

Labor international circulation within the present – day context of globalized economy

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ABSTRACT: *The hereby paper carries out a synthesized analysis of the phenomenon of labor international circulation as displayed by the nowadays context of globalized economy which has been vastly approached by specialized economic works worldwide. Accordingly, we have dynamically exhibited international migration during the period 1990 – 2010 at a world level, its implications as well as a short analysis of the phenomenon in Romania. At the same time, we have made an attempt at showing a model that can be implemented in case of the cost - benefit analysis required when determining the shadow price of labor in under development countries that do not possess the labor needed in order to carry out certain public projects and that resort, under such circumstances, to foreign labor.*

Key Words: *international migration, globalization, economic crisis, labor market, national policies, shadow price of labor.*

JEL classification: *F22, F62, F66, J11, J61*

1. INTRODUCTION

Migration represents an increasingly important component of present day society, a factor that stimulates the globalization of the markets having significant consequences upon the social and economic phenomenon of migration. The environment of international migration has undergone numberless changes during the last decades. The diversification of the fluxes and migratory stocks represent a relatively recent tendency. The number of the states and nationalities directly involved in the process of international mobility is growing, making it difficult to maintain traditional separation among origin, transit or destination countries. Migratory movements have been, for a long time, limited to relatively direct and lineal relations between the interconnected poles – an origin country has almost automatically had a corresponding destination country according to certain former connections which were mainly cultural, economic or historical and which have greatly evolved during the time. At present, such relations determine a tremendous expanding and diversification of the migratory environment. Although the long term classic migratory model will still be reliable, it will coexist with other types of migration that are going to become more and more important (short term migration and circular migration). None of the approximately 190 sovereign states in the world is avoided by migratory circuits; one more frequently encounters circumstances when a state becomes, consecutively, an origin, transit, and destination country. Migratory circuits consequently delineate a real network displaying complex ramifications all over the world.

Migration is “modeled” by a multitude of “push” and “pull” factors of which the most important ones are the level of economic development and the

differences among countries, population dynamics, the existence of migratory networks, travelling easiness, armed conflicts, environment deterioration and the violation of human rights.

Global economic crisis has strongly affected labor market all over the world and the changes the have occurred within their economies have determined, at their turn, significant effects upon labor migration. The fields of activity mainly involving migrants, such as construction field or services, have been mostly affected by economic crisis determining the loss of jobs and increased unemployment among migrant workers (International Migration Outlook, 2009).

The present day dynamics of international mobility under the circumstances of the deep economic recession that manifests itself both at the level of origin countries and at the level of destination countries for migrant workers show the complex and multidimensional character of the phenomenon of labor migration. Migration intersects a wide range of social and economic issues which become more acute and display a more profound impact upon migrants that come to represent a vulnerable category mainly affected by crisis. At the same time, it is quite important to notice the tendency that comes out under the circumstances of economic crisis, namely the negative perception and oversimplifying migrationist phenomenon in most destination countries. Accordingly, within such a context, an area favoring the development of hostility towards the others, of xenophobia and racism, and of adopting restrictive emigration policies and protectionist measures for a state’s own labor market comes out; such a condition characterizes both the states displaying a more recent migration and the countries representing traditional destinations for migrant workers.

2. GLOBALIZATION – CONCEPTUAL APPROACHES

One of the fundamental features of worldwide economy at the beginning of the 21st century is the increase of the phenomenon of globalization which is characterized by the growing of the tendency of limiting and eliminating the barriers among national economies as well as by the amplification of the connections existing among such economies. Although, it is one of the most employed terms belonging to specialized works, there is no generally accepted definition of it. The increase of the interdependencies among worldwide countries has determined the coming out of the concept of globalization which has gradually gained more importance both at a theoretical level and at the level of its effective implementation in practical activities. The phenomenon of globalization is still quite controversial due to the consequences manifested at the level of the individuals. Under such circumstances, a prudent evaluation of the opportunities and risks of globalization plays an important part for the present tendencies of measuring or, rather, turning to good account the consequences of this phenomenon (Dima et al. 2012). Accordingly, the concept of “worldwide governing” has been conceived implying a worldwide internal policy, a policy commanding the new world, namely the policy of the 21st century which represents an answering concept to the phenomenon of globalization. Global governing attempts at filling the gap determined by the deficit of regulations through international cooperation – nevertheless, the states maintain their own regulating functions, but a new form of policy adapted to the present day context is approached.

The analyses made upon the phenomenon of globalization by certain authors state that “globalization is characterized by the internationalizing of economic activities and the existence of networks that spread data and knowledge, the phenomenon of globalization evolving with the phenomena of integration and regionalization”(Iovănescu and Done, 2006)

The continual evolution during the time of this extremely complex phenomenon mainly manifested owing to its economic side determining the researchers in the field to state that “globalization – the widening of specialization and extension of labor division beyond national borders – is exactly the key of understanding what happened with our recent economic history”(Greenspan, 2008).

An extremely important fact is that globalization embraces the whole society owing to various manners of manifesting itself, proving an increased impact upon human condition, and, at the same time, influencing the whole system of mankind’s values.

Globalization displays both positive effects and negative ones which all have consequences upon us. For those who know how to benefit from globalization, its advantages can be stated as follows:

manufacturing cheap and good mass products through concentrating production at global companies; widening retail markets for the products and services offered by companies; getting certain positive effects out of selectively employing the natural resources of the earth; increasing the competition potential when compared with the other companies.

These positive effects are more easily and efficiently used by certain economies, especially by those which have understood the mechanisms that enable the making and functioning of globalization, accordingly succeeding in implementing a series of strategies capable to favor it. Meanwhile, globalization may also determine a series of negative effects, such as: stealing capital fluxes; decreasing the opportunities of choosing the products, mainly due to multinational companies which detain a large part of control favoring imperialism. These negative effects mainly manifest in case of the people in poor countries who are not prepared for such a phenomenon; this aspect is also emphasized by Joseph E. Stiglitz in one of his works where he used to state that: “I could directly notice the devastating effect globalization has upon under development countries and, especially, upon the poor population of these countries” (Stiglitz, 2005).

With a view of turning it into a positive device, globalization has required the foundation of certain institutions that have as a goal not only its implementation but also its monitoring. Owing to such institutions, one is able to eliminate certain deficiencies or negative aspects of globalization which may occur at a specific moment. Among such institutions one may cite: World Bank, International Monetary Fund, Trade World Organization, etc.

Consequently, globalization involves the existence of a world which differs from the world already known where there were no polarities; it is a world of concentric centers which interact and determine evolution.

Starting from the essential part detained by trade exchanges in the evolution of globalization which have become more intense and involved larger amounts, certain authors have noticed the existence of several stages (Trifu, 2006) of globalization, as follows:

The first stage is considered to be the classical period of the *golden standard*, characterized by an explosion of labor migration that determined, to a certain extent, incomes equalization; it was the period when the global financial system was settled for the first time.

