

THE CASE OF ROMANIA

Monica ROMAN,

Bucharest Academy of Economic Studies, Romania

Daniela ANDREN,

Orebro University, Sweden

Budapest,
1-2 july 2011

4th IZA Workshop on EU Enlargement and the Labor Markets:
Migration, Crisis, and Adjustment in an Enlarged E(M)U

Outline

2

1. Romanian migration after 1990
2. Data sources
3. Romanian migration after 2007
 1. Stocks and flows
 2. Main destinations
 3. Brain drain
4. Remittances
 1. Level, destinations
 2. Savings
5. Return migration
6. Immigration to Romania

Romanian emigration 1990-1996

3

- **1990-1993:** mass permanent emigration of ethnic minorities [German, Hungarian, Jewish] & Romanians fleeing political turmoil and poverty (about 116.000 applications for political asylum in the West in 1992)
- **1994-1996:** low levels of Romanian economic migration to Western Europe [mainly for seasonal or illegal work], along with continued very low levels of ethnic migrations and asylum-seeking

Romanian emigration 1996-2001

4

the development of several parallel trends in emigration:

- a) Permanent migration increasingly to the USA and Canada, rather than legal migration to European countries
- (b) since 1999: a small usage of labour recruitment agreements with various European countries [Germany, Spain, Portugal, Italy]
- (c) since 1999: the emergence of illegal “incomplete” or circular migration to European countries, for illegal work
- (d) growth of trafficking in migrants (predominantly females).

Romanian emigration 2002-2007

5

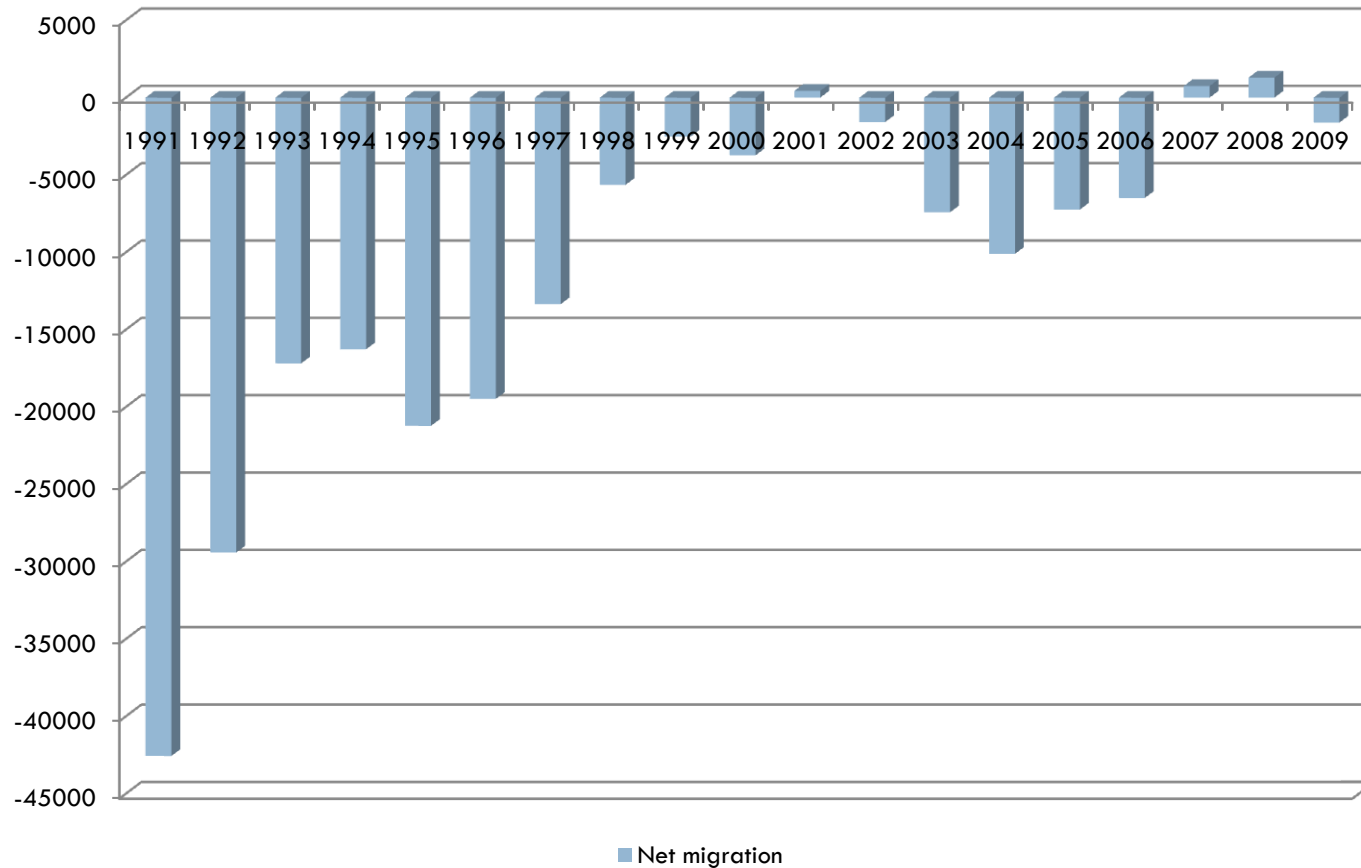
- elimination of the Schengen visa requirement promoted a rapid growth in circular migration

- With the possibility of 3 months' legal tourist stay, a sophisticated circular migration system developed, focused primarily on Italy and Spain
 - This new strategy succeeded in evading European labour market controls by migrants' working illegally for 3 months – essentially, job-sharing with other Romanians

