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Migration policies for a Romania within the European

Union: Navigating between Scylla and Charybdis

*by Martin Baldwin-Edwards*

## Migration policies for a Romania within the European Union: Navigating between Scylla and Charybdis<sup>1</sup>

Martin Baldwin-Edwards

### Introduction

In the run-up to EU membership, Romania like other CEE countries has had to make massive adjustments to modernise, reform and adapt to the *acquis communautaire*. In the area of migration, this has affected three areas of policy in particular – border controls, political asylum laws and practices, and human rights protection of minority groups (Peers, 2005). In general terms, the EU has little or nothing to say on emigration issues (a fundamental right to leave one's country), on return migration (again, a fundamental individual right) or on who is legally admitted to the territory for employment purposes. The *acquis* does contain stringent requirements on the handling of illegal immigrants without EU/EFTA nationality, on country of first asylum and avoiding multiple applications within the EU (Dublin Convention II), and moderately strong recent legislation on the rights of long-term legal residents (>5 years' residence). There is also weak legislation on family reunification measures (the latter currently challenged by the European Parliament in the European Court of Justice).

However, the EU rules give no prescription for handling the matter of immigration policy and the labour market – deliberately so, as there exists a wide range of approaches across Europe. Nor does EU policy give any direction whatsoever for the promotion of economic development – despite clear warnings in recent years about the demographic shift and future labour market problems with both pensions and old-age dependency ratios. Indeed, the policy suggestion from the UN Population Division (UN 2000; UN 2004) is that Europe will need massive unprecedented immigration to survive these demographic changes.

Romania is currently under great pressure to conform to the *acquis* requirements in order to be admitted into the EU (Spendzharova, 2003; Mitsilegas, 2002).<sup>2</sup> My proposition in this paper is that in recognising the *Scylla* of a difficult adjustment to EU membership, Romania would do well to keep in sight the dangers of non-policy [*Charybdis*] for her national interests in the spheres of economy, polity and society. If my thesis is correct, the specificities of the Romanian case need to be ascertained and emphasised, and firm policy control maintained by the Romanian authorities. This is particularly important since the Romanian migration situation looks already complex and seems set to become more so; furthermore, many structural factors suggest strong similarity with previous and current patterns of both emigration and immigration concerning Greece.

In this paper, first I outline Romania's recent emigration history, followed by a more detailed analysis of its contemporary characteristics. Next, I focus on what may prove to be a problem in the future – brain-drain and skill losses, along with their ameliorative counterpart of migrants' remittances. The issue of immigration into Romania is then addressed, which closely fits the Scylla and Charybdis analysis as border controls are largely EU-directed, whereas future labour market

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<sup>1</sup> In Greek mythology, Scylla was a sea monster who lived underneath a dangerous rock at one side of the Strait of Messina, opposite the whirlpool Charybdis. She threatened passing ships and in the *Odyssey* ate six of Odysseus's companions.

<sup>2</sup> See CEC (2005) for the latest information on this point.

needs for immigration may seem too far in the future to worry about. Finally, I conclude with a section on policy issues: here, I try to identify what seem likely to arise as the most demanding structural issues in the management of immigration, emigration and economic development of Romania.

## 1 A short history of Romanian migrations

Twentieth century migration flows were dominated by ethnic emigration, in particular of Germans and Jews, although a central reason for emigrating during the communist period was the oppression of the regime (Ethnobarometer 2004: II.1). After the fall of the regime in 1989, migration changed completely for Romania. It is possible to identify several phases in this short history of post-1990 emigrations, as shown below:

**1990-1993:** mass permanent emigration of ethnic minorities [German, Hungarian] plus Romanians fleeing political turmoil and poverty. The latter tended to apply for political asylum in the West, peaking at 116.000 applications in 1992 (Ethnobarometer 2004: II.2).

**1994-1996:** low levels of Romanian economic migration to western Europe [mainly for seasonal or illegal work], along with continued very low levels of ethnic migrations and asylum-seeking

**1996-2001:** the development of several parallel trends and increases in emigration, making this a complex phenomenon to analyse:

(a) Permanent migration increasingly to the USA and Canada, rather than legal migration to European countries (OECD 2001: 232)

(b) the emergence, especially since 1999, of illegal "incomplete" or circular migration to European countries, for illegal work (Sandu *et al.* 2004: 6)

(c) growth of trafficking in migrants, a phenomenon overlapping illegal migration but distinguished by violence and abuse by traffickers/employers. This type of migration is thought to be predominantly of females for sexual exploitation, and increasingly of minors [see below].

(d) from 1999, a small usage of labour recruitment agreements with various European countries [Germany, Spain, Portugal, Italy] (Diminescu 2004; Barbin 2004)

(e) some return migration of Romanians, notably from Moldova (OECD 2004: 259), as well as a developing circular migration of Romanians between Germany and Romania (see OECD 2005: 260).

Over this period, the age structure and educational level of (permanent) migrants also changed, making emigration a potential issue of brain-drain [see below].

**2002-to date:** elimination of the Schengen visa requirement promoted a rapid growth in circular migration, even to the extent that Romanians who had previously been "stranded" in Schengen countries were able to return to Romania to enter the circular migratory system (Ethnobarometer 2004: II.3). With the possibility of 3 months' legal tourist stay, a sophisticated circular migration system developed, focused primarily on Italy and Spain (IOM 2005). This new strategy succeeded in evading European labour market controls by migrants' working illegally for 3 months – essentially, job-sharing with other Romanians in a carefully-choreographed "pass the job" dance.

Along with emigration, a new phenomenon of *immigration* emerged after 1989. This had various forms, including illegal transit migrants trying to reach other European countries; the arrival of small but increasing numbers of asylum-seekers since Romania signed the Geneva Convention and Bellagio Protocol in 1991 (OECD SOPEMI 2003: 244); and a slowly increasing stock of foreigners with temporary permits – 66.500 in 2002 (OECD SOPEMI 2005: 260).

Although the statistical service for Romania (*Institutul Național de Statistică*) has produced data on emigration, these seem to relate only to permanent declared emigration and hardly reflect the real extent of the migration phenomenon for Romanians. Kaczmarczyk and Okolski (2005: 5) cite a recent study on quality of emigration and immigration data for a wider Europe: in the study, Romania is ranked as the very worst for quality of emigration data, although comparable with much of central eastern Europe for immigration data.

From the census data of 1992 and 2002, one can see a decline in the recorded population of Romania of about 1,13 million persons. Only 330.000 of this decline is accounted for by natural population increase, leaving a residual of nett migration at about 800.000 persons.<sup>3</sup> There are recorded inflows of about 70.000 for this period (Constantin *et al.* 2004: 39), so the actual emigration should be at least some 900.000 persons, or 4,2% of the 2002 population. However, these data are misleading, because circular illegal migrations are unlikely to be captured by a census, or indeed any other usual statistical measure. Thus, the real extent of Romanian participation in migration has to be evaluated by other means.

## 2 Characteristics of contemporary Romanian emigration

As noted above, the contemporary migration patterns of Romanians are extremely complex, including the following types in rough order of magnitude:

- *Circular migration [as false tourists] with illegal employment in the Schengen area*
- *Temporary legal migration through bilateral or other arrangements*
- *Permanent emigration to OECD countries [mainly non-EU]*
- *Circular migration between Germany and Romania, legal transit and employment*
- *Trafficked migrants for prostitution or labour services*
- *Romanian asylum-seekers in EU and North America*

### *(a) Circular migration within Schengen*

This type of incomplete migration (Okolski 2001) is extremely difficult to identify and estimate the extent of it. Recent survey research in Romania throws some light on the phenomenon, as do the latest data on Romanian presence in Spain and Italy.