The second stage was the period during 1914-1980 when they gave up golden standard. The noticeable economic event of that period displaying negative effects upon the economic and social condition of the population was the 1929-1933 economic crisis that determined the economic transformation of most world states as a whole; a new

economic ground was thus founded based upon American economy.

The third stage began in the '90s and still goes on; it is characterized by the change of certain aspects of capitalism that target economic cooperation among world states with a view of settling humankind global issues.

Economic increase has become a concern of a lot of specialists in the economic, social, and political fields who have shown that there are several classifications and causes of the factors that determine economic growth; yet, most economists consider that the factors are the following ones: capital, technology, labor, and natural resources. Accordingly, labor is considered to be the determining factor of economic growth due to the fact that, at a certain moment, foreign capital enters the country where people are going to notice the diversification of technology and the increase of labor qualification. This last aspect is also due to the trans-national companies that are active in the country and are interested in training their employees, and are also concerned about research in order to face competition. These companies are willing, at a certain moment during their activity, to contribute to the increase of labor quality through investments in other fields than production, such as education and research. Consequently, capital has had the capacity to more freely circulate, escaping the strict control of the governments of certain states and being able to get what it looked for, namely profit. It is quite significant to notice the statement of certain authors who consider that "the capacity of the capital to migrate no matter where undermines the capacity of the State to exert its control upon the economy" (Soros, 2002).

The specialists in the economic field have stressed the permanent character of the crises that pervade world economies; such crises have shown various fields of the economy and manifested with different intensity. Accordingly, the settling of such issues first implies another manner of approaching them and new methods and strategies which have not been yet employed. At the same time, one have noticed that the social factor together with the political one play an important part in settling crises; people are finally those who bear crises as they are also those who determine economic development. Consequently, the human factors responsible for settling the issues that have come out agreed to attempt at finding out solutions that might determine optimum international conditions necessary for the development of such solutions. These solutions have been correlated at an economic, social, and political level.

Starting from the aspects previously displayed, a new concept has come out; it is known as the "*new international world order*" (Costea et. al. 2010) and it seemed to determine the settling of certain grounds of political and economic cooperation. The foundation of this new concept is, in fact, a result of the various existing lacks of balance, both at a political level and

at an economic level as the two ones are intermingled and the decisions taken within a certain field strongly influence the other one.

Development may be understood out of the perspective of the part played by labor people should deploy in a more and more complex world. Accordingly, labor should be better integrated within a labor market continually changing so that a larger amount and more diversified products might be manufactured through access to limited resources.

Globalization, owing to trans-national companies and foreign direct investments as well as owing to certain international organisms, has had very good results, especially in those countries under development that consider that it is necessary to take part in world economy. A multitude of disfunctionalities regarding globalization have also showed up but most of them have had an objective character. Accordingly, one could notice that the low level of the national economies of certain countries under development has both natural causes and objective causes determined by environment factors, lack of natural resources, economic structures relying upon mono-culture, un-skilled labor, namely by the lack of most of the factors of economic growth. Wherever part of these factors appears one might also notice an increase of market size as compared with both the number of inhabitants and the income per capita.

The causes that are connected with certain objective aspects may be overpassed through elaborating certain national strategies by the governments of such countries that might be capable of engaging the internal forces through developing economy and stressing industrialization, modernizing agriculture, building infrastructure and training labor. The foundation of these strategies should also involve the effort of surpassing underdevelopment owing to a more efficient policy of saving and investments. There are certain causes of a subjective nature and belonging to governmental economic and social policies; these have determined economic and social instability and were at their turn determined by organizational and managerial incompetence, by inconsequences of the regulations regarding economic growth and social development, by the incoherence of legislative stipulations in the field of private property, and by the monetary instability of prices.

Access to the labor market belonging to another state represents the essence of the free circulation of individuals and provides the mobility of labor worldwide. Yet, the extent to which this mobility determines the decrease of unemployment and economic increase is still to be seen. The opening of national labor markets means the access of foreign workers on such markets, equal treatment regarding labor conditions, the right to the social, economic, and cultural integration of the foreign workers and of their families (Awuah and Amal, 2011). At present,

the main constraints limiting the free circulation of workers are the following ones: discriminatory working conditions, juridical framework as well as the administrative actions that impose different obligations for foreigners and the lack of coordination among the systems of social security (Zygmunt, 2006). Free circulation involves the abolition of all discriminations due to nationality that regard labor employment, remuneration, other working conditions, and a series of rights such as: the right to accept the existing work offers; the right to freely circulate; the right to settle in a certain state with a view to be employed; the right of being employed according to the stipulations that govern the employment of the citizens belonging to the target state; the right to remain on the territory of a state after having been employed in that state.

Such rights do not determine the loss, by the migrant workers, of the benefits acquired according to the social security settlements in the state they come from; on the contrary, such benefits should be calculated and paid to the workers by the state they have their residence in. The exceptions from the free circulation of the workers are grounded on: reasons of public policy, public security, and the exclusiveness of public services.

The restrictions migrant workers have to face may be imposed only in case their presence or behavior represents a real and serious threatening to public order. The free circulation of the workers is associated with settlement right and the right to offer services. Settlement liberty, in case of natural persons, should materialize in the right to carry out professional activities while, in the case of juridical persons, in the right to found and administer companies. The rights of foreigners are limited or settled according to the same stipulations that regard the native people of a state. Among these rights, one may cite the right to remain on the territory of the host state and to acquire and use real estates (the free circulation of investment capitals). Natural or juridical persons should possess the qualifications required by the host state in the field of the professional activities settled by law. It is obvious that in order to observe such a requirement, it is necessary to mutually acknowledge higher education diplomas individuals get after graduation or vocational training as well as the widening of the system of mutually acknowledging education and training longer than three years at a higher education institution or at similar institutions.

Circulation (migration) inside and outside the borders has become a most important issue debated nationally and internationally; it has also been the topic analyzed by the Report of Human Development 2009. "The starting point is the fact that the global distribution of capabilities is extremely unequal and this represents an important reason of people migration. Migration allows them to multiply their choices – as far as incomes and services access are

concerned; yet, the opportunities opening before people vary from those possessing a high degree of competences to those possessing limited competences and capabilities". Such inequalities may be the result of political distortions" (UNDP, 2009).

There are a series of factors that draw our attention upon the positive impacts of migration on human development owing to certain facts that regard: the increased incomes of households and the improvement of the access to education and health services. At the same time, migration can represent an advantage for traditionally disadvantaged groups, mainly for women. There are also certain risks for human development; for instance, the cases when migration occurs as a reaction to threatenings and to the denial of the right to choose or when the normal opportunities of movement are restraint.

National and local policies of the countries play a critical part in determining optimum results of human development both for those who choose to move in order to improve their living condition and for those who are forced to move due to conflicts, environment degradation or other reasons. The restrictions imposed by the countries may increase the costs as well as the risk of migration.

As a conclusion, let's state that the global economic system is characterized by power and economic exchanges concentration, by inequality in having access to resources and in distributing incomes and consumption; it is also characterized by the interdependence and vulnerability when facing the spreading of economic crises.

