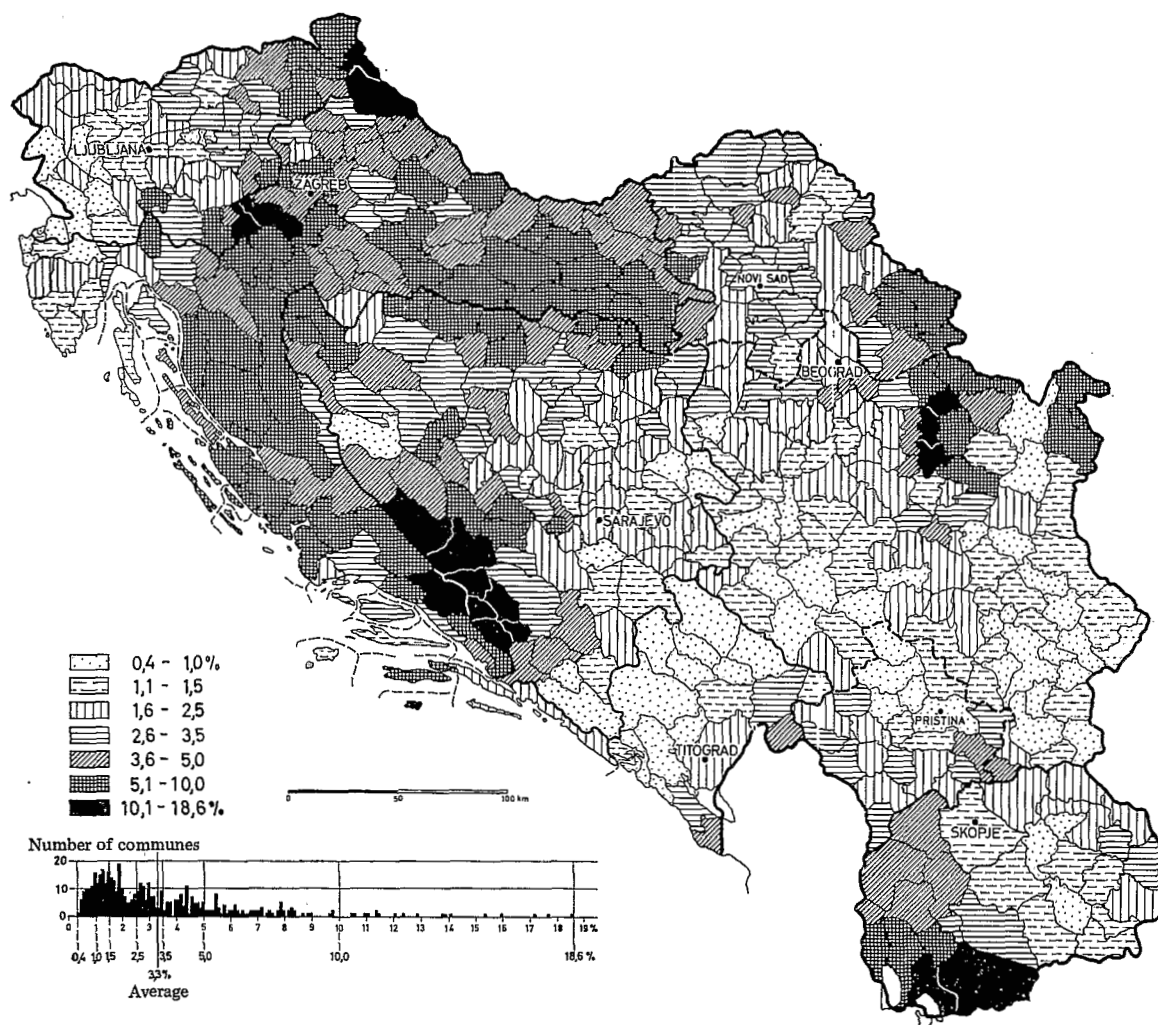


FIG. 2 — Number of Yugoslav workers temporarily employed abroad in proportion to the number of inhabitants in individual communes (according to census of 31 March, 1971).

FIG. 3 — Percentage of migrants from individual Republics and Autonomous Regions in the total number of migrants by years (Source: Census of Yugoslavia, March 31st, 1971).

