

THE INTERNATIONAL MIGRATION AND ITS EFFECTS AT THE EUROPEAN AND NATIONAL LEVEL

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Abstract: In the following, the author proposes to analyze the context of the workforce migration, as well as the remittances, a phenomenon occurring in parallel with the population migration. The thesis starts with the description of the determining factors of a person that decides to leave his/her native country. The author also presents some general aspects on migration and remittances, emphasizing at the same time the impact of the remittances on the economic development of a country. The immigrants and their families are key-factors in the economic growth as long as the remittances are efficiently used, not only for consumption, but more for investments, savings or the development of entrepreneurship, which emphasizes and brings forward the financial inclusion of these population segments, that is the immigrants and their families. Romania that meets the economic conditions of being considered the source of migration is presented as an example

JEL classification: O15, F22, F24

Key-words: workforce migration, remittances, temporary migration, factors of the migration, employed population.

1. INTRODUCTION

The migration can be presented as a spatial phenomenon because it implies, for a different period of time, the change of place of residence of an individual. The international migrant is characterized as the person living in a different country from the native one.

The migration is a reality that will persist as long as there are differences in terms of development and well-being between different states of the world. This process can represent a chance because it is a factor of economic and human exchanges, but also because it allows people to achieve their aspirations.

The migration has changed over time, from a regional process, determined by natural, social, political or economic factors, into a global phenomenon, currently affecting a significant part of the population. All countries are in international migration flows, with the characteristic of being the place of origin, transition or destination or, in many cases, all of these at the same time. People will continue to migrate as long as there will be demand for labor in the developed countries. As a consequence of migration, remittances have appeared and one may say that they are deeply rooted in human history, and the importance and their economic benefits have been noticed along the time.

2. LITERATURE REVIEW

European Commission for Migration Issues states in what international migration is concerned that it "should become an integral part of national, regional and global economic growth strategies in both developed and developing countries." As far as the "brain migration" is considered in developing countries, Lowell et al (2004) consider it a real risk. Anghelache, Nita and Badiu (2016) study the impact of migration on economic development, focusing on remittances - "an important and stable source of external funds". The subject of migration is also approached by Hatton (1995), Haas (2011) and Das (2012), which analyzes the decisive factors that influence the decision of the person to migrate to another country that offers economic advantages compared to the country of belonging, taking into account the comportment of the migrant and the effects of this comportment at the macroeconomic level. Reference papers in the study of migration, together with economic models of migration, are elaborated by Harris and Todaro (1970).

3. RESEARCH METHODS

In this research, we used a mix of research methods in order to analyze the labor migration and the effects of remittances on economies. Thus, the following methods has been used in this study: hypothesis, analysis, comparison and synthesis, in order to research and elucidate the phenomenon of labor migration.

An extensive documentation has been made in the first part of our research, continued by selecting and systematizing the bibliographic sources, these being the basis of the theoretical constitution of the paper. The method of analysis was used mainly for creating the theoretical part. Thus, we analyzed the fundamental concepts related to the chosen research theme: labor migration, determining factors of migration, remittances, temporary migration, and then, through the synthesis, we chose what we considered to be relevant for our research, developing our own opinion.

Furthermore, we continued by concluding an analysis of the influx of ideas on labor migration, their remittances and their effects at European and global level, highlighting in the article the most relevant approaches under the international specialized literature.

3.1. DETERMINING FACTORS OF THE MIGRATION

Europe, with 78 million migrants registered in 2017, is an important source of migration. Worldwide 67% of international migrants come from the continent, which is also the host for them.

According to the United Nations, migrants settle in countries close to the region where they were born, as a significant percentage of 67% of international migrants from Europe choose destinations that are close to their native home on the continent.

The international migrants tend to move to developed countries with higher incomes, globally there have been 165 million international migrants¹ living in high-income states.

The motivations of migration can be stylistically described as a combination of social, ethnic and political factors. However, labor migration becomes the main reason for relocation for most migrants from Eastern Europe and Central Asia. This labor migration was generally understood as being determined by the differences between the remuneration obtained in one job or another, either in the native country or another nation different from the natal one when we refer to international labor migration.

