

THE ECONOMIC AND SOCIAL IMPACT OF LABOR MIGRATION

Brîndușa Mihaela RADU, PhD Associate Professor

Athenaeum University, Bucharest, Romania;
Institute for Economic Forecasting, Romanian Academy
bmradu@yahoo.com

Abstract: *The decision of Romanians to head for the European labor market, in particular, is influenced by a series of factors. First of all, the country's national economic potential has been in continuous decline over the last twenty years, as have the incomes of the majority of the population. We also have the liberalization of the labor market at a global level, which has encouraged Romanians to opt for international migration. At the international level, external migration has left its mark on the structure of the labor market through immigrants and emigrants. If we discuss the impact of emigrants on the labor market, there are countries such as the USA, Australia, and Canada, which have always relied on such resources, practically human capital. In general, the country from which they emigrated has benefited from these international emigrations, as the economic situation has improved due to income sent from abroad and invested in the country. I have chosen this topic because labor migration represents one of the most important economic and social phenomena in contemporary Romania. In recent decades, our country has been strongly affected by migration flows, with millions of Romanians leaving abroad in search of better working conditions and a more decent life. This massive migration has complex effects on the national economy, the labor market, the pension system and social cohesion. On the one hand, remittances sent by emigrants contribute to the economic stability of families left behind. On the other hand, Romania is facing a decline in the skilled workforce and significant demographic imbalances. Through this paper, I propose to analyze the causes and effects of this phenomenon, to highlight its implications for Romania's development, and to explore possible solutions for managing and reducing the negative impact of migration on the Romanian economy and society. Also, this topic is particularly relevant in the context of globalization and European integration, where labor mobility is becoming increasingly accentuated.*

Keywords: labor migration, emigration countries, migration trends, migration impact, Romanian economy

JEL Classification: H26, J61, P25, R23

1. Introduction

The phenomenon of migration is associated with a series of economic advantages and disadvantages. Migrant flows bring benefits or losses to those they affect. These aspects mentioned change the vision on migration, making it an economic and social policy instrument. The policy will be one of opening up east-west migration with the aim of covering the deficit of low-skilled labor and, on the other hand, of intensifying the temporary or definitive attraction of brains to support the progress of high-performance technologies and, implicitly, through human resources with top training for west-east.

For the first category, east-west, there are quantitative limitations, depending on the size of the deficit, achieved by quoting flows by trades and professions. For the second category, competition between receiving states will intensify to attract personnel to cover the deficit of high skills, a condition for the development of EU member states and beyond. These flows will be limited in the medium-long term because there is a demographic aging process in Eastern European countries and the labor shortage in the countries of origin is increasing. In practice, through migration there is a transfer of demographic aging and not a slowdown of this process.

In terms of the macroeconomic effects of emigration, it is noted that this segment of the active population is a creator of jobs, without any private or public international contribution to the national economy. The income that this sector creates is added to the domestic consumption fund, funds intended for development and, to a certain extent, to the budget resources of the economy.

These revenues, which they have earned through activities performed in other countries, are transferred to the monetary economy through the foreign exchange market. It is estimated that the amount of this category of income, registered and unregistered, which enters our economy annually amounts to approximately 5 billion euros. To this we add the part of the income of these economic agents destined for individual consumption in the country.

The transfer of currency made by Romanian workers abroad can be considered one of the great advantages of emigration, which is reflected on the national currency in terms of its evolution on the foreign exchange market. In the usual way, the acquisition of international payment capacity is achieved through exports, which in turn requires investments to create production capacities, dependent on public and private funds intended for development. Labor migration becomes, from this point of view as well, an important substitute for exports. In this way, we are witnessing the formation of genuine foreign exchange markets.

On the other hand, among the categories of economic agents that were involved in the appreciation of the leu, Romanian workers abroad understood best that free exchange rate fluctuations are natural phenomena for any market economy. Their reaction is due primarily to spontaneous self-learning, offered by the monetary economy of the European Union, where they perform various activities generating foreign exchange income. For the vast majority of Romanian workers abroad, the information provided by real economic life regarding the exchange rate mechanism has been extremely favorable.

In certain situations, monetary mechanisms are better understood through the individual's confrontation with real life. This is also the case in the present case, where a real instruction is carried out through everyday life, which offers these Romanian workers abroad real situations, related to the functioning of the monetary economy, that is, the economy in which money is sold and bought on the foreign exchange market like any other commodity.

2. The situation of labor migration in Romania

The decision of Romanians to head to the European labor market in particular is influenced by a series of factors. First of all, the country's national economic potential has been in continuous decline over the last twenty years, as have the incomes of the majority of the population. We also have the liberalization of the labor market at a global level, which has encouraged Romanians to opt for international migration.

However, the departure of parents to work abroad has a series of negative effects on children in particular and on the family and its functionality. Children left behind in the country become vulnerable to abuse, exploitation through work, their performance at school decreases, culminating in an increase in the school dropout rate.

At the international level, external migration has left its mark on the structure of the labor market through immigrants and emigrants. If we talk about the impact of emigrants on the labor market, there are countries such as the USA, Australia, Canada, which have always relied on such resources, imported human capital. In general, the country from which they emigrated benefited from these international emigrations, as the economic situation improved due to the income sent from abroad and invested in the country.

In Romania after 1989, emigration was mainly motivated by political factors. The same saving solution came from the flows of emigrants after 1996. The lack of jobs together with the massive restructuring in the production segment generated a massive wave of emigrants that culminated after 2007, when visas were waived.

If we were to analyse the interdependent relationship between migration and the structure of the labor market in Romania, we would have to take an approach from the simple to the complex. We will use the statistical information provided by Eurostat for the period 2018-2022.

Table 1. Romanian emigrant flows in the period 2018-2022

Year	Number of immigrants
2018	215.646
2019	194.176
2020	215.605
2021	553.162
2022	325.121
Total	1.503.710

Source: EUROSTAT

Thus, the existence of a group of countries to which Romanian emigrants have specifically headed is noted, countries such as Italy (834,000 people), Spain (824,000 people), Germany (266,000 people), Hungary (98,000 people) and Austria (52,000). These countries account for 96.6% of the total number of Romanian emigrants.

