Migration Patterns in Central and Eastern Europe. Study Case on Romania*

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Abstract: Since the beginning of 1990s countries of Central and Eastern Europe (CEE) shift from communist regime towards market economy and democratic state. An important part of these changes is transition in migratory behaviour. Some of the most important migration motifs are: economic and demographic poverty, push and pull factors, unemployment, low wages, personal or professional development, political conflicts, insecurity, violence safety and security, poor governance, political freedom, corruption or human rights abuses.

The aim of the paper is to present current trends in migratory behaviour in CEE countries in the context of socio-economic transition and to analyze migration trends in Romania in last two decades.

Key-Words: migration, motivation, GDP, econometric model, unemployment, remittances

1. Introduction

Since the beginning of 1990s countries of Central and Eastern Europe (CEE) shift from communist regime towards market economy and democratic state. An important part of these changes is transition in migratory behaviour. Prior to 1990 migration was severely limited in all countries of the region. After an initial and rather brief episode of rural-to-urban exodus in the 1950s, spatial mobility was moderate if not meagre. A leading form of the mobility was circulation, especially commuting to major industrial centre for work. International labour migration was principally contained within the CEE region, and tightly controlled by the governments. Only limited-scale settlement migration connected mainly with family reunion or “repatriation” of ethnic minorities and movements of workers (strictly controlled) were recorded.

Economic situation of CEE’s countries was an important factor influencing migration trends.

Experience shows that sustained economic growth requires: high saving and investment rates, a constant improvement of educational standards and labour, continual improvement of competitiveness, a sustainable level of social tension and a steady growth of total factor productivity.

In time, with reforms consolidation, new concerns have arisen in Central and East Europeans countries. Thus, economic growth has become a central objective in its efforts to join the European Union and also as a means to solve social problems.

Good economic performance depends, essentially, on institutional composition of society and on intelligent public policy. First of all, the transformation and development would be easy to do if public policy, civil society, private entrepreneurs could "plant" suitable institutions, progressive in unfavourable environments, changing almost instantaneously anatomy and physiology of social (organizational). But it is not possible to adapt quickly institutions can not be acquired or assimilated to national environment. Without a dynamic institutional reform and economic growth will be increasingly more difficult to join the "club" of prosper European countries.

The aim of the paper is to present current trends in migratory behaviour in CEE countries in the context of socio-economic transition and to analyze migration trends in Romania in last two decades.
2. Motivations for Migration

The main reasons for migration, especially in Central and Eastern Europe after 1990, was:

- Economic and demographic poverty;
- Push and Pull factors;
- Unemployment;
- Low wages personal or professional development;
- Lack of basic health and education;
- Political conflicts, insecurity;
- Poor governance and political freedom;
- Corruption;
- Human rights abuses;
- Social and cultural Discrimination based on ethnicity, Family reunification; gender or religion;
- Flows of asylum seekers and refugees;
- Transit migration (including trafficking in human beings);
- non-settlement migration (flows related to study, professional training, business);
- Non-migration mobility (tourism, transit of passengers etc.).

3. Brief history of migration in CEE

3.1 1990’s situation

For 40 years (after the Second World War), migration from Eastern European Countries and former Soviet Union countries was severely restricted due the internal controls these states exerted on exit. For example, during the 1970s and 1980s less than 100,000 people per year managed to emigrate from Eastern Europe and the Soviet Union.

In 1989 the situation change dramatically, more than one and one-quarter million people left these countries. Also in 1990 about two million people migrated from the Soviet Union and Eastern Europe to western countries. These movements continued in 1991 and 1992 reflecting a combination of factors. A significant proportion of the migration brought ethnic minorities to countries where others of national group live. Even larger numbers leave temporarily these countries for the purpose of business, education or tourism.

Also, the ethic ex-Yugoslavian wars generates a large movement of population (over one million people was displaced in Hungary, Austria and Germany). In 1990 and 1991 almost 150,000 Romanians and about 30,000 Bulgarians applied for political asylum. Countries where political and economic reform was further long, like Czech Republic, Slovakia, Hungary or Poland send a smaller numbers of migrants to Western Europe.

