

THE ANALYSIS OF ECONOMIC IMPACT ON THE MIGRATION PROCESS OF THE REPUBLIC OF MOLDOVA

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ABSTRACT

This article aims to research and generalize the theoretical and methodological aspects of determining the economic impact of the migration process in Republic of Moldova by finding solutions to minimize the exodus of the active population. The methodology of the scientific research of the paper is based on various methods, techniques and tools, such as: analytical and comparative method, graphical, tabular method, induction and deduction, methods of comparison and observation, investigation of statistical sources, direct research, etc. In view of the proposed purpose, the following objectives are determined: reporting theories on labor migration, defining general aspects of the evolution of migration, determining the effects of migration on economic development, analysis of labor migration of the Republic of Moldova, identifying the impact of emigration of the labor force on the demographic increase of the Republic of Moldova, estimating the influence of the migration policies of the European Union on the development of this state, presenting the evolutionary trends of migration by determining the macroeconomic indicators of the Republic of Moldova.

KEYWORDS: *economic expansion, human capital, migration, poverty, remittances.*

1. INTRODUCTION

In Republic Moldova the migration of labor force has increased sharply over the last two decades. Numerous studies of the migration phenomenon have demonstrated the significant impact that this movement of labor has on the social-economic case in the country. Despite the major importance given to the relationship between migration and development, national migration policies have often failed to reap the maximum benefits because they have not properly integrated migration policies into their overall development strategies (Bodvarsson, 2013). Currently, the analysis of the importance of migration aims at a special market segment and as a resource for economic expansion. It is based on exploring the links between migration and development, which are often underestimated, misunderstood or ignored (Castles, 2009).

The Republic of Moldova still demonstrates shortcomings in the scope of a comprehensive policy framework for migration, which requires an explicit national policy, a regulatory framework, an organized institutional structure and an effective mechanism for coordinating migration policies (Cantarji, 2009). One of the social problems associated with mass migration from this state is the phenomenon of intellectual exodus, which could be addressed by providing employment opportunities and living conditions for skilled workers in their home country (Burlacu et al., 2019).

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2. LABOR MIGRATION ANALYSIS IN REPUBLIC OF MOLDOVA

Population migration exerts a considerable influence on the economic and social development of the state, the distribution of population and human resources, the development of human habitat (Constantin, 2004).

Often the same type of migration can be caused by several factors that compete depending on the conditions of each stage in the history of human society development (Bran et al., 2018, Profireoiu et al., 2019). The factors that influence the intensity and directions of population migration are very diverse and complex and are grouped into economic, social and psychological, demographic, natural, health, educational, cultural, etc. (Negescu, et al., 2020).

The internal migration of the population, as a component part of the whole migration process, manifests itself depending on the development conditions of the state at each stage (Burdelnîi, 2013a). In the current conditions of this state, the migration of the population requires the formation of a new vision on the place of migration in the demographic, social and economic development of the state (Bodislav et al., 2019).

As long as there is a significant economic gap among the developed countries and Republic of Moldova, emigration trends will be maintained and external migration will retain its economic character (Jianu et al., 2019).

A consequence of emigration are the demographic losses of the economically active population, the decrease of the demographic gene pool, the final disintegration of many families through formal or informal divorce, when one of the spouses emigrated on a long-term basis (King, 2012).

The state of affairs in the external migration of the population does not offer us the possibility to carry out a complex study on this phenomenon, because the evidence of official statistics is subject to permanent migration, with change of place of residence, ie only those persons who have the status of immigrants, emigrants and repatriated (Vremiş, 2014)

Table 1. Number of emigrants, immigrants and returnees in the Republic of Moldova, (persons)

	Year 2012	Year 2013	Year 2014	Year 2015	Year 2016	Year 2017	Year 2018
Emigrants	7172	7376	6828	6988	6663	4714	4814
Immigrants	2070	1620	2056	2749	2015	2512	2678
Repatriated	1763	1285	1131	2023	2222	1678	1910

Source: N.B.S.R.M data

From the presented data it is observed that the number of persons included in the migration processes in the period 2012-2013 is comparatively stable (with slight growth trends) within the limits of 6-7 thousand emigrants, 1.3-2.7 thousand immigrants and 1.1- 2 thousand repatriated. As a result, the annual migratory flow reflects a loss of 4-5 thousand people, which reduces the national demographic potential. But in the period 2015-2017 there is a slight decrease in both emigrants, immigrants and returnees compared to the period 2012-2014.

The main directions of emigration are the Russian Federation, Ukraine, the USA, followed by Belarus, Germany, Israel, Italy, France and other states. Italy, France, Turkey, Russia occupy a significant place in the immigration process in the Republic of Moldova, followed by the USA, Romania and other states. Most cases of repatriation are registered from Ukraine, Turkey, Russia, Romania, USA (Cantarji, 2009).

