

ANALYSIS OF LABOR MIGRATION AT NATIONAL LEVEL

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Abstract:

Article is intended to describe the general aspects of migration, labor migration from Romania and how this phenomenon affects the labor market at national level.

The activities undertaken in this article reveal a diagnosis of the current situation and a forecast of future trends of labor migration, study on the situation of Romanians abroad, the perception of foreigners on Romanians.

The developments seen in the phenomenon of labor migration easily highlight the way liberal democracies work and how European development process, even the transformation of immigration policy, adaptability and openness to change, questionable character and difficulties encountered along the way.

Keywords: *workforce; population migration; European development; economic transformation.*

JEL Classification: *F63; O15; Q32; R58.*

1. Introduction

Migration is one of the most widespread socio-economic phenomena in Romania since the fall of communism in 1989. Thus it is estimated that approximately 10% - 15% percent of the population has left the country after 1989. Following the revolution that took place in 1989, an opening of borders was made. Romania's massive emigration occurred after the migratory flows were mainly

determined on the basis of ethnicity, more than 75% of immigrants were ethnic Germans, and the rest were Hungarian and Hebrew.

Thus the relationship between migration and demographic trends and labor market developments in Romania has experienced many changes, based on a comprehensive review of the literature. In many descriptions Romania appears as the east gate having the status of the European Union.

Research on immigration and integration of foreigners in Romanian society aims to provide an overview of the current situation, priorities and vision for the immigration management by Romania.

Migratory flows aimed at Romania analyze trends and changes that have occurred or will transform composition, number and profile of the immigrant population in Romania.

In conclusion, legislative and regulatory requirements that characterize national immigration system and the integration of foreigners, institutions at central and local level with responsibilities in this area and developed general or specific public policies for immigrants.

2. Research Methodology

Romania is in a very small extent a destination country, so immigration was modestly characterized before 2000 and only prospects for EU accession and economic recovery, accompanied by labor shortages have contributed to labor migration to Romania.

Entrepreneurs have also contributed to the formation of the migration phenomenon in Romania by hiring more foreign workers. However, given the trend of sustained growth, a widening of labor shortages and an aging amplification, National Prognosis Commission estimates that by 2013-2015 approximately 200,000-300,000 workers foreigners will enter the Romanian labor market.

Defining immigration and integration of foreigners in Romania Romanian society had as its starting point the situation of third-country nationals legally residing in Romania.

Romania is a crucial country when it comes to illegal immigration as a source. Upon accession to the European Union, it is a gateway to Europe to Asia and its location at the crossroads of Eastern and Western Europe, it is expected that this will mean major flows of irregular migrants in transit that will be laid down by the country.

Immigration and integration of foreigners in Romanian society is determined through research that does not claim to be fully assigned, but only intended to be a useful, easy to understand tool for mapping and highlighting milestones in the evolution of immigration and integration of foreigners, at a time and on the basis of the information available.

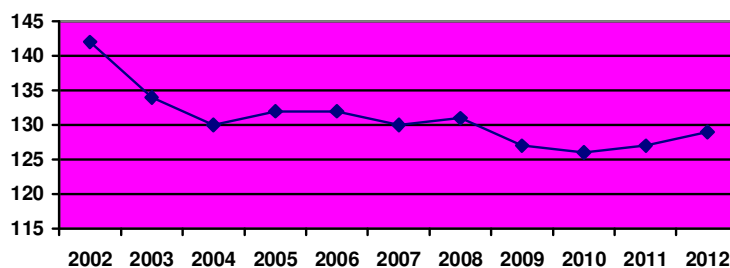
The analysis of statistical data that is identified throughout the entire transition period coincided with demographic decline which resulted in the loss of about 1.5 million people in 2002-2012, with a total population of 21,673,326 now.

Analyzing national demographic situation shows that between 2002-2012 the cumulative effect of negative natural increase and net migration recorded, led to a decrease in the total population of approximately 700,000.

Given that this estimate of the population is correct, this would mean a loss of 3% of the population in 10 years, which can be considered quite much for a country like Romania.

When discussing migration and the labor market in Romania, it is essential to know the demographic situation of the country. This will help us better understand how migration trends could affect the structure of the labor market.

