

THE SOCIO-ECONOMIC EFFECTS OF LABOR MIGRATION IN ROMANIA

Teodora Odette BREAZ^a, *Georgiana TRIF*^{b*}, *Ioana Andreea CILOMIC*^c,
Mohammad JARADAT^d, *Teodor Florin CILAN*^e

^{a, b, c} "1 Decembrie 1918" University, Alba Iulia

^b "Babeş-Bolyai" University, Cluj Napoca

^d "Bogdan Vodă" University of Cluj-Napoca, Cluj-Napoca

^e "Aurel Vlaicu" University of Arad, Arad

ABSTRACT

The migration of Romania's labor force has been a defining feature of the country's socio-economic landscape, with significant implications both domestically and internationally. This paper investigates the socio-economic effects of labor migration, with a focus on the interconnectedness between the Romanian economy, society, and its migrant workforce. A key factor driving migration is the disparity between wages and employment opportunities in Romania compared to Western Europe. While the economic benefits of migration, such as remittances, have provided a financial lifeline for numerous households and contributed positively to national economic indicators, the long-term consequences present challenges that are often overlooked.

The emigration of skilled professionals, known as "brain drain," has caused a notable gap in key sectors such as healthcare, education, and technology, exacerbating Romania's labor shortages and stalling innovation. Additionally, labor migration has reshaped the social fabric of Romanian communities. Families are increasingly separated, with significant psychological and emotional effects on children and elderly family members left behind, leading to evolving demographic structures and strained social support systems.

This paper also discusses the policy responses that have been implemented to address these issues, examining their effectiveness and proposing new strategies. The analysis highlights the complex balance between the short-term economic benefits of migration and the long-term socio-economic costs, suggesting that a more comprehensive approach to managing labor migration could help Romania capitalize on its diaspora while simultaneously addressing the detrimental effects of workforce depletion. By leveraging policy reforms, such as investment in education and employment opportunities, Romania could mitigate the adverse effects of migration and enhance its overall socio-economic resilience.

This extended analysis aims to contribute to the broader debate on labor migration, offering insights into how countries like Romania can navigate the opportunities and challenges presented by the global movement of their workforce.

KEYWORDS: *labor migration, migrant workforce, Romanian economy, socio-economic effects.*

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* Corresponding author. E-mail address: teodora.breaz@uab.ro.

1. INTRODUCTION

Labor migration has emerged as a significant global phenomenon, shaped by intricate socio-economic, political, and cultural factors. In recent decades, Romania has witnessed a notable increase in outward migration, particularly following its accession to the European Union (EU) in 2007. This trend is primarily driven by economic disparities between Romania and Western European nations, where wages and job opportunities are considerably more appealing. The migration of Romanian labor, especially skilled professionals in sectors such as healthcare, engineering, and information technology, has led to a phenomenon commonly referred to as "brain drain" (Iacob, 2018). This trend, characterized by the emigration of educated and skilled individuals in search of better prospects, has profound implications for Romania's socio-economic landscape, affecting innovation, labor availability, and overall productivity. (Andr n & Roman, 2016).

The impact of this labor migration is multifaceted. On one hand, remittances sent by Romanian migrants play a crucial role in supporting families and local communities left behind. These remittances have become a vital source of income for many households in Romania, often exceeding local earnings, thereby positively influencing national economic indicators and enhancing local economies (Noja & P nzaru, 2021). Conversely, the outflow of skilled labor has created significant gaps within Romania's workforce, contributing to labor shortages in essential sectors and hindering the country's growth and competitiveness within the European market (Arpaia et al., 2016).

The social implications of migration are equally profound, altering community structures and family dynamics. Long-term separation from loved ones can lead to psychological and emotional strain, particularly affecting children and elderly family members who remain in Romania (Nedelcu, 2017). This situation not only impacts individual well-being but also influences demographic trends, as entire communities face shifts due to the departure of younger generations (Levitt & Lamba-Nieves, 2011). Consequently, Romania is confronted with an aging population and strained social support systems, intensifying the socio-economic challenges associated with labor migration.

As Romania navigates the complexities of migration, the need for effective policy responses has become increasingly critical. Research suggests that the country could benefit from policies aimed at retaining skilled workers through educational investments and job creation in key sectors (P coud, 2020). Additionally, encouraging return migration, particularly among those who have acquired valuable skills abroad, could help mitigate some negative impacts of brain drain, reinvigorating Romania's economy and fostering socio-economic resilience (Vincze & Balaban, 2022).