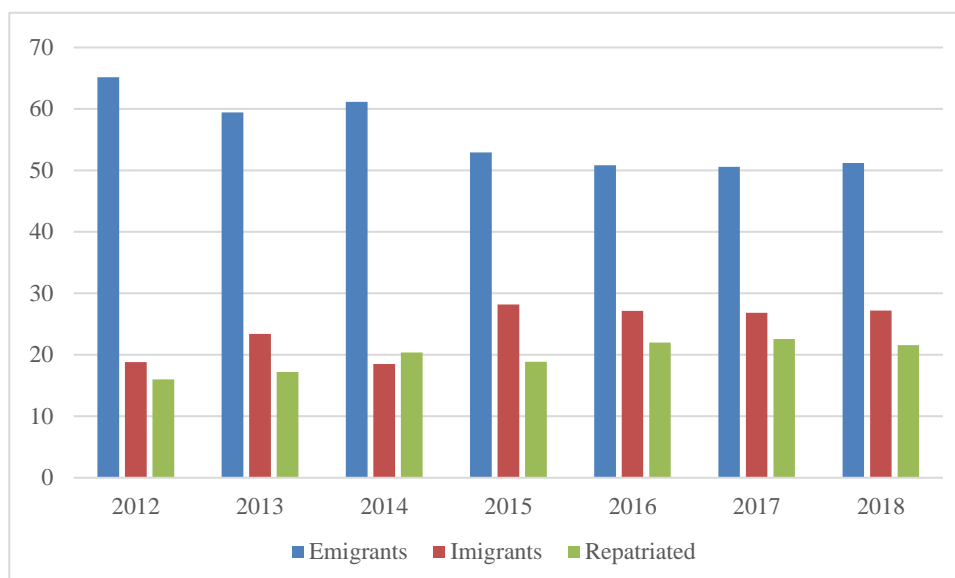


Figure 1. The structure of emigrants, immigrants and returnees in the period 2012-2018
Source: N.B.S.R.M data

The external migration of peoples in the Republic of Moldova at present is quite diverse in form, types and trends (Burdelni, 2013b). If until the beginning of the 90's of the twentieth century the external migration was oriented predominantly towards the East, in the ex-USSR space, now, in parallel with the East direction, the West direction was also outlined. In the East, a priority direction is Ukraine, the second place going to Russia, especially Moscow and St. Petersburg. In the category of another states of external migration, the states of the European Union predominate.

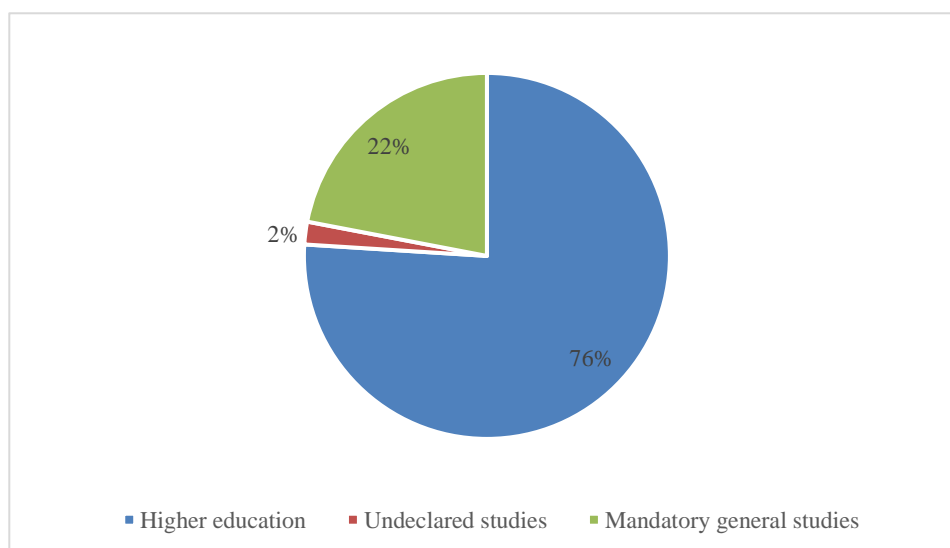


Figure 2. The structure of migrants according to the level of training, 2018
Source: N.B.S.R.M data

Permanent migration has been a priority of the highly qualified population, and for the peoples in the Republic of Moldova this is no exception. In the contingent of migrants, the share of those with a high level of education is considerable, 22% have higher education or every fifth migrant is with higher education (figure 2).

The overwhelming share of migrants with compulsory general education (76%) has a certain influence on demographic and social aspects, following the exchange of migrants.

