

The Bitter Taste of *Strawberry Jam*: Distortions on Romanian Labour Market beyond 2007

Prof. Grigore SILAȘI, PhD

Ovidiu Laurian SIMINA

Jean Monnet European Centre of Excellence
West University of Timișoara, Romania

**4th ETMU Days – Åbo Akademi University
Turku, Finland, 26-27 October 2007**

The Bitter Taste of *Strawberry Jam*: Distortions on Romanian Labour Market

- The significance of the subject
- European migration beyond the 5th accession wave
- The new economy of migration. Benefits and costs analysis. Migration as an investment
- Romania – a country in need of workers? The bitter taste of “**strawberry jam**”
- Romania after 2007: an e(i)migration country? The *SEE Syndrome* and the *Spanish Syndrome*

The Bitter Taste of *Strawberry Jam*

- A historical moment: on May 1st, 2004, ten new EU Member States celebrated the accession with the sound of car horns, toasts and the symbolic removal of border barriers between the “East and the West”
- **The removal of barriers remained symbolic since then**, because the EU-15 imposed restriction on the free movement rights of ‘A8’ nationals (the principle of free movement of workers does not apply during the transitional period, as according to the rule “2 + 3 + 2”)
- These restrictions were put in place as some **EU Member States feared a substantial influx of immigrants from CEE countries**, due to their economies’ characteristics

The 'invisible threat' of EU enlargement phases

Phases (waves)	Number of countries	Characteristics
FIRST	6 member-states	Founder countries
	Germany, France, The Netherlands, Belgium, Italy, Luxembourg	
SECOND	9 member-states	High income countries, regulated labour markets, labour force needs, smooth labour market restrictions, high qualification workforce, not income variations
	Great Britain, Denmark, Ireland	
THIRD	12 member-states	Low income , income variations, long distance countries (no borders), labour market restrictions , low qualification workforces, labour force needs
	Greece, Spain, Portugal	
FOURTH	15 member-states	High income countries, not income variations, high qualification workforce, long distance countries, smooth labour market restrictions
	Austria, Finland, Sweden	
FIFTH	25 member-states	Low income countries , high income variations, high unemployment rate, short distance countries (borders), restrictive EU immigration policy , dysfunctions in economic system
	Cyprus, Czech Republic, Estonia, Hungary, Latvia, Malta, Poland, Slovak Republic, Slovenia	
SIXTH	27 member-states	
	Bulgaria, Romania	

Source: Mary Geitona, *The 'Potential' Impact of Immigration on the EU Labour Market and Health Care Systems*, University of Thessaly, National School of Public Health

Beyond the 5th accession wave

- The restrictions and the fear of immigrants prove one more time that the removal of the border barriers on May 1st, 2004, was symbolic.
- The European world is still considered as being divided in two, as according the economic development: the “West” and the “Rest”. That means the *Rich* and the *Poor*.
 - the West is now a relatively homogeneous group in terms of living standards.
 - this is not true of the Rest: they have “the cheap” workforce.
- Three years after the fifth accession wave, the European media and public opinion still use these stereotypes.

The Bitter Taste of *Strawberry Jam*

- the European media use migration as a core issue for the public debate
- massive immigration has long troubled the Western Europeans who tend to blame the rise of crime and drugs in their cities on illegal immigrants – accusations not entirely without justification, but at the same time accusations that have frequently been exaggerated

Would-be emigrants – “*public enemy*” for the European Union

- Immigration and asylum are key topic in the British media which maintain in the public perception the idea of a perpetual crisis about immigration, while opinion polls express the *increasing concern on such subjects* (immigration is seen up to 40 per cent most important issue facing Britain) and *evidence that newspapers have a great impact* on these sentiments (Berkeley, Khan and Ambikaipaker 2006: 33, Table 8).

● Table 1 UK press coverage comparison on immigration and asylum seekers (year 2004)

● News	Times	Telegraph	Independent	Guardian	Mail
● Immigration	340	144	243	226	234
● Asylum seekers	195	83	161	173	117

● No. of reportages

● Source: Berkeley, Khan and Ambikaipaker (2006: 24, Table 6)

The Bitter Taste of *Strawberry Jam*

- One can see scary news into printed media all over the Europe (and especially in the UK).
- In the press, **all** Romanians were seen as would-be emigrants – “*public enemy*” for the European Union welfare and its social protection system, as soon as Romania joins the European Union in 2007.
 - EU citizens were warned of a flood of benefit-hungry Romanian immigrants
- Nobody knows how many Romanians were living in Britain [before 01/01/2007], but most who want to work have been there **for years** (mostly with illegal / irregular status)

Beyond the 5th accession wave

- (inter) European migration
 - external or internal migration?
 - EU single market ↔ internal migration
 - EU single market = the four freedoms

*“Due to restrictions on the free access to employment for nationals of the new Member States, the founding idea of the European Communities i.e. **to unite people and not only economies** seems to be only half-achieved.” (ECAS 2005: 30)*

