

THE MIGRATION OF THE LABOUR FORCE, A NEW CHALLENGE FOR ROMANIA'S ECONOMY

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Migration is a contemporary social phenomenon that has implications in all area. Legal migration is an influence factor of economic growth, if it is managed properly and effectively, and targeted towards those sectors with the shortcomings concerning the labour force. The paper wants to emphasize the importance of the effects that international migration has on the Romanian economy. Starting from a brief analysis of the population's international mobility and passing through the presentation of some present-day issues concerning the migration of the labour force worldwide, we reach the objective of this paper – the analysis of the migration of the labour force to and from Romania. Using current documenting sources we highlight both the positive and the negative aspects of this new challenge that the Romanian economy is facing.

Keywords: mobility, migration labour force, population, emigrants, immigrants, country of origin, country of destination

JEL Code: F2(F22), J1(J10), J2(J21,J22, J23), J6(J60, J61)

1.The population's international mobility

A theme often addressed in the literature devoted to human resources is that of migration. The migration phenomenon is a multi-faceted one and it contains global issues that today affect all the states of the world alike. Each of these are either departure countries or destination or transit countries. There are cases in which some states are found in all the three hypostases together.

Today, the migration phenomenon is recognized to be a response to the variations presented by the economic and security opportunities, as well as other factors, but crossing the international borders is nevertheless a relatively new phenomenon. This is due to the fact that the international borders have multiplied together with the significant increase in the number of new independent states. From a relatively small number of independent states in early twentieth century, today the number of Member States of the international community has reached 192. Thus, the number of migrants has doubled over the past two decades - 191 million in 2005 (UN, 2006). In 2005, according to UN data, 62 million migrants from developing countries have moved in developed countries and about as many have moved to developing countries. It is to be noted that there were also migrants from the developed countries towards other countries from the same category of development, but also towards developing countries (Table no. 1.1).

Table no.1.1.

Migrants in 2005 by country of origin and destination
(millions)

<i>Countries of origin</i>	Industrialised countries	Developing countries
<i>Industrialised countries</i>	53	14
<i>Developing countries</i>	62	61

World Migration Report 2008- IOM

The demographic impact of migration on the parties involved is the most obvious, simultaneously influencing the composition, the structure and the size of the population both in the countries of origin and the destination ones, these being forced to develop and implement new appropriate services, policies in order to continue the process of both social and economic²⁹¹ development.

3.The migration of the labour force

Given that approximately half of the migrants are absorbed by the labour market of the host countries it is necessary to have an analysis of their distribution on the economic sectors, agriculture, industry and services, compared with the distribution of the native workers (Table no.1.2.).

Table no. 1.2.

Migrants and native workers in the sectors of the host countries' sectors
(percent distribution)

	Agriculture	Industry	Services
Native workers in the industrialised countries	3	25	72
Native workers in the developing countries	40	20	40
Migrants In the industrialised countries	10	40	50

OCDE 2006

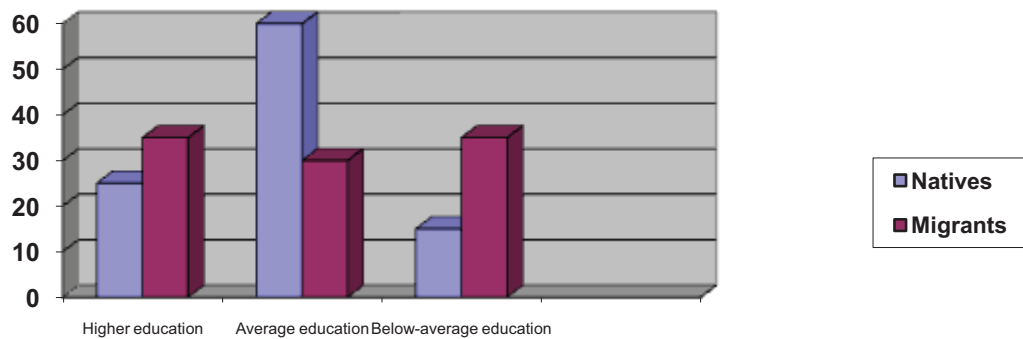
It is to be noted that the share of workers in agriculture and services, in developed countries, is held by migrants. Individuals who take the decision to migrate are generally richer in human capital (intellectual and / or physical) and their migratory movement is from the poor areas to the developed ones. This directly affects the stock of human capital at the global level, being able to induce exacerbated differences from a community to another within the same company or between different companies. Such disparities have long term effects in the development plan of the communities or companies concerned. The investment decision in the human capital at the macro and meso-social level may be directed towards discouraging the migration of individuals with above average education in the areas with poor educational capital, simultaneously with investments in strengthening the local human capital. The alternative may be one of maintaining the gaps. Moreover, in some cases, the migration of individuals rich in human capital (both education and state of health) may be a solution in some areas poor in resources and presented as having no chance of development, for reasons beyond the human will. The massive departure of