¹United Nations, *The International Migration Report 2017*

Table 1. Motivation for migration

	Push factors	Pull factors
Economic and demographic	Poverty Unemployment Low wages High fertility rates Lack of basic health and education	Prospects of higher wages Potential for improved standard of living Personal or professional development
Political	Conflict, insecurity, violence Poor governance Corruption Human rights abuses	Safety and security Political freedom
Social and cultural	Discrimination based on ethnicity, gender, religion, and the like	Family reunification Ethnic (diaspora migration) homeland Freedom from discrimination

Source: World Bank

As the table shows, the reasons why migrants decide to leave their native country are diverse, and the factors that favor the decision to leave or stay in their country of origin are topics of an ethnic, social and political nature.

Even if the wage discrepancies from one country to another are of particular importance in the decision to leave the country, the migrant thinks of a succession of social and political factors such as respecting freedom, law and human rights. There are also cases in which the migrant decides to bring his family with him, taking into account the social factor of family reunion or restart of the relationship with friends.

3.2. ASPECTS ON THE MIGRATION PROCESS AT THE GLOBAL LEVEL

According to the OECD, 5.3 million migrants left their countries of origin in 2018 to settle in developed countries of the world. A report published by this organization shows that last year the number of migrants increased by 2% compared to year 2017. The causes of migration vary, but the target is the same, namely the developed countries of the world, in which 5.3 million people who left their home countries chose to move.

Last year, the United States was the first destination of migration, the second place being Germany, and most people left China, Romania, India, Poland, Vietnam, Mexico and Syria. The largest part of the migrants consists of those who chose to settle in another country to join the family already settled in the respective country or for work-related reasons, while the migration for political or humanitarian reasons has significantly decreased, by 35 % compared to 2017, with only one million asylum applications being submitted in OECD countries, mainly by citizens from Syria, Afghanistan, Venezuela and Iraq.

An important category is represented by the ones who temporarily migrate for several weeks to a few years sent by their companies for work purposes, representing five million in 2017. The employees move the most between European countries, Poland is on the first place one as a destination for workers who temporarily migrate to work. In this state, workers in Ukraine are especially attracted, because the Polish state has amended the legislation specifically for them, as well as for the workers in Belarus.

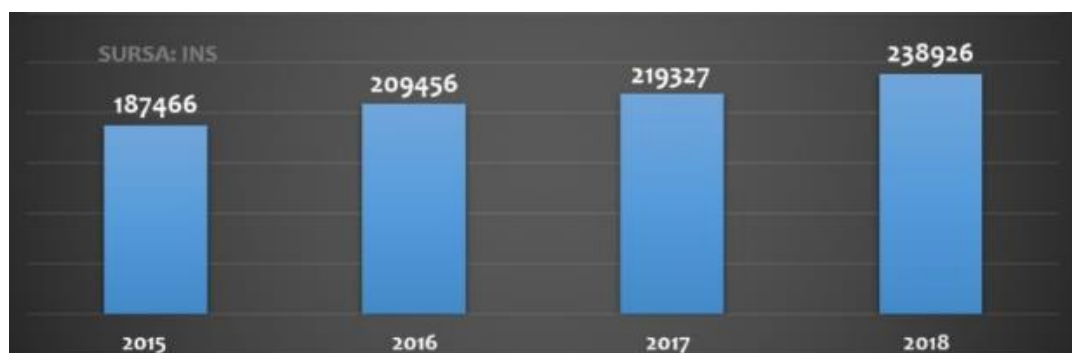
Another important category of temporary migrants is represented by foreign students in the developed states, whose number increased in 2018 with more than 7% reaching 3.5 million, the preferred destination being the United States. Almost 500 thousand people emigrated from Romania last year according to data of the Organization for Economic Cooperation and Development. Most Romanians(54%) reached Germany,

followed by the United Kingdom with 12% and Italy with 10%. In terms of migration to Romania, most people arrived from the Republic of Moldova, China and France.

3.3.PARTICULARITIES OF THE ROMANIAN MIGRATION IN 2018

According to the data of the INS², the migration of Romanians increased in 2018, reaching 239,000 Romanians who left out of the country up than 12 months. From 2010 until now the number of temporary emigrants is the highest, being the fifth consecutive year of growth. The large number of men who emigrated is significant as, as stated by the statistics from the National Institute of Statistics, there are 47% more men than women who emigrated.