Beyond the 5th accession wave

- the workers' mobility benefits for both EU-15 countries and the A-8 countries
- 2004-2006: some 600,000 workers from the new Member States have moved to the UK following enlargement: *“the benefits of having an open labour market to A-8 nationals have been evident to the UK, as during the first eight month of accession. A-8 contributed an estimate of GBP 240 million to the economy”* (ECAS 2006a: 15)
- the economic performance of A-8 improved
- the demographic problems (the fall of the fertility rate below the level needed to replace the population) and the ageing of the labour force strongly support the idea of opening the EU labour market to the new European citizens from the CEE.
 - **«the workforce of the ten new Member States equals to one-third of the active population of the western countries. The EU-15 Member States are obviously workforce-demanding, and the closest supply is just “out there” »** (ECAS 2005: 33)

Stereotypes as '*East – West migration*' and '*cheap labour vs. better living conditions*' need to be put in perspective

- The economic performance of the new Member States has significantly changed
 - accession has boosted trade between the EU-15 and the 'A8'
 - Western companies invested a total of 14 billion euros in the accession countries, of which 7 billion euros were after enlargement
 - GDP of the 'A8' countries rose by 5% in 2004 and a further increase of more than 4% is predicted for 2005 → twice high than EU15.
 - Latvia's economic growth was the highest (also in comparison to the EU15) 8.5%, followed by Lithuania (6.7%), Estonia (6.2%), Slovakia (5.5%) and Poland (5.3%)
- The "**income gap**" – which allegedly should have resulted in a massive transfer of residence of the new Member State jobseekers to Western countries – might well lose its credibility as accession countries will achieve a level of income convergence within the EU economy.
(ECAS 2005: 22-23)

Benefits of labour migration for the European Union

- Most of the workers from the 'A8' countries took up employment in "*hard-to-fill*" jobs and helped to provide essential services in *inter alia* health care, agriculture and tourism
- The Swedish, British and Irish economies benefited from migration of workers
- The countries that introduced restrictions for the free movement of people are **not able to take full advantage of immigration**
 - The situation in many national labour markets in Europe remains difficult (e.g.: France, Germany): while some workers cannot find jobs, there are still vacancies in essential public services that cannot be filled (approx: 250,000 jobs in France alone).

"The possibility of employing skilled workers from the new Member States seems invaluable for both the economy and society". (ECAS 2005: 33).

The new economy of migration

- The economic analysis of migrations deals, mainly, with two problems
 - why people migrate?
 - what the consequences both for host countries as well for origin countries concerning the functioning mechanism of labour market are?
- The emigration decision refers to a plurality of motives.
 - The migration decision is the result of a cost – benefit analysis: more variables: differences in salary; in unemployment; social protection (social policies); costs related to migration (information costs, transportation costs, costs of installation in a foreign country, psychological costs related with the moving off the birth place).
 - The migration rate is lowering as the medium income in the host countries grows up and the medium level of income in the origin country begins to lower and the migration costs begin to grow.

The new economy of migration

- Migrations are a result of collective decisions in the background of uncertainty situations and market imperfections.
- "labour market dualism"
 - the migrations are explained by the labour force need originating from host organization (enterprises). The salary hierarchies represent **the prestige** hierarchies. The aliens will accept to deal with "degrading" activities, because they want to gain more material resources in order to return, richer, to their home country.
 - Other theories allocate migrations to socio-historical factors: the final destinations of this labour force are countries with a **rich historical background**.

Financial and nonfinancial flows vs. emigration

- Those poor country who do not have coffee, oil and coal to export, export people
- The EU asked for goods and receives people: *'Wir riefen Arbeitskräfte und es kamen Menschen'* [1], wrote the Swiss writer Max Frisch (1965)
- To 'export' workers and to receive money: *remittances and foreign investments* (real estate, outsourcing etc.)

[1] We asked for manpower and we got human beings / We called for labour, and human beings came.

Migration decision

- Various push and pull factors are seen as the underlying forces of migration.
 - **Pull factors** are positive factors of the origin or the host countries. They are the reason for people to stay in their home country or to be attracted to the receiving country.
 - **Push factors** are negative factors pushing people out of the home country or preventing them to move into the receiving country.

Migration decision

- Differences in income and employment as well as network effects can be considered as push or pull factors. However push and pull factors regarding migration decisions are determined by two other aspects.
 - On the one hand, there are existing **migration barriers** such as **migration costs** or **institutional restraints**, like restrictive immigration policies.
 - On the other hand, **characteristics of the individuals** such as **risk aversion** or **age** play an important role in evaluating the push and pull factors. (Bruder 2003: 7)

Migration decision

- *Leaving one's country for another requires courage and determination.*
- *Leaving the family and a well-known environment for hopes and expectations is not easy at all. It is even less so, if the person does not know what kind of experience he/she will come to face, or how easy his/her integration with the host society will be; if the person does not have an exact knowledge on how to comply with administrative formalities, or how to make yourself understood*
- *The host country will not necessarily ease one's worries. Local authorities might require documents the person has not brought along; the procedure might take too long and in the meantime one has to find a place to sleep and something to eat etc. Very often the money brought along will run out far too quickly... (ECAS 2005: 26)*

Networks and migration

- The stream of migrants is largely depended on employment possibilities and income differentials. Other supporting factors are on the **geographic proximity, language, emigration traditions** and the existence of **ethnic or family networks**

