THE ECONOMIC CRISIS AFFECTS THE COHESION POLICY AND SLOWS DOWN THE MIGRATION IN EUROPE

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Abstract: The economic crisis has made it difficult to achieve the key objectives of the European Union and the cohesion policy as a result of the increase in regional disparities. The main causes are the decrease of employment rates, increasing poverty and social exclusion. Among the effects of the crisis, there have been identified within the present work, on the one hand, some Member States of the European Union, who are facing more problems, but also fewer public resources and, on the other hand, the trend of population migration slowdown in regions marked by large flows of migrant workers in the pre-crisis period. All these issues highlight the need to reconsider the cohesion policy. In the present work, we are trying to establish to what extent the tools for the reduction of discrepancies between EU Member States on the management and impact can be successfully developed within the new cohesion policy for 2014-2020, starting from the compromises made for the purpose of connecting the European objectives to the national ones.

Keywords: cohesion; migration; economic crisis; sustainable development.

JEL Classification: A13; E24; F22; F43; J61.

INTRODUCTION

At first, the policy of economic and social cohesion had a redistributive character. Since 1986, with the enactment of the European Single Market Programme, and the signing of the Single European Act, a new era begins for the policy of economic and social cohesion within the EC. The concerns were related to the free movement of persons, capital and services. The Maastricht Treaty, which came into force in 1993, designates the cohesion as the main objective of the European Union and it creates the Cohesion Fund. The policy of economic and social cohesion of the European Union must be considered an integral part of the Lisbon Strategy (2000) which sought to make Europe until 2010 the most competitive and dynamic knowledge-based economy. Among the objectives introduced later, the most important one is to ensure the sustainable development.

The cohesion policy, by the objectives included, had to meet the growth and employment strategy and become the mainstay for their implementation through national and regional development programmes. Global challenges determined in 2007 a new reform of the cohesion policy. The new reform aims at implementing a new framework of cohesion policy programmes through the adoption of a new Legal Framework of the Cohesion Policy 2007-2013, and setting new intervention goals for the main financial instruments through which cohesion policy is carried out.

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Economic crisis marks the economic deadlock by the economic and social issues raised, by through which many countries are passing even at present, and that is why many people don’t see other solutions, they don’t see the benefits that the European Union can bring to all Member States. A culprit or more are looked for the deadlock of certain Member States, but the offenses brought to Romanians or to Bulgarians cannot solve such a problem. The Romanians are neither the cause of the derailment within Europe, nor the criminal peak. The populist attacks addressed to the “assault” of Romanians into Europe are unfair.

Mobility is a normal thing, a principle that has led to the creation of the EU, which includes the right to free movement of persons, goods, and labour. Mobility is a global harmony, closing borders is part of Europe’s past and it always makes us think to the period of the Cold War. Labour mobility in Europe creates an added value of human capital and Romania would be able to benefit from the knowledge and experience of work assimilated by the Romanians abroad. How could those who wish to return to their country and to reintegrate into the labour market be concertedly supported? There are studies that show that fewer Romanians want to leave to work abroad, and moreover, that many of those who left want to return to their home country and to use the experience gained during this period spent outside the country. However, it is a subject that should be intensely debated, because as we have seen there is a much higher migration of Romanians after January 2014 to other Member States.

The debate on labour migration from Romania and the image and status of the Romanians abroad will continue, because it is a leitmotif for many anti-European speeches. Thing stated in an interview for AGERPRES and by the PSD European deputy, Ciprian Tănăsescu, organizer of several debates in the European Parliament on the effects of the removal of restrictions on the labour market for Romanians and Bulgarians starting from January 1st, 2014 (AGERPRES, 2014). The image of Romanians abroad must be improved, ending discrimination and denigration on the labour market and not only in the EU Member States, but also considering the interpretation of social dumping cases caused by inappropriate management of the workforce by some employers, who often reaches stigma and burden for generations of workers who area leaving from Romania.
1. CONCEPTUAL DISTINCTIONS

Cohesion policy is and will remain a central pillar for achieving the objectives of the EU sustainable development. Its historic mission is to adjust the subsequent development of the single market by strengthening the economic, social and territorial cohesion of the Community as a whole. Today it’s time to check how strong the implementation and impact of this policy turned out to be over the years and, more importantly, to see what could be the role and the place given to cohesion policy on the future.