Throughout Europe the growing proportion of elderly people, in contrast to a decrease in working age population raised concerns about the social sustainability of the welfare system.



Source: www.eurostat.ro

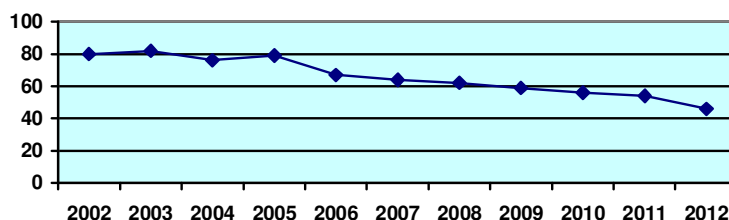
Figure 1. Demographics of Romania

By analyzing the graph above (see Figure 1) one can observe a steady decrease in the number of inhabitants in Romania except for certain times when we tried a regression. Thus the most visible decrease can be observed in 2002-2004.

A demographic decline may not have visible short-term negative consequences, since it allows more efficient allocation of such resources

(education, health, social security and public welfare system). Because of these major changes occurring in the population decrease will be affected all age groups as 40-64 years group will expand while smaller groups will experience significant reductions, especially groups after 1989. This establishes that the average age of the working population is approximately 45 years. Looking at the economic impact of demographic decline, while taking into account age, it clearly shows that even with an improvement in the fertility rate, negative consequences would not diminish.¹

The situation in Romania population greatly affects migration. So if there is a very low standard of living the country will not be of interest to foreigners, and they will not come to Romania while Romanians will always be tempted to leave the country.



Sursa: www.eurostat.ro

Figure 2. Number of employees in Romania

Analyzing the graph above (see Figure 2) we can see a continuous decrease in the number of employees in Romania. In order to understand how migration may affect the occupational structure, we must refer to potential developments in the labor market.

In almost all studies in this area, the authors have done an in depth analysis of the labor market in Romania as well as possible developments in the coming years.

The chart above shows the development of the labor market in Romania until 2012. Most jobs in Romania are in agriculture, with 26.8%, followed by workers specializing in maintenance and repair of machinery 17.7%, and in the third place, in trade and services with 11.7%.

¹ Craciun, L., *Viitorul si noua fata a economiei*, Theoretical and Applied Economics, Economic Publishing, Bucharest, 2012, pp. 65-72

The labor market is proving to be a second major indicator that characterizes migration in Romania. Due to the lack of jobs in the country, the vast majority of the working population is determined to go to another country, motivated by better paid jobs.²

Currently, virtually all countries are involved in the complex process of international migration of labor, being in the process either as countries of destination, either as countries of origin, either - transit, but in all cases they are influenced by this phenomenon in social, economic and political levels.³

Unlike most Western countries, the recent history of migration in Romania is quite short. Communist leader Nicolae Ceausescu closed migration policy supported by both restricting the entry of foreigners into the country and restricting those who wanted to leave the country.

Migration was only allowed under the strict government supervision. Thus, Romania was restricted to employment exchanges, visits by students, short-border organized tourism and migration of ethnic minorities. In these cases, those who managed to leave the country were generally nearer the control bodies or had connections with the political elite.

Also, groups such as criticism of the regime and ethnic minorities, German and Hebrew were allowed to leave the country. There were also people who have crossed the border illegally.

Currently, immigration profile indicates rather young men aged 18-35 years with vocational school studies or higher education who work in skilled jobs in major cities and in Bucharest.

There are already deficiencies in the labor market both in the primary labor market and the labor market side. For example in Bacau textile factory Chinese workers were brought in jobs they managed to occupy because they have skills in the textile industry.