- **2007- to date: free access to European labour market**

Net migration, 1991-2009

6



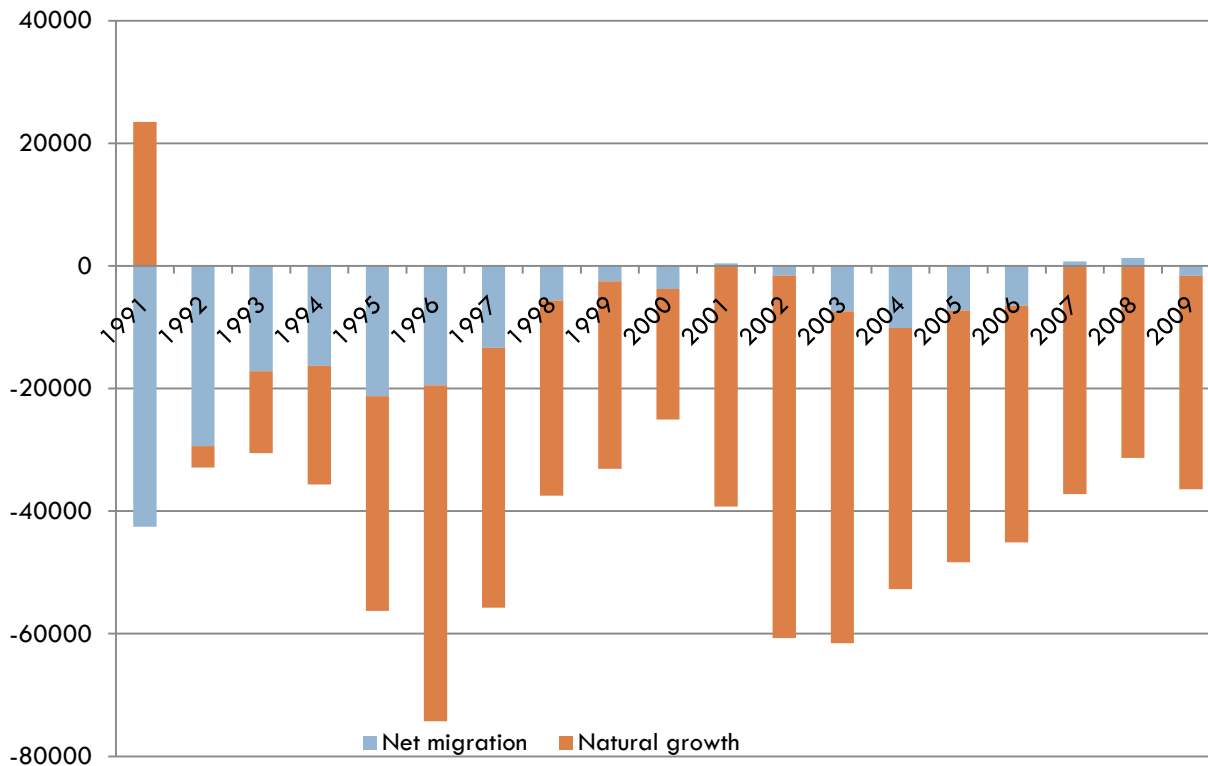
Source: based on Statistical Yearbook 2010 data, NIS

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Natural population increase and net migration, 1991-2009

7



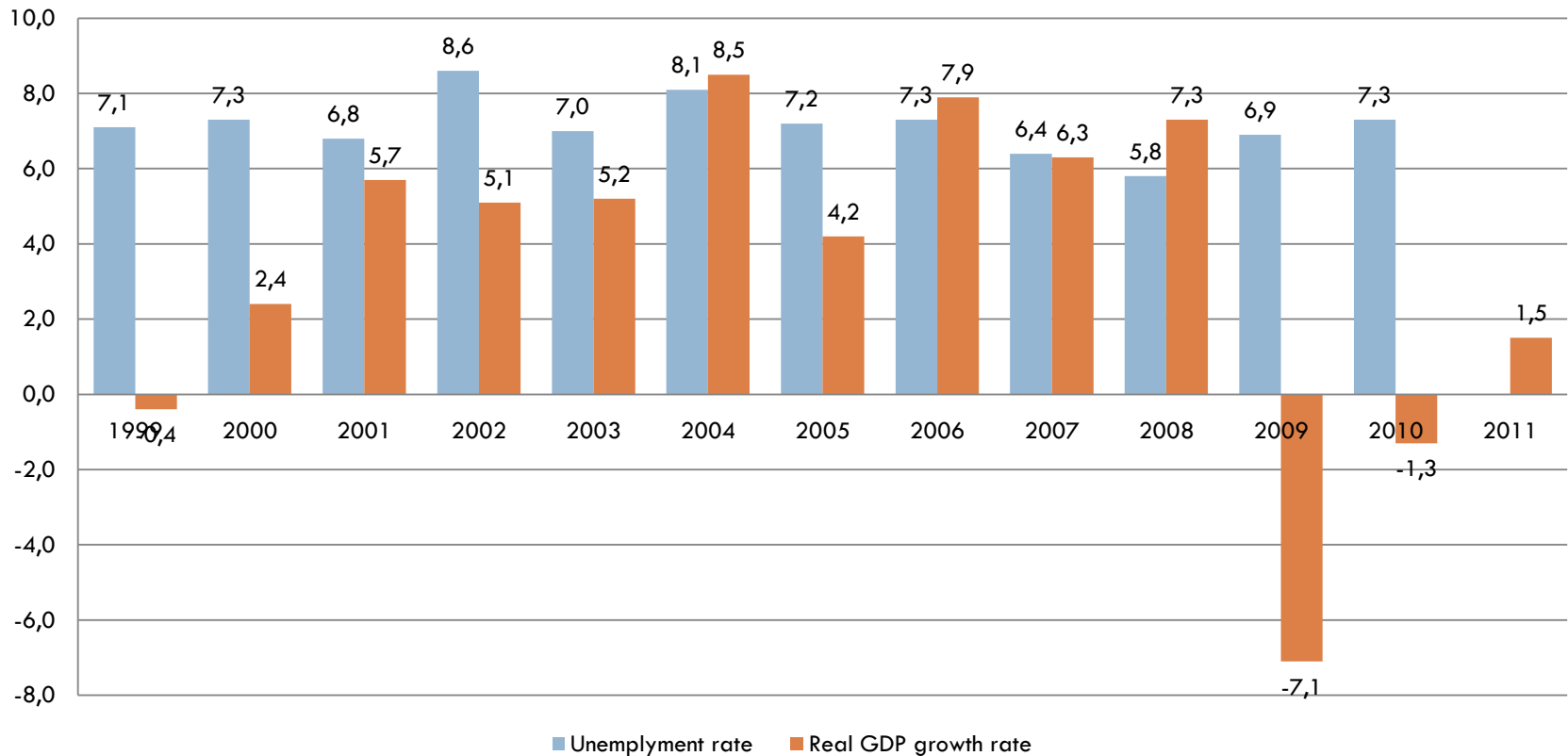
Source: based on data from Statistical Yearbook 2010, NIS

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Unemployment rate and GDP growth rate, 1994-2010

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Source: based on data from Statistical Yearbook 2010, NIS

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Selected European countries. Stock of Romanian immigrants, 2005-2010