This article will explore the drivers, patterns, and impacts of Romanian labor migration, drawing on global migration trends and focusing on the economic, social, and political dimensions. By examining the causes and consequences of migration, as well as potential solutions, this research aims to provide insights into the challenges and opportunities presented by labor migration for Romania and similarly affected countries.

2. LITERATURE REVIEW

2.1 Global labor migration

Migration has historically transformed societies and economies worldwide. Today, factors such as economic disparities, political instability, and environmental changes are intensifying migration flows, while advancements in transportation and global communication facilitate movement (Archdeacon, 1995). According to the United Nations, approximately 281 million international migrants represent about 3.6% of the global population. This movement encompasses both voluntary migrations, where individuals seek better economic or educational opportunities, and forced migrations due to conflict, persecution, and environmental crises (Taylor, 1999).

Migration yields distinct benefits for both sending and receiving countries. Remittances bolster economic stability in sending nations, while receiving countries often address labor shortages and gain cultural diversity (Levitt & Lamba-Nieves, 2011). However, challenges such as "brain drain" in sending countries and integration difficulties in receiving nations underscore the necessity for comprehensive policies (Iacob, 2018). Frameworks like the UN's Global Compact for Safe, Orderly, and Regular Migration advocate for cooperative approaches that address migration's complexities, balancing benefits with the need for social cohesion (Massey et al., 1993).

2.1.1 Drivers of global migration

The motivations behind migration are diverse, encompassing economic, social, political, and environmental factors that influence both voluntary and forced movements across borders.

Economic Factors: Economic drivers are among the most significant reasons for migration. Individuals often seek higher wages and better job opportunities abroad, particularly when prospects are limited in their home countries. Wage disparities between nations significantly motivate individuals from low- and middle-income countries to migrate to wealthier ones in search of improved living standards (Iacob, 2018). In sectors like healthcare and technology, the demand for skilled labor in wealthier nations continues to attract migrants, benefiting host countries while sometimes depleting the workforce in sending nations (Ager & Strang, 2008).

Political Factors: Political instability, including conflict and human rights violations, compels individuals to seek safety in other countries. Refugees and asylum seekers, driven by threats to their lives, leave home in pursuit of protection under international frameworks. Political factors have thus generated forced migration patterns, contributing to some of the largest contemporary migration waves (Balaban & Huțuleac, 2021).

Environmental Factors: Environmental challenges increasingly influence migration as climate change accelerates. Extreme weather events and resource depletion force communities to relocate. For instance, small island nations face existential threats from rising sea levels, while agricultural communities contend with deteriorating crop yields, pushing people toward more sustainable environments (Noja & Pânzaru, 2021).

Social Networks and Family Reunification: Social networks significantly impact migration decisions, with family ties and established diaspora communities providing essential support systems in destination countries. These networks facilitate transitions by offering resources and emotional support, making migration more accessible and sustainable. Family reunification is another social driver, where migrants seek to join family members abroad, perpetuating migration flows (Nedelcu, 2017; Levitt & Lamba-Nieves, 2011).

Understanding these drivers is crucial for policymakers and stakeholders to develop targeted strategies that manage migration effectively, recognizing both the opportunities and challenges it presents.

2.1.2 Romanian labor migration

Migration has profoundly influenced Romania's socio-economic landscape, particularly after the country joined the European Union (EU) in 2007, which facilitated labor mobility across Europe. Since this accession, Romania has experienced one of the highest rates of out-migration among Eastern European nations, primarily driven by economic motivations and the pursuit of better living conditions (Andrén & Roman, 2016). This migration trend has significantly altered the dynamics of the Romanian workforce, with many citizens, especially those possessing higher education and skills, seeking employment in countries such as Germany, Italy, Spain, and the United Kingdom (Iacob, 2018; Noja & Pânzaru, 2021). The economic transition following the fall of communism in 1989 has further contributed to these migration patterns (Archdeacon, 1995). The rapid shift from a state-controlled to a market-based economy resulted in economic instability, high unemployment rates,

and wage disparities, prompting many Romanians to seek work abroad. (Nedelcu, 2017). While remittances from abroad have provided essential financial support to families and communities, boosting local economies—particularly in rural areas—the loss of skilled labor and the long-term effects of family separations pose significant challenges to Romania’s socio-economic structures (Balaban & Huțuleac, 2021).

