

EQUITY AND INEQUITIES ON THE LABOUR MARKET IN THE EUROPEAN UNION

Niță Andreea-Mihaela, PhD
Faculty of social sciences,
University of Craiova

Since 1 January 2007 Romanians and Bulgarians benefit from a fundamental right covered in the European Union's legislation - occupational right to migrate in conditions of equal treatment on pay, social and tax advantages, without discrimination based on nationality between equal workers.

But, only in January 2014 the restrictions have been eliminated and complete freedom of movement of workers has been granted. Do these rights guarantee equal opportunities? Can we talk about fair retribution for the same job applicants regardless of their European nationality? What about eliminating prejudices and easy access to any occupation? Is there fair treatment at the place of work? Which are the areas that absorb with predilection workers from Romania and Bulgaria? What deficit covers these nationalities? These are the questions for which we seek answers, approaching the topic from the perspective of union on labour market in the European Union.

Introduction

Preparing the adherence of Romania and Bulgaria to the European Union on 1 January 2007 began more than ten years before, by starting legislative harmonisation in each negotiation chapter which focused on the free movement of goods, people, services and capital. The mobility of people in terms of employment was done with multiple amendments, from the efforts of recognition to temporary restrictions on the easy acquisition of the work permit.

And yet, starting with 2007, the Romanians and Bulgarians enjoy a fundamental right under Community law, the right to migrate for employment under equal treatment on pay, social and tax advantages, without discrimination based on nationality between legal workers.

When discussing the concept of the labour market, it reveals all the actions of labour purchase - sale that occur in an economic space, the possibilities existing for the „meeting“

of labour demand and supply, as well as to establish on this basis the employment conditions for employees, the negotiation and fixing of wages according to performance of workers, respectively to facilitate the internal and external mobility of labour.

Theoretical approaches of the distinguished American economist Robert Solow, Nobel Laureate in Economics in 1987, which come to support the *Theories in the 60s* that were based on relationship purchase / sale of the work „service“.¹, confirm the configuration of the labour market as a „meeting place in space and time, totally and structurally, of the labour demand with supply“².

Thus, the *Structuralist theory* of labour market comes to support the concept that the market involves own transactions regarding the sale, respectively purchase or lease of work as both quantitative and structural -qualitative approach. In this sense, it is common knowledge that there are many recent supporting theories of some development processes, in the case of some national or global economic reshaping, of some patterns to stimulate economic growth as they support an occupational model.

One of these, published in the early 1970, according to which labour and labour market gradually came into an unprecedented crisis, is known in the academic literature as the *Club of Rome Theory*, proving over time that the labour market has put together the acts of sale, respective of purchase of „manpower“, generating private relationships, influenced demographically, socio-economically and politically.

Occupational Migration in the European Union

According to Eurostat, to reduce deficits in the labour market, in 2013 there were approximately 3.4 million registered people who immigrated in the EU-28 space, and of these, more than 2.8 million migrants have been recognised as leaving the European Union.

„Of these 3.4 million immigrants registered during 2013, it is estimated that 1.4 million were citizens of third countries, 1.2 million were citizens of another EU member state than the destination one, and about 830 thousands were citizens of the EU Member State of destination (e.g. nationals „returning home“ or nationals born abroad and about 6100 were stateless.“³

Analysing the data reported in recent years, it appears that among the EU countries with the highest frequency of immigrants, Germany has occupied a top place, closely followed by the UK, France, Italy, Spain, etc. The motivation that led to this continuous migration is due mainly to the labour market liberalisation, globalisation, global poverty avoidance, international occupational stimulation, etc.

In this context, an impressive number of immigrants in the EU-28 is represented by the people of Romania and Bulgaria, considered to be the EU countries with the lowest standard

¹ Informții preluate de pe https://en.wikipedia.org/wiki/Robert_Solow, accesat pe 1 iulie 2016.

² Ion Ignat, Ion Pohoată, Gh. Luțac, Gabriela Pascariu, *Economie Politică*, ediția II-a, Editura Economică, București, 2002, p.255.

³ Eurostat, *Statistics Explained*, Statistici privind migrația și populația migrantă, Date extrase în mai 2015.

of living, with a very high rate of unemployment among working age people, actually supported by the fact that the population of Romania and Bulgaria respectively, has been among the leading providers of manpower for the European Single market.