9

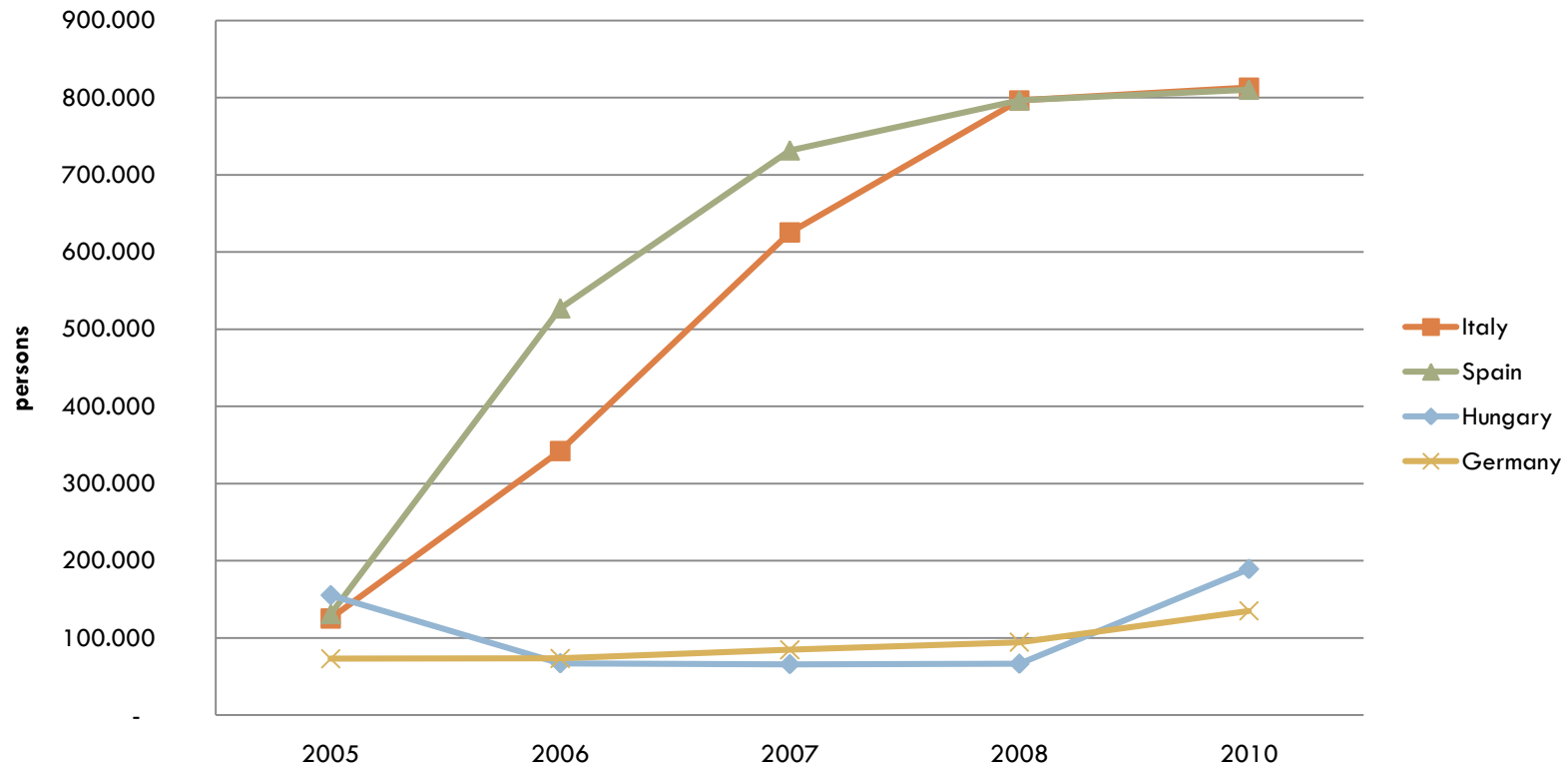
Countries	2005	2006	2007	2008	2010
Austria	48.041	21.882	27.646	32.341	56.932
Belgium	4.790	10.195	15.253	20.542	21.634
Czech Republic	12.089	2.945	3.177	3.615	4.095
France	27.414	25.152	27.545	31.210	54.305
Germany	73.043	73.353	84.584	94.326	134.911
Greece	23.025	18.949	25.735	29.456	45.289
Hungary	155.148	66.951	65.836	66.368	189.055
Italy	125.160	342.200	625.278	796.477	813.037
Netherlands	4.618	3.225	4.894	6.256	7.118
Portugal	3.287	12.035	19.389	27.410	32.457
Spain	130.771	527.019	731.806	796.576	810.471
Sweden	12.798	2.252	4.442	6.536	7.661
Switzerland	7.451	3.780	3.957	4.306	7.914
United Kingdom	8.482	12.000	19.000	32.000	53.081

Source: OECD estimates (2005-2008) and World Bank estimates (2010)

