



Workforce Movement: Romania and the European Union

Diana Mihaela Pociovălișteanu

West University of Timisoara, “Constantin Brancusi” University of Tg-Jiu, Romania,
24 Victoriei Street, Tg-Jiu,

Email: diana.pociovalisteanu@gmail.com

Abstract: Workforce movement might be a problem of every country and has negative political, social and economic consequences. Free movement of people is one of the most fundamental freedoms guaranteed by European Union law and it is a necessary precondition for building a single market. The mobility of citizens to other jobs can lead to similar efficiencies in the labour market. Greater adaptability of workers through the migration process is also a key element in making the European Union more competitive at a global level, and at an individual level enabling employees to raise their skills levels and their employability, income and career prospects.

Keywords: migration, labour market, EU Eastern enlargement

1 Introduction

The new economic environment resulting from the global crisis has underlined the need for monitoring and analysing the workforce market and has shown the need for additional research on ways to limit the negative impact of the crisis on the workforce markets. Even in these confusing times, it is still useful to show a long term image to emphasize the progress made on the European workforce markets in the last ten years.

Among the advantages gained by our country following the adhesion to the European Union there are a series of positive items regarding the workforce market: the possibility to access non-reimbursable funds for training and qualification of personnel; the possibility of making investments and consequently, creating jobs; creating the methodological frame and the facilities to attract direct investments; the free circulation of citizens.

Together with the liberalization of Romanian citizens' circulation in the EU, the migration phenomenon was intensified, especially the work related migration.

2 The motivation of migration to other country for the Romanian people

There are different factors and motivations which explain the movement of people from a state to another. The motivation for migration is different in different moments of migration. Many studies about migration and migrants take into account that economic aspects have importance in a sustainable motivation for emigration.

First of all the motivation for emigration for Romanian people was to earn money, because in their country the conditions of work were inappropriate, the distribution of plus value between managers and workers was unfair, the corruption and bureaucracy exist at all levels. The low level of living standards determined by the salaries of people is another factor which is important for the migration process.

But why did they choose mostly latin countries?

“Language and culture similarities, rather friendly attitude from Spanish people, networking, job opportunities, etc.”(Birsan & Cucuruzan, 2007, p. 5) are very important for the Romanian people in regards to their decision to emigrate in Spain.

The migration movement of the Romanian people developed in 3 main stages (Sandu in RNDU, 2007):

A. Stage 1 (1990-1995): 3‰ migration rate, with the following profile of the Romanian migrant: young, man, from the urban area, with general education, leaving from Moldavia, Muntenia and Transylvania to work in countries like Israel, Turkey, Italy, Hungary and Germany;

B. Stage 2 (1996-2001): 7 ‰ migration rate, with the following features of migration: men and women equally represented, urban and rural areas equally represented. The migrants leave mainly from Moldavia to work in countries like: Spain, USA and Canada.

Between 1990 and 2002, since the Romanian border was closed, the legislation allowed Romanian people to enter the European Union countries only with a visa. The strategies of emigration in this period were: illegal border crossing, buying a Schengen visa from the “black market”, using friends or kin relations from Germany (especially people from Transylvania), using the right for asylum. Before 2002, only the people with a very good financial condition were engaged in migration abroad. Even if after 2002 Romanian migrants still had to present some guarantees for their trip abroad (booking of accommodation in the destination country, 500 Euros in cash or an invitation to prove financial support in the country of destination), the migration became more accessible for people. So, we can say that the “composition” of migration has changed after 2002.

C. Stage 3 (2002- 2006), when Romanians were allowed free access to the Schengen area, is characterized by a substantial increase of the migration rate up to 28‰, preserving the migration features of stage 2, except for the changes in terms of host countries: Italy, Spain, Germany, Israel and Hungary. In this period, migration flows

were largely directed towards two main destination countries: Italy (50% of Romanian labour migrants) and Spain (24%). (Stan S., 2009) Spain has become a preferred destination since 1996, especially for Romanians leaving the rural areas of Romania (Muntenia, Moldavia and Oltenia). In the same year a bilateral agreement between Romania and Spain was signed (29th of April, 1996).

In 2007, Romanians who intended to migrate for work abroad were predominantly young, with a good level of education and with relatively high incomes (with an average of 570 Euros per month, i.e. double the net average wage in Romanian economy). The main destinations of migrants were Italy (23%), Spain (20%) and Great Britain (18%). (Nitulescu, Oancea and Tanase, 2007).