Europe is currently facing major new challenges such as globalization, demographic decline, migration. Therefore, the discussion on the future of cohesion policy, within the framework of the present paper, focuses only on disparities and distribution of employment. All these, under the conditions in which the population migration remains a subject of interest today, as a result of the mutations that the phenomenon had borne during the global economic crisis. The approach of these new challenges involves a new policy aimed at the structural factors of competitiveness and social sustainability and promoting restructuring of regional economies by building their own specific institutional facilities and human resources. The discussion on the future of cohesion policy should be seen in this context.

The notion of social cohesion is a complex one and that is why we don’t have yet a universally accepted definition. Most of the theoretical approaches of the concept are based on different scientific approaches, depending on the level of analysis. McCracken considers that the social cohesion is a feature of a society based on connections and relationships between social units such as individuals, groups, associations, and between territorial units (McCracken, 1998).

Within the analyses carried out by the World Bank, the term of social cohesion is preferred to that of social capital; according to the World Bank specialists, the term of social capital may cause confusion when applied to social areas, because many of the characteristics of the physical capital do not apply. The World Bank uses the term social cohesion in a manner which is different from the term of social capital (Manole, 2012, p.116).

According to the definition given by Cătălin Zamfir and Lazăr Vlăsceanu, migration is a phenomenon which consists in moving some crowds of people from a territorial area to another, followed by a change of residence and/or employment in some form of activity within the arrival area (Vlăsceanu and Zamfir, 1993).

The definition of the migration problem depends on a number of theoretical and methodological conditions and, therefore, what is important here is the definition of R.K. Merton.
given to the social problem, as being a significant discrepancy between social norms and social reality, as a matter of fact. Other authors make the distinction between negative social problems and the positive ones. Negative social problems are dysfunctions of social systems. Allan G. Johnson defines migration as being physical movement of people within the social systems and between them (Johnson, 2007).

International migration is a social phenomenon that poses major social problems. An example in this sense is the number of migrants worldwide who registered a new record, increase which has been caused by the conflicts existing in the country of origin, by poverty or the lack of life expectancy. Another argument can be the British Government’s report, showing that immigration from Eastern Europe has generated problems in the field of social services, health and education.

The total number of international migrants increased from 150 million in 2000 to 214 million in the year 2010 (IOM 2010). The world migration report 2010-The future of migration: consolidation of capacities for change) shows that more than half of those who live in low and medium income countries, and many developing countries are simultaneously countries of origin and destination for migrants. This increasing regional and global mobility, on the one hand, gives rise to opportunities, contributing for example to poverty reduction and to innovation, but, on the other hand, makes necessary an effective governance for the resolution of some issues such as the “brain drain” (emigration of educated persons), the exploitation of migrants and the effects of migration on urbanization.

At the macroeconomic level, migration leads to the destabilization of the labour market by creating a surplus in some areas (in the areas of adoption of migrants) or to shortages of labour in certain sectors, during certain periods and in certain areas (in the areas of origin of migrants). Oversaturated job market in a sector can be regarded as an aggressive phenomenon by the native population. The impact at the level of impairment means that Romania sectors were facing a dearth of manpower until the last half of 2008, alarming unemployment currently at national and international level, the effect of the crisis that strongly affected the different sectors (Nicolae, 2009).

Originally, the notion of unemployment was synonymous to that of “inactivity”. Unemployment data definitions in the literature are numerous. A separation of the unemployment is voluntary unemployment and involuntary unemployment. Voluntary unemployment exists when workers refuse the opportunities to engage in certain jobs, at wages that are on the market. Involuntary unemployment exists when the economy has insufficient jobs, at the existing salaries. The percentage of the unemployed who are voluntarily unemployed is known, according to some definitions, as the natural rate of unemployment (Anderton, 1991). Unemployment separation in
voluntary and involuntary is one of the major controversies in economic theory. However, the most common classification system is based on dividing the unemployment causes into the following major types: frictional, structural unemployment, while according to the ratio demand-offer, we can identify seasonal and cyclical unemployment. There are various tests carried out to determine the geographical imbalances in the workforce. In these situations, the unemployment is identified. Structural unemployment occurs because of change of job applications, because of wages which are rigid, and because of the high costs of occupational and geographical mobility. The unemployed person included in this type of unemployment has a lower probability of moving from unemployed to employed person. Any social policy measures aimed at increasing the probabilities (of subsidy policy of training of the unemployed, to improve information about jobs and cost-cutting migration), are aimed at reducing structural unemployment. Thus, unemployment is part of the economic considerations that motivate and facilitate migration, especially at the European level, but of interest for the analysis are the socio-economic aspects of the phenomenon, as a first element of impact of migration flows on communities of insertion, even long before the presence and integration of immigrants in the labour market, through the establishment of the European policies.