(BNP 2002: 11)

Network effects and migration

- *The costs of migration are decreasing with the stock of migrants already living in the receiving country (the network effect)*
- *A network between people of the same home country is based on common culture and origin, a common language, or on their historical background*
- *Only the first migrant has to pay the full migration costs.*
 - *Every following migrant benefits from the experiences of those who are already living there → advantages regarding information, finding a job, having a social environment.*
 - *Material and psychological costs of migration are reduced. (Bruder 2003: 7).*
 - *This in turn leads to an increased migration → increasing of marginal tendency to migration*

Migration as investment

- In the neoclassical migration theory, on the microeconomic level, migration is treated as an investment in human capital: not only income itself is considered but also the probability of achieving income.
- The individual aim is to maximize expected income and, thus, expected utility.
- *“The individual migrates if the expected income in the receiving country is higher than the expected income in the home country plus migration costs.”* (Bruder 2003: 6)

Romanian migration before and after 2007

- January 1st, 2007: Romania joined the European Union
- Previously, majority of EU countries announced restrictions for national labour market accession (while Finland welcomed Romanian as future EU workers 😊)
 - the 2+3+2 formula → before the end of the first 2 years after the accession of Bulgaria and Romania into the EU, the European Council shall review the functioning of transitional measures on the basis of a report from the European Commission. Existing Member States will then have the option to apply restrictions for the next 3 years. Only if the country is expecting serious disturbances to its labour market may it restrict the labour mobility of the 2007 accession countries for the final 2 years.

Romanian migration before and after 2007

- EU countries that Romanian workers mostly emigrate to:
- Italy (29,51%), Spain (22,40%), Germany (13,57%), Hungary (5,80%), France (5,53%), Great Britain (4,61%), Austria (4,48%), Portugal (1,98%), Ireland (1,32%)

(ANBCC 2005: 10)

Romanian migration before and after 2007

- Many illegal immigrants from Romania were already present in EU countries such as Italy and most especially in Spain, before 2007
- Thousands of immigrants had been attracted by Spain's liberal amnesty policy: February - May 2005, Spain had amnestied around 700,000 migrants without documents on the conditions that they had been in the country for 6 months, had an employment contract and no criminal record: Romania was the third country of origin for those regulated immigrants
- imposing restrictions means that **the irregular immigration continues**

Romanian migration before and after 2007

- The imposition or the non-imposition of transitional measures is not the driving cause for post-2004 EU enlargement's migration
- ECAS (2005: 30) → employment restrictions have little impact on actual migration from the new Member States
- The intention to migrate or willingness to rather “stay at home” is greatly influenced by several factors such as: language; cultural barriers; personal concerns about changing the country, leaving behind family and friends; ties of property; or the so-called administrative “red tape”
 - ▶ Romanians continues to target Spain and Italy, not especially UK

Romanian migration, based on networking

- Majority of studies on the population of emigrants in Romania demonstrated that there is **a culture of emigration**, within which the communication between the undecided ones and the emigrating group is very important
- Due to this type of exchange, the undecided may become eager to emigrate, at their turn
- It has been proved that this **personal contacts are more important**, when it comes to taking the decision to emigrate, than the official information given by the institutions of the state. (ANBCC 2005: 16)

The Bitter Taste of *Strawberry Jam*

- the European media have created the so-called **myth of Romanian constructor**, opposite to the *Polish Plumber*
- working in construction is the main employment for Romanians with both legal and illegal/irregular status
- as talking about those emigrated in the last decade, Romanians rather use the pejorative term “*căpșunar*” [**strawberry-picker** or **strawberry-man**] to describe all those emigrated for labour purposes to the EU or elsewhere
 - at the beginning of the labour migration through governmental bodies’ mediation [*based on bilateral labour agreements*], Romanians were employed in farms to pick up **strawberries** [mainly in Spain]. Since then, the term was generally used both in the colloquial conversations and even into the scientific papers (like this 😊)

The Bitter Taste of *Strawberry Jam*

- Romania is not only a gateway for East-West international migration (in the same way likes Portugal, Spain, Italy and Greece for South-North direction), but a **labour market in need of workers**.
With a labour market already confronted with distortions, Romania is twice more tempting for migrant workers' flows.

The Bitter Taste of *Strawberry Jam*

- “Romania, faced with workers’ crisis” (Bloombiz, October 2006)
- “Romania looks for German workers. We import even Chinese” (Cotidianul, 27/10/2006)
- “The salary in constructions will increase annually by one Euro per hour” (ZF, 18/08/2006)
- “ARACO: The salary in construction should double” (ZF, 02/11/2006)
- “Dacia hires 1,000” (Evenimentul, 06/11/2006)
- “IKEA, 400 hired before spring of 2007” (ZF, 07/11/2006)
- “Eastern Europe is the new Detroit for automobile producers” (ZF, 18/10/2006)

The Bitter Taste of *Strawberry Jam*

*“ARIS tries to limit Asian labour immigration: the Romanian Agency for Foreign Investments (ARIS) will make efforts to temper the number of Asian workers brought by Asian investors in Romania, said ARIS representatives. They admitted that projects negotiated with Chinese investors usually included putting at their disposal land plots intended for the construction of housing for workers brought from China. The agency was trying to persuade them to limit labour imports to certain positions. He also claimed that the Chinese labour force would not cause any problems, especially if directed to certain areas of Romania, such as the Western part of the country. **“It seems that Romania is one of their favourite destination because is a gateway to Europe”**, commented the ARIS official. “*