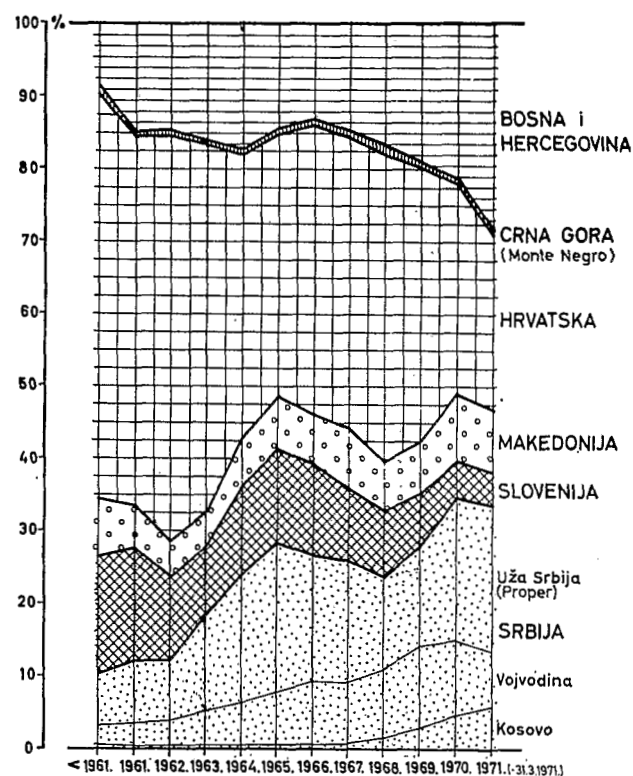


TABLE III

**Population and persons employed abroad
by individual Yugoslav republics and autonomous provinces
on 31 March 1971**

Republics and Autonomous provinces	Population (*)		Employed abroad (**)		Migration rate
	Number in 1 000	%	Number in 1 000	%	
1	2	3	4	5	6
Bosnia-Herzegovina. . .	3 743	18.3	152 835	19.3	4.8
Montenegro	530	2.6	10 685	1.3	2.0
Croatia	4 423	21.6	268 340	34.0	6.1
Macedonia.	1 647	8.0	71 810	9.1	4.4
Slovenia	1 725	8.4	56 150	7.1	3.3
Serbia Proper	5 242	25.6	131 615	16.7	2.5
Voivodina	1 950	9.5	72 540	9.2	3.7
Kosovo	1 245	6.0	26 525	3.3	2.1
Yugoslavia TOTAL . .	20 505	100.0	790 500	100.0	3.9

(*) Source: Preliminary results of the census of 31 March 1971 Statistical Bulletin n° 662. Federal Institute for Statistics, Belgrade 1971.

(**) Figures of the 1971 census, corrected according to the statistical records of the countries of immigration.

(11) I. BAUCIĆ, *Origin and Structure of Yugoslav Workers Employed in the German Federal Republic* (Summary in English, French and German), in *Radovi Instituta za geografiju Sveučilista u Zagrebu*, Vol. 9, Migration of Workers, Vol. 1, Zagreb 1970, p. 41.

Bosnia/Herzegovina, Serbia and Macedonia is increasing (fig. 3). Characteristically, migrants from Montenegro, which is the least affected by external migrations of labour, continue to have a small share in the total number of migrants from Yugoslavia. These data provide an indicator for the current regional spread of the process of external migration in Yugoslavia, which increasingly affects the country's eastern and south-eastern parts, while the absolute number of migrants continues to grow both in the western and north-western parts of the country.

The causes of the disproportions in the rate of external migrants differ greatly according to individual parts of Yugoslavia. First of all it should be noted that western Yugoslavia includes several traditional regions of emigration and that in the past it has closer connections with most of Europe's countries of immigration than have the eastern parts of the country. As a result, in western Yugoslavia the possibilities and advantages of employment abroad are more widely known, and information on these possibilities and advantages spreads much faster, than in the country's eastern parts. Empirical investigations have shown that the spontaneous process of external migrations begins in

urban settlements and first involves male labour of higher qualifications and of the more mature age groups. From urban settlements the process spreads to rural communities affecting young, unskilled labour with a growing proportion of women (11).

One other important cause of the regional disproportions derives from the unequal economic development of the country's individual parts over the past 7-8 years when the process of external migrations from Yugoslavia became especially intensive. During the period following the 1965 economic reform the stagnation in employment and also the decrease in the total number of employees were most marked in Croatia. This part of Yugoslavia did not reach the total number of employees it had in 1965 until 1971, while the rate of total increase in the number of employees between 1965 and 1972 was lower in Croatia than in any other republic of Yugoslavia (Yugoslav average 15.0, Croatia only 9.2).



