

Best Practice Options: Romania

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ABSTRACT

The purpose of the Cooperative Efforts to Manage Emigration (CEME) site visit to Timisoara, Romania was to evaluate three hypotheses.

First, creating the economic conditions that attract Foreign Direct Investment (FDI) brings growth and job creation, which in turn can be expected to reduce emigration pressures and speed the acceptance of Romania into the European Union (EU). The foreign investment initially attracted by low wages will create jobs and hope of continued economic improvement, anchoring workers, managers, engineers, and other professionals to Romania. Over time, jobs and wages will rise, further reducing emigration pressures.

Second, Romania has several sizeable ethnic minorities, notably Hungarians, Germans, Ukrainians, and Roma, or Gypsies. All have a propensity to emigrate. Government policies that reduce discrimination against minorities by respecting their languages and cultures, using public institutions such as the police and schools to demonstrate tolerance and sensitivity to minorities, and enforcing Romania's anti-discrimination laws will reduce emigration pressures in such groups.

Third, the EU and outside organizations can best help to reduce emigration, transit migration, and trafficking by meeting regularly with Romanian officials and non-governmental actors to discuss migration issues in the context of Romania's desire to meet the criteria for EU and NATO membership. This will

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cause Romanians to take more seriously issues such as the need to integrate Roma into Romania's economy and society, the need to manage borders to prevent trafficking of migrants through the country, and modernizing border management to facilitate the movement of legitimate travellers and goods while discouraging illegal migration.

These hypotheses were borne out by the information gathered at Timisoara, Romania, but actual progress on the measures that would help was found to be very uneven.

INTRODUCTION

Romania, a country of 22.5 million people, has land borders with Hungary in the north-west, Serbia in the south-west, Bulgaria in the south, Moldova in the north-east, and Ukraine in the north. The Black Sea connects the country to Russia, Georgia, and Turkey. Romania aims to join the EU in the second round of enlargement, that is by 2007, after the 2004 date that Hungary, Poland, and other first-round candidates hope to be accepted.

Economic development has been slower in Romania than in other Eastern European countries. GDP in 2000 was about \$34 billion, and per capita GDP was \$1,600, one-tenth of the EU average. Living standards fell during the 1990s, and in 2000 they were only a bit more than half of what they were at the end of communist rule. In 1996 they were at 73 per cent of 1990 levels; in 2000 at 56 per cent. Multi-party democracy has been established, but the Government has not cleaned up the legacy of communism by privatizing loss-making state industries, clarifying property rights, reforming the bureaucracy, or reducing corruption to a tolerable level.

There is a significant emigration of highly educated workers, especially information technology (IT) professionals. Many more Romanians wish to emigrate. A May 2001 poll found that 17 per cent would try to find a job in the EU if they had freedom of movement rights; 39 per cent said they would definitely stay in Romania.¹

The Romanian nation is struggling to modernize its society and economy amidst disruptive forces unleashed by the collapse in 1990 of a command economy and a ruthless dictatorship. Among them are widespread societal discrimination and police harassment against the Roma; demands for more autonomy by the legally established "national" minorities, chiefly ethnic Hungarians and Germans, which about 10 per cent of Romanians belong; and the rapid growth of the far-right Greater Romania Party, second-strongest in Parliament, which has attacked the demands of the minority groups and is pressing for the return of formerly Romanian territory in present-day Ukraine and Moldova.

In its annual report to the European Council on Romania's progress toward meeting the standards for accession to the EU, the Commission described Romania as having a functioning democracy and reasonably stable institutions, but listed grave deficiencies. Orphanages are underfunded and "still heavily dependent on humanitarian assistance provided by foreign donors". Abandonment of children and a significant population of street children are continuing problems. An approach to the problem of discrimination by public employees, private companies, and economic operators on grounds of race, ethnicity, and gender was made in a September 2000 ordinance prohibiting these practices, but the ordinance has not been implemented.

The new refugee law does not provide for the detention of asylum seekers, and the Aliens Law needs to be revised "in order to establish an effective migration and aliens policy". Vague laws that can inhibit freedom of expression are still on the books. Women "continue to be at greater risk of social exclusion than men", and "no progress has been made concerning equal pay and equal access to employment or health and safety at work".