2. THE ECONOMIC CRISIS AND ITS EFFECTS

The global economy means the impact of the global financial crisis and reflects the poor structural organization of the European economy. The social and economic differences between the Member States show the necessity of using cohesion policies, within a clear framework of the European Union.

The current economic crisis is a complex process. As the crisis has spread, the importance of the EU dimension has become increasingly clearer. Because the impact of the crisis is differentiated amongst the Member States, cohesion policy should focus on speeding up and facilitating the implementation of cohesion programmes. This could be achieved mainly through the introduction of some changes into the legislative framework, related to the areas of pre-financing, interim payments, deadlines extended. The cohesion policy invests in the real economy. Thus, with a total budget of EUR 347 billion for the period 2007-2013, approximately 70% of this amount, or EUR 250 billion is allocated for investments in the four priority areas of the EU strategy for economic growth and employment (Katsarova, 2009, p. 9). These investments are designed to contribute to a more rapid recovery, improving competitiveness by helping the Union to adapt to the new economy.
The new reformed cohesion policy will have nearly 367 billion, over the next seven years, for investment in the regions, the cities and the real economy of Europe (Coman, 2014). It is the main instrument of the Union’s investments in order to achieve the objectives of the strategy “Europe 2020” - the creation of jobs and economic growth, approaching the problem of climate changes and energy dependence, the abatement of poverty and social exclusion.

In Romania, the big problem was the very low rate of absorption of funds. According to estimates, the national strategic report on the implementation of the structural funds and the cohesion, if the current rate of absorption will be maintained, the amount of repayments will reach the initial allocation of 19 billion Euros only in 2020 (Gomboş, 2013).

2.1 The economic crisis and its effects on the cohesion policy

Cohesion policy is a decentralized policy that combines both the global objectives of the Union with the Member States’ objectives for achieving the balanced development in all regions and for ensuring economic and social cohesion. Implementation of the cohesion policy is carried out in partnership between the European institutions, national, regional and local authorities. The way the principle of partnership is understood and applied is different in the 27 EU Member States. Some States, including Romania, have chosen a centralized implementation model, in which operational programmes are managed by the ministries and implemented by the authorities deployed from the territory, while other countries such as Spain, Portugal or Sweden, for example, have chosen a decentralized deployment model, in which the powers of management of regional policy are shared between central and regional or local authorities (www.mediatalks.ro).