Stock of Romanian immigrants 2005-2010

Selected European countries

10

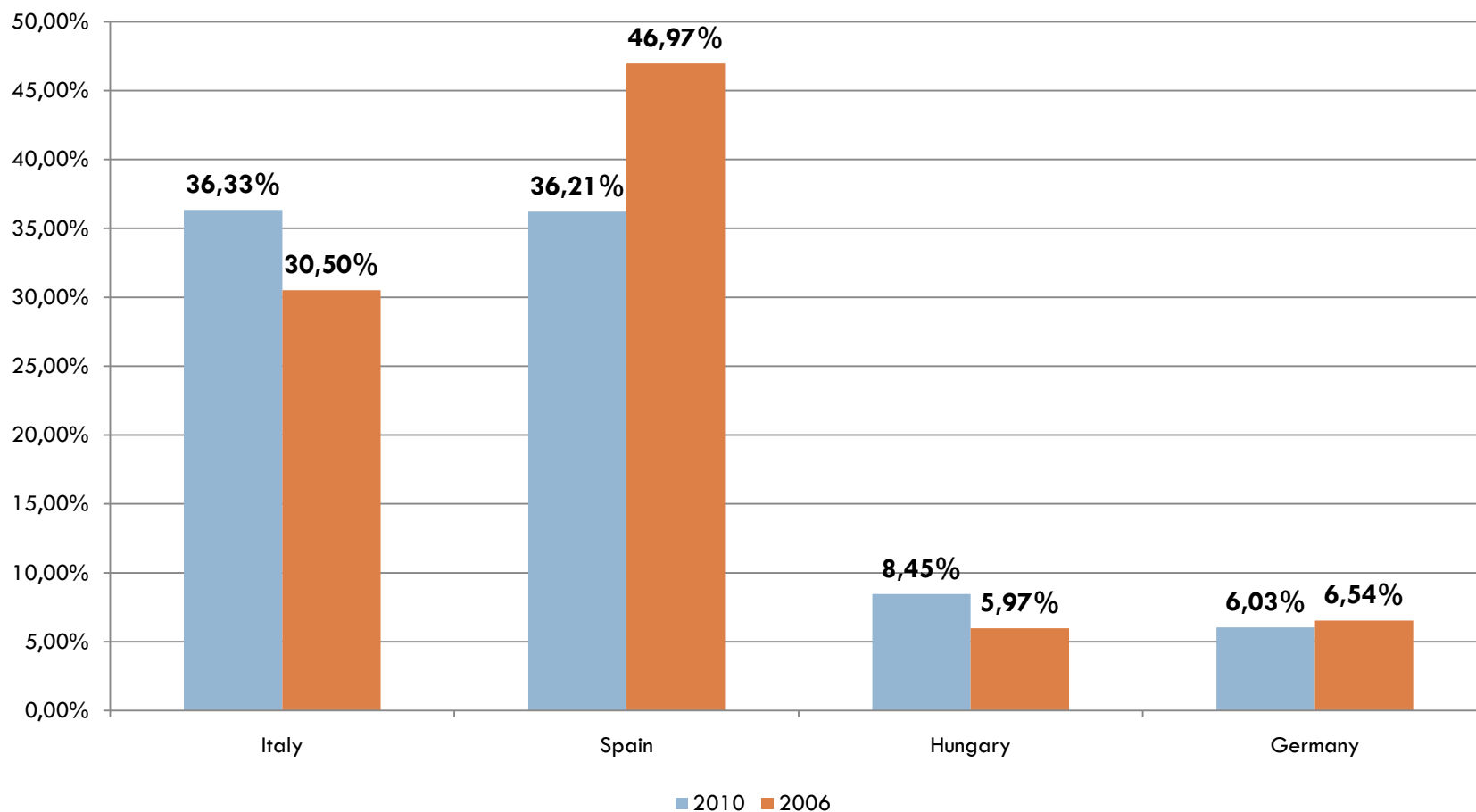


Source: based on OECD estimates (2005-2008) and World Bank estimates (2010)

Stock of Romanian emigrants, 2006 and 2010

Most wanted countries

11



Source: based on OECD estimates (2006) and World Bank estimates (2010)

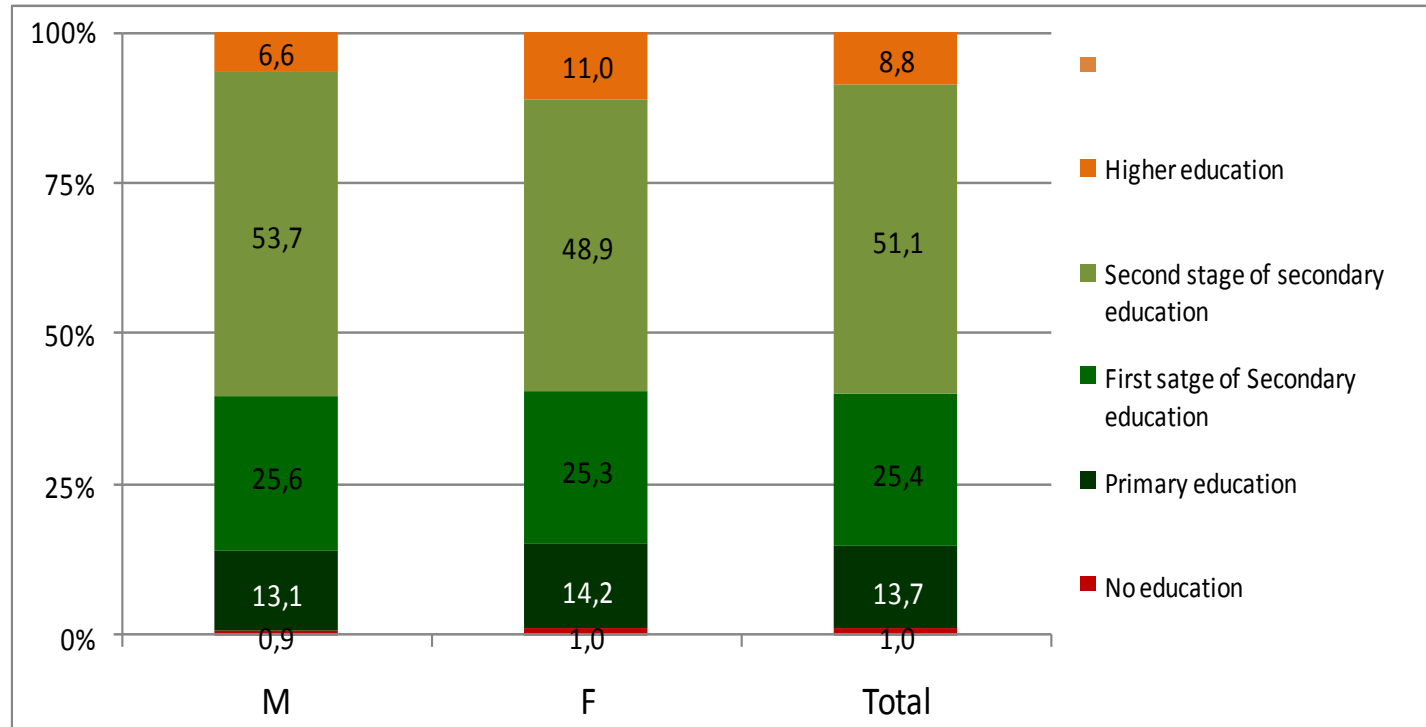
Characteristics of Romanian migrants

12

- Balanced gender distribution; recent feminization in Italy
- Young: average age- 34 years
- Family status: married (54%), single (37%)
- “family” migration , three subtypes:
 - (1) the immigrant and partner (16% of the total immigrants),
 - (2) a couple plus other family members (children, for the most part, 27% of the total immigrants),
 - (3) the immigrant accompanied by family members who are neither husband nor wife (26% of the total immigrants).

