

Section I
MANPOWER – NEW POTENTIALS FOR ENHANCING
THE ECONOMIC EFFICIENCY

ACTION GUIDELINES FOR EFFECTIVE MANAGE LABOUR MIGRATION – CASE STUDY FOR ROMANIA¹

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Abstract

The relationship between migration, growth and development is complex. Moreover, in Romania, relatively little is known about this phenomenon, especially due to the fact that the magnitude of flows of workers is insufficiently determined and structured. This leads to assuming a certain degree of caution when political and institutional implications and alternatives are discussed.

To support the effective management of labour migration, this study will analyze migration policies considered barriers against mobility and structural characteristics of migration flows by using databases published by the Italian and Spanish authorities. The paper concludes with action guidelines to maximize the positive and minimize the negative effects of migration for Romania, and implicitly for Romanian citizens.

Keywords: *mobility, migration, migration policies, migration size*

JEL Classification: J₀₁, J₆, J₆₁, J₆₈

Introduction

Free movement of a person is one of the fundamental rights guaranteed by EU law. Labour mobility is a consequence of the free movement in the area of EU in the Treaty on the Functioning of the European Union (art. 45, 46). This includes the right of EU citizens to move freely to another EU Member State in order to hold a job and live on its territory with their families. Freedom of movement for workers entails the abolition of any discrimination based on nationality between workers of the Member States as regards employment, remuneration and other conditions of employment.

It is believed that greater labour mobility, between jobs (occupational mobility) as well as between countries (geographical mobility), contributes to social and economic progress to a higher level of employment and sustainable and balanced development. Structural changes in the workforce, creating new jobs through the development and emergence of new activities and specializations

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caused an increase in the need for labour mobility. A higher degree of labour mobility between Member States will encourage closer political integration in the European Union (EU).

Increased labour mobility is also a priority in EU policy approaches, namely the Lisbon Strategy and the European Employment Strategy 2020. Corresponding guidelines of the European Commission, Member States should “improve the balance between supply and demand in the labour market by modernizing and strengthening labour market institutions removing obstacles to mobility for workers across Europe within EU countries” ... The Europe 2020 strategy states that the EU should “modernize labour market performance and encourage people to develop their skills throughout the lifecycle having in mind to increase labour market participation and better match labour supply and demand, including through labour mobility.”

In the context of the European Year of Workers’ Mobility (2006), there was performed, within the EU, an Eurobarometer survey on geographic and labour force mobility. The survey results were analyzed and reports have been published on various general and specific aspects of the migration problem. The following key conclusions resulted from the survey: geographical and labour market mobility are major political challenges; too little mobility could lead to reduced adaptability and competitiveness, while a too high mobility may unbalance national labour markets; mobility involves both benefits and losses for the individual in terms of social and economic; key factor which discourage geographic mobility in the EU is the fear of losing social network; mobility is mainly determined by the following factors: employment, related income and desire to discover new things.

Elsner, B (2013) demonstrates in a recent case study on Lithuania that emigration had a significant positive effect on the wages of stayers. A one-percentage-point increase in the emigration rate predicts a 0.67% increase in real wages.

The study will develop a migration policy analysis to capture the existence of barriers to mobility between certain countries, certain transitional provisions designed to protect local labour markets in the context of a general agreement, under which it agreed more labour mobility (at least in Europe. Some specialists (Boeri, T., Jan van Ours, 2008) believe that „international migration is the great absent in the globalization era” and that migration policies have become increasingly strict. Meanwhile, putting faulty application of these restrictions leads to increase the inflow of illegal immigrants. There is a massive labour migration from the new Member States to the EU15 on the one hand and, on the other hand, less developed to the most developed.

Migration Policies

Migration policies are now introducing a complex set of restrictions (conditions) regarding the free movement of persons across borders.