3. ASPECTS REGARDING THE INTERNATIONAL CIRCULATION OF LABOR

3.1. Theoretical considerations regarding the international circulation of labor

Under the present day economic circumstances an important part in developing the international economic relations is played by the international circulation of labor. It has become a global process which has affected almost all the states worldwide, either as origin states or as transition or destination states. The international circulation of labor has tremendously widened contributing, to a great extent, to the foundation of labor markets both in emigration countries and in immigration ones; such fluxes are considered to have a major impact on the distribution of population worldwide. Accordingly, owing to their quantity structure, but mainly to their quality structure, they influence the demographic, social, and economic security of the states, playing an important part in the functioning of world economy.

From the point of view of their position regarding the migrants, world states may be classified in: *immigration countries* (mainly, developed, rich countries) and *emigration countries* (under

development countries). Nowadays, almost all states have encountered an active process of migration; even the states with closed regimes more actively take part in the international migrational circuit, the phenomenon of emigration being in such cases severely monitored when compared with immigration.

As a rule, labor moves from the states displaying a surplus of labor or from those which are not capable to turn to good account the existing human potential, towards the states encountering a deficit of labor. Developed states are nowadays in a direct competition and they promote several attractive programs and strategies for these categories of persons. At present, the number of states which are both *emigration countries* and *immigration countries* is increasing.

The international migration of labor represents the movement of the population apt of working outside its own country with a view to enter labor relations with the employers of other states. The category of labor migration does not include traders as well as the persons who travel abroad on business (in case the contract with foreign employers is lacking). The increase of the intensity of the international circulation of labor under the circumstances of the present day economic context is determined by a series of factors (Koehler, 2009), such as:

- ✓ Increase of internationalizing economic life which contributed to the circulation of all production factors, including labor;

- ✓ Unequal development of national economies, increase of disparities in the economic development of the various groups of states or even inside the states which accelerated the coming out of migrational fluxes;

- ✓ Increased tendencies of liberalizing the circulation of production factors which was determined either by certain specialized international economic institutions (OMC - World Trade Organization, BM - World Bank FMI - International Monetary Fund, OIM - Labor International Organization), or by important entities of world economy, such as trans-national corporations that provide the movement of labor towards capital or transfer capital in the regions encountering labor surplus;

- ✓ Integrationist processes of world economy that stimulate labor circulation among integrated states;

- ✓ The phases of economic cycle specific to the economies of certain states or to world economy as a whole (during the phases of economic expansion labor demand increases, including demand for foreign labor while during crises it decreases);

- ✓ Widening the international economic system owing to the interaction between the two antagonist blocks - capitalist and socialist - until the '90s years of the previous century;

- ✓ Improvement of world transport system that allows information, goods, services, and individuals to move rapidly and freely worldwide

- ✓ Social relations expressed through internationalizing marriages and cultures;

- ✓ Demographic factor expressed owing to unequal increases of world population and, accordingly, the unequal filling of labor markets;

- ✓ Partial occupation of labor and unemployment, etc.

All these can be grouped as **economic** factors (unemployment, relocation of economic activities, globalization of production and capitals), **political** factors (institutionalizing international economic relations, changing geo-political force relations, providing borders transparency, etc.), **socio-demographic and socio-cultural** factors (mixed marriages, spreading of religions, and missionary activity of certain religious entities, unequal natural increase of population, etc.). Nevertheless, the factors that are able to influence migration may also be ecological, psychological, humanitarian, and cultural and they may become stronger when the levels of social and economic development of the states are going to display a larger number of similar traits.

In order to analyze labor migrational phenomenon at an international level we have employed terms also accepted by the Labor International Organization.

Labor international migration - includes the movement of labor resources from one country to another for a certain period. Migration followed by the change of residence is also called *definitive, permanent or irreversible migration*. Migration determined by the short term movement of labor is called *temporary or reversible migration*. It is difficult to quantify the total number of temporary and definitive migrants due to the fact that they can change their condition in time.

Depending on the reason of movement, one notices *voluntary migration and forced migration*. Voluntary migration occurs due to the personal decision of the migrant while forced migration is due to a series of events that may have natural causes (natural calamities), political causes (lack of democracy, presence of dictatorial regimes), economic causes (economic crises, unemployment), social and cultural causes (ethnic, religious intolerance, etc.). Forced migration is most often determined by reasons that do not depend on the migrant.

Depending on the character of labor movement, one notices *periodical migration* - that includes sporadic movements of the migrants who return to their native domicile; *Seasoning migration* - determined by the seasonal character of economic activities (agriculture activities, seasonal services) and *pendular migration* which has a local character involving daily circulation towards labor places and, in the evening, towards homes (gasterbaiters, trans-border workers). Pendular migration frequently

occurs in trans-borders areas; it increases at present due to simplifying the conditions required by border crossing or owing to eliminating barriers that regard individuals' circulation.

At present, **virtual migration** or **screenwork** (Betts, 2011) becomes largely spread; its essence consists in looking for work, receiving demands, displaying the result of the work and being remunerated through Internet. This migration has as a specific trait the fact that the employee is located in a certain country while the employer is located in a different country. The employees do not really migrate; only the result of their work migrates. Virtual migration is increasing as it is now a segment of the international labor market.

The increase of the intensity of international migration under the new circumstances of globalized economy has determined the world states to resort to its regulation and to a better administration of it. While most countries in the world, under the influence of international economic organizations or of trans-national companies, liberalize commercial, financial, and currency fluxes, technologies, most of them also limit the access of migrants on their territory (UNDESA, 2011). Although more international organizations are preoccupied with regulating migration, none of them, at least now, possess the official authority to achieve this as the issue is the prerogative of sovereign states/governments.

The international juridical ground of migration is the 1948 General Declaration of the Human Rights, the 1966 international pact upon civil and political right, the 1986 Final Act of the Decision upon Human Security and Cooperation in Europe, UNO Convention for the rights of workers-migrants and the members of their families. Among the international economic organizations, the one that mostly comes closer to the issue of monitoring international labor migration is the International Labor Organization which is responsible with elaborating and coordoning the international standards regarding labor market. These standards represent recommendations for the world governments and target the following aspects:

- ✓ Minimal remuneration of labor;
- ✓ Providing the opportunities of nondiscriminatory employment;
- ✓ Providing equality among migrant and native workers;
- ✓ Providing a system of social insurances for migrants;
- ✓ Settling minimal labor age;
- ✓ States cooperation in the field of labor migration, etc.

Yet, at present, there are no concrete devices and mechanisms capable of sistematic control. Such mechanisms are benevolently implemented by national authorities. Certain states possess special laws in order to settle migration. In the USA, for

instance, the 1990 "Migration Law" is still in force. Similar laws are also specific to OCDE states. Several states have created special structures that deal with the immigrants; they are either structures belonging to the Ministry of Justice or to the Ministry of Internal Affairs and to the Labor Ministry. In the USA, the Service for Immigration and Naturalization (SIN) represents one of the most powerful state structures in case one considers the effects migration has upon all fields in this country. Similar services and structures operate in all Western European countries. National states have implemented migratory policies that were quite varied during the time depending on the states' interests and needs; the stipulations have ranged from permissive to restrictive and from democratic to discriminatory. Another important part in migrationa policy is detained by the stipulations regarding the international migration of labor.