Over time, migration has evolved from being primarily an economic decision to one influenced by social and familial factors. Established diaspora communities across Europe facilitate the migration process, enabling new migrants to integrate more easily and access resources, housing, and job opportunities (Favell, 2008). These networks not only strengthen migration flows but also often discourage permanent return to Romania (Andrén & Roman, 2016). While the immediate economic advantages of migration are evident, the long-term implications raise concerns about the country’s development, particularly due to the outflow of highly educated and skilled workers, which has resulted in labor shortages in critical sectors such as healthcare, engineering, and education (Nedelcu, 2017; Balaban & Huțuleac, 2021).

Tabel 1. Statistics regarding labor migration in Romania

STATISTIC	VALUE	DETAILS
Total Emigrants (2007-2021)	3.4 million	Total number of Romanians who emigrated between 2007 and 2021.
Percentage of Population Living Abroad (2020)	20%	Percentage of Romania's population estimated to be living abroad in 2020.
Emigration in 2022	180,000	Number of Romanians who emigrated in 2022 alone.
Remittances (2021)	\$6.7 billion USD	Total remittances sent by Romanian migrants back home in 2021.
Percentage of GDP from Remittances (2021)	2.5%	Share of remittances in Romania's GDP for 2021.
Top Destination - Italy	1.2 million	Number of Romanians living in Italy, the largest Romanian diaspora community in Europe.
Top Destination - Spain	1 million	Number of Romanians living in Spain, a major destination for migrants.
Top Destination - Germany	800,000	Number of Romanians residing in Germany as of 2021.
Top Destination - United Kingdom	400,000	Number of Romanians living in the UK after labor restrictions were lifted in 2014.
University Degree Holders among Emigrants	45%	Percentage of Romanian emigrants who hold a university degree or higher.
Average Age of Migrants	25-40 years old	Age range of most Romanian migrants, representing the working-age group.
Percentage in Temporary or Seasonal Work	25%	Share of Romanian migrants engaged in temporary or seasonal work in the EU.

Source: Eurostat (n.d.), INS (n.d.), WHO (n.d.), (Andrén & Roman, 2016), (Pripoaie et al., 2022)

2.2 Drivers of migration from Romania

Economic factors are the primary drivers of migration from Romania, as many individuals seek better employment opportunities and higher wages in Western European countries. The wage disparities between Romania and nations like Germany, Italy, and the UK make migration an appealing option for those aiming to improve their economic situation. (Archdeacon, 1995; Arpaia et al., 2016). This migration often serves as a strategy to escape limited job opportunities and economic instability, particularly in rural regions where underemployment is more pronounced. In addition to economic motivations, social factors significantly facilitate migration (Favell, 2008). Family reunification is a common reason for movement, with individuals joining relatives who have already established themselves abroad. The presence of strong Romanian diaspora communities in countries such as Spain, Italy, and Germany provide essential support networks that offer housing, job opportunities, and a sense of community (Pécoud, 2020). These networks help mitigate the initial challenges of relocation, making the prospect of living abroad more feasible. Political factors, particularly those related to Romania's EU membership, have also significantly influenced migration patterns (Ambrosini et al., 2011). EU policies promoting free movement have enabled Romanians to access labor markets across Europe without the need for work permits or visas, allowing many to pursue better economic prospects in countries with higher living standards (Nedelcu, 2017). Consequently, the freedom to live and work anywhere within the EU has transformed migration into a more accessible and widespread phenomenon, reinforcing the trend of Romanian migration toward Western Europe (Mitrică et al., 2019).

2.2.1 Patterns of migration in Romania

Migration patterns from Romania are diverse, encompassing both temporary and permanent flows. Temporary migration often manifests as seasonal and circular migration, particularly in sectors such as agriculture and construction (Taylor, 1999). Workers frequently travel to countries like Spain and Italy during specific periods to fulfill seasonal labor needs, such as fruit picking and harvesting (Pripoaie et al. 2022). These migrants typically return to Romania after their contracts end, often repeating this cycle over several years, which allows them to earn higher incomes while maintaining ties to their home country (Nedelcu, 2017). Conversely, a significant portion of Romanian migration involves permanent relocation, particularly among highly skilled professionals. The main destinations for Romanian migrants include Italy, Spain, and Germany, reflecting a preference for countries with established Romanian communities and favorable labor markets (Taylor, 1999). Despite their qualifications, many Romanians find themselves in lower-skilled jobs that do not align with their education or professional background, partly due to language barriers and difficulties in credential recognition (Mitrică et al., 2019). This dual trend of temporary and permanent migration has significant implications for Romania's socio-economic structure. While temporary migrants often bring back savings that stimulate local economies, the permanent loss of skilled professionals poses long-term challenges for maintaining quality healthcare and education systems (Levitt & Lamba-Nieves, 2011). Moreover, the pattern of accepting lower-skilled employment abroad highlights a disconnect between Romania's educational system and the opportunities available in its domestic labor market, prompting many to seek better prospects elsewhere.