An IOM 2005 field survey of 1.348 households suggests that 15% of the Romanian adult population has worked abroad since 1990, while up to 10% is still abroad [depending on the season]. 9% of surveyed households reported at least one member abroad – about 850.000 persons (IOM 2005: 6). The evolution of temporary emigration is shown to have increased markedly since 2000, with a doubling of respondents with work experiences abroad every 24 months. IOM believes that circular migration has now stabilised, as survey results for migration intention show a reduction since 2002 (when 15-17% of the adult population expressed a desire to travel for work) and some dampening of enthusiasm for labour migration in 2005 (around 12%). This decline may be related to reduced remittance levels per household, dropping from €265 in

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<sup>3</sup> Own calculations from Census data and annual births/deaths, published in Constantin *et al.* (2004: Table 3)

2003 to €200 in early 2005, although total remittances to Romania have been increasing continuously.

Of those working abroad, only 53% declared that they had a legal contract. The favoured destinations (as in 2003) are still Italy and Spain, but with Italy slightly less attractive at 31% and Spain more attractive since 2003 at 20%. The changed perception may well be linked to the latest immigrant regularization in Spain, which legalized some 110.000 Romanians in 2005 (Arango and Jachimowicz, 2005). The 2003 Italian regularization had 143.000 Romanian applicants, making it the leading foreign nationality in the legalization programme. Thus, by 2005 Spain had recorded 175.000 Romanians with residence permits (OPI 2005: Table 2) and Italy 249.000 (CENSIS). Portugal does not seem to have been so attractive for Romanians, with only 11.000 recorded there, along with 29.000 Romanians with residence permits in Greece in 2003-4 (Baldwin-Edwards 2004a).

Thus, across southern Europe alone there seem to be at least 500.000 Romanian migrant workers, most of whom have recently received legal status. Although there are doubtless more Romanians illegally working in southern Europe, some of the estimations of numbers are incredible. Simina (2005: 13) reports figures (from the Romanian authorities) of 1,4 m in Spain and Italy, or 1m in Italy; and from Italian authorities, estimates of 1,5-2,5m Romanians on Italian soil. These figures are not obviously consistent with survey data from Romania, but can actually be more easily explained as the result of circular migration. It is possible that Italian records can show over one million different Romanians who have worked in Italy in the last two years – or even one year; however, this does not mean that at any one point in time there is anything approaching that number of Romanians in Italy. This flawed interpretation of information arises from imposing a traditional view of migration on the complex and ever-changing realities of the well-choreographed circular migration patterns of many central-east European countries (Kaczmarczyk and Okolski 2005: 18-20).

Recent research has started to expose the complexity and dynamics of circular migration of Romanians, linking it explicitly with rural-urban migration and the return to rural areas by internal migrants, as well as more limited 'human capital' attributes of the rural migrants (Sandu 2005b: 570). Another aspect of the limited human capital analysis, as opposed to 'relational capital',<sup>4</sup> is that it impedes the conversion from temporary into definitive migration (Sandu 2005b: 572). Using multiple data sources in an econometric model of temporary migration, Sandu (2005a) tries to identify linkages between levels of human capital, type of migration (work or tourism), place of origin and reasons for migration. He finds that higher education and high life satisfaction are associated with tourism migration; temporary labour migration is associated with rural areas, return migration from cities and lack of commuting employment, large communes (>6500), high unemployment, gymnasium educational level, a high proportion of youth, and large presence of religious minorities. The most important single predictor of work emigration is living in Moldova. The most important predictor of non-migration is poverty, i.e. the poorest regions of Romania do not migrate for employment: this is predominantly the strategy of middle income rural areas. Ethnicity is also irrelevant, with the exception of some linkage between ethnic German migration

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<sup>4</sup> rather than the personal attributes of the individual, this refers to his/her connections and networking

networks and the Roma, as it is predominantly ethnic Romanians who participate in circular migration.

A very crude estimate of the numbers involved would be that (according to season) it is probably in the range 600.000-1.000.000 for this category, at any one time. However, as explained above, the total number of Romanians participating in this circular migration is considerably higher.

*(b) Temporary legal migration through bilateral arrangements*

Two broad clusters of institutions in Romania which are concerned with migration can be identified: these consist of formal institutions (state, NGO and private sector) and informal institutions (Sandu *et al.* 2004: 10-11). The informal institutions are of diverse types, therefore difficult to enumerate, and involved with the facilitation of migration both legal and illegal. These institutions exist largely because of the incapacity of the state, and are associated with social and other networks, bribery, corruption, institutional failure *inter alii*. Such informal institutions have been identified with illegal immigration into southern Europe (Baldwin-Edwards, 1999: 2): the Romanian story is the other side of the coin, concerning emigration mechanisms.

Romania's formal institutions are mostly state managed, and these apparently did not exist until 2001 (Diminescu 2004: 65) with the creation of the Office for Labour Migration, *Oficiul pentru Migratia Fortei de Munca (OMFM)*. The functions of this office are to implement international labour migration treaties with Romania, to recruit and place labour in foreign countries with which Romania does not have treaty arrangements, to provide work permits to foreigners in Romania, and to co-operate with other labour institutions in Romania, the EU and elsewhere (Sandu *et al.* 2004). Diminescu (2004) considers the establishment of the OMFM, along with changes in visa requirements, to be part of the continuous Romanian adjustment to the EU *acquis*; Sandu *et al.* (2004: 10) are more inclined to see it as "an alternative to private recruitment agencies".

Romania has bilateral labour recruitment treaties with Germany (1990, 1993, 1999), Spain (2002), Portugal (2001) and less importantly with Switzerland (1999), Hungary (2000) and Luxembourg (2001) (Diminescu 2004: 66-67; OECD 2004, Annex 1.A). There remain substantial gaps in coverage, such as no agreements with Italy or Israel – the latter with an estimated 60-90.000 illegal Romanian workers in 2002 (Diminescu 2004: 70). According to Constantin *et al.* (2004: 81), the OMFM figure for recruitment by bilateral agreement in 2003 was 43.189 persons, an increase from 2002. More recent data up until August 2004 show that 97.500 people were placed by OMFM (Sandu *et al.* 2004: 10): presumably this latter figure is a cumulative total.

However, much recruitment continues to be done by private agencies, particularly for those countries without bilateral treaty (Diminescu 2004: 68). Data for such recruitments is not centralised or properly collated, and is available only from foreign embassies in Bucharest. Constantin *et al.* (2004:81-85) conducted such research: Table 1 below shows the award of work visas for 2002 and 2003. As can be seen, the total figure for 2003 is over 50% higher than the OMFM recruitment figure – presumably through the inclusion of data for Italy, some 30.000 persons in 2003. However, Germany has been since 1991, and still remains, the primary locus of legal labour migration for Romanians: one calculation is that since the 1991 treaty, Germany has

recruited over 155.000 Romanian workers on the basis of group contracts (Constantin *et al.* 2004: 83).

Table 1  
*Romanians granted work visas abroad, 2002 and 2003*

Country	Work visa type	2002		2003
		N contract types	N visas	N visas
Belgium	Long sejour work visas		58	164
Greece	Work visas		119	
Germany	Total		23,656	27,799
	Seasonal work	19,350		
	Contracts of contingency	4,172		
	18 month contracts	134		
Italy	Total		11,974	19,947
	Self-employed	37		
	Employees	11,937		
Finland	Work permits		34	
France	Work visas		456	
Luxembourg			4	
Spain	Total		2,395	15,319
	Seasonal workers	1,888		
	Employees	507		
Sweden	Total		1,820	912
	Business visas	1,541		
	Seasonal work permits	127		
	Work visas	22		
	Self-employed work visas	130		
<b>TOTAL</b>			<b>40,516</b>	<b>68,649</b>

