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Challenges regarding the free movement on the labour market in the European Union

(EIR Conference Room)

– EVENT REPORT –

On 10 April 2017, the European Institute of Romania (EIR) organised in partnership with the Ministry of Labour and Social Justice the debate “**Challenges regarding the free movement on the Labour Market in the European Union**”. The event is a part of the public debates campaign dedicated to the preparation of the Romanian Presidency of the European Union Council. The debate was moderated by Mrs. **Gabriela Drăgan**, Director General of the European Institute of Romania.

The event brought together representatives of the Ministry of Labour and Social Justice, Foreign Affairs Ministry, General Inspectorate for Immigration, Romanian Academy and members of Parliament, trade and business unions, academia, think-tanks, research institutes, civil society organizations and journalists.

The main ideas debated have targeted issues related to the free movement on the labour market, legal migration, methodological aspects of the research in the area and the challenges raised by Brexit. Thus, the interventions were structured as follows:

Mrs. **Gabriela Drăgan**, Director General of the European Institute of Romania

- “We emphasise the very important role of the free movement. Thus, following the latest Eurobarometer no. 86, at the question related to what the European Union means for the ordinary citizen, the most important benefit of the membership was that of the free movement of persons, goods and services inside the Union”;
- Tackling the issue of challenges the Union must deal in the present, Ms. Drăgan underlined the relationship between the social benefits and the migration management at which we must add the Brexit related challenges, the modifications of the legal framework and the level of policies coordination.

Mrs. **Ana Birchall**, Minister Delegate for European Affairs, Ministry of Foreign Affairs

- “The free movement of labour represented and represents an opportunity for more than 14 million European citizens, including Romanian citizens, to access jobs suited with their training and objectives. It is a known fact that the mobility of workers contributes to the economic increase of the EU Member states, the advantages being felt mostly in the States toward which the mobility takes place”;
- “We must not ignore the fact that Romania is dealing with a phenomenon that has important social effects – brain drain. Policies are needed that target this phenomenon that would help young people to have professional fulfilment back home. The wage increase for doctors and teachers, government assumed, are concrete steps in diminishing this exodus”;
- “In the EU, the European citizen must continue to have a central position, including also as regards the labour market access. We do not support any possible discrimination between the European citizens, *de facto* or *de jure*, on the issue of



free movement. Also, the free movement of persons and workers represents the most visible and concrete aspect of the Union, a European statistic indicating the fact that the majority of those interested have consider it the main connection with the European citizenship”;

- “In economic crisis or post-crisis periods, the mobility of persons and especially of workers is vulnerable to attacks of various populist political forces, which in an easy way, assimilate the presence of Community workers with the employment problems of their owns workers. It is unfortunately the situation we can detect today paradoxically in states that have massively benefited following the European mobility”;
- “The Romanian Presidency of the European Council in 2019 would be thus organised in a complex and defining context for the shaping of the future of the European Union, a situation that makes us even more responsible, given the importance of decisions that the Union and its Member States would take during this period. We also have the duty to get involved in the debate concerning the future of Europe and in particular concerning the free movement on the labour market and we would do that with an increase awareness as regards the rights and liberties – mainly mobility related – of the Romanian and European citizens, in general. I am convinced that Romania has the potential, more than 10 years after the accession, to come up with concrete solutions, constructive and viable, that would positively influence the future trajectory of the European construction”.

Mr. **Vasile Zecheru**, adviser within the Ministry of Labour and Social Justice has delivered *a message on behalf of* Mr. **Adrian Marius Dobre**, State Secretary within the Ministry of Labour and Social Justice

