

Interdependencies between Agricultural and Labor Markets

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List of Abbreviations

AGE	Applied General Equilibrium
APEC	Asia-Pacific Economic Cooperation
ASAV	Anwerbestoppausnahmeverordnung
BGB	Bundesgesetzbuch
CAP	Common Agricultural Policy
CDE	Constant Demand Elasticity
CEC	Central and Eastern European Countries
CEPR	Center for European Policy Studies
CES	Constant Elasticity of Substitution
CET	Constant Elasticity of Transformation
CGE	Computable General Equilibrium
CIA	Central Intelligence Agency
CIF	Charge, Insurance, Freight
COM	Common Organization for agricultural Markets
CSE	Consumer Support Estimate
DDA	Doha Development Agenda
DIW	German Economic Research Institute
EAGGF	European Agricultural Guidance and Guarantee Fund
EC	European Community
EEC	European Economic Community
e.g.	for example (Latin: <i>exempli gratia</i>)
ERS	Economic Research Service
ESC	Economic and Social Committee
EU	European Union
FAO	Food and Agricultural Organization
FOB	Free on Board
FPE	Factor Price Equalization Theorem
FSU	Former Soviet Union
FTA	Free Trade Area
GSP	Generalized System of Preferences
GSOEP	German Socio-Economic Panel
GATT	General Agreement on Tariffs and Trade
GDP	Gross Domestic Product
GTAP	Global Trade Analysis Project

HO	Heckscher-Ohlin
HOS	Heckscher-Ohlin-Samuelson
IAB	Institut für Arbeits- und Berufsforschung
IC	Australian Industry Commission
i.e.	that is (Latin: id est)
ifo	Information und Forschung
ILO	International Labor Organization
ILM	Organization for International Labor Migration
IMF	International Monetary Fund
I-O	Input-Output
ISPA	Pre-Accession Structural Instrument
LAM	Latin America
LDCs	Least Developed Countries
LF	Labor Force
LSE	Linear Expenditure System
MFN	Most Favored Nation
Mill	Million
MTR	Mid Term Review
NAFTA	North American Free Trade Area
NAP	National Action Plans
NELM	New Economics of Labor Migration
OECD	Organization of Economic Cooperation and Development
PPP	Purchasing-Power Parity
PSE	Producer Support Equivalent
SAM	Social Accounting Matrix
SAPARD	Special Accession Program for Agriculture and Rural Development
SAPS	Single Farm Payment Scheme
SD	Standard Deviation
SPD	Support and Protection Data
SSA	Sub Sahara Africa
TRDI	Temporary Rural Development Instrument
TRQ	Tariff Rate Quota
UN	United Nations
UNCTAD	United Nation Conference on Trade and Development
US	United States of America
Wrt	with respect to
WTO	World Trade Organization

Summary

This study observes the interdependencies between labor migration and the integration of ten new Member States in the EU's CAP in the course of the EU Eastern enlargement. Despite the already generally high degree of regional integration agriculture and labor migration represent the two aspects, which are still characterized by a high level of protectionism between the EU-15 and the acceding CEECs. Agricultural trade is still hampered by various import tariffs while at the same time the immigration of workers from the CEECs is subject to certain border restrictions. Thus, with the abolishment of such restrictions and a deeper integration involving the adoption of various EU policies by the CEECs, e.g., the CAP, both agricultural production as well as migration pattern are assumed to experience significant changes. Thereby it can be further assumed that there exist strong interdependencies between agricultural markets and labor migration. Thus, with structural adjustments occurring in agriculture labor markets and therewith labor migration will be affected. With this background for the quantitative analysis of the respective interdependencies the methodological instrument chosen is the multi-regional and multi-sectoral CGE model GTAP. The theoretical and empirical framework of this model fulfills the main requirements for such an analysis, such as trade links, detailed depiction of the agricultural sector, country coverage, link between product and factor markets etc. For the examination of changes regarding bilateral labor migration flows the standard model framework was extended with a migration mechanism including an immigration quota to mimic the restrictive immigration regime applied by some EU-15 countries. The regional focus is given to Poland and Germany. The results show that the CAP integration has a mitigating effect on migration movements from Poland to Germany, particularly concerning trade liberalization with respect to processed animal products. Regarding the characteristics of the trade-migration link the study finds that a diminished migration flow from Poland to Germany causes Poland's export performance to Germany to decline at the same time. This reflects a complementary relation between trade in goods and inter-regional labor movements. With respect to the development of agricultural output the results reveal a stronger production performance in the case of increased immigration into Germany, while production is weakened in the according migrants' home countries.

Zusammenfassung

In der vorliegenden Arbeit werden die Interdependenzen zwischen Arbeitsmigration und der Integration der 10 neuen EU-Mitgliedsstaaten in die GAP im Zuge der EU-Osterweiterung untersucht. Trotz der bereits sehr fortgeschrittenen Integration repräsentieren Landwirtschaft und Arbeitsmigration zwei Felder, die immer noch durch ein hohes Protektionsniveau zwischen EU-15 und den beitretend MOEL gekennzeichnet sind. Vor diesem Hintergrund wird angenommen, dass mit der Abschaffung entsprechender Restriktionen, einer stärkeren Integration und der damit einhergehenden Übernahme von EU-Politiken durch die MOEL, wie z.B. die GAP, sowohl Agrarproduktion als auch Migration starken Veränderungen ausgesetzt sind. Bedingt durch den hohen Beschäftigungsanteil der Landwirtschaft in den MOEL werden die strukturellen Anpassungen auf den Agrarmärkten demnach auch Einflüsse auf die Arbeitsmigration zeigen. Für die quantitative Analyse dieser Interdependenzen wurde das Gleichgewichtsmodell GTAP ausgewählt. Der theoretische und empirische Rahmen dieses Modells erfüllt die wichtigsten Voraussetzungen für eine derartige Analyse, wie z.B. die Abbildung von bilateralen Handelsströmen, des Agrarsektors und der relevanten Länder sowie die Verbindung zwischen Güter- und Faktormärkten. Um eine Analyse hinsichtlich der Veränderungen der bilateralen Arbeitsmigrationsströme zu ermöglichen, wurde das Standardmodell mit einem speziellen Migrationsmechanismus erweitert. Mit dieser technischen Erweiterung können sowohl die Migrationsbewegungen als auch die restriktive Einwanderungspolitik, die noch von einigen EU-15 Staaten angewandt wird, dargestellt werden. Der regionale Fokus der Arbeit liegt auf Polen und Deutschland. Die Ergebnisse der Arbeit deuten auf einen abschwächenden Effekt der GAP-Integration auf die Migration von Polen nach Deutschland hin, was vor allem auf die Effekte der Handelsliberalisierung mit verarbeiteten Fleischprodukten zurückzuführen ist. Hinsichtlich der Interdependenzen zwischen Handel und Migration zeigen die Ergebnisse einen komplementären Charakter, wonach eine geringere Migration von Polen nach Deutschland auch zu einer Reduzierung polnischer Exporte nach Deutschland führt. Die landwirtschaftliche Produktion in Deutschland wird hingegen durch eine erhöhte Immigration positiv beeinflusst, während die Produktion in den jeweiligen Heimatländern abnimmt.