Analyzing the period 2012-2018, the highest number of emigrants was registered in 2012 (7376 people). In the period 2013-2014, emigration stabilized around an annual quota of 6500-7500 people. Analyzing the structure of emigrants by age groups in 2012-2018, it was observed that people aged under 24 years accounted for between 23%-30% of total emigrants, their share reaching a stability of 30% in recent years. However, the most important segment of the emigrants was people aged 25-34. This category, which is also of the greatest interest for the internal labor market, recorded shares of 25% -32% in total.

3. EVOLUTIONARY TRENDS IN MIGRATION AND MACROECONOMIC INDICATORS IN REPUBLIC OF MOLDOVA

In Republic of Moldova, the labor force migration has a significant role not only in demographic but also economic terms (Moşneaga, 2009).

The increase in Gross Domestic Product in previous years is largely attributed to the income remitted by Moldovan migrants working abroad (Alpopi, 2018). Regarding the returned Moldovan migrants to work in the period of exacerbation of the international economic crisis seems to have influenced the positive dynamics of GDP per capita.

Since 2012, the nominal value of GDP per person has been steadily increasing, but the growth rate compared to previous years has shown declining trends (Figure 3).

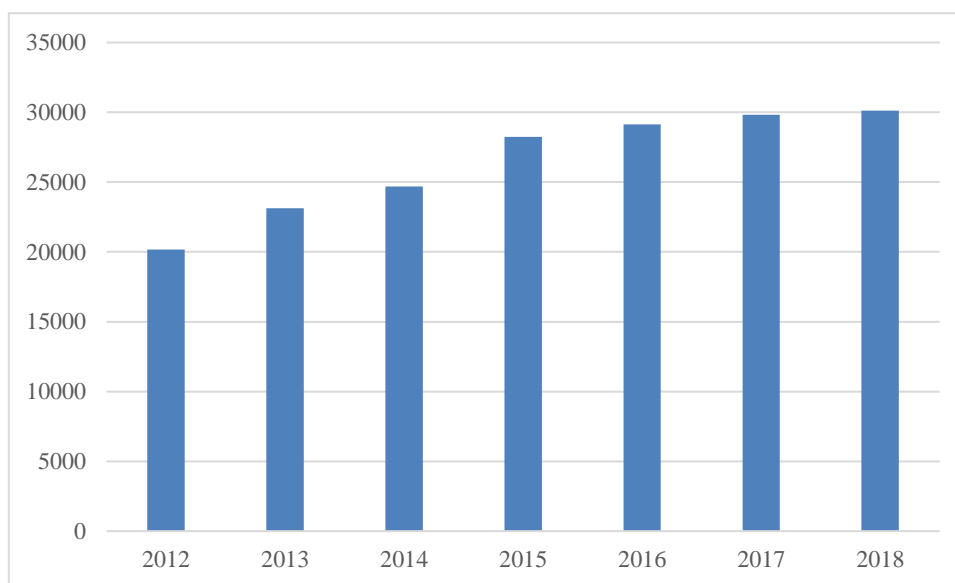


Figure 3. Dynamics of GDP per capita in lei, 2012-2018

Source: N.B.S.R.M data

Remittances are an important source of poverty for the population of this state (Ioniță et al., 2009). The statistical data presented by the Household Budget Survey show that the proportion of households receiving remittances in the total number of households in the country during the analyzed period is considerable (Moşneaga, 2009).

The study conducted by the Labor Agency shows that most migrants (81.2%) said they transfer or send money to families. The amounts transferred are different, over a third of migrants (35.7%) said they transfer or send less than \$500 a month, and 12.3 percent- between \$500 and \$ 800 a month, and 7.2 percent transfer or send more of \$ 800 per month.

The share of remittances, in rural areas, in their disposable income is particularly significant, exceeding in 2015 the figure of 62 percent, the difference compared to urban areas being 9.2 pp.

