ROMANIA AND THE INTERNATIONAL MIGRATION OF LABOR DURING THE GLOBAL CRISIS

INCALTARAU Cristian¹, JURAVLE Daniel²

¹Ph.D student, Faculty of Economics and Business Administration, University “Alexandru Ioan Cuza”, Iași, Romania, cristian_incaltarau@yahoo.com
²Ph.D student, Faculty of Economics and Business Administration, University “Alexandru Ioan Cuza”, Iași, Romania, daniel_juravle@yahoo.com

Abstract: The current economic crisis drastically reduced immigrant inflows due to high unemployment rates and fewer available work permits for migrant destination countries. Despite expectations, the return migration remained low because, in most of the cases, the origin country economic downturn was worse; the fall in remittances was also smaller than expected.

Concerning Romania, emigrants represent a considerable loss because they are still reflecting the reduced capacity of the Romanian economy to generate jobs and appropriate remuneration. During the crisis, the migration outflows continued to grow although the remittances significantly reduced, reflecting their downward evolution.

Keywords: migration, remittances, economic crisis, unemployment, Romania

JEL classification: E 24, R11, R23, R51

1. Introduction

Beginning with the second half of 2008, the effects of the biggest economic crisis since the Great Depression have been felt worldwide. Some of them had an impact on the labor market, causing increased unemployment and generating international migration flows (OECD, 2009, p. 6). Firstly, during an economic crisis, the attractiveness of the destination country decreases (due to restructuring that reduces the number of available jobs), increases unemployment and determines wage cuts. Thus, the probability of finding a job diminishes to a very low level, discouraging migration. Therefore, one of the first effects of the current economic crisis is the decline of emigrant flows, as a consequence of the increasing unemployment and the cutback in job availability in destination countries. A second effect, due to increasingly high unemployment and wage reductions, is the augmenting return migration flow (Skeldon, 2010, pp.5-6). The third effect, determined by the reduced number of immigrants, following their return to their countries of origin, is the lower value of remittance flows directed to countries of origin which may have a stronger effect on the economies of source countries (Skeldon, 2010, pp. 5-6). Moreover, in more difficult economic conditions, the public opinion on immigrants deteriorates. To ameliorate the situation, reduce unemployment and social benefits received by immigrants, destination countries are trying to encourage immigrants to return to their origin countries (Castles and Vezzoli, 2009, p. 69). Thus, despite the reduced flow of immigrants towards developed countries, the increasing flows of migrants who return to their countries of origin and the diminishing flow of remittances received by the countries of origin, migration does not attenuate. In some sectors, despite the downward evolution of the economy, labor demand remains high (e.g. healthcare). Moreover, even if the destination countries are going through a difficult economic period, the similar or even the more disturbing situation in the countries of origin and the development gaps between the two groups of countries may represents sufficient reasons to stimulate international migration. Therefore, everything depends on the migrant’s analysis on the push and pulls factors. Unquestionably, migration brings certain benefits to emigrants and their families; otherwise it would have not been occurred (Portes, 2006, p. 20). The migration phenomenon has changed as a consequence of the economic crisis. However, migration continues to be an option to those who seek an immediate benefit, even if difficult economic conditions increase the costs and the risks of the migration process.

This paper tries to find out whether these effects are present at an international level and which of them have affected Romanian labor migration.

2. The economic crisis and international labor migration

Immigrants are more prone to layoffs than the local population (Dumont and Garçon, 2010, p. 273) because they outnumber the local population in economic sectors vulnerable to economic fluctuations; their employment contracts are more cautious and for a limited period (as immigrants are a contingent workforce) and, when the economic situation deteriorates, employers tend to lay off temporary workers, because they are less productive and easier to replace (they are not offered an expensive training, have little experience
References