- „[...] the freedom to work on the territory of the Member States of the European Union constitutes an essential right of our citizens, stipulated in the Treaty concerning the functioning of the European Union, being a consecrated right from the first stages of the European construction in 1957”;
- „In accordance with some European level studies, the mobility within the European Union post-accession hadn’t had a relevant impact upon the salaries and the employment of workers at local level and hadn’t led to any serious misbalances on the labour market in destination countries”;
- “In the conditions when over 2 million Romanian citizens work abroad, this situation contributes to the demographic decline. Also, we cannot ignore the impact that the mobility of qualified and highly qualified personnel has over the Romanian economy. At the same time, it is acknowledged the fact that, generally, the mobile workers are occupied in areas or professions below the level of training they have which is definitely counterproductive for the development of the European economy”;
- “As regards the advantages of the unrestricted migration within the framework of the Economic and European construction crisis, we must take into consideration that the mobility of workers is a process that confers to the labour market the flexibility of self-regulations of the labour workforce demand and of the mobility flux and can be considered as an advantage for the economy”;
- “An advantage of the free movement of workers is that of competition increase, which leads to the development of competencies and abilities. The free movement encourages efficiency, professionalism and the development of professional capacities of individuals”;



- "In my capacity as a representative of the Labour and Social Justice Ministry I assure you that the Romanian authorities are concerned as regards maintaining of an optimum level of employment in Romania through the creation of new jobs, maintaining the existing ones and the increase of employment opportunities for unemployed, through compatibility improvement with the local market demands";
- "The workers' mobility is the expression of a fundamental principle that of free movement, any limitation of it being a step back in the European construction".

Mr. **Cristian Stoica**, Director, Migration Direction, General Immigration Inspectorate, Internal Affairs Ministry

- "The foreign citizens are less interested in Romania because the social security system is less attractive than that of other states";
- "The Romanian citizens leaving Romania in order to work in the European Union leave a free place on the labour market that needs to be occupied";
- "The contingent of labour permits is of about 5 000 permits out of which 2 000 – 2 500 are allocated each year. That says a lot regarding the attractiveness of the Romanian state for the third states citizens";
- "We must see where the problems reside, if the main problem is the salary or if there are other type of problems".

Mrs. **Valentina Vasile**, Scientific Director, National Economy Institute, Romanian Academy

- "By reporting the asylum requests at the total population of the country, Romania is, with 94 requests, at one million inhabitants, on the last three places in a top of the countries that have the highest interest for the migrants. In this group there is also Portugal, with 69 requests at one million inhabitants and Slovakia with 18 requests at one million inhabitants";
- "As a total stock of migrants, Romania is on the 4th place in the European Union, after Great Britain with 4.9 million; Poland with 4.4; Germany with 4 million. Romania has outside the country no less than 3.4 million people";
- "The migrants stock from Romania in 2013 was of 3.4305 million, 17.2% of the total populations";
- "Problems – sub-optimality in the functioning of the labour market. We need to address the real economy and not the desiderates. For instance, the productivity is far from the EU average and under the real potential. We want productivity but we don't take care of the employees, we have inequities, relatively unjustified discrepancies, the lack of career prospects";
- "Romania's labour market is not attractive to cover the mobility deficits";
- "The graduates are not prepared for the labour market";
- "The social effects over families are stronger than the temporary economic ones, we are dealing with the adverse effects of remittances, a pressure on the demographic deficit and the lack of social sustainability";
- "the effects of remittances we not of engaging effects";
- "Mobility is needed, beneficial BUT NOT AT ANY COST!".





Mr. **Cătălin Ghinărașu**, Scientific Secretary, National Scientific Research Institute of for Labour and Social Protection

- "A first factual result is needed: the three alternatives quantifications of Romania's contribution to the Europe's economic growth have a decreasing convergence tendency as we move further away from the time of the accession (2007) on the background of population loss more than important due to emigration/free movement in the EU area (more than 10% of the total population!";
- "Two alternative conclusions can be drawn:

We had an adjustment of the population and of the labour force to the real capabilities of the economy. Meaning the emigration is nothing more than a relative overpopulation that the Romanian economy could not sustain anyway;

