

THE WORK FORCE MIGRATION ABROAD AND ITS ASPECTS IN AN EMERGENT ECONOMY-ROMANIAN MARKET

Nistor Costel

Universitatea "Dunărea de Jos" din Galați Facultatea de Științe Economice Str. Nicolae Bălcescu nr. 59-61, Galați, România cos_nis@yahoo.com tel.: 0236460467

Muntean Mihaela-Carmen

Universitatea "Dunărea de Jos" din Galați Facultatea de Științe Economice Str. Nicolae Bălcescu nr. 59-61, Galați, România mihaela_c_muntean@yahoo.com tel.: 0236460467

Manea Ludmila-Daniela

Universitatea "Dunărea de Jos" din Galați Facultatea de Științe Economice Str. Nicolae Bălcescu nr. 59-61, Galați, România manea_danielaludmila@yahoo.com tel.: 0236460467

The contemporary migration is considered a phenomenon that proliferates rapidly, its main engine being the globalization. According to the United States Division of Population, the international migration currently includes approximately 200 million persons, the amount is double as compared with the one registered 25 years ago.

Keywords: migration, employment, highly qualified persons

Cod JEL: J6

Before 1989 the people's migration was mainly due to ethnical reasons, over 60% of the emigrants being of other nationalities than the Romanian one, especially Germans, Hungarians and Jewish people and the targeted countries being Germany, Hungary, Israel, but also the United States of America. The year 1990 is regarded as the peak of the contemporary Romanian emigration from the quantitative point of view. The borders opening and placing the country's evolution on a relative trajectory determined almost 100.000 Romanians to leave the country. The illegal migration developed during the 90's when an increasingly number of persons tried to reach the European Union countries in search for a work place on the black market or even to get involved in other illegal activities. In 2002 the illegal migration exceeded by 20 – 30 % the legal migration.

The work migration, temporary or circulating has become an important component of the Romanian migration over the last few years. Currently there are approximately 2 million Romanians employed abroad in non-temporary activities, which represents about 10% of the Romanian population. According to the Open Society Foundation, which conducted a significant research on the national level regarding the Romanian work migration between 1990 and 2006, there are three different stages:

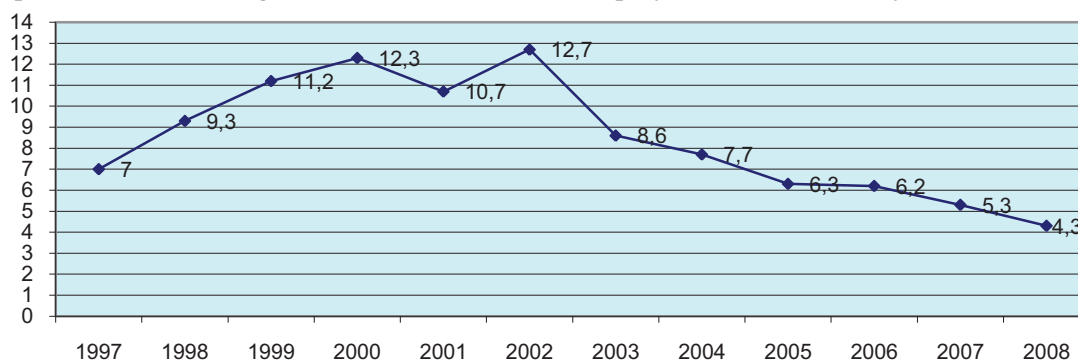
- the first stage, between 1990 and 1995, is characterized by a migration rate of 3 per 1.000 dwellers, the targeted countries being Israel, Turkey, Italy, Hungary, Germany.
- the second stage between 1996 and 2001 with a migration rate of 7 per 1.000 dwellers who intended to find a job in Spain, USA or Canada.
- the last stage, characterized by the cancellation of the Schengen visa (2001-2006), and which registered a huge migration of 28 per 1.000 dwellers who intended to find a job in Italy, (40% of the total migrating persons), Spain (18%), Germany (5%), Hungary (5%), Israel (6%).

