

# Migration in the Context of the Globalization of the World Economy

Ion Botescu

„Ovidius” University of Constanta, Constanta, Faculty of Economic Sciences  
[ion\\_botescu@yahoo.com](mailto:ion_botescu@yahoo.com)

## Abstract

*The world's population becoming double in the last 50-60 years, the increased differences in the levels of development recorded by different areas of the planet, and the accentuating free movement of people, make migration an implacable phenomenon in the contemporary era.*

*Decision makers in rich countries need to realize that immigrants are more than just pawns on a chessboard.*

*In this paper, we have tried to tackle a number of important aspects of the phenomenon of globalization, such as: the migration causes, the beneficial and less beneficial effects of the international movement of people, the characteristics of migration in the EU and the difficult situation of Romania as a result of the emigration of an impressive number of citizens.*

*Praised by some people and criticized by others, stimulated by some and blocked by others, international labor migration has become an everyday phenomenon nowadays. The aim of this paper is to emphasize the implacable nature of international labor migration and to highlight the dimensions and implications of this phenomenon in the EU and, implicitly, in Romania.*

**Key words:** migration, poverty, liberalization, remittances

**J.E.L. classification:** F6

## 1. Introduction

The need for labor force for the reconstruction of Western European countries and for supporting the United States economic growth after the war, economic crises, reduced workforce in rich countries, the demand for specialists in general and in the IT sector especially in the developed countries, the attitude shown by the extremist parties, the fall of communism represent some of the phenomena that have influenced migration flows over the last hundred years.

It is obvious that the current state of evolution of the capitalist economy is marked by the phenomenon of globalization. The period elapsed since 1980, when there has been an unprecedented increase in global economic globalization, is characterized by the emergence of specific features, including the liberalization of capital flows and the increasing labor migration potential.

The liberalization of national policies in the area of attracting foreign direct investment has resulted in the adoption by most countries of the world of laws favorable to foreign investors. The possibility of the richest people in the world to place their capital, with few exceptions, in all parts of the world, has thus become evident. Capital is usually placed in the areas that ensure its best value.

As far as labor migration is concerned, we can say that liberalization has been to a certain extent partial.

Although globalization as a whole has meant economic progress and rising living standards for almost all countries of the world, and for most of the world's population, respectively, the gap between GDP per capita in developed countries and GDP / per capita in developing and transition countries has deepened. The negative natural increase recorded by developed countries and the surplus labor force in many Asian or African countries have led to a certain degree of flexibility regarding migration in the attitudes of developed countries, amid the labor shortages experienced by these countries in different areas, the services sector being an example in this respect.

On the other hand, the discontent of ordinary citizens in rich countries generated by the pressures that migration generates in the direction of wage cuts acts to limit the cross-border movement of labor. The interests of big capital owners are similar, as they see a great opportunity in the low wages that can be paid to employees from poor countries, especially in the big labor-intensive industries, where access to technology is limited.

The interests for and against the increase in international labor migration have made the liberalization of labor movement, with all the success achieved, to have a lower level of manifestation compared to the liberalization of capital flows.

## **2. Theoretical background**

International labor migration has been of interest to both global institutions, and to many authors of specialized literature.

Thus, the research was based, on the one hand, on the work of remarkable researchers in the field of migration, such as Chetail Vincent, Simon Patrick, Ciprian Iftimoaei, and, on the other hand, on statistics from the UN, World Bank, Eurostat, etc.

Given the complexity of this subject, the research required an objective analysis of international labor migration, taking into account, in addition to the economic aspects involved, interdependent extra-economic factors (social, demographic, political, etc.).

## **3. The impact of migration on the main involved actors**

The issue of labor migration has a complex character being influenced by a number of factors, which sometimes have a contradictory impact.

The effects of migration must be seen from a triple perspective, of the country of destination, the country of origin and the migrants in question.

In the destination country, migrants ensure employment in areas less-favored by local citizens, with the benefit being doubled by paying low wages. Migrants' contribution to the economic growth of destination countries is evident, and in some cases significant. In some periods, especially during economic crises, characterized by an increase in unemployment in the destination countries, the foreign labor force is no longer kindly welcomed, the immigration policies being tightened.