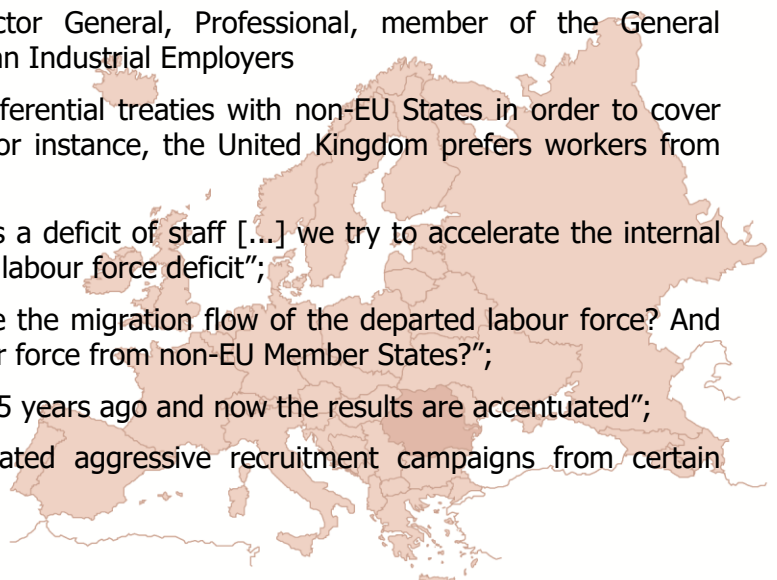
The wrong macroeconomics policies, excessively orientated toward the maintaining at any cost of rigid balances and promoting a competitive advantage of low level (low wages) have acted a pushing factor of the population and labour force outside the borders, thus depriving the economy of an important growth potential, thus leading to a progressive and inexorable reduction of Romania's possibilities to contribute in a relevant manner to the development (growth) of the European economic framework".

Mrs. **Rodica Milena Zaharia**, Professor, Bucharest University of Economic Studies

- "The mobility of the labour force contributes to the objectives of the European strategy of ensuring intelligent, sustainable and inclusive economic growth, by covering the cyclic and structural deficit of the labour market and by offering economic and social opportunities to persons";
- Amidst the challenges to the free movement we have: the relationship between the freedom of movement and the strengthening of the internal market; the insecurity and regional disparities within the EU";
- "Romania is a net beneficiary of the free movement";
- "The free movement can become a burden for Romania, if Romania's economy doesn't become more sophisticated and attractive for its citizens";
- "Romania must promote the free movement and the deepening of the integration (strengthening the single market)".

Mrs. **Cristina Pasat**, Director General, Professional, member of the General Confederation of the Romanian Industrial Employers

- "Each Member State has preferential treaties with non-EU States in order to cover the deficit working places. For instance, the United Kingdom prefers workers from India and Pakistan, etc.";
- "Romania's private sector has a deficit of staff [...] we try to accelerate the internal mobility in order to cover the labour force deficit";
- "Problems; 1) how to reverse the migration flow of the departed labour force? And 2) How to attract other labour force from non-EU Member States?";
- "The brain-drain has begun 15 years ago and now the results are accentuated";
- "Other EU States have initiated aggressive recruitment campaigns from certain professions from Romania";





- “It lacks the access of entrepreneurship to financing sources and entrepreneurial education. There are many bureaucracy barriers that, if eliminated, could reverse the migratory flow”.

Mrs. **Cecilia Gostin**, Expert, National Trade Union Confederacy „Cartel ALFA”

- “The fiscal burden continues to remain focused on the employee”;
- “There are information problems as regards the labour rights and the local trade unions affiliation [for the Romanian workers abroad]”;
- “Among the identified problems there is the difficulty of foreigners’ integration on the labour market and the abuses to which the women are subdued to (for instance the Romanian women working in Italy in the agricultural sector)”.

In the *Questions & Answers* section at the end of the event the following issues were debated:

- The Romanian state is dependent on the data received from abroad and those who are there don’t know exactly how many Romanians are. It is very difficult to have a real figure of the Romanian citizens’ presence abroad in other EU Member States;
- There is a very big difference between the news published in the tabloid press and the reality on the field (especially in the United Kingdom);
- A better communication of real data is needed and their aggregation in a communication strategy;
- A risky aspect for the Romanian labour market is the educational migration of youth with high potential.

*Event Report by Mihai Sebe
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