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### ***The impact of migration on the European labour market. What is Romania's response to the new challenges?***

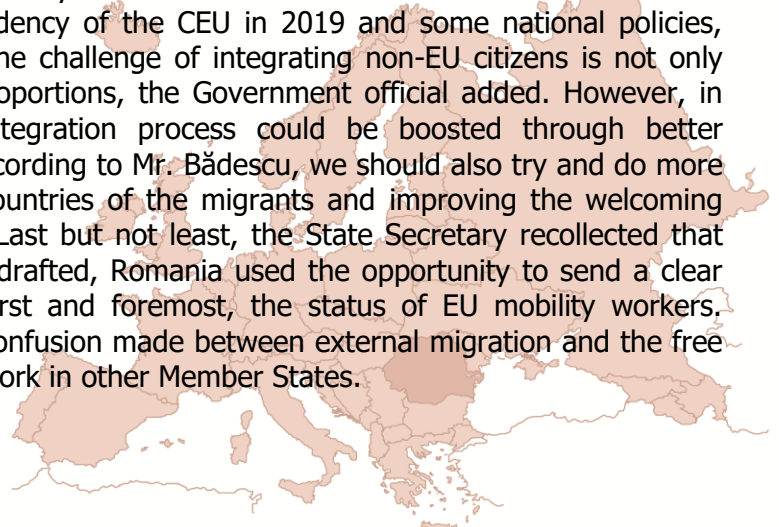
(EIR Conference Room)

#### **– EVENT REPORT –**

On 9 March 2017, the European Institute of Romania (EIR) organized a debate on the topic of ***"The impact of migration on the European labour market. What is Romania's response to the new challenges?"***. On this occasion, the main findings of the strategy and policy study *"The relationship between the legal migration phenomenon and the labour market in Romania. Relevant developments, potential impact, policy recommendations"* were presented. The research was conducted by Mrs. **Rodica Milena Zaharia** (coord.), Mr. **Cornel Ban** and Ms. **Alexandra-Maria Popescu**. *The event, moderated by Mrs. Gabriela Drăgan, Director General of EIR, took place under the aegis of a broader public debates campaign aimed at stimulating a process of collective social reflection with regards to Romania's priorities in view of its Presidency of the Council of the European Union due in the first semester of 2019.*

In opening the event, Mrs. **Gabriela Drăgan** highlighted the need for and timeliness of such a conference and research product against the backdrop of a general European political landscape faced with the prospects of the ongoing migration crisis. The international character of the research team was pointed out, through the contributing expertise of Mr. Ban, who is associate professor of International Relations at the University of Boston. Afterwards, Mrs. Drăgan warned against the fact that migration has divided Member States because of the quotas system, as shown by the European Council discussions which took place on 9 and 10 March 2017 that focused on the issue of migration. According to the study, the migration of non-EU citizens is not a stringent problem and a cause for concern in Romania, she added.

The first speech of the opening session was that of Mr. **Cristian Bădescu**, State Secretary in the Ministry of Foreign Affairs of Romania, who outlined the importance of publishing relevant studies such as those featured in EIR's *Strategy and Policy Studies (SPOS)*, in order to support the national decision-making process. As for the topic of the study and conference, Mr. Bădescu noted that they are in line both with the debates that Romania intends to organize during its presidency of the CEU in 2019 and some national policies, primarily regarding the economy. The challenge of integrating non-EU citizens is not only national, but rather of European proportions, the Government official added. However, in Romania, the efficiency of the integration process could be boosted through better education and domestic mobility. According to Mr. Bădescu, we should also try and do more in terms of supporting the origin countries of the migrants and improving the welcoming conditions in destination countries. Last but not least, the State Secretary recollected that when the European legislation was drafted, Romania used the opportunity to send a clear message in favour of improving, first and foremost, the status of EU mobility workers. Sometimes, there is an intentional confusion made between external migration and the free movement of EU citizens going for work in other Member States.

