

THE IMPACT OF MIGRATION ON ROMANIA'S ECONOMICAL AND SOCIAL DEVELOPMENT

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ABSTRACT

Free movement for people is one of the most fundamental freedoms guaranteed by European Union law and it is a necessary precondition for building a single market. Greater adaptability on the part of workers through migration process is also a key element in making Europe 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. In this paper I'm trying to review several aspects regarding the Romanian labour market, the causes that determined the labour force to emigrate in European Union's member states, as well as migrations' effects on the supply and demand on the labour market. Migration can have both positive and negative effects on economical and social life from the origin country.

Keywords: workforce migration, labour market, unemployment, emigration effects.

1. INTRODUCTION

EU enlargement in 2007 was a turning point in Romanian migration history with the implication in Romanian labour market.

There are specific circumstances which explain partly the sensitivity of migration issue among the general public as well as policy makers across Europe, who feared economic, social, cultural and political consequences of free east-west migration in the EU: the population size of the acceding countries was large, the differences in income between the old EU member states and the EU8 and EU2 were major, the new member states underwent a complex process of societal transformation to a free society and a market-based economy before their EU accession.

Migration and its effects on labour market are problems that have awoken researchers' interest not only from a theoretical point of view but also from a practical one. Many researchers have investigated in their works the immigration effects on the labour market of the destination countries. The number of studies regarding the impact emigration has on labour market in the sending countries is quite low, especially for countries in Eastern Europe.

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 labor 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”). The first two years following accession, the access to the labour markets of the incumbent depends on their national law and policies; national measures may be extended for a further period of three years and could continue for a further two years, but only if there are serious disruptions in the respective receiving labour market. (Kahanec, 2010)

The evolution of employment in Romania, after 1990, has been influenced by several factors. Decrease in the country's total population, the emergence of foreign investment flows that generated new jobs, extend the working life from 57 years to 60 years for women and 60 to 65 years for men, small and medium enterprise development and the expectation to have that will make a positive contribution to increasing employment, especially in terms of non-wage labor are a part of these factors. We can say that restructuring and privatization process started after 1990, but permanent pressure on employment generated by the wave of layoffs hit the economy of Romania. Despite real economic growth in post-communist Romania, the job market remains relatively tight, mainly due to the structure by age and profession of the unemployed, not correlated with the applications of the Romanian economy. For these reasons currently particular attention is payed to retraining and reconversion of the workforce. (Pociovalisteanu, 2011)

The non-functionality of the national labour market determines disequilibrium between the supply and demand of workforce, this resulting in the emigration of the employable population to find a job abroad. Freedom of movement of person from the new member-states remains a contentious issue. (Favell, 2008)

The unemployment and the number of employed population are a mirror of the functionality of the labour market of a society, being important aspect of the economical balance and an essential component of macro economical and macro social policies. The existence of a high rate of unemployment on a large period of time is a challenge for any society and especially for those economies that went through the steps of the transition process, where unemployment was virtually non-existent 20 years ago. (Danăciță, 2011)

Romania's fetch up of the disparities in contrast to the developed countries can only be made by adopting a mix of policies on both organizational and national level, that focus on investing in people and on developing the human capital through education, research and innovation. (Aceleanu, 2012)

2. ECONOMICAL AND SOCIAL EFFECTS OF MIGRATION

Migrations' impact on the origin country is a complex process that implies not only knowing the costs, but also the benefits of migrational process at individual, local, national and international level, taking into consideration the context in which it is manifested.

Migration as a phenomena can generate economical and social effects for the origin country, as well as for the destination one. This effects can be either positive or negative. Specialists in the field have different opinions in regards to this aspect.

For the origin country, one of the positive effects of migration could be the decrease of the unemployment rate and the comedown of the tension existent on the labour market, its relaxation, at the same time with the decrease of the social spendings' balance in the total of budgetary spendings. But this relaxation could determine getting short term benefits from migration, leading to transforming Romania into an workforce importer country on the long term. (Silași, Simina, 2008).