The official figures submitted by the Department of Labor and Employment Abroad refer only to the work contracts signed through the Work Force Migration Department or through some private agencies. Thus the number works out at 13.270 in the first three trimesters of 2007. The targeted countries change, the top position being held by the USA (57,6 % of the total) followed by Italy, Cyprus and Germany registering smaller percentages.

In Romania, 65% of the money sent by those employed abroad is to be found in consumption, only 35% being placed in investments and savings. The National Bank of Romania estimates that the amount of money sent in our country by the Romanians working abroad rises up to 1.753.5 million US\$ in 2004 and to 4.440,9 million US\$ in 2007, amount that represents 4,51% of the Romanian GPD in 2007. For the Romanian economy this amount plays a very important part, being the second source of external financing after the direct foreign investments (that works out at 6.482,8 million US\$ in 2005).

The characteristics of the Romanian person that migrates for work is according to the Work Force Migration Department, the low or medium qualified worker, aged between 25 and 35, coming from the center, west, south or south-east of the country. The Group of Applied Economy estimates that 50% of the Romanians that have migrated usually come from rural areas and 21,5% from small towns. Since the poverty rate is higher in these areas mentioned above and as the education is a way of protecting against poverty, it can be said that a part of these amounts are sent by people coming from poor families but it can not be estimated the extent in which they contributed to the decrease of poverty rate from 25,1% in 2003 to 15,6% in 2007. The only significant difference is in the case of young people aged between 15 and 24, their employment decreasing by 5 % in 2007 compared with 2006. Among those receiving money from their relatives that work abroad, 11% invest in constructions, 4% in setting up a business, 3% in purchasing equipment and 3% in buying lands. According to the Work Force Migration Department 52,65% of the migrating people are women, therefore a significant number of children are left at home, aspect that may have serious repercussions on their further evolution, especially on their physical and mental health. The work migration of a number of 2,2 million people (according to the most pessimistic estimation of the Work Force Migration Department) has influenced the labor market indicators by decreasing the unemployment rate and the rate of work force participation.

We present in the next figure the evolution of the unemployment rate in January 1997 – 2008:



The highly qualified work force influences differently the countries that encounter this phenomenon. Currently on the world level, there is an increasingly demand for highly qualified personnel and that fact that Europe's top specialists choose to migrate especially to Canada and USA is one of the most challenging aspects that Europe is facing.

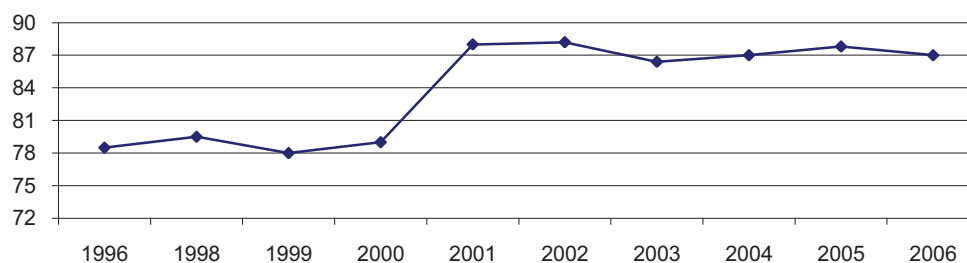
Although many highly qualified persons choose to live and work in other countries than the native one, either in search for higher income or better living conditions, they do not necessarily succeed to hold the same positions they previously had or they simply choose to perform other occupations. This particular phenomenon was called the *intelligence waste*. During the debates held on this topic over the last few years another concept started to be used namely that referring to the exchange of specialists: *brain exchange*.

In 2007, 26,4% of the persons that decided to change their residence country are persons that graduated a faculty and 53,8% are high-school or post high-school graduates. Thus the *white-*

collars exodus has become an important issue for the Romanian labor market as even for a small number of current emigrants that have intellectual occupations might be actually very important for diminishing the existing discrepancies on the labor market.