Bucharest Daily News no.570, Saturday, October 14, 2006

The Bitter Taste of *Strawberry Jam*

*“The exodus of two millions of Romanians to West European countries has the result the lack of labour force on the Romanian market. The Romanian companies are heavily able to find skilled employees, and this situation will become more difficult after the Romania’s accession to the EU. In order to attract specialists, the employers will be obliged to substantially increase the earnings or to ask for labour force from the former Soviet block or China. The National Agency for Occupation of Labour Force and Vocational Training currently looks for some 10,000 people **to cover the gap due to the migration of Romanians who work abroad**”.* (Radio Romantic, 22.10.2006)

The Bitter Taste of *Strawberry Jam*

“The exodus of labour force is met in industry, textiles and constructions. There are some premises for an influx of cheap labour force originating from ex-Soviet or Asian space. The problems are admitted by the authorities too, after a long period they refused to issue work permits to Asian workers”.

Adevărul (Bucharest) no.5068, October 23, 2006

The Bitter Taste of *Strawberry Jam*

- “Romania become the destination of undesired migrants: the Chinese” (Mediafax, 13/10/2006)
- “Auto part manufacturers could not finding people to hire” (ZF, 13.09.2006)
- “The Effect of Chinatowns in Europe. The Chinese Map of Europe” (Cotidianul, 27/10/2006)
- “2007, the year of Chinese investments” (Adevărul Financiar, 19/10/2006)
- “Solectron to hire 800 in three months” (ZF, 25/10/2006)
- “Solectron fire some 500 Scotchmen, after the announcement of recruiting 800 Romanians” (Bloombiz, 30/10/2006)

Romanian migration, based on networking

- According to Maslow's scale, the **NEED FOR ESTEEM** is, the main reason for emigrating (75%)
 - The Romanian emigrants leave their country first of all because they have finally found an opportunity for "a better living" and not because the situation in their own country would be unbearable.
- The migration motivated by the need for esteem cannot be answered by intensifying the control at the borders, but "by creating a normal atmosphere of work."

(ANBCC 2005 :22)

Abraham Maslow's motivational theory:

5 basic needs

1. Physiological needs (food, water, heat, living environment)
2. Safety needs (security, stability, health, lack of dangers)
3. Social needs of affiliation (couple, family)
4. Need for esteem (respect of other, self respect, acclaim of values)
5. Self-actualisation of needs (autonomy, freedom, competence)

Abraham Maslow's motivational theory: **5 basic needs**

1.

2.

-superior needs

3. Social needs of affiliation (couple, family)

4. **Need for esteem** (respect of other, self respect, acclaim of values)

5. Self-actualisation of needs (autonomy, freedom, competence)

Abraham Maslow's motivational theory:

5 basic needs

-inferior needs

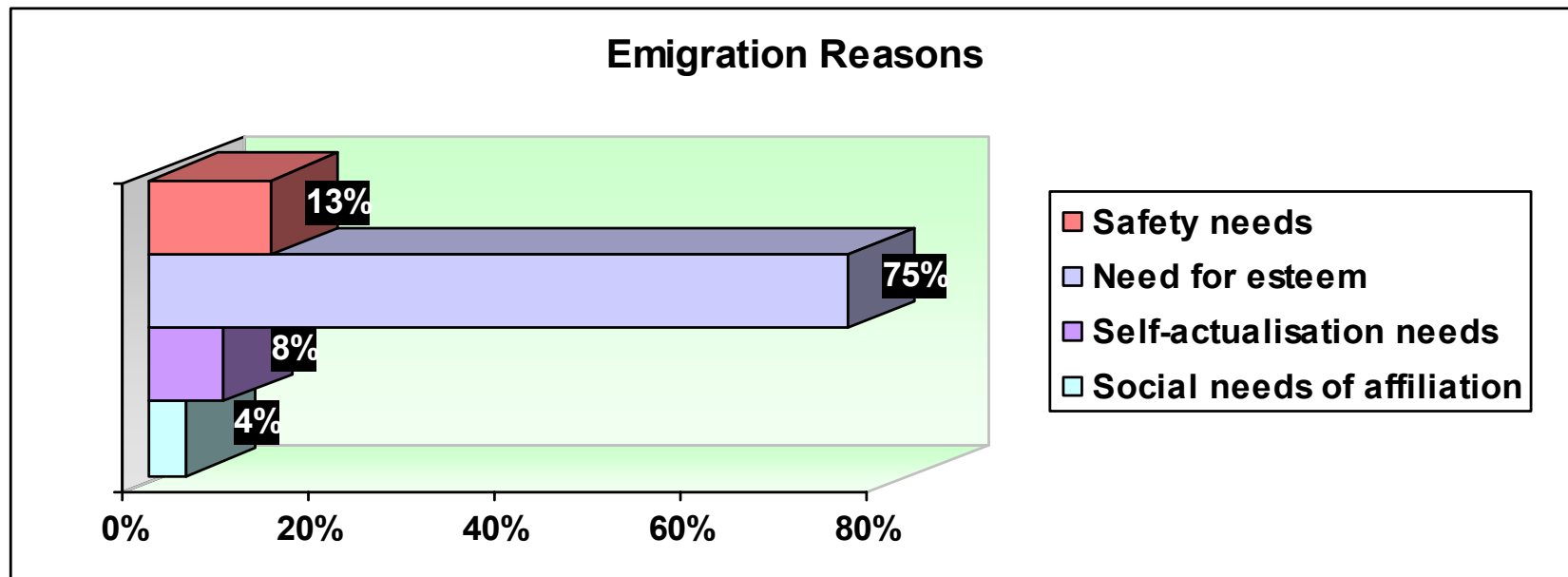
1. Physiological needs (food, water, heat, living environment)
2. **Safety needs** (security, stability, health, lack of dangers)
- 3.
- 4.
- 5.