The free movement of persons within the EU did not come along with the right to work in most EU member states and led to a “very peculiar configuration of European citizenship without European employment rights” (Hartman, 2007). The accession of Romania to the EU in 2007 determined an explosion of circular movements. Romanian migrants were able to leave and return to their home country without restrictions. Even after 2007, in many EU countries Romanian migrants have had the right only to free travel (for periods of three months) but not to freely access the national labour market of the destination country. (Ciobanu and Elrick, 2009)

3 The free movement of workers and restrictions. Legal framework

The 2005 Act of Accession of Romania and Bulgaria to the EU allows the EU-25 Member States to temporarily restrict free access of Bulgarian and Romanian workers to their labour markets in countries providing these restrictions in their legislation. Despite restrictions imposed by the transitional arrangements, a Member State must always give priority to Romanian and Bulgarian workers in front of workers from non-EU countries, in the priority of access to employment. No restrictions apply to workers from EU-2 (Romania and Bulgaria) in the Member States of the EU-2.

The seven years’ transitional period is separated into three distinct stages („2+3+2”). During each of the three stages different conditions apply, thus:

- National legislation of other Member States regulated access of workers from Bulgaria and Romania to the labour markets of these countries during the first two years.
- Member States had the option to extend their national measures for the second stage for another three years, subject to notification to the Commission before the end of the first stage, otherwise applying the EU legislation ensuring the free movement of workers.

- A Member State maintaining national measures at the end of the second phase had the option, in case of serious disturbances of the labour market or risk of such disturbances and after notification of the Commission, to continue to apply measures until the end of seven years following the date of accession.

Also, there is a safeguard clause allowing Member States who stopped using national measures and apply EU law on free movement of workers before the end of the global transition to reintroduce restrictions if there are serious labour market disturbances or the risk of such disturbances.

The transitional measures will be irrevocably removed December 31, 2013, and apply only to get access to the labour market under EU law on free movement of workers. Since the EU-2 workers are admitted to the labour market of a Member State, they benefit fully from all other rights under EU law on free movement of workers. The transitional measures influence in any way the fundamental right of EU citizens to move and reside freely within the EU under Article 21 from the Treaty on the Functioning of the EU (TFEU). There are transitional arrangements for implementation of EU legislation on coordination of social security programs. (The Treaty of Functioning of the European Union, 2010)

For Romania the possibility of imposing transitional arrangements on free movement of workers was established by the EU accession treaty in April 2005. Transitional measures govern the right of each Member State to determine the policy of access to employment for workers of the Member States of the European Union according to local labour market situation so as not to prejudice the economic and social security system.

In the case of EU states who do not apply to Romania the free movement transitional measures for workers, Community legislation (Regulation 492/2011 on free movement of workers within the Union) is applied, so that Romanian citizens become employed in the same terms as citizens of the State.

The European Commission announced that starting January 1st, 2012, nine states had decided to maintain restrictions for the next two years for workers from Romania and Bulgaria. The only country that has lifted the restrictions imposed on Romanian workers in the labour market from January 1st, 2012, was Italy.

Out of these, the first to have notified the Commission of their decision to maintain labour market restrictions were Britain, Germany and Ireland.

Romanian and Bulgarian nationals intending to work in the UK will have to obtain a work permit in advance from the United Kingdom Border Agency. This decision is part of the British government's strategy to reduce dependence on foreign workers to employers, especially in sectors where unskilled labour is required, the main aim being to help the unemployed to find a job.

Germany has not fully opened its labour market to Romanian and Bulgarian workers. In December 2011, the government in Berlin decided that the disciplines, seasonal workers

and persons with qualified advocates in Romania and Bulgaria have no need of work permits to be employed in Germany. Decision came into force on January 1st, 2012.

Spain invoked the safeguard clause and the Commission accepted, on August 11th 2011, the request of that country to reintroduce restrictions to Romanian workers until December 31st, 2012. The reason was that unemployment in Spain has increased dramatically.

Belgium refused to open its labour market to Romanians and Bulgarians, extending restrictions up to the end of 2013. The reason is that citizens of the two Eastern European countries who are already working in this country refuse to pay social contributions, thus deceiving the state. The Netherlands has also decided to extend the restrictions for Bulgarian and Romanian citizens by 2013.