Characteristics of Romanian migrants: education

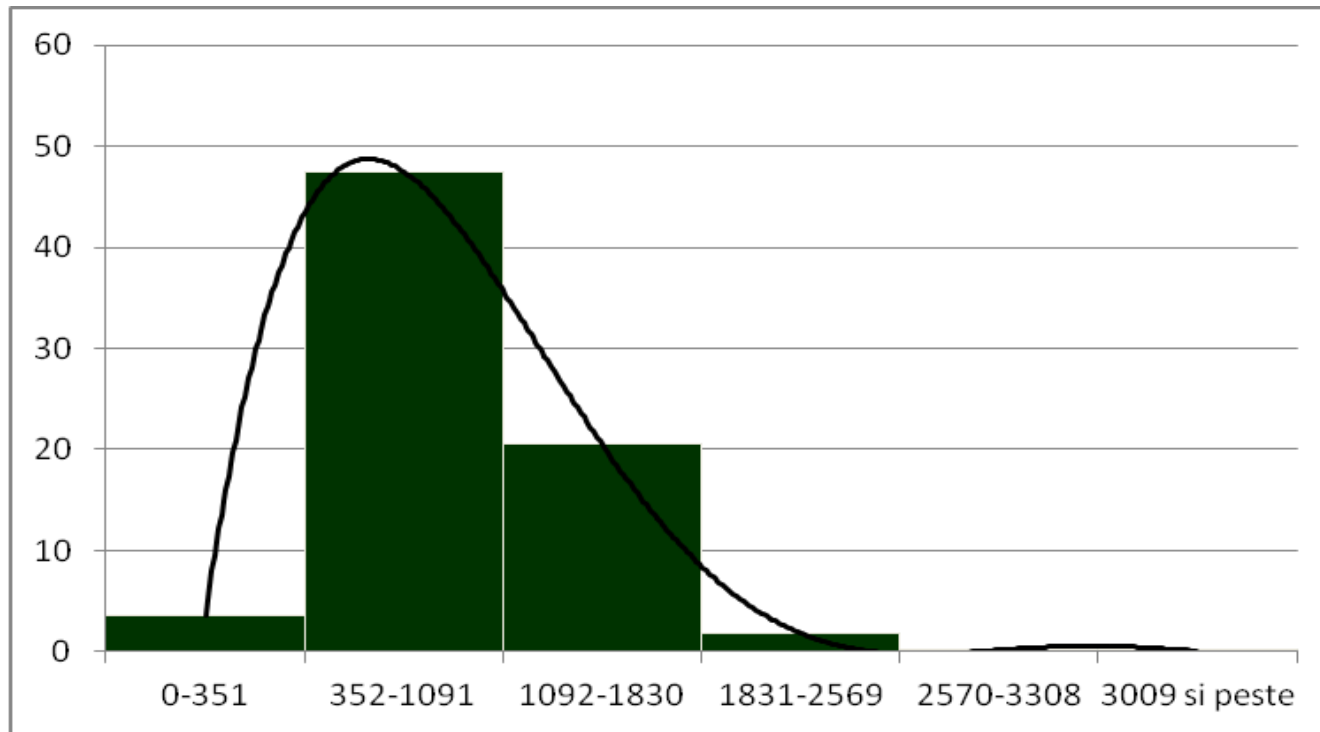
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□ Source: based on ENI, 2007

Income distribution

14



□ Source: based on ENI, 2007

Migration of health care staff

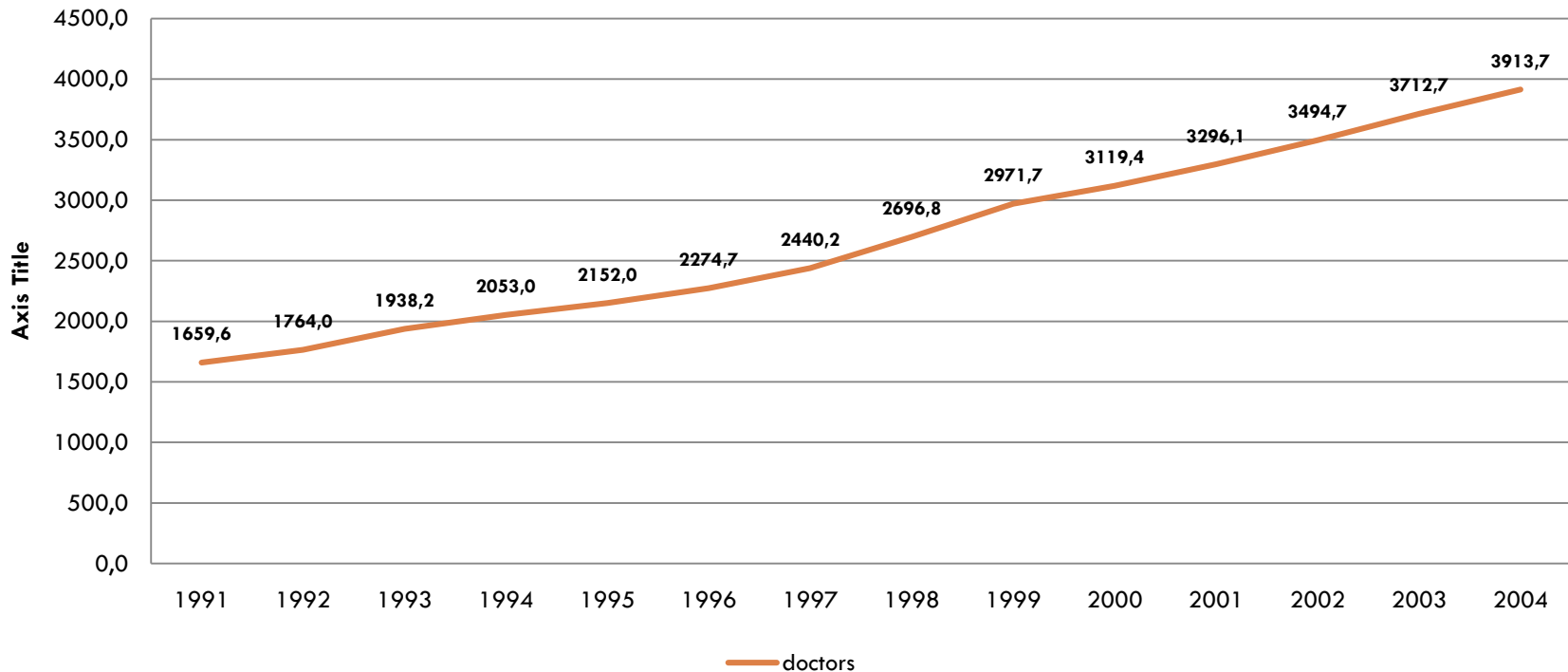
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- Dimension
- Consequences