Abraham Maslow's motivational theory:
5 basic needs

- a man cannot pass from a step of the needs scale on a superior step **if he has not satisfied the needs** corresponding to the inferior level.

Emigration reasons

Abraham Maslow's scale



Source: ANBCC 2005: 13

The questionnaire: *the reasons why peoples from Romania [who worked / is currently working in the EU] have migrated to the EU for work* (759 respondents). Result: **the reason most often put forward was the NEED FOR ESTEEM** → the emigrant had satisfied the other needs (levels I, II and III) in Romania, before the migration decision and/or migration itself.

NEED FOR ESTEEM

- The emigrant had satisfied the other needs (levels I, II and III) in Romania, before migration
- Main reasons for emigrating (included in the esteem-related needs):
 - a better salary (51,49% of the answers to question 1.1)
 - higher standard of living (20%)
 - a better education (1.13 %)
 - leaving for business purposes
 - learning a foreign language (0.19%)

Source: ANBCC 2005: 11

Need for esteem vs. Inequality

- Inequality is seen as an important cause of migration: inequality is a clearly a **major driver of migration**, being a powerful symbol of global inequality, whether in terms of wages, labour market opportunity, or lifestyles.
- All over the world, “*millions of workers and their families move each year across borders and continents, seeking to reduce what they see as the gap between their own position and that of people in other, wealthier, places*”
(DRC 2006: 1).

The Spanish syndrome (reversal migration of factors)

- related to the accession to the EU mechanisms, in order to describe a special situation in Spain and Portugal soon after their accession to the European Union
- investors from the UK, France and Ireland have bought plenty of land and buildings, for speculation on the real estate market purposes (the price of real estate multiplied many times, as compared to the price just before the accession)
- the same situation is met mostly in western Romania, but even in south-eastern regions (i.e. Constanța county): foreigners, mainly EU nationals, have bought *almost all available agricultural and in-town land*, with the purpose of eventually reselling beyond the year 2007, upon the Romania's accession to the European Union

The South-Eastern Europe Syndrome

- The 60's and 70's → South-North migration (division between West and Rest)
- Nowadays: mostly East-West migration
 - Romania → still on the other part of the *economic curtain*, still a 'Southern country'

The Bitter Taste of *Strawberry Jam*: Distortions on Romanian Labour Market beyond 2007

- Prof. **Grigore SILAȘI**, PhD - Jean Monnet Professor, West University of Timișoara
 - grigore.silasi@migratie.ro
- **Ovidiu Laurian SIMINA**, LLB, MA, PhD student, West University of Timișoara
 - ovidiu.simina@migratie.ro
 - www.migratie.ro Mobile: +40-722.664.130
 - **OP1-CP372, 010145 Bucharest 1, Romania**

Bibliography used for the paper is available by e-mail, upon request

The Bitter Taste of *Strawberry Jam*: Distortions on Romanian Labour Market beyond 2007

Grigore SILAȘI¹ and Ovidiu Laurian SIMINA^{2‡}

- abstract -

¹ Jean Monnet Professor, Jean Monnet European Centre of Excellence, West University of Timisoara, Romania

² PhD Student, Faculty of Economic Sciences, West University of Timisoara, Romania

‡ Correspondence author: OP1 – CP372, 010145 Bucharest 1, Romania; Mobile: +40-722-664.130; Fax: +40-356-814.937; E-mail: ovidiu.simina@migratie.ro, Web: www.migratie.ro

Keywords: labour migration, labour market distortions, South-Eastern Europe Syndrome, network effect, decision making, motivation, need for esteem, Banat region

JEL classification: F22, F24, J11, J21, J61, J70, O15, O52, R23

Paper proposal:

Nordic Migrations: Past and present

IV ETMU Days 26–27.10.2007

Åbo Akademi University, Turku, Finland

Workshop of choice: **Position of immigrants in the labour market**

Workshop coordinators: **Elli Heikkilä** and **Maria Pikkarainen**, Institute of Migration

We consider that our paper could bring an important contribution for the debates of the conference, having in mind the issues of the research we propose. We chose Romania as case study for our research because we consider it as the best example for proving that the history is cycling and we do not need to reinvent the wheel: we could analyse the migration phenomena at a small scale and to extend the previsions to the European Union as a whole. Romania is an experimental country and a laboratory for analysing the policies and links between migration and development. From the demographical point of view, Romania is a big country, the second large country in the Central and Eastern Europe after Poland. In this way is an important source for economical migration. Being a borderline country for European Union, is a transit space for migration flows too. From an important source for European migration in the last decade, Romania tends to become a target for labour migration from non-EU countries. Taking in account the fact that 46% of the Romanian population lives in rural areas, where the rural workers could hardly find jobs (the males are agriculture workers, while the females are home keepers), Romania acts as a major actor both on the seasonal agricultural market and on the illegal prostitution market within the European Union.