Luxembourg, France and Austria announced the European Commission in December 2011 that they will keep restrictions for of the EU-2 workers by 2013. The cause is the growth of unemployment in these countries and the negative effects of the global crisis.

Thus, Romanian workers now have free access to the labour market in 16 of the 25 EU Member States, 9 maintaining restrictions until 2013 (UK, Germany, Ireland, Spain, Luxembourg, Belgium, Netherlands, France and Austria).

Each year, Member States that have not opened their labour market for Romanian citizens publish a list of occupations and sectors/industries open to citizens of the new EU member states and those for which the release of a work permit is not subject to the national labour market situation.

Romania did not impose transitional measures for Member States concerning free movement of workers.

4 The workforce migration in the European Union. Romania in the European context

Romania's integration in the EU in 2007 was the major step taken by our country for its both economic and social development. Starting 2007 Romanian citizens can freely circulate within the Union or they can change their permanent domicile, becoming permanent citizens of another member country.

On our country's level we can see, especially in the last ten years, a permanent or temporary movement of the citizens towards more developed countries of the Union, the choice of the destination being made depending on the salary level obtained for a potential job in the host country.

If until 2001 the migrants were mostly men, from 2002 to 2006 the number of migrant women increased a lot, the gap between genders decreasing from 76% to 12% (Table 1).

If we take into account the other variables too, we may say that in the first stages left to work married men, from urban areas, with high school or vocational school studies. In time, the number of persons from rural areas, unmarried and with a lower education level has increased, so there was a diversification of the temporary emigration abroad (Sandu, 2006).

		Stages				Total
		1990 - 1995	1996 - 2001	2002 - 2006	2007 - 2009	
Gender	Women	12	15	44	40	111
	Men	88	85	56	73	302
Rural / Urban	Rural	41	48	49	47	185
	Urban	59	52	51	58	220
Nationality	Romanians	92	89	94	99	374
	Hungarians	8	10	4	11	33
	Others		1	2	2	5
Marital status	Married	88	76	60	82	306
	Single	7	19	31	35	92
	Others(widower, divorced)	5	6	10	9	30
Education	Primary	3	3	1	3	10
	Gymnasium	2	8	16	12	38
	Vocational and High school	78	79	77	82	316
	University	17	9	7	32	65

Table 1
The evolution of persons who left to work abroad from 1990 to 2009
Source: OECD Economic Surveys, 2009

The migration of Romanian workers abroad, confirming a dimension of the neo-classic economic theory, was firstly towards countries more economically developed where there was a possibility to obtain higher wages compared to the one obtainable in Romania. However, the economic dimension must be associated with the political one. The limited legal possibilities for Romanians to go to work in the West have caused the destinations for the temporary economic migration in the first 10 years after the 1989 events to be very scattered, the main targets being Israel and Italy with 17% followed by Hungary, Turkey and Spain with lower percentages. After 2001 the situation changed dramatically, Italy and Spain being by far the most wanted destinations for Romanian workers. The possible explanations for the fact that almost three quarters of the Romanian migrants go to these countries are the cultural resemblances (including the ease to learn the two Latin languages), the local authorities' flexibility in accepting foreign immigrants and the existence, at least in Italy, of Romanians who have facilitated the migration of other Romanians through the „migrant networks”. Zaicewa and Zimmermann (2008) show that linguistic and geographical distances, migrant networks, as well as scale seem to have played an important role in the allocation of migrants across destination countries. The high number of migrants to Italy in the

studied interval can also be explained by the fact that the economy in this country is more developed and offers higher wages than in Spain. If we consider the historical regions too, we can emphasize the role of the networks and of certain migration traditions in the increase of the migration flow. Workers from Moldavia prefer Italy, those from Muntenia prefer Spain. Many inhabitants of Banat go to Germany and those from Ardeal to Hungary.