3.2 Main causes of migration in 1990s

Perhaps the most straightforward cause of increased emigration has been the removal of many governmental barriers to free exit. Encouraging respect for the right of individuals to leave and to return to their countries of origin has been an important tenet of Western countries thinking after the Second World War. The Eastern European countries start to respect these rights only after 1989 year.

Also, economic reform creates both expectations of better economic opportunity and the reality of dislocation in employment as adjustments are made toward market economies. The combination of high expectations, rising unemployment and rising prices make migration an attractive option for many people.

Another important migration cause was ethnic, national and religious one. Hundreds of thousands of minorities have already migrated in and from eastern and central Europe. The potential for increased movements of people due on ethnicity, nationality and religion was substantial. Examples include ethnic Germans who wave moved to the (ex) Federal Republic of Germany; ethnic Hungarians who have moved from Romania to Hungary, ethic Turks who have moved from Bulgaria to Turkey; ethnic Romanians who have moved from Moldova to Romania; and Soviet Jews who have moved to Israel and United States.

A special case is the movement of Gypsies. Traditionally mobile, Gypsies are moving out of Central and Eastern Europe into western countries. Denied the opportunity to move during the communist era, the Gypsies have taken advantage of new openness to re-establish religious and cultural traditions. Other have moved away from their forced acculturation to industrial life in order to renew traditional lifestyles and escape from poor living conditions to which a combination of poverty and discrimination had subjected them.

After 1990’s period the migration reasons changes. International migration was often explained by a basic push-and-pull model: economic conditions, demographic pressures, and unemployment (“push factors”) in the sending countries work in coordination with higher wages, demand for labour, and family reunification (“pull factors”) in the migration receiving countries.

One simple explanation for migration trends, based on traditional migration theory, is that...
widening disparities in GDP per capita drive migrants from lower-income to higher-income countries. Yet, GDP per capita disparities do not fully explain migration trends. The links between flows and income differentials are too weak to make such differentials a viable explanation without additional qualifiers such as ethnic and political considerations, expectations of quality of life at home, and geography.

3.3 Short overview of some Central and Eastern Europe Countries present migration situation

Poland

The main goal of Polish migrants was an economic one. The opening of several labour markets in the EU states has altered the main routes of Polish labour migration. While until 2004, Poles used to migrate mainly to Germany, since accession the Polish migrants have targeted the United Kingdom, Ireland, Iceland and Benelux countries. Most analysts agree that the stock of emigrants stands at around eight hundred thousand in 2006.

Poland has not yet become a target country for any major group of immigrants.

Polish migration to countries of the European Union is commonly perceived as temporary migration. On the other hand, the periods spent abroad by Polish emigrants are becoming longer and longer, and there are some indicators of permanent settlement in the host countries.

In 2008 and 2009 the Polish migrants were supposed to start coming back. Their comeback was widely discussed by the media, though not to the same extent as the earlier outflow of Poles. The returns were in fact quite moderate. Certainly, it can be assumed that the number of Poles leaving to work abroad has decreased and the number of returnees increased, but there is little data on the real scale of either process.

Czech Republic

The post-1989 migration era features a gradually increasing immigration of foreigners to Czech Republic along with the rather low and stable emigration of natives. As well, inflows of immigrants of Czech origin have been rather low. From the global perspective, there are two significant trends in the area of migration during the 2006 year: on the one hand, a growth in the number of foreigners living in the Czech Republic in comparison with the previous year (an increase of more than 43,000, which is by far the highest in the past few years), on the other hand, a further decrease in the number of refugees (seekers of international protection). The first trend serves as evidence that the Czech Republic has definitively established itself as a highly attractive immigration destination and that there is a realistic assumption that this trend will continue.

Bulgaria

Migration trends in Bulgaria have remained stable, continuing at a steady pace in 2008 and 2009 after its accession to the EU in January 2007. The estimated rates of out-migration show no significant changes. However, for the first time Bulgaria was considered as a destination country for immigration and for return migration both on the level of public discourse and people's attitude.

The "credit crunch" event has started to influence migration flows, if not always in practice, then on the level of intentions. Even though the crisis has not yet precipitated substantial numbers of returnees, at the end of the year many migrants in countries as diverse as Spain, the UK, and the US, began considering a return home. One of the reasons is that the largest numbers of Bulgarian migrants are employed in low-skilled labour like construction, factory work, or agriculture. Also, the Bulgarian government's attempts to devise a common policy on migration and to attract migrants back to Bulgaria.