Regarding the activity sectors and professions that Romanians and Bulgarians exercise in the UK or Germany banking, healthcare and IT covers the activities involving higher education or intermediate skills. Unlike in Spain or Italy, where Romanian and Bulgarian immigrants are employed in lower positions, in areas such as construction, agriculture, cleaning, restaurants, hotels, baby-sitting, transportation, etc.⁴

The removal of restrictions on the UK labour market generated numerous employment advertisements for about 8,000 jobs for Romanians and Bulgarians who, according to the January 2nd 2014 edition of the Daily Mail⁵, in areas that require certain qualifications like doctors, nurses, taxi drivers, hotel staff, unlike other years when Romanians usually occupied unqualified or lower qualified jobs.

Regarding the impact of enlargement and increase of flows of workers for the countries of destination, Romanian and Bulgarian workers have brought a major contribution.⁶ They have generally played a positive role for the economies of the destination countries, contributing to a mix in terms of qualification, and working in sectors and jobs where there is a shortage of qualified or available personnel to cover this need.

According to OECD-EC Migration Policy Brief September 2014, since 2000 Romania can be found among the leading providers of manpower in EU, together with Poland (Poland with 6% of the accumulated flows and Romania with 10%)⁷.

In recent years, the European Commission and its agencies have regularly published reports on the labor market, by identifying skill gaps and forecasting their evolution in all Member States. In 2015, a study has been published, based on the responses from 25 Member States on the need for migration on the labour market, for 2011-2014. According to the report the highest number of unfilled jobs was reached in the personal care sector, with a peak of about 77,000 in the UK (2013), 19,000 in France (2012) and approximately 7,500 in Belgium (2013). Also, a large number of unfilled jobs was seen for the jobs of cook, waiter, cleaning personnel: about 43,000 in the UK (2013), about 34,000 in France (2012) and over 7000 in Belgium (2013).⁸ In this situation, the European Agenda for Migration

⁴ National Institute for Economic and Social Research UK, Potential impacts on the UK of future migration from Bulgaria and Romania, Heather Rolfe, Tatiana Fic, Mumtaz Lalani, Monica Roman, Maria Prohaska and Liliana Doudeva, p. 26.

⁵ Preluat din <http://www.dailymail.co.uk/news/article-2532384/UK-firms-place-8-000-job-adverts-Romania-taxi-drivers-hotel-staff-nurses-doctors.html>, accesat pe 1 iulie 2016.

⁶ Comisia Europeană, Commission report on transitional arrangements regarding free movement of workers from Bulgaria and Romania - Brussels, 11 November 2011.

⁷ OECD-EC Migration Policy Brief, Matching economic migration with labour market needs in Europe, sept 2014, p. 10.

⁸ Comisia Europeana Determining labour shortages and the need for labour migration from third countries in the EU, parte a programului de lucru al EMN (European Migration Network) 2015-2016, p. 10.

explicitly recognises the importance of attracting workers from third countries, with the necessary skills to approach this challenge of the labor market.⁹

Once the restrictions for Romanians and Bulgarians have been raised in early 2014 by Britain, the flow of migration towards this country has increased considerably, especially under the reason mentioned above: a large number of unfilled available jobs. There are no official statistics to estimate the number of Romanian and Bulgarian immigrants who arrived in the UK since 2013, because according to a report issued by the UK National Institute for Economics and Sociological Research there are no accurate data regarding this phenomenon of migration.¹⁰

At EU level with the gradual economic recovery, it is noted that the employment rate is rising again, making the unemployment rate decline in almost all Member States. According to a European Commission report published in 2015 on employment, „in 2014, the annual rate of unemployment in the EU-28 was still over 10% and in the euro area was even greater, but these rates dropped further during 2015.“¹¹ Considering this data and a survey carried out by Eurostat in 2015 on manpower in the EU, the phenomenon of migration for Romanians and Bulgarians towards certain Western countries can be explained. For example, in 2015 the unemployment rate was 5.6% in the UK and 4.8% in Germany compared to Bulgaria 10% and Romania 6.9%. Also, the rate of youth unemployment in the UK was of 15.5% and in Germany of 7.2% compared with 22.3% for Bulgaria and 22.8% for Romania.¹² Millions of Romanians and Bulgarians have adopted this practice of labour migration as a strategy of life, given the low capacity of the two countries to reduce unemployment as a result of a private weak system and deficient in terms investments, reforms and initiatives and a public system worn off by corruption scandals.