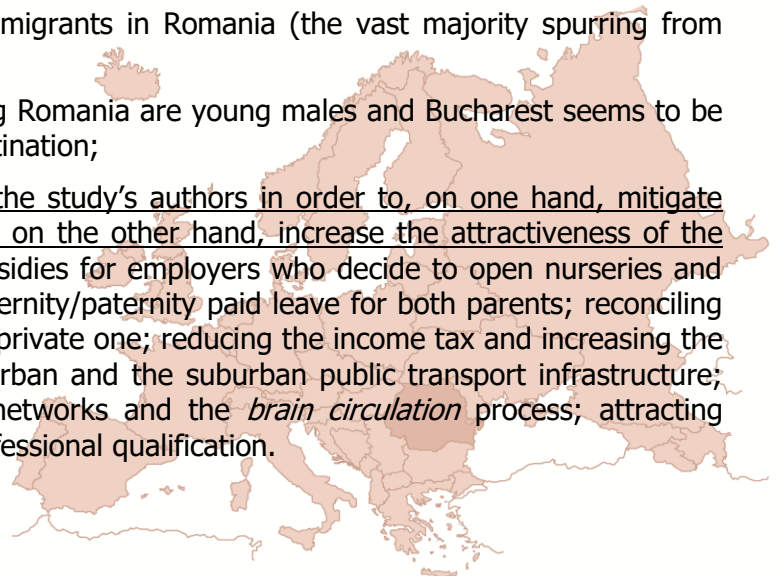




On behalf of the Ministry of Labour and Social Justice, Mr. **Vasile Zecheru**, counsellor of the Ministry's State Secretary Adrian-Marius Dobre, took the floor. In his address, Mr. Zacheru presented some general considerations regarding the European and the national contexts and some remarks on the study launched by EIR. He started off by saying that the migratory fluxes may provide a good solution for the demand of working force and help improve the prosperity of the Old Continent, but he warned that, all by itself, migration cannot substitute the need for structural economic reforms in order to counter the dangers associated with ageing populations. With regard to Romania, demographic decline and the shrinking of the working class make for a grim constant reality of the past decades. According to Mr. Zecheru, the policy recommendations featured in the study are in line with the official priorities regarding the labour market included in the Government Programme: *birth rate growth* (by adopting measures aimed to support mothers and children); *youth empowerment*; *special allowances for pupils enlisted in professional schools*; *the development of a competence-based working force*; *the adoption of an integrated envelope of measures for the re-integration of the long-term unemployed back onto the labour market*; *the mediation of the meeting between the supply and the demand for working force in various regions of the country*.

During the next session of the panel discussion, Mrs. **Rodica Milena Zaharia** (the study coordinator) went on to present the main results of the research conducted. In that way, some of the more relevant findings of the study are:

- Due to its policies, Europe is a safe-place for its citizens; nevertheless, the United States and Australia make for some top *brain drain* destinations for Europeans;
- There is an accentuated demographic decline on a European level, corroborated by a reduced efficacy of the public policies aimed at integrating third country nationals onto the labour market;
- Romania has one of the highest emigration rates, mostly consisting of intra-European mobility (in 2015, the net migration rate in Romania was 4.39 per 1,000 population);
- According to Euromonitor, by 2030 Romania will score the 12<sup>th</sup> place as aging population in Europe and, at the horizon of 2060 will be one of the countries with the highest economic dependency rates;
- There is a supply deficit of working force in the Western part of the country and an excess registered in the Eastern part;
- There are around 40,000 immigrants in Romania (the vast majority spurring from the Republic of Moldova);
- Most of the migrants entering Romania are young males and Bucharest seems to be their preferred residence destination;
- The measures proposed by the study's authors in order to, on one hand, mitigate the demographic deficit and, on the other hand, increase the attractiveness of the labour market are: state subsidies for employers who decide to open nurseries and kindergartens; generous maternity/paternity paid leave for both parents; reconciling the professional life with the private one; reducing the income tax and increasing the capital tax; developing the urban and the suburban public transport infrastructure; supporting the creation of networks and the *brain circulation* process; attracting immigrants with medium professional qualification.





The first intervention made during the comments section belonged to Mr. **Dorin Țepușă**, deputy general inspector in the General Inspectorate for Immigration (GII). Mr. Țepușă welcomed the launch of EIR's study, which makes, in his opinion, for a useful and pertinent piece of academic research on a relevant topic. While drawing a brief summary of the main activities of GII, the official explained that his institution represents the specialized structure inside the Ministry of Internal Affairs which deals with the implementation of the policies regarding migration and asylum. As such, he recalled the fact that in 2004 the first *National strategy for immigration* was formulated and, ever since then, the national system tasked with handling immigration has made significant progress. Referring to the national facilities in the field of immigration, Mr. Țepușă spoke of the eight accommodation centres for immigrants, two of which are dedicated to asylum seekers. Last but not least, the representative of GII highlighted the importance of the immigrant integration process, quoting the motto of the aforementioned strategy: *Migration is a process to be handled, not a problem to be solved*.