Another issue related to Bulgaria's attempts to compensate for the lack of high and low-skilled labour in the country is the effort to import labour. These attempts to make the labour market in Bulgaria more flexible and accessible for foreign labour are a clear sign of the country's willingness to become a place of immigration.

Romania

The segmented labour market situation in certain destination countries, such as Italy and Spain, contributed greatly to the stream of temporary economic migrants from Romania working in the construction industry after 1990. As a result, a clear shortage in the labour force of Romania's construction industry appeared, especially after 2006. The Romanian labour market must now compensate for such shortages either by welcoming immigrant workers from other countries, or by stimulating the return migration of Romanians. 2007 Year was marked not by an exodus but rather a slight increase of Romanians abroad, following the country's accession to the EU. It is estimated that more than 1.5 million
Romanians were working abroad in 2007. The main destination for migrant workers has been Italy where more than half of them reside. In 2007 the number of new temporary migrants from Romania to Italy ranged from about 60 000 to 100 000. Partial empirical evidence indicates a significant change in the composition of Romanian temporary emigration. It seems that both low- and high-skilled workers took advantage of the open borders that Romania's EU membership allowed for.

In its second year as a new member state of the EU (2008 year), Romania continues to be a country of emigration. The migration patterns of the country in 2008 were the same as in 2007. The country remains amongst the top 10 countries in the world that are dependent on remittance in-flows, receiving over 6 millions EUR in 2007 and 2008, according to World Bank estimations. It is hard to say how many Romanians were abroad at the end of 2008 due to the fact that short term circular migration makes up a large share of total temporary emigration. Combining different data sources on residence abroad and on remittances one could estimate the average number of temporary emigrants from Romania in 2008 at about 2.5 million. Italy and Spain were still the main destination countries for Romanian emigration, with about 40-45 % of migrants residing in Italy and about 30-35 % in Spain.

Survey data collected abroad indicates that at the end of 2008 a large number of Romanian emigrants started to be concerned about the future in the context of the global financial crisis. Among Romanian immigrants to Spain, the share of those having the intention to return to Romania was about one third. The empirical evidence suggests that some of the returns to Romania will only be temporary and that once the crisis is over re-emigration will take place.

4. Migration in Romania

There are a lot of Romanians nationals that have been increasingly involved into moves that are not captured by the national Statistics data. In particular, these data typically do not cover short term migrants, tend to exclude seasonal workers, are inconsistent with regard to the coverage of certain categories such as students, and naturally fail to register legal migration moves. We present some survey findings on this topic. Sandu et al. (2006) is a study of temporary migration from Romania. Based on a national survey of 1,400 people, the authors find that ten per cent of the households with at least two members had at least one migrant gone for work abroad at the time of the survey in 2006, with the average number of migrants being 1.34. The authors extrapolate that these figures imply around 777,200 migrant workers for such households on the national level.

Horvath (2007) quotes a considerably higher estimate of Romanian nationals working abroad, namely 3.4 million for mid-2007, of which around 1.2 million are held to do so legally. Therefore, we consider that Horvath (2007) estimations are higher that real temporary migration.

Sandu et al. (2006) also derive conclusions on the dynamics of temporary migrations and their changing geographical patterns between 1990 and 2005. They first note that the intensity of departures for temporary migration has doubled in the second half of the 1990s as compared to the earlier five years, and again tripled since 2001.

Different destination countries dominated these periods respectively: while in the early 1990s, Turkey and Israel were main destinations along with secondary destinations in Italy, Germany and Hungary, flows in the second half of the 1990s increasingly turned to Italy.

Kállai and Maniu (2007) quote mid-2007 information from the ministry of labour estimating the number of Romanians working abroad at 2 million, and from the trade unions putting this figure above 3 million. In this context, they draw the attention to the fact that in Romania 4.5 million social security cards are recorded in geographical patterns, recent field research in 2005 has found a new shift in destination countries from Italy to Ireland, motivated by labour market discrimination in the former and higher wages in the latter (Stan, 2006).