In Europe, the population between age 15-64 is estimated to fall by 2.2% (7.5 million) between 2013 and 2020. Given these data, the Migration Policy of the European Commission, published in September 2014, was announcing that it is necessary to approach this phenomenon in three directions, migration playing an important factor in the attempt to stabilise the demographic situation, of manpower aging:

- Better assignation of competencies by promoting mobility within the EU - the reduction or withdrawal of restrictions imposed by developed countries to immigrants with citizenship from a country developing;
- Better use of the migrant skills - most immigrants receive jobs for which qualification is not required, although some of them have completed higher education studies;
- Developing a competences portfolio.

⁹ Organisation for Economic Co-operation and Development International migration Outlook - The Organisation for Economic Co-operation and Development, 2015, p. 23.

¹⁰ Melanie Gower; Oliver Hawkins, Ending of transitional restrictions for Bulgarian and Romanian workers, 2013, p. 1.

¹¹ Comisia Europeană, Proiectul de raport comun al comisiei și al consiliului privind ocuparea forței de muncă, Bruxelles, 2015, p. 2.

¹² Ibid, p. 58.

In terms of a 0% migration, demographic decline, given the aging of the population of the 28 member states, is expected to be higher, respectively -3.5%, which would represent a population of 11.7 million people.¹³

The Press Impact of the Labour Market Liberalisation

The principle of free movement of manpower is one of the most important principles of the EU, and motivating the importance of this principle is the European Community Regulation no. 1612/68, „labour mobility within the community must be one of the means by which the worker is guaranteed the opportunity to improve living and working conditions and to promote social progress“¹⁴.

Given the effects produced by applying this principle, the international press has shown an increased interest in debating this topic. For Bulgaria and Romania which became member states of the EU in 2007, the freedom of movement came into force only in 2014, meaning that for a period of 7 years, the two countries have gone through certain transitional measures, by means of which other member countries had possibility to impose restrictions on the labour market for Bulgarian and Romanian citizens.¹⁵ Although legally there was no longer possible to maintain the restrictions, several states have made pressures to keep at least some of them, fearing an explosion of immigrants. This was not yet possible, so that 9 states were forced to lift their restrictions: Austria, Belgium, Great Britain, France, Germany, Luxembourg, Malta, the Netherlands and Spain.¹⁶

With the final lifting of employment restrictions for Romania and Bulgaria an endless series of speculations appeared in the international press. The European tabloids competed in discriminating and stereotypical titles such as: „Waves of immigrants from Eastern countries“ (Derby Telegraph, Great Britain), „Swarms of migrants“ who want to „steal jobs and live on social benefits“ (Daily Star, Great Britain), „The high costs of migration“ (The Telegraph, Great Britain), „Aggressive beggars“ (Mail Online, Great Britain), an „aberration in times of crisis“ (Le Parisien, FR)¹⁷. However, the biggest disputes were created by a mini-series of videos published by the British Channel 4, entitled „The Romanians are coming“, that presented Romanian immigrants in an offensive and discriminating manner.¹⁸

¹³ Comisia Europeană, Politică privind Migrația, Matching economic migration with labour market needs in Europe, 2014, p. 5.

¹⁴ Departamentul pentru Muncă și Îstrăinătate, Oficiul pentru Migrația Forței de Muncă și Catedra de Științe Politice a Facultății de Științe Politice și Științele Comunicării din cadrul Universității din Oradea, Liberalizarea pieței imuncii din România. Oportunități și riscuri, Oradea, 2006, pag. 8.

¹⁵ Libertatea de mișcare în UE, preluat de pe site-ul www.citizensinformation.ie, 2015, accesat la data de 1 iulie 2016

¹⁶ Institutului de Studiu al Pieței muncii 'The Free Movement of Workers in an Enlarged European Union: Institutional Underpinnings of Economic Adjustment', Germania, 2014, pag. 5.

¹⁷ Informații preluate de pe <http://uk.lsr.ro/romanians-are-coming-alternatives-of-a-patronising-view>, accesat pe 1 iulie 2016.

¹⁸ Informații preluate de pe <http://uk.lsr.ro/romanians-are-coming-alternatives-of-a-patronising-view>, accesat pe 1 iulie 2016.