SOURCE: Constantin *et al.* (2004), Table 17

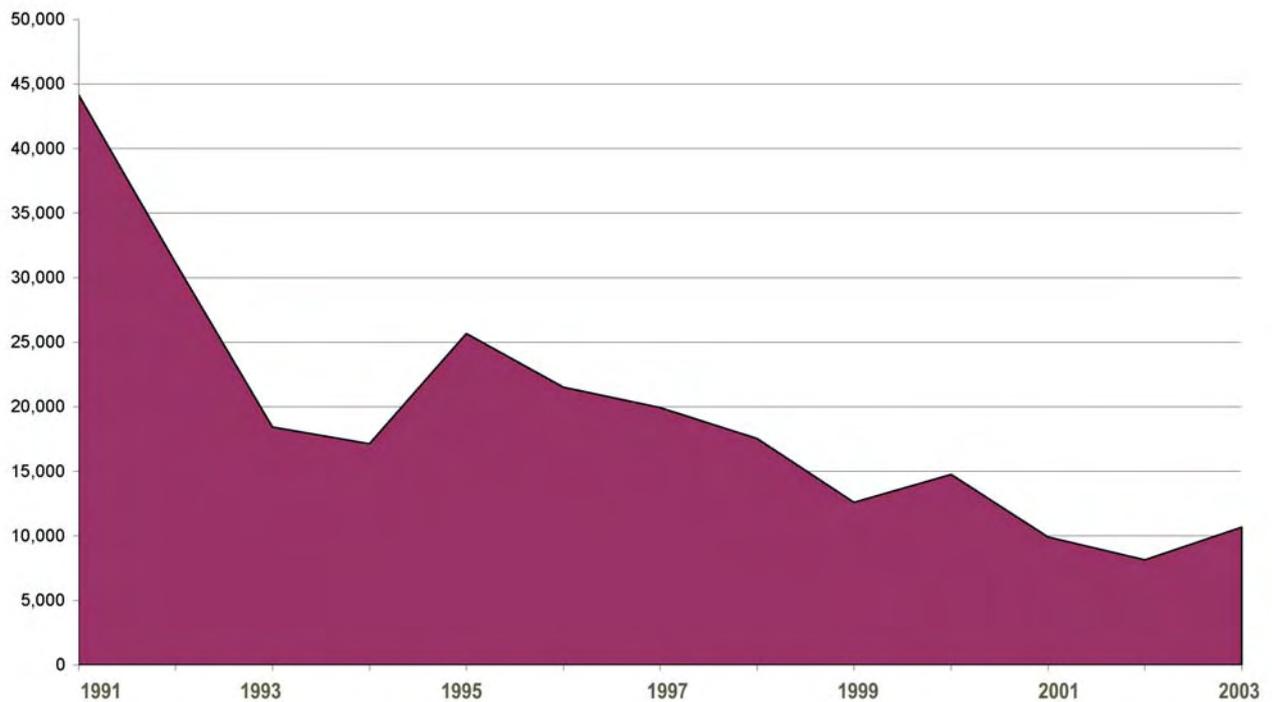
Despite this limited degree of success, the numbers even since 2002 are rather small in comparison with the numbers of Romanian applicants for legalisation in Italy and Spain, and also in comparison with the IOM survey data of Romanians abroad. Thus, legal recruitment takes a clear second place to illegal work and/or illegal migration to southern Europe and elsewhere.

After much criticism that the Romanian state had not adequately protected the rights of Romanians abroad in terms of level of pay, working conditions and social insurance, in 2004 the Government established yet another state institution for the management of emigration (Sandu *et al.* 2004: 11). The Department for Labour Abroad is, like the OMFM, part of the Ministry of Labour; its functions include improving the protection of Romanians working abroad, building a network of embassies, Romanian communities and observers abroad, and securing a permanent relationship between migrants and Romanian institutions. It is also involved with NGOs such as the IOM, in trying to publicise the dangers of illegal migration. Presumably, it is this new institution which instigated the 2005 decree-law resulting in the confiscation of passports from some 3.000 Romanian overstayers in the Schengen area, when they returned to Romania (Amariel 2005).

*(c) Permanent emigration to OECD countries*

Data on notified permanent change of country are the only data on emigration available from the Romanian statistical service. As previously noted, the first modern phase of emigration (1990-93) consisted principally of minority ethnic groups and was sizeable. After 1993, the numbers dropped

Figure 1  
*Permanent emigration from Romania, 1991-2003*



SOURCE: INS data, in Constantin *et al.* (2004: Table 3)

from the initial high of 44.000 in 1990, and have now apparently stabilised at around 10.000 per year. Figure 1 shows the annual data for permanent emigration over the period 1991-2003.

Looking in more detail at the characteristics of these migrations, the *Appendix* gives some breakdowns by gender, age group, ethnicity, destination and educational level. Several trends can be discerned from these data. First, the proportion of women emigrating seems to predict the trends in total magnitude, with 1-2 years' lag: there is no obvious migration explanation for this, although doubtless a sociological one. Secondly, the initial importance of ethnic German migration 1990-94, rapidly diminishing after 1995 (although that year's higher total emigration figure automatically reduces the proportion). Thirdly, we can see the changing destination countries, starting with Germany predominant in the first half of the 1990s, and increasingly focusing on the USA, Canada and "others" (Italy in the latter category). Fourthly, age groups seem to fluctuate wildly, but with a clear increase in persons under 18 since 1998 at 37% of the total. Finally, looking at educational level, we can see some clear patterns: the early migrations (1990-93) had a very high proportion of people with only primary school education – 50% in 1990, 38% for 1991-94. Over the period 1990-99, the proportion of those with secondary education increased slowly (stabilising at 25-30%) while those with university education increased continuously from 6% in 1990 to 19% in 1999. More recent data (see below, section 3) show that the proportion of university graduates continued rising, reaching 28% in 2001 (Pănescu 2005: Figure 3.2).

However, the current magnitude of permanent emigrations is fluctuating around 10.000 per year, which is a very low emigration rate in comparison with many countries. Although the total number of permanent emigrants over the period 1990-2003 is just over 250.000 (Constantin *et al.* 2004: Table 3), the data do not take account of return migrations, which partly offset the original emigrations. Return migration over the period 1996-2002 is recorded as totalling 66.500 persons

(OECD SOPEMI, various years). The peak returns seem to have been in 2000 and 2001: in 2001 some 11.000 Romanians with their residence abroad returned to live in Romania, of which 9.000 were returning from Moldova (OECD SOPEMI 2004: 259). In 2002, the total returns were lower, at 6.600 (OECD SOPEMI 2005: 259).

*(d) Circular migration between Germany and Romania*

Although there are not high quality data on the continuous flows of Romanians between Germany and Romania, Table 2 gives some indicative measures. Ethnic German migration flows have more or less ceased, therefore most migration to Germany is now the result of bilateral agreements (as discussed above) and apparently increasing continuously. The gender ratio is more or less even, with most work in agriculture (77%) or hotels and catering (16%); there are also several thousand Romanians employed by Romanian contractors in Germany, mainly in construction, food processing and mining (OECD SOPEMI 2005: 259). The return flows do not apparently match the inflows into Germany, even with lag: this may indicate a data problem, or continued residence of Romanians in Germany.

The recorded stock of Romanians in Germany, declining according to Table 2, is actually increasing markedly. This is because of the award of German nationality to *Aussiedler*: some 6-10.000 Romanians a year received German citizenship until 1999, when Germany stopped recording the data.<sup>5</sup> However, even with the incomplete German data, it is clear that stocks of Romanians have been increasing on an annual basis since 1996.

Table 2  
*Migration flows between Germany and Romania, stocks in Germany (000s)*

	1996	1997	1998	1999	2000	2001	2002
Outflow of ethnic Germans from Romania	4.3	1.8	1.0	0.9	0.5	0.4	0.3
Inflows of Romanian nationals	17.1	14.2	17.0	18.8	24.2	20.3	24.0
Outflows of Romanian nationals	16.6	13.6	13.5	14.7	16.8	18.6	17.6
Stock of Romanian nationals in Germany	100.7	95.2	89.8	87.5	90.1	88.1	88.7

SOURCE: OECD SOPEMI (2001; 2005), Romania country chapters

*(e) Trafficked migrants for prostitution or labour services*

For some time now, European policy-makers, practitioners and academics have identified a "Balkan route" for trafficking and/or smuggling<sup>6</sup> of migrants (e.g. Salt and Stein, 1997: 475-7), with clear links made between older drug trafficking routes, their interruption by war and organised criminal gangs branching out into people-smuggling and trafficking (Lindstrom, 2004). In the case of the Balkans, some of the most detailed investigation of any region in the world has been made since 2000, with research undertaken or financed by the IOM, the Stability Pact for South Eastern Europe, the ILO, UNICEF and the OSCE, amongst others. One of the most authoritative recent reports identified 6.256 victims between January 2000 and December 2004, with the primary countries of origin as Albania, Moldova and Romania (and to a lesser extent,

<sup>5</sup> Dietz states that 90% of *Aussiedler* are given German nationality almost immediately, and that Romanian *Aussiedler* in particular were strongly socialised in German customs (Dietz, 2002: 35)

<sup>6</sup> For the distinction, which increasingly is being questioned, see the UN protocols on trafficking and smuggling.