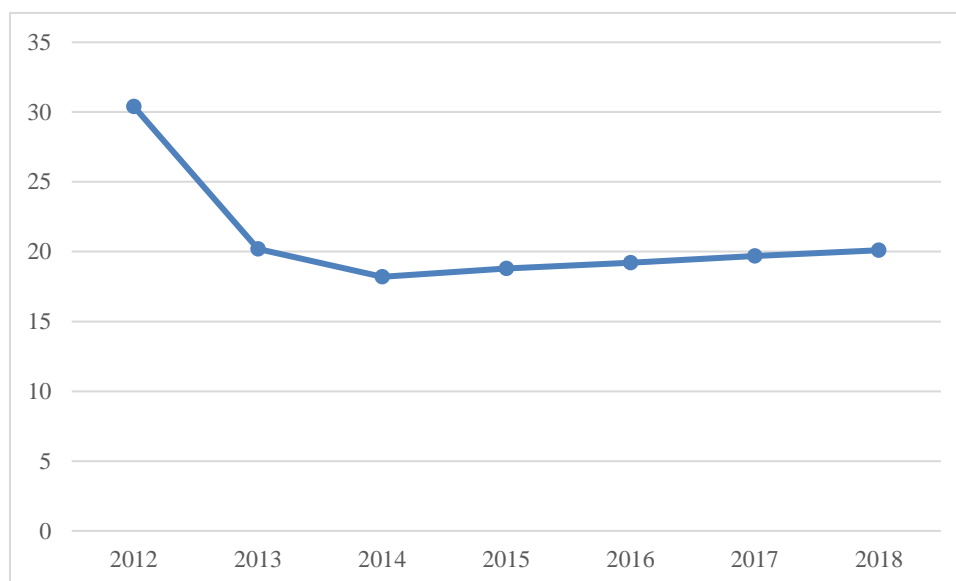


Figure 4. The rate of population below the absolute poverty line (2012-2018), %.

Source: N.B.S.R.M data

A major problem of the migration process is the successful integration of the migrant in the new social system, which in turn depends: on the availability of a job, on the possibility of earning money for accommodation, for the maintenance of his family at home or in the host country, if he is next door. According to sociological research, the vast majority of Moldovan migrants are employed in host countries (Vremiş, 2014).

As participation in the labor market is most concrete ways of integrating into society, the way to reduce these gaps must be aimed at both migrant workers and migrants who have come to the European Union in the context of family reunification, as beneficiaries of international protection. In all Member States where statistical data are available, there is an overqualification of third-country nationals, especially women, in relation to the jobs they hold. Employment in the same field of economic activity abroad is characteristic of only 12% of the number of migrants from the destination countries surveyed, usually for those in construction, health and social services, transport and telecommunications, community, social and personal services. For the vast majority of migrants, there is a discrepancy between the level of training and qualification held and the economic activities carried out by them (Rădulescu et al., 2018).

ACKNOWLEDGMENT

We thank the work team for the help offered in making this article. We wish to thank the National Institute of Statistics for his h with the statistics used in this report. We would like to express my deepelp gratitude to my colleagues for ongoing encouragement, critical analysis for this article and guidance.

4. CONCLUSIONS

A major component of economic expansion is the migration phenomenon. Migration from an international point of view is the change of residence of individuals or groups of individuals, regardless of reason and cause. Different factors can be attributed as a determinant of a migratory process in the country: politics, poor ecology, poorly developed economy, unsatisfactory demography

or good socio-economic status of country and the political protection of the population by its government.

Analyzing the exodus of intellectual specialists becomes important problem situations in labor market in Republic of Moldova, because even a small number of current emigrants with intellectual occupations could in fact be important for recovering the current deficits in the labor market. Most migrant workers have access to the lowest wages on the labor market, which affects their standard of living in the destination country.

Above the borders of the Republic of Moldova, according to consular and diplomatic data, at the end of 2016 there were about 819 thousand people, regardless of the length of their stay in the destination countries. According to the mentioned data, 68.4 percent were in the Russian Federation, 18.2 percent - in Italy. Temporary / circular migration for work, with the intention of returning.

A painful consequence of emigration are the demographic losses of the economically active population, the decrease of the demographic gene pool, the final disintegration of many families through formal or informal divorce, when one of the spouses emigrated on a long-term basis.

It can be seen that the number of people involved in migration processes in the period 2012-2018 is decreasing. If in 2012 the share of emigrants reached 71.51%, then in 2018 there is a decreasing trend - 52.64%. The main directions of emigration are the Russian Federation, Ukraine, the USA, followed by Belarus, Germany, Israel, Italy, France and other states.

Analyzing the natural increase and the migratory increase in the Republic of Moldova, it can be specified that an aspect of demographic nature that should not be ignored when estimating the costs of final migration is the emigration of the female population of childbearing age.

Thus, if out of the approximately 52% of migrant women during the entire period, only 2/3 would give birth to children abroad, on average 1.3 throughout their lives, then for the entire transition period it can say that the Republic of Moldova still lost almost 70 thousand people.

An important indicator is the disposable income of households, obtained from remittances. The share of remittances, in rural areas, in their disposable income is particularly significant, exceeding in 2016 the figure of 62%, the difference compared to urban areas being 9.2 pp.

A major problem of the migration process is the successful integration of the migrant into the new social system, which in turn depends: on the availability of a job, on the possibility of earning money for food or other things, for the maintenance of his family at home or in the host country.

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