Migration restriction usually takes the following forms:

– „Quotas” that determine the maximum number of workers and residence permits may be granted to foreigners in a given year. They are often allocated on a first come first served, but a growing number of countries adopt a point system, i.e. each participant is assigned a score based on explicit criteria, which usually rewards education, experience and skills language. Bonus points can also be awarded for engaging in certain occupations and regions where there is demand for workers;

– The number of bureaucrats involved in admission procedures affecting both migrants and employers;

– The period of residence is defined as the maximum length of residence or work permit;

– Assimilation policies concerning migrants are also relevant in defining attitude more or less restrictive migration policies. An example of the indicator may be the minimum number of years necessary to be applied to citizenship;

– The existence of ad-hoc rules for asylum seekers. Although asylum policies are largely inspired by non-economic considerations, in practice most of the applicants respond to economic incentives, as well as other migrants. Therefore it is very important to include asylum policies when considering attitude more or less positive international migration across the country.

In the past 15 years, migration policies have become increasingly stringent, but not only in northern and southern Europe. Limitation of labour mobility in Europe is the direct or indirect relationship with the following development trends:

– Progress and adjustment of different levels of development of the European states;

– Lack of integrated legislation in the field of employment, education and social security in Europe;

– Evolution of information and communication technology to facilitate teleworking, from one country to another;

– Difficulties in applying the principle of mutual recognition of diplomas and qualifications.

Labour mobility has important support, which supports the free movement of people without any restriction, and opponents, proposing measures to limit it in the old Member States, countries of immigration. Economic theory suggests that migration increases efficiency by arbitration between countries (or between regions) of the differences in terms of productivity and unemployment. The purpose of arbitration is high efficiency: international markets for goods and financial assets price differences rarely exceed the rate of 2/1, while individuals with the same qualified wages in the advanced countries and low income countries differ by a factor of 10 or more. This suggests that the gains of liberalization of labour mobility between countries are enormous and far greater than for liberalization of goods and capital in the traditional areas. Therefore, migration is still severely restricted, because migration policies are essential redistributive instruments that aim to reduce the effects of migration on wages and unemployment among natives.

• *The evolution of the labour market access of Romanian workers in the EU in the period 2007-2012*

	<i>Free access²</i>	<i>Restricting access³</i>
<i>First phase transient:</i> 1 Jan. 2007 – 31 Dec. 2008	11 Member State: Bulgaria, Czech Republic, Cyprus, Estonia, Finland, Latvia, Lithuania, Poland, Slovakia, Slovenia, Sweden	15 Member State: Austria, Belgium, Denmark, France, Germany, Greece, Ireland, Italy, Luxembourg, Malta, UK, Netherlands, Portugal, Spain, Hungary
<i>The second phase transient:</i> 1 Jan. 2009 – 31 Dec. 2011	States that have imposed transitional measures on the labour market access of Romanian citizens maintain, with some exceptions, the regime applied in the first two years: 4 countries – Greece, Portugal, Spain (to 22 July 2011), Hungary – have liberalized access to employment from 1 January 2009 and Denmark from 1 May 2009.	
2010 and 2011	16 Member States – Bulgaria, Czech Republic, Cyprus, Denmark, Estonia, Finland, Greece, Latvia, Lithuania, Poland, Portugal, Slovakia, Slovenia, Sweden, Spain and Hungary.	10 Member States – Austria, Belgium, France, Germany, Ireland, Italy, Luxembourg, Malta, UK, Netherlands.
2012	<i>17 Member States:</i> Estonia, Finland, Ireland, Poland, Slovakia, Czech Republic, Cyprus, Sweden, Slovenia, Latvia, Lithuania, Bulgaria, Denmark, Greece, Hungary, Italy and Portugal.	9 Member States – Austria, Belgium, France*, Germany, Luxembourg, Malta, the UK, Spain and the Netherlands.

* The French government announced a series of measures to facilitate access to the labour market for Bulgarian and Romanian citizens, namely: expanding the list of occupations open to citizens of the two Member States – from 150 to 291 and removing tax that employers were required to pay to the Immigration Office.

