

## Costs and benefits of the international labor migration

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*Migration has been an important part of the transition process and its effects are complex including significant changes in attitudes and norms that are relevant for democratic processes. Migration changes the way of life, leads to social-economical and cultural modification, at a continuous readjustment of social organization and assimilation and rejection problems. The amplitude and intensity of migrating fluxes, its dynamic as well as the peculiarity of migrating persons (social level, professional preparation, age, sex) is different according with the scope of migration ( work, obliged change of home, refugee, making or gathering the family).*

**Key words:** international migration, supply and demand, costs and benefits, illegal migration.

The migration existed since ever, but the economic social and political modifications imposed by the globalization and technical-scientific revolution made from intern and extern migration one of the biggest “human phenomenon” of all times.

If before 1990 migration was determined by political conditions, in present, we speak about the economical ones, mostly the big backwash effect between the E.U. countries, professional conditions, economic crises, extension of poorness and quality of education.

Being on the E.U.'s east border Romania was and still is submitted in the same time at a considerate migratory pressure from some people that came from CSI, Asia, Africa and Turkey and E.U. exigencies to filter the persons that enter Romanian state and to block the exodus through Vest Europe.

The discovery and dissipation of clandestine networks migration, intensification of control at the frontier in the same time with the modernization of border police, had become priorities of governmental policy, especially after year 2000. That was why after 2002, Romania had access in Schengen space and from January 2007 in all E.U. obeying the restrictions imposed by some member states and of Romanian legislation. Migration creates challenges and opportunities for sending and receiving countries.

The evaluation of the costs and benefits obtained from the migration and the adhesion to E.U. represents a gradual process, those costs and benefits being in close correlation with the degree of Romanian economy transformation.

The greater Romania progresses with the help of economical, political, juridical or other nature reform, the simple will be for it to deal the E.U. competitors pressure and to achieve compatibility with economical and legal European structure.

**Among the benefits brought by the migration process we remind:**

- massive currency inflow that diminish the intern market regarding the

investments and commercial goods selling development;

- the remittances – money and goods – sent back home by migrant workers, as well as decrease in unemployment, have a profound impact on the living standards of people in these societies.

- remittances have a positive impact on long-term economic growth.

- can facilitate international trade

- changing economical culture of Romanian population, getting it closer to European standards;

- getting business experience;

- changing the workers mentality;

- the contribution of Romanian activities internationalization, in economic field and in social one;

- Romanian people are acquiring occidental managerial experience by having the financial, managerial, marketing and technical know-how.

The Romanian migration has brought in the country billions of euro, stimulated the population consumption, building houses, the selling's of hypermarkets and electronically products importers, confuted efficiently the poorness of millions of families and lead to a great change in workers mentality because they entered in contact with occidental habits. Benefits were of course for the state too, because it collects the V.A.T. for the goods and services purchased by the population. Approximately 10% of the volume of each type of investment over last 6 years

has become possible because of the international migration incomes.

**The positive effects of migration are healed in a very fragile scale with the negative ones. Thus, among the migration costs are:**

A) budgeted cash in losses, because those approximately 2 millions Romanian people that work abroad do not pay the contributions to social insurance, duties, and taxes;

B) expose migrants to risks of abuse or trafficking, particularly those that work abroad illegally and do not have recourse to legal channels. Most of migrant workers find themselves on the low-skilled side of the occupational spectrum. Undocumented migrants are often put in front of exploitation, discrimination, and abuse situations, even human trafficking. Undocumented migrants have no access to adjudicative processes when abroad and hence have no legal recourse to oppose abuse. They also may experience difficulty finding the employment they want, and must settle instead for low-paying jobs, they don't have access to public housing, schools, health care, and other social services. Furthermore, they may lose pension funds and social security entitlements at home.

C) large-scale migration can relieve the economy of needed skills.

D) migration can create social friction and possibly security risks.

E) the disunite of the families, meaning the loss in the field of affection needs.