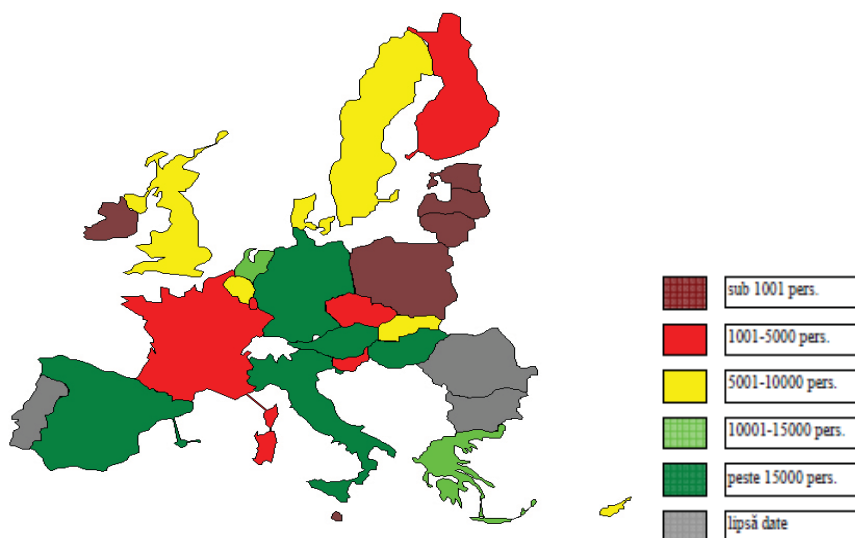


Figure 1. Total number of immigrants with Romanian citizenship, in destination countries belonging to the EU, in the period 1998-2022

Source: EUROSTAT

We continue to see the evolution of the emigration phenomenon for the three main destination countries. Thus, in 2018, the country preferred by Romanian emigrants continued to be Spain, with migration flows to this country increasing from 17,000 people in 1998 to 24,000 people in 2007. After Romania's accession to the European Union, the number of Romanians who chose Spain as their destination country doubled, reaching 48,000 in 2022.

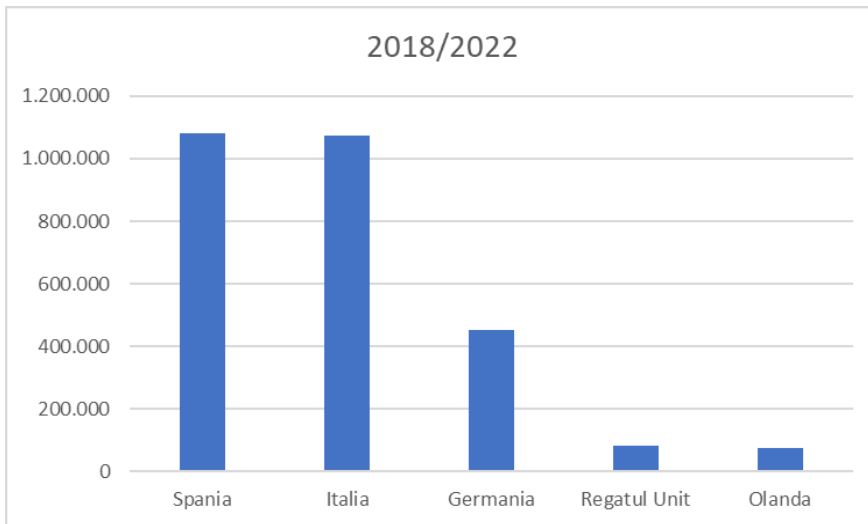


Figure 2. Evolution of the total number of immigrants with Romanian citizenship in Spain, Italy, Germany, the United Kingdom and the Netherlands in 2018-2022

Source: EUROSTAT

Since 2007, Spain, Italy, Germany, the United Kingdom and the Netherlands have all registered an increase in the flow of Romanian immigrants. In the period 2016-2017, Spain received approximately 541,000 Romanian immigrants and in the following two years, i.e. 2018-2020, there were 551,500 people who chose Italy as their destination country, followed by the other 3 countries. Following Romania's accession to the European Union in 2007, the number of Romanian citizens emigrating to other EU member states has increased significantly. Estimates vary, but it is estimated that between 3 and 5 million Romanians currently live outside the country's borders, the majority in European countries such as Spain, Italy, Germany, the United Kingdom and the Netherlands. This increase has been influenced by the right to free movement and the economic opportunities available in other EU member states. We can also talk about indicators that reflect the absolute data of Romanian emigrant flows. We thus have the share of immigrants with Romanian citizenship in total immigrants,

this indicator allowing a more accurate measurement of Romania's position within Europe as a country supplying immigrants.

In the figure below, you can see the shares that Romanian immigrants recorded compared to other immigrants in 2022.

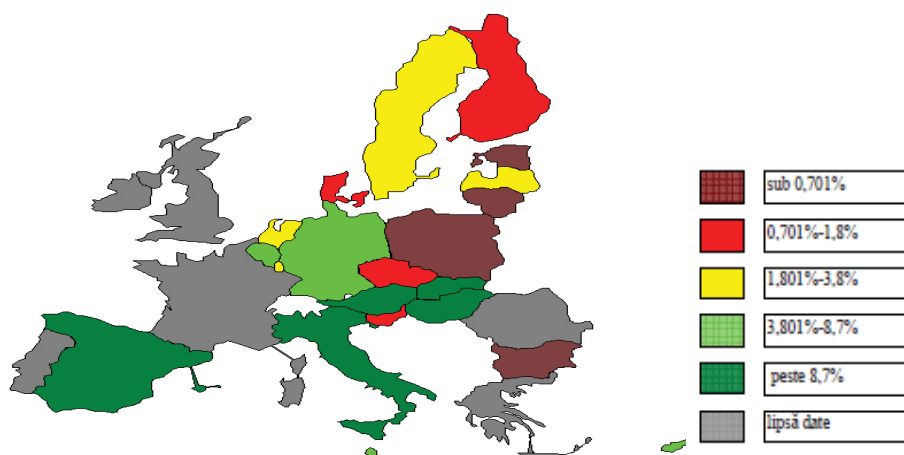


Figure 3. Share of immigrants with Romanian citizenship in total immigrants by European country in 2022

Source: EUROSTAT

The countries with the highest shares of Romanian immigrants are: Spain (48.64%), Italy (27.65%), Germany (20.62%) and the United Kingdom (18.62%), the EU average was 7.05% (Figure 4).