TABLE IV

Number of Yugoslav workers in individual countries
of immigration on the end of 1973 (*)

Country of employment	Number	% of the total	% among the european countries	% among the overseas countries
1	2	3	4	5
Austria.	197 000	19.9	23.8	
France	54 000	5.5	6.6	
F.R. of Germany	496 000	50.1	59.6	
Switzerland.	28 000	2.8	3.4	
Sweden.	25 000	2.5	3.0	
The Benelux countries	14 000	1.4	1.7	
Other european coun- tries	16 000	1.6	1.9	
European countries Total.	830 000	83.8	100.0	
Australia	76 000	7.7		47.5
Canada.	39 000	4.0		24.4
United States.	36 000	3.6		22.5
Other overseas coun- tries	9 000	0.9		5.6
Overseas countries Total.	160 000	16.2		100.0
Grand total.	990 000	100 0		

(*) Estimates based on statistical records of countries of immigration collected by the Centre for Migration Studies, Institute of Geography, University of Zagreb.

COUNTRIES OF IMMIGRATION

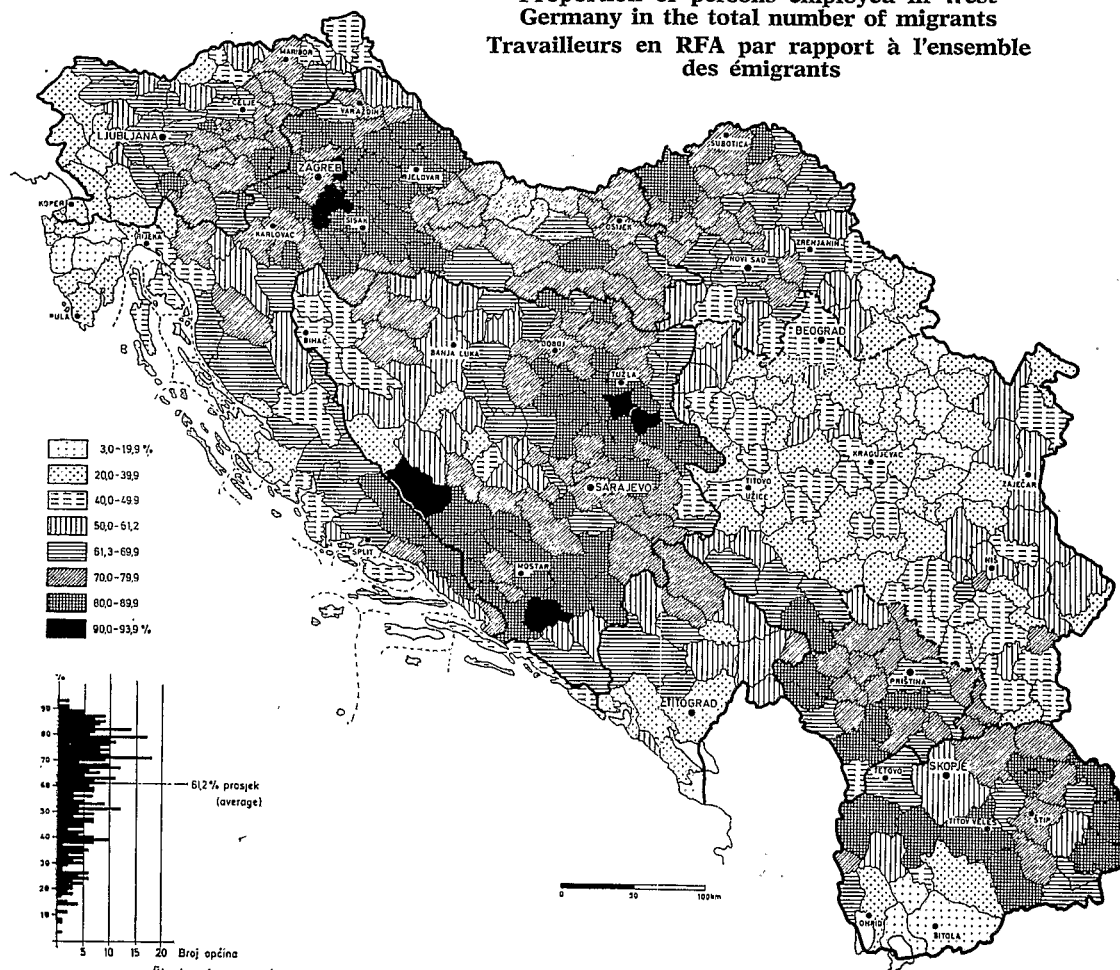
For a variety of reasons, a distinction between European and overseas countries of immigration appears well justified. The social and legal position of migrants in European countries considerably from that of settlers in overseas countries. The stay and work of migrants in European countries have a temporary quality, although for many migrants this may prove an illusion. The official Yugoslav term « temporary employment abroad » also covers emigrants to countries overseas, although it is obvious that their stay in overseas countries does not have this temporary quality.