The Commission noted that Roma remain subject to "widespread discrimination throughout Romanian society", the Government's "commitment to addressing this situation remains low", and there has been "little substantial progress" in this area. In striking contrast, the demands of the "national minorities" for the use of their languages in schooling and higher education are being largely met. The "national minorities" are people who themselves, or whose ancestors, originated in a territory that was once part of Romania (like ethnic Ukrainians) or in a country that Romania was part of (like ethnic Hungarians), or whose ancestors settled in Romania at the invitation of Romania's rulers – the Germans. At present, 5 per cent of educational units teach in a minority language, most commonly Hungarian, though six other languages of instruction are used. The Romany tongue is not among them; the Roma are not a "national minority".

Romania is believed to be at the end of the 12 nation queue for EU entry; Turkey is the thirteenth country in line for entry.

In December 2001, Romania's seventh government since 1989 came to power, led by the leftist Party of Social Democracy in Romania (PSDR), the ex-communist party. Ion Iliescu, a former communist and first president after the collapse of Ceaucescu's dictatorship, is president again, and Adrain Nastase, also an ex-communist, is Prime Minister. Several experts told CEME participants that to accomplish privatization, modernization, and reform there must be more foreign investment and help from the EU, but that such commitments are held back by the lack of a secure legal foundation and clear property rights. The political system has not delivered the framework that is necessary, they said.

ECONOMY

The economy is Romania's most pressing problem. Its course since the collapse of communism can be divided into three periods: rethinking the economy (1990-1993), economic recovery and growth (1994-1996), and the economic crash (1996-1999). Both the left (ex-communists) and the centre-right failed to reform the economy when they were in power.

At the start of the post-communist period, Romania had the most distorted economic structure of the Eastern European countries. It was and is marked by overstaffed heavy industries that are not internationally competitive. State-owned industries remain overstaffed in 2001 despite many older workers retiring early, causing the number of Romanian pensioners to double in the 1990s.

During the 1980s, Romania pursued a relentless policy of paying off its foreign debts, which left it with old equipment and few foreign markets for Romanian products. Successive governments have been reluctant to privatize and reduce overstaffing because when the factories, which are often the only enterprise in an area, close, the result is long-term unemployment and depopulation.²

The unemployment rate is 10 per cent, and 40 per cent of Romanians live on less than \$1 a day. Loss-making state enterprises have often received government loans and used them to give wage increases, which have increased pressure to keep the factories open and fuelled inflation. Today the Government fears strikes and unrest of the sort that occurred in the early 1990s, and has consequently promised extra social spending to alleviate unemployment and poverty, saying it must balance "market concerns" with "social goals". The Government provides workers with health and pension benefits, and other perquisites like lunch meal tickets.

Romania's minimum wage is 1.4 million lei, \$50, per month. In April 2001, the average gross monthly wage was 4.2 million lei, \$145. The average net monthly wage (i.e., after employee-paid taxes) was 3 million lei, \$103. Employers pay an additional 51 per cent of gross wages in employment taxes, 2.1 million lei, \$72, on this average wage, making the total labour cost to the employer of an average worker 6.3 million lei, \$217.

The distortions of the labour market lead to an unusual result, epitomized in the saying that people with jobs in state-owned factories do not work, while those with private sector jobs cannot survive. There are still many Romanians employed by loss-making state-owned companies whose poor work habits make private employers reluctant to hire them, even though they pay lower wages than the state-owned enterprises. Further, privatization would lead to layoffs and perhaps to more corruption, judging by the past, since previous managers have sometimes bought out the companies they once managed.

Agriculture is a major employer, but only a minor contributor to GDP – some 40 to 45 per cent of Romania's 9 to 10 million workers are employed on farms, usually on large state farms that have not yet been privatized, but agriculture contributes only about 15 per cent of GDP.³ Uniquely in post-communist Europe, agricultural employment has been rising as the jobless poor abandon the cities and return to their villages to till small plots.