The children raised without parents will have an inadequate education that may cause prejudices impossible or hard to solve. The Romanian state didn't manifest any preoccupation regarding the minors that are left alone so that their parents could work abroad, or if they are taken with the parents in the countries where they work. Those aspects that seem minors have major effects on the labor market. We risk losing permanently many of our citizens because we don't know if those children are going to study in that country and may stay there forever, or if they will study in their country when they'll come back.

Romania should not restrict or control more than it did until now the labor market migration, but to benefit of its advantages. Romanian state should stay in contact with migrant workers or specialists and to stimulate them to invest their money or abilities in our economy. The state must take care of all his citizens no matter if they live in the country or abroad. In this moment most of our people that work abroad are not protected by any security system or social insurance. As long as their money is spent in Romania the state has the obligation to offer them social security instruments.

For the migration to be advantageous, the countries should coordinate their politics so that the migrant labor offer can deal with the demand, using legal mechanisms of respecting the migrants' rights.

The lack for **multilateral agreements** for international migration movements, made necessary a negotiation between the migration-sending and - receiving countries about a collection of bilateral labor agreements that facilitate the legal trans border labor flows in the region. These agreements vary in scope and type across countries, but basically it facilitate short- to medium-term migration across countries. A key in resolving the migration paradox may be the settlement of the circular migration. There is little public support for permanent migration and large demand for migrant labor. Moreover, circular migration may facilitate development in migration-sending countries by facilitating international skills transfers, building cross-border trade and investment, increasing migrants human and financial capital, and preventing the long-term separation of families. The exact mix of international policies must balance supply and demand varies according to the economic and demographic characteristics of the countries in question. Such policies will improve the returns to migration for migration-sending and receiving countries and migrants themselves. Such an approach seems commensurate with migrants' preferences to spend shorter periods abroad, with the receiving countries employers to obtain affordable non traded services while respecting the law and with the need for receiving countries to obtain labor services but not necessarily absorb a permanent population of migrants. Further-

more in the sending country, circular migration, could reduce many of the negative social effects that result from the separation of families during long-term migration and reduce the incidence and degree of 'brain drain' from migration-sending countries. This kind of agreements, with creative incentives for legal migration, could allow undocumented migrants them to obtain social protection benefits that are out of reach today.

Even though the objective of these agreements is to facilitate legal international migration, the high levels of undocumented migration indicate that in many instances they do not appear to be successful. Agreements are often not able to facilitate large amounts of legal, unskilled migration.

In spite of this negative aspects, bilateral agreements have also some advantages:

- migration generates a number of political and social elements not found in the cross-border trade.
- may provide settings to send home migrants that are socially disruptive.
- may provide settings to send home migrants who impose too high a cost on social benefits.
- they provide a framework for nations to legally supply business with the labor it demands.
- the most-favored-nation clause used in trade negotiations, is useful to balance the migration with labor-market demand.

Ministry of Labor, Social Solidarity and Family has to control and coordinate the activities of labor occupation abroad, its competences being established by law. We must remember the next aspects regarding the protection of Romanian citizens working abroad:

- Romanian state close deals with similar public authorities from other states and the appliance of most favorable clauses stipulated in Romanian legislation or in international one;
- the consular offices have the obligation to watch if the organizations and economical agents respect the rights specified in bilateral contracts.

The social insecurity climate, the decent means offered to high qualification specialists from those countries persuade them to give their knowledge to other countries in which they can affirm their personality, even in which they are not always judged by their true value.

The first cause regarding emigration is because we, Romanians, let other people to "take care of our fallow lands" that, with intention or not, had led the country to economic poorness, a fact that made the young generation to lose their perspective and because of that we assist today at what is called "national desertion".

Among the migrating Romanians, over 80% are persons that, even if they have a degree, have unqualified jobs. This is due to the fact that in Romania does not exist a correlation between labor market and the number of graduates,

which implies a discrepancy between demand and offer. If we take into consideration the payments that the graduates have, the only alternative is migration into the developed countries. So the country from where they are migrating confronts with problems generated by the loss of the investments made in the education and preparation of the graduates that, after school, migrate to lower qualified jobs. Studies demonstrated that, highly skilled migrants worked in sectors that required a low qualifications (such as agriculture, transportation, or construction). Therefore, emigration may lead to "brain waste". Brain waste is generated by obstacles encountered in foreign labor market such as infrequent recognition of diplomas. While the industrial societies are moving toward a tertiary economy the demand for highly qualified immigrants will increase. Even so, on the labor market the demand for unqualified immigrants is still high, and will cause further brain waste.