Of the total number of Yugoslav migrants who were in employment abroad at the end of 1973, 83.8 % were in Europe, and 16.2 % in overseas countries (Table IV). More than one half of all Yugoslav migrants work in the Federal

Republic of Germany, or 59.8 % of all Yugoslav migrants employed in European countries. Other important European countries of immigration of Yugoslav workers are Austria, France, Sweden and Switzerland. The majority of the post-war Yugoslav economic emigrants to overseas countries live in Australia, i.e. 47.5 % of all persons who emigrated to overseas countries.

There are considerable differences between the individual regions of Yugoslavia as regards the individual countries in which Yugoslav migrants take employment. This can best be seen from a comparison of the proportion of migrants from individual communes employed in West Germany with the proportion of migrants employed in France (fig. 4). An especially large proportion of Yugoslav migrants employed in West Germany come from Yugoslavia's western regions, which are marked by a large number of

Proportion of persons employed in West Germany in the total number of migrants
Travailleurs en RFA par rapport à l'ensemble des émigrants



Proportion of persons employed in France in the total number of migrants
Travailleurs in France par rapport à l'ensemble des émigrants

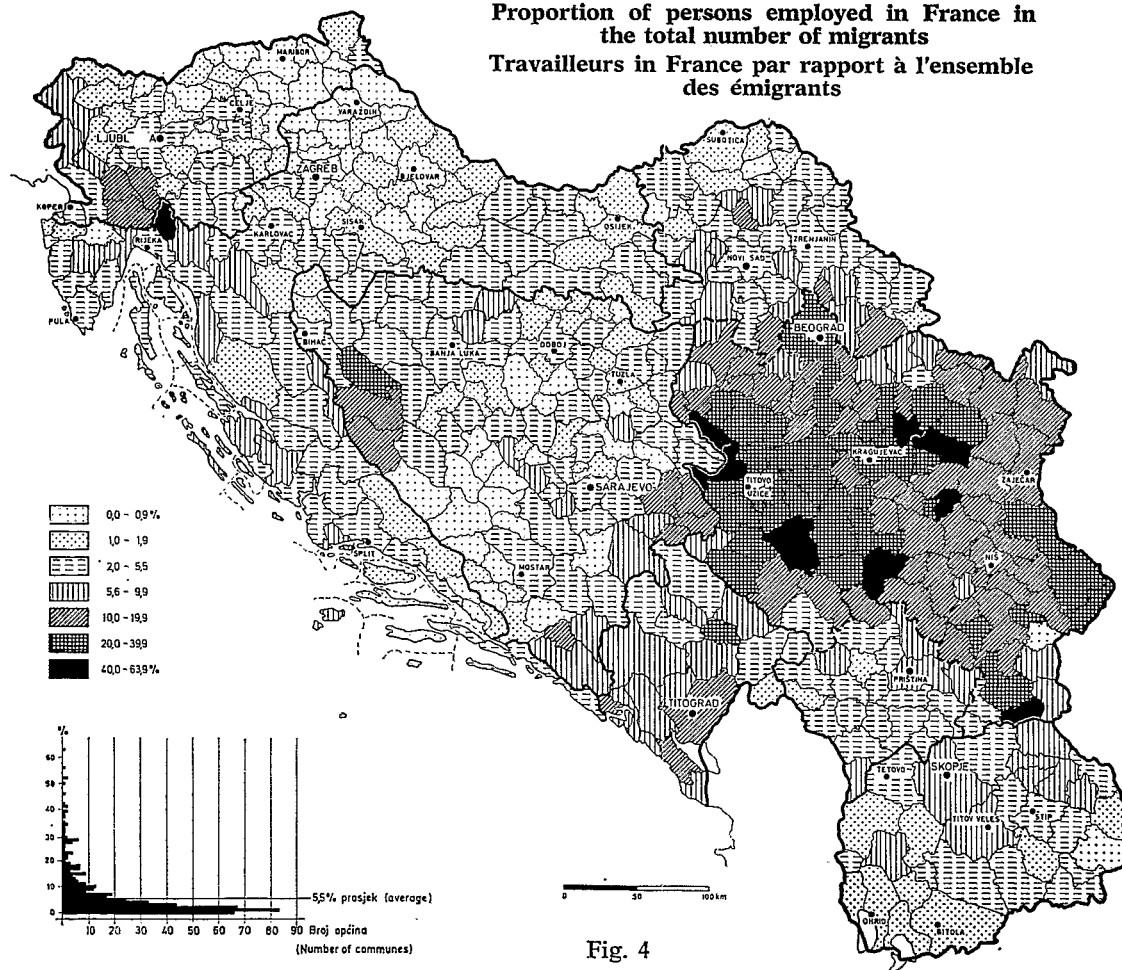


Fig. 4

(12) This public enquiry was carried out at the end of 1972 by the Centre for Migration Studies, Institute of Geography, Zagreb University, in the area under the jurisdiction of the Employment Bureau, Split.

migrants, but many also come from large regions which produce comparatively few migrants and have only recently joined the process of external migrations. The area from which Yugoslav migrants tend to go into employment in France coincides roughly with the area of Serbia proper. The preference currently shown for particular countries of immigration by migrants from individual Yugoslav regions of emigration derives, no doubt, from the common traditions shared by migrants from individual regions.

SOME SOCIAL AND ECONOMIC EFFECTS

Persons who go into employment abroad are preponderantly young, more mobile and enterprising workers with comparatively good qualifications. Among those who want to take employment abroad, foreign employers and officials of foreign employment services select the ablest, while pronouncing about 30-40 % as unfit for work in foreign economies. One should recall that most of those who would have liked to take employment abroad have worked and will continue to work in Yugoslavia's economy which means that the selection of workers for jobs abroad leads directly to a worsening of the structure of employees in Yugoslavia.