The World Bank, using a different measure, says agriculture's share of unemployment has risen from 28 per cent to 36 per cent in the 1990s. Romania is providing direct subsidies of 1 million lei (\$35) per hectare of arable land to farmers in 2001, and providing large subsidies on purchases of Romanian-made equipment by larger farms (at least 110 hectares). FDI directed to helping peasants improve agricultural productivity with modern machinery, and perhaps help switching to higher value crops that could be exported, could go a long way toward slowing what might otherwise be rapid rural-urban migration, especially among young people who see no future in agriculture.

The private sector of the economy accounts for about 60 per cent of GDP, but private businesses complain of corruption, red tape, and inconsistent regulation and taxes. Romania has very high payroll taxes, so that there is a significant wedge between what an employer pays for labour and what workers receive. Employers also complain that tax and other regulations change frequently, generating uncertainty and extra costs of doing business.⁴

TIMISOARA AND FDI

The site of the CEME visit was Timisoara (pop. 350,000), the main city of the historic Banat region, a rich agricultural plain today shared by Hungary, Serbia, and Romania.⁵ The western-most city in Romania, it is located on what was the fault line between Christianity and Islam for a thousand years, and it is the place where the revolution that toppled dictator Nicolae Ceausescu began in December 1989. In the eighteenth and nineteenth centuries it enjoyed the favour of its Habsburg rulers, which is visible today in its town plan and baroque, classical, and Secessionist buildings. Today it is still a cultural crossroads and Romania's window on the West.

Timisoara is one of the two centres of FDI in Romania, the other being Bucharest. FDI has been running at about \$1 billion a year, as firms take advantage of a relatively well-educated labour force and low wages.⁶ Most foreign investors are permitted to import equipment free of customs duties and VAT (20 per cent), and can repatriate profits free of Romanian tax. Foreign firms taking advantage of these investment incentives are obliged, however, to remain employers in Romania for twice the time that they enjoyed the tax breaks.

Foreign investors include Germany's Siemens and Continental Tire, Alcatel of France, and thousands of Italian companies that make garments, shoes, and furniture for export. FDI in Timisoara has created jobs directly and also indirectly, as accounting and personnel agencies spring up to assist foreign investors. Foreign managers living in Timisoara are creating a demand for better housing and services.

Most of the jobs created by FDI in Romania are in manufacturing; 90 per cent of Romania's manufacturing exports are products that are assembled in the country from elements made elsewhere. The Continental tire plant accounted for \$50 million of the \$350 million in FDI in Timisoara, according to the local chamber of commerce. (Continental expects its investment to be \$100 million by the end of 2001.) Continental employs 460 workers (shortly to be 1,000) whose average age is 33. They assemble imported raw materials to make modular units that are then re-exported to other Continental plants to have tread and sidewalls added. Twenty-two per cent of the staff are university graduate engineers; they earn 6 to 10 million lei a month (gross), which equals \$210 to \$350. Production workers earn 4 million lei a month, equal to \$140, which is about the Romanian workers' average wage.

The Continental plant is capital intensive, using the same machines that would be found in a German plant. Why, then, did Continental locate the plant in Timisoara? Three reasons are evident: 1) Continental wanted a location in Eastern Europe for what it hopes will be a future market; 2) it was faster to get permits and clearances to build the large plant in a space previously occupied by a state-owned Romanian firm than it would have been to build a "greenfield" plant in the EU; and 3) wages, which will eventually be about 25 per cent of production costs, are significantly lower, for both engineers and production workers.

Italy is a major investor in Romania. Germany accounts for 35 per cent of the \$350 million FDI in Timisoara, but Italian FDI, 32 per cent of the regional total, probably accounts for more FDI-created jobs, since Italian firms tend to produce labour-intensive shoes and garments.⁷ Italy is Romania's number-one trading partner – about 23 per cent of Romania's exports go to Italy, and 21 per cent of imports come from Italy. *Business Week* has commented, "Romania is Italy's Mexico... Italian manufacturers can expect to save 60 percent making the same product with the same material in Romania. Italy's mom-and-pop businesses are well-suited to Romania's unpredictable business climate."