## CONTENTS

FEATURES OF THE LABOUR MARKET IN ROMANIA AND THE REACTION TO THE CURRENT CRISIS ................................................................. 11  
ACELEANU Mirela Ionela ................................................................................................................................. 11  
WHY PERFORMANCE DIFFERED ACROSS COUNTRIES IN THE RECENT CRISIS ............................................. 20  
AIGNER Karl .................................................................................................................................................. 20  
CHANGES IN ECONOMY OR CHANGES IN ECONOMICS? ............................................................................. 28  
ALBU Lucian-Liviu ....................................................................................................................................... 28  
FOREIGN DIRECT INVESTMENTS, CORRELATIONS AND DETERMINANTS FOR ROMANIA .................. 32  
ANDREI Dalina-Maria ................................................................................................................................... 32  
IMPLIEDS OF ECONOMIC CRISIS ON THE LABOR MARKET IN ROMANIA ........................................... 39  
ANGELESCU Coralia¹, CHENIC (CRETU) Alina Stefania ................................................................................. 39  
THE INFLUENCE OF CURRENT FINANCIAL CRISIS ABOVE ECONOMIC PROCESS ............................. 49  
BĂLACEANU Cristina Teodora ........................................................................................................................ 49  
WACOM COMPETENCE MODEL – IMPROVING WORK FORCE MOBILITY IN THE WATER SECTOR .................................................................................. 53  
BALTADOR Lia¹, BUDAC Camelia², PETRASCU Daniela³ .................................................................................. 53  
VULNERABILITIES ON ROMANIAN LABOR MARKET ................................................................................. 58  
BOBOC Cristina¹, GHIŢĂ Simona², ȚIȚAN Emilia³ .......................................................................................... 58  
The crisis of the economic evolution ............................................................................................................ 67  
BODISLAV Dumitru-Alexandru ....................................................................................................................... 67  
The changes occurred in the global financial environment and the evolution of the capital flows in the context of the international financial crisis .................................................................................. 73  
¹BOGHEAN Carmen, ²BOGHEAN Florin .......................................................................................................... 73  
CONVERGENCE OF CENTRAL AND EASTERN EUROPEAN ECONOMIES TO WORLD MARKETS FROM PURCHASING POWER PARITY PERSPECTIVE ......................................................... 81  
BORŠIČ Darja, KAVKLER Alenka, BEKŐ Jani .................................................................................................. 81  
The financial crisis approach from the eco-economic view: realities and perspectives ............................. 90  
BORZA Mioara ................................................................................................................................................ 90  
The crisis of Romanian economy’s system: opportunity or restrain for sustainable development? .................. 99  
¹BRAN Florina¹, MANEA Gheorghe², IOAN Ildiko¹ ......................................................................................... 99  
The paradigm of the living logical system (LLS) – another way to perceive the world of economics .......... 107  
¹BRATIAN Vasile¹, ŢĂRAN-MOROŞAN Adrian² ................................................................................................. 107  
Overcoming the economic crisis through investments .................................................................................. 114  
EVIDENCE FROM ROMANIA ......................................................................................................................... 114  
BURCEA Felix-Constantin¹, UNGUREANU Emilia³ ......................................................................................... 114  
FINANCING SOURCES FOR SMALL AND MEDIUM-SIZED ENTERPRISES .............................................. 121  
CARAGANCIU Iulian¹, OLTEAN Livia ........................................................................................................... 121  

5
INTERACTIVE PROGRAM TO SIMULATE GOODS AND MONEY MARKET DYNAMICS ..........125

CHISAGIU Livia ..................................................................................................................125

THE ANALYSIS OF THE BANKRUPTCY RISK FOR THE ROMANIAN COMPANIES. CASE STUDY: THE FOOD INDUSTRY ............................................................................................................132

CÎRCIUMARU Daniel ...........................................................................................................132

ON THE CRISIS OF ECONOMIC THEORY ...........................................................................140

CONSTANTINESCU Radu1, LOSTUN Andreea-Maria2, VIERU Elena Bianca3 ...................140

RELATIVITY DOCTRINAIRE APPROACH OF THE CURRENT ECONOMIC CRISIS ...............146

CONSTANTINESCU Radu1, LOSTUN Andreea-Maria2, VIERU Elena Bianca3 ...................146

SUSTAINABLE DEVELOPMENT OUTLOOK ON CAPITAL ......................................................154

INTELLECTUAL CAPITAL - GENERATOR OF SUSTAINABLE COMPETITIVE ADVANTAGE FOR COMING OUT OF THE CRISIS ..........................................................................................159

CRACIUN Liliana ................................................................................................................159

ANALYSIS OF THE FACTS THAT HAVE GENERATED CRISIS AND THEIR IMPACT ON THE SMEs IN ROMANIA .............................................................................................................162

CRETU Raluca Florentina1, SERBAN Elena Claudia2 ................................................................162

DIFFERENT FINANCIAL CONDITIONS IN THE EMU COUNTRIES BEFORE AND AFTER THE ECONOMIC CRISIS .......................................................................................................................168

CRISTIAN Ovidiu ................................................................................................................168

DETERMINANTS OF INCIDENCE AND UNEMPLOYMENT DURATION FOR ISCED 3 UNEMPLOYED SUBJECTS ON THE GORJ COUNTY LABOR MARKET .........................................................................................................................176

DANĂCICĂ Daniela-Emanuela1, BABUCEA Ana-Gabriela2 ......................................................176

CORRELATION OF DEMAND AND SUPPLY SHOCKS BETWEEN ROMANIA AND EURO AREA 223

DINU Marin1, MARINAŞ Marius-Corneliu2 ...........................................................................223

CHALLENGES TO ROMANIA’S JOINING THE EUROZONE. SUSTAINABILITY OF THE MAASTRICHT’S CRITERIA .........................................................................................................................232

DINU Marin1, SOCOL Aura2, SOCOL Cristian3 .......................................................................232