The return from employment abroad in most cases is the direct result of the second selection made by the foreign employers which, from the point of view of the interests of Yugoslavia's economy, has just as unfavourable an effect as has the first. This time foreign employers make a new selection among those they have selected themselves or who were selected for them by officials of their employment services, and they send back to Yugoslavia those who do not meet their requirements. Even if such workers do find employment when returning to Yugoslavia, it is understandable that their employment will lead to a further worsening of the structure of Yugoslav employees.

On the one hand, workers with better qualifications who have left their jobs in Yugoslavia's economy are replaced by workers who have poorer qualifications and no work experience and whose work accordingly, has a considerably lower effect, while on the other hand, the return of workers with lower abilities and their inclusion into the economic activities in Yugoslavia leads to a further worsening of the country's structure of employees. Research carried out in 115 enterprises in Central Dalmatia employing a total of 50 283 workers has shown that within

six years (1967-1972), 3 181 workers left their respective organizations in order to take employment abroad, and that the total number of employees included only 406 persons who had returned from employment abroad (12). Moreover, the qualification structure of the workers who left their respective enterprises in order to take employment abroad was found to be considerably better than that of workers who had returned from work abroad and rejoined their respective enterprises. The adverse effects of employment abroad and return from employment abroad on the structure of employees within the country can also be seen in the fact that the proportion of illiterate persons among employees in Croatia (the republic with the highest rate of external migrations in Yugoslavia) increased from 4.5 % in 1961 to 5.1 % in 1965 and to 6.8 % in 1970.

Since 1963, i.e. since separate records began to be kept of foreign currency remittances of workers employed abroad, the total value of these remittances has continued to increase: in 1963, 15.5 million dollars; in 1966, 64 million; in 1968, 122.3 million; in 1970, 440.6 million, and in 1972, 868.3 million dollars. The increase is partly due to the growing number of Yugoslav workers in employment abroad and the accumulation of the increasing savings resulting from longer periods of stay in employment abroad, and partly also to the various measures introduced by Yugoslavia designed to attract the foreign currency savings of Yugoslav workers employed abroad.