Many of the Italian-owned firms are from north-east Italy, the Verona-Vicenza-Treviso area (Italy's Veneto region), and their Romanian operations are in the Timisoara-Arad-Oradea area of western Romania.⁸ The 1998 wage difference was reported to be about 17 to one, that is, a wage of \$2,000 a month in Italy, compared to \$120 a month⁹ in Romania (including taxes and benefits).

Italian FDI has increased the number of Romanian textile and footwear firms from 544 in 1989 to 8,500 in 2000, when they employed 422,000 people, 20 per cent of Romania's industrial workers. Most of the new textile and footwear firms are private enterprises, and many of the jobs they offer are associated with Italian investment.

For example Geox, a maker of shoes with "breathable soles" that retail for about \$100, invested \$15 million in a footwear factory near Timisoara, hired 800 workers (85 per cent women) and produced 200,000 pairs of shoes in 1998. Geox had three major reasons for putting a plant in Timisoara: 1) low cost labour (gross wages average 2.5 million lei or \$88 month;¹⁰ 2) transportation across Austria and Hungary is relatively fast; and 3) since Romanian is a romance language, it is possible for Italian skilled workers and managers to learn enough Romanian in three or four months to instruct the workers the Timisoara plant.

Geox tends to hire women of all ages, but the men it hires are mostly young. The managers say that older men who were previously employed by state-owned enterprises do not have good work attitudes. Most employees are local residents and special Geox buses are provided to take them from the downtown area to the plant. Some of the workers are internal migrants from the region bordering with Moldova, one of the poorest regions of Romania. Since benefits are provided by the state, those who leave for vacation and do not return lose nothing by quitting and coming back later, or switching companies.

Immigration and FDI appear to be complementary in the Italian-Romanian case. Italian firms are pressing the Italian Government to make it easier to admit Romanians for work and training, and some Italian investors hope that Italy's "industrial district" model that often leads to cooperation between small- and medium-sized enterprises can be exported to Romania. An Italian pilot programme aims to use recruitment, remittances, and returns to accelerate development in Romania and to ensure that migration is temporary or circular so that the migrants who come to Italy for training return.

Italian FDI in Romania increased six-fold between 1995 and 2000, producing 9,500 Italian-owned firms, including 1,000 in Timisoara, with a total of about 150,000 Romanian employees. This is reflected in Romanian trade data: about 32 per cent of Romania's \$10.4 billion in exports in 2000 were clothing (\$2.6 billion) and footwear (\$0.8 billion). Trade and investment have been accompanied by more Romanian migration to Italy.

EU entry is, naturally enough, more important to Romania than to foreign investors in Romania. In the interchanges between CEME participants and the managers of foreign-owned firms, the investors mentioned low labour costs and the speed of getting approval to construct their facilities, not Romania's potential EU accession, as reasons for investing in Romania. EU entry would,

nevertheless, reduce a major complaint of foreign-owned firms – lengthy delays getting machinery and parts into Romania and goods out across the border.

In looking at the relationship of FDI and migration, an important question is whether the current FDI-led assembly model can increase wages and opportunities enough to reduce emigration pressure, and by how much. FDI is creating jobs, but at low wages. Can wages rise with workers' experience, and economic multipliers increase with more local production of inputs? A second question is whether the benefits of FDI will spread throughout the Romanian economy. With FDI concentrated around Timisoara and Bucharest, will FDI increase internal migration from poorer to richer areas of Romania, thus increasing regional disparities?

HUNGARIANS AND ROMA

Romania's biggest "national minority" is a legacy of the dismemberment of Hungary that followed World War I. When Romania was awarded Transylvania and the Hungarian part of the Banat in 1920, it acquired 5 million people, with 1.7 million being Magyar-speakers. Their descendants are the ethnic Hungarians of today's Romania, who, despite emigration, still number 1.5 million. Polls suggest that about 30 per cent of them would emigrate if they could.