In 2007, the EU entry of Romania has allowed for free travel and stay across the European Union, but stays exceeding three months still may be subject to the proof of subsistence. Finally, several members of the enlarged EU allow for the access of Romanian nationals to their labour markets only within strict limits. In sum, there are several legal constraints to Romanian nationals’ travel and work abroad: attempts to circumvent these constraints produce irregular migrants of various sorts.

Naturally, the major share of irregular migrations of any types is not recorded at all (Koser, 2005), which makes it very difficult to quantitatively assess such migrations. From the individual points of view of the migrants, irregularity is often found to be a stage in the
migration process: migrants may shift in and out of irregularity during their migration spell(s) (Stan, 2006). He concludes that repressive migration policies do in fact foster irregular migration practices as well as permanent forms of migration, while the release of restrictions supports return migration inter alia.

Descriptive statistics

Our dataset is provided by Romanian National Institute of Statistics, and the main variables used in our model are yearly data for GDP (index, 1990 base), migration dynamics (persons), remittances volume (billions Euro), unemployment rate and population dynamics in 1990-2008 period.

Figure 1 illustrates migration evolution from 1990 to 2008. The data about migration concerns Romanian citizens who settled their permanent residence abroad - emigrants and also foreign citizens who settled their permanent residence in Romania - immigrants.

Excepting years (2001 and 2008) emigration was greater then immigration in Romania. Even after Romania adhesion to European Union the emigrant flow was greater like immigrant flow.

Regarding remittances volume in analyzed period, we can observe an exponential evolution from 1990 to 2008 (see Figure 2). In 2009 and on first semester on 2010, due on financial and economic international crisis, the remittance volume decrease dramatically, at less than 4 billions Euros.

GDP evolution was a cyclical one, with two peaks in 1996 and 2008 (see Figure 3.). Analyzing the last 8 years we can observe that GDP evolution was correlated with remittances dynamics.

Unemployment evolution was negative correlated with GDP, having the minimum levels in 1996 and 2008 and maximum levels in 1994 and 1999.

Population was characterized by a negative trend after 1992 and there are yet no perspectives to switch on positive dynamics on short and medium term. In the model we consider the natural increase of the population, as the difference between the birth rate and the death rate and it can be noticed that in Romania this was negative for the most part of the observed period.

The Model

Analyzing correlation matrix between our variables we observe that a positive relationship between GDP index and remittances (remittances increase consumption levels in analyzed periods), a normal positive relationship between migration and
remittances and also between migration, remittances and unemployment (a greater level of unemployment rise the migration tendencies and also the remittances volume). Negative relationships we found, normally, between GDP and unemployment. Due on permanent decreasing on Romanian population there are negative relationships between population dynamics and all other variables (including GDP rate that appears to be contradicting with economic theory).

To analyze the main determinants of migration we use a regression equation between emigrants and GDP index, unemployment rate, remittances index and population evolution in logarithmic expression:

$$ MIGR = f(GDP, UN, REM, POP) $$  \hspace{1cm} (1)$$

Using E-wievs software for our dataset we obtained the following results:

$$ MIGR = 0.4458 \cdot GDP + 0.0058 \cdot REM - 0.5678 \cdot POP + 0.0678 \cdot UN $$  \hspace{1cm} (2)$$

We expected a decrease in the number of migrants with the increasing of GDP. The regression equation shows that one of the most important effects on migration dimension was generated by GDP factor, but it is a positive correlation between the two variables. This can be explain by intermediary of relatively reduced level of GDP per capita, even if we observe an increasing GDP, the poverty level in Romania still remains high.

In the regression model, remittances play a not significant role for migration. Unemployment influences positively migration, as we expected, but with a week influence. Population dynamics influences negatively migration; due to permanent decreasing of Romanian population during the last two decades there is not a strong relationship between population and migration in Romania.

5. Conclusions

After 20 years on economic and social transition and after European Union integration of a large part of Central and East European countries, migration patterns seems to be similar for the most part of these population. The main causes that influence migration behaviour for analyzed countries are, first of all, economical. The reduced level of GDP per capita, an increasing unemployment or low personal or professional developments are also very important causes of migration.

For Romania, migration was generated especially by country economic situation (a low level of GDP and a high level of unemployment).

Population evolution does not influence in the expected sense migration flows, especially due on its permanent reduction.

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