Bulgaria and Kosovo) and the primary countries of destination or transit as being Croatia, Bosnia, Macedonia and Serbia and Montenegro (Surtees, 2005:12-17). Table 3 (below) reproduces their summary data.

Over the period 2000-2004, 90% of victims were from only 5 countries (28% from Albania, 26% from Moldova, 17% from Romania, 10% from Bulgaria and 9% from Kosovo). There is also a significant number from the Ukraine (6%), but from other countries the numbers identified and assisted are very small indeed.

Table 3  
*Number of identified and assisted trafficking victims 2000-04, Stability Pact*

<b>Country of origin of victim</b>	<b>2000</b>	<b>2001</b>	<b>2002</b>	<b>2003</b>	<b>2004</b>	<b>Total</b>
Albania	219	445	375	345	366	1750
Moldova	319	382	329	313	300	1643
Romania	163	261	243	194	193	1054
Bulgaria	46	96	164	172	143	621
Kosovo, Province of	54	67	165	192	90	568
BiH	0	0	8	17	39	54
Serbia	0	1	10	13	21	45
Croatia	0	0	1	1	6	8
Montenegro	0	0	2	3	5	10
fyRo Macedonia	0	0	0	14	12	26
<b>SEE countries subtotal</b>	<b>801</b>	<b>1252</b>	<b>1297</b>	<b>1264</b>	<b>1165</b>	<b>5779</b>
Ukraine	68	97	104	47	41	357
Russia	7	22	21	5	4	59
Belarus	8	9	1	2	1	21
Georgia	0	3	2	0	2	7
Other	3	0	5	11	14	33
<b>Other countries subtotal</b>	<b>86</b>	<b>131</b>	<b>133</b>	<b>65</b>	<b>62</b>	<b>477</b>
<b>Total numbers of victims trafficked into, via or from South Eastern Europe</b>	<b>887</b>	<b>1383</b>	<b>1430</b>	<b>1329</b>	<b>1227</b>	<b>6256</b>

SOURCE: Surtees (2005: 31-32)

The Stability Pact Report states that in the case of Romania, for 2003 and 2004 the vast majority (85%) of identified victims were trafficked for sexual exploitation, and around 10% for labour in domestic work, agriculture, industry *inter alia*. Around 4% were trafficked for begging and petty crime (Surtees 2005: 438). All victims of trafficking for sexual exploitation were female, although the report notes the existence of trafficking in minor males for this purpose. In 2003 and 2004, victims were predominantly [around 70%] aged 18-25, but there were also 16% and 27% trafficked as minors in those two years (Surtees 2005: 440). 40-50% of victims were from Moldova, and educational levels were slightly below average for Romania. Data on ethnicity are not collected, but there is a note that Roma are over-represented in trafficking for labour or begging (Surtees 2005: 463). Countries of destination were numerous (22), although 42% went to EU countries in 2003, and 56% in 2004. This increase is associated with the Schengen visa removal. The two primary destinations in 2004 were Italy (30%) and Spain (15%); in 2003, Macedonia was the primary destination at 38%.

A 2003 ILO study (Ghinaru and Linden 2004) of forced labour from Romania, sampling returned migrants in Romania who had previously migrated, tried to distinguish between the characteristics of trafficked and non-trafficked forced labour migrants. They found women to be over-represented in the trafficking category, especially minors. Educational level proved to be a clear indicator, with successful migrants having the most formal education, followed by non-trafficked forced labour, and with trafficked migrants having the least. There was no indication of ethnicity as an issue for trafficking or forced labour.

Specifically focused on children, another ILO study (IPEC 2004, 2005) drew somewhat different conclusions, although with very small sample size. Around 33% had been involved in prostitution, around 20% in dancing or massage and another 20% in begging (IPEC 2004: 1-2). However, those data include "internal trafficking": when restricted to cases of trafficking to another country, the 42 cases [some 75% of the total] consisted of 30 victims of trafficking for sexual exploitation [70%]. These latter data are consistent with the Stability Pact data. THE IPEC Report concludes that the children identified tended to be 14-17 years old, with little education or were school drop-outs, and came from families with economic problems. They also suggested that street children and Roma are extremely vulnerable to trafficking.

All of these studies, as elsewhere in the world, have been unable to estimate the real extent of trafficking and also to distinguish it clearly from voluntary illegal migrations and forced labour. The ILO study perhaps comes closest to doing the latter, but no indicative numbers are available. In the absence of clear data, it is impossible to identify trafficking as the major problem claimed in some quarters. Nevertheless, even if the numbers involved are miniscule in comparison with the hundreds of thousands of Romanian migrants, the lives of children and those in need of protection appear as a major public policy issue.

#### *(f) Romanian asylum-seekers*

The original massive numbers of asylum-seekers from Romania were in the early 1990s, peaking at 116.000 in 1992, but by 1996 were below 10.000 (Ethnobarometer 2004: II.2). Of these early 1990s asylum-seekers, most went to Germany and more than half were Roma. For example, in 1992 Germany received 104.000 Romanian asylum-seekers, of which 63.000 were Roma (Ethnobarometer 2004: VII.3). However, most of them were probably rejected or remained as illegal immigrants (Dietz, 2002).

Despite massive improvements in both political stability and economy, in 2004 there were still 4.218 Romanian asylum-seekers for that year (UNHCR 2005: Table 7), along with some 2.000 outstanding applications prior to that. It is not clear whether the asylum-seekers are ethnic Romanians or Roma, as UNHCR does not record such data. The average recognition rate for 2004 was 10,6% -- one of the lowest rates for any nationality. The main country of application for 2004 was Italy (with 1.015 cases) and a very low recognition rate of 2,9%; the second country of choice was France, with 852 applications (UNHCR 2005: Table 8).

It is unclear whether these continued asylum applications are of a genuine nature, or simply a mechanism to effect migration for labour. Along with similar patterns and numbers for Bulgarians, they remain a curiosity item within the wider Europe.

### 3 The controversial issues of brain-drain and skill losses

The concept of “brain-drain” or flight of human capital was developed in the 1950s explicitly looking at the emigration of leading scientists to the United States from the UK, Canada and USSR. By the 1970s it was being used in a more general sense to refer to the emigration of those with tertiary education (Rapoport, 2004: 90). A consensus developed that the emigration of skilled professionals is harmful to the country of origin<sup>7</sup> since valuable human capital is lost, and impedes economic development which might otherwise have occurred. Against this loss of human capital should be placed the receipt of workers’ remittances, which frequently constitute a critical resource for economic stability. However, in the longer term, the return of skilled emigrants was seen as desirable; a modern alternative is the notion of “brain circulation”, encouraging the mobility of skilled personnel between different countries.

Recent scholarship has advanced an alternative approach to skilled emigration, with more sophisticated dynamic models producing more optimistic and less clear-cut results (Commander et al. 2004: 41). In such models, although there is still the same negative effect of skill losses (a “drain” effect), there is another beneficial effect encouraging human capital formation (“brain gain”) (Commander et al. 2004: 34). If skilled emigration is seen as a desirable option by the remaining population, there will be a tendency for increased participation in tertiary education in order that people might have the chance of future emigration. A crucial next stage concerns the uncertainty of individuals’ future migration, such that considerably less than 100% of those who received higher education will actually emigrate. (Various reasons and mechanisms are posited for this asymmetry.) However, some other authors dispute the potential size of this positive effect, claiming that it cannot counter the predominantly negative effects arising from skilled emigration, so the net effect is likely to be either zero or negative (e.g. Schiff 2006: 203-4).