Three and a half years ago, on May 1st 2004, the ten new EU Member States celebrated the accession with the sound of car horns, toasts and the symbolic removal of border barriers between “the East” and “the West”. For the Central and Eastern Europe, it was a historical moment. The removal of barriers remained symbolic since then, because the old Member States, the so-called EU-15, imposed restriction on the free movement. Huge celebrations were held in Bucharest, marking a historic New Year for the country at the beginning of the year 2007, when it was the Romania's turn to celebrate the entry into the EU [and to face labour movement restrictions for its citizens]. While most EU nations have already placed restrictions on workers from both new member states, it is expected that free trade and movement will help Romania rise to higher levels of prosperity, as exemplified by the Eastern European countries that joined the EU in 2004. The year 2007 could be seen as a turning point both for the European Union and for Romania, one of the newest Member States which joined the European family just before its 50th anniversary. With 27 members, the European Union faces with a new stage of development and needs new institutions and new rules. In the same time, Romania just changed the previous status of accession country which still implements the European acquis; nowadays Romania is a country which tries to build proper post-accession strategies in order to benefit from the experiences of the previous waves of enlargement, to apply the implemented pieces of legislation and to reform the economy.

After the biggest wave of European Union enlargement [2004], we noted that the economic literature, both at the global/European level and in Romania, widely targets the migration issues. Migrants' quota, financial flows / remittances, the way the money from migration are used, development and fear of Eastern immigrants were preferred subjects for media. More and more events deal with migration and mobility matters. The European Commission declared the year 2006 as the *European Year of Workers' Mobility*, in order to raise the awareness on mobility consequences at European level. In the same time, starting with the year 2005, and most pregnant after the first semester of the year 2006, when the European Commission requested the official positions from the Member States as regarding the free access to the labour market for the new members, the European media chose migration as a core issue for the public debate. Both academic researchers and the European media are wondering that Europe's future will largely turn on how to admit and integrate the new immigrants, especially the non-Europeans. “*Due to restrictions on the free access to employment for nationals of the new Member States, the founding idea of the*

European Communities i.e. to unite people and not only economies seems to be only half-achieved.” (ECAS 2005: 30)¹.

During the 20th century, Europeans were no strangers to social, economic, and political change, but their major challenges focused mainly on the intra-European construction of stable, prosperous and capitalist democracies. Nowadays, one of the major challenges is flows across borders. Massive immigration has long troubled the Western Europeans who tend to blame the rise of crime and drugs in their cities on illegal immigrants - accusations not entirely without justification, but at the same time accusations that have frequently been exaggerated. Immigration consistently occupies the headlines. Connected to demographic change, economic growth and welfare state reform, immigration – usually connected to slowing economies, high unemployment, loss of nationals’ jobs, anti-immigration sentiments, crime, and terrorism – is often presented by politicians as having mostly negative effects. One can see scary news into printed media all over the Europe (and especially UK). We noted they chose Romanians [all Romanians were seen as would-be emigrants] as being the “public enemy” for the European Union’s welfare and social protection system, as soon as Romania joins the European Union in 2007.

According to our observation and the research done, we consider that Romanian labour market faces specific phenomena, distortions, and some problems and difficulties occur as following the 2007 accession to the EU. Our study aims to analyse the enlargement consequences beyond the celebration moment. Romania is not only a source of emigrants and a gateway for East-West international migration (in the same way likes Portugal, Spain, Italy and Greece for the South-North direction), but a labour market in need of workers. With a labour market already confronted with distortions, Romania is twice more tempting for migrant workers’ flows. We consider that Romania, a country with a labour market that faces distortions, will benefit from migration on short term too, but will need to import labour force to maintain the development trend. Remittances, as result of Romanians labour emigration after 2002, helped the economic development of the country in the last years (remittances’ inflow doubled the FDI in the last years; unfortunately, the remittances are mostly seen as compensatory measures for helping the family for bad economy or bad luck, not generally acting as source of capital for economic development). As a response to the media debate regarding Romania’s emigration, we consider the reasons why Romanians do not face mass migration to the UK. Using the Maslow’s theory of human motivation, we describe the patterns of Romanian emigration. Many migrants from Romania are already present in countries such as Italy and most especially in Spain. Thousands of immigrants had been attracted by Spain’s liberal amnesty policy (i.e. before joining EU, special flights were organised by Spain to send illegal immigrants back to Romania, stopping in France and Italy to pick up more). Having in mind that we do not need to re-invent the wheel², we consider that mass emigration from Romania will likely not be a concern (as it is now very easy to find work at home and wages are rising). Anyway, it is generally felt that that the majority of Romanians inclined to work outside of Romania are already doing so [even before January 2007].