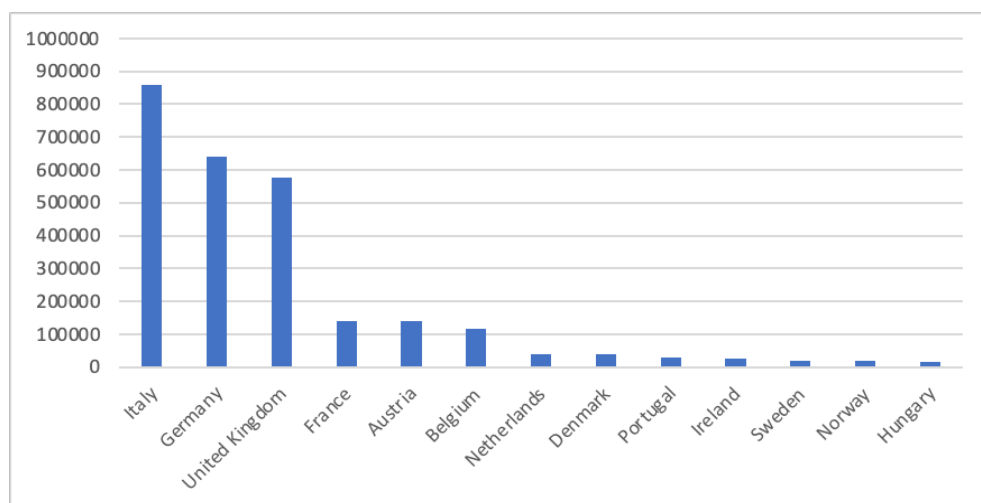


Figure 4. Number of Romanian immigrants by host countries

Source: European Commission, Eurostat (2025)

The wave of departures abroad, especially to Europe, can be divided into 3 stages:

- a. Stage I: between 1990-1995 - Israel, Turkey, Italy, Hungary and Germany (over 7%)
- b. Stage II: 1996-2002 to the five countries in the first stage are added Canada, Spain and the USA
- c. Stage III: began in 2007, and Romanians concentrated their departures to Spain, Italy, Germany, the United Kingdom, the Netherlands and other EU countries.

According to studies presented by UNICEF and Save the Children, approximately 350,000 children have at least one parent working abroad. However, studies have been conducted on only approximately 170,000 because only these are enrolled in the public education system. 47% of them, i.e. approximately 80,000, have a father who has left, 33% (55,000) have a mother who has left, and 20% (35,000) have both parents who have left abroad.

A very important element to consider when talking about international immigration is the age at which Romanians decide to emigrate. 40% of them are between 30-39 years old. The danger arises when the children of these families are left in the country unsupervised, during adolescence, thus affecting their psychological development.

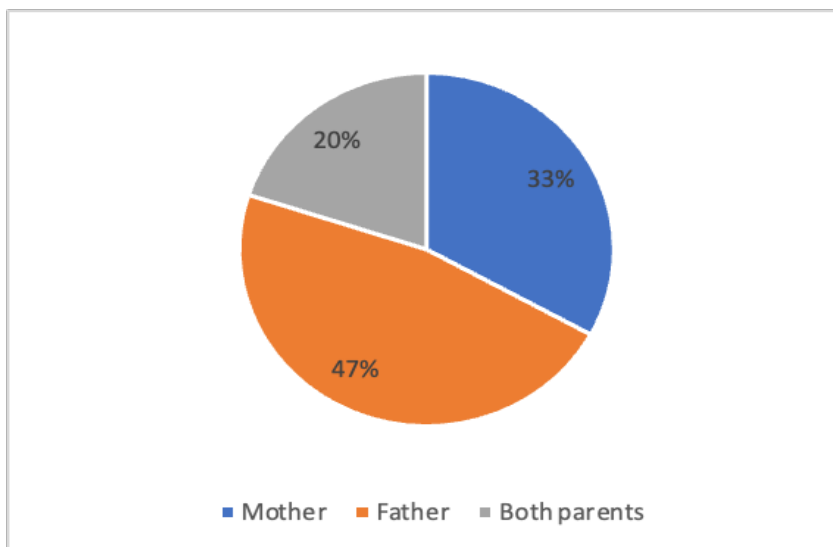


Figure 5. Share of children left at home, depending on the parent who went to work abroad (2022)

Source: *Salvați Copiii (n.d.)*

Also, 54% of minors who remain unsupervised in the country have their parents abroad for a period of less than 1 year, while 34% will not see their parents for more than 1 year. The latter are the most severely affected by international migration. The situation of these children and their good development depend very much on the people in whose care they are left. According to statistics provided by UNICEF, more than 79% of these children remained in the care of first-degree relatives, grandparents, uncles, aunts or siblings.

3. The effects of the financial crisis and the COVID-19 pandemic on migration flows, migrant access and participation in the labour market

Research and studies that have analysed the way in which the economic situation determines changes in the evolution of labour migration show that, in recent decades, in the member countries of the Organisation for Economic Co-operation and Development (OECD), migration flows have been strongly correlated with economic cycles. However, it is important to emphasize that the migration-economic context relationship is not a linear and mechanical one, since the influences of periods of economic crisis and the COVID-19 pandemic on migration are complex and difficult to predict. In this sense, reports by the OECD or the International Organization for Migration (IOM) demonstrate that previous economic recessions have not affected the upward trend in labor migration, with people continuing to migrate and find work outside their country's borders even during these periods. According to OECD data, it is unlikely that the motivation to migrate will disappear due to the economic crisis. The difference in per capita income between developing and developed countries will be as large as before the crisis, and once the situation stabilizes, those who have postponed their decision to work abroad will join the already existing emigrants.

In Spain, for example, OECD data show that migrant flows in 2009 remained at the same level as in 2008. However, entries into the country have declined. Also, the number of migrants who came for the purpose of family reunification decreased significantly in 2008 compared to 2007 – less than 100,000 cases in 2008 compared to 128,200 in 2007. In Italy, the economic contraction has reduced the withdrawal of labor applications from employers: in 2008, approximately 10,000 employers (5.6%) withdrew their applications submitted in December 2007.