Romania actively protects Hungarians and other national minorities. They are guaranteed representation in Parliament. Article 6 of Romania's 1991 Constitution lays out extensive minority rights, which were improved in 1999 with amendments to the education law, which then created the legal basis for the use of minority languages, upon request, in K-12 publicly funded education, as well as in local government meetings when at least one-third of the elected officials request a non-Romanian language. About 5 per cent of education in Romania is in minority languages (2,700 schools teach in Hungarian), with the history and traditions of each minority group incorporated into the curricula and free textbooks. In the old "Saxon" cities of Transylvania there are German *gymnasias* that teach to a high standard in German, and are attended by pupils whose family language is Romanian, as well as children from German-speaking families. There will soon be a "multicultural" university in Cluj, a centre of Hungarian culture, at which lectures and examinations will be conducted in Hungarian and to a lesser degree in other minority languages.

In May 2000, Romania and Hungary signed an agreement that permits 8,000 Romanians, mostly ethnic Hungarians, to work seasonally in Hungary each year; the guest worker programme is reciprocal, but few Hungarians work in Romania. This is an effort to substitute legal guest workers for the 5,000 to 10,000 Romanians believed to be employed illegally in Hungary during the summer

tourism and harvest season; wages in Hungary are at least twice as high as wages in Romania.¹¹

In April 2000, the Hungarian Government proposed to give ethnic Hungarians in neighbouring countries identification cards that would provide them with basic subsidies and preferential treatment while travelling or working in Hungary. Eligible people would be identified by the organizations of ethnic Hungarians in the countries where they live. Since Hungary is likely to get into the EU before Romania, this would mean that ethnic Romanian Hungarians would get visa-free access to Hungary and thus, perhaps, to the EU, while ordinary Romanians would not be so privileged. The Government of Romania has objected to the proposal.

The Roma

The Gypsies are not a “national minority”, but may well be as large a group as the ethnic Hungarians. Instead of having special rights, they are widely discriminated against (the word “Rom”, plural “Roma”, has nothing to do with “Romania”; it originates in Indian words for “man” and “people”). Their history of migration, enslavement, and the hostility of the Eastern European peoples among whom they now live have made them some of the poorest and most pitiable of Romanians, and at the same time some of the most troublesome. Their dark skin and their tendency to live apart from the rest of society perpetuate their marginal status. Most speak Romanian, but possess their own language, Romany, which is of Indian origin.

Gypsies are descendants of Indian migrants who left the Punjab about 1,000 years ago, setting up as traders in Iran and eastern Turkey, and arriving in Eastern Europe between 500 and 600 years ago. They were never integrated into European societies, and were enslaved in Romania until the 1860s.¹² Dubbed “Europe’s phantom nation” by *The Economist*, there are believed to be about 12 million Roma in the world, including 6-8 million in Central and Eastern Europe, with the most in Romania (400,000¹³ to 2.5 million), Bulgaria (800,000), Hungary (600,000), Slovakia (500,000), Yugoslavia (450,000), and the Czech Republic (200,000).

Most Roma are Christian; perhaps half speak Romany. Unemployment is very high, sometimes more than 50 per cent. Few Roma children graduate from secondary school and university, in part because many Roma children, especially those who come to school without speaking Romanian, are placed in schools for the disabled. Roma have far higher fertility than do other citizens, and their share of the population is rising in Central and Eastern Europe.¹⁴

Romanians complain that the Roma have an alternative society, that few pay taxes, that many marry below the age of consent, and that many parents do not

send their children to school. Petty crime such as theft is often attributed to Roma, including Roma children. The economic status of Roma, organized into about 25 clans in Romania, is quite variable. Some are successful business people, while others live in abject poverty. Some Roma have reportedly become smugglers, taking other Roma and non-Roma migrants to Western Europe.

The European Roma Rights Centre (ERRC) argues that the key to reducing discrimination against Roma lies in the schools and calls for an end to the practice of putting Roma children in schools for the mentally handicapped. Others point out that poor families with several children cannot afford to buy the books and uniforms needed to attend school, which goes a long way to explaining low Roma enrolment rates.