3.2. Evolutive tendencies of labor international circulation

Up to a certain moment, the exactness and quality of the data regarding the number of migrants worldwide has been restricted as a result of lacking certain common concepts, of certain optimum living standards and of a series of drawbacks connected with demographic statistics in less developed states. During the last years, one could notice the improvement of displaying such data owing to the major contribution of the United Nations which have strived to set forth a relatively homogenous statistics regarding the total number of emigrants worldwide containing series of data that cover the last five decades. Nevertheless, there are still weak points in identifying the exact number of migrants so that the official registering is not always able to estimate the number of irregular migrations.

The analysis of the evolution of international migration during the period 1990-2010, according to the data at the disposal of the United Nations until the date of the hereby research, shows an increase of total international migration from 155.5 million individuals, in 1990, to 213.9 million individuals, displaying an average rate of 2.4%. In case this growth rhythm maintains during the next five decades, in 2060 migratory population worldwide is going to attain 600 million individuals.

As regards the circulation destination of the migrants, we have noticed that they preferred the locations in high incomes countries where the growth rate of the migrants represents 6.6% while in case of low incomes countries the rate represents 1.8%. Until 2010, 60% of the total number of the migrants lived in a high incomes country. At the same time, according to these data, the most developed regions of the world (Europe, Asia and North America) detain the most important number of migrants; this is also due to the demographic size of those regions. As regard Oceania and North America, the most recently

populated regions, they detain the most increased coefficients of 16.8% and 14.2%, followed by Europe, a region where migrants represent 9.5% of residential population. In the other regions, such as Asia and Latin America, immigrant population is smaller than 1.5%, namely 1.3%. This confirms the

relatively higher importance of migrant population in developed countries which detain 6.6% of the population while less developed countries detain only 1.8%. The previously analyzed data are displayed by Table 1.

Table 1: Dynamics of international migration during the period 1990-2010

Indices	Number of international migrants (million persons)					Regional distribution of emigrants (As a percentage of the local population %)				
	1990	1995	2000	2005	2010	1990	1995	2000	2005	2010
Total in the world	155.5	165.9	178.4	195.2	213.9	1.3	1.5	2.9	3.0	3.1
Developed regions	82.4	94.1	105.0	117.1	127.7	2.8	1.9	8.8	9.5	10.3
Under development regions	72.6	83.5	84.8	88.1	97.5	0.4	0.2	3.0	2.8	2.8
Europe	49.4	54.7	58.2	64.3	69.8	2.3	1.9	8.8	8.8	9.5
Africa	16.4	17.9	16.5	17.7	19.2	1.9	0.7	2.0	1.9	1.9
Latin America	7.0	6.2	6.3	6.8	7.4	2.9	1.1	1.2	1.2	1.3
North America	27.6	35.5	40.4	45.6	50.0	3.9	1.9	12.8	13.5	14.2
Oceania	7.8	8.5	9.0	9.8	10.7	1.2	0.1	16.3	15.2	16.8
Asia	48.7	48.7	51.9	55.1	61.3	1.2	0.1	1.4	1.4	1.5

Source: adaptation according to: International Migration Stock: The 2008 Revision, United Nation, 2009, <http://esa.un.org/migration> (Accessed on 25.01.2013)

The data previously mentioned might suggest that the issues connected with the receiving of international immigrants exclusively belong to developed countries. Nevertheless, the phenomenon is much more complex than the above table displays as it becomes obvious when one identifies the countries with the highest number of immigrants: certain developed countries, such as USA, Germany, Canada, France, and the United Kingdom – countries which traditionally received migrants, and Spain that made progresses during the last years detaining the 8th position of the hierarchy. Yet, under development countries, such as India, Pakistan and Ivory Coast, also detain leading positions, a fact that suggests that the separation among host countries, destination and transit countries when dealing with emigration becomes unclear; certain countries, mainly Mexico and India, range in all three categories (Alonso, 2011).

As already noted migration is a highly complex concept and reflects a wide range of global issues and challenges, including “push” factors such as:

- Natural and human-induced disasters such as drought, crop failure, flooding, hurricanes etc;
- Regional political turbulence and conflict;
- Economic instability and recession;
- Political oppression and internal instability within countries.

At the same time, “pull” factors attract migrants to move to new locations as a result of:

- Economic opportunity and development;
- Skills and labour shortages (oftentimes created by structural changes within populations, generally reflected in aging and declining birth rates);
- Perceived welcoming social and political conditions;
- The attraction of cultural and national diaspora in

receiving countries.

Migration data give an approximation of the numbers migrating legally on an annual basis within and between countries but largely excludes unremunerated migrants in irregular situations. The number of non-nationals (as distinct from recent migrants) who are working is generally estimated on a country-by-country basis but information on a sector basis is rather sketchier. However, non-nationals or those born outside of a country can include workers who have been in that country for a considerable length of time and are largely assimilated into the local workforce. Interpretation and location within employment statistics in these cases varies from country to country. Münz (2008) illustrates this through the examples of Switzerland and Luxembourg where there is very little difference in the proportion of the workforce who are foreign-born and those who are non-nationals and the UK where there are over three times as many foreign-born compared to non-national workers.

Notwithstanding the different ways in which migrant workers may be counted, countries vary greatly in the role which migrants play within their societies. These aspects are displayed by Table 2. The causes of international migration are often quite complex and, in reality, these push and pull factors combine in different ways to influence the decision to migrate.

Table 2: Proportion of non-nationals in total population in selected countries in 2010

No.	Country	%
1.	Qatar	88%
2.	United Arab Emirates	80%
3.	Kuwait	79%
4.	Jordan	48%
5.	Singapore	40%
6.	Israel	40%
7.	Hong Kong SAR	39%
8.	Switzerland	22%
9.	Australia	21%
10.	Ireland	20%

Source: United Nations Department of Economic and Social Affairs – Population Division (2009) *Trends in International Migrant Stock: The 2008 revision* New York: UN-DESA.

Key among these are the increased pace of globalization, growing demographic disparities, the effects of environmental change, new global political and economic dynamics including political change, technological revolution and the emergence of new forms of social networks. Globalization is an integral part of the world economy just as international migration is an integral part of globalization. Therefore, the accelerating pace of globalization contributes to an increased pace in

labour market mobility. This is further stressed by ILO in stating that, “the logic and phenomena of globalization are clearly driving forces in migration today (ILO, 2010).