Member States have many levers by funding programs to deal with EU funding. Romania had a low absorption of funds, this under the conditions in which it is known that the maximum capitalization of EU funds can lead to economic growth and creating new jobs. In 2011, the European Commission announced that the initial measure of “supplementation” recorded a temporary increase of EU funding, of up to 10 percentage points by the end of 2013, provided upon request to the countries hit the most powerfully by the crisis, such as Ireland, Greece, Hungary, Portugal and Romania. The measure does not represent a new financing, but it allows an easier use of funds already allocated within the cohesion policy of the EU. The EU’s contribution would be increased up to a maximum value of 95%, thereby reducing the requirement of national co-financing at only 5%. Another measure within this proposal responds to the request concerning the future budget of the EU that the European Council asked since February to the European
Commission, to explore the ways in which Romania and Slovakia could use the EU funds more easily. The funds allocated to Member States within the cohesion policy can be divided into annual amounts to be expended within two or three years, according to each country (European Commission, 2013). The Commission’s proposal extends the N + 3 rule for Romania and Slovakia that otherwise would have expired in 2013. Thus, these States have a greater freedom to spend and to request funds from the EU, reducing the risk of loss of funds. The measures would help these Member States to find solutions to the problem of unemployment among young people. For example, the unemployment rate in the euro area has reached a new record of 12% of the active population in February 2013—the highest level since the launch of the single currency in 1999, while in the EU, the indicator reached 10.9%. The record rate of 12% in the euro area is translated by a total of 19 million unemployed persons, and 10.9 percent of the European Union as a whole reveals that almost 26.400 million citizens of the Member States had a job in February. According to the data published by Eurostat, Romania was classified in February 2013 below the average in the European Union, with an unemployment rate of 6.7%, increasing slightly during the month of January, when it recorded a 6.6 percent (Petrovici, 2013). Throughout the European Union, Eurostat estimated in September 2013 a stable unemployment rate, of 11%. Among the Member States the first places are occupied by Greece (with 27.6%) and Spain (26.6%). Austria lies at the opposite pole, with an unemployment rate of 4.9%, and Germany (5.2). Romania is below the EU average, with 7.5% (see Figure 1).
Returning to the measures, the highest values within the community block were in Greece (26.4%), Spain (26.3%) and Portugal (17.5%), and lowest in Austria (4.8%), Germany (5.4%), Luxembourg (5.5%) and the Netherlands (6.2%). In the absence of the proposed measure, investments within cohesion policy for growth could be lost because of the lack of time for spending money or because of the difficulty of finding co-financing donors at national level and in the private sector in the current economic climate. The first measure would contribute to the mobilization of approximately 500 million Euros of investment to encourage the faster development in Greece, Cyprus and Portugal. In this way, the EU investment contribution is increased in the favour of cohesion policy and it allows a more reduced national contribution. This resulted in an extension of another two years of an agreement on co-financing of December 2011, easing the pressure on national budgets without involving new funds from the EU. The second measure proposed today would give Romania and Slovakia more time to spend the money of cohesion policy (Stroescu et. al., 2013). It would allow a better selection and the implementation of strategic projects — for example, to the creation of jobs for young people.

In conclusion, the unexpectedly high levels of unemployment are a tragedy for Europe. They show us the actual size of the crisis which is now in the euro area countries. The European Union and the Member States shall mobilize all the instruments they have at their disposal, in order to create the jobs and the prerequisites for a sustainable growth. The emergency measures applied under programmes devoted to young people, which will assist them to acquire the skills necessary to enhance their chances of getting a job and to access existing vacancies.
2.2 The economic crisis and its effects on population migration

International migration has led to an annual average population reduction in Romania by almost 104.2 thousand persons. The year 2012 marked a balancing of the number of immigrants and emigrants in Romania, while 2007 was the peak of departures abroad, it being of 458 thousand persons (http://www.insse.ro). International migration increase at the level of the working population will result in a medium to long-term horizon, major labour market problems in the pension system and subsequently, in financing social services.

Global approach of migration and mobility within the EU has made possible the development of a comprehensive and balanced foreign policy that includes migration and development among the four priority operational areas. Migration is a priority in the change agenda of the EU, the development policy of the Commission for the reorientation of the work of the countries or areas that have the most need of help. In the period 2004-2013, the European Commission supported with almost EUR 1 billion over 400 projects relating to migration. In this way, the EU aims to turn migration into a key factor for development.

After 1989, Romania confronted with the phenomenon of international migration, which led to the reduction of resident population. According to INS (2010), during the period 1989-2012, the stable population of Romania has been reduced by more than 3.1 million inhabitants. More than 77% of the negative increase of the stable population within this period was caused by emigration.

The resident population decrease within the period 1990-2012 is based, among other causes, on the international migration, which has led to a reduction in the average annual population of Romania by almost 104.2 thousand persons (INS, 2010). In Romania, we can find a feminization of migration, looking at the statistical data for the period 2002-2012 (see Figure 2 and 3). The degree of women’s participation in economic activities is an important indicator for the economic growth and for the well-being of families.
According to statistical data provided by the National Institute of Statistics of Romania (INS) for the period 2008-2012, the favourite destinations of Romanian migrants are Spain and Italy, followed by Germany, the United Kingdom and Hungary (see Figure 4).
Italy and Spain, two of the key destinations for Romanian emigrants, are no longer attractive. Economic recession begins to be also felt in Spain, where the construction sector, the engine of the Spanish economy for a long time, went into decline, resulting in a significant increase in the number of unemployed people, many of whom are Romanians. The campaign triggered in Italy against immigrants can be added to this, which has caused many people to rethink the decision to emigrate/remain in Italy. The emigration of the labour force from Romania has created a shortage of labour in many sectors of activity in Romania (construction, textile, health).