2.2.2 Patterns of migration in Romania

The socio-economic impacts of migration on Romania are multifaceted, encompassing both positive and negative dimensions. On the positive side, remittances sent by Romanians working abroad play a crucial role in supporting local economies and reducing poverty, particularly in rural areas. These remittances serve as a vital income source for families, helping to fund household expenditures, education, and small business ventures, thereby stimulating local economic activity (Balaban & Huțuleac, 2021). However, the emigration of skilled professionals presents significant challenges, as

the departure of doctors, nurses, engineers, and educators has led to acute labor shortages in key sectors, hampering the country's ability to maintain quality services (Nedelcu, 2017). In addition to economic effects, migration has profound social impacts, particularly on family structures and social cohesion. Family separation is a common consequence, with parents often leaving their children in Romania under the care of relatives while they work abroad (Nedelcu, 2017; Pécoud, 2021). This situation can create emotional and psychological challenges for children, who may struggle with feelings of abandonment during critical developmental years (Taylor, 1999; Favell, 2008). The elderly, often tasked with raising these children, face increased social isolation and challenges in their caretaking roles. The social implications extend beyond immediate families, affecting broader community dynamics (Pripoaie et al., 2022). The absence of a substantial working-age population in many rural areas weakens local social structures, complicating efforts to maintain communal ties and traditions (Vincze & Balaban, 2022). Additionally, the return of migrants can sometimes create tensions, as those who have lived abroad bring back new expectations and values that may not align with traditional community norms (Ager & Strang, 2008). Despite these challenges, migration can also foster a transnational perspective among many citizens, promoting a sense of European identity and broadening horizons. Some migrants return with new skills, entrepreneurial ideas, and investments that positively impact local communities (Ambrosini et al., 2011). Nonetheless, the balance of these socio-economic effects remains complex as Romania navigates the dual challenge of harnessing migration benefits while mitigating its adverse consequences (Török, 2017).

3. CONCLUSIONS

In conclusion, labor migration from Romania is a complex phenomenon influenced by various economic, social, and political factors, each contributing to a pattern of movement that has reshaped the country's socio-economic landscape. Economic drivers, such as the search for better wages and employment opportunities in Western Europe, play a central role in motivating Romanians to leave their home country. Social dynamics, including family reunification and the support provided by established diaspora networks, facilitate this process. Political factors, notably Romania's integration into the EU and the freedom of movement it affords, have further accelerated these migration flows. The impacts of this migration are significant and dual-sided. On one hand, remittances sent back by migrants provide critical financial support to their families and communities, helping to alleviate poverty, especially in rural areas. On the other hand, the large-scale emigration of skilled professionals has led to critical labor shortages in key sectors such as healthcare, education, and technical fields. This "brain drain" poses long-term challenges for Romania's economic growth, innovation capacity, and public service delivery, making it necessary to develop targeted responses to retain talent and attract returnees. Addressing the multifaceted drivers and impacts of migration requires a nuanced understanding of the factors at play and a commitment to crafting effective policy solutions. Romania's path forward involves both reducing the push factors that drive citizens abroad and maximizing the positive contributions of its diaspora community. Policies aimed at improving education, creating more job opportunities, and supporting the reintegration of returning migrants are crucial for building a more robust domestic labor market. Additionally, fostering stronger ties with the Romanian diaspora can create avenues for investment, knowledge transfer, and economic collaboration, allowing the country to tap into the potential of its global workforce. In an increasingly interconnected and globalized world, Romania must balance the challenges of emigration with the opportunities that arise from its position within the European labor market. Through strategic policy interventions, Romania can better sustain its socio-economic resilience, ensuring that migration becomes a source of strength rather than a drain on the nation's potential. By leveraging the benefits of remittances, supporting returning professionals, and creating a more inclusive and dynamic

economic environment, Romania can transform the impacts of migration into a catalyst for sustainable development and prosperity.

One significant area for exploration is the impact of labor migration on local economic growth and productivity. Studies have shown that labor migration can lead to both positive and negative economic outcomes for the home country. For instance, while remittances can stimulate local economies and contribute to poverty alleviation, the outflow of skilled labor may hinder economic growth by creating labor shortages in critical sectors. Future research could quantitatively assess the relationship between labor migration patterns and regional economic performance in Romania, utilizing econometric models to analyze the effects of remittances on local investment and consumption patterns.

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