Notwithstanding the complexity of motivations that underpin migration, international migration is mostly an issue of labour mobility of people moving in search of better opportunities. According to the ILO, about half of all international migrants are working. Push, pull and network factors interact to create a highly volatile and mobile global community, within which both temporary and permanent mobility remains a constant, irrespective of the impact of economic and political cycles and change. Certainly, short-term trends in migration are impacted upon by specific events or in response to the economic cycle. OECD’s annual assessment of international migration for 2011 points clearly to the impact of the current global economic downturn on migration, highlighting 2009 declines in permanent and labour - induced migration over 2008 but noting that figures for 2009 still represent higher levels of migration than any year prior to 2007. This, therefore, underscores the inexorable growth trajectory which can be seen in all forms of global migration. At the same time, OECD does highlight major trend disparities in the impact of inbound migration on different countries which reflect the economic challenges facing specific countries and regions. For example, decline in the number of inward migrants between 2008 and 2009 was as high as 46 per cent in the Czech Republic and 42 per cent in the case of the Republic of Ireland. By contrast, Australia experienced a 7 per cent increase over the same timeframe; the Russian Federation’s growth was 11 per cent and that of the United Kingdom 14 per cent. Likewise patterns of out-migration varied greatly from country to country. By way of illustration, OECD reports from 2011 show that immigration from Poland was very high in the mid-2000s, although it has since declined. Romanians, who moved in large numbers to several countries in 2009, were an increasing part of flows to Italy in 2008, Germany, Portugal and Luxembourg, although the flows to Spain and Hungary decreased significantly in 2009.

It is worth noting, however, what UNDP (2009) highlight in their assessment of mobility and migration. UNDP rightly note that discussions about migration typically start from the perspective of flows from developing countries into the rich countries of Europe, North America and Australasia. Yet they further point out that, in fact, most movement in the world does not take place between developing and developed countries; it does not even take place between countries. The overwhelming majority of people who move do so inside their own country.

Using a conservative definition, it is estimated that approximately 740 million people are internal migrants -almost four times as many as those who have moved internationally. Most migrants, internal

and international, reap gains in the form of higher incomes, better access to education and health, and improved prospects for their children. Just over a third moved from a developing to a developed country – fewer than 70 million people. Most of the world's 214 million international migrants moved from one developing country to another or between developed countries. Table 3 displays these aspects.

Table 3: Direction of international migration in 2010

No.	Direction	No (millions)	Share (%)
1.	South – South	73.6	34
2.	South – North	72.8	34
3.	North – North	55	26
4.	North – South	12.6	6
5.	Total	213.9	100

Source: United Nations Department of Economic and Social Affairs – Population Division (2011), *Trends in International Migrant Stock: The 2010 revision*, New

York: UN- DESA.

In economic conditions that are challenging, as under the current financial and economic crisis, experience in the workplace becomes increasingly important in the allocation of job opportunities. The rapid growth in the youth population of many developing countries coexists with declining economic opportunities for work in the home countries, therefore inducing out-migration of, often, and well-educated young people.

4. IMPLICATIONS OF LABOR INTERNATIONAL MIGRATION

The implications of labor migration are multiple and various. They influence the social and economic life of all states worldwide, a proof being the more and more active preoccupation for the migrational phenomenon. Migration has positive and negative implications both for the receiving countries and for the donating ones. These implications are synthesized in Figure 1.

IN CASE OF RECIPIENT STATES	IN CASE OF DONOR STATES
POSITIVE	
<ul style="list-style-type: none"> ✓ Stimulating competition of national products as a result of decreasing production costs through employing cheaper labor ✓ Multiplicative effect (stimulating production and employment in adoption country by foreign labor) ✓ Savings with labor's education and professional training (due to the import of skilled labor) ✓ Maintaining social stability through paying taxes 	<ul style="list-style-type: none"> ✓ Foreign currency transfers convertible in the country ✓ Decreasing pressure exerted by excedentary labor resources and diminution of social tension ✓ Free of charge education and professional training of a state's own labor, correlating it with the forms of organizing advanced work ✓ Getting financement and aids from recipient countries and international organizations specialized in programs of social and economic development that target the creation of new jobs
NEGATIVE	
<ul style="list-style-type: none"> ✓ Increase of the tensions on local labor market ✓ Increase, as a consequence of the growth of the demand on labor market, of the tendency of decreasing labor cost ✓ Determining national and ethnic conflicts between local population and imigrants; such social tensions manifest through discrimination and aversion towards imigrants ✓ Increase of unemployment rate 	<ul style="list-style-type: none"> ✓ Economic losses as a result of diminishing human potential and mainly the segment of population having the required age for work ✓ Losses due to the educational and professional training of the emigrants ✓ Demographic risk is expressed owing to the diminution of the reproduction potential of the population and to the eroding of the family institution ✓ Illegal emigration determines the lack of all social, political or economic rights

Figure 1: Implications of labor international migration

The monitoring of the migrational process with a view of its better administration becomes a necessity for all states, irrespective of the position they detain within migrational fluxes. The main consequences of migration, from the point of view of our interest, are exerted upon labor market and economic environment.

Migration's implications upon labor market. The fluxes of international migration directly influence labor markets both in donor countries and in receiving countries. Migration may contribute to the diminution of unemployment in those states displaying a labor surplus; in receiving countries it may decrease offer on labor market. Immigration fills the jobs belonging to the fields that are not demanded by native workers. For instance, in Belgium, 50% of the miners, in the USA – 70% of the agricultors, and in Switzerland, about 40% of construction workers are foreigners. Immigration influences regional labor markets. It also provides the re-distribution of labor according to present day demands.

The companies in recipient countries get profit from immigrants' labor. The latter ones are ready to work in exchange of a remuneration that is smaller than the remuneration standards of a country and, accordingly, employers do not increase the salaries of native workers. A double standard labor market operates in several states: on one market they buy skilled native labor highly qualified and on the other, they buy the foreign labor ready to bear hard conditions and badly paid. Accordingly, immigration contributes to the increase of competition on less skilled labor market that determines the decrease of the real salary of the categories of native workers; such facts also result in the increase of social tensions and of the pressure they exert upon political class, with a view of hardening the terms of immigrants acceptance (Trachtman, 2009).

At the same time, migrants may get better qualifications in receiving countries; such an experience may be subsequently brought home. Entrepreneurial activity may improve as a result of the experience and investments made in autochthonous business by the migrants who returned to the country they live in.

The economic implications of migration may be mainly expressed owing to the effects upon the *balance of payments and upon consolidated budget*. The fluxes of international migration determines important capital transfers both from emigration countries, brought by emigrants in order to settle or get citizenship, but, especially, due to the transfers made by the immigrants in their origin country. Such sums are higher in case they belong to investors, immigration countries encouraging no matter what investment made by immigrants. As a rule, the sums required in order to settle determine consumption. The emigrants' transfers of money abroad are materialized in several forms of payment balance (Mohapatra, et al. 2010):

- **Workers' payments** (workers remittance) which represent the value of the transfers towards the origin country made by the emigrants living abroad;

- **Migrants' transfers** - that represent other fluxes of goods and financial assets associated with international migrants.