Young and male migrants are the most affected by the crisis if we take into account participation in the labor market. Even if the impact on different categories is not uniform and varies from one country to another, it is certain that migrant workers have been hit harder by the deterioration of the economic

situation than native employees. More than that, we are talking about a clear differentiation between the way in which the crisis is felt by workers within EU member states and those outside the EU.

The unemployment rate among migrants originating from the European Union (EU) varied significantly between 2008 and 2022, influenced by economic, political and social factors. Specific data on unemployment among intra-EU migrants is limited, but general trends can be inferred from available statistics. According to Eurostat, the overall employment rate in the EU-28 for people aged 15-64 was 64.9% in 2014, after a decline during the economic crisis of 2008-2010 and a period of stability between 2011 and 2013.

In Romania, the unemployment rate was 5.6% in 2022, with a total of 464,400 unemployed. The employment rate of the population aged 20-64 was 68.5%, up from the previous year.

It is important to note that these data reflect general trends in unemployment and employment in the EU and Romania and do not provide a detailed picture of the situation of intra-EU migrants. For more precise information, studies and statistics dedicated to this specific segment of the population would be necessary.

One possible explanation for the increase in unemployment could be the concentration of migrants in sectors of activity that are correlated with economic cycles or are seasonal. This is confirmed by the unemployment rate among migrant workers compared to the unemployment rate for the native population, calculated at the level of certain countries. It also seems that unskilled immigrant workers and those working without documents are feeling the impact of the crisis the most. Skilled migrant workers are protected from job loss due to their skills and, often, the investment made by the employer in their training and employment.

Studies indicate that the unemployment rate among migrants would have been much higher at EU level if return migration had been lower for certain groups of migrants, such as those from Central and Eastern Europe. It has been observed that migrants from the EU, when they lose their jobs, are more inclined to return to their countries of origin. This return is predominantly temporary, with migrants' strategy being to return to their country of destination in the event of economic opportunities or a recovery in the labour market. On the other hand, migrants from outside the EU prefer to remain in their countries of destination even if they lose their jobs. This decision is driven by difficulties in obtaining visas or work permits, administrative barriers, costs and the lack of alternatives for re-entry into the host country. In addition, there are often high travel costs, the fact that the survival of the family left behind depends on the money sent by the migrant or the total lack of prospects in the country of origin, where the crisis poses even more problems.

Apart from statistics that attest to the number of migrants returning to certain states, there are no specific studies that describe the phenomenon in depth. It is not known exactly how long the return will last, whether it is temporary or permanent, and to what extent it is caused by the crisis or represents a natural evolution of migration cycles, which are only accentuated by the crisis. It is known that, after a period spent working abroad, migrants achieve their migration objectives in whole or in part and then the propensity to return is greater. It is very possible that we are in fact dealing with only a temporary return. It should also be taken into account the hypothesis that the crisis may be more bearable in the destination countries than in the countries of origin. The crisis has had different consequences on the migration of men and women and on the labor market situation in the destination countries. Female migration increased during the crisis, largely as a result of the increase in unemployment in economic sectors where the labor force was predominantly male (construction) and the maintenance of the demand for labor in sectors such as home work (cleaning, care for the elderly and children).

One way to mitigate the negative impact of the economic crisis is through the professional mobility of migrant workers. We can therefore expect an increase in inter-sectoral mobility from sectors strongly affected by the crisis to those less affected. For example, in the case of the two important countries for Romanian migration, there is a 15% increase in the number of agricultural workers in Spain in 2018 compared to 2023, and in Italy, there is an increase in the number of small entrepreneurs by 15,079 in 2018 compared to 2023.

Another mechanism that migrants could resort to to cope with the crisis could be self-employment and entrepreneurship. Therefore, the evolution of this indicator can provide valuable information on the consequences of the economic contraction on the working activities of migrants. Statistics reveal that self-employment is higher among migrants than among the native population with a similar level of education.

Empirical research, however, shows that the relationship between business cycles and the rate of self-employment is unstable: according to some, it is rather negative, according to other studies the correlation is positive. Constant and Zimmermann show in their research carried out in Germany that self-employment is one of the main strategies for avoiding unemployment for migrants, confirming the hypothesis according to which self-employment is the answer that migrants give to the difficulties encountered on the labor market.

This hypothesis is also supported by the Director General of the Spanish Immigration Service, Márkus Gonzáles Bleifuss. He mentions that migrants should focus on developing self-employment activities as this way they can better adapt to the demands and changes in the labor market. In this sense and with the aim of combating undeclared work, Spain has proposed

simplifying the procedure by which migrants can move from employee status to self-employment.

However, the OECD report on the impact of the crisis on migration finds that there is little evidence to support that this type of behavior is successful during economic decline. Also, referring strictly to the two states that we took as an example, we observe two almost opposite situations: in Spain, the number of self-employed migrant workers decreased in the period June 2018-February 2019 by 24,000 (approximately 10%), but, in Italy, the number of self-employed workers originating from non-EU states increased slightly in 2020 compared to 2019 (by 15,079).

4. Mobility and migration of the Romanian workforce through the EURES network

Against the backdrop of the crisis, support for Romanian workers working abroad, along with mediation on the labor market in the EU area for Romanians who wish to work on the territory of another European state by ÁNFOM (EURES services), is becoming an increasingly used way for Romanians to migrate for work purposes. EURES is the cooperation network between European public employment services and other partners involved in the labor market (trade unions and employers' organizations), coordinated by the European Commission and aiming to facilitate the free movement of workers within the European Economic Area (EEA) and Switzerland. EURES Advisers constitute the human component of the network, and the European EURES job portal the technical one, but both aim to ensure transparency of information on job vacancies as well as working and living conditions in the EEA states.

The National Employment Agency (ANOFM, 2010), as a public employment service, has been a member of the EURES network since 2007, being the institution responsible for recruiting and placing Romanian citizens abroad, offering information, guidance and placement services, both for employers and for job seekers interested in the European labor market.

Regarding the job vacancies received and promoted by the UNECE through the EURES network, an increasing trend is observed year after year, even in the conditions of the economic crisis and pandemic. According to ANOFM data, between 2008-2022, the Romanian labor market recorded significant fluctuations in terms of the number of job vacancies, influenced by internal and external economic factors, including the 2008 global economic crisis and the COVID-19 pandemic. In 2009, 2,122 job vacancies were registered, 35.5% more than those offered in 2008 by European employers (1,566 jobs), and in 2010, the figure reached 3,038 jobs. vacancies, 43.2% more than those available in 2009.