The ERRC uses US civil rights techniques to try to reduce discrimination against Roma, including sending matched Roma and non-Roma testers to apply for jobs and housing, and then charging employers and landlords who do not treat the applicants equally with discrimination. In September 2000, a Romanian Government ordinance was approved that prohibited discrimination by public and private companies on the grounds of nationality, race, ethnicity, age, gender, or sexual orientation, and set out a schedule of heavy fines for violations. There is not yet enough experience to know if this approach will reduce discrimination.

ORPHANAGES

Romania has about 5 million children under 18. Of these, 65,000 are in institutions directly run by the state. The reason, according to experts, is that between 1970 and 1991, women were expected to have four children each, abortion was banned, but the Government made it easy to give up children at state orphanages, and the practice became semi-acceptable.

Orphanages are funded in part by fees paid by foreigners to adopt Romanian babies – some 3,500 were adopted by foreign parents in 2000. The cost of keeping children in orphanages is estimated at \$150 a month, about the average monthly wage. Orphanages employ 100,000 Romanians, and many do not want to lose their jobs.

EMIGRATION

There are about 30,000 more deaths (118 per 10,000) than births (105 per 10,000) each year in Romania, and there was a net emigration of 2,500 in 2000, according to the Government. The country's population fell by about 750,000 between 1990 and 2000, and the number of children younger than 15 in 2000 was only 50,000 higher than the number of people 60-years-old and older.

Many of those emigrating are young and well educated, causing Romania to experience a brain drain. About half of the 5,000 graduates of Romanian universities in computer science emigrate each year, and a March 2001 poll found that 66 per cent of Romanian students would emigrate if they could. The Romanian winner of the International Computer Olympics in 2000 said he wanted “to study in the United States – and stay”.

The Government says that 80,000 Romanian professionals have emigrated since 1989, a result, it has been said, of “a good education system and a lousy economy”. Dan Nica, Romania’s Communication and IT Minister, says “The brain drain is a reality, and for the foreseeable future there do not seem to be any solutions... we must [instead] talk about the free circulation of Romania’s elite, which brings us closer to the West.”

Romanian observers see little general benefit coming from migrants abroad. Remittances are spent on building housing and buying consumer durables. Little economic advantage in the form of economic multipliers for local economies has been seen from this spending. There seemed to be some resentment of Romanian judges brought back from abroad with extra salary payments from foreign benefactors, since this leaves judges on the same bench with unequal salaries.

COOPERATION

Romania aims to join two multilateral institutions, NATO and the EU, with EU entry Romania’s primary goal. In a pre-accession agreement between Romania and the EU signed in 1993, Romania pledged to make legal and other changes that would prepare the country for negotiations for EU entry. The major point of contention between the EU (and the International Monetary Fund) and the Romanian Government has been that ambitious Romanian Government economic reform programmes are announced but not implemented, so that EU and IMF assistance does not put Romania on the path to sustained economic growth.

Romanian officials urge Europeans to acknowledge their problems, and to embrace Romania as a slower-speed candidate for EU entry; they want a “multi-speed” European integration process so that a country such as Romania can be partially in the EU rather than entirely outside until it fulfils the criteria for entry.

Border Controls

Romania is a major transit route for migrants travelling from the Middle East and Asia to Western Europe, and is under pressure to improve border controls and reduce trafficking in migrants, prostitutes, and drugs. Many women from

Moldavia and Ukraine are trafficked through Romania. Romania would like EU assistance to improve its ability to monitor its borders. There is a sharp contrast at the Hungarian-Romanian border crossing at Nagylak-Nadlac. The Hungarian side has been modernized with EU support, so that heat-seeking devices can scan vehicles and computers can read passports. There is none of this technology on the Romanian side.

On 1 January 2002, the EU dropped the requirement that nationals of Bulgaria and Romania must have visas to enter Schengen countries, so that only Turks among candidate countries need entry visas for Schengen. However, both the Bulgarian and Romanian governments check those exiting. For example, Romanians need medical insurance, a return ticket or equivalent, and either an invitation or Euro 100 per day in order to visit the Schengen area for up to 90 days. These are the same requirements that were required to get a Schengen visa, but Romanians, rather than Germans or French authorities, are enforcing the rules. Bulgaria has a similar exit control system.