The share of foreign currency remittances of workers and emigrants in Yugoslavia's total foreign currency earnings and earnings from invisible exports also continues to increase: while in 1963 the foreign currency remittances of workers and emigrants accounted for only 4.4 % of the country's total foreign currency earnings and for 35.6 % of the country's earnings from invisible exports, in 1972 this proportion in the total foreign currency earnings was 22.0 % and in the earnings from invisible exports fully 61.4 %. As a rule, exaggerated importance tends to be attached to foreign currency remittances of workers and emigrants. This tendency derives from a failure to consider that the bulk of this increase in foreign currency earnings returns to the countries of immigration to cover Yugoslavia's foreign trade cap, and that the country's international trade becomes more and more adjusted to a foreign trade practice according to which Yugoslavia pays increasingly for its imports with the export of man-power.

The remittances of Yugoslav workers abroad account for more than one tenth

of the personal expenditure of the Yugoslav population as a whole (13). Although Yugoslav migrant workers send home only a lesser portion of their savings, these funds still form a large proportion of the expenditure of Yugoslavia's population as a whole, and their owners have much greater purchasing power than has the rest of the country's population.

On the whole, migrants spend their savings from their earnings abroad uneconomically, chiefly on short-term improvement of their own or their families' living standards and only rarely on productive economic activities which would ensure them better long-term living conditions and a more favourable social status.

Under current conditions, the bulk of savings from employment abroad is spent on the improvement of housing conditions. Of the total number of migrants from Croatia who had accumulated savings and began to spend them before 1971, 69.1 % spent their savings on the construction or reconstruction of houses or on the purchase of flats. While investment in new accommodation facilities is undoubtedly necessary and useful, since it helps considerably in relieving the country's continuing shortage of housing, a large proportion of external migrants spend too much of their savings on the construction of houses whose size greatly exceeds the migrants' current or foreseeable requirements. Investments in house construction are often made in remote villages and areas which have poor prospects for becoming included in the country's current economic development. Moreover, in the absence of urban development plans or general projects, these houses are often built on unsuitable, widely scattered sites which will make it very difficult and costly to provide them with basic communal services.

Investment of migrants' savings in economic activities, either in the social or private sector of the economy, has so far been almost negligible. Comparatively little has been invested in improving farm production. This is partly due to the ambition of many migrants from rural communities to ensure for themselves, by working abroad, a transition from rural areas to urban centres and to give up farming activity, and partly also to the increasingly low returns from agricultural work. Many peasant families who have bought tractors with money earned abroad have done so from considerations of social prestige or because of a desire to be independent of those families possessing tractors, rather than because they regarded it as an economic proposition. As a result many farming regions now have a overabundance of agricultural machinery.

Private investment in non-agricultural

activities is possible chiefly in service trades such as various crafts, road haulage and catering. An investigation in a Central Dalmatian area, which is distinguished by a large number of external migrants, has shown that out of a total of 3 489 private owners of crafts workshops and other establishments 385 (or 11 %) had been in employment abroad and had saved the money for starting their activities from their earnings abroad (14). Most of them (198) have bought lorries and are involved in road haulage, 105 possess catering establishments, while in all other service trades only 82 owners were in employment abroad. The orientation of migrants who return from employment abroad to certain service trades, such as road haulage (including taxi services) and catering, has resulted in a surplus of these services in certain regions. Despite the marked shortage of craft workshops, migrants are rarely prepared to invest or work in these activities.

As a rule, workers employed abroad express the greatest readiness to take employment in the social sector of Yugoslavia's economy after returning home if they can obtain it near their place of permanent residence where they have already secured or are secured or are securing suitable housing. To obtain such jobs, they are even willing to spend part of their savings from work abroad. However, few jobs have been opened in this manner so far, — several hundred in all, but the comparatively few instances of investment of savings from work abroad into opening new jobs in the social sector of the economy have produced very favourable results and suggest great potentialities in this respect.

The causes of the migrants' irrational economic behaviour in respect to the investment of their savings in Yugoslavia are manifold. It is certain that the country's socio-economic system does not offer adequate possibilities for the attraction and utilization of private capital in the development of economic activities and service trades. Changes in this respect have been very slow and not always adequate. The interpretation and implementation of relevant measures designed to direct private capital towards the opening of new jobs in both the social and private sectors of the economy differ from region to region while being often subject to changes. This creates a feeling of insecurity among the migrants. Besides, there is often a lack of promoters of organized initiative that would attract the savings of migrants and ensure the most efficient use of the funds in productive investments.