Over the first years after our country opened its borders, the Romanians migrated in countries like Israel, Turkey and less in Italy, Hungary and Germany. Beginning with the second half of the last decade they started to migrate in other countries like Spain, USA and Canada. Beginning with 2002, the Romanians may freely circulate in the Schengen space. In the recent period, the migrating fluxes mainly targeted Italy and Spain.

Population percentage aged between 15 and 64 of the total Romanian population registered in the city halls (Spain) (%)



Source: Instituto Nacional de Estadística <http://www.ine.es>

Moreover the weight of the women that migrate for work increased significantly and the weight of the migrating workers from the rural areas reached the one attained by the urban one. The Romanians found work places abroad especially in economic sectors like constructions (mainly men) agriculture (women and men but mainly men) and domestic services (mainly women). Over the last 17 years, the Romanians have worked without any legal documentation mainly in Turkey, Italy and Spain in economic sectors like domestic services, agriculture and constructions. Obviously the insufficient capacity of the Romanian authorities to manage the migration phenomenon has brought about to the worrying increase of the illegal migration.

According to the European legislation, the workers free circulation is a fundamental right. Thus the Article 39 of the European Community Treaty states that the EU citizens are entitled to look for a work place in another member state, to work and live in another member state as well as to enjoy equal chances regarding the access to work places and work conditions. In the attempt to manage the complex implications of the new states adhesion to the EU between 2004 and 2007, many member states adopted a new series of transitional measures concerning the free circulation of workers coming from the new member states.

The following figure shows some data provided by Eurostat which relies on the number changes of the population total and on differences due to the natural increase of the population when calculating the net migration (immigration minus emigration in a certain space for a certain period of time). The data cover the period between 1960 and 2002, a period when migration in Europe encountered significant changes: second world war reconstruction and the economic increase from the 5th and 6th decade of the last century that emphasized the destination position of some European countries (from the central and north part of the continent) and changed the south in a reservoir of intra-European migration.

Thus, Denmark, Germany, Great Britain, Ireland, France, Hungary, Austria, Belgium, Italia, Greece, Spain, Luxemburg, Holland, Portugal and Malta officially announced their decision to restrict the free circulation of the Romanian workers whereas states like Estonia, Finland, Poland, Slovakia, Czech Republic, Cyprus, Sweden, Slovenia, Lithuania, Latonia and Bulgaria decided to allow the Romanians on their labor markets. In return, Romania decided to apply the reciprocity

principle. One of the modalities to have access to the work places from abroad is EURES, a specialized network of the European Commission and of public services of employment from the EU member states, Norway, Liechtenstein, Island and Switzerland which aim at facilitating the work force free circulation within the EU territory by providing support both to employers and to applicants.

Net migration* in the European Union member states (thousands)