Migration of health care staff

16

Romania. Number of emigrated doctors, 1991-2004

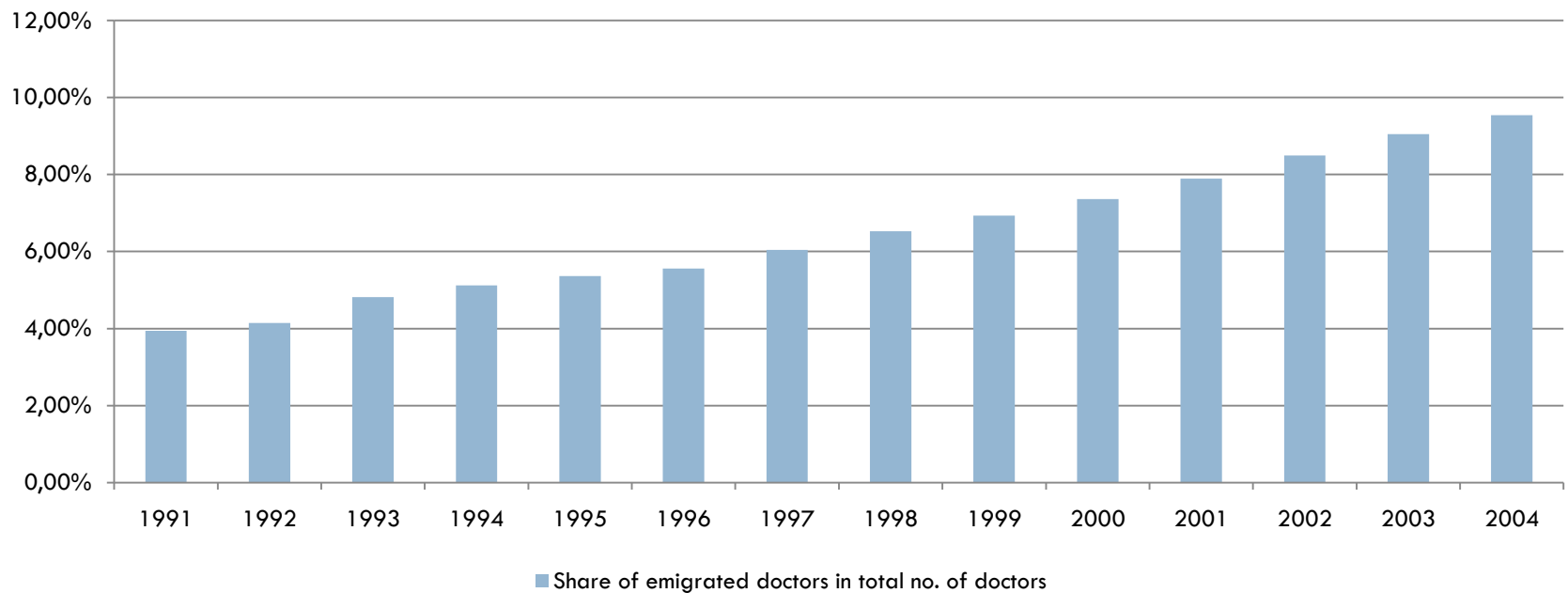


Source: Modeling the effect of physician emigration on human development. A. Bhargava, F. Docquier and Y. Moullan, (2010). **New medical Brain Drain Data** (February 2010).

Migration of health care staff

17

Romania. Share of emigrated doctors in total no. of doctors, 1991-2004



Source: based on **New medical Brain Drain Data** (February 2010). Modeling the effect of physician emigration on human development. A. Bhargava, F. Docquier and Y. Moullan, (2010).

Migration of health care staff

18

- Recent trends:
 - ▣ 2007-2010 more that 8000 doctors leaved Romania for working abroad (www.paginamedicala.ro, february 2011)

- Romania, 2010: 1.9 doctors/1000 inhabitants

Migration of health care staff

19

- Affects on society's need for a functioning health care system;
- Loss of important human resources;
- Loss of investment made in the (long-term) training of departed staff (about 22 mill. Euro in 2010);

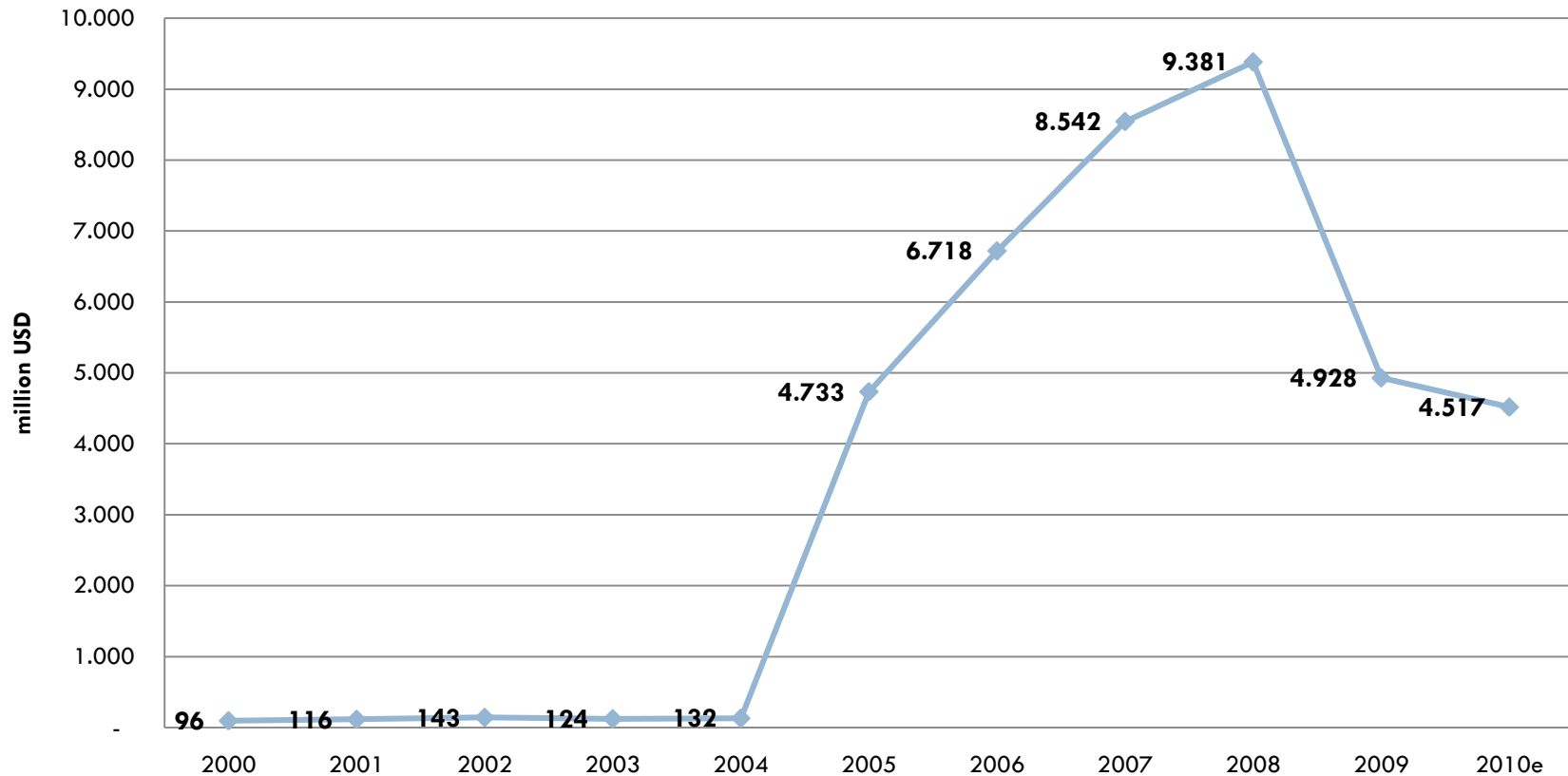
Side-effects of health care migration

20

- **increasing staff shortages;**
- **an overloading of the staff remaining with extra tasks;**
- frustration and lack of motivation for those that have remained in their own country;
- a decrease in the training capabilities of the new generation ;
 - ▣ long-term effect on the ability to generate new entries to the profession;
 - ▣ a reduction in the exchange of experience between generations;