Conclusions of the European Commission report on the first phase of implementation (January 1 2007-31 December 2008) of the transitional arrangements, argue that: the fears which persist in the old Member States on the free movement of workers are unmotivated, that enlargement of the mobility within

² In states that have liberalized labor market access of Romanian citizens, the transitional arrangements aren't applied, employment is performing under the same conditions as employment of the nationals of that State without the need to obtain in advance a work permit.

³ In these countries remain transitional arrangements for employing Romanian citizens, being necessary obtaining of the work permit / work permit.

the European Union not lead, and is unlikely to lead to serious disturbance of the labour market; EU mobility 10/2 had a positive impact on economic growth in the EU and a reduced impact on wages and employment of national workers of the host country; Romania mobility flows are mainly temporary and occurred before 2007, and now we are witnessing a return migration in Romania; unrestricted labour mobility provides needed flexibility in both directions: workers circulating within the EU labour market where there is demand for labour and many of them return to their home country when abroad employment conditions become less favourable; transitional measures aren't those that prevent migrant workers to enter on the labour market from a Member State, but because they cannot become legal employees, black hiring is the only option that remains, with negative effects on the rights as workers, as well as on the social integration policies of the Member State concerned; Facilitating labour mobility is one of the most effective means of promoting the principle of equal opportunities in gender, etc.

We conclude that in the period 2007-2012 there is a positive evolution of Romanian workers' access to the labour market in the EU, but their mobility is still restricted all or part of a significant number of Member States, despite the conclusions in support flexibility, included in report on the first phase of the transitional measures.

Structural Characteristics of Migration Flows

• Data sources, information on the migration of workers and their limits.

The real magnitude of migration flows is difficult to estimate in the Romanian case, statistical evidence for migration, deliver data only for permanent migration. Therefore, official figures on migration reflect only a small part of the actual size of the phenomenon.

To compensate for these shortcomings, in the analysis of migration flows from Romania have been used, outside the data provided by the National Institute of Economic Statistics and data from the **authorities of the Italy, Spain and EUROSTAT.**

Migration flows can change dramatically over time, both in size and in composition, reflecting the current trends and historical migration flows. These major changes combined with the complex nature, on the long-term of the integration of migrants' process, may be challenges for *policy makers who need quality information to underpin decisions on migration. The main dilemmas related to the data base of the new mobility trends, resulting from recent publications, can be summarized as follows:*

- Research employment and labour using homogeneous samples, which are not specified in the national and ethnic minorities and mobile workers;
- Mobile workers can have low response rates in surveys;
- Coverage of very recent migrants;
- Monitoring of illegal mobile workers is difficult or even impossible;
- Measuring the impact of mobile workers conditions on quality of life and working conditions is complicated;

- The small size of the sample;
- Recording of ethnicity in employment records may be illegal or politically sensitive, perceived as a discriminatory practice;
- Language and terminology used in the survey may have different meanings for certain groups of mobile workers.

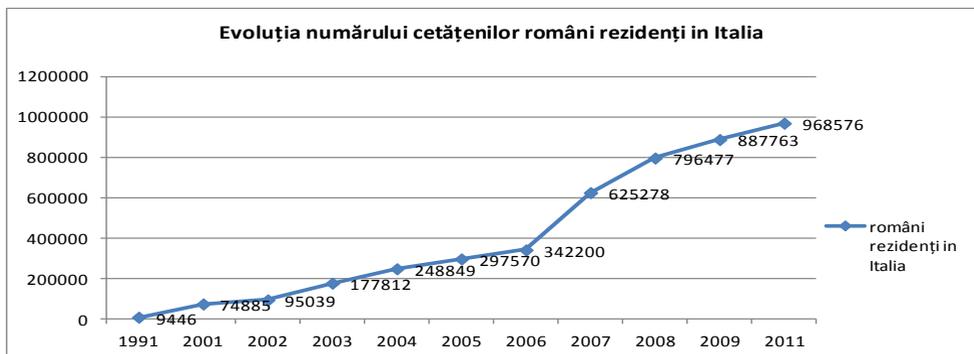
In 2009, the number of people who have acquired citizenship of an EU Member State was 776,000, this corresponds to an increase of 11.1% over 2008. The main contribution to this increase was a United Kingdom, followed by Italy, Romania, Portugal and Luxembourg. In the Romania, these increases are due reform of the national legislation on citizenship.