291 David Held, Anthony McGrew, David Goldblatt and Jonathan Perraton, Transformări globale. Politică, economie și cultură (Global Transformations. Politics, economy and culture), Ed. Polirom, 2004, p. 353-357.

better educated individuals and of young people (with a superior labour force) may lead to the dissolution of these poor communities, while the migrants can gain access to superior conditions of social and natural environment. A study conducted by IOM in 2005 (Figure no.1.1.) indicates that native citizens of developed countries, present on their labour market, have a different structure depending on the level of education, compared to migrants present on the same labour market.

Figure no. 1.1.

Native and adult Migrants in the industrialised countries according to the level of education (2005)



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International migration from the developing countries towards the developed countries brings people with opposing educational levels – high level, higher education and low level, below-average education.

International migration of labour force generates complete sets of costs, but also benefits for the three actors involved: *countries of origin - migrants / immigrants - countries of destination*

3. Migration in Romania

For **Romania**, migration has become a phenomenon rather after 1990, the year of its transition from a system based on a command, centralized economy, to a market, capitalist economy. It is to be noted however that this phenomenon also occurred before *this year (1990)*, during the communist period, even in different forms. Thus there were: the emigration of the political dissidents, the professional mobility, the short border transit, the organized tourism in other communist countries, the ethnic migration, the academic mobility.

Regarding **immigration flow**, foreigners who came to Romania were very strictly controlled and supervised throughout the duration of their presence here. There were *young people who choose to study in Romania* (they came from countries in Africa and the Middle East) and who were allowed to have access to education due to the currency that they brought to the Romanian state. Furthermore, Romania was visited by *foreign tourists*, interested in its geographical and cultural potential. The '70s were the climax in this respect, tourism practically thriving and bringing significant financial resources to Romania.

After the fall of the communist regime, the free movement of persons was immediately recognized by the new Constitution. This ensuring every Romanian citizen the right to travel freely in any state of the world.

In the early '90s, there was a massive migration of the citizens of German ethnicity, but which was no longer restricted in number nor regulated by bilateral agreements between Romania and Germany. There was then a real exodus of the domestic labour force—*labour migration*—towards countries in Western Europe or other developed countries on other continents, an exodus that is manifested nowadays as well. Today, *emigration* from Romania is seen, in most cases, as labour force exodus.

The migration of the labour force is the most common form present in Romania. Together with the accession of our country to the European Union, the labour force migration has undergone a significant growth.

A comparative analysis of the situation in the first half of 2008 with the first half of 2007 was conducted by **Ministry of Labor, Family and Social Protection (MMSSF)**²⁹². The situation of the Romanian mediated workers who have applied for employment contracts abroad was studied. Thus, in the first half of 2008, **the number of mediated employees**, for the countries with which bilateral agreements were signed between the government specialized institutions (Germany, Spain, France and Switzerland) was 32,645, while during the same period of 2007, number of employees was 24,063, representing an increase of 35.66% compared to the first half of 2007.

Regarding **the region of origin** of the mediated employees (Table no. 1.3.), both in the first half of 2008 and in the first half of 2007, most applicants for an employment contract abroad came from the geographical area **Centre** (9,157, respectively 5,235), which represents **28.05%** of the total number of mediated people, respectively **21.75%**.

Table no.1.3.