Evolution of the number of job vacancies from 2008 to 2022:

- 2008-2010, the global economic crisis led to a decrease in the number of job vacancies, as companies reduced their activity or implemented austerity measures.
- 2011-2019, a period of economic recovery led to a gradual increase in the number of job vacancies, reflecting a higher demand for labor in various sectors.
- 2020, the COVID-19 pandemic had a significant impact on the labor market, with many companies unwilling to reduce their activity or temporarily close, which led to a decrease in the number of job vacancies.
- 2021-2022, with the relaxation of restrictions and the resumption of economic activities, the number of job vacancies began to grow again, although with variations depending on the sector and region.

According to data from the National Institute of Statistics (INS, n.d.), in the third quarter of 2022, the number of job vacancies was 40,000, an increase of 6,000 compared to the previous quarter. Over a quarter of these vacancies were concentrated in the manufacturing industry. In the fourth quarter of 2022, the number of job vacancies decreased to 33,300, 6,700 fewer than the previous quarter.

Among the countries of destination preferred by Romanians in both 2009 and 2022 are: Spain, Italy, Germany, Denmark, Great Britain and Austria. As in 2009, in 2022, the majority of job applications in European countries targeted sectors such as: agriculture, construction, manufacturing industry, hotel industry, food industry. However, the requests of Romanians for highly qualified professions such as: engineers, IT, doctors, teachers should not be neglected.

The largest share of Romanians who want a job abroad is held by those with primary, secondary and vocational education (44.6% in 2008, 50.1% in 2009, and 47.4% in 2010, respectively), followed by those with high school and post-secondary education (38.5% in 2009, and 39.2% in 2010, respectively), and then those with university education (11.4% in 2009, and 13.4% in 2022). The ANOFM statistics thus reveal new migration trends related to the migration of highly qualified people, a phenomenon that is becoming more pronounced in the context of the economic crisis.

Romanians who want to leave the country to work in other European countries come mainly from the southern parts of the country (southeast and southwest), Brăila (981 people), Ialomița (897 people) and Dolj (706 people), registering in 2009 the most requests to work abroad, and the counties of

Harghita (51 people), Neamț (53 people) and Ilfov (62 people) the fewest. In 2022, the situation does not undergo major changes, with Dolj (1,377 people), Olt (1,214 people) and Ialomița (1,100 people) being among the counties with the most requests for work abroad, and Covașna (22 people), Harghita (39 people) and Ilfov (48 people) among the counties with the fewest requests. The geographical distribution of Romanians looking for work abroad may be influenced by the economic crisis, which has affected less developed areas to a greater extent, either by reducing domestic employment opportunities or by eliminating existing jobs. The economic crisis followed by the pandemic has made migration for work a necessity, not an alternative or option.

Both during 2009 and after 2020, a series of job fairs took place in various cities in Romania: Slobozia, Slatina, Alba-Iulia, Oltenița, Bucharest, Ploesti, Calarasi. Even in the conditions of the economic crisis, the same characteristics of the Romanian labor migration that benefited from labor market mediation services from EURES are preserved. Thus, European employers have offered jobs in agriculture and animal husbandry, forestry, tourism and hospitality, for unskilled workers or craftsmen and cleaning staff. In addition to the traditional countries interested in Romanian workers, represented by Spain and Italy, among the countries requesting labor from Romania, the Nordic countries are consolidating themselves as new countries of destination, especially targeting seasonal work, with Denmark standing out in this regard.

Analyzing the main obstacles to the mobility of Romanian workers in the European space presented in the ANOFM Reports - lack of knowledge of the foreign language of European circulation requested by the employer and insufficient information to people looking for a job in another European country about the working and living conditions in that state, we note, once again, how important skills and information are in obtaining a job abroad, in a context of crisis.

Thus, "If in the case of job offers for the agricultural sector in Spain, knowledge of the Spanish language is not required, but only work experience in the field and thus the level of employment is higher, in the case of job offers in Denmark and Italy, with slightly higher quality standards, the lack of knowledge of the English language and the Italian language at an average level influenced the result of the selections ".

5. Italy and Spain, the main destinations for Romanian migrants going to work

As can be seen in Figure 6, Romania remains the main supplier of migrant labor in the European space; data provided by Eurostat confirm that, in 2010,

the number of Romanians residing in the territory of the European Union was over 2 million people. Estimates indicate, however, that the real number of Romanians in the EU is much higher, Romanians being the largest community among inter-community migrants and the second largest, compared to third-country national migrants represented by immigrants originating from Turkey (figure 6). Over 70% of Romanians working abroad have chosen either Spain or Italy; consequently, the way in which the crisis influences the labor market in these countries takes on particular importance for the analysis of the impact of the crisis on Romanian labor migration.

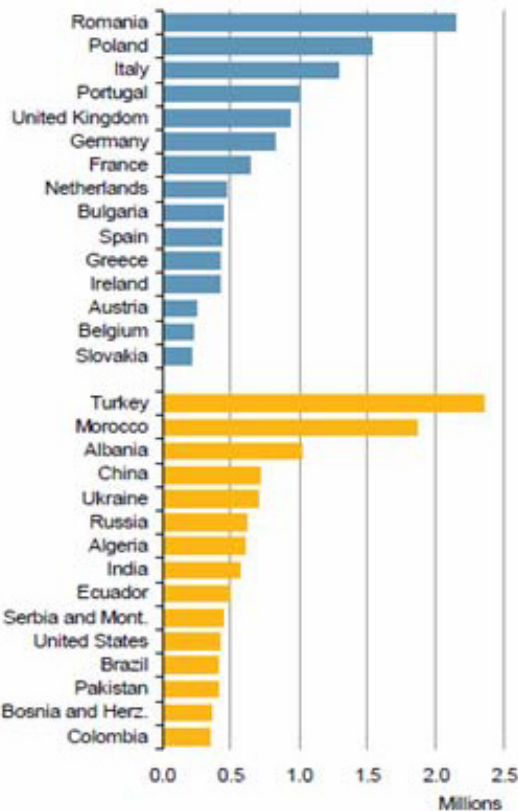


Figure 6. Citizenship of EU (blue) and non-EU (orange) migrants residing in EU-27 countries in 2022