The structure on citizens of the foreign citizens who living in the EU vary widely from one Member State to another, influenced by factors such as labour migration, historical links between countries of origin and destination, and by the networks created in destination countries. In 2010, Turkish citizens were the largest group of foreign nationals living in the EU with 2.4 million people, or 7.2% of all foreigners. In second place stood Romanian citizens living in another EU country (6.6% of all foreigners), followed by Moroccans (5.7%). The group of Romanian citizens living in the EU has recorded the largest growth in the period 2001-2010, their number increased seven-fold, from 0.3 million in 2001 to 2.1 million by 2010.

• **Data published by the Italian and Spanish on flows of foreign workers, including Romanian.**

In Italy they were in January 2011, a total of 4,570,317 foreign residents, of which 968,576 were Romanian. The evolution of Romanian citizens resident in Italy is presented in Figure 1. We see an upward trend, throughout the period monitored, of the number of Romanian residing in Italy, and this trend is maintained in the case of evolution of the Romanians share in all foreign residents too, presented in graph 2.

Graph 1: *The evolution of the number of Romanian citizens resident in Italy*

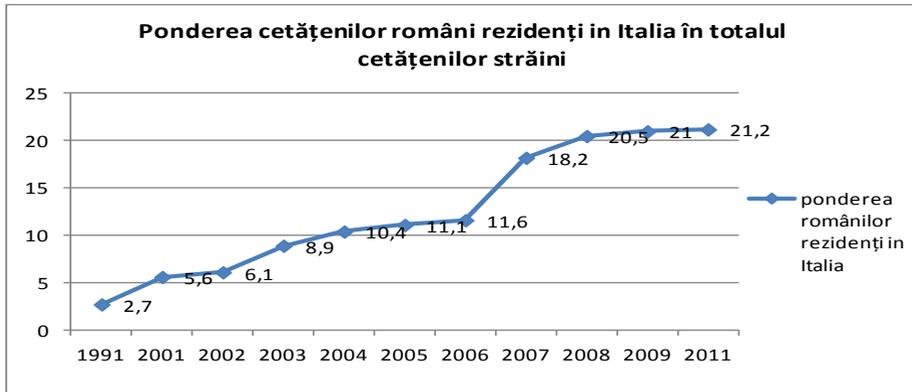


Source: authors based on data provided by SSRMdL di Italia Lavoro

The number of Romanian citizens resident in Italy increased, practically, 100 times in the last 20 years. The increasing of the migration was observed since

2006, due to the shortage of jobs in the national economy. The trend maintained, in all subsequent years, regardless of the circumstances.

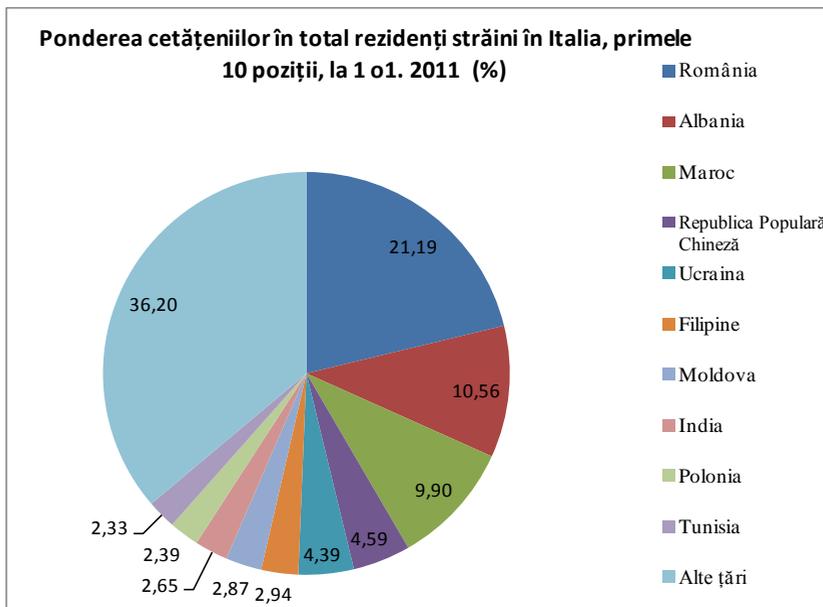
Graph 2: *The evolution of Romanian citizens in total foreign residents*