Country/ Year	1960/64	1965/69	1970/74	1975/79	1980/84	1985/89	1990/94	1995/99	2000	2001	2002
Austria	1	9.9	19.1	-3.1	3.3	14.4	48.7	7.2	17.3	17.3	26.1
Belgium	14.1	16.7	9	7.2	-7.1	8.2	18.8	11	12.9	35.8	40.5
Bulgaria	-0.1	-1.7	-7.6	-21.4	0	-51.3	-49.1	0.2	0	7.3	0
Czech Republic	-16.6	-0.3	-21.7	2.1	-6.5	2.3	-5.8	10.1	6.5	-8.5	12.3
Cyprus	-	-2.1	-29.5	-0.6	0.4	2	9.6	5.3	4	4.7	6.9
Denmark	0.9	1	6.4	2	1.1	6.4	10.6	15.7	10.1	12	9.6
Estonia	-	-	8.2	5.2	5.3	3.5	-21.8	-8.7	0.2	0.1	0.2
Finland	-11.2	-18.9	1.3	-7.3	4.1	2.5	9	4.2	2.4	6.2	5.3
France	303.7	95.4	114.8	33.8	52.3	49.8	22.5	-1.6	45.9	64.2	65
Germany	162.9	220.7	175.1	12.7	1.8	332.2	562.6	204.5	167.8	274.8	218.8
Greece	-41.2	-35.8	-24.8	56.7	17.2	24.4	58.1	22.5	12.2	33.9	32.1
Ireland	-20.9	-14.8	10.3	10.1	-6.6	-32.9	-1.4	15.7	26.2	45.9	32.6
Italy	-81.4	-84.4	-36.9	19.3	-27.8	-2.5	108.9	117	181.2	125.8	350.1
Leetonia	17.6	11.6	11.7	8.7	6.4	12.4	-22.7	-14.8	-3.6	-5.2	-1.8
Lithuania	2.8	3.9	8.6	4.2	6.8	12.5	-18.5	-22.5	-20.3	-2.5	-2
Luxemburg	2.1	0.9	3.9	1.4	0.4	2.2	4.1	4.2	1.9	2.8	2.6
Malta	-	-	-	-	-0.8	1.3	1.2	0.7	1.4	2.2	1.8
Great Britain	59.9	-44.7	-32	-11.3	-11.6	60	71.8	137.3	168.5	184.3	126.5
Holland	3.9	9.6	26.7	35.7	14.2	27.4	41.4	31	57	56	27.
Poland	-6.3	-21.1	-73.5	-41.9	-24.3	-41	-15.2	-14	-19.7	-16.8	-12.7
Portugal	-78.3	-169.7	-45	88.8	4.5	-45.4	7.3	31.2	50.1	58.7	70
Romania	-	-	-	-	-18.7	-20.1	-110.8	-12.4	-3.7	0.4	-1.6
Slovakia	22	-5.3	-9.8	-3	-5.6	-3.5	-7.5	1.9	1.4	1	0.9
Slovenia	-1.9	3.5	3.1	8.5	2.4	3.8	-2.7	0.3	2.7	4.9	2.2
Spain	-109.7	-30.1	-32.1	28.2	0.8	-19.7	20.1	94.	351.5	242.6	223.7
Sweden	10.6	24.6	6.9	16.7	5.2	24.1	32.5	9.6	24.5	28.6	30.9
Hungary	0.9	0.9	-1.6	-1	-11.8	-26.7	18.2	17.4	16.7	9.8	3.5

Net Migration is calculated as differences between population growths and natural growta; annual averages for intervals*

The net migration* in countries from the 2004** and 2007 stage of EU integration (thousands)

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Bulgaria	0	0	1	0	0	0	-221	7	0	0	0
Czech Republic	10	10	10	12	10	9	7	-43	12	26	19
Estonia	-21	-16	-13	-7	-7	-1	0	0	0	0	0
Leetonia	-23	-14	-10	-9	-6	-4	-5	-5	-2	-6	-10
Lithuania	-24	-24	-23	-22	-22	-21	-20	-3	-2	-6	-10
Poland	-19	-18	-13	-12	-13	-14	-410	-17	-18	-14	-9
Romania	-16	-21	-19	-13	-6	-3	-4	-558	-2	-7	-10
Slovakia	5	3	2	2	1	2	-22	1	1	1	3
Slovenia	0	1	-4	-1	-6	11	3	5	2	4	2
Hungary	18	18	18	18	17	17	17	10	4	16	18

**Net Migration is calculated as differences between population growths and natural growta; annual averages for intervals*

***Mata and Cyprus were not bincluded*

Source: European Statistical Yearbook, Eurostat (<http://epp.eurostat.ec.europa.eu>)

The majority of migrating workers have access to the lowest salaries on the respective labor market which influences their living standard in the destination country. In some cases the life quality of the migrating workers proves to be inferior to the one they had before leaving Romania. In some situations the migrating workers that return in the country face difficulties concerning their social reintegration and/or reemployment. Therefore the migration of the work force abroad leads to sustainable human development when it is associated with quality occupation.

The most important work force deficit is identified in those regions with the highest migration rates. Thus the migration of the young population from certain places endangers the working of the traditional mechanisms of solidarity between generations from the community level deepening some social conflicts. Only the orientation towards investments in the local economy or setting up of some businesses might contribute to the development of the business environment, leading to local/community development in a sustainable manner.