	Moldova	Muntenia	Oltenia	Dobrogea	Transylvania	Crişana Maramures	Banat	Bucharest
Italy	76	21	62	75	42	41	43	75
Spain	14	54	21		17	29	4	-
Germany	1	8	-	13	3	3	29	-
Hungary	-	-	-	-	17	6		-
Greece	3	1	-	-	-	-	13	18
France	1	1	3	-	3	3	-	-
Others	6	14	6	13	13	12	7	13
NR(no response)	2	3	6	-	4	6	-	-
Total	100	100	100	100	100	100	100	100

Table 2
Main destinations of temporary emigration by historical regions, 2001-2009
Source: OECD Economic Surveys, 2009

The importance of the migrant networks results clearly from the next table, where we can see an increase in the number of those who were offered support when leaving the country in finding a house and a job abroad. In the last stage compared to the first one, the number of those who were helped when leaving has tripled and the number of those supported to find a job and a house has doubled, help being offered primarily by relatives and friends.

		Stages			
		1990 – 1995	1996 – 2001	2002 – 2006	2007 – 2009
Helped somebody on departure	Yes	22	40	60	50
	No	69	56	38	15
	No answer	8	4	2	3
Who helped them leave	Native relative	5	16	23	19
	Native friend	7	6	16	12
	Native acquaintance	3	3	5	4
	Others	15	20	18	12
	Not the case	69	56	38	
	No answer	0	0	1	0
How were they able to find a job abroad	Contracts intermediated by the Employment Agency	10	7	3	20
	Through intermediation companies in Romania	22	21	11	25
	Through relatives from abroad	7	13	27	22
	Through friends from abroad	25	24	27	26
	Left directly to the employer	17	13	15	15
	Others	12	10	12	12
	No answer	7	10	7	7

Table 3
How did the migrant go abroad
Source: OECD Economic Surveys, 2009

The fact that fewer and fewer left with contracts intermediated by the Employment Agency or through specialized companies from Romania is positively correlated with the decrease of those who said they worked legally abroad. One can also notice that the number of persons who worked in house-work and agriculture has increased, decreasing the number of those who worked in constructions, which is explicable by the increase of the number of women migrants.

		Stage			
		1990 - 1995	1996 - 2001	2002 - 2006	2007 - 2009
Areas of activity	Agriculture	14	16	16	20
	Constructions	41	41	28	31
	House-work	0	7	28	32
	Others	44	32	26	29
	No answer	2	5	3	3
Legal worker/ Clandestine worker	Legal	53	57	31	39
	Clandestine	34	31	53	46
	Legal and clandestine	8	7	9	8
	No answer	5	6	7	6
Persons who have legalized heir situation when leaving for the respective job	No, they haven't even tried	68	58	53	55
	No, although they tried	0	10	28	23
	Yes	12	28	13	15
	No answer	20	5	6	7

Table 4
Situation of the way the migrant works abroad
Source: OECD Economic Surveys, 2009

The high number of Romanians who left to work abroad could not remain without effects on the Romanian labour market. From October 20th to October 30th 2007, a national representative study was conducted at the request of the Soros Foundation which targeted the identification of the issues that three economic areas were confronted with (textile, constructions, hotels and restoration industries) due to the lack of workforce. The result was that in the textile industry 30% of the companies had available unoccupied jobs for more than two months. The two other economic areas faced the same issue although at a lower level.

The positive side of the matter is that these companies, in order to face the penury of workforce, have invested in most of the cases in refurbishment (76%) and in work productivity increase. Bringing workforce from abroad, which is a possible future solution, was done by only 3% of the companies. This means that, at least for the time being, the compensation of the lost workforce due to the Romanians' emigration by bringing foreign workers is not a solution.

The workforce market is in crisis, the number of persons with a new job is decreasing, the workforce market crisis affects men more than women, but the women's salaries are

still lower than those of men's at the same level of work. A significant percentage of the full-time employees have had a salary decrease in the last year and those who have earned more money during the last year have been judges, high public officials and managers.

Conclusions

European Union needs to make full use of its labour potential to face the challenges of an ageing population and rising global competition. Policies to promote gender equality will be needed to increase labour force participation thus adding to growth and social cohesion.

"An agenda for new skills and jobs" has like goal the modernization of labour markets and to empower people by developing their skills throughout the lifecycle with a view to increase labour participation and better match labour - supply and demand, including through labour mobility.

The European Commission have to facilitate and promote intra-EU labour mobility and better match labour supply with demand with appropriate financial support from the structural funds, notably the European Social Fund (ESF), and to promote a forward-looking and comprehensive labour migration policy which would respond in a flexible way to the priorities and needs of the labour markets.