The flows of money sent home by migrants and the reduction of social pressure are the main benefits for the country of origin. We can say that generally these advantages are short-term and possibly medium-term, having a boomerang effect when considering a long period. The loss of workforce and especially highly skilled workforce puts its mark on the economic development of the country of origin. Remittance flows, which initially reduce the current account deficit of countries of destination by supporting the national currency, lead to weak export stimulation, losing the opportunity to ensure economic growth by expanding exports.

The effects of migration on the person concerned and on his family are also clearly contradictory. Achieving better incomes, access to a better health and education system, security provided by a stable economy and society, the opportunity for professional affirmation are counterbalanced by the difficulties imposed by the activity in a different cultural environment and the separation from the family even if only for a certain amount of time.

## **4. International migration to the EU - a consequence of the globalization process**

According to the UN, the number of immigrants at the world level in 2017 totaled 258 million people, representing a relatively small share in the world population, of about 3.4%. The emigrants' countries of origin are mainly located in the southern poor areas, with the most important migration flows being S-S with 97 million people, and S-N with 89 million people. Thus, the global south is the source of 72% of the total flow of international migration.

Over the last 50 years, the United States has been the main destination for migratory flows, being followed by rich countries in the EU.

Approximately 39 million immigrants lived in the EU in 2016, out of which 22 million came from non-EU countries and about 17 million were from EU member states. In terms of the total number of immigrants, Germany is placed first, and in terms of the share of immigrants in the total population of an EU country, Luxembourg is the first. ([https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Migration\\_and\\_migrant\\_population\\_statistics/ro](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Migration_and_migrant_population_statistics/ro))

For the EU as a whole, the average age of the citizens is 42.9 years, while the average age of migrants living in the EU is only 27.9 years, representing a valuable source of workforce for rich countries. ([https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Migration\\_and\\_migrant\\_population\\_statistics/ro](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Migration_and_migrant_population_statistics/ro))

Approximately 43% of the immigrants of the EU come from EU countries, with most of them having their countries of origin relatively recently accepted in the EU, such as Poland, Romania, Bulgaria, etc. The large share of EU immigrants from the EU countries is largely due to the freedom of movement of the EU citizens within the territory of the EU, which is one of the fundamental freedoms of European citizens. However, we must emphasize the great diversity of immigrants who have entered the EU.

After the peak of 2015, the flow of migrants attracted by the EU fell sharply in the years to come. In 2015, the EU was practically under immigrant siege, with an extremely controversial proposal to distribute non-EU immigrants in quotas to member countries.

Although the free movement of persons is often invoked by EU officials, significant financial resources have been allocated for border control in particular and for migration in general. Migration has, in fact, been a sensitive topic lately, risking to affect EU unity. In the direction of migration control, the European Commission has taken a number of collective measures set out in the new European Agenda on Migration adopted in 2015. Due to the measures taken, compared to 2015, illegal migration to the EU declined drastically in 2018, the reduction being over 90%. Migration flows from the Middle East conflicts, with all the hardships that had to be borne by the EU, have not significantly impacted the global migration map.

At the same time, we must mention that the EU pays special attention to the integration of immigrants into the destination EU countries, with emphasis on respecting the essential values of democracy, on the ability of immigrants to preserve their own cultural values, on the need to involve immigrants in similar conditions to those of the European citizens in a wide range of activities, including political and social ones.

It is obvious that the globalization of the world economy has generated opportunities for international labor migration. Compared to the world economy, the globalization phenomenon has manifested more strongly in the EU - an economic and political union of 28 European countries. The consequence of this lies in the large number of EU immigrants coming from the EU countries.