¹ Please see the following research papers from the European Citizens Action Service: ECAS (2005) ‘*Report on the Free Movement of Workers in EU-25: Who’s Afraid of EU Enlargement?*’, European Citizen Action Service, Brussels, September; ECAS (2006a) ‘*Report on the Free Movement of Workers in EU-25: The Functional Arrangement – Two Years after Enlargement*’, European Citizen Action Service, Brussels, July; and ECAS (2006b) ‘*Report on the Free Movement of Workers in EU-25: Who’s Still Afraid of EU Enlargement*’, European Citizen Action Service, Brussels, October.

² Please see Peter van Krieken ‘*A need to reinvent the wheel?*’, European Population Forum 2004, Geneva, February 12 -14, retrieved from (20/01/2007): <http://www.unecf.org/ead/pau/epf/present/ts4/vankrieken.pdf>

While the European (and mostly British) media cries on the threat of Bulgarians and Romanians' emigration, as following to the 2007 accession, the scientific reports say that the CEE countries' migration benefits to economy of both EU15 countries and the A8 countries. However, the European world is still considered as being divided in two, as according the economic development: the "West" and the "Rest". That means the Rich and the Poor. The West is now a relatively homogeneous group in terms of living standards. This is not true of the Rest: they have "the cheap" workforce. Three years after the largest accession wave, the European media and public opinion still use these stereotypes. But we believe the cost of Romanian labour will not be cheap any longer: while the managers from the foreign companies share the same hard work and huge financial wages with their colleagues from western countries³, the un-skilled workers don't accept small salaries: they refuse the offered work places and choose to migrate. In the same time, the Romanian media and the Romanian entrepreneurs announce the 'Chinese invasion' and the major lack of workers in construction and industry. We rather have problem with finding available workers on the Romanian labour market. While a big part of the labour force is already migrated, mostly to the SE Europe (some 2m workers are cited to be abroad, with perhaps another one million illegal workers that are now eligible to register and work legally), the Romanian companies could not find local workers to use them in order to benefit from the money inflow targeting Romania in the light of its new membership to the European Union (foreign investments and European post accession funds). Instead of increasing the salaries, the local employers rather prefer to 'import' workers from poorer countries (Chinese, Moldavians or Ukrainians, who still accept a lower wage as compared to the medium wage in Romania, but bigger enough as compared to those from their country of origin).

Car la Roumanie, la Chine de l'Europe, cet eldorado des délocalisations aux salaires défiant toute concurrence, manque désormais cruellement de main-d'oeuvre. Le pays a rejoint l'Europe le 1er janvier, avec la Bulgarie. Mais les entreprises, elles, n'ont pas attendu. Cela fait plusieurs années qu'elles savent que c'est en Roumanie qu'on trouve au meilleur prix ingénieurs, opérateurs de centres d'appels, ouvrières textiles, menuisiers... (Les Roumains, people migrateur. Quand la Roumanie importe des Chinois', in Le Nouvel Observateur)⁴

The economic analysis of migrations deals, mainly, with two problems: why people migrate and what the consequences both for host countries as well for origin countries concerning the functioning mechanism of labour market are. The emigration decision refers to a plurality of motives. The migration decision could be the result of a cost – benefit analysis. In this analysis take part more variables: the salary differences among different countries; differences in unemployment rates; the grade of social protection (social policies); an assembly of costs related to migration (information costs, transportation costs, costs of installation in a foreign country, psychological costs related with the moving off the birth place). The data show that migration rate is lowering as the medium income in the host countries grows up and the medium level of income in the origin country begins to lower and the migration costs begin to grow. From the perspective of the new economy of migration, migrations are a result of collective decisions in the background of

³ The public opinion hardly debated the case of a manager from an important audit company who was found dead while overload working for some projects, after two weeks of work without rest. They suddenly realised that Romanians faced with the same syndroms like the Europeans: workoholicism, lot of work for huge money.

⁴ Approximate translation: *Romania, the China of Europe, an El-Dorado of delocalisation, with salaries defying all concurrence, is in deep need of labour forces. The country has joined Europe on January 1st, together with Bulgaria. But the firms were not waiting for [this moment]. There are some years for now since Romania is known as a country where there could be found engineers, call-centres, textiles and manual workers, at a very good price...*, 'Les Roumains, people migrateur. Quand la Roumanie importe des Chinois' [Romanians, migratory people: When Romania imports Chinese], Le Nouvel Observateur, Hebdo / Économie, No.2200, 4 January 2007, retrieved from <http://hebdo.nouvelobs.com/p2200/articles/a32761.html>

incertitude situations and market imperfections. According to the "labour market dualism", the migrations are explained by the labour force need originating from host organization (enterprises). Based on this theory, the salary hierarchies represent the prestige hierarchies. The aliens will accept to deal with "degrading" activities, because they want to gain more material resources in order to return, richer, to their home country. Other theories allocate migrations to socio-historical factors. The final destinations of this labour force are countries with a rich historical background.

