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Social Impact of Emigration and Rural-Urban Migration in Central and Eastern Europe

Executive Summary

Romania

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At the beginning of 2012, Romania remains mainly a source and transit country characterized by an evolution of outflows (estimated at 3 million persons) clearly outnumbering the inflows of migrants (100,000 persons).

Following the fall of communism (December 1989), Romania engaged in the process of market transition and democratization undertaking a series of reforms in all major social areas and economic sectors. During these last two decades temporary forms of labour emigration (circular and seasonal) emerged and developed at a more accelerating pace than permanent migration. With more than 15% of its population outside its borders, Romania ranks among the European Union countries with highest share of emigrants. Romanian emigrant population is fairly evenly divided between men and women and is rather young, with more than 65% in the age group 18 to 39 years old. Italy (43%) and Spain (30%) constitute the main countries of destination with the largest concentrations of Romanians working abroad.

As regards internal migration, from the 70s until the 90s, the prevailing direction of migration was from rural to urban. Starting with 1992 the number of those moving from rural areas (villages) to urban centres (cities) started to decrease, conversely the mobility in the opposite direction (from urban to rural) increased what is mainly attributed to the economic transition and decreasing employment opportunities in the cities. Since 1997 urban to rural migration became higher than the number of those moving from rural to urban centres, what partially can be attributed to suburbanisation.

Emigration and internal migration takes place in the context of pre-existing major development inequalities between regions in the country and between the rural and urban areas. Romanian regions with high internal migration loss are usually regions of origin for external migration too. The three highest net migration loss regions are North East, South East and South. These are predominantly rural regions characterised by high shares of employment in agriculture and working poor, an accelerated ageing of the population, a low level of infrastructure and a GDP per capita that makes up only 50-60% of the national average.

(E)migration represents the main cause for accelerated ageing of population and depopulation of rural areas, and for the lack of (qualified) human capital and labour market shortages in specific sectors and regions. In particular high outflows of physicians, nurses and teachers contribute to deteriorating access to and quality of education and health care services in particular in rural areas.

Furthermore, (e)migration creates new patterns of vulnerability of some categories such as, women, children and elderly left behind. For example, the huge number of children left behind (about 350,000 children with at least one parent working abroad), mostly in care of their grandparents, represents a social phenomenon with more visible consequences in the regions affected by higher rates of emigration (North-East, South and South-East). Also, the elderly left behind are particularly affected by emigration of their children. Though they are benefitting from remittances, they also suffer from the absence of family members who traditionally perform care services. On the other hand, long-term care services are still underdeveloped and there exist big regional disparities in the provision of community based social services. Recently, Romanian Roma emigration has had a high international visibility and generated intensive public and political debates. However, even in the context of some positive effects of emigration, the employment and income situation of Roma communities continue to be precarious and Roma are more likely to be socially and economically marginalised.

Besides these negative consequences of migration, the country is benefiting from high inflows of remittances. Different national surveys estimate that around 60% of the Romanian emigrants sent regularly money to their families/relatives left at home. The share of remittances in GDP oscillated between 2.3% in 2001 to 4.5% in 2009, and are considered the main "investor" in the economy (twice than FDIs). Remittances represent a major income source for the households of migrants and are used to secure the every-day life expenses, to

increase the living standards (build and refurbish the house, buy household appliances and durable goods), to raise access to services (including health care and education), and to be saved or invested (a third of the total remittances received).

Other positive effects of emigration are the social and human assets accumulated during the migration experience that Romanian emigrants bring into their communities and country: skills, knowledge, entrepreneurial spirit and innovation, attitudes, linkages with different cultures. Though entrepreneurial activities of returnees are not as frequent as many might expect, they may shape development in their locality by opening small businesses and offering local employment.

The savings of Romanian emigrants which are estimated at EUR 11,981 million per year have the potential to foster the economic and social development of Romania on a long run. Some (bilateral) projects already address this potential and try to channel the remittances of (returning) migrants to local (rural) development projects. Therefore, a key challenge for Romania is to strengthen the contacts to the Diaspora and attract their savings to investments in the country and to increase the emigrants' trust in the national business environment.

Romania makes use of the policy instruments already in place, however specific, tailored-made policies addressing the impact of (e)migration should be taken as follows:

- Romanian authorities should, in the first place, elaborate a short-term national Emigration Strategy with annual Plans of Actions. This strategic document should set clear priorities and establish a coordinated institutional mechanism or an agency/institution with a coordinating role for the management of the different emigration flows. This co-ordinating body should be responsible for the involvement of the Romanian Diaspora including the information of emigrants on the various investment opportunities, labour market trends and other important developments. This has to be correlated with the set up of a social observatory on emigration for data gathering to ensure a database system with accurate data on emigration, systematic studies and researches, forecasts, documented policy recommendations, impact and evaluation studies.
- The Romanian government should enable migration and development mainstreaming in all relevant policy areas, at national and local level to find the right balance between the economic gains and future social costs of emigration, to reduce the risk of social polarization and poverty. In this sense, Romanian authorities should follow a synergetic approach to the regions mostly affected by migration and integrate the migration issue as a horizontal policy issue into their policies (rural and regional development, employment, education, social inclusion). A particular emphasis should be put on using the benefits of migration including remittances and other financial flows generated by emigration (savings, assets, investments) for the further investment in the infrastructure in high migration loss regions which not only foster the development of modern farming, agro-tourism and other economic sectors but also improve the accessibility to education, health and social services for those left behind.
- In the context of economic crisis and a massive emigration, Romania should put more efforts to increase portability of rights (social benefits), recognition of diplomas and qualifications, while also enhance the quality of and public services available in the country. Romania should allocate adequate funding for the implementation of a comprehensive range of integration measures for returnees, including labour market integration through increased capacity of EU funds absorption, tailored and viable projects aimed to satisfy the (potential/current/returned) migrant needs, and by having qualified personnel in migration and project management fields.