## **5. Particularities of the migration phenomenon in Romania**

In the period immediately following the fall of communism, Romania recorded a strong decline in GDP primarily due to the sharp decline in industrial activity. In a certain condition, we can say that it was normal for this to happen, given the weak competitiveness that existed in some of the sub-sectors of the industry. Referring to the Romanian industry (the main contributor to GDP), by a prime minister of the time, as a pile of old iron, has only made things even more complicated. To all this we can add the fall of agriculture, the bankruptcy of several banks, the delays in economic reform, the hesitations and corruption of decision makers, etc. Thus, a cocktail of factors has formed, which for many citizens in Romania has meant a real threat, their future being economically and morally uncertain. The escape from these conditions was represented by migration to other countries, especially in the EU. The EU pre-accession agreement and effective EU membership on 1 January 2007 have only increased the flow of Romanian migrants to the EU countries.

This migratory flow to the EU countries was somewhat diminished by the global financial crisis of 2008, Italy and Spain, the countries preferred by the Romanian immigrants being significantly affected by the crisis.

It should be noted that the 2008 crisis affected mainly the Romanian male migrants, who work largely in areas such as construction, transport, etc. Women immigrants from Romania whose occupations were in the care of the elderly, in the health system or in agriculture were less affected by the crisis.

On the whole, the 2008 crisis did not reduce the Romanians' appetite to migrate to the EU countries. After the crisis, however, there was a reorientation regarding the destination countries, and the Romanians' preferences for Great Britain, Germany etc. increased.

Unfortunately, the migratory phenomenon has continued in Romania, transforming from a balancing factor on the labor market in the sense of reducing unemployment within acceptable limits into a disequilibrium factor, in certain sectors of activity in Romania, an acute staff shortage being registered in the last 3-4 years.

Whereas in 2014 Romania fulfilled all the necessary criteria to join the Eurozone, only one is still fulfilled today. With an economic growth based on stimulating consumption and inflation, with significant salary imbalances between the budgetary and the private sector in favor of the first, with 40% of the Romanian companies that have been sustaining losses for several consecutive years but do not go bankrupt, etc., the future of the Romanian economy and its society is unreliable.

The fundamental cause that led to a strong flow of Romanian migrants, especially to the other EU countries and the U.S., was the poverty faced by a large part of our country's population after 2000.

According to Eurostat data, Romania, according to the GINI coefficient, occupies the 6th place in the EU-related inequality rating in 2017. Romania's capitalist development has led to the massive and extremely rapid enrichment of a small number of citizens, in parallel with the poverty of a major population segment. The benefits generated by the remarkable increase of Romania's GDP after 2000 have been unevenly distributed, being predominantly attributed to a relatively small number of citizens.

Of the 11.8 million poor in the EU established by the World Bank standards, 43% are Romanians. However, the situation has improved in comparison to 2006, when the share of poor Romanians in the total of the poor living in the EU was 60%. Maybe in the meantime some of Romania's poor people have migrated to other richer and more stable economies. Also worrying is the large number of Romanians, about 1 million, who, according to the same World Bank standards, can be included in the extreme poverty category, being citizens who live below \$ 1.9 per day at the purchasing power parity in 2011. ( Voinea et al, 2018 p.58)

Poverty has generated, for many Romanians, a whole series of deprivation, life in such conditions being akin to life in prison. Thus, for many Romanians, liberation was represented by the ability to migrate.

The great exodus of Romanians who have decided to move to foreign countries in the last two decades places our country on a dishonorable second place (after Syria) in a ranking of the average annual growth rate of the Diaspora population in the period elapsed since the beginning of this century. (International migration report 2015, [https://www.un.org/en/development/desa/population/migration/publications/migrationreport/docs/MigrationReport2015\\_Highlights.pdf](https://www.un.org/en/development/desa/population/migration/publications/migrationreport/docs/MigrationReport2015_Highlights.pdf)).

For developing countries one of the greatest challenges of globalization of the world economy was the intellectual migration.

With the exit from the communist sphere, the Romanians entered the global brain competition, many competitive Romanians from the professional and intellectual point of view fulfilling the criteria imposed by the welcoming countries led by the U.S. The migration of physicians, researchers, IT specialists, etc. has been damaging to Romania from at least two points of view. On the one hand, Romania has spent money with the trainings of those enumerated above, and on the other hand Romania has remained without many of the best-prepared citizens who could have substantially contributed to the country's economic and social evolution. The situation is even more serious if we consider that many of the Romanian youngsters went to study abroad, and after studying, they remain in other countries.