Remittances Inflows 2000-2010

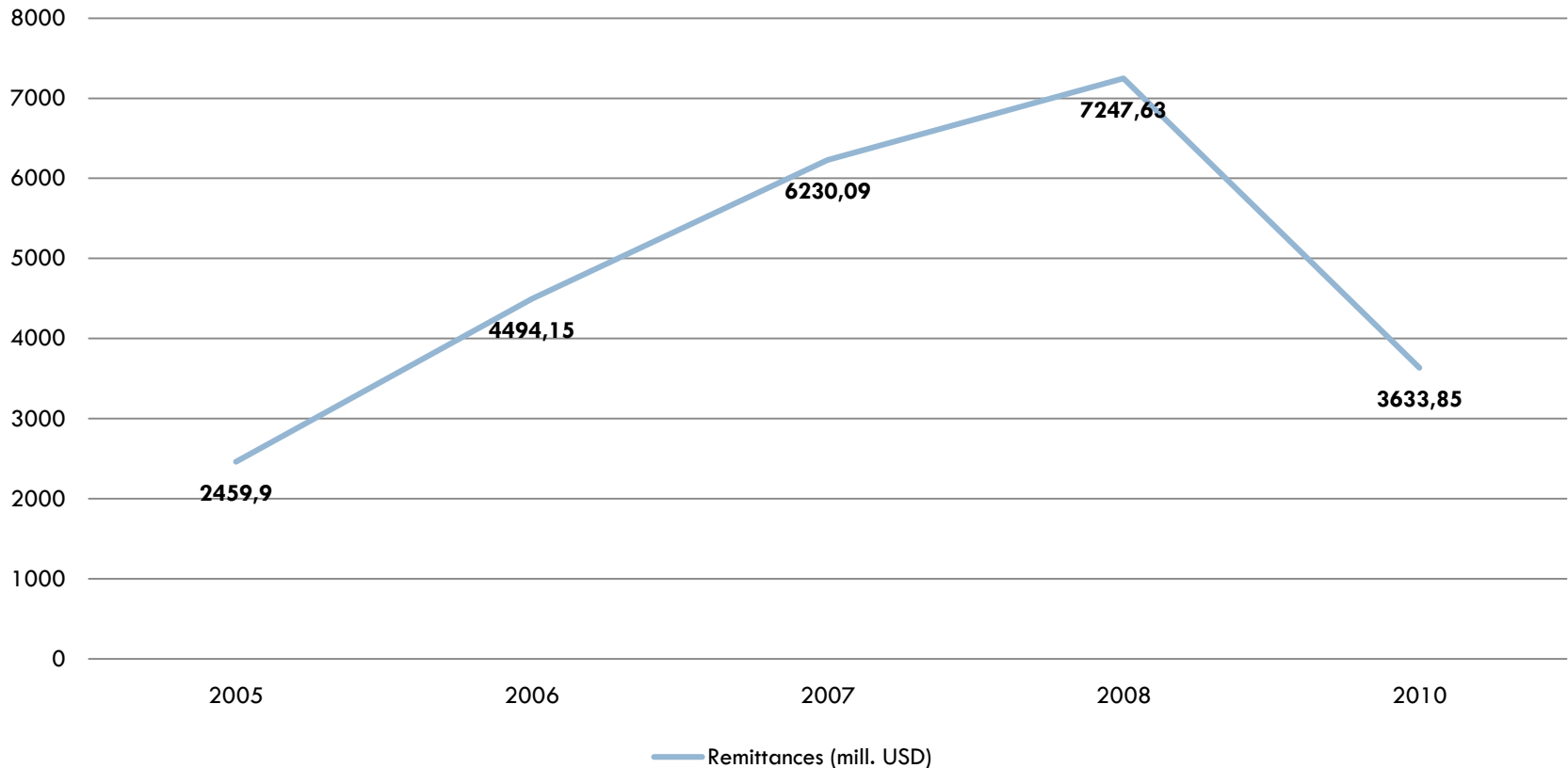
21



Source: based on OECD estimates (2005-2008) and World Bank estimates (2010)

Remittances sent by Romanian emigrants in Europe, 2005-2010

22



Source: based on OECD estimates (2005-2008) and World Bank estimates (2010)

Motives for remitting

23

- ▣ To ensure decent living conditions for family left home (children, parents);
- ▣ to purchase or upgrade a home;
- ▣ To purchase durable goods;
- ▣ to invest in a business;

Remittances (results for Romanians living in Spain)

24

- There are several determinants that affect the decision to remit, but do not influence amount remitted:
- ***the number of children living in Romania*** is highly increasing the probability to remit.
- ***Income*** is a significant factor that positively characterizes the amount of money remitted, but not the decision to remit.
- ***Owning a house*** has a strong positive influence on both decision to remit and amount remitted.

Savings

25

International Agency for Source Country Information & Soros Foundation study(2010):

- At an estimated number of 2.9 million Romanian immigrants, the savings level for 12 months, calculated until September 2010 reached **11.9 billion euro** of which only 2.8 billion were sent back to the country;
- 40 percent of Romanian immigrants haven't sent any money in their native country- the highest percentage in the area.
 - More than 15,000 households and 2,900 migrants were interviewed for this study.

Savings

26

- The most important savings objectives are:
 - to purchase or upgrade a home;
 - to invest in a business;
 - To invest in children's education;
 - to secure a pension;