In turn, Romania agreed to increase expenditures to police its borders to prevent trafficking and cooperate to re-admit Romanians who are refused asylum in Western Europe. The EU noted that Romania approved a new Aliens Law, a new type of passport and a Framework Agreement on Readmission. The Romanian border police reorganized, and new, modern equipment to combat illegal immigration was purchased. The 15-member states must agree to remove Romania from the list of countries from which visas are required in Fall 2001.

As the number of Romanian asylum-seekers increased in the 1990s, many EU countries signed re-admission agreements with Romania under which Romania promised to accept the return of its nationals who were refused asylum abroad. Between 1992 and 2000, Ireland received about 5,500 asylum applications from Romanians (mainly Roma), most of which were refused.

NOTES

1. Comparable “definitely go abroad” percentages were, for Poland, 13 per cent; Hungary, 7 per cent, and Czech Republic, 4 per cent.
2. Sidex, a steel maker in eastern Romania with 28,000 employees, down from 45,000 in 1989, is the largest factory employer in the country. It was privatized in 2001. When miners marched in Bucharest in 1999, the Government abandoned plans to close money-losing coal mines in the Jiu Valley in western Romania. Sidex has debts of \$900 million, and lost about \$250 million in 2000 producing 3.8 million tons of steel. Private buyers of Sidex must commit to maintaining employment for five years.
3. Romania’s labour force is about 10 million. In January 2001 about 4.4 million were employed in the non-farm sector and 1 million were unemployed, suggesting 45 per cent of Romanians are employed in agriculture.

4. For example, tax inspectors may demand additional payments that have to be paid immediately, the firm contests the payments in court, and the courts agree with the firm, which then gets the original payment back in two to three years without interest in an economy with a 40 per cent inflation rate.
5. Romania's major cities are: Bucharest (2.4 million), Constanta (350,476), Iasi (342,994), Timisoara (334,278), Cluj-Napoca (328,008), Galati (325,788), Brasov (323,8350), and Craiova (303,520).
6. In 1999, the DAEWOO group of companies were the largest foreign investor in Romania, with \$1 billion invested.
7. Some have well-known brand names, including Benetton, Stefanel, Luxottica, Diadora, Geox, and De Longhi.
8. To highlight the Romanian-Italian links, Tarom, the Romanian airline, flies to Milan, Rome, Parma, Ancona, Bologna, and Verona.
9. Workers reportedly receive only half this wage because of a variety of taxes: wages tax, 26 per cent; Social Security Contribution (CAS), 31 per cent; unemployment fund, 5 per cent; health care fund, 12 to 13 per cent.
10. Geox reported that wages for comparable workers in Hungary were twice Romanian wages.
11. A separate programme permits 700 youth from each country to gain work experience in the other for 12 to 18 months.
12. The language Romany has links with modern Punjabi, and the word "Romany" comes from the ancient Sanskrit for "the people". As a dark-skinned, non-Christian people, Roma faced persecution.
13. Romania's January 1992 census reported 400,000 Roma; Roma leaders say there are 2 to 2.5 million Roma.
14. For example, Roma are about 6 per cent of Hungary's population, but one-third of children beginning school in 2000 were Roma.

OPTIONS EXISTANTES AU NIVEAU DES « MEILLEURES PRATIQUES »: (ROUMANIE)

La visite au site du projet CEME à Timisoara (Roumanie) avait pour but d'évaluer trois hypothèses.

Premièrement, il s'agissait de créer les conditions économiques susceptibles d'attirer les investissements étrangers directs qui sont porteurs de croissance et de création d'emplois, et dont on peut espérer en retour qu'ils atténueront les pressions à l'émigration et accéléreront l'acceptation de la Roumanie dans l'Union européenne. Les investissements étrangers suscités dans un premier temps par le faible niveau des salaires auront un effet créateur d'emplois et feront naître l'espoir d'une amélioration durable de l'économie, ce qui à son tour se traduira par le choix des travailleurs, des gestionnaires, des ingénieurs et autres cadres roumains, de rester dans leur pays. Avec le temps, les opportunités d'emploi et les salaires augmenteront, ce qui aura pour effet d'atténuer la pression migratoire.