The free movement of workers is not only a fundamental principle of the European Union, but also a key precondition to reap the benefits from the opportunities offered in the labour market, to ensure sustainability of member states' welfare systems and to strengthen the EU's global competitiveness.

Acknowledgement

This work was supported from the European Social Fund through Sectoral Operational Programme Human Resources Development 2007-2013, project number POSDRU/89/1.5/S/59184 „Performance and excellence in postdoctoral research in Romanian economics science domain”.

References

- [1] Bîrsan, M., Cucuruzan, R.: The Eastern migration and the labour markets in EU. The case of Romanian workers in Spain on Journal of Identity and Migration Studies (JIMS)-Volume 1, no.1, 2007 (pdf format): http://www.e-migration.ro/jims/Vol1_no1/Birsan_Cucuruzan.pdf
- [2] Ciobanu, O., Elrick T.: Politici de migratie si strategii ale migrantilor transnationali intre Romania si Spania”, in R. Anghel and I. Horvath (eds.) Sociologia Migratiei. Teorii si Studii de Caz Romanesti, Bucharest, Polirom, 2009, pp. 195-214
- [3] Cucuruzan, R.E.: Migrația și mobilitatea forței de muncă din România în contextul integrării europene, Editura Fundației pentru Studii Europene, Cluj-Napoca, 2009
- [4] Garson, J.P., Loizillon, A., OECD: Changes and Challenges: Europe and Migration from 1950 to the Present, Conference on “The Economic and Social

Aspects of Migration” jointly organised by the European Commission and the OECD, Brussels, 2003

- [5] Hartman, Tod: Moral Vectors, Transitional Time and A “Utopian Object of Impossible Fullness”, *Social Anthropology*, 15, 2, 2007, pp.187-203
- [6] Hille, H. and Straubhaar, T.: The impact of EU enlargement on migration movements and economic integration: results of recent studies’, in *OECD Migration policies and EU enlargement. The case of central and eastern Europe*, Paris, OECD, 2001
- [7] Kahanec M., Zimmermann, K.F., Migration in an enlarged EU: A challenging solution?, in *European Commission, Directorate-General for Economic and Financial Affairs Publications*, Belgium, 2009
- [8] Massey, D.S., Arango, J., Hugo, G., Kouaouci, A., Pellegrino, A., Taylor, J.E.: *Theories of International Migration: A Review and Appraisal*, presentation of IUSSP Committee on South-North Migration
- [9] Morakvasic, M.: Post communist migration in Europe and gender, in *Journal of Gender Studies* 5, 2002
- [10] Nicolae Mariana, Radu Brîndușa Mihaela: Socio-Economic Effects Of The Labour Force Migration in an Enlarged Europe, *Romanian Journal of Economic Forecasting*, Issue 2/2007, pp. 44-56
- [11] Nitulescu Dana, Oancea Alina, and Tanase Ioan: ... Cu bine, din Europa! Studiu despre migratia fortei de munca romanesti in Uniunea Europeana. Bucharest: Asociația Nationala a Birourilor de Consiliere pentru Cetateni, 2007
- [12] Sandu D. (coordinator): *Comunități românești în Spania*, Soros Foundation, www.osf.ro
- [13] Stan Sabina: *Romanian Migration to Spain and Its Impact on the Romanian Labour Market*, Working Paper N° 14, 2009
- [14] Zaiceva, A. and K. F. Zimmermann: *Scale, Diversity, and Determinants of Labour Migration in Europe*, IZA Discussion Paper No. 3595, 2008

- *** OECD Economic Surveys, 2009
- *** www.europa.eu.int/comm/employment_social/fundamri/movement/studies: “Migration in Europe: Lessons from the Past”, 2002
- *** <http://www.eurofound.europa.eu/pubdocs/2003/109/en/1/ef03109en.pdf>, The way forward Migration trends in an enlarged Europe
- *** <http://www.eurofound.europa.eu/pubdocs/2007/03/en/1/ef0703en.pdf>, Mobility in Europe –
- *** www.eurostat.com
- *** http://eunec.vlor.be/detail_bestanden/doc014%20Europe%202020.pdf, EUROPE 2020, A strategy for smart, sustainable and inclusive growth

- *** The Treaty of Functioning of the European Union, 2010
- *** Regulation 492/2011 on free movement of workers within the Union