Source: EUROSTAT

As for Spain, one of the main destination countries for Romanian migrants, the economic crisis and the pandemic were felt extremely strongly by migrants in general, and its impact on the Spanish economy was among the hardest in Europe. Thus, the number of job losses rose to 1 million in 2009, and the

unemployment rate among migrant workers was 8.7% higher, rising to 21.26% compared to 12.52% among Spaniards. In mid-2020, these figures had risen to 16% for Spaniards and 28% for foreigners. Of all immigrants, Romanians, Ecuadorians and Moroccans seem to have the highest unemployment figures. In 2009, Romanians represented the largest group of migrants in Spain (758,823 or 13.4%), followed by Moroccans (627,858 or 11.1%) and Ecuadorians (409,328 or 7.2%). The growth of the number of Romanians in Spain has been spectacular, with the Romanian population rising from 3.7% in 2001 to 13.4% in 2009. Since our country joined the EU (2007), the number of Romanians living in Spain has quadrupled.

The economic crisis does not seem to have affected the number of foreigners residing in Spain, but the number of residence permits granted to foreigners has registered a smaller increase than in previous years - 2008 and 2009. Thus, the number of residence permits increased by only 7% between 2008 and 2009, compared to 13% in previous years. Similarly, even if the number of Romanians in Spain increased more slowly in the years 2008-2010, in total, between 2007 and 2022 their number increased by approximately 2,451,609 (table 2).

The economic crisis followed by the pandemic led to a rapid rise in unemployment, and migrants were the most affected by this phenomenon. In the period 2007-2008, the number of Romanians legally resident in Spain increased significantly. According to official data, on October 1, 2007, approximately 603,889 Romanians with legal residence were registered in Spain. By the end of 2008, this figure had increased, reflecting the upward trend of Romanian migration to Spain during that period.

This growth was influenced by factors such as Romania's accession to the European Union in 2007, which facilitated labor mobility, and the high demand for workers in various sectors of the Spanish economy. In the period 2009-2010, the Romanian community in Spain continued to grow, maintaining its position as the largest foreign community in this country. According to official data, at the end of 2010, the number of Romanians residing in Spain was approximately 897,000 people. This growth was influenced by factors such as free movement within the European Union and the economic opportunities offered by the Spanish market. In the period 2021-2022, the Romanian community in Spain continued to be one of the largest communities of foreigners in this country. According to official data, at the end of 2020, the number of Romanians residing in Spain was 1,079,726 people, representing the largest community of foreigners in Spain. In 2022, the population of Spain exceeded 48 million inhabitants, mainly due to the increase in the number of resident foreigners.

Thus, the most spectacular increase in unemployment took place in the construction sector: from 69,400 unemployed, while in agriculture 34,200 unemployed and in services 156,500 unemployed in 2007 to 361,300 unemployed in 2022.

Table 2. Evolution of the number of Romanians legally resident in Spain

	2007/2008	2009/2010	2018/2019	2021/2022
Total strangers	1.977.945	3.034.326	4.144.166	4.519.554
Total Romanians	603.889	829.715	673.000	1.079.726

Source: www.ine.es

The sharpest increase occurred in 2007-2008, when the unemployment rate among Romanian workers doubled, as did other migrant groups. After that, unemployment continued to rise, but the rate of increase was slower. About 90% of Romanians in Spain have bank loans for houses and/or cars there. The crisis caught most of them at the beginning of their loans, that is, after five or six years of paying off the loan. In general, the rate paid by a Romanian for an apartment in Spain is 700-1,500 euros per month, and for a car: 400-500 euros per month. The most common reasons why even those who have not lost their jobs are unable to meet their expenses are that employers do not allow them to work extra hours, they do not offer bonuses.

One of the adaptation strategies of migrants to the economic crisis followed by the pandemic and its consequences has been inter-sectoral or territorial mobility. As regards inter-sectoral mobility, the figures for 2008 and 2009 and 2019-2020 respectively, show a strong increase in the number of Romanian workers affiliated to social security employed in agriculture – their number has increased by 897,000 people. in 2008 to 627,000 people in 2022, representing a decrease of 30% compared to 2008

Following the request from the Spanish authorities of 28 July 2011, by decision of 11 August 2011, the European Commission authorises Spain to impose temporary restrictions on Romanians' access to the Spanish labour market until 31 December 2012. These restrictions will apply to activities in all sectors and regions. However, the restrictions do not affect Romanian citizens who are already active in the Spanish labor market.

There are voices that claim that, in fact, the restrictions will affect many more Romanians than those who have not come to work in Spain. For example, the Federation of Romanian Associations in Europe (FADERE) states that all Romanians in Spain who are not registered in the labor registers will be affected by the restrictions introduced by the Madrid government.

As for Italy, for the first time in the last 20 years, the number of Romanians in this country has registered a slight decrease, settling just under 900,000. More precisely, the latest statistical data from 2010 mentioned that 887,763 Romanians officially lived in Italy, although the estimate of the real number of Romanians on Italian territory is around 1 million people. Thus, Romanians remain in first place in the ranking of foreign communities present in Italy, followed at a great distance by Albanians and Moroccans, who together number approximately 450,000 representatives.

Immigration dynamics in Italy have remained relatively unaffected by the economic crisis. Although the net migration rate decreased by 21% in the first nine months of 2009, compared to the same period of the previous year, the number of foreign citizens in Italy increased during the pandemic period between 2020-2022, Italy has recorded significant fluctuations in immigration dynamics, influenced by factors such as the COVID-19 pandemic and global geopolitical situations. In 2020, Italy registered 248,070 immigrants and 160,579 emigrants, resulting in a positive migration balance of 87,491 people, in 2021, the number of immigrants was 247,516, while 137,458 people emigrated, the migration balance increasing to 110,058. The most significant increase was recorded in 2022 from 345,716 people, with 141,028 emigrants, which led to a positive migration balance of 204,688.

These data indicate an increase in migrant flows in 2022, after a period of decline in previous years, possibly influenced by the relaxation of pandemic restrictions and international economic and political developments. Nevertheless, the transformations recorded by the labor market have been quite profound. The gap between the unemployment rate among native and foreign workers increased from the second half of 2008 to 2009, while remaining lower than in other EU states. In the first half of 2009, the unemployment rate among migrant workers reached a historic high of 10%. As in Spain, migrant women were less affected by unemployment than men, which is a consequence of the concentration of women in economic sectors less sensitive to economic fluctuations.