Conclusions

After a period in which there had been praised the effects of the international migration on the unemployment and pressure decrease on the labor market, currently Romania is facing a lack of people. Therefore a demographic crisis is frequently mentioned, pro-natalist policies, the number of the Romanians working abroad, the difficulties of the companies in search for employees, the return of those that left temporarily are topics frequently tackled.

Huge discrepancies between the dimension of the generations before and after 1989, the ageing of the population will probably emphasize the labor market issues.

If we take into account the arguments connected with the international migration, the situation becomes even more complicated. Romania is a country that has been exporting work force for years. The recent estimations regarding the number of Romanian persons working abroad exceeds millions. Until 2007 the trend was an ascending one and even if between 2007 and 2008, although very unlikely that the emigration should have started to decrease, is also unlikely that the decrease to be a spectacular one. Moreover the number of emigrants hides a *trap*: the international migration is a selective phenomenon and those who leave are especially young people. The population ageing process identifies a new source of increasing in the international migration.

On the one hand, the international migration may be considered one of the sources for the labor force market problems. On the other hand there might also be one of the solutions. The temporary and trans-national character of the fluxes migration makes possible the migration re-orientation towards its original space.

Investments made in order to decrease the personnel deficit by replacing the technology and work productivity increase are the most frequent strategies. Searches are focused towards the nearest space, on the country level at most and less across the borders. Immigration, at least the legal one, does not seem an attractive strategy for the Romanian companies.

The lack of a migration tradition, some rather strict rules imposed by an immigration policy that complies with the European standards might be the cause of the unusefulness of this strategy.

The European level of work place occupation is increasing steadily. This aspect is stated in the trimestrial analysis of the EU labor market. In the last trimester of 2007, the EU work place occupation rate registered an increase of over 800.000 work places. The main reason of this increase was the performance registered on the German labor market (where the unemployment rate decreased by 1,6% up to 7,9%), Poland (-3,8%) and the new member states. On the whole, the work force occupation rate on the EU level increased to 66% (increasing from 65% in 2006) and the unemployment rate decreased to the level registered at the beginning of the 1970's (up to 6,9% from 7,7% as it was in 2006), according to the Eurostat analysis (it was not taken into

account the effect of the financial and economic crisis that had a negative impact upon all EU member states, in Romania the number of unemployed people exceeding 513000 in March 2009).

Bibliography:

1. Roman, Monica - Resursele umane în România. Evaluare și eficiență, biblioteca digitală Asociația Națională A Birourilor De Consiliere Pentru Cetățeni (ANBCC), „Românii și migrația forței de muncă în Uniunea Europeană”, decembrie 2005
2. Burloiu P. - Economia muncii. Probleme actuale.”, Editura „Lumina Alex”, București, 1993
3. Constantin, Daniela-Luminița, Vasile, Valentina, Preda, Diana, Nicolescu, Luminița - Fenomenul migraționist din perspectiva aderării României la Uniunea Europeană’, Institutul European din România, București, 2004
4. Delcea M. - Protecția juridică a refugiaților în dreptul internațional, Editura Presa Universitară Română, Timișoara, 2002
5. Salt, John, Clarke, James, Wanner, Philippe - International labour migration, Council of Europe Publishing, 2004
6. Lăzăroiu S. - Migrația circulatorie a forței de muncă din România. Consecințe asupra integrării Europene, 2002
7. Giarini, Orio, Liedtke, Patrick M. - Dilema ocupării forței de muncă și viitorul muncii, Editura All Beck, București, 2001
8. Pascal I., Deaconu Ș., Vrabie C., Niculae F., - Politici sociale și ocuparea forței de muncă, București, 2002
9. Patrick A. Taran, Eduardo Geronimi, - Perspectives on Labour Migration, Globalization, Labour and Migration, International Migration Programme International Labour Office Geneva, 2004