In order to emphasize the importance of the capital transfers made by emigrants towards their origin country it is useful to compare them with the GNP, with exports, and foreign capital investments.

Considering that such transfers may significantly influence economic and social activity in the origin country, the need and opportunity of also analyzing other aspects regarding the previously mentioned process clearly comes out as follows:

- ✓ The share of the various forms of transfer (cash, bank transfers, nature transfers, barter);

- ✓ The manner of carrying out the currency exchange into the national coin;

- ✓ The manner of employing the sums of money sent from abroad (current consumption, long term goods, real estate and land buyings, returning loans, opening bank deposits, starting businesses, expenditures for educating and training children);

- ✓ The identification of the effects of local and national transfers.

Implications of migration upon consolidated budget. The fluxes of international migration have important effects upon the functioning of public services and of the systems of social protection. The increase of the expenditures for immigrant unemployed persons and their families occur; at the same time, expenditures regarding: children education; the development of social infrastructure; giving social assistance or paying social indemnifications, etc. are also required (Dima and Man, 2012).

Immigration states bear important expenditures out of their public budgets while emigration states do not bear such expenditures.

5. SYNTHESIZED ANALYSIS OF THE PHENOMENON OF MIGRATION IN ROMANIA

Migration represents a reality that invades all the aspects of Romanian society. The economic and financial crisis has both occurred in the countries of origin of migrant workers and on the labor markets of destination countries; such facts have determined the deepening of the crisis and have drawn the attention on the states' need to undergo common efforts in order to properly administrate the phenomenon of migration.

Romania's migration pattern is mainly characterized by emigration, especially following accession to the European Union on 1 January 2007. The number of Romanians working abroad in 2010 is estimated to be around 3 million persons. However, data on emigration of Romanian citizens or persons born in Romania is limited. Officially registered

emigration captures only a small fraction of actual outflows. The number of newly registered permanent emigrants in 2010 was about 7 900, down 23% from 2009. A better approximation of actual emigration is provided by the statistics of the main destination countries. For example, the Romanian population residing in Italy increased by around 80 000 (to a total of 969 000) in 2010, and the corresponding increase in Spain was 33 000 (to a total of almost 864,300). The National Agency for Employment mediates temporary labour emigration through bilateral employment agreements. Only five out of 13 agreements signed are currently operating: with Germany for seasonal workers and students, and with France and Switzerland for the exchange of trainees.

By far the largest number of mediated employment contracts relates to Germany, as restrictions on labour market access for Romanian workers are still in force. Further, when Spain reintroduced transitional arrangements for Romanian workers in August 2011, the bilateral employment agreement for employment agriculture regained relevance. In 2010, the number of mediated employment contracts remained roughly stable compared with 2009, at 110 100, 1 000 less than in 2009 but still more than double the 2008 figure. According to the Romanian Office for Immigration, the immigrant population in Romania increased by 10% from 2009 to 2010, to a total of 97 400, representing less than 5% of the total population. Around 60% of those immigrants were non-EU citizens, mainly from Moldova (18%), Turkey (9%) and China (7%). In light of the economic downturn, the Romanian government tried to regulate immigration inflows by reducing the quota for work authorizations, to 8 000 in both 2009 and 2010 compared with 15 000 in 2008.

Actual admissions in 2009 and 2010 were, however, well below that figure. According to the Romanian Office for Immigration, 4 200 work permits were issued in 2009, a decrease of over 60% compared with the previous year. A further decrease was recorded in 2010, when almost 3 000 permits were issued, representing less than 40% of the quota allotted. The work permits were mainly granted for permanent workers (77%) and posted workers (13%). Most immigrant workers come from Turkey (21%) and China (18%). The 2011 quota for work authorizations was set at 5500.

In 2010, almost 890 asylum applications were submitted in Romania, a slight increase compared with the 2009 figure (830). The main origin countries of applicants were Afghanistan, Moldova and Pakistan. Preliminary data for 2011 suggest a further increase in asylum applications.

In the second half of 2011, several amendments to the law on foreigners were approved, which adapt Romanian legislation to the EU framework on migration and to the Schengen acquis (Bijak, et al. 2007). Romania's admission to the Schengen system,

originally foreseen for March 2011, has been postponed. The new legislation transposes a number of EU Directives – namely the “Blue Card”, “Employer Sanctions”, “Return” and “Long-Term Residents” directive, the directives on family reunification and on posted workers, as well as the regulation on a common Visa Code. Other changes concern the implementation of EU legislation in the area of free movement, with the extension of the rights already recognized to EEA citizens also to Swiss citizens, and the abolition of the obligation of registering for EU citizens and their family members.

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In addition, the new legislation provides for the issuance of a personal identification number to all foreigners in Romania – including asylum seekers – for the access to social security services (including health, education and social assistance benefits) and the fulfilment of legal obligations.

Other changes include tighter requirements for the issuance of business visas and simpler procedures for the issuance of work authorizations. Amendments were also introduced to the immigration regime for posted workers, with the creation of a special visa and the reinstatement of the labour market test for posted workers who wish to continue working permanently for the same employer. Status change from study to work is now facilitated, conditional on a full-time employment contract in the same domain as prior studies (Stănculescu, et al. 2011).

Romania's National Strategy for Immigration for the period 2011-14 was adopted in May 2011, with its main objectives being: promoting legal immigration, strengthening control over irregular immigration, developing a national asylum system, and integrating foreign residents.

The phenomenon of migration has acquired historical dimensions in Romania; our country is the first one as regards the amount of migration within the space of the European Union. Nevertheless, migration is not yet shown the proper attention although it has major implications on a long term upon internal stability and national security. At present, a lot of the researches approaching Romanians' migration are developed from a sociological point of view; there are only a few such analyses that approach the process from an economic point of view. The geographical dimension of this process is lacking in Romania although it has proved to be very important, especially during the last years,

out of the perspective of the processes of regional development.

The positive effect of migration is connected with the deliveries of Romanian emigrants and target: the meeting of certain essential needs, a better access to services, a higher living standard; the decrease of poverty, mainly due to the fact that part of the emigrants arrived at the poorest areas of the country, the decrease of social pressure upon the various successive governments, and the development of entrepreneurial spirit of those concerned. At the same time, Romanian emigrants determined the deficit of Romania's current account not to considerably increase during a period when the commercial balance of the country is obviously lacking in equilibrium; they have also contributed to the improvement of Romania's crediting terms on international financial markets due to the constant occurrence of such fluxes during the last decade.

The negative effects of Romanians' migration mainly targets: the creation of a cycle of dependence within certain communities affected by the massive migration of the natives, profoundly negative effects on the children that belong to families where at least one member has emigrated, emigration of highly qualified individuals as well as population aging.