Deuxièmement, la Roumanie compte plusieurs minorités ethniques relativement importantes, à savoir des Hongrois, des Allemands, des Ukrainiens et des Roms (ou Tziganes). Toutes ces minorités ont une certaine propension à émigrer. Les politiques gouvernementales qui visent à lutter contre la discrimination à l'encontre des minorités en veillant au respect de leur langue et de leur culture, en s'appuyant sur les institutions publiques comme la police et les écoles pour faire montre de tolérance et d'égards à l'endroit des minorités, et pour faire appliquer les lois anti-discrimination de la Roumanie, entraîneront une atténuation de la pression à l'émigration au sein de ces groupes.

Troisièmement, l'Union européenne et les autres organisations peuvent le mieux contribuer à atténuer l'émigration, la migration de transit et la traite des êtres humains en organisant des rencontres régulières avec les fonctionnaires roumains et autres acteurs non officiels du pays pour débattre des questions migratoires dans le contexte de l'aspiration roumaine à remplir les critères d'adhésion à l'UE et à l'OTAN. Cela conduira à ce que les Roumains se saisissent plus sérieusement d'un certain nombre de problèmes tels que le besoin d'intégrer les Roms dans l'économie et la société roumaine, celui de gérer les frontières de manière à prévenir la traite des migrants à travers le pays, et celui de moderniser la gestion des frontières de façon à faciliter le mouvement des voyageurs en situation régulière et celui des marchandises, tout en décourageant la migration illégale.

Ces hypothèses sont appuyées par les informations recueillies à Timisoara (Roumanie), mais les progrès réels accomplis au niveau des mesures susceptibles de les matérialiser ont été jugés très inégaux.

MEJORES OPCIONES PRÁCTICAS: RUMANIA

El objetivo de la visita que se realizó al CEME en Timisoara (Rumania) fue evaluar tres hipótesis.

Primero, la creación de condiciones económicas que atraigan la inversión extranjera directa que trae consigo el crecimiento y la creación de empleos, que a su vez pueden reducir las presiones emigratorias y acelerar la aceptación del Rumania en la Unión Europea. La inversión extranjera, atraída inicialmente por los bajos sueldos dará lugar a la creación de empleos y a una esperanza continua de mejoras económicas, que asegure la permanencia de trabajadores, administradores, ingenieros y otros profesionales en Rumania. Con el tiempo, los empleos y los sueldos aumentarán, reduciendo aún más las presiones emigratorias.

Segundo, Rumania cuenta con varias minorías étnicas considerables, principalmente húngaras, alemanas, ucranias y romas o gitanas. Todas tienen tendencia emigrar. Las políticas destinadas a disminuir la discriminación hacia las minorías, a respetar sus idiomas y culturas, utilizando instituciones públicas tales como la policía o las escuelas para demostrar tolerancia y sensibilidad de cara a las minorías, y a aplicar las leyes en contra de la discriminación en Rumania, permitirán reducir las presiones emigratorias en estos grupos.

Tercero, la Unión Europea y otras organizaciones extranjeras pueden ayudar a reducir la emigración, la migración de tránsito y la trata de personas al reunirse regularmente con los funcionarios rumanos y otros interlocutores no gubernamentales a efectos de debatir cuestiones migratorias en el contexto del deseo de Rumania que satisficiera los requisitos para ingresar como miembro de pleno derecho en la Unión Europea y en la OTAN. Ello hará que los rumanos tomen en serio cuestiones tales como la necesidad de integrar a los roma en la economía y sociedad rumana, de controlar las fronteras para impedir la trata de migrantes a través del país y de modernizar el control de fronteras para facilitar los desplazamientos de viajeros y bienes legítimos al tiempo que se desalienta la migración irregular.

Estas hipótesis se extrajeron de la información acopiada en Timisoara (Rumania) pero también demuestran que los progresos de cara a las medidas que favorecerían el proceso son sumamente desiguales.

