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### Immigrants' Inclusion in the Workplace in Romania. The Impact of Covid-19

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# Immigrants' Inclusion in the Workplace in Romania. The Impact of Covid-19<sup>1</sup>

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## Abstract

Immigration is a recent phenomenon for Romania which remains a net emigration country. The country is slowly transforming from a transit to a destination becoming more attractive for labour immigrants and immigrants for study purposes. Considering the need for evidence based policies, this paper provides an overview on the dynamic of the labour immigration in Romania and the profile and characteristics of the immigrant workers in terms of numbers, economic sectors and occupations and how and what are the mechanisms that ensure immigrants' inclusion in the workplace in Romania. Moreover, the policy brief aims to analyse the impact that the pandemic of Covid-19 had on immigrant workers in Romania and what were the effects at macro and individual level, respectively labour immigration and immigrant workers' access and participation on the national labour market.

**Keywords:** Immigration; Labour market; Inclusion; Employment; Covid-19; Immigrant Worker.

## Introduction

Immigration has both direct and indirect effects on the economic and social development of the community, cities, regions and countries (Boubtane et al., 2016; Borjas, 2019). The authorities manage immigration and migrants' integration at local, regional, national and European level aiming to reduce the negative consequences and maximize the benefits of immigration and immigrant participation in the economic, social and cultural life of the host society. In this regard, it is necessary to gather relevant data and scientific evidence to substantiate public policies that highlight the valuable contributions that migrants make across Europe, also emphasizing the costs and losses that result from not recognizing and neglecting the positive contributions of migration and immigrants in terms of economic and social impact (Lynch & Pfohman, 2013).

The relationship between immigration and economic growth depends on multiple variables, such as the size and composition of migratory flows, the structure of immigrants' qualifications and skills, the integration process, the size of immigration stocks in the country, the immigrant human capital potential translated in a smooth access and high participation on the national labour market as well as the long-term fiscal impact and the social state budgetary costs.

Evidence collected by different countries as well as studies that researched the socio-impact of the pandemic suggest that the Covid-19 crisis is likely to have a disproportionate impact on immigrants

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and refugees, including on their labour market outcomes (OECD, 2020a). The immigrants are found more often in a more vulnerable position in the labour market because they might have less stable employment conditions, or less professional experience in the workplace. At the same time, the pandemic hit hard economic sectors where immigrants are overrepresented, for example, the hospitality sector (OECD, 2020b).

### **Immigrants' inclusion in the workplace in Romania**

Immigration is a relatively new phenomenon for the Romanian society, which has seen a greater intensification mainly in the last twenty years. Romania remains mainly a transit country for immigrants in their way to countries of destination in the Western Europe. At the same time, the country, or more specifically, main cities and regions with high socio-economical development, are becoming more attractive for immigrants. Thus, it is visible that Romania is in a slow process of transforming itself from a transit into a destination country mainly for labour immigrants and immigrants for study purposes.

After the fall of communism, since 1990 with the opening of borders, Romania started to become attractive for immigrants coming mainly from Turkey, the Arab Countries and China who wanted to open up small businesses. Starting with 2005-2006, there had been an increase in the number of immigrants, their countries of origin and a diversification of the purpose for which immigrants choose Romania as their destination. Since 2007, when Romania became member state of the European Union (UE), immigration to Romania has been on an ascendant trend, main types of migratory inflows being labour immigration, immigration for study purposes and immigration for family reunion.

Unlike the Romanian emigration estimated at over 15% of the total active population, immigration is less significant in figures, accounting for less than 0.5%. According to the data provided by the General Inspectorate for Immigration (GII), at the end of 2020, a number of approximately 140,000 immigrants live in Romania, out of which approximately 84,000 are third-country nationals residing temporarily or permanently on the national territory and around 52,000 are EU mobile citizens (GII, 2020). Although 2015 was the year of a humanitarian crisis that required the management of thousands of people a day crossing the borders seeking for refuge in the EU, Romania has not been affected by this massive influx of asylum seekers. During the period 2000 to 2019, the trend of asylum applications registered by Romania has remained in general terms very similar as in previous years, with an average number of 2,500 applications per year, with an exception for 2017 when it was double this number. Nevertheless, in 2020, the Western Balkans route was reactivated, and more than 6000

asylum application have been registered, a record in the last 13 years. More than 70% of the immigrants that applied for asylum in 2020 crossed the Romanian border with Serbia and arrived in Timiș County (GII, 2020).

As regards the composition of the immigrant stocks in Romania, in 2021, more than 60% of the immigrants living in Romania are family members of a Romanian citizen / EU and EEA citizen or came with family reunification. One third of the immigrants from Romania represent the category of those who came to study and to follow the courses of the Romanian universities. Labour immigration accounts for around 20% of total immigrant population. The main countries of origin for foreigners with temporary residence in Romania are Republic of Moldova, Turkey and China. As concerns the territorial distribution, the immigrants choose the main cities of Romania (Constanta, Timisoara, Iasi, Cluj) that provide economic, educational and employment opportunities, the region of Bucharest-Ilfov (Bucharest is the capital city) attracting more than half of the immigrants with legal stay in Romania (GII, 2007-2020).