In the Balkan region, discussion of skilled emigration is inclined toward the pessimistic view of predominantly brain drain (e.g. Horvat, 2004; Bagatelas and Sergi, 2003; Henry *et al.*, 2003). However, there is some reason to think that Romania might not be a typical case, and it is necessary to examine the available data. Below, I look at empirical data on skill levels of emigrants, followed by some survey data on intention to migrate. Next is a brief examination of changes in educational provision and participation, and their possible links with emigration patterns. Finally, I conclude with a ‘balance-sheet’ approach<sup>8</sup> to the costs and benefits of Romanian migration, and a prognosis for the immediate future.

#### *(a) Sources of data on Romanian emigration and skill or educational levels*

As previously noted, the low quality or even existence of data on Romanian emigration are a serious problem. Data on educational levels, age etc. are available only for registered permanent emigrants [see Appendix]; there appear to be no published data on the characteristics of Romanians granted work visas and/or contracts abroad, although the nature of their employment might be usable as a proxy.<sup>9</sup> A second source of potential data lies in the records of host countries: OECD has recently started to collate these, but the data are incomplete especially as

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<sup>7</sup> In economic jargon, it constitutes a “negative externality”

<sup>8</sup> This is comprehensively developed in Wickramasekara (2002)

<sup>9</sup> Simina (2005: 20) reports that in 2004, 71% of contracts requested were for the agricultural sector and 10% for industry and construction work.

Romania is not an OECD member.<sup>10</sup> A third source of data is from detailed surveys; Pănescu (2005) analyses one such survey of Romanians in Germany, which has a high quality methodology and allows clear comparisons to be made. Another study is that made by Radu (2003), which also reaches strong conclusions.

Insofar as mass circular migration is concerned, it is inevitable through its illegality that little or no official data are available. We are completely dependent upon survey data, for information on skill levels of the temporary labour migrants. Fortunately, there is a reasonable quantity of such surveys (IOM 2005; Sandu 2005a, 2004; Lazaroiu 2003a) allowing some qualified conclusions to be drawn.

#### (i) Permanent Emigrants' Characteristics

The Appendix shows the trends in permanent emigration from Romania over the period 1990-99.<sup>11</sup> Bearing in mind the initial mass exodus in 1991, rapidly declining and eventually stabilising since 1999 [see Figure 1, above], there is a clear trend for permanent migrants to be higher education graduates (reaching 28% in 2001), under the age of 18, and increasingly migrating to the USA and Canada, rather than to Germany. Detailed destination country data up until 2003 (Sandu *et al.* 2004: Table A.2) reveal that, in absolute terms, emigration has diversified since 2002. In particular, migration to Germany has picked up again (circa 2.000 a year), has stabilised at just under 1.000 to Hungary, and has been at high levels to Italy since 1994 (1.300-2.200). The USA and Canada are still attractive, but neither has exceeded 2.000 since the year 2000. There remain clear declines since 1997 in the numbers going to Austria, France, Sweden, Greece, Israel and Australia.

Given the selectivity shown by the immigration policies of the USA and Canada, we might expect the Romanian emigrants going there to be highly qualified: there is some evidence supporting that conclusion (Radu 2003: 30). Equally, the upsurge of migrants to Germany may be linked with Romania's impending EU membership, and the perception of greater life chances in an EU country. The close cultural links between Romania and Italy are well-known, and suffice as an explanation for the popularity of that destination since 1994. It is unclear from the data where very young (<18) migrants are going: it seems likely that they form a large part of the renewed migration to Germany, as well as to Italy.

The OECD data collection on skilled migration, although omitting Italian datasources, concludes that there are 613.000 Romanians in OECD countries, of which 26,3% are highly skilled (OECD-SOPEMI 2005: Table II.A2.6). These data do not include Spain or Italy, although the vast majority of Romanians there are thought to be temporary labour migrants. The ratio of 26% is not unusual in international comparison, and in fact is a lot lower than many countries at a similar level of economic development.

Pănescu (2005) utilises the survey conducted by Straubhaar and Wohlberg of East European migration into Germany, 1992-94. This was a period of fairly high Romanian migration to Germany: 63.000 in their survey, or 34.000 from the Romanian data (Sandu *et al.* 2004: Table

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<sup>10</sup> In particular, no data are available from Italy or Romania (OECD-SOPEMI 2005: 149)

<sup>11</sup> Pănescu (2005) provides data for the period 1995-2001, i.e. the same data, but including two more recent years.

A.2).<sup>12</sup> The survey's results show high skill levels in the Romanian **stock** of migrants [0,21%, one of the highest from CEE, compared with 0,13% for the German population], but the lowest ratio of skills in migration **flows** [0,1%, cf. 0,39% for Bulgarians] over that period. Pănescu offers no explanation for this, but the aggregation of migration types is clearly the reason. The early emigration flows to Germany were predominantly of ethnic Germans, whereas 1992-94 was a period of mass asylum-seeking, of which over 50% were Roma. Presumably, the ethnic Germans were of far higher educational level than the asylum-seekers; there were few labour contracts awarded before 1994, so that category also is largely irrelevant.<sup>13</sup> We might conclude, therefore, that the main loss of Romanian skills was through ethnic German migration, which has largely discontinued.

Radu (2003) uses data from two waves of the *Romanian Integrated Household Survey*, provided by the *Luxembourg Income Study* (LIS) and matches them with data from the German social insurance system (IABS). He concludes that Romanian migrants in Germany are positively selected in both observable and unobservable characteristics, thus implying skill losses or non-utilisation in Romania. The data extend to the late 1990s, and show an upward drift in the average educational level of migrants, constituted by a stable ratio of low education migrants and an increasing ratio of highly educated migrants (Radu 2003: 30). Thus, there is a clear polarisation of skills in permanent emigrants to Germany; Radu notes also that more high-skilled migrants chose non-EU destinations over this timeframe.

#### (ii) Temporary Migrants' Characteristics

There are two subcategories of such migration, and we know relatively little about either! Temporary legal labour migration – the smaller of the two – has already been discussed above [see section 2.b]. There were circa 70.000 work visas granted in 2003 [see Table 1, above], but there appear to be no data on the characteristics of the Romanian workers. In 2003, out of the three main receiving countries (Germany, Italy, Spain), most of the known contract types were for seasonal work: in Germany, 23.243 out of 27.799, in Spain, 14.808 out of 15.319, and unknown work contracts for the 19.947 Romanians in Italy (Constantin *et al.* 2004: 81). Presumably, therefore, the great majority of the legal temporary workers are with low/medium skills.

The second category – considerably larger – is that of illegal circular migrants [see section 2.a]. For information on such migrants we are dependent upon survey data: here, I use the latest IOM survey (IOM 2005), the recent work of Dimitru Sandu (Sandu 2005a) and a 2003 survey conducted by CURS (Lazaroiu 2003: 23). There is a concordance of results from the surveys, namely that the majority of these migrants are male [unlike permanent migrants who are an equal balance of gender], tend to be graduates of gymnasium and vocational schools but **not** of higher education, and are aged 15-44. Sandu characterises the typical circular work migrants as “young ethnic Romanians of medium level education, who worked or travelled abroad, are dissatisfied with their living conditions, and live in high unemployment localities of more developed counties in the region of Moldova” (Sandu 2005a: 19). Similarly, IOM concludes that the migrants are of medium level education, performing non-manual semi-skilled or skilled work (IOM 2005: 15). In more

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<sup>12</sup> From this discrepancy, we might conclude that they were a mix of permanent ethnic German migrants, asylum-seekers, and labour migrants.

<sup>13</sup> The datasource used was the EU Labour Force Survey, which is very weak on establishing distinctions between types of immigrant.

detail, the 2003 CURS survey showed that 71% of migrants were male, 57% with vocational qualifications or gymnasium graduates, and 52% from urban areas. They note also a greater representation of unemployed persons (14%) and ethnic Hungarians (14%) – roughly double the national proportions.