The number of employees mediated by MMSSF on development regions
(Semester I, 2007 - 2008)

Region of development	The number of mediated employees	
	Semester I 2007	Semester I 2008
North-East	3,130	4,251
South-East	1,360	1,460
South	2,994	3,250
South-West	1,355	1,002
West	4,449	4,707
North-West	3,931	5,093
Centre	5,235	9,157
Bucharest -Ilfov	1,609	725

www.mmssf.ro

Throughout the country there are alongside The National Agency for Employment (ANOFM), also private agencies that deal with placing labour force abroad - their number being of 1,466, on 30 June 2008. In the first half of 2008 the number of employment contracts obtained through the private agencies of occupying the labour force was of 7,245 (Table no. 1.4.). Most of the obtained contracts were for the United States of America 2,243 contracts, representing 31.0% of the total number of contracts.

Table no. 1.4

Countries of destination with employment contracts concluded by the private placement agencies in the first half of 2008

SUA	Germany	Italy	United Kingdom	Cyprus	Czech Republic	Norway	Greece	Austria	Belgium	Spain	Japan
31%	15,5%	12,5%	9%	7,4%	5,4%	4,4%	4,3%	3,6%	1,5%	1%	1%

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According to a study conducted by OCDE in 2000, Romania was ranked 6 among the countries of origin of the migrants present in the OCDE countries. In 2007, the situation undergoes a significant transformation, Romania occupying the second place (Table no. 1.5.).

The countries of origin of the migrants present in the OCDE countries and their number

Table no. 1.5.

2000		2007	
Country of origin	Number of migrants (thousands)	Country of origin	Number of migrants (thousands)
1. Morocco	96	1. Poland	324
2. <i>Ecuador</i>	95	2. Romania	202
3. Poland	94	3. Morocco	128
4. Bulgaria	81	4. Bulgaria	82
5. Turkey	79	5. Germany	77
6. Romania	76	6. <i>Ukraine</i>	70
7. <i>The SUA</i>	64	7. Turkey	66
8. Germany	60	8. <i>The United Kingdom</i>	65
9. France	60	9. <i>Russia</i>	54
10. <i>Italy</i>	56	10. France	49

World Migration Report 2008

Regarding **immigration**, the most common form is the entrepreneurship - *Business immigrants*. These are the first that settled in Romania, ever since the early '90s. A large proportion of them coming from China, Turkey and several other Arab countries (Syria, Lebanon). According to data recorded in the census of 2002, in Romania there were foreign citizens of other nationalities as well (Table no. 1.6.).

Table no. 1.6.

**The foreign citizens aged over 10 years old,
arrived in Romania for at least 12 months from the date of the census, according to their
citizenship**

Country of origin (citizenship)	Total 23,945	% 100
Republic of Moldova	5,255	21.94
Turkey	2,007	8.38
China	1,839	7.68
Italy	1,679	7.01
Greece	1,540	6.43
Syria	1,044	4.35
Ukraine	765	3.19
Iraq	643	2.68
Lebanon	607	2.53
Other countries from Europe	2,088	8.71
Countries from other continents	3,091	12.90
Without citizenship	32	0.13
Undeclared	186	0.77

Census of 2002

There is a large number of *immigrants* recorded *from the Republic of Moldova*. Most of them come to study here and nearly all of them choose to settle and to get employed later in Romania. The number of people who come to occupy a job as soon as they enter the country is also increasing. This is due to some favourable conditions. First, the spoken language, Romanian, is practically common to the two countries, the Republic of Moldova and Romania. Then, the high difference concerning the level of economy between the two countries, as well as the different specializations, lead in their turn to the filling of the low-skilled jobs, particularly in agriculture, by the immigrants from the Republic of Moldova. Last but not least, another factor which favours the increase of the number of immigrants from Moldova to Romania, and their vicinity and the relatively easy access to the common border.

4. Conclusions

Currently, Romania is facing, although it is prepared, the emergence of a phenomenon already foreseen by specialists: a significant increase in the number of immigrants, after January 2007. This date is the accession of Romania to the European Union, a status which increased its attractiveness to the migrants from the Middle East, Africa, or former Soviet countries. They have chosen Romania with the intention to settle on its territory and not just to transit it.

The difference between the entrance and exit of migrants, in and out of Romania, is in favour of the exits. More specifically, *the net migration* is negative, which means that the number of migrants is higher than that of immigrants. The explanation is very simple and handy if we consider the economic experience that Romania has gone through in all these past years. The local labour market is not attractive and the business climate is constantly changing. Therefore, the general perception on Romania, in this respect, supported by official data and statistics, is that this is a country of departure, undoubtedly, but also a transit country rather than a destination one.

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