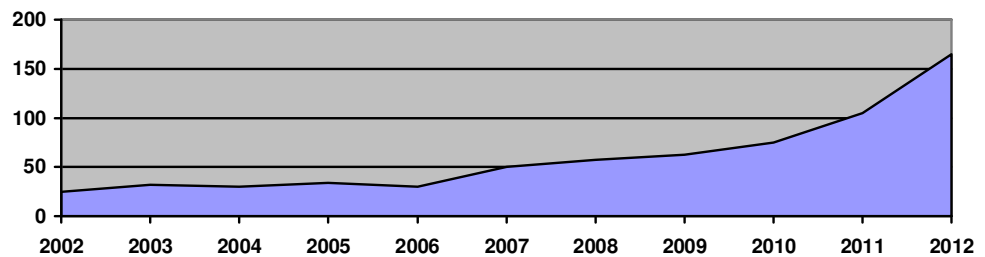
The vast majority of rural youth in Romania choose to emigrate abroad, so large agricultural areas remain uncultivated. Agriculture is not only affected the labor force, and changes in the lifestyle of non-migrant population who have to work the land, they being supported by remittances.

² Molanescu, A., G., Aceleanu, M., I., *Consequences of the Budget Deficit in the Current Crisis in Romania. Implications on the Labor Market*, Theoretical and Applied Economics, Economic Publishing, Bucharest, 2011, pp. 59-74

³ Andreescu, D., Teodorescu, A., *Emigratia în scop de munca a romanilor dupa 1990*, Editura Yes SRL, Bucuresti, 2004, pp. 67-72

The data that refer to emigration and immigration, between 2002 - 2012 surveys reveal that 7.3% of the population worked abroad at least once during this period. Also, 13% of households in the period 2002-2012 had 1.5 members abroad, representing approximately 1.4 million migrant labor market⁴.

The figure below (see Figure 3) describes the evolution of labor migration in the period 2002-2012. After opening the borders in 1990, labor migration gradually increased. In 2002, visa restrictions have been removed.



Source: www.eurostat.ro

Figure 3. The situation of immigrants in Romania during 2002-2012

During 2002 - 2006, changes in labor migration trends were less visible. The above chart is used to support a statement that highlights a fairly constant trend of migration between 2002 and 2006, major changes occurring from 2008 to present. For the next period an increase in migration is expected.

If in 2002 5% of the adult population said they had worked abroad, in May 2003, this percentage increased to 7.3%, which is roughly 1,250,000 people. Analyzed by another indicator, "household members abroad at the time of interview" highlights the fact that 580,000 households have at least one member abroad.⁵

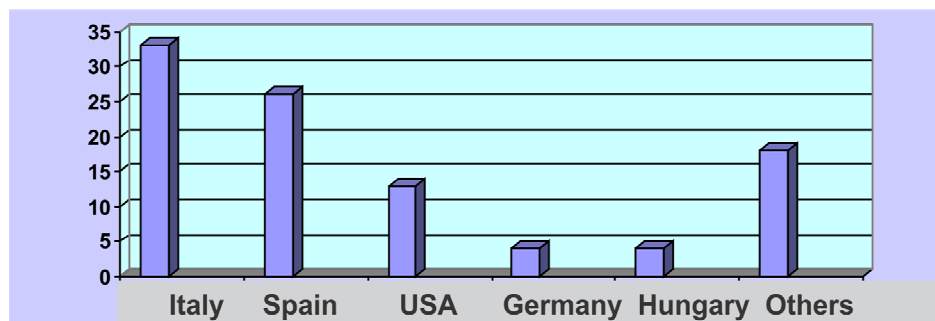
Regarding the preferred destinations for migration (see Figure 4), it appears that Italy, Spain and the United States are the most popular destinations. Regarding

⁴ Mariana Balan, Uzlau C., "The migration in the context of the current economic and financial crisis. Comparative analyses", pp. 82-99, revista „Romanian Journal of Economic Forecasting”, Year XIII, The Expert Publishing House, Bucharest, Romania, ISSN 1582/6163,

⁵ Vasile, V., Balan, M., *Impact Of Greenhouse Effect Gases On Climatic Changes. Measurement Indicators And Forecast Models*, articol publicat in Faculty of Sciences, "1 Decembrie 1918" University, Alba Iulia, Annales Universitatis Apulensis Series Oeconomica

options preferences destinations, they have changed over time, if at first Israel, Turkey and Italy were the main destinations, Spain and Italy currently absorb more than half of all migrants from Romania.

Regarding intentions to migrate, lately there has been a slight change, indicating France and Britain as potential destinations.