Source: authors based on data provided by SSRMdL di Italia Lavoro

The share of Romanian citizens, in the total number of foreign residents from Italy, in 2011, was superior to other nationalities, representing 21.19% of the total, compared to Albanian citizens (10.56%), Moroccan (9.90%), Chinese (4.56%) and other citizens of the world (see graph 3).

Graph 3: *The share of total resident foreign citizens in Italy top ten on 01, 2010*

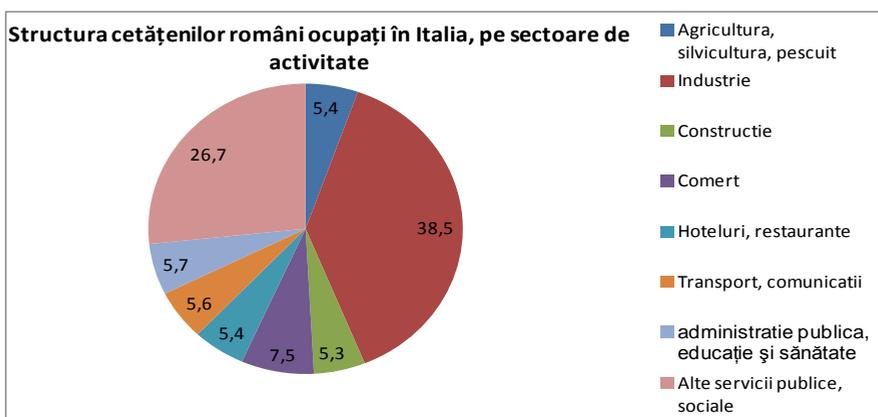


Source: data from the authors after SSRMdL working in Italy by Istat data

The gender Structure of all Romanian citizens resident in Italy is easily unbalanced, so that residents of Romanian female is about 55% and males almost 45%.

Of the total persons employed on the activities of the Italian economy, a number of 561637 Romanian citizens are registered as workers (representing 2.45% of total employment and 58% of the Romanians who living in Italy). In some sectors of the economy percentage of Romanians employed is higher than workers employed at national level in that branch. So we can say that there are economic activities that employ predominantly Romanian citizens or other nationalities. For example, 38.5% of the Romanian are working in industry (at national level, 28.5% of workers are employed in industry), followed by the percentage of those working in other public and social services, 26.7% (at national level, only 7.3% of employees working in this sector) (graph 4).

Graph 4: The structure of Romanians workers from Italy on economic sectors



Source: authors after data processing SSRMdl di Italia Lavoro su microdati RCFL-IST

In Spain in the mid-2012, there were 908769 citizens residents of Romanian origin. In fact, the largest share in European foreigners residing in Spain, were Romanian citizens (41.53%), followed by the UK, Italy etc. (Graph 5).