In 2018, the number of long-term temporary emigrants was 238,926, increasing by 19,599 persons compared to last year. According to the statistical data from the last decade, the migration of Romanians has been the largest since 2010 until present. Compared to 2015, the number of emigrants had an increasing trend, reaching 51,460 people, which means a percentage of 27.45%



Source: National Institute of Statistics

Figure no.1 Long-term temporary migration

The nearly 239 thousand registered people who left the country in 2018 represent the same amount of population in a city like Ploiesti. The migration from 2018 was lower compared to the one from 2009, when Romania went through an economic crisis that determined the leave of 246,626 people in one year only, according to the National Institute of Statistics.

The data on long-term temporary migration in terms of gender split show that more and more men are leaving the home country. As compared to earlier years, their number was slightly higher than for women, for 2018 there was a considerable difference of 45,696 people, representing 47.3% more men who emigrated. From 2015 and until January 1, 2019, 885,175 Romanians left the country, that is 4.4% of the resident population of Romania.

In June 2019, the European Commission published a report showing that Romania could lose 40% of its population, especially the active population, in the event that the migration to the European Union would double. The study on the demographic scenarios shows that the consequences of such an exodus of the brains, of the educated and qualified

² National Institute of Statistics

people, has a direct demographic effect in Romania. If the scenario were to become true, the Romanian diaspora would be larger than the population in the country of origin.

3.4. EFFECTS OF REMITTANCES ON THE COUNTRIES OF ORIGIN

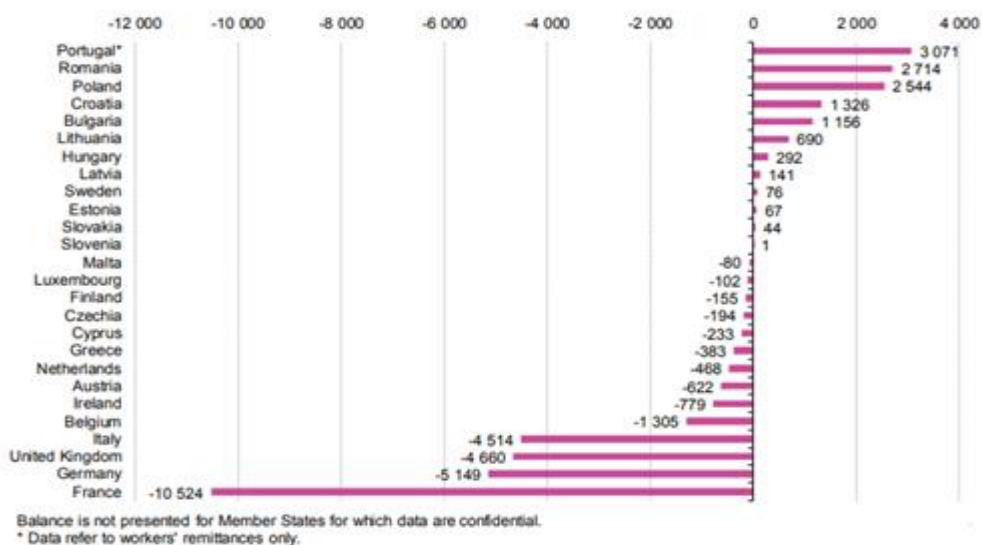
The first law on the protection of remittances was issued in Italy in 1901, and later, in 1960, Argentina and Spain signed an international treaty to reduce the costs of remittances. At the same time with the evolution of technology, the remittance market has also progressed, today there are various mechanisms of money transfer, having as direct beneficiary the migrant's family and this one. Under to World Banks, remittances are sources of more stable external funds than the development funds or capital flows.

Table no.2 Personal transfers in the European Union (in € billion)

	2013	2014	2015	2016	2017	2018
Extra-EU balance of personal transfers	-19.0	-19.5	-20.5	-21.5	-21.7	-24.6
Extra-EU inflows	10.4	10.6	11.1	10.2	10.9	10.9
Extra-EU outflows	29.4	30.1	31.5	31.7	32.6	35.6
Intra-EU flows	14.0	13.6	14.0	14.6	15.5	15.5

Source: Eurostat

According to Eurostat data in 2018, the of money that was sent by European Union residents to non-EU countries, mentioned in the table above, personal transfers amounted to 35.6 billion euro, compared to 32.6 billion euro in 2017. The transfers to the European Union amount 10.9 billion euro in 2018, unchanged comparing to 2017. This led to a negative balance (-24.6 billion euro). Most personal transfers represented money sent by migrants to the country of origin.