Over the past decade, Romania's total population has decreased by around 5% and the labour resources by more than 9%, one of the highest rates in EU. Mass emigration is considered one of the core causes of the population decline, as more than 3.8 million Romanians have left to work and study abroad. The sharp drop in the Romanian labour force as well as increasing labour shortages in different economic sectors along with the economic growth in the last three years generated by investment projects in infrastructure/construction and real estate market, contributed to a higher need of immigrant workers for the Romanian labour market.

The National Immigration Strategy for the period 2019-2022<sup>3</sup> acknowledges this situation and provides strategic actions to balance the deficit of the national labour force by easing the access, participation and integration of TCNs into the Romanian labour market, such as: - facilitating and simplifying the access to the Romanian territory of the citizens from third countries for employment purposes or as posted workers; - facilitating the admission of third-country nationals to attend a higher education institution in Romania for areas and professions identified as registering personnel shortages.

Studies regarding the impact of immigration on native wages and employment indicate that labour immigration does not represent a threat to the national labour market, on the contrary, labour immigration has had positive effects for the beneficiary countries (Constant & Zimmermann, 2013;

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<sup>3</sup> At the moment, the National Strategy on Immigration for the period 2019-2022 is still under debate and it has not been yet approved by the Romanian Parliament.

Kahanec & Zimmerman, 2016). Immigrant workers are productive; they do not take the jobs from the native workers or lead to wage losses, but stimulate the national economy and are needed in the long run. If the immigrant labour force is complementary to the native workforce, immigrant workers may even reduce domestic unemployment and, consequently, more employed immigrants may cause a higher demand for labour for the natives (Constant & Zimmermann, 2013).

The impact of the labour immigration on the national labour market in Romania needs a more complex approach that is tied to the specific migration profile of the country. This is also reflected, as well, in the public policies in the area of immigration and integration developed by the authorities. Thus, the immigrant workers profile is mirrored by the profile of the Romanian emigrant who went to work abroad, in terms of occupational and economic sector in which he is employed and as regards skills and qualifications. Therefore, what clearly defines the immigrant workforce is complementariness to native workers. The vast majority of immigrant workers in Romania fall into the category of low and medium skilled workers (Alexe & Paunescu (eds) et al., 2010; Platonova et al., 2013). According to Roman et al. (2021) young immigrants do not take jobs of native youth and "in the conditions of a labour crisis, young immigrants can be a valuable resource for the Romanian labour market."

The main fields of activity in which TCN workers are found in Romania are: construction, infrastructure and shipyards, hospitality sector, textile/manufacturing, domestic and child care, commerce and food industry, medical personnel. TCNs work in professions such as: welding, locksmith, metal and naval constructors, unskilled workers in the demolition of buildings, merchandise manipulator, commercial worker, chef, kitchen worker, stone mason, carpenter, confectioner, dressmaker, painter, wall and ceilings, gypsum plasterboard, tiles, etc.

### **Impact of Covid-19 on immigrant workers in Romania**

The literature on labour migration (Chiswick & Miller, 2014) discusses the immigration for employment purposes in the context of the "push" factors (labour demand) and "pull" factors (labour supply). In this sense, labour immigration is in direct relationship to the economic cycle - the need for labour force rises as the economy grows- and, at the other end we have the immigrants willing to respond to this demand. In the period 2007 to 2021, when we analyse the labour immigration in Romania we observe its evolution in direct correlation with the economic situation of the country. During periods of economic growth (2007-2008 and 2018-2021), the labour immigration expressed in the number of employment permits issued to third country nationals has a sharp increase, while in times of economic stagnation or contraction, the labour immigration drops and/ or maintain a

relatively constant number. As the labour migration inflows are very sensitive to the changes of the Romanian economy, every year, as a result of a tripartite negotiation – Government, trade-unions and employers – the annual quota is established, respectively, the number and types of employment authorizations that can be issued to TCNs to work in Romania. Depending on the needs of the labour market, there is the possibility to supplement the annual quota of TCNs migrant workers admitted for employment in Romania.

The figures provided by the GII (2018-2021) show that the number of employment permits issued to immigrant workers in Romania has been continually increasing, every year, even in 2020, the year marked by the sanitary crisis of Covid-19. During the years of 2018 and 2019, the economic growth reached around 4.5% while in 2020 there was a downturn of minus 0.4%. In 2018, the annual quota was 15,000 work authorizations while in 2019 and 2020 it was supplemented to reach 30,000. For 2021, the annual quota has been set to 25,000 work authorizations. The analysis of the number of employment authorizations issued to TCNs to work in Romania in correlation with the economic growth indicates that, at macro level, the pandemic has only paced the process of recruiting and bringing in immigrant labour force to respond to the needs of the national labour market. The possible explanations may be that macro level processes are lengthier and have a certain time lag. Considering that the administrative and bureaucratic procedures to recruit and bring in immigrant workforce can take from three up to six months or more, the effects of the outbreak of the sanitary crisis have been two folded: new recruitments were stopped while the ongoing processes have been put on stand-by. A direct positive effect of the pandemic was the digitalisation of services and the setting up of an online platform by the General Inspectorate for Immigration to deal with the administrative immigration procedures that employers and recruitment agencies should comply with for recruitment and hiring of immigrants in Romania.