As in Spain, migrants were more affected by unemployment than native workers. However, the impact on wages was lower than in other European countries. A possible explanation could be the lower concentration of migrants in sectors of activity that employ unskilled labor – while in Spain or Greece almost 1 in 3 migrant workers worked in such sectors, in Italy their proportion was much lower.

Another possible explanation for the less severe effects of the crisis could be the large number of companies registered by migrants, including during the crisis. Thus, in 2009, 15% more companies owned by Romanian citizens were registered compared to 2022, reaching a total of 32,452.

Although the unemployment rate has increased, as I have shown above, the number of Romanians employed in Italy has increased significantly during the economic crisis, even more than in the years before the crisis, practically exploding in 2007, as shown in the table below. Half of them were employed in the tertiary sector (family care, hotels and restaurants), a third in construction and a fifth in agriculture. As mentioned above, it is possible that the large number of employees in the tertiary sector, less affected by the crisis, is responsible for the lower unemployment rates in Italy compared to other countries.

6. Economic impact

The ways of bringing money earned abroad into the country are diverse. There are individuals who prefer to save money there to invest it in the country and there are others who either purchase durable goods directly from abroad or choose to send money home more frequently. Thus, it is impossible to estimate the flow of income from abroad with any accuracy. However, it can be appreciated that families that have at least one member working abroad have received and are still receiving money from abroad.

Over 5% of the households in question at the national level currently have at least one member working abroad (Table 3).

Table 3. Households with members working abroad or with former members sending packages/money back to the country, (%)

	% of households
Households with one member gone abroad for work	3.9
Households with 2 or more members gone abroad for work	1.4
Households with former household members gone abroad who send money or packages	2.1

6.1. Evolution of remittances during the economic crisis

According to World Bank data, remittances have been on a downward trend since the second half of 2008, after having grown substantially in the period 2007-2008, but exceeding World Bank estimates and reaching USD 328 billion globally - 15% more than in 2007. The level of remittances has remained relatively stable in the EU, with significant variations from country to country. As for Spain and Italy, the two top destinations for Romanian migrants, the IOM report records a 9% decrease in Spain in the period June - September 2009 compared to the same period in 2008, and for Italy, of 7.4% in the first three months of 2009 compared to the same period in 2008. During the COVID-19

pandemic crisis, remittances sent by migrants to their countries of origin have registered significant fluctuations, influenced by economic and social factors.

Globally, in 2020, remittances decreased by approximately 1.6% compared to the previous year, reaching 702 billion euros. This decrease was mainly attributed to the economic recession and financial uncertainty generated by the pandemic. However, in 2021, remittances recorded a significant increase, reaching 773 billion euros, which represents an increase of 10.2% compared to the previous year. This recovery was supported by the global economic recovery and the adaptation of migrants to the new economic conditions. As for Romania, remittances have had a similar evolution. In 2020, they decreased by 0.9% compared to the previous year, totaling 6.8 billion euros. However, in 2021, remittances increased by 8.3%, reaching 7.4 billion euros. This dynamics of remittances reflects the adaptability of migrants and their economies to the challenges imposed by the pandemic, as well as the importance of these financial flows in supporting the economies of beneficiary countries.

6.2. Investments made with income from international migration

It is important to follow the evolution of the resources brought to the country during so many years of international migration and not only to analyze the possible sources of income. Thus, the direct impact of external migration can be easily monitored if we follow the investments made with the money coming from Romanian emigrants. It can also be followed the extent to which households have invested in income-generating activities or in long-lasting goods.

In the last 5 years, 50% of Romanians have invested in household appliances, 37% have chosen to expand or modernize their home and 16% have purchased cars. Regardless of the investment chosen, 10% of the above-mentioned investments were made with income from international migration. Over 50% of those who used money from external migration have chosen to expand or modernize their home, 21% have bought one or more cars, and the rest have bought household appliances.

The analyzed sample refers to the counties of Teleorman and Vrancea. Due to this clear delimitation, we are able to differentiate the consumption of individuals depending on the residential environment (even if the urban environment is represented only by individuals living in cities of up to 200,000 inhabitants). The data in Table 4 allow us to draw a series of conclusions. Thus, among those who have used money from migration in the last 5 years to purchase goods or make other investments, 72% from rural areas and 84% from urban areas have bought/built homes or expanded or modernized their existing homes.

About 30% of respondents have chosen to buy a car. As for productive activities, we observe the existence of clear differences between the strategies of individuals from urban areas and those from rural areas. Those from rural areas invest money especially in agriculture, those from urban areas are interested in investing in other types of businesses.

If we were to compare the two microregions (Alexandria and Focșani), we observe that in Focșani the percentage of households with migration experience who have made investments in the last five years with money from abroad is much higher than in the Alexandria area – 62% compared to 35%. Thus, even if in Teleorman the percentage of those who have expanded or modernized their homes is higher than in Vrancea, in the Focșani area individuals have built homes, bought land, invested in cars or household appliances, to a much greater extent.

Table 4. Percentage of those who have invested in different goods, in the total of those who have invested with income from external migration, by means

	Rural environment	Urban environment
Purchased a home	11	17
Built a home	27	13
Extended/modernized a home	59	76
Purchased a motorhome	28	37
Purchased land for building houses	8	4
Purchased land for agriculture	14	1
Farmland maintenance	43	2
Purchased agricultural machinery	5	0
Opening a business	2	12
Purchased home appliances	69	74
Tourism	11	26
Purchased a computer	13	24

Source: LTS survey, regional sample

Moving abroad had a greater impact on the consumption of durable goods than the data above suggests. Among respondents whose households have members who have moved abroad after 1989, over 22% stated that someone's migration abroad led to changes in their housing and 31% that the experience abroad led to changes in the goods purchased in general. We observe that of those who declared that going abroad brought changes to their home, only 38% modified their home (buying/building a home or expanding/modernizing) with money from abroad, 32% with money from the country and 29% did not bring any changes at all, a fact that supports the idea that migration did not bring changes

to lifestyle only through money from working abroad, but also through changes in values, expectations, and needs.