Highly skilled migration is a reality that cannot be avoided, but the enlargement of the European Union in 2007 and the free movement of workers may be a factor of balance between brain waste and brain gain. The important issue is for the countries of origin to use highly skilled migration in their own advantage.

Romanian people migrate because they can not afford to cover the expenses with their salaries. The most wanted domains are: agriculture, industry,

gastronomy, tourism and medical services and the most demanded countries are: Spain and Italy. In the past 6 years 25% of the work migration was in Spain and 50% in Italy.

The studies show that most of the migrants are not people that can not survive, but persons that are trying to improve their social and material situation. No doubt about it a underground spread economy has exerted a special attraction in the international context in which the European frontiers have been, since now, closed. Those that didn't possess a sojourn permit so that they could work legal, were excluded from the labor market and if it wasn't for the underground economy they would have been forced to come back home real soon.

Because of the massive migration, Romania starts to need labor force. The domain with the biggest loss is construction. The infrastructure projects are confronting with the occupation of the labor force in this field, Romanians preferring to work in countries as: Spain, Italy, England and Germany. It is to be taken in consideration the cheaper work force from the ex-soviet countries or Asia, but not even here the labor resources aren't enough, because our country is not the only one that appeal at them. Once the Romania adhered to E.U. is our turn to focus over the foreign labor, so following the pattern that the other countries took when their adhesion was approved. Apparently this situates

Romania on the same hierarchical step with the developed countries, states that founded the E.U. The reality is that Romania has a long way to go until the full adhesion in the European structure.

A solution to keep the unqualified workers that have not yet left the country is to increase the salary. This action may contribute to the return of our workers in our country. If, however, the Government does not understand this urgent method, the migration will continue. The people that migrate are not only constructors, but also agricultures, furniture workers, IT specialists. In the red is also the banking system in the case on middle and top management position, in this field there is no actual qualified labor force.

After 1990, related to the condition of economy transition and of some legal additions, in Romania appeared major changes.

First of all, the place of the political and ethnical criteria, that forced the Romanians to leave the country, was taken by the economical ones, in essence by the large incomes postponement between the states members of E.U., by the professional conditions, economic crises, extension of poorness and qualitative aspects regarding education and health.

Second circulated and on network migration is gaining a special importance determining favorable results in favor of national wealth, in improving the commercial balance on behalf of currency incomes that entered in the

country and in people's individual plan.

Thirdly, Romania has become a hospice and immigration country, a paradise for clandestine networks for migration in occidental countries, many of those with serious international aerial even in some of the E.U. countries.

Fourthly, trans-frontier migration (outdoors commerce, commercial tourism, small commerce) has expanded mostly in Bulgaria, Hungary, Yugoslavia, and Turkey.

Fifthly, informal migration, uncontrolled, has still an important weight. It is estimated, for example, that approximately 600.000 Romanian's work on underground labor market in E.U. countries, or they have other activities that are not legal in that area. E.U. considers that clandestine emigration has the same risks for community as gunrunning or drugs, that is why they harden their policy regarding emigrates, applying restrictive measures and control systems that are worse.

The countries that are not yet developed are preparing, on their expense, the high qualified work force for the developed countries, supplying for free, or with minimum costs the education stock of this countries. So the economical development postponement are growing, the losses for the origin countries being bigger and bigger. Moreover in a activities like construction high qualified labor force is working on contracts abroad, while in the country, in domains that were already in the red, are working less qualified labor force.