Following next, Mrs. **Cecilia Gostin**, an expert of the "Cartel Alfa" National Trade Union Confederation, brought forth a series of recommendations meant to strengthen the labour market: an improved access to education and housing; more flexible working hours; the reduction of the fiscal burden placed on the labour sector; the development and improvement of the public transport infrastructure; the creation of jobs for highly skilled workers; increasing the level of sophistication of the Romanian economy; measures aimed at bringing back some of the Romanians who went to work in foreign countries. As for the study under discussion, Mrs. Gostin congratulated the research team for its efforts in trying to present the whole spectrum of the labour market, with a clear focus on qualified work.

Later on, Mr. **Ștefan Topor**, representing the Confederation of the Romanian Employers, has raised awareness on a series of social integration problems facing some of the Romanian workers. For example, he spoke about some of the problems of integrating Roma ethnics and abandoned children on the labour market. After leaving the social care system, they usually end up jobless and homeless, according to Mr. Topor. He also suggested that the graduates of public higher education institutions ought to remain in the country for a duration at least equal to that of the years of state funded studies.

Mrs. **Victoria Stoiciu**, Program coordinator at Friedrich-Ebert-Stiftung Romania, has pointed out during her short speech some key aspects, in line with the general discussion: there is a high level of taxation on labour; migration, as an economic and social phenomenon, cannot be dissociated from the political; migration does not lead to an increase in domestic unemployment; Romania is characterized by a peculiar paradox (both a deficit and an excess of working force) -> out of 10 million active persons in the country, there are 4.7 million employees and another 3 million people working in agriculture (without constant revenues); if we take a look at the job market, we realize that higher education graduates are not really on high demand at the moment; on the long term, emigration has a negative impact on Romania's economy, even though the value of the remittances was quite high during the first years after EU accession.





Last but not least, Mr. **Mihai Sebe**, Expert within the Studies and Analyses Unit, European Institute of Romania, has made a few recommendations meant to counter the demographic decline and curb illegal immigration: demographic policies (they have the advantage of attracting high levels of social acceptance, but also the disadvantage of producing results which are not easily perceived by the general public on the short term); the constant evolution of the robotics industry and AI technology (it boosts competitive advantages, but entails an irreversible loss of jobs); controlled migration (it may be a short term solution, but involves high political costs). On EU level, there is a need to differentiate between regular migrants, economic migrants, refugees and asylum seekers, with an emphasis on facilitating the communication between Member States and states of origin. The principle of a *flexible solidarity* assumed by all Member States will also need to be taken into consideration. The so-called public anxiety has risen inside the European Union as a result of the increased migration, becoming a phenomenon requiring the utmost seriousness when dealt with by European leaders, in order to avoid populist outcries.

The final part of the event featured an extensive *questions and answers* section, which brought into the spotlight a set of interesting aspects:

- The importance of a positive relation between migrants and the local community;
- The constant struggle against excessive bureaucracy (the simplification of the legislation regulating the labour market, degrees and qualifications recognition, etc.)
- A lot of migrants coming into Romania do not know their rights and have a hard time finding a job, in spite of the fact that some of them have high credentials;
- The link between the fiscal burden on employers/employees and the demographic decline;
- Romania is still on the passive end when it comes to concrete answers and policy proposals for dealing with the migration crisis, but our own experience suggests that the most likely to succeed integration occurs in mixed families;
- Romania is a source of migration, while being, at best, a transit country and not a destination one for foreign migrants;
- Romania must have a pro-active attitude and engagement in dealing with migration and the *brain drain* phenomenon, and, in that way, it could emulate best practice examples from other Member States (i.e. Latvia, which developed functional programs like 'I want you back');
- Romania will join the club of Member States that hold the rotating presidency of the Council of the European Union in the first half of 2019; for six months, Romania will act as an *honest broker* in trying to mix the priorities of the European agenda with national suggestions formulated by the ministries, bearing in mind the overall best interest of the European integration project.

As a corollary of the whole debate, one idea stood out: **migration in Europe is here to stay and no single state will be able to handle all by itself this complex and multifaceted process.**

*Event Report by Eliza Vas  
Studies and Analyses Unit*