Return migration

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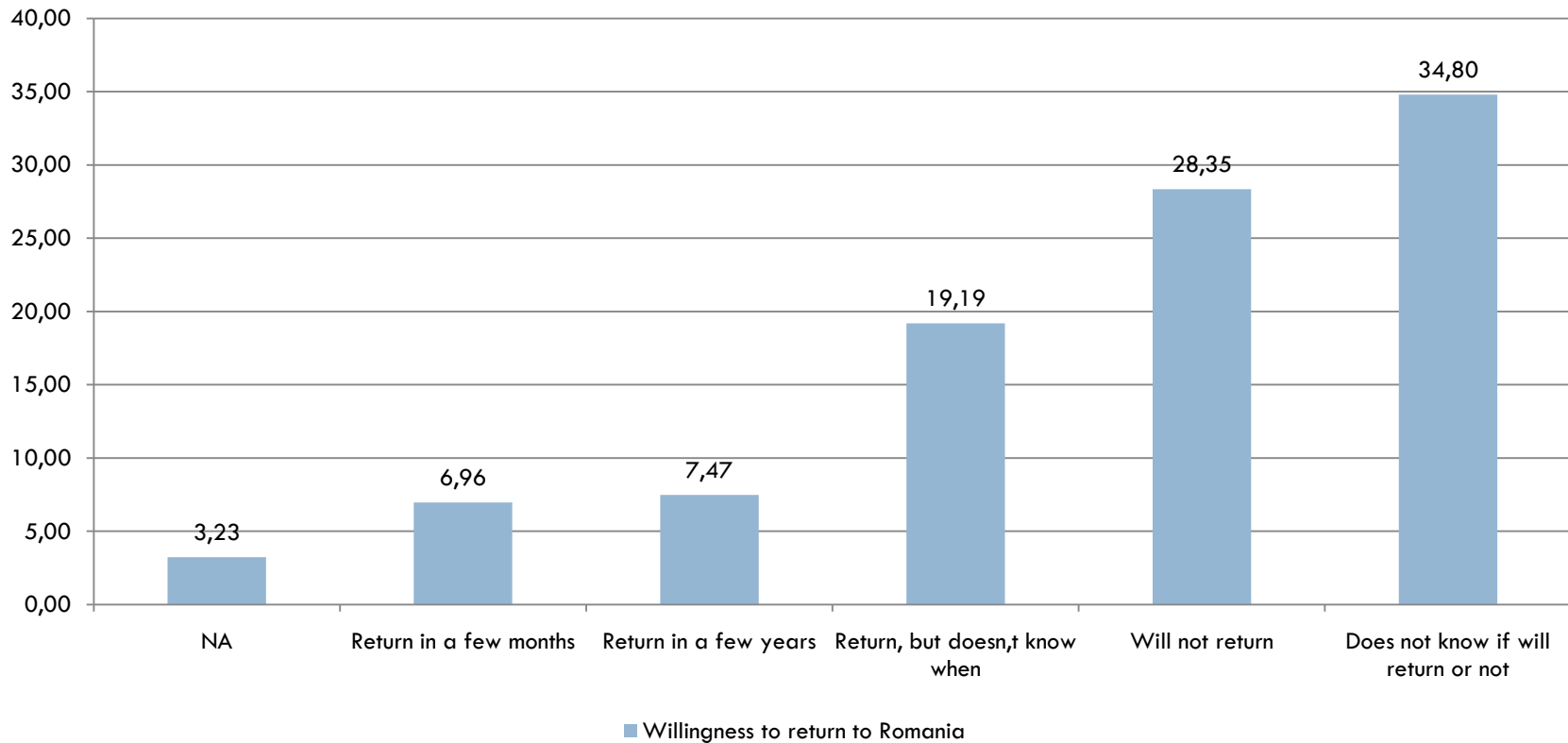
- There is no statistical evidence on return migration.
- The surveys only capture the intention to return.

- The intentions to return do not have to be interpreted as decisions.

Return migration: intentions to return

28

Romanian migrants in Spain: Intentions to return to Romania, 2008



Return migration: Factors That Favor a Decision to Return:

29

- Economic situation in Romania and in host country
- Family situation
- Human capital
- Other factors (political...)

Immigration to Romania

30

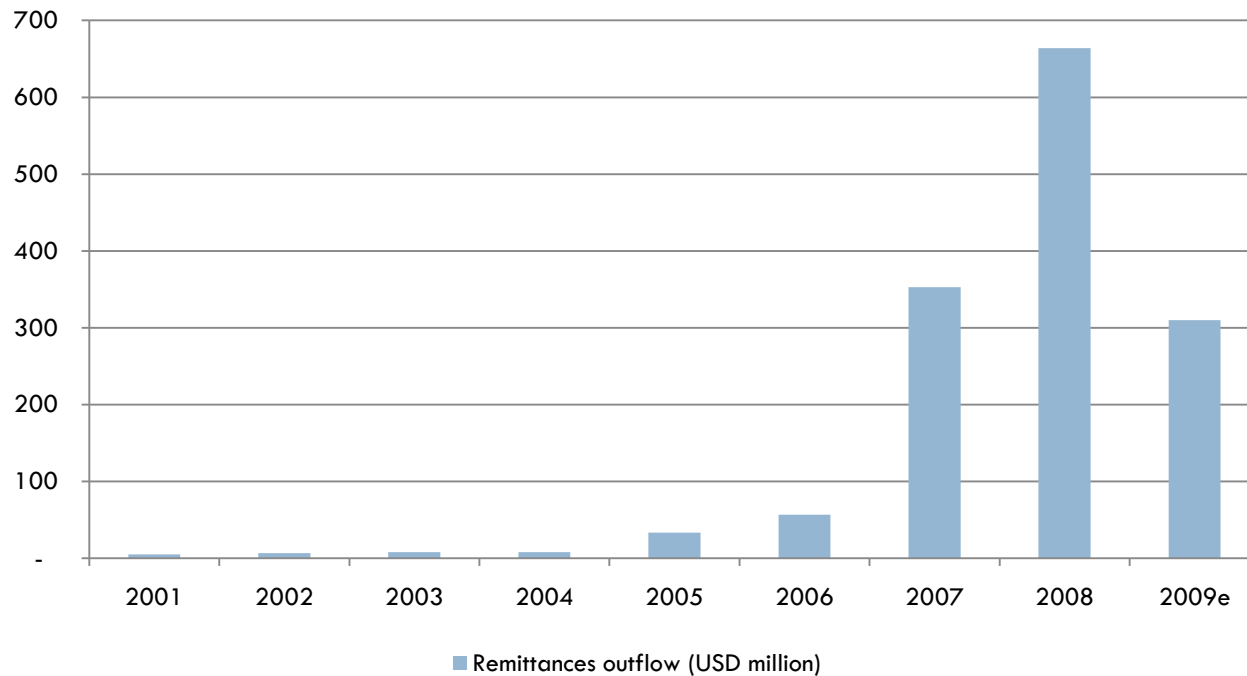
Romania , 2010: 97395 foreign citizens.

- Non EU countries: 60% of these are third country nationals, 82.67% have temporary residence and 17.33%) have permanent residence
 - ▣ Main Countries of origin: Moldavia (17494), Turkey (8969) and China (7049).
- 40% EU and EES citizens and their family members, out of which 37618 have a residence of over 3 months and 1353 have permanent residence;
- Source: The Romanian Immigration Office, 2011

Immigration to Romania

31

Romania, Remittance outflows, 2001-2009



Source: World Bank estimates based on the International Monetary Fund's Balance of Payments Statistics Yearbook 2008

Conclusions

32

New trends in Romanian migration after EU enlargement:

- **Spain and Italy remain the destination countries for the three quarters of Romanian migrants;**
- **The number of Romanian migrants in EU increased after 2007 with a smaller rate compared to 2000-2006;**
- **Medical brain drain affects Romanian health care system;**
- **Remittances sent to Romania reached a peak in 2008 and sharply decreased in the next two years;**
- **Savings of Romanian emigrants reached 12 billion Euro in 2010.**
- **Return migration is not captured by statistical evidences and there are not true policies in this respect;**
- **Romania is becoming a country of immigration from a transition country for non EU migrants.**

Thank you!

mroman@ase.ro