Source: www.eurostat.ro

Figure 4. Favorite destinations of immigrants from Romania

According to a recent study, immigrants from Moldova are most numerous foreigners in Romania, followed by Turkish and Chinese immigrants, of whom 89.88% had a temporary residence permit and 10.12% had a permanent residence permit.

An important development in the law and institutions was made on the Romanian citizens working abroad. In recent years the Government of Romania has signed several bilateral agreements with countries that have been shown to be important destinations for Romanian workers (such as Spain and Italy). Agreements of this type are intended to ensure equal conditions of employment for Romanian citizens and residents, and to create a legal framework that labor mobility can grow while the country is still in transition.

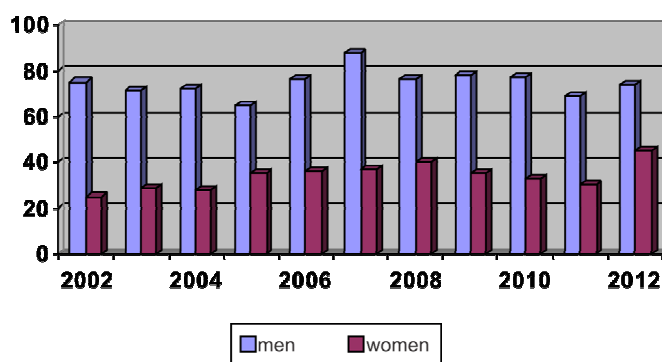
Currently, immigrants in Romania are mainly business people active in different market sectors that are not explored enough by Romanians, either because of the nature of their business, or because relative prices for their products, addressing category buyers. The least significant in number, but have a major impact on the local economy are Italian, German and American investors.

Italian investors in Romania, especially prefer the north-east, respectively Moldavia region. After the fall of communism, many public enterprises have been restructured or bankrupt, and Italian investors took over the industry in the area.

Cultural contacts and interaction with Italians further contributed to the structuring of migration intention.

Most migrants working abroad had jobs in construction (36.1%), agriculture (28.1%), private households with employed persons (household care), 14.6%, and hotels and restaurants (11.6%).

A significant proportion of migrants were characterized by unemployment, which might suggest that international migration could reduce unemployment. The data analysis shows that a constant aging of population appears and a high polarization between the numbers of dependents.



Source: www.eurostat.ro

Figure 5. The situation of immigrants in Romania by gender

By analyzing the graph above (see Figure 5) it appears that the majority of immigrants from Romania are male, they have an approximately constant evolution over the period 2002-2012. Regarding female immigrants we can say that in recent years has made a significant rise, if during the period 2002-2011 it was half of the male immigrants since 2012, this level was exceeded and further growth is expected for the next period.

3. Conclusions

In conclusion, men are more exposed to the migration, mostly because of that sectors which are present in the labor market, mainly the most active construction and agriculture.

Research emphasize the fact that generally working abroad is periodically, and people who go abroad to work form their lifestyles as these factors do not

actually consider accepting a job in home country as long as wages remain significantly lower than the potential gains abroad.

An increased potential of migration in the period 2002-2012 in Romania workforce shows the lack of acceptable paid jobs, professional opportunities, an affirmation of the high potential specialization for further education in the home country with the prospect of a better paid job in the destination country in a short time and with minimal expenses.

Romania, which in the past international migration picture was distinguished as a country of emigration due to EU integration, economic and social situation of the country's environment tends to improve and, over time, the characteristics we observed a transformation of Romania country of immigration.

Between 2002-2012, Romania is seen as a country of destination of the so called "third world immigrants", the name is a little forced, given the economic situation of our country for the period 2002-2012. It is true that the local workforce is almost entirely gone to other countries, and in Romania longer had to work someone and workers from outside the EU are brought, such as Chinese, Africans who would do what Romanians should. The problem our country currently has is: qualified workforce leaving Romania is superior to that which comes from outside Romania.

National Strategy for the period 2002-2012 migration expresses general principles and guidelines for establishing Romanian state policy regarding the admission, residence, leaving the territory of the foreign labor immigration, granting protection forms and combating illegal immigration .

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