More on the opportunities of globalization, but also on the effects of economic policy that ensure the free movement of capital and labour, can be found in a paper written in 2011, in which the challenges of global economic crisis brings are outlined at length (Feraru, 2011a, p.56). The difficulties come from the fact that there is a situation identical for the analysis of historical data, the lack of data related to the impact of economic crises on migration flows and the labour market, the fluidity of global economic climate affected by the need for understanding the motivations and the behaviour of immigrants, as well as the extremely complex nature of the relationship between migration flows and fluctuations in the business cycle, for an optimal evolution of policies in this area. Regarding the motivations of Romanian immigrants from Italy, a study carried on in 2011 shows that most of the interviewed persons were determined in their migration by objective economic factors in the desire to win more, in the interest of well-being, to have a peaceful old age. Some of the participants to that research were determined in their migration by professional,
educational factors or for the sake of the aspiration towards a profession in accordance with their training and very few of them were determined in their migration by socio-cultural factors such as religious tourism or the comfort. On the last place, there were placed the participants in the research who were determined affectively, as immigrants, on the grounds such as family reunification or the possibility of creating a social network at their destination (Feraru, 2011b, p. 81). The main motivation for the Romanian immigrants is the economic one, but it also includes another indicator of the frequency of “transnational practice” of these emigrants on the place of departure through a concrete commitment in the life of the family left behind, which meant sending remittances periodically. These practices into which the Romanian migrants are involved cover the economic needs and fill the affective void created by the departure of a member or several members of the family.

Another aspect that deserves being pointed out is the phenomenon of the loss of intelligence (“brain drain”). This is a social indicator, difficult to quantify. A growing trend has been highlighted in the rate of migration, together with the increasing level of education, of training of individuals. Migration of young Romanian people to Europe and to other professionally and economically attractive areas is a natural reaction to the lack of prospects on the labour market in Romania. Some of the data on migration “intelligence” can be found in a paper published recently in 2013, and it likely reflects the reality of immigration of young Romanian students from Italy (Feraru, 2013).

Romania faces various problems in terms of employment, in particular as regards the qualified personnel. It is worth to consider the phenomenon of migration and its impact, in order to understand it and try to reduce it. Cooperation is needed at the international level regarding this phenomenon. In terms of Romanian policy, it would be preferable to go both on the support of Romanian migrants, and on closer monitoring of foreign immigrants, on promoting the image and interests of Romania in the international labour market, further studies on the causes of migration, on the creation of viable projects for re-attraction and support for young people with potential.

CONCLUSIONS

The high-level dialogue on international migration and development aims to identify concrete measures for enhancing coherence and cooperation at all levels in order to increase the benefits of international migration for migrants, and equally for the countries involved, as well as its connections with development.
Starting from the consequences of the global financial crisis on the cohesion policy and international migration, it is necessary to assess the effects of international migration on the sustainable development and identify priorities relevant to prepare the development framework post-2015. These measures should ensure respect for and protection of the human rights of all migrants, with special emphasis on women and children and in preventing and combating trafficking in persons and migrants and to ensure orderly, regular and secure migrations. Moreover, it is also required to strengthen the partnerships and cooperation with regard to international migration, the mechanisms for the effective integration of migration into the development policies and to promote coherence at all levels. For this purpose, data and research in the field bring a significant contribution to the delimitation of international and regional mobility of the workforce while providing information on the impact of migration on development.

There is a risk of a failure of the cohesion policy? To reduce the risks of failure of the policy of cohesion, all Member States should recognize the migration as a “determining factor”, in order to respect the dignity and development supporting basic human rights for migrants. To promote migration and mobility as determinants for countries of origin and destination, both low-income and middle-income countries involved must seize the opportunities offered at EU level and to address the challenges associated with international migration.

In addition, the EU could resort to a closer approach of the topic of migration and development within the framework of its own policies and practices, in particular through the overall approach in the field of migration and mobility, and the EU’s policy for development—the so-called “agenda for change”. A critical approach to the role played by migration and mobility in the sustainable development through identification of new priorities, including the promotion of governance and development, impact of migration between developing countries, as well as the integration of migration into the development agenda. The support of initiatives in the field of migration and development, including through the provision of assistance to the partner countries of the European Union for the promotion of governance in this area, is equally important.
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