Although a large part of Yugoslavia's working population has found the possi-

(13) B. SEFER, *Spending, Income and Living Standards*, in *Aktuelni problemi ekonomske politike i privrednih kretanja Jugoslavije (Current Problems of Economic Policy and Economic Trends in Yugoslavia)*, Informator, Zagreb, 1972 p. 10.

(14) See note No. 12.

bility for a more productive employment abroad, it is obvious that with the existing structure of external migrants, the current manner of obtaining and discontinuing work abroad, the current manner of investing savings, and the existing conditions for the return and reintegration of migrants, — the employment of Yugoslav workers abroad acts as a highly adverse factor in Yugoslavia's economic development. This makes it difficult to reduce the gap between Yugoslavia and the economically more highly developed countries which employ Yugoslav workers.

It is obvious that the current total of almost one million migrants, if they were productively included in the Yugoslav economy — despite a lower work effect and despite the fact that much money would have to be invested to provide jobs for them, — would ensure Yugoslavia a much greater economic effect than does the present one, which manifests itself in an influx of foreign currency remittances, income from taxation and from customs duties on imported goods, and in a certain amount of stimulation of the building materials and construction equipment industries.

External migrations entail numerous and mainly adverse social consequences. Only about 10 % of the migrants living abroad have their families with them. The social and psychological effects on migrants' families whose individual members lead separate lives can be observed in an increasing rate of divorces, in neglect of the migrants' obligations to their children and invalid parents, in different forms of deviant behaviour, in mental disorders, etc. One third of the migrants are women, most of whom are of the most suitable age for child bearing, and thus their stay abroad has an adverse effect on the biological reproduction of the population of emigration regions. Research has shown a very high degree of correlation between a high rate of external migrations and a low birth rate in individual parts of Yugoslavia.

The current external migrations have caused major disturbances in all spheres of Yugoslavia's economic and social life. In a situation where so many workers live outside the country it is difficult and also dangerous to try to re-establish the balance by means of hasty administrative measures. However, it is indisputable that various, well-studied measures could help to gradually improve the characteristics of external migrations as a whole.

A law has already been adopted in Yugoslavia which, beginning in 1974, will make it difficult for workers in various categories, especially technicians required by the country's economy, to take employment abroad. However, although it is difficult to introduce measures which

should encourage workers to return home and take employment in Yugoslavia, it is an encouraging fact that practically everybody in Yugoslavia has come to the realization that only with these measures can a change in the current adverse economic effects of external migrations be brought about. The need for encouraging the return of worker migrants and for ensuring that they become suitably accepted in the country's economic and social life has been accepted by almost all administrative bodies and socio-political organizations in Yugoslavia for the past two years.

Although it is difficult to adopt such measures, because they require changes in Yugoslavia's socio-economic system or in the implementation of the existing system (understandably, such changes are not and cannot be introduced for the sake of migrant workers alone), various measures have been adopted (e.g. tariff policies, banking and taxation policies, etc.) which are designed to speed up the return of workers from employment abroad. Many new measures are still necessary if the return from employment abroad is to be made possible and attractive for an increasing number of migrant workers, but it is equally important to gain and justify the migrants' confidence that the conditions under which they return from employment abroad and join an economic activity in the country will not be affected by subsequent changes in the socio-economic system or its implementation.

The return and reintegration of migrant workers ought to be included in the plans and concrete development programmes ranging from the plans of individual enterprises and communal plans to plans and programmes of regional development. Special support should be given to every individual or group initiative in Yugoslavia which will develop ways and means for including returning migrant workers in the country's productive industries.

In addition to ensuring favourable and stable conditions for the return of migrants and for their economic and social reintegration, returning migrants should be advised how best to invest their savings and how they can combine the investment of their savings with the most favourable utilization of their mental and physical abilities.

Only with an optimum reintegration can migrants become a factor in the more rapid economic development of Yugoslavia and thus help in reducing the differences between the development levels of Yugoslavia and of the countries to which Yugoslav workers immigrate. It may be expected that due to these practices the number of migrants will begin to decrease and the basic cause of Yugoslav external migrations gradually disappear.