Mostly the lack of occupation for these categories of emigrants is still the most important risk that, because of social and economical reasons not enough evaluated, is assumed by the origin countries. Extern migration, as a result of eliminating restrictions regarding the possibility of moving abroad of the population, contributed to the cut down of the population and as well at the loss of labor offer. According to the studies made by Ministry of Labor, Social Solidarity and Family, in this moment approximately 2-2.5 millions of Romanian citizen's works outside Romania, over 60% are working on the **black market**. This implies some negative aspects, as well:

- migrants are exposed to the world of crime, because they have little access to legitimate employment.
- Stigmatization of illegal migrants can undermine social cohesion if it spreads to cover those who entered legally.
- Illegal migrants are exposed to illnesses, have little access to health services, and it can affect large public health because diseases can spread to the native population.
- firms that employ illegal migrants have un competitive advantage over firms that do not, because they cover less income, than the nationals employees.
- the wage earned by illegal migrants is not taxable.
- the inefficient distribution of resources.

- hindrances to sending remittances.

- even when unemployed illegal migrants may remain abroad because if they are discovered they risk to not be able to leave their country for a long period of time, and because the costs of entering and leaving are high for someone who decided to leave their country and their family to go work abroad, and gain a little bit more.

- because they are not covered by national wage agreements, illegal migrants are likely to be paid under the minimum wage.

The international migration will slow if the economical reform in the migration-sending countries will accelerate and the expectation that the quality of life will improve. In the receiving countries the negative consequences of undocumented migration could be avoided if will increase the payoff from migration.

International migration of labor force influences the occupation work resource equilibrium through its two aspects: emigration and immigration. On one hand emigration can become a solution for diminishing the low occupation phenomena in the case of a country that faces some difficulties in certain periods, as far as concerns the utilization of the resources and on the other hand on long term immigration can compensate in some cases the insufficiency of national work resources.

Emigration, though in low proportions, has a negative impact over the

demographic evolution and over economical-social developing potential of the country. Affiliated emigration with emphasize the demographic oldness represent two phenomena with graded impact over labor market. Although emigration, as well, under-tension the work market by lowering the unemployment in fact is producing a cut down on professional quality and potential productivity of labor force offer existing on Romanian market. It has to be taken in consideration, in this case, the large number of very qualified persons that emigrates.

International emigration will undermine the growing "hemorrhage" of brains from the countries to be developed is one of the major factors that will mark the socio-economic evolution in this sector, at least for three reasons:

- emigration implies important changes in demographic profiles from developed countries and those that are to be developed;

- the movement of important personalities from the "Third World" will affect the underdeveloped countries as well as the receiver countries;

- international diaspora has and will have an impressive business potential, serving as channel for information, capital, market and professional qualification fluxes.

An important segment of migration is represented by immigrants. This labor force category is more useful for at least two reasons: they replace the work force deficit that appeared because of the



pronounced demographic oldness in that country and they cover the lack of personnel from in the red or unattractive jobs.

For their socio-professional characteristics the immigrants are attractive offers for entrepreneurs:

- are young or middle age persons able to perform a productive activity, from this point of view there is a low risk regarding the incidence with social insurance system because they have a good health being able to work;
- theoretical professional preparation and practical abilities gives them the possibility of being competitive on the labor market, plus, the receiving country, through discriminatory practice, obtains important financial advantages, the work of this persons being considerably lower paid in compare with that of a person born in that country;
- does not substitute the labor offer on the market, it completes it by acting on the thinner segments on the labor market, where the rarity of inland work

force implies, potential, pressure over the remuneration level, the acceptance of immigrants not only avoid the growth of salaries caused by the unbalance created by the piffling offer, but generates a comparable advantage, the payment level being reduced;

- the competition over the present market segments has two aspects. On one hand the brain competition generated by the "brain drain" migration where the work offer and the occupation length depend on individual capacity of being better than the others. In this case the remuneration is bigger than the one got in the origin country and the occupation length is extend over the period in which the benefits obtained by the employer are more advantageous than if the job was obtained by an inland. On the other hand is the competition through the accepted level of remuneration, the immigrants taking the same jobs but with lower salary, their job, though with the same value and quality, being weak paid.

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