An analysis of the consequences of Romanians' external migration from an economic perspective and regarding opportunity cost should refer to what Romania might gain in case it benefits the entire labor force it disposes but which it is not able to use due to migration; it should also emphasize the fact that the advantages gained on a short term are not able to compensate long term losses (Cucuruzan, 2009). The deliveries of Romanian workers, the main benefit of their migration, should not be considered as a sure flux of long term incomes as they largely depend on factors which cannot be controlled by the Romanian state, such as: the dynamics of economies belonging to the countries targetted as destinatary of migration or the migration policies these states are going to adopt in the future. Under special circumstances, such as the present day economic and financial crisis, the amount of these deliveries substantially decreases. The tremendous loss of human capital cannot be compensated by the deliveries of those concerned. Those who are highly qualified most probably belong to the category of people that have emigrated for a long term or even definitively, and, accordingly, they are going to deliver to their origin country a smaller amount.

The demographical aging is going to increase at the same time owing to the leaving abroad of potential emigrants whose children will born, live, and work in other countries. Implicitly, with time, due to its cumulative effects, temporary migration abroad has contributed to the increase of community and regional differences in Romania.

The present period of economic crisis will determine a "contraction" of Romanian migration

owing to the decrease of the number of departures for work abroad and to the increase of the numbers of returnings. Yet, it does not mean that we are going to expect an afflux of the Romanians who are going to return to the country.

Under the present European context that concerns migration and the issues Romanian workers have to face, Romania should vigorously state its position and militate for the change of the vision regarding labor mobility and migration; these are two interdependent concepts that should not display distinct realities, namely the mobility of the citizens of the former states members versus the migration of the citizens of the new states members, a fact that would determine an equal treatment of all European citizens.

Romania owns at present a well structured system of strategies, policies, and measures plans for the administration of the migrationist phenomenon, but the most important and real challenge comes out when all these should be implemented. Accordingly, a modern and performing management should be provided, capable of determining the most suitable use of human and material resources allocated to this process.

6. THE NEED OF IMPLEMENTING THE COST - BENEFIT ANALYSIS IN DETERMINING THE SHADOW PRICE OF LABOR IN UNDER DEVELOPMENT COUNTRIES

With a view of carrying out a project, labor is going to be consumed in all countries. The increased rate of unskilled labor in under development countries represents an important reason of initiating a series of projects; yet, even without considering such a reason, labor is, quite probably, an important non-transacted resource of a project. Accordingly, in under development countries, the determining of labor shadow-prices is very important in order to draw out cost-benefit analyses. Consequently, as any other resource used in a project, labor is characterized by a rate of accounting price, (RPC), which is determined as a ratio between labor shadow salary (SUM) and labor market salary (SPM), employing the following relation:

$$\text{RPC for labor type „x”} = \frac{\text{SUM type „x”}}{\text{SPM type „x”}}$$

This relation suggests that the different types of labor, skilled and non-skilled, could have different rates of accounting price. Also, in order to determine labor shadow price it is necessary to previously determine salary on labor market. Although, this is quite an easy thing to do when the labor employed in various fields of the national economy is skilled and works for a certain project; on the contrary, when a project involves unskilled workers the determination is not easy at all.

While the national labor market for skilled workers functions relatively well – for instance – unemployment rate for such workers is quite low – unemployment rate for these workers is decreased and the salary they get for a project offers a good approximation of their salary on labor market. Consequently, the salaries afferent to the project offer a reasonable approximation of the productivity of these skilled workers, and, as a result, it expresses social opportunity cost (expressed in internal prices) afferent to their employment for the project. The situation is quite different when labor market is distorted by the negociation power of the trade unions, by the state's control upon salaries or by other causes. Under such circumstances, one may employ the method of determining the opportunity method of hiring unemployed persons in order to work for a project.

In case a conversion factor for skilled workers is available, then shadow salary may be calculated through multiplying it with the level of the salary corresponding to the project. Alternatively, but less satisfactorily, the salary afferent to the project can be multiplied with the conversion factors specific to the fields in order to transform it in its equivalent expressed in foreign currency. Even less satisfactorily, in case no conversion factors for unskilled workers and for the specific field are available, one may employ an estimation of standard conversion factor.

A particular case is that belonging to an under development country which does not possess the skilled labor required by the project that is evaluated and demands the employment of non-resident workers. These foreign workers are not generally considered by the cost-benefit analysis. Nevertheless, they are going to spend a part of their incomes in the country transferring the rest of the sums outside the country. Consequently, in order to determine the shadow cost of employed non-resident labor one should estimate the percent of incomes transferred abroad. As these incomes represent a loss for national currency, they will have a rate of accounting price equal with 1. Subsequently, the value of each good acquired in the country should be multiplied with the rate of the corresponding accounting price. Due to the fact that the data needed for such a thing are not going to be available for practice, most probably, all incomes that are going to remain in the country will be multiplied with the conversion factor for consumption at a national level (FCC). Accordingly, shadow salary for foreign workers SW_f is going to be calculated as follows:

$$SW_x = [h + (1 - h)(FCC)](PW), \text{ where:} \quad (6.1)$$

PW = is the salary corresponding to the project;
 h = represents the percent of the salary afferent to the project which is sent or taken home;

$1 - h$ = is the percent spent within the country.

Unskilled workers employed for a certain project in a country under development are most often local workers. This is only the case for the projects in local areas and, also for town projects although the workers directly hired come from urban regions. The explanation is that, in the countries under development, employment rate increases in urban areas and the workers in the rural regions are stimulated to migrate towards the areas where labor demand has increased.

Such a model has been studied by R. Harris and M.P.Torado (1970) who show the reasons this migration appeared. The model is based on two aspects noticed in the countries under development: in urban areas unemployment is often quite high and the incomes are usually higher than in rural areas. The authors of this model consider that, due to the higher incomes in towns the workers are going to migrate from the rural areas to the urban ones although some of them won't be able to get employed. Accordingly, the probability that a worker in the rural areas is hired in town is equal with:

$$E/L = (L - U)/L, \text{ where,} \quad (6.2)$$

E = is the measure of town labor;
 L = is the number of unemployed persons;
 $(L - U)$ = is the number of hired workers.

Consequently, this model shows that rural workers are going to be motivated to migrate towards towns as long as:

$$RMW < UMW(E/L), \text{ where:} \quad (6.3)$$

RMW = income on labor market in rural areas,
 UMW = salary on urban market;
 $UMW(E/L)$ = average salary the workers who migrate to towns could get (namely, $UMW(E/L)$ = expected salary).

According to this model, migration from rural areas towards town areas is going to stop when:

$$RMW = UMW(E/L) \quad (6.4)$$

As a conclusion, the model has two implications: although there is no opportunity for a subsequent migration to town, unemployment would remain high and salaries in the urban areas continue to be higher than those in the rural regions.

Let's further consider that we use the model previously displayed in order to analyze the effects of a new project in a certain town and that, before initiating the project, the equilibrium terms mentioned

by equation (6.3) are accomplished (Bordman, et al. 2004). We presume that ΔE unskilled workers are hired for the project. In case ΔE is decreased enough as compared with the size of labor neither rural salaries nor the urban ones are going to be affected. Accordingly, the equilibrium is restored when:

$$E/L = (E + \Delta E)/(L + \Delta L), \text{ where:} \quad (6.5)$$

ΔE = number of workers that add to the labor category.