Remissions (the money transferred to our country by emigrants) are an external source of financing the budget. The amounts of money sent to the country by emigrants were an income source, maybe even the only one, for their families. This way they life standard improved, since the money sent back home are used for building residencies, at the same time increasing consumption after the purchase of assests meant to fit them out and of vehicles.

This remissions are actually savings of the emigrants made in the destination countries, savings than can be source of investments in the origin country. This remissions increase the standard of living and have benefic effects on family relations. On the other side it is noticed that the fact that one of the family members is gone determines the change of roles within the family, which leads to welfare loss within the family and even its decay due to imbalances in the couple. There are happy cases when children are left with only one parent, but they can also be left with under the tutela of their grandparents or other relations, which affects their subsequent behaviors and acts. Sometimes, migrants abandon their children, that end up on hands of fosterparents. Therefore, the most affected (in some cases this situations are traumatising) by the fact that their parents left to work abroad are the children, since the persons that take care of them cannot fulfill successfully the role of parent. (Roman, M., Ileanu. B, 2010).

Another positive side of migration has to do with the cultural impact, in the sense that by living in countries with higher degree of civilization Romanians borrow the behavior and the attitude of the population of the destination countries, learn how to observe the law, the order, the cleanness, which is a major gain for Romania.

Remissions have overtones not only on microeconomical level, but also on a macroeconomical one, changing the demand for some products, investments, income distribution, education, health, etc. On a macroeconomical lever, the effects of money transactions can be negative if used for consumption instead of being used for investments. (Chirtoc, Bălăcescu, 2010)

The flow of remissions is higher for temporary migration compared to the definitive migration, especially when they imply low skilled migrants that wait to return to the origin country. Emigration on the long term generates substantive savings, being a major potential of investments. But we need to remind the fact that in order to save specific conditions and adequate incentives in the destination country are required.

In a research made on eleven economies in transition from the Eastern Europe, during 1990 – 1999, Leon-Ledesma and Piracha (2004) concluded that remissions have a positive effect on productivity, engagement and investments in the origin country.

The accumulation of welfare and potential of the imigrants could positively and sustainably influence economical and social development of the origin countries. The objectives and practices that refer to migration, personal finances and financial intermediation are linked to the development of the enterprise spirit and with the jobs creation. (http://www.ier.ro/documente/arhiva_evenimente_2011/IASCI_Soros_trecere_in_revista_ro.pdf)

Temporary migration can be benefic for the emigrant since it can contribute to the improvement of emigrant's skills as a consequence of the experience gained through working abroad.

The maintenance of the connection between diaspora and origin country has a benefic effect on the origin country, since communities outside the origin country can influence the conclusion of contracts in the field of research and technology transfer. Connections between different companies from the destination countries lead by the diaspora and companies from the origin country can be made through direct investments and through the possibility of return of some of the emigrants in the origin country. (Nicolae, 2007)

Some of the negative effects of migration on the origin country is the loss of the amount invested by the state in educating young people before being 18 years old. The state invest about 10000 euro for each citizen before it can be employed, for those that continue their studies until they become 18 years old. In this amount are included the state's spendings for education, transport and social services. For those who graduate university studies the spending is double. (<http://www.balkaninsight.com/en/article/workforce-migration-costs-romania-euro-50-billion>)

Migration can be an instrument for balancing the labour markets on a national level, by reducing the unemployment rate of some countries. This way, workers have the possibility of choosing workplaces according to their own grievances, with salaries that correspond to their expectations, whereas the workplaces offer is covered by qualified personnel.

3. CONCLUSION

The flow of the international migration affects all the member states of the European Union, especially the new members.

The standard of living of the Romanian population, the policies adopted on migration by our country and the European Union, the evolution of the economy and of the unemployment rate in current's crisis context will influence the decision made by the Romanian citizens to migrate or not.

Migration can successfully supply the decrease of population in European Union's member states and can balance the supply and the demand of jobs. To that effect the European Union needs to keep an eye on the development and the expansion of the Community policies on emigration and immigration at a European level to better manage the migrational flows, considering not only the demographic context of the countries, but also the economical and social context of those.

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