The Covid-19 pandemic has produced a major shock not only in the Romanian economy, but also in the European and global economy. All affected states have taken the first budgetary, political and liquidity measures to increase their capacity to respond to the negative consequences of the pandemic and to provide support to affected citizens and economic sectors during the health crisis. The main concern, in the conditions of social isolation and ceasing of economic activity, was to ensure that the population income will not drop down harshly. Immediate economic measures taken by the Romanian authorities were to partially subsidize suspended jobs in the affected economic sectors by using European structural funds and, to develop different schemes to help the recovery of the companies most affected by the crisis. The most affected economic activities with the highest number of suspended employment contracts were manufacturing, wholesale and retail trade, repair of vehicles,

and hotels and restaurants, which accounted for more than 50% of suspended contracts, while more than half of employment contracts terminated were concentrated in wholesale and retail trade, repair of vehicles, manufacturing and constructions.

The assessments made so far provide sufficient arguments to conclude that the Covid-19 pandemic has had and will have a disproportionate impact, the most exposed being the vulnerable groups: people in the informal area of the economy, those working in the most affected sectors and workers with a low level of qualification. Many other categories of workers are not found in aid and support schemes, namely people without employment contracts, day workers and unpaid family workers (Chivu & Georgescu, 2020). The Covid-19 pandemic affected one of the most vulnerable categories in the Romanian society, the immigrants. The categories most affected in terms of source of income and long-term employment were low-income immigrants and women, unemployed immigrants, students, especially because they do not even know the language of the host country and access to health services was drastically reduced (Roman et al., 2020).

An immediate response of the authorities and civil society organisations to the Covid-19 outbreak was to provide refugees and migrants in Romania with reliable information concerning the virus, its transmission and protection against it, in several different languages. The information, including a guide on prevention on Covid-19 in 9 languages was posted on the website of GII, UNHCR, IOM and other NGOs working with immigrants and refugees. Several NGOs put in place hotlines to support the immigrants with information and the support they needed.

The sanitary crisis had negative consequences regarding the immigrants and refugees' access and participation on the Romanian labour market. A lot of immigrants working in the economic sectors affected by the pandemic lost their jobs or had their employment contracts suspended and, because their income was not enough, most of them were unable to pay their rent or to provide for their families. In a lot of cases, the family was relying on one salary and / or the family members that were also working were employed in informal economy or worked as daily workers. This occupational situation made them vulnerable and they had been particularly hit by the crisis. For those in Romania with an employment visa, losing their job that was linked to the right of residence as well as the pandemic circumstances that made it almost impossible to find a new job, jeopardised their right to stay. A particular situation for the immigrant workers in Romania is that accommodation, meals and local transport services are included in the wage package. This is the reason why, when the immigrant worker lost the job, he/she lost also the accommodation and means to cover the living costs. An open



letter<sup>4</sup> of the NGOs Coalition for the Rights of Migrants and Refugees represent one of the advocacy efforts of the Romanian civil society to draw attention on the harsh situation of the immigrant workers as well as to ask for immediate measures of support. Other measures of the authorities to support immigrant workers hit by the pandemic were changes in the legislation targeting migrants that lost their right to stay or providing the possibility to extend the visa period considering this exceptional situation and different institutional targeted measures such as the agreement between the GII and the National Employment Agency for job placements for migrant workers who lost their jobs.

## Conclusions

The economic recovery of Romania after the pandemic of Covid-19 will also be translated into labour shortages in different economic sectors, particularly the ones most hit by the pandemic such as: tourism and HoReCa sectors, constructions, manufacturing, commerce, and transportation. Considering the mass emigration of Romanians that contributed to the already existing needs of the national labour market, immigration and immigrant workers represent the best and immediate solution for the companies and employers in Romania.

The management of immigration in Romania and labour immigrant inclusion in the workplace has to take into account the ascending trend of labour immigration and to provide a stronger correlation between the legislation and practices of the immigration regime and the sectoral areas such as employment. There is a need for a better inter-institutional coordination between bodies with responsibilities in the field of immigration. Also, the public policies regulating integration of immigrants should put in place mechanisms to prevent systemic vulnerabilities and social costs for immigrants and adopt measures targeted for the vulnerable groups among the migrants. The role of local authorities, NGOs and local communities to support the immigrant workers through information and services should be strengthen, as well.

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<sup>4</sup> See: <https://cdmir.ro/wp/2020/06/12/scrisoare-deschisa-situatia-muncitorilor-straini-din-romania/>



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