CHANGES IN MALES’ AND FEMALES’ WORK TIME DURING THE ECONOMIC CRISIS .............240

DOBRE Mihaela Erisanta1, BARBULESCU Razvan2 ..................................................................240

THE COPENHAGEN ACCORD. THE CHRONICLE OF A PREDICTED FAILURE ....................246

DOBRESCU M. Emiliana1, POCIOVĂLĂŞTEANU Diana-Mihaela2 ..............................................246


DODESCU Anca ..................................................................................................................252

ECONOMIC ASPECTS OF MEAT PROCESSING: COST CONTROL DURING PRODUCTION ........260

DRĂGHICI Olga1, OGNEAN Mihai2 ..........................................................................................260

THE CRISIS OF TEACHING ECONOMICS IN ROMANIA: A TOTAL QUALITY MANAGEMENT APPROACH .................................................................................................................................265

DUDIAN Monica1, MOLANESCU Gabriela2 .............................................................................265

UNDECLARED WORK – PERSONAL CHOICE OR NECESSITY? ...........................................273

ENE Corina – Maria1, BURGHELEA Cristina3, BADEA Liana ..................................................273

CREDIT CRISIS: CAUSES, CONSEQUENCES AND REMEDIES ...........................................281

ENESCU Roxana ..................................................................................................................281

IMPLICATION OF SOUTH ASIAN TRADE ON ECONOMY OF PAKISTAN BY USING CGE-MODEL 287

FAIZ M. Shaikh1, Dr. ANWAR Ali Shah2 & KAMRAN Shafiq3 ..................................................287

THE DETERMINANT ELEMENTS IN THE PROCESS OF ACCESSING STRUCTURAL AND COHESION FUNDS .........................................................................................................................292

FLORESCU Daniela ................................................................................................................292
FINANCING SMALL AND MEDIUM ENTERPRISES DURING THE ECONOMIC CRISIS........421
LUCIAN Paul.................................................................421

THE EFFECTS OF THE MODIFICATION OF THE VAT RATE ON THE BUDGETARY REVENUES AND INFLATION.................................................................424
LUPU Adriana1, COLOIU (CREŢU) Daniela2........................................424

PATTERNS OF PRICE CONVERGENCE IN ROMANIA AND THE EUROPEAN UNION........433
MARE Codruţa1, POP Larisa Nicoleta2............................................433

ENVIRONMENTAL REQUIREMENTS FOR PROJECTS FINANCED BY COHESION AND STRUCTURAL FUNDS.................................................................442
MARGINA Oleg1, STATE Florina2, ARDELEANU Georgian2.................................442

PATTERNS OF ECONOMIC GROWTH IN EUROPEAN UNION. A POST-CRISIS EVALUATION...446
MĂRGINEAN Silvia.................................................................446

THE IMPACT OF POOR LANGUAGE SKILLS ON INTERNATIONAL BUSINESS .............453
MATIU Ovidiu ............................................................................453

CRISIS EFFECTS ON ORGANIC AGRICULTURE........................................456
MAŞOŞCHI (CÎMPAN) Oana ................................................................456

FACTORS THAT TRIGGER INFLATION IN ROMANIA......................................459
MIHUIT Ioana Sorina1, LUŢAŞ Mihaela2.............................................459

CIVIL SOCIETY, A THIRD PUBLIC POLICIES OPTION IN COMBATING THE GLOBAL CRISIS...466
MINA Simona..............................................................................466

FROM THE MOTIVATION OF CRISIS TO THE CRISIS OF MOTIVATION.................470
MINICA Mirela1, ZABERCA Vasile Mircea2...........................................470

ASPECTS REGARDING THE GLOBAL CRISIS AND ITS IMPACT ON TOURISM INDUSTRY....475
NĂSTASE Carmen1, POPESCU Mihai2, SCUTARIU Adrian Liviu3.......................475

INSIGHT ON THE CRISIS AND AFTER CRISIS EUROPEAN AUTOMOTIVE INDUSTRY.....483
NIMINEŢ Liviana Andreea ................................................................483

SOCIAL AND ECONOMIC COHESION IN ROMANIA FOR SUSTAINABLE DEVELOPMENT IN THE CONTEXT OF ANTI CRISIS POLICIES ...............................................488
NUŢĂ Alina Cristina1, ARITON Doiniţa, NUŢĂ Florian Marcel1........................................488

AFTER THE CRISIS: A CHINESE CENTURY.............................................495
OROS Anamaria Laura .......................................................................495

EDUCATION AND DEVELOPMENT. IDEAS FOR INSTITUTIONAL REFORM ..................503
PANOARIAN Marius-Cristian1, STAICU Gabriel Ilie2, MARINESCU Cosmin Ştefan1...............503