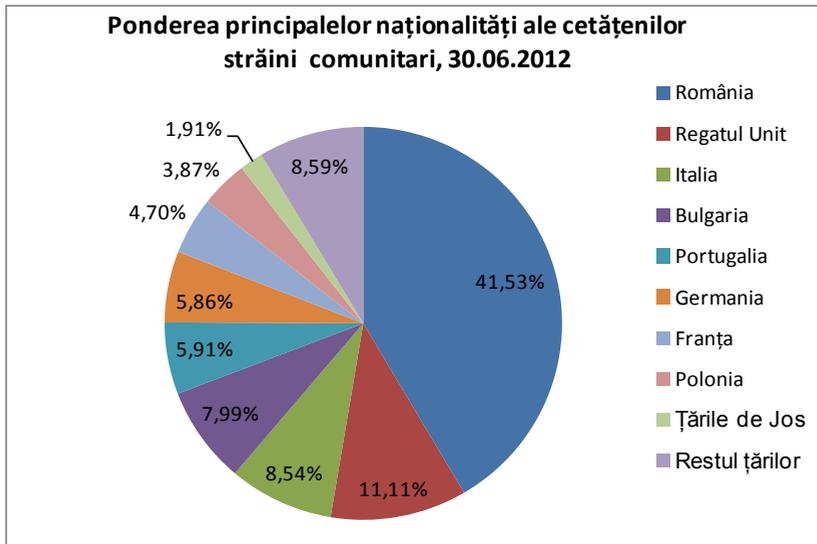
The structure by gender of Romanian citizens living in Spain with a residence permit or green card 30.06.2012, was dominated by men, with a rate of 53.54%, or 486,574 people.

Action guidelines

We note that international migration has become an important part of globalized world, generating the need for efficient management of the phenomenon, which to give it an important role in the economic development of countries and poverty reduction. To this end we have identified the following guidelines:

- ✚ Improving international cooperation on labour migration. In this regard government institutions in consultation with the organizations of employers and workers should engage in international cooperation to promote managed migration for employment. Particular attention should be paid to the following aspects:

Graph 5: The weight of the main nationalities of foreigners Community citizens, 2012



Source: processing data from authors after AELC-EFTA: European Free Trade Association

- development of information exchange between governmental institutions and at governmental level between Romania and other countries on issues related to labour migration;

- development of intra and intergovernmental dialogue and cooperation on labour migration policy in consultation with the social partners, civil society organizations and migrant workers, so that Romania should be present in the decision making structures of European migration;

- promotion, where appropriate, a bilateral and multilateral agreements between countries of destination and origin, focusing on various aspects of labour migration, such as admission procedures, flows, possibilities of family reunification, integration and return policy including in particular measures by gender;

- development of projects and programs that generate or increase opportunities for decent work for both men and women in Romania, in order to maintain skills (talent) necessary to achieve a balance in the labour market;

- promotion of bilateral and multilateral agreements between workers' organizations or between Romania and the countries of origin or destination for the exchange of information and transfer of their members.

- ✚ The knowledge and information are critical elements in the formulation, implementation and evaluation of the practice and policy on labour migration, and therefore collection and application of information and knowledge should be a priority. In this respect, it must:

- Improving of the capacity and governance structures for collecting and analyzing quantitative and qualitative data on labour migration, including gender structure, sectors and other data that form the basis of labour migration policies;

- having in view the crucial role in the management of the economic migration of NEA and MMFPS, it must improve its system for recording structural immigrants on the economic sectors, occupations, etc.;
- promoting, supporting and reconfiguration of the research and launch special, priority research programs of the migration issues, including the impact of emigration on Romanian, and contribution of the immigrants on Romanian development, international mobility of the talent; elaboration of the policy regarding migration;
- collection and exchange of good practices on labour migration to be ongoing;
- development of the bilateral and multilateral exchange of labour market information;
- a research regarding the movement of the young generation, including highly qualified (including education) as well as low skilled, and the impact of this mobility on the transition from school to work;
- analyzing the effects of mobility on reconciling work and family life, having in mind the effects of mobility on the family (losing touch with family, postponement of a childbirth, therefore resulting in a decline of the fertility rate at the society level, tensions between the initial and current career aspirations, etc.);
- increasing the absorption degree of EU funds as well as other funding sources for specific activities migration.

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