From what we remember, the Prime Minister of an Asian state said that a country from which young people are leaving is a badly administered country. Romania is a country where mainly the young people are currently leaving.

The negative natural increase, doubled by a strong flow of Romanian immigrants (predominantly young) have led to an obvious aging of the population generating great pressure on the Romanian labor market, in some sectors providing the necessary staff being virtually impossible.

Table no. 1 Evolution by age group of Romanian emigrants

	Age group 0-19 years		Age group 20-29 years		Age group 30-39 years		Age group 40-49 years		Age group 50-59 years		Age group over 60 years		Total
		%		%		%		%		%		%	
2007	99257	18.2	189145	34.7	135248	24.8	79130	14.5	33928	6.2	7365	1.3	544074
2008	55240	18.2	105266	34.7	75270	24.8	44039	14.5	18882	6.2	4099	1.3	302796
2009	48448	19.6	84704	34.3	54038	21.9	36349	14.7	18181	7.3	4906	1.9	246636
2010	38947	19.6	68432	34.5	41966	21.1	28836	14.5	15039	7.5	4765	2.4	197985
2011	39807	20.3	67251	34.3	41584	21.2	27036	13.8	14630	7.4	5243	2.6	195551
2012	34672	20.3	56916	33.4	33446	19.6	25377	14.9	14399	8.4	5376	3.1	170186
2013	33248	20.5	52156	32.2	30569	18.8	24265	15.0	14787	9.1	6730	4.1	161755
2014	28787	16.6	55923	32.3	42004	24.2	26034	15	14249	8.2	5874	3.3	172871
2015	30340	15.5	79811	40.9	45730	23.4	23203	11.9	10316	5.2	5318	2.7	194718
2016	35531	17.1	75781	36.5	45819	22	32963	15.8	11374	5.4	6110	2.9	207578
2017	40476	18.4	69240	31.5	47137	21.4	35051	15.9	17700	8	9723	4.4	219327

Source: (leftimoaie, 2018, 10)

It is easy to notice that in the time interval considered, the highest share of persons who have migrated from Romania is represented by the young age groups, i.e.: the age group 20-29 years and the age group 30-39 years.

According to the National Institute of Statistics/NIS, in 2014, for the first time in Romania, the number of old people (over 65) exceeded the number of young people (under 15). The tendency registered in the following years has been the continuous increase of the demographic aging index in Romania, reaching 116.9 old persons per 100 young people in 2018.

Table no. 2 Evolution of the demographic aging indicator

	01.01.2015	01.01.2016	01.01.2017	01.01.2018
<b>Demographic aging indicator</b>	109.6%	112.1%	114.4%	116.9%

Source: <http://www.insse.ro>

The unsustainable economic growth recorded in Romania in recent years, the problems related to the rule of law in our country, the opening for the Romanians of the labor market in Switzerland, etc. will still generate a substantial flow of Romanian immigrants, especially from the younger category. Under these conditions, the pressures on the Romanian labor market will increase and our country will have to cope in the future also with increasingly complicated problems regarding the financing of social services.

## 6. Conclusions

The topic of migration in the EU is controversial, with destination countries having somewhat different approaches. Immigrants generally do not generate financial burdens for host countries, with social charges for immigrants being fully offset by the taxes and fees they pay.

The developed countries, which are the main destination of migratory flows, manage to greatly mitigate through migration the shortfall in their labor markets.

Over the years, the migration into developed countries has led to the transformation of some of them into true multinational societies characterized by a high degree of cultural diversity.

The difficulties faced by immigrants must not be forgotten. For a considerable period since arriving in the country of destination, immigrants are one of the most vulnerable social categories, having to deal with discrimination, abuse and other forms of pressure. It is worth mentioning that the period in which immigrants are assimilated by the new society is consistent, stretching over three - four decades or even more.

As long as discrepancies will increase in terms of economy and of the natural increase, we ought to expect significant migration flows. Evolution trends in the near future are sadly pointing in this direction. All we can do is hope that the advantages and disadvantages of the migration phenomenon will be shared more equitably between the main factors involved.

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