Let's further notice two aspects. The first one states that in case there are no changes of salaries in the urban environment, the residents of the town who at present do not belong to the labor category (that is they are not employed or are looking for a job), are not determined to take part in the labor category; excepting when the number of available jobs increase. That's why a lot of workers, yet not the majority, who are going to belong to the labor category are persons who have migrated from rural areas. The second aspect, according to the model, shows that the number of persons who migrate will probably be higher than the number of jobs created by the project. Such a fact can be noticed through rearranging the terms of the equation (6.5) when we get:

$$L + \Delta L = L(E + \Delta E)/E \quad (6.6)$$

Then through eliminating $L = L(E)/E$ out of the equation (6.5) and rearranging the terms we get:

$$L + \Delta L - L = L(E + \Delta E)/E - L(E)/E, \\ \text{or: } \Delta L/\Delta E = 1/E \quad (6.7)$$

As labor includes both those who work and the unemployed persons (that is $L = E + U$), the ration L/E should be supraunitary, and, consequently, as equation (6.7) shows, the ration $\Delta L/\Delta E$ is also supraunitary. This simple model may be described according to a numerical exercise. In case town salaries are 50% higher than the rural ones (namely, in case $RMW(L/E) = 1.5$ $RMW = UMW$), then the equation (6.4) states that $E/L = 0.67$. It means that one quarter of the town labor is going to be unemployed. Moreover, equation (6.6) shows that for each job created by the project, 1.5 workers are going to migrate to town (namely $\Delta L = \Delta E (L/E) = 1 (3/2) = 1.5$).

As most or even all unskilled workers hired for a governmental project are going to be ultimately attracted from the rural areas, the result that is lost is rural areas production. In case the project is located in a rural area then rural-urban migration is not considered and the shadow salary is obtained through simply multiplying rural salary with the most

convenient conversion factor available. Nevertheless, in case the project is located in an urban area, one should consider the number of workers who are going to leave the rural region for each newly created job. According to the displayed model, in case all the workers who add to the urban labor category due to the project are persons who have migrated from the rural areas then this number is obtained through multiplying with ratio L/E the result got by multiplying rural average salary with conversion factor. We should yet mention that equation (5.4) shows that $RMW(L/E) = UMW$. In other words, according to the model, the shadow salary required to evaluate urban projects can also be calculated through multiplying urban salary with the corresponding conversion factor. Such an issue is analyzed by other authors too, in their researches (Heady, 1981).

In other words, according to the model, for each job created by an urban project, L/E workers from the rural environment are going to migrate towards town; the real number of individuals who will migrate could be much smaller in case, for instance, the workers display aversion to risk or in case monetary or psychical costs associated with migration come out. In case less than L/E workers would migrate for a new job then the market salary adequate to the use in determining shadow salary will be smaller than the salary on the urban labor market.

The salary on the urban labor market for unskilled workers can be obtained out of various opinion prospects; on the rural market such data are hardly obtainable. Accordingly, the salary on the labor market for these workers is difficultly estimated. Yet, a means of estimating salaries on the rural labor market is to determine, first, the manner a typical rural worker uses his productive hours, time which could be affected by the project, and then to estimate the value of the worker's income.

As a rule, whenever they determine the shadow salary of rural unskilled workers, they should consider at least two supplemental factors although this barely happens due to lack of information.

In conclusion, shadow salary represents the measuring of the opportunity cost which should, as a rule, be corrected with a view of increasing its value in order to measure up utility loss.

7. CONCLUSION

Globalization process has exerted a tremendous influence upon the entire world. States, societies, economies, and cultures belonging to various regions of the world have become more and more integrated and interdependent. The new technologies have allowed the rapid transfer of capital, goods, services, information, and ideas from one country to another and from one continent to the other. Although world economy is increasing, the impact of globalisation proved to be an asymmetric one; such a fact determined the increase of the differences among the

levels of development of various countries/regions. The increase of such differences has exerted a significant impact upon the level and size of international migration.

The analysis undergone while elaborating the hereby work has started from the phenomenon of globalization which attempted at emphasizing the fact that migration is one of its important components while its dynamics is strictly connected with the evolution of globalisation. As an extension and a deepening of the process of globalization are predictable, the international labor migration will most probably increase allowing other states and regions to enter this process. Such an evolution will influence the characteristics of the future migrational systems through modeling them; at the same time, they will be modelled by the forces of globalization and the former or newer entities that take part in the migration process.

Taking into account the general observations regarding the impact of globalization upon the international circuits of labor, we consider that, according to an average term, the relation between globalization and international migration should develop according to three main directions:

- ✓ Economic activities are going to be carried out wherever the required labor qualifications exist;
- ✓ Highly qualified labor is going to migrate wherever it detects demand;
- ✓ Highly qualified labor or strongly required labor will migrate autonomously.

In a world that becomes increasingly globalized, international migration not only will exist but it will become an increasingly dynamic and complex process. Under such circumstances, the predictions regarding migration are accompanied by uncertainties. As a result of the fact that international migration and its envisaging is a complex and multi-dimensional process, its modeling and predictability involves the elaboration of certain methods that can be applied to various scientific disciplines, such as: geography, economy, sociology, statistics, political sciences, and even games theory and probabilities theory. The hereby analysis shows that the statistics regarding international migration are required due to the fact that they offer the global dimension of the phenomenon and its evolution trend and also because they inform international public opinion upon the manner the management, control, and administration of migration phenomenon. Accordingly, they must represent the starting point in projecting specific policies.

One may state that international labor circulation represents an incompletely developed parameter of globalisation and an example of the manner globalization has been promoted until now. Under the circumstances of the increase of international migration, the outlining of certain transparent mechanisms capable to direct migration along safe, legal, and human coordinates is going to become

quite important with a view of maximizing the benefits that are the result of this process. A drawback will not only negatively influence economic growth and global prosperity but will also determine illegal migration while favoring the traffic of human beings and illicit activities.

The manner migration will be directed in order to provide states' and individuals' security represents one of the most important challenges of the 21st century. Migration, either voluntary or forced, is increasingly connected with other important aspects such as: development, trade or human rights; their taking into consideration should be a part of both conflicts management and of conflicts settling and peace building.

The researches made until now show the fact that the countries of the developed world will need foreign labor in order to maintain functional their system of social insurances and pensions under the circumstances of population diminishing and labor aging specific to these countries.

Accordingly, we are confronted with the risk that the predictable adjusting of the policies regarding labor market and immigration in these countries also target the attracting of young population in other countries not only due to economic reasons but also due to demographic reasons. Such a scenario will have dramatic consequences upon the less developed countries worldwide, among which we can also cite Romania.

The topic of the hereby research, to the extent of available data, may be analyzed, developed, and transposed according to an ampler planning depending on the present tendencies of the evolution of the international labor circulation within globalized economy.

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