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The Economic Crisis and its Effects for
Intra-European Movement:
Mobility patterns and State responses
The Case of Romanians in Spain

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ABSTRACT

Intra-European migration increased significantly over the last years mainly due to the accession of the Eastern and Central European states whose nationals chose to exercise the right to free movement and to access the labour markets of the other EU member states. Large communities of Eastern and Central European countries are now found across Europe. Nevertheless, there is little understanding of the factors governing the dynamics of European mobility. This paper addresses the effects of the world economic crisis as 1) disrupting the established patterns of movement and settlement within Europe (by triggering return *as well as* stopping new immigration) and 2) disrupting the hitherto immigration policy and control in European host countries. Focusing on the case of Romanians in Spain the research at effect of the recession in the following areas: new immigration, return migration, admission policies, family reunification and permit renewal policies, policies promoting return and finally policies for combating unemployment among immigrants. Findings show that for the intra-European migrants, the economic crisis has more significant effect of the patterns of mobility than of the disrupting the immigration policies. This paper finds that intra-European migration has reacted differently than the post-1973 migration to an economic downturn. Furthermore, when compared with the effects for the migration from third countries, we have seen different responses to the same economic crisis. These findings brings a contribution to the understanding of intra- European migration policy decisions and patterns during critical events such as the recent financial crisis. It also enquires into the general features movement in the European space.

Keywords: Intra-European migration, economic crisis, return movement, immigration policy, impact of economic crisis on migration

In the last decade not only migration to Europe but also the *intra*-European migration of EU citizens have increased significantly. Classical theories of international human mobility are primarily informed by encounter with and reaction to an politic, ethnic, religious, or linguistic *Other* (Castles and Miller 1993; Fix et al. 2009; Hollifield 1992). Yet, in the context of European Union countries, the boundaries between EU citizens and natives of the host member states are blurred because the two groups share a common commitment to the political, social and symbolic project of the European Union. With no restrictions at borders, new geographies of international mobility emerge (see King 2002). The recent movements of population have determined scholars to consider the peculiarity of the new intra-European movement (Favell 2008; Morawska 2001; Recchi and Favell 2009; Spencer et al. 2007). Some authors have taken the argument further and argued that this type of migration is, and should be distinguish from previous accounts on international population movement. Adrian Favell (2008: 701) notes that “textbook narratives in terms of standard accounts of immigration, integration and citizenship based on models of post-colonial, guestworker and asylum migration, and historical distinctions between pre- and post 1973 -are finished and need to be rethought”. This paper studies the effects of the recent global economic crisis on the intra-European migration.

In the European space immigration rose mainly due to the accession of the Eastern and Central European states whose nationals chose to exercise the right to free movement and to access the labour markets of the other EU member states. In 2006, 34 per cent of the total immigration in Europe were the nationals of other member states (Herm 2008). Large communities of Eastern and Central European countries are now found across Europe. Nevertheless, there is little understanding of the factors governing the dynamics of European mobility.

Within the European Union, the freedom of movement for workers who are nationals of a member state, was originally designed to equilibrate the demand and offer on the common market. Thus, it is crucial to analyze whether, indeed, the movement of persons responds to the changes on the domestic labour market of host countries, their home countries or in a third European country. This means that, if the economy in the host-country deteriorates, migrants will move to countries with better economies. For this reason, the global economic crisis constitutes *a unique natural experiment* that can shed light on the dynamics of human mobility in Europe and its

determinants. The puzzle for new research is to examine whether the free immigration within Europe that gave birth to large communities of EU citizens in many member states is matched by *complementary* patterns of mobility (*circular, movement to third country, or stationary immigrant population - pseudo-settlement-*). In particular, this paper addresses the effects of the world economic crisis as 1) disrupting the established patterns of movement and settlement within Europe (by triggering return *as well as* stopping new immigration) and 2) disrupting the hitherto immigration policy and control in European host countries.

As we know from past economic crises, recessions strongly impact migrants and their families by changing the patterns of mobility and by affecting the life quality of the immigrant population that choose to remain. In 1973, the oil crisis put a stop to the recruitment programs in most northern European countries. As these countries were closing their door for legal entry, the states in the South of Europe were becoming net receptors of immigrants. If three decades ago, the economic downturn has such severe consequences for post-war immigration in Europe, it is important to evaluate the effects of the 2008 economic crisis.