Thus, in both categories of temporary labour migration there seem to be few migrants with high-level skills: they are predominantly with medium level education or vocational training. It is doubtful that such migration, even if permanent, would constitute a brain-drain, and temporary forms definitely do not.

*(b) Survey data on intention to migrate*

The most detailed data on Romanian intentions to migrate are from a survey conducted in 2002 by the European Commission's *Eurobarometer* (Krieger 2004). As these are now out of date, they need to be read in conjunction with more recent surveys, for which I use the IOM 2005 data.

In comparison with the other candidate countries (excluding Turkey) Romanians and Bulgarians showed the greatest intentions of migration: 5% with a 'general intention', 3,2% with a 'basic intention' and 2% with a 'firm intention'. These compare with averages for the 10 acceding countries [AC (10)] of 3,1%, 1,3% and 0,8% respectively.

With the category<sup>14</sup> of 'general intention', this shows the highest level of 19,1% for Romanian respondents aged 15-24 with this intention, compared with 10% for AC (10). Romania also showed the highest proportion of women wishing to migrate, at 4,2% compared with AC (10) of 2,7%. By educational level, Romania (along with Bulgaria) showed extreme differentiation with the other candidate countries. For all educational levels, Romanians were more inclined to migrate: however, unusually high ratios of people with only primary or secondary education were interested in emigration. The other remarkable figure concerns students: 18,6% were interested in migrating, a figure above even that for Turkey. Table 4 below shows the data.

For most other analytical subcategories, Romania does not look exceptional, other than some 50% naming financial problems as their motivation for emigration.<sup>15</sup> What seems fairly clear from the 2002 survey is that along with a greater tendency for, or intention of, migration, Romania is distinguished by a polarisation of emigrants' human capital (Radu 2003: 29), emphasising the upper and lower ends of the scale – i.e. highly skilled and unskilled. However, Romania also shows a youth emigration tendency, with young people much more inclined to migrate than in most other EU candidate countries. This is particularly visible in the case of current students in Romania, who have twice or more the rate of intended migration found in most AC (10) countries.

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<sup>14</sup> Despite the standard country samplesize of 1.000, as well as clustering the results into similar groupings, only the category of 'general intention' has enough respondents to be statistically significant for detailed breakdowns.

<sup>15</sup> The survey also allows the answer 'job reasons', and it is difficult to see how this distinction can be anything other than arbitrary.

Table 4

*Persons in 2002 with general inclination to migrate, by educational level (%)*

	Primary ≤15 yrs	Secondary 16-19 yrs	Tertiary	Still studying
Poland	0,6	2,5	2,7	13,3
Bulgaria, Romania	4,0	4,6	3,7	18,6
Cyprus, Malta, Slovenia	0,2	1,0	3,2	7,6
Turkey	3,6	7,4	15,1	11,6
Hungary, Czech Rep, Slovakia	0,7	1,6	2,7	9,1
Estonia, Latvia, Lithuania	1,3	2,6	3,0	8,9
AC 10 average	0,7	2,1	2,8	11,3
ACC 13 average	2,7	3,5	4,8	12,7

SOURCE: Eurobarometer data, 2002, cited in Krieger (2004: Table 13)

The survey data of IOM are apparently not comparable with the Eurobarometer survey, in that the CURS 2003 survey reported that 18% of the adult population wished to migrate for employment [cf. 5% in the EU survey], with 3% desiring permanent emigration. The latest 2005 survey found 12% of adults interested in labour migration *within the next year*, and 4% desiring permanent emigration (IOM 2005: 9). It is therefore not possible to evaluate whether the Eurobarometer 2002 survey results still hold, although intuitively one might think that they do, as the IOM data neither correlate with nor obviously contradict them.

*(c) Changing educational provision in Romania*

During the 1980s, Romania exhibited a major structural discrepancy of high enrolment rates at the pre-tertiary level and very low rates at the tertiary level; after 1990, a mirror pattern occurred, with increasing tertiary levels of both enrolment rate and absolute numbers allied with declining pre-tertiary rates (OECD 2003: 278, 322). Also, in comparison with other CEE countries, Romania's tertiary enrolment rates were exceptionally low in the early 1990s. Table 5 shows the trend across the CEE region, 1990-2001.

Table 5

*Enrolment in tertiary education, as % of age cohort*

	1990	1992	1994	1996	1998	2000	2001
Bulgaria	31,1	31,4	35,4	41,2	43,5	40,8	37,7
Czech Rep.	16,0	14,6	20,8	---	26,1	29,8	33,7
Hungary	---	15,1	20,9	23,5	33,4	40,0	44,1
Poland	21,7	23,4	26,1	---	45,7	55,5	58,5
Romania	9,7	16,1	19,7	22,5	21,3	27,3	30,4
Slovakia	---	16,1	18,7	22,1	26,5	30,3	32,1
Slovenia	24,5	28,2	31,5	36,1	52,8	60,6	66,0

SOURCES: Pănescu (2005: Table 3.6); UNESCO (2004: Statistical Annex, Table 9)

The increase in Romania's tertiary enrolment rate is remarkable, taking it from under 10% in 1990 – comparable with Albania or Macedonia (UNESCO 2004) – up to a lowish but acceptable level of 30% in 2001. Although data are not available for the years after 2001, the projected numbers are even higher because after 2002 the age cohort increased (OECD 2003: 322), with private tertiary education expanding to accommodate the increased numbers. Looking at labour force outcomes, Pănescu (2005: Table 3.8) shows an increase of over 60% of the labour force with tertiary education over the period 1994-97, again taking Romania up from the bottom of the CEE countries to a more respectable level of 12,4% of the labour force.

Although it is difficult to disaggregate the various causal factors for increased participation in tertiary education in Romania, the trend even contradicts the 1996-99 recession – which could have caused limited access because of budgetary constraints (Pănescu 2005: 128). Other analysts too comment on the extraordinary rise of tertiary education in Romania (Tascu 2002: 213; Mihăilescu 2004: 354). Thus, it is difficult not to conclude that Romania in particular, but also the other CEE countries, experienced precisely the education-migration linkage which is predicted by the “brain gain” theorists. In the only study focused on this, the author reaches the clear conclusion that this is indeed the case, and Romania has benefited from a gain in human capital as a consequence (Pănescu 2005: 128).

*(d) Constructing a balance-sheet of the effects of Romanian migrations*

The older debate on ‘brain drain’ massively oversimplified the issues, since it is necessary to take an overall view of changes in human capital. To this end, Williams and Baláz (2005: 441-2) posit a range of possible positions associated with skilled labour migration; these are:

- **Brain exchange** [(temporary) flows between core economies, with efficient use of human capital]
- **Brain drain** [(permanent) transfer of human capital from less to more developed economies]
- **Brain overflow** [(permanent) transfer of human capital through underutilization in countries of origin]
- **Brain waste** [ineffective utilization in the transferred human capital]
- **Brain training** [human capital enhancement through mobility in education]
- **Brain circulation** [human capital enhancement through temporary mobility, which is used more effectively upon return]

Of these, we can identify *brain drain* and possibly *brain waste* as having occurred in the early phase of emigration from Romania – primarily with ethnic German migration. Throughout the 1990s and beyond, there was an increasing proportion of graduates amongst those who permanently migrated: this is presumably *brain overflow* leading to *brain drain*, but in rather small numbers up until the present. There is no evidence at this time of brain training (such as Romanians undertaking postgraduate education in EU countries),<sup>16</sup> of *brain circulation* or of *brain exchange*: these should be viewed as policy objectives, which require serious consideration by the Romanian state. A final category of *brain drain* has not obviously appeared, but warrants further investigation: this is *youth brain drain* (Baláz et al. 2004: 5). Given that the emigration intentions of Romanian students [see Table 4, above] are quite high, it matters greatly whether their future emigration falls into the category of simple loss of human capital or one of the other more positive types.