Due to the lack of data and of scientific research as regarding the effects (both financial and non financial) of migration and of remittances as migration result on the Romanian economy, the scientists hardly could design economic policies to manage the migration issue: no migration trends available, nor provisions beyond the accession to the EU. In our research we will detail the theory of distortions of the labour market, using the so-called "new economy of migration". The migration decision is taken after the would-be migrant analyse for himself the costs and benefits of migration (regardless of its form, legal or illegal).

We use microeconomic analysis on the basis of functions of utility (maximisation of utility of migration), costs (minimisation of costs incurred, from the point of economic and social costs, and maximisation of benefits; the cost of opportunity). Using of the indifference curves, we explain in graphs the results of research. We did comparative analysis and a wide, complex approach of the problem in discussion, according to the purpose of research. For data processing, we used statistical methods as synthesis (synthesis of the major theories regarding the international migration, benefits, remittances and development; press monitoring), classification, static and dynamic comparative analysis, induction and deduction. In our research, we talk about *the Strawberry pickers* and *the South-Eastern Europe Syndrome*.

We studied the experience of countries that accessed to the European Union in the last waves of accession, to compare the evolution of migration phenomena from that period with the migration of the CEE countries within the last decade. Some studies carried out before the 2004 accession expressed the aware of the mass migration from the eight CEE countries to the EU-15 member states as following the date of May 1st, 2004. The situation is quite different that it was forecasted some years ago. With the exception of the case of UK (one of the three country which allowed free movement of labours from the new Member States), the number of migrants is much less significant than has been portrayed in much of the media. The experience of previous enlargements of the EU shows that initial scepticism and fear of being "flooded" by migrants from the new members, with resulting attempts to restrict migration, have been unfounded. At the present, after two years of membership to the EU, the figures shows that Poland was the major "threat" for the EU labour market and the welfare system at a whole, in the condition that UK was a country which directly attracted the Polish workers.

Distortions on the Romanian labour market are caused by the migration of workers, but in the same time migration is cause of distortions on the labour market: Romania will hardly manage to surpass this *vicious circle*. The emigrated workers are mainly young, skilled and well trained. The investments into the Romanian economy mainly involved the development of the construction field, well connected to the real estate industry. But the Romanian labour market is lacking just the constructors: most of them are in Spain, helping the growth of that economy. Ironically, some Spain entrepreneurs announced the intention to develop some large projects in real estate in Transylvania (central Romania), to build houses for Romanians. Who will construct those houses and for whom, if Romanians are working in Spain? In Romanian they are generally called in a pejorative way: "*căpșunarii*" (the strawberry people/the strawberry pickers – because the first wave of migrants

going to Spain worked on the strawberry fields). The constructions are the engine of the growth. But now there are no more constructors to build the new factories, the new houses and to work in the infrastructure projects. So, we have an engine without fuel (workers). This is the reason we consider that the *Strawberry Jam* is not tasteful at all!

With the “*South-Eastern Europe Syndrome*”, we analyse the fact that the Romania will develop in the same way like the southern countries which joined the European Union in the previous waves of enlargement. The European Union has no reasons to fear that Romania will maintain its undeveloped economy. During the transition, Romania met different phenomena, due to the fact that all economic mechanism suffered strong structural crisis: Romania had a very powerful industry sector and a cooperative based agriculture, with workers trained for steel industry and mechanized agriculture. After the failing of the communist regime, the industrial companies were privatized and than closed, the land was returned to the farmers and the cooperative farms were destroyed. Romanians were prepared for an industry based productive economy, nowadays Romania is the land of the service industry, with investments in banks, distribution and selling industry. Soon after the changing of the regime, we met large unemployment and lot of people in need of identity. The solution: emigration for labour. Most of the former industrial areas are now transformed in investments for the real estate market. The agricultural land is used for developing large real estate projects. All major European retailers are landed on the Romanian distribution market, with huge hypermarkets and entertainment areas [even considered the capital city of a poor country, with low income, the Bucharest based hypermarket of *Carrefour* is the third in the world as talking about transit of customers during the Christmas holidays, when more than 100,000 people visiting the site per day]. In the same time, alike in countries as Spain and Portugal before their accession to the European Union, lots of investors have bought plenty of land and buildings, for speculation on the real estate market purposes (the price of real estate multiplied many times, as compared to the price just before the accession). The same situation is met mostly in western Romania, but even in Constanța county, south-eastern region: Italians and Greeks have bought almost all available agricultural and in-town land, with the purpose of eventually reselling it upon the Romania’s accession to the European Union.

Nowadays, Spain is one of the main receiving countries of older emigrants in Europe, the main destination for European retirees (mainly thanks to its tourist tradition), due to the economic attraction of tourism factors (pensions, expenses at the place of destination). In the same time, its economy is growing. Before to join the EU, the Spain workers migrated to the north of Europe to find jobs, but the capital migrated to Spain with investments in land and real estate. After the accession, Spain, Portugal and southern Italy benefited from the financial aid of the European Union. Then Spain launched policies to help the families in order to raise the birth rate and the demographic growth, attracting immigrants with regularisation measures. Those migrants supported the Spain economic development. The same situation is met in Romania, but using the “*fast forward*” style. We already need workers!