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

Executive Summary

Moldova

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Moldova is a small country affected to a great extent by external migration, in which a weak economy has kept the propensity to migrate high. The years following its 1991 independence from the Soviet Union were marked by economic crisis, with production levels falling by more than 65% during the course of the decade; by 1999, approximately 73% of the population was living in poverty. The economy returned to growth after 2000, but employment rates continued to drop, with just over 38% of the population employed in 2010. The consequent lack of job opportunities and low domestic wages have driven a very large share of the active population - as much as one-third of this demographic cohort, by some estimates - to seek employment abroad.

Emigration from Moldova has gone through several stages since independence. The latter half of the 1990s saw significant flows of irregular or illegal migration. Following the introduced regulations by recipient countries, seasonal labour migration soared in the early 2000s, with predominant flows of migration to Russia and Italy. Legalization produced a large jump in the number of official labour migrants in the latter part of the 2000s. About two-thirds of emigrants are male, but the choice of destination country shows a strong gender split. Men are much more likely to go to Commonwealth of Independent States (CIS) countries, particularly Russia, for work in the construction sector (74% of male migrants work in this sector). However, women are more likely to opt for European Union (EU) destinations (Italy in particular) - surveys show that EU-bound migrants are more likely to be female, as well as better-educated and older than the average migrant. More than half of women migrants work in services provided to private households such as housekeeping or the provision of care to the elderly. A proportionally large share of emigrants abroad originates from rural areas as well as from the Southern region of Moldova, which is the most affected by emigration and the poorest and most deprived region of the country.

Moldovan officials have not collected internal migration data in detail since 1995; records available before that time however and later population censuses indicate a predominantly rural-urban flow, in particular towards the largest cities of the country (Chisinau, Balti) contributing to a constant decline of the (active) population in rural areas.

Remittances have had a significant impact on Moldovan citizens' welfare, increasing recipients' access to services such as education and health care, and driving the country's consumption-driven economic growth. While the volume decreased somewhat during the global economic crisis, remittances accounted for 38.3% of Moldova's GDP at their peak in 2008. However, these flows have also contributed to the emergence of social inequality between recipient households and those without relatives abroad. Remittances are primarily used for consumption purposes, often the purchase of housing, and comparatively rarely serve as the foundation for investment. However, 15% of migrants have contributed to community-level investment projects such as repairs of public buildings, despite the absence of institutional channels for this activity.

Labour migration has diminished the pressure on the labour market and contributed significantly to a decrease in the unemployment rate in Moldova. The unemployment rate fell from 8.5% in 2000 to 4% in 2008, although it climbed back to 7.4% in 2010 under the effects of the economic crisis. However, this external migration has also led to a significant deterioration in the domestic human capital supply, as educated individuals in critical sectors have sought employment - often unskilled - abroad. Labour shortages have resulted, in the agricultural and construction sectors, being particularly acute in the health care and education sectors (though this is also partially attributable to career-switching), and in rural areas. From a demographic perspective, internal and external migration has affected small villages most deeply, as they have been subject to significant depopulation and ageing. Emigrants do not contribute to the social insurance system in Moldova, thus increasing the burden on the active population in the country. Moreover, the lack of bilateral social security agreements with important host countries for emigrants (particularly Italy, though this and others are now under negotiation), combined with the frequency of illegal migration in the last two decades, has left many migrants without access to social protection, to old-age pensions in particular and dependent on social assistance upon return. Many migrants also lack health

insurance or access to health care while abroad, and their return as older individuals, often needing care, places additional stress on the Moldovan medical insurance and assistance system.

Family relationships are strongly affected by emigration, with one of every five families with children having at least one member working abroad. Children are affected emotionally and psychologically by their parents' departure, particularly when the mother leaves. Children with parents working abroad on average have poorer nutritional status and lower school achievements than their peers, are at higher risk of coming into conflict with the law, and are more vulnerable to the negative influence of marginal groups. Elderly individuals' welfare is also undermined, as they are deprived of their own children as caregivers, and are often left with the responsibility of caring for grandchildren. Men whose wives leave to work abroad often find it difficult to take over their partner's familial responsibilities, and a large share of this group falls into alcohol abuse.

Moldova's migration policies have been driven by the demographic and social issues associated with the country's significant emigration flows, but have also resulted from pressure exerted by international bodies. An important agreement with the European Union was initiated in 2008, in the form of the EU-Moldova Mobility Partnership. This aims at promoting legal migration and fighting illegal flows, while related European-funded projects are focused on monitoring and analysing migration patterns, supporting migrant communities abroad, providing business start-up and investment assistance for migrants and their relatives, and supporting return of Moldovan (graduated) migrants. Other programmes, often focused on rural areas, have targeted children left without parental care or elderly people left alone as a result of relatives' migration. Some efforts have been made to direct remittances towards investment, but these funds today remain predominantly used for consumer expenditures. Negotiations on liberalising the EU visa regime are part of efforts to encourage circular migration. However, governmental policies designed to induce migrant workers' return have not yet gained attraction, due to the country's political instability, a feeling of distrust towards public institutions and the still-poor infrastructure.

Future policy activities should be aimed at minimizing the negative effects of migration and enhancing its positive effects both within Moldova and in host countries. Within Moldova, efforts should be focused on the development of entrepreneurial skills and the creation of a favourable environment for the creation of small to medium-sized businesses, especially in rural areas. Policies should be further directed towards attracting, motivating and retaining high-skilled and skilled individuals, particularly in sectors such as education and health care that have seen significant attrition, and where the average age of the existing employee base has risen sharply. All vulnerable groups affected by migration should be provided with broader access to a range of support services such as psychological counselling, medical assistance and legal support. Externally, the liberalisation of the EU visa regime would help promote circular migration, while diminishing the share of irregular migration. The conclusion of bilateral labour and social security agreements between Moldova and host countries, by bringing migrants into regular employment and a network of social security institutions would further reduce barriers to this circular flow.