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<sup>16</sup> There is some limited academic mobility, but small numbers (300 per year), cited in Lăzăroi (2003a), Appendix 7

What of the mass circular migrations shown by Romanians in the last decade, particularly those going to Italy and Spain? All available evidence (see section 3.a.ii) suggests that few graduates participate in such migrations, and skill losses are minimal. Generally, emigration of low-skilled workers is likely to be beneficial for developing economies (World Bank 2006: 64) by reducing unemployment; it can also reduce underemployment and help to raise labour force participation. In the case of Romania, this appears to have occurred, given that unemployment rates are fairly low. Along with internal migration, which Sandu has shown is linked with external migration propensity, circular migration has also helped with poverty reduction in Romania. This is primarily through remittances, and has benefited a large swathe of Romanian society – with the notable exception of the poorest regions.

The actual level of recorded remittances has been increasing in aggregate – reaching some €2 billion in 2004 (EUbusiness, 04/08/2005) – whilst the level of individual remittances has declined (IOM 2005). This might suggest an increased participation in circular illegal migrations over the last few years, as a stable number of participants would presumably remit less in aggregate. However, there appear to be no data on source countries of remittances. Limited data from Italy for 2003 show only €6,9 million sent to Romania for that year (ISMU 2005): two explanations can be offered for the low figure. First, these are only formally recorded remittances, which frequently constitute a fraction of informal transfers, especially by illegal workers and between countries with geographical proximity; secondly, higher remittances may originate from the USA and Germany, where recent skilled emigrants have gone. It is likely that both explanations pertain, with very different patterns of remitting behaviour of temporary and permanent migrants.

Overall, the fears of brain drain are overshadowed by the positive effects on educational participation, remittances, and the apparently small number of university graduates who have actually emigrated. Bilateral recruitment agreements have also been important (see section 2.b) although such agreements seem to have been largely for semi-skilled and unskilled workers: however, they have potential for opening up temporary employment abroad for university graduates, in place of permanent emigration. Thus, the problem is more for the future – utilising the increased human capital which has been created – as well as actively encouraging brain training and brain circulation (Ackers, 2005). These are important aspects of government policy, which will be addressed in the concluding section.

#### **4 Immigration into Romania**

##### *(a) Data on immigration into Romania*

Since 1991 – no records were kept before that date – immigration into Romania has slowly but surely followed an upward trend. Figure 2 below shows the recorded data, along with a fitted trendline. The extrapolation suggests an inflow of 16,000 per year by 2007 – the probable date of Romania's EU accession: although this level of immigration may seem unlikely at this time, membership of the EU does constitute a pole of attraction for both legal and illegal immigration. Another projection, using nett migration, has been made by Kaczmarczyk and Okólski (2005: Table 4). They suggest an annual yearly increase of 4,2% increase in nett migration, such that by 2022

Figure 2  
Immigration dynamics in Romania



SOURCE: Constantin *et al.* (2004: Chart 12)

another 1,8% of the Romanian labour force would be immigrants. This level is the lowest projected for any CEE country in their forecasts, however.

From 1997 onward, the bulk of immigrants have come from the Republic of Moldova, although the first half of the 1990s had seen predominantly EU immigration into Romania – Germans, French and Austrians (Constantin *et al.* 2004: 52). The 2002 Census recorded significant numbers of Italians, Turks and Chinese, after Moldovans as the leading immigrant group. Table 6 below gives the principal immigrant nationalities found in the 2002 Census.

Table 6  
*Principal immigrant groups in Romania, Census 2002*

Country of origin	N	%
Rep. of Moldova	3.576	12,8
Italy	2.378	8,5
Turkey	2.344	8,4
China	1.943	7,0
Germany	1.767	6,3
Greece	1.681	6,0
Syria	1.180	4,2
USA	1.129	4,0
<b>TOTAL</b>	<b>27.910</b>	<b>100,0</b>

SOURCE: Constantin *et al.* (2004: 63)

However, it seems that the Census considerably under-recorded the presence of foreign nationals, who number 28.000 – only 0,13% of the total recorded population in 2002. Evidence to support this claim can even be found in official data, since the legally present immigrants in 2002 numbered 1.400 with permanent residence status, 50.100 with temporary residence permits and

another 16.400 registered for education or training (OECD-SOPEMI 2005: 260). Table 6 below gives a breakdown of principal nationalities with temporary residence permits. Although Moldovans are still the most numerous at 8.100 (more than double the Census figure), there are also very large numbers of Chinese and Turkish nationals, along with Italians, Greeks and Syrians. On average, 51% of the 66.500 came for business, with Chinese at 96% (OECD SOPEMI 2005: 261). Another source states that in 2002 about 30.000 legal immigrants (45%) were partners in mixed capital or foreign companies, 7.000 were experts or technical support staff, and 17.000 involved in education (Ethnobarometer 2004: II.4).

Table 7

*Stock of foreign nationals with temporary residence permits, 1999-2002*

Country of origin	1999	2000	2001	2002
Rep. of Moldova	6.900	8.200	7.600	8.100
China	6.700	7.100	7.500	7.600
Turkey	5.200	7.000	5.300	5.300
Italy	4.600	5.300	4.700	4.600
Greece	5.100	5.000	4.500	3.700
Syria	3.400	3.300	3.700	3.600
Others	14.100	16.000	16.600	16.500
<b>subtotal</b>	<b>44.100</b>	<b>49.600</b>	<b>49.800</b>	<b>50.100</b>
<i>Study reasons</i>	<i>17.800</i>	<i>19.800</i>	<i>16.600</i>	<i>16.400</i>
<b>TOTAL</b>	<b>61.900</b>	<b>69.400</b>	<b>66.400</b>	<b>66.500</b>

SOURCE: OECD-SOPEMI (2005: 260)

Yet another official source of data on immigrants – the *Authority for Foreign Persons*, in the Interior Ministry – calculated the immigrant presence in Romania at 72.859 for 2002. However, its figures over the period 2000-2003 chart a precipitous decline, shown in Table 8, below. Reconciling these different datasources is next to impossible, since the methods of data collection and processing are unknown. In particular, the spectacular decline shown in Table 8 is not easy to explain. Constantin *et al.* (2004: 64) suggest that it is directly linked with more effective policing of the borders, citing total refusals of entry in 2001 of 62.000, in 2002 of 81.000, and in 2003 of 80.000. If their suggestion is correct, then the tighter border controls can be seen as impacting mainly on illegal short-term or circular migrants – probably petty traders. The principal nationalities of those refused entry were Hungarians (33%), Moldovans (25%), Serbs (18%), Ukrainians (7%), Bulgarians (6%) and Turks (3%). The principal reason for refusal of entry was lack of a means of subsistence – some 57%, in 2003.

Table 8

*Number of aliens registered by the Authority for Foreign Persons*

	2000	2001	2002	2003
Non-EU	74.354	61.737	53.521	32.479
EU (15)	28.328	23.609	17.336	10.278
<b>TOTAL</b>	<b>102.682</b>	<b>85.346</b>	<b>70.857</b>	<b>42.757</b>

SOURCE: Constantin *et al.* (2004: Chart 10)

Asylum seeking, although still at low levels in Romania, showed a clear upward trend up until 2001, after which it dropped to half the level of that year. The principal nationalities of spontaneous asylum applicants are Iraqi, Somali, Indian and (only recently) Chinese. As of beginning 2004, Romania hosted some 2.000 refugees (UNHCR 2004). It should be noted that the number of asylum applicants in Romania is but a small fraction of Romanians applying for political asylum elsewhere in Europe (see section 2.f): this constitutes a rather strange case for a country about to accede to the EU. Table 9, below, shows the trend in asylum applications, 1994-2003.

Table 9  
*Asylum applications, 1994-2003*

1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
647	634	588	1.425	1.236	1.670	1.366	2.431	1.151	1.077

SOURCE: UNHCR (2004)

*(b) Policy issues*

Other than the 1991 legislative changes on refugees and asylum-seekers, almost all policy initiatives concerning immigration, emigration and border controls have been undertaken since 2000.<sup>17</sup> Arguably, all have been dictated by the EU *acquis*, as a precondition for Romania's accession to the EU (Simina, 2005) and have made a considerable change in the management of migration and borders. In particular, Government Ruling no. 802/2001 strengthened the border with the Republic of Moldova which now requires passports for its crossing (Lăzăroiu, 2003a: 82). This is reported as having led to serious tensions with the Republic of Moldova (Skvortova, 2004) along with allegations from Moldovans that it is both an encouragement of illegal migration and an incitement to acquire Romanian passports (Gheorghiu, 2004).