The study considers the case of Romanian immigrants in Spain following a *crucial case research design* (see Gerring 2007: 101-5; Seawring and Gerring 2008). The Southern European country increased seven times its stock of immigrants in the last eight years. At the end of the year 2008, there were nearly 5 million *resident* foreign population. In the same year, Romanians became the most numerous foreign group outnumbering groups with longer immigration histories such as the Moroccans and the Ecuadorians. Furthermore, the economic recession has had a severe impact of the Spanish economy: the unemployment rate rose to 18.5 per cent in the first quarter of 2009 which is the double of unemployment in the euro area (Eurostat 2009a). Spain entered in recession in the fourth semester of 2008 when the GDP fell 1.1 per cent compare with the same period in the previous year. Nevertheless, the economic experienced a contraction of 0.3 per cent already in the third quarter of 2008. The rationale behind this choice is that if Spain is the country most affected by the economic crisis, the effects of the downturn on migration should be considerable and especially significant for the largest immigrant community. As the largest immigrant community is an intra-European immigrant group, the Romanians, the impact of the recession on mobility within Europe should be especially significant for the Romanians

in Spain. In context of the recession, the labour driven migration should, therefore, respond and trigger a return migration as well as inhibit the arrival of new migrants in Spain.

The destructive/creative force of global economic crisis and the transformation on international migration.

At times of economic downturn, international immigration of the elements that first reacts. International migration responds to not only to the changing economic circumstances but also to the politic ones because the internal economic conditions ultimately require political solutions. Thus, in case of recession, the nexus economic-politic puts immigrants in a weaker position than at times of regular economic activity. It is, therefore, expectable to find lower rate of new immigration and the diminution of the migrant population during and in the aftermath of crises.

Nevertheless, downturn can have not only destructive but also creative effects on international migration. The 1973 crisis have changed the composition and demographics of the immigrant population in the Northern European countries. Moreover, as a consequence of the restrictive actions of their counterparts, the Southern European countries have became privileged receivers of immigrants. Thus, the economic recessions have *transformative* effects on migration. Based on the affected population, these effects can be classified in two clusters: effects on the movement of populations and effects on the immigration policies of the host state. The first type of effects are explained through theories of international migration and will be discussed together in the next section. Following this part, we will address the impact on the states' policy replies.

International migration, the movement of populations across borders, has long term consequences for both the sending and receiving counties. It is for this reason that social and political scientists have long been interested in studying the determinants of the migration as well as its consequences for the immigrants in the host countries and for the societies of emigration. As return is a sequence of international migration that inclusively might not occur throughout migrants lives, it is only approached by theoretical accounts on migration "as a subcomponent of their analytical approaches" (Cassarino 2004:255). As immigration and return are the faces of the same coin, we will jointly examine the two process.

Return migration is a subprocess of international migration that reactivates patterns of human mobility. While scholarly work can be traced back to the 1960s, it is the debates in the 1980s that stimulated seminal studies (Kubat 1984). The existing research seeks to explain why and when immigrants become return to their home societies.² It has primarily explained the return through the economic development in the country of origin. In particular, research attention focuses on the arrangement “cooperation” and “co-development” between countries of destination and countries of departure and programmes of “voluntary repatriation of third country immigrants”.

But, this perspective have certain shortcomings. Firstly, it leaves out the changing economic conditions in the country of destination (deterioration of its domestic economy) and the changing economic conditions at the global level (global economic crises). Furthermore, it address the return of the third country nationals the return and fails to consider of other categories of migrants such as the migrants in the free circulation spaces. Precisely these aspects of the new migration and return migration that are examined in this paper.

There is a wealth of research in immigration studies that explain the particular circumstances in which immigrants take the decision to immigrate and return. While some authors privilege the economic circumstance host and home country (e.g. neoclassic economists and Stark 1991) in explaining the migration, other scholars stress the role of social determinants such as social networks and transnational ties (Portes 1999). The main differences between these theoretical accounts above is the unit of analysis and the role of the migration. Since the first approaches privilege the economic aspects of the migration which are most affected by recessions, we discuss them in depth. The other approaches three to international migration complement theories discussed above and stress the importance of the social and institutional factors in countries of origin (structuralism) ; the transnational social and biographical ties with the home countries (transnationalism) (Al-Ali and Koser 2002; Portes 1999); and, finally, the cross-border social networks able to mobilize emigration as well as return in the country of origin (social network theory).

Neoclassic economics explain migration as provoked by labour force shortages in countries with higher earnings than in the country of origin. According to this

² For a comprehensive overview on the theoretical account see Cassarino, Jean-Pierre. 2004. "Theorizing Return Migration. The Conceptual Approach to Return Migration Revised." *International Journal of Multicultural Societies* 6