Source: Eurostat

Figure 2. Balance of personal transfers in EU Member States,2018 (intra- and extra EU; in € million)

According to Eurostat data, the largest surplus in personal transfers was in Portugal, and the largest deficit in France. In what the member states of EU are concerned and for which statistical data were published, the flows of personal transfers registered in 2018 reached the highest threshold in France (11.4 billion euro), followed by Spain (7.7 billion euro), The United Kingdom (7.0 billion euro), Italy (6.5 billion euro) and Germany (5.2 billion euro).

By contrast, the largest entries were registered in Portugal (3.6 billion euro, followed by Romania with 3 billion euro, Poland (2.9 billion euro), the England (2.3 billion euro) and Italy (2 billion euro).

Therefore the largest surpluses of personal transfers registered in 2018 were: Portugal (+3.1 billion euro) in second place Romania (+ 2.7 billion euro) and third place Poland (+2, 5 billion euro), while the largest deficit was recorded in France (-10.5 billion euro), preceded by Germany (-5.1 billion euro), the England (-4.7 million euro) and Italy (-4.5 billion euro).

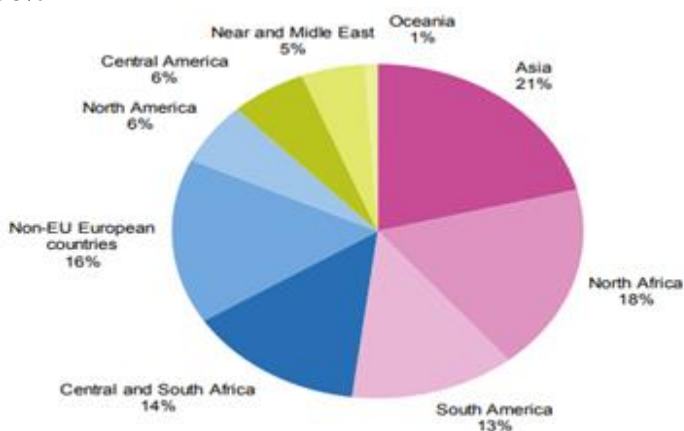
Personal transfers outside the European Union registered in 2018 were mostly directed to Africa and Asia.

In 2018, the highest share of EU entry in total flows of personal transfers was registered in Slovakia with 99%, Hungary 90%, Luxembourg and Romania with 89%, Poland with 85% followed by Sweden with 83 %.

Outflows recorded outside the European Union justified approximately three quarters of the total inflows recorded in France at 74% and about two thirds for Malta at 63% and Belgium at 61%.

The highest proportion of external transfers within the European Union was represented as follows Slovakia (97%), Luxembourg (88%), Ireland (79%) and Finland (70%) .

For transfers outside the European Union the highest rates were observed in Slovenia 88%, Belgium 85%, Italy and Poland with 83%, Holland and Portugal with 82% and France with 78%



Source: Eurostat

Figure no.3 Geographical allocation of extra-EU personal transfers,2018

Personal transfers outside the European Union were mostly directed to Asia with 21% of all non-EU outflows, followed by North Africa with 18%, non-EU countries with 16%, while Central and South Africa measured 14% and South America measured 13%.

4. CONCLUSIONS

The migration process will continue and will be maintained for as long as in the home countries of the migrants there will be economic imbalances, high unemployment, low wages, low living standards, poor education and corruption.

Migrants will seek make ends meet, to improve their standard of living and to have material protection for themselves and their families. But at the same time, they will seek to develop on a personal and professional level and, as long as their requirements will not be satisfied by the economy of their home country come, they will make the decision to leave their origin country, permanently or temporarily, seeking to move to countries where they might have higher income.

In developing countries, the remittances are a mechanism for poverty reduction and economic growth. As they represent significant source of income for migrant families, they and the migrants play a decisive role for the economy of the native country, as well as for the destination country.

The migration phenomenon has positive effects in the first years after the migration, taking into account the remittances sent to the home country but it has negative effects on a long-term perspective because families rejoin in the country of destination not in the country of origin and, as a consequence, remittances no longer exist. The phenomenon is obvious as the latter were sent to the rest of the family in the home country. Romania has been dealing with a rising trend in terms of migration and remittances but this will not continue for long because the Romanian families are constantly reuniting in the destination countries and not in the country of origin. Therefore, the population of Romania decreases by the day, the birth rate is declining.

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