CLUSTERS PROMOTION THROUGH TRANSNATIONAL COOPERATION IN ADRIATIC DANUBIAN REGIONS.........................................................508
PAUNA Carmen Beatrice1, CHILIAN Nona Mihaela2, BILEVSKY Gabriela1..........................508

THE ECONOMIC CRISIS AND ITS EFFECTS ON SMALL AND MEDIUM ENTERPRISES SECTOR IN ROMANIA.........................................................516
PLOESTEANU Mara Gabriela1, CAESCU Stefan Claudiu2........................................516

CONSIDERATIONS ON WORKFORCE MIGRATION IN THE EUROPEAN UNION ............521
POCIOVALEŞTIANU Diana-Mihaela1, ZGOVANCU Ana-Maria1.................................521

ALTERNATIVE FUELS – NEW PERSPECTIVES FOR A BRIGHT FUTURE.................527
POPEȘCU Cristina Raluca1, POPESCU Veronica Adriana2, POPESCU Gheorghe3......................527

ECONOMIC SOLIDARITY - EVOLUTION, SEQUENCES, MEANINGS .........................533
POPEȘCU Dan .............................................................................533

THE (OWN) INCOME SOURCES OF E.U. BUDGET – HOW SUSTAINABLE CAN THEY BE?.....539
PREDESCU Antoniu1, TOADER Stela Aurelia2, PREDESCU Iuliana3...............................539
WHICH IS THE CAUSE OF THE CURRENT CRISIS? ................................................... 542
RADU Ioan .................................................................................................................. 542

COMPARATIVE ANALYSIS FOR ROMANIA AND BULGARIA REGARDING THE ABSORPTION RATE OF EUROPEAN FUNDS FOR AGRICULTURE AND RURAL DEVELOPMENT 545
RADULESCU Carmen Valentina¹, ISTUDOR Nicolae², PETRESCU Irina Elena³ ................................................... 545
ROGOJANU Angela¹, BADEA Liana² ...................................................................... 554
ECONOMIC GROWTH – A CONSTANT IN HUMAN EVOLUTION 561
ROVINARU Flavius¹, MADA Florin² ........................................................................ 561

THE CRISIS IMPACT ON YOUTH EMPLOYMENT ................................................... 569
ŞERBAN Andreea Claudia .......................................................................................... 569

THE FISCAL DEBT WITHIN THE CURRENT ECONOMIC-LEGISLATIVE FRAMEWORK 575
SEREDIUC Titus ............................................................................................................ 575

THE GLOBAL FINANCIAL CRISIS: JUSTIFYING CROSS-COUNTRY DISCREPANCIES IN THE PRODUCTION IMPACT 581
STANEF Mihaela Roberta .............................................................................................. 581

ACCESS TO CAPITAL: A WAY TO GENERATE COMPETITIVE ADVANTAGE AND PROMOTE ECONOMIC GROWTH 587
STRAMBEANU George¹, POPOVICI Norina², MORARU Camelia³ .................................................................. 587

REMEDIES FOR OVERCOMING THE PRESENT FINANCIAL CRISIS 594
SUCIU Titus .................................................................................................................. 594

QUESTIONS THAT HAVE TO BE SOLVED BY ECONOMISTS 602
TACHE Ileana¹, POPESCU Diana² ................................................................................ 602

THEORETICAL AND PRACTICAL INTERDEPENDENCE BETWEEN THE LOCAL AND REGIONAL CULTURAL TOURISM ACTIVITY. THE ORGANIZATION OF THE REGIONAL ECOMUSEUM SIBIU – A SPECIFIC FORM OF CULTURAL TOURISM 607
TILEAGĂ Cosmin¹, COSMESCU Ioan² ......................................................................... 607

THE BURDEN OF DEFICITS MAINTAINS ROMANIA IN RECESSION. ANALYSIS AND PERSPECTIVES 615
TITU Mihai¹, BANU Ilie² ............................................................................................. 615

ROMANIAN COMPANIES CONVERGENCE CHALLENGES IN THE PERSPECTIVE OF THE "EUROPE 2020 " AGENDA 620
TRASCĂ Daniela Livia¹, POPA Raluca Andreea², DUDIAN Monica³ .................................................................. 620

THE INTERNATIONAL MONETARY FUND – ROMANIA’S SHADOW GOVERNMENT 629
VANCEA Diane Paula Corina¹, DUHNEA Cristina², MITRESCU Silvia Ghita³ .................................................................. 629

UNDECLARED WORK BETWEEN THEORY AND REALITY 635
VIRJAN Daniela¹, GHINARARU Catalin² ........................................................................ 635

PSYCHOLOGICAL EFFECTS OF THE FINANCIAL CRISIS 642
VIRLICS Ágnes ........................................................................................................... 642

PEOPLE WITH DISABILITIES AND EMPLOYMENT 648
ZODIERIU Elena ........................................................................................................... 648