Hurriyet Daily News, a Turkish newspaper, published on January 1 2014, an article that spoke of a „fear of invasion“ of Romanian and Bulgarian immigrants, feared by Germany and Great Britain. The British even tried to take measures to forbid the possibility of receiving unemployment for unemployed immigrants and the Germans members of Parliament debated about the possibility of a fraud in granting social benefits. In an attempt to settle down the situation, Laszlo Andor, European Commissioner for employment issues said: „There are already over 3 million Romanian and Bulgarian nationals residing in EU countries, so it is unlikely that their number will increase considerably after the restrictions are lifted“. ¹⁹ Also, the media in the two countries had a considerable contribution on shaping a negative image of all immigrants that were to arrive in Germany and the UK, mostly from published articles focusing on low living standards which they had in their home countries and the possibility that Romanians and Bulgarians will exploit the welfare systems.²⁰

One year after the freedom of movement on the labour market for Romanians and Bulgarians became full, a news site in Bulgaria (www.novinite.com) published an article entitled: „The Romanians and Bulgarians have produced „a small miracle“ on the labour market in Germany“. Professor Herbert Brücker, based on some data collected by the Research Institute in Nuremberg, said that approximately only 7.1% of Romanians arrived in Germany are not working and a percentage of 15.5% of Bulgarian immigrants are in the same situation. He also declared that the number of Romanians and Bulgarians who have found a job after the restrictions were lifted increased by 14%, which has positive effects on the German economy, given that all these people are paying the taxes.²¹

The Migration Observatory in Great Britain, published an article in December 2014, addressing the real effects concerned the lifting of restrictions. Thus, although the wave of immigrants continued to increase, the growth was consistent and not very high, showing that the largest number of Romanians and Bulgarians arrived in the UK in the period 2007-2014, when there were still existing restrictions on the labour market. In total, LFS (Labour Force Survey) estimated that at the end of 2014 in the UK there are around 250,000 Romanians and Bulgarians.²²

Migration is an element of social and economic life in many countries, but the profile of migrant populations varies considerably. Immigrants play a significant role in the most dynamic sectors of the economy and they contribute more than they receive in individual benefits, although admittedly to a lesser extent than the native-born. Contrary to widespread public belief, most Romanian and Bulgarian immigrants, do not come for social benefits,

¹⁹ Comisia Europeană, Press Realise Database - End of restrictions on free movement of workers from Bulgaria and Romania - statement by László Andor, European Commissioner for Employment, Social Affairs and Inclusion, 2014.

²⁰ Informații preluate de pe <http://www.osw.waw.pl/en/publikacje/analyses/2014-01-08/citizens-bulgaria-and-romania-receive-full-rights-eu-labour-market>, accesate la data de 1 iulie 2016.

²¹ Informații preluate de la <http://www.novinite.com/articles/166362/Bulgarians,+Romanians+Cause+'Small+Miracle'+on+Germany's+Labor+Market,+Expert+Says>, accesate la data de 1 iulie 2016.

²² Informații preluate de la <http://www.migrationobservatory.ox.ac.uk/commentary/romanians-and-bulgarians-coming-uk-2014-influx-or-exaggeration>, accesate la data de 1 iulie 2016.

but to find work and to improve their lives and those of their families. Efforts to better integrate immigrants should thus be considered an investment rather than a cost.²³

The Brexit Effect on the Labour Market in the EU

On June 23, 2016, the citizens of the United Kingdom of Great Britain voted to leave the European Union, a historic and unprecedented decision so far. From the point of view of EU regulations, Brexit will to be a long process. The EU treaties will cease to apply to the country leaving two years after that state notifies its intention to leave the block, less if the EU member states unanimously decide to extend this deadline. These aspects will obviously concern the principle of free movement of manpower, which will again be affected by restrictions, given that it is a basic principle of the EU and not of the United Kingdom. All these changes will affect both the immigrants already established in the UK as well as the UK manpower consisting of British citizens. Migration has helped in the past to occupy short labour sectors and to diminish the index of demographic aging of working population. Also, statistic data from 2011 provided by the OECD (Organisation for Economic Co-operation and Development), showed that immigrants contributed 34% more in terms of tax in Britain than have amounts taken out from the UK countries.²⁴

The Prime Minister of Romania, Dacian Cioloș, said immediately after the results of the referendum in the UK, that „there will be no immediate impact on the rights that Romanian citizens who live and work in the UK have“. The Vice-Governor of the National Bank of Romania, continuing the declaration of the Romanian Prime Minister said: „There are three levels regarding Romania when we refer to Brexit: short-term, which relates particularly to financial markets, medium-term, regarding economic aspects, and long-term that relates particularly to political and institutional aspects“²⁵.

Currently, given that the UK is the first country in the position to leave the EU, there are many speculations regarding the steps and consequences of this process. It is estimated that, on the labour market for two years ahead, nothing substantial would happen. Instead, it is likely that after these two years, when the UK will completely exit the Union, the employment contracts will be renegotiated, we will reapply for work permits and even visas. However George Osborne, the British Minister of Finance, says that there is a possibility that more than 400,000 jobs will be cut over the next two years.²⁶

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