The above data show us that individuals who go abroad buy more durable goods for comfort (cars, household appliances) and less goods that can be used in productive activities. We wonder, however, whether the tendency to invest in such goods is only a characteristic of migrants or does it appear to the same extent in other individuals with similar socio-economic characteristics (education, income, residential environment, etc.).

7. Conclusions

Labor migration is a complex phenomenon, with profound implications for the economy, society and demography of Romania. The choice of this bachelor's thesis topic is justified by the need for a detailed analysis of the factors that determine migration, the effects on the labor market and the long-term impact on the country's development.

Studying this topic provides a better understanding of the social and economic dynamics in contemporary Romania, helping to identify the main challenges generated by the labor exodus. On the one hand, remittances sent by emigrants represent an essential financial support for families left behind in the country. On the other hand, the loss of the active labor force affects economic productivity, the pension system and the demographic balance.

This paper aims not only to analyse the impact of this phenomenon, but also to propose viable solutions for managing migration, attracting the labor force back to the country and adapting public policies to the new economic realities. Thus, the study will contribute to a better understanding of the phenomenon and to the elaboration of a sustainable development strategy for Romania. Migration has existed since ancient times; however, it has registered different intensities from one historical stage to another and developed new forms. In the European Union, the free movement of workers was one of the first rights recognized by citizens through community legislation. The European Union was founded on a philosophy of the free movement of citizens. However, the Member States of the European Union have faced specific situations with regard to migration, adopting different positions and policies regarding the migration phenomenon.

As a result, in the European Union, the establishment of a common migration policy remains an ambitious objective. It is very likely, however, that the demographic decline in the European Union, the consequences of which will worsen in the future, will change the attitude towards migration in the Member States. The link between demographic change and migration policies will be an important issue in the near future.

Economic migration plays an important role in meeting the needs of the European labour market. In addition, developed regions of the world compete in attracting immigrants to meet their economic needs. For these reasons, there is a need for an economic migration policy in the European Union. A common management of economic migration and the harmonisation of migration policies of the Member States represent one of the most important challenges of migration in the European Union.

In general, the country of origin has benefited from these international emigrations, as the economic situation has improved due to the income sent from abroad and invested in the country. However, the departure of parents to work abroad has a series of negative effects on children in particular and on the family and its functionality in general. Children left in the country become vulnerable to abuse, exploitation through work, their performance at school decreases, culminating in an increase in the school dropout rate at ever younger ages. In addition to legal migration, there is also a strong migratory movement for uncontrolled work, neither in the country of departure (Romania) nor in the country of destination. A large part of these people work temporarily, for an indefinite period, most often without legal forms of work, on the underground labor market in the countries of destination. Companies agree to this form of employment because the wage costs are lower, and the contribution of these workers to increasing the competitiveness of the company is significant.

References

- Allais, M. (1994). *Traité d'économie pure*. Paris: Éditions Clément Juglar.
- ANOFM (The National Employment Agency. (2010). *Raport de activitate ANOFM*. la www.anofm.ro
- Armstrong, H. and Taylor, J. (1999). *Regional economics and policy*. 2nd edn. New York and London: Harvester Wheatsheaf.
- Bodea, G. (1999). *Sistemul economic între echilibru și dezvoltare*. Cluj-Napoca: Editura Dacia.
- Ciucur, D., Gavrilă, I. and Popescu, C. (1999). *Economie. Manual universitar*. București: Editura Economică.
- Constant, A. and Zimmermann, K.F. (2004). *Self-employment dynamics across the business cycle: migrants versus natives*. IZA Discussion Paper No. 1386. Bonn: Institute of Labor Economics (IZA).
- European Commission, Eurostat (2025). Migration to and from the EU. Statistics Explained. Available at: https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Migration_to_and_from_the_EU
- Eurostat (n.d.) *Eurostat homepage*. Available at: <http://epp.eurostat.ec.europa.eu/portal/page/portal/eurostat/home/>

- Institutul Național de Statistică (INS) (n.d.) *Baza Tempo-Online*. Available at: <http://statistici.insse.ro:8077/tempo-online/>
- Institutul Național de Statistică (INS) (n.d.) *Comunicat: Populația rezidentă și migrația internațională*. Available at: <https://insse.ro/cms/ro/tags/comunicat-populatia-rezidenta-si-migratia-internationala>
- Koehler, J., Laczko, F., Aghazarm, C. and Schad, J. (2010). *Migration and the economic crisis in the European Union: implications for policies*. Geneva: International Organization for Migration (IOM), Research and Publications Division.
- Organisation for Economic Co-operation and Development (OECD) (2021). *International migration and the economic crisis: understanding the links and shaping policy*. In: *International Migration Outlook 2021: Responses in times of crisis*. Paris: OECD Publishing.
- Organisation for Economic Co-operation and Development (OECD) (2009). *International migration and the economic crisis: understanding the links and shaping policy*. In: *International Migration Outlook 2009: Responses in times of crisis*. Paris: OECD Publishing.
- Papademitriou, D.G., Sumption, M., Terrazas, A., Burket, C., Loyal, S. and Ferrero-Turrión, R. (2010). *Migration and immigrants two years after the financial collapse: where do we stand?* Washington, DC: Migration Policy Institute.
- Pittau, F., Ricci, A. and Tims, L.I. (coords.) (2010). *Românii din Italia între respingere și acceptare*. București: Confederația Caritas România și Caritas Italiana.
- Radu, G. (2016). Demographic trends – facets of Romanian migration. *AIMR Journal*, 44 (December), pp. 45–60. Available at: <http://aimr.univath.ro/en/article/DEMOGRAPHIC-TRENDS---FACETES-OF-ROMANIAN-MIGRATION~1097.html>
- Salvați Copiii (n.d.). Children with parents working abroad. Available at: <https://www.salvaticopiii.ro/ce-facem/protectie/copii-cu-parinti-plecati-la-munca-in-strainatate>
- Solos: Periódico del profesional autónomo* (2010). En un contexto como el actual el trabajo autónomo puede ser una salida muy interesante para los inmigrantes. September 2010.
- Voiculescu, L. (2011). Fraților, mai vreau să muncesc, mă va ajuta cineva? Totul despre cum vor mai munci românii în Spania. *Gândul*, July 2011.