On the question of how many Moldovans actually hold Romanian passports, there seems to be little and contradictory information. Jandl (2003) estimates some 3.000 persons with dual citizenship, but emphasises the historical connections between the two countries and former ease of acquisition of Romanian nationality. Others, e.g. Simina (2002) note the phenomenon of forged Romanian passports being used by Moldovans. Clearly, the whole issue of nationality, identity and international borders between Romania and the Republic of Moldova is set to become problematic, even though at this time Romania allows visa-free entry of citizens of the Rep. of Moldova.

The use of Romania as a country of transit migration has been a focal point of adjustment to the EU *acquis*. Expert assessment tends to concur that most of the problems have either been solved, or are well on the way to a solution (Simina, 2002; Futo *et al.* 2005). Migration apprehension statistics for the 17 CEE countries show reductions of 20% in both 2002 and 2003, which can be interpreted as an indicator of success in limiting illegal frontier crossings (Futo *et al.* 2003: 40,51). In the case of Romania, the drop has been even more dramatic – from 32.000 apprehensions in 2001, to 3.000 in 2002. However, most of this relates to Romanian citizens, who benefited from the visa-free Schengen movements from 2002. There do remain, therefore, questions about the extent of transit migration and illegal immigration into Romania, as forged documents and other modes of entry are increasingly being used.

<sup>17</sup> See Lăzăroiu (2003a: Appendix 2) and Constantin *et al.* (2004: 28 + Appendix) for details

Insofar as the number of immigrants on Romanian territory is concerned, we should be sceptical about the very low (and contradictory) figures available from state agencies. Romania has a flourishing black economy, an intimate historical-cultural link with Moldova, and probably employs rather more illegal immigrant labour than Romanian state authorities currently admit to. In the absence of detailed empirical studies of the informal labour market, it is not possible to say much more on this point. However, it is very likely that the real extent of immigrant presence in Romania is considerably higher than current estimates. This is relevant for future inflows, most particularly upon EU accession, as they are likely to be extremely high. Such inflows, taking the examples of other new EU countries, will consist of all forms of migration – asylum-seeking, illegal entry, forged documentation, visa-overstayers, *inter alia*. Thus, Romania will need to be ready for hitherto unknown levels of immigration pressures.

## 5 Policy directions – Scylla and Charybdis

As outlined in the Introduction, Romania has been highly aware of the imperatives of adjustment to the EU *acquis*, and has made significant progress in so doing since about 2000. These changes include the establishment of border controls (both entering and exiting Romania), asylum law, immigration law, and from 2006 Romania plans to implement fully the EU visa regime (Constantin *et al.* 2004: Appendix 2). Visa restrictions *vis-à-vis* Turkey and the Ukraine have been implemented since 2003. It is also noteworthy that Romania has made some attempts to control the exit of Romanians to the Schengen zone, with a large number of exit refusals since 2001 and more recently the confiscation of passports from those who broke the Schengen 3-month tourism duration (see section 2.b, above).

Whilst most – if not all – of these actions were a necessary burden for EU accession, they also have costs attached to them. The circular migration of Romanians, as we have shown, is economically beneficial, both in terms of remittances and the Romanian labour market. The implementation of asylum mechanisms is costly, with no obvious economic benefit; and the visa restrictions imposed on regional neighbours is an impediment to cross-border economic activity as well as damaging to Romania's foreign relations. The introduction of a labour immigration mechanism may well prove useful in the near future, but at this time looks suspiciously like a bureaucratic formality.

### *The nature of Charybdis*

While Scylla has been highly visible, Charybdis is merely lurking unseen in deeper waters. There are several aspects of these unseen dangers – labour market management and economic development; demographic shift and its implications; and regional economic and foreign relations. Taking first, the labour market issues. So far, Romania has survived with a non-policy of labour market management; the result has been limited skilled emigration, mass circular migration, and a functioning but uncompetitive labour market. Without the introduction of strong policy, the *status quo* is unlikely to continue: there is the danger that youth skilled emigration will escalate out of control, that returning migrants are excluded from the labour market, and that the gain in human capital over the 1990s turns into a clear *brain drain*. The policy direction needed, is one that simultaneously opens up the labour market to real competition whilst conceding that there will

probably be significant *brain overflow* through lack of high skilled employment opportunities. Therefore, a complementary policy is needed – an internationalization – of promoting educational mobility, job mobility and scientific exchanges across borders [*brain training, brain circulation and brain exchange*]. Concrete policy proposals in this area are not easy to achieve, and will require real political determination: without this, Romania is unlikely to make significant economic progress.

The demographic shift has not gone unnoticed (e.g. SAR, 2003), but the usual solutions proposed are not generally effective. For example, how does a state promote fertility rates? Or a reduced dependency ratio? Whereas many EU countries have serious structural problems with demographic shift, in the case of Romania the solution lies more obviously in economic development. With higher participation rates, raised worker productivity levels, reduced circular migration, there should not be great problems with ageing of the population. However, without the reforms outlined above, it is probable that the demographic shift will actually exacerbate any economic failings.

The third main attribute of Charybdis's character consists of the potential damaged regional relations, with non-EU countries. These are already evident with the Republic of Moldova, and presumably will deteriorate further when the EU visa regime is implemented by Romania. Cross-border economic activity is particularly important between North Eastern Romania and Moldova, and seems to have been impeded. Suitcase trading and small business activity, particularly involving Turks, appears to have been disrupted by visa and immigration controls; whilst EU asylum rules have started to attract people from more distant regions, who have little to offer economically. Both regional trade and investment are likely to be important for Romania, although FDI and trading from the EU are obviously important opportunities.

#### *Some general conclusions*

Thus, whilst EU accession is important for Romania, and does provide a sense of direction for economic progress, there are no specific guides to assist Romania in what will doubtless turn out to be an idiosyncratic journey. However, some conclusions might be drawn. First, the key to emigration and immigration in Romania lies in skill levels: both Romanian emigrants and immigrants in Romania exhibit highly polarized skills, with few in the middle range. This contradiction is somewhat unusual, and suggests serious dysfunction in the labour market. Labour market reform looks essential.

Secondly, the experiences of Greece look relevant. Greece experienced massive emigration in the 1960s [some skilled, mainly unskilled] and in the 1970s return migration. Many of the returnees found that their skills were not usable, because of employment mechanisms which favoured connections over skills. In fact, generally the low-skilled in Greece found it easier to get highly paid employment, through political favours. Greece also experienced in the 1980s low unskilled/semiskilled immigration alongside highskilled EU immigration, all co-existing in a highly segmented labour market. With the mass immigration of Albanians in the 1990s, Greece suddenly acquired an immigrant population of nearly 10%. Although creating their own jobs, and filling unfilled vacancies, the Albanian immigrants may have inadvertently impeded economic development. Greek workers moved to higher positions, little capital investment was made, and

productivity gains were the result of cheap labour rather than economic progress. Now, Greece is unable to compete with other EU production systems, and is both quality and price uncompetitive. The analogy is with the Republic of Moldova – whose nationals constitute the main potential source of immigration into Romania.

Finally, it is almost inevitable that membership of the privileged economic club of the EU will make Romania a gateway for illegal migrants, asylum-seekers, false tourists, and every other type of migration imaginable. The cost of administering controls will be high, and the social shock of adjusting to mass immigration could also be high. It is vital that this negative aspect of EU membership is counterbalanced by economic development and improvements in quality of life for the Romanian people.

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## APPENDIX

### Demographic characteristics of permanent emigrants,<sup>1</sup> 1990-1999, Romania

Percentages



SOURCE: OECD SOPEMI (2002)