

THE SITUATION OF RETURNED MIGRANT WORKERS IN REPUBLIC OF MOLDOVA

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Abstract

In recent years, the public authorities of the Republic of Moldova are drawing increasing attention to the phenomenon of return migration, seeing in it an important reserve for increasing human potential, which is extremely necessary for the prospects for sustainable development of country. In this context, the issue of integration of migrant workers returning to the labor market in the Republic of Moldova is becoming one of the priority objectives of current employment policies in the Republic of Moldova. This article aims to analyze the situation of returned migrants based on the results of the latest studies (ILO 2020, ODIMM, ANOFM, etc.) related to the integration of returned migrants on the labor market in the Republic of Moldova, access to employment services provided by ANOFM to returned migrants and the financing of the business of returned migrants and their families. The impact of the COVID-19 pandemic on the situation of labor migration from the Republic of Moldova, especially on return migration is also analyzed.

Keywords: *International labor migration, Return migration, Pandemia, Labour market, Unemployment, Remittances.*

Classification JEL: *J6*

1. INTRODUCTION

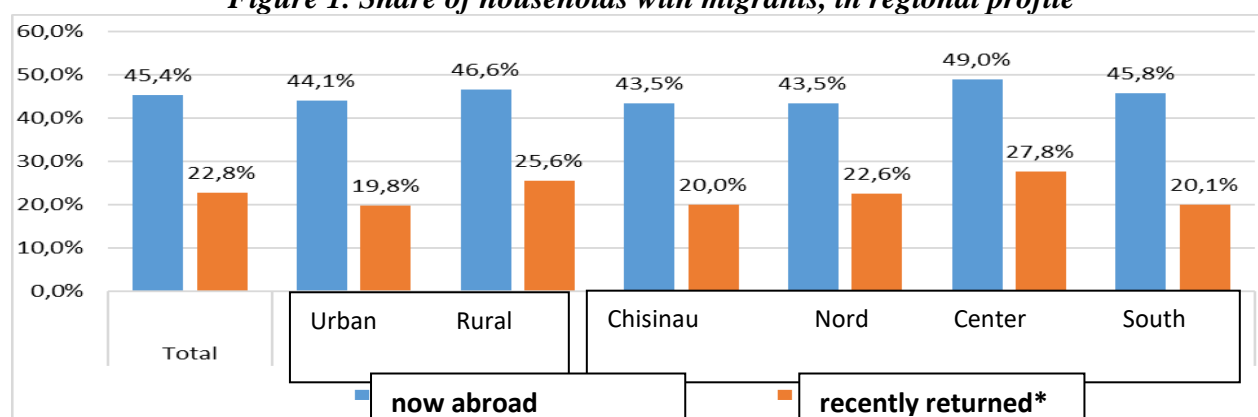
In recent years, return migration from the Republic of Moldova is becoming more pronounced, generating new social and economic problems, related in particular to the integration of migrants returning to the labor market from the Republic of Moldova, rising unemployment, poverty, etc. Under these conditions, the role of the Public Employment Service in the Republic of Moldova is becoming increasingly important in the process of integration of returned migrants into the labor market, as well as overcoming other challenges related to return migration. It should be noted that the employment measures, provided for in the new Employment Law 105/2018, come with a proactive approach to employment and offer modern services and active employment measures, adapted to the needs of different categories of people on the labor market, including returned migrants. During 2020, the territorial subdivisions of the public employment service registered about 1605 people returning to the country with the status of unemployed, of which only 10.5% (168 people) were employed. A large number of them are people aged 35-49, - about 42.4%. A large share of returned migrants are from rural areas - 60.2% (966 people), of which 22.5% (361 women), where employment opportunities are much lower than in urban areas. Problems related to labor market integration were mentioned by almost all returned migrants who addressed the territorial subdivisions of employment. Among the problems faced by returned migrants can be mentioned: difficulties in finding a job - 87.8%; health problems - about 4.7%; quality of social services - about 3.4%. Most of the problems were raised by labor migrants returning from the Russian Federation (494). In this context, ODIMM Entrepreneurship Development Programs for Returned Migrants and their Families are also real opportunities to start successful businesses. Thus, according to ODIMM statistics, during the years 2016-2019, through the Program for attracting remittances in the economy PARE 1 + 1, 853 new businesses were financed, with an application acceptance rate of 91.4%. Over 84% of the businesses established and financed by the

PARE 1 + 1 program during the analyzed period operate in rural areas. This article focuses on the analysis of the situation of returned migrants from the Republic of Moldova in the current period. The study found that the COVID-19 pandemic did not cause major migratory flow movements. According to administrative data, the initial expectations regarding the massive increase in the flow of migrants returned in the first stage of the pandemic proved to be unfounded. It is estimated that these trends have been caused by the panic felt by migrants in the context of the pandemic explosion in major European economies and the fear of job losses by migrants from destination countries, who will return home en masse without any source of income. For a more in-depth analysis of the research topic, a vast literature in the field was used, studies, monographs, articles, informative notes, official data of government institutions concerned with the issue of employment. The statistical data from the National Agency for Employment of the Republic of Moldova were used by the National Bureau of Statistics, the National Bank, as well as some data taken from various national and international studies conducted in recent years.

2. SOCIO-ECONOMIC IMPACT OF THE COVID-19 PANDEMIC. CHALLENGES AND TRAVEL STRATEGIES

In recent decades, the Republic of Moldova has become one of the world leaders in labor migration flows, ranking first in Europe both as a share of migrants in the total population and as a share of remittances in Gross Domestic Product. Labor migration, at its highest level for three decades, has led to multiple changes in several aspects (motivation for involvement in migration, the vector of emigration, etc.). IOM estimates indicate that at least until the COVID-19 pandemic, a quarter of Moldovan citizens lived abroad with more or less permanent residence, and to this quota are added the approximately 350,000 citizens involved in short-term labor migration. Thus, up to a third of the country's adult citizens are involved in the migration process. Major migratory flows are characteristic of all regions of the country, without major differences. Traditionally, migration involves a larger proportion of the rural population, and according to the IOM study (IOM 2020), more the central region of the country, although the discrepancies are not very visible. Thus, if the share of households in which they are migrants in 2004 was 14.6% in cities and 23.1% in villages (CBS-AXA, 2005), now it is 44.1% and 46.6% (Cantarji, 2021) (Figure 1).

Figure 1. Share of households with migrants, in regional profile

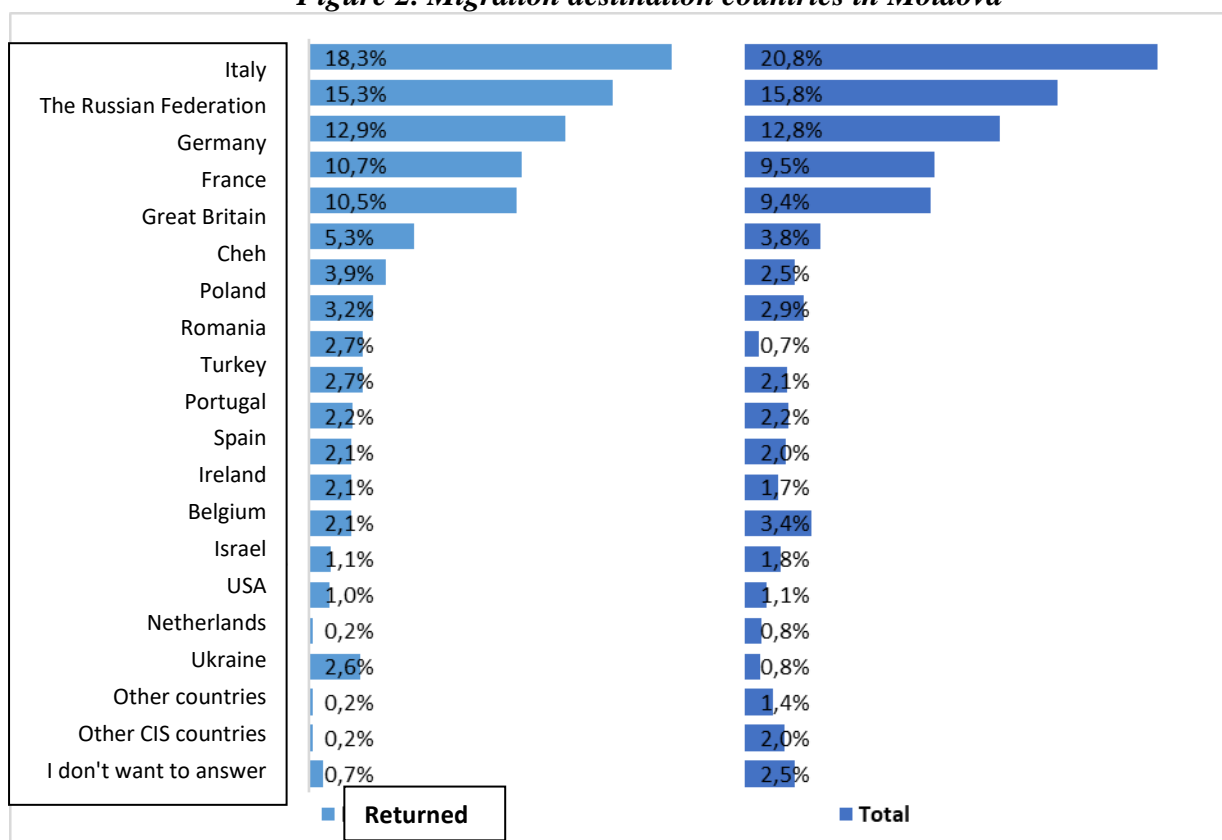


* returned in the last 6 months

Source: <https://www.iom.int>.

The emigration directions of Moldovan migrants are quite scattered. The top 5 destination countries are Italy (18.3%), the Russian Federation (15.3%), Germany (12.9%), France (10.7%) and the United Kingdom (10.5%). (IOM 2020). This top does not differ in the case of returned migrants, highlighting only a slightly higher share in the case of Italy and Israel (Figure 2).

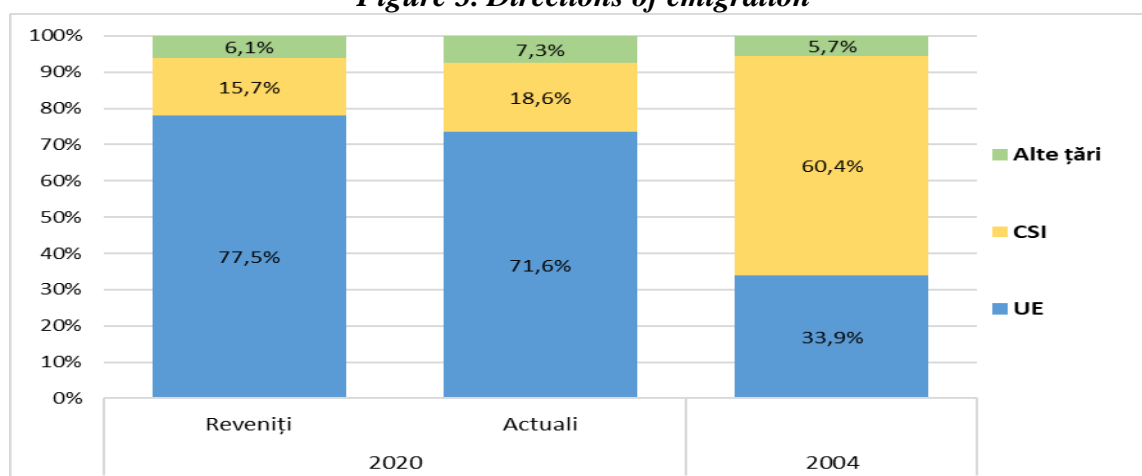
Figure 2. Migration destination countries in Moldova



Source: <https://www.iom.int>

Currently, the countries of the European Union represent the main direction of labor migration from Moldova, representing 77.5% of migrants (71.6% in the case of returned migrants). Another 15.7% of migrants left for the CIS countries (primarily the Russian Federation). It should be noted that labor migration from Moldova over the decades has been strongly reoriented in terms of emigration directions. If in 2004, when the first studies of the phenomenon of labor migration were undertaken, in the CIS countries 60.4% of migrants left, and in the EU countries, respectively, 33.9%, now this practical ratio has been reversed. If in the CIS countries in 2020 15.7% of labor migrants left, in the EU countries 77.5% left, respectively. It should be noted that the majority of returning migrants are also from EU countries - 71.6% (Figure 3).

Figure 3. Directions of emigration



Source: <https://www.iom.int>

Regarding remittances, it is observed that in 2020, according to World Bank estimates, they represented 15.1% of the country's Gross Domestic Product (WB, 2020). Although the share of remittances in GDP as well as in the household budget has steadily decreased over the last 5 years, they remain one of the most important sources of income for many households. During the pandemic, remittances continued to be the main source of livelihood for migrant "families". At the same time, the pandemic period is characterized by the decrease of migrants' income in the destination country, which led to their return. According to the IOM study, families have secured their livelihood from their savings, not only from the continuous flow of remittances but also from previous savings. At present, the complexity of the multilateral impact of the COVID-19 pandemic crisis is currently difficult to define. Traditionally, the Republic of Moldova continues to be in the top of countries with an intensity of labor migration and a significant share of remittances in GDP. At the same time, there is a growing intensification of return migration. The COVID-19 pandemic did not cause major migratory flow movements. The pandemic also caused some solidarity from the diaspora and their families, which does not mean that it had a negative impact. Due to the interview (Cantarji, 2021) a certain category of migrant households (about a quarter) is the distinct group negatively affected by the evolution of things, so policies to improve the impact of the pandemic should target this population group. At the same time, the profile of these households is not highlighted, in the sense that their share is relatively the same in all socio-economic categories. Given that at least a large proportion of those returned are short-term migrants, and the pandemic has practically forced them to return, many found themselves without financial resources in the midst of the pandemic (14.3%). Considerable shares complained about the difficulty of employment in Moldova (12.4%) or indicated the low level of labor remuneration in their country (5.9%). Referring to their own experience, the share of migrants who have encountered some difficulties due to the pandemic is very high. At the time of the interview, two out of three migrants had already lost their jobs abroad (27.3%) or were anticipating this (38.1%) as a cause of the pandemic. Four out of ten reported saving experiences for basic goods, every second (47.0%) reported that their savings were reduced and that 42.0% reduced their household income. At the same time, the impact of the pandemic crisis on the labor market in Moldova is similar. The weight of job losses, pay cuts and layoffs due to the pandemic of family members abroad and in Moldova are comparable (Cantarji, 2021).

The COVID-19 pandemic did not cause major migratory flow movements. According to the administrative data collected, some initial concerns about the massive increase in return flows of Moldovan migrants in the first stage of the pandemic proved to be unfounded. It is estimated that these trends will be caused by the panic felt by migrants in the context of the pandemic explosion in major European economies and the loss of jobs by migrants from destination countries, who will return home massively without sources of income. These hypotheses are contradicted by the information registered by the Border Police of the Republic of Moldova regarding the entry into the country of Moldovan citizens after an absence of more than 90 consecutive days, which, from our point of view, highlights two essential aspects:

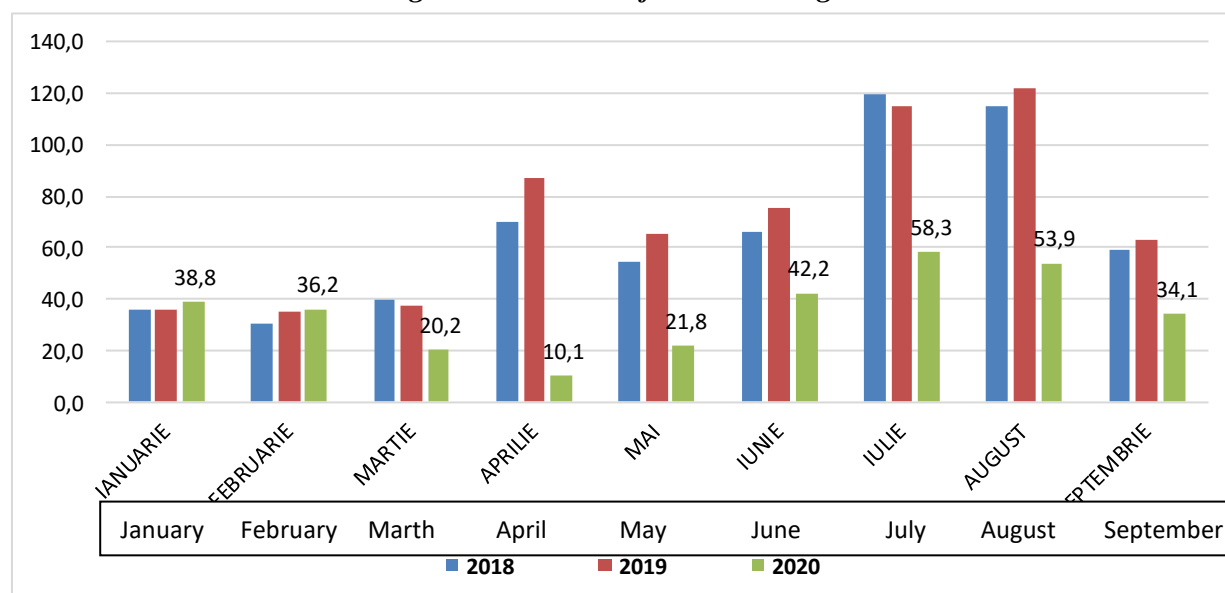
- In the pre-pandemic period, directly in January and February 2020, there were no significant increases in the number of border crossing points to Moldova compared to the similar period of 2018 and 2019;

- Cross-border traffic fell sharply in March and April, with the number of crossings falling to a very low level due to restrictions imposed during emergency measures.

Subsequently, although there were increases, the international circulation remained considerably lower than in the similar period of 2018 and 2019. Thus, compared to previous years, between March and September 2020, they entered the country with about 300,000 fewer citizens of the Republic of Moldova, who were absent from the country for more than 90 consecutive days than in the same period of previous years (2018 and 2019). The figure below shows the curves of the number of entries and exits per week in the first nine months of 2020. The pandemic suddenly

and considerably reduced the flow of border crossing points, which normally, for the period February - the first half of March, ranged from 140 to 160 thousand per week (both inputs and outputs). At the same time, there are no noticeable discrepancies between the number of entries and exits, which confirms once again that we cannot observe considerable flows of return of migrants / diaspora (Figure 4).

Figure 4. Number of returned migrants



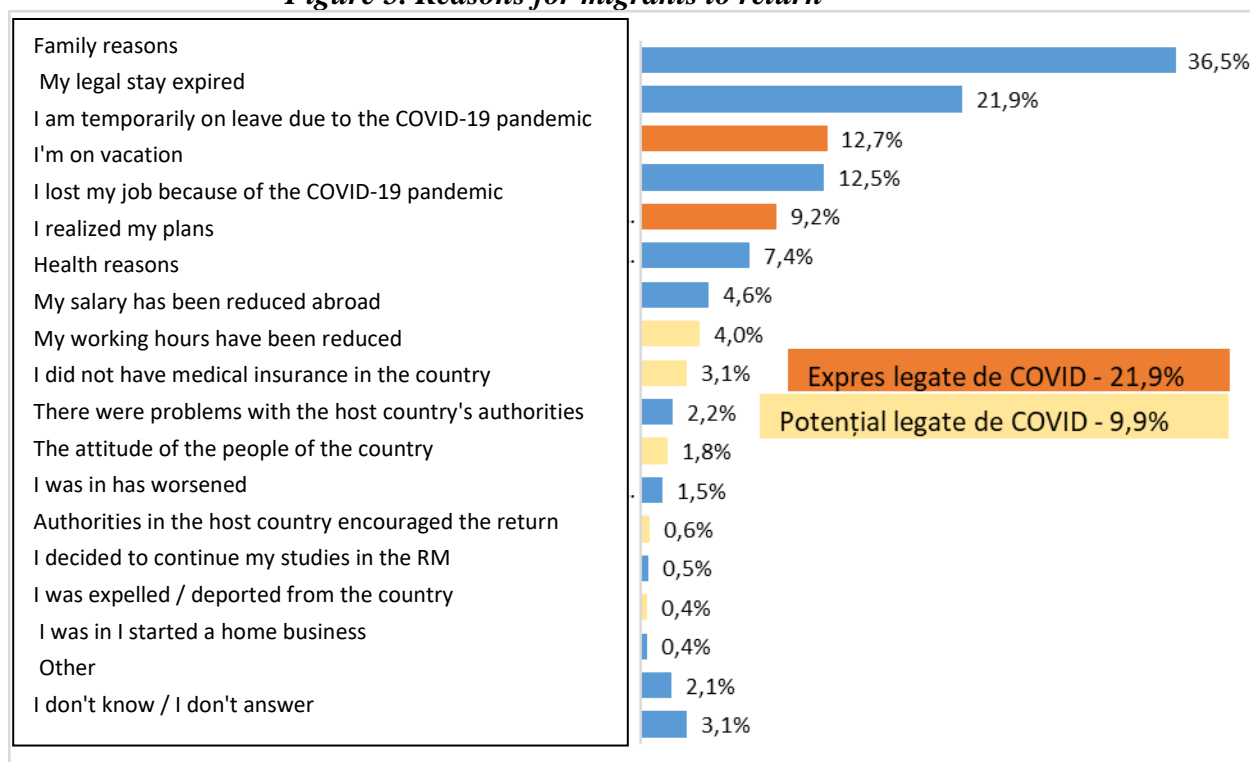
The number of crossings of the State Border by Moldovan citizens who entered the country after an absence of more than 90 consecutive days.

Source: General Inspectorate of the Border Police of the Republic of Moldova

Three-quarters of migrants, who returned to Moldova during the pandemic, say they have only postponed their new departure, with 61.1% of them intending to return to work at the right time, and 14.8% intending to leave permanently. Only one in four returned migrants announces their intention to work in Moldova (22.7%) to which must be added 5.5% who intend to work in agriculture, and another 8.9% say they intend to work on their own. On the one hand, the low employment intentions of those who have returned to Moldova, and on the other hand even of the few who will look for a job, only about 10%, have announced that they will use these job search services, but the vast majority (69.5%) opt to support their social circle. Only 6.4% of returned migrants applied for unemployment benefits, of which less than half of respondents (43.8%) came to benefit from this service (Cantarji, 2021). The representatives of ANOFM, as well as other interviewed experts acknowledge that the main barrier to the integration of migrants returning to the labor market is the very low remuneration compared to the salaries they had in the destination country. The high level of intentions to re-engage in migration processes also correlates with the rate of migrants trying to get involved. Only one in five returned migrants (24.7%) tried to work in Moldova since their return, 21.9% also worked, and 4.9% tried to open businesses. This was also confirmed by the representatives of LPA and ANOFM, who mentioned that the people who returned from abroad turned to them more for information and advice on how to go abroad, than for support for reintegration into the market. work in the Republic of Moldova. The lack of jobs in the regions, especially in rural areas, is a problem that has been identified by both migrant respondents and their family members and ANOFM representatives. According to ANOFM data, about 6 out of 10 unemployed people who were registered in September 2020 come from rural areas. However,

job vacancies are mostly in Chisinau and district centers and are usually not well paid to cover travel and/or accommodation costs and to motivate potential workers to hire. However, some returned migrants choose to come to Chisinau for a job, others try to find alternative sources in rural areas, working as day laborers. The vast majority of migrants themselves confirm that they returned for reasons other than COVID-19, noting the following: family reasons (36.5%), expiration of their stay (21.9%), leave (12.5%). However, the share of those who returned due to the pandemic, being put on temporary leave (12.7%) or losing their job (9.2%) should not be neglected. Another 10% indicated other causes of return, behind which we can guess that the pandemic would be the same (reduced salary, reduced schedule, problems with the authorities in the host country). In total, we can say that a maximum of one third of the returns are caused by COVID-19. Similarly, in the case of households, 10.7% of migrant family members reported that migrants returned with concern that the number of people infected with COVID-19 was increasing in their country (Figure 5).

Figure 5. Reasons for migrants to return



3. INTEGRATION OF MIGRANT WORKERS RETURNING TO THE LABOR MARKET IN THE REPUBLIC OF MOLDOVA

During 2020, the territorial subdivisions of employment registered as unemployed 1605 people returned to the country, of which only 10.5% (168 people) were employed. More than half, approximately 58.6% of people have secondary education, 23.3% have secondary vocational education, 8.2% college education and 9.9% higher education. The average number of people aged 35-49 is observed in large numbers, about 42.4%. After the countries of return, Russia predominates 30.8%, followed by Italy with 12.4%, Germany with 12.2%, Poland with 7%, France with 6.3%, etc. A high share of migrants are from rural areas - 60.2% (966 people), of which 22.5% (361 women), including in territorial terms. The most problems faced by returned migrants, who addressed the territorial subdivisions of employment about 87.8%, were those about finding a job, about 4.7% were health problems, about 3.4% - regarding social services, and the rest about 3.8% - represented other problems, according to the annex, table no. 3. Most of the problems were addressed by migrants returning from Russia (494).

It is necessary to mention the growing role of ANOFM in the reintegration on the labor market of returned migrants. The employment measures, provided by Law 105/2018, come with a pro-active approach to employment and propose modern services and active employment measures, adapted to the needs of different categories of people on the labor market, including for returnees from abroad. ODIMM entrepreneurship programs for migrants and their families are real opportunities. According to ODIMM statistics, during the years 2016-2019, through the Program for attracting remittances in the economy PARE 1 + 1, 853 enterprises were financed, with a rate of acceptance of applications submitted by 91.4%. Over 84% of the enterprises established and financed by the PARE 1 + 1 program during the analyzed period operate in rural areas (Government Decision no. 1087, 2018). At the same time, the newly created enterprises (or start-ups) constituted 34.5% of the beneficiaries of the non-reimbursable financing contracts, their share in total beneficiaries being decreasing starting with 2017 (by 2.2 pp compared to 2019 and by 6, 9 pp compared to 2017). The enterprises set up and managed by young people up to 35 years old constituted 45.5% in the total beneficiaries of non-reimbursable financing within the PARE 1 + 1 program, their annual evolution in the years 2016-2019 being an uneven one with an increase of 4.3 pp compared to 2018, but decreasing by 3.2 pp compared to 2016.

During the years 2016-2019 within the PARE 1 + 1 program, non-reimbursable financing contracts were concluded in the amount of 212.5 million lei , which favored investments in the economy of 509.5 million lei. Thus, for every lei transferred within the Program, about 2.4 lei are attracted to investments in the economy, and the number of newly created and maintained jobs is 2389. Taking into account these positive performances, but the need to ensure continuity in enterprises created from the savings of returned migrants accounted for about 44.3% of the total created enterprises during the years 2016-2019, the rest being created by the first degree relatives of migrants from the resources accumulated from remittances. Also, the data show that over 2/3 of the businesses created in the analyzed period were in agriculture, followed by those in the fields of services (23.3%) and industry (14.5%).

4. CONCLUSIONS

The Republic of Moldova remains among the world leaders in terms of the extent of the process of labor migration, as well as in terms of the degree of dependence of the economy on remittance flows. Given that, the pandemic caused by the COVID-19 virus has affected all spheres of social life and, in particular, mobility, policies to reduce the impact of the pandemic must take into account the impact of the pandemic on migration processes. The impact of the pandemic on migration processes can in no way be defined as the return of migrants due to the pandemic. At the same time, the imposed epidemiological restrictions have considerably reduced the flows, so that the border crossings in the direction of the Republic of Moldova in the first nine months of the year have been reduced by half compared to previous years. The estimate is that the number of migrants returning during the pandemic cannot exceed 60 thousand. The study provided sufficient evidence that these migrants, in their vast majority: are migrants involved in circular, short-term migration; they returned for reasons not directly related to the pandemic, so they were to return in those periods even without a pandemic, so we don't have anticipates changing migration behavior in the future. Possible policy and program interventions to improve the impact of the pandemic on migrants and their families should not be generalist in terms of inclusion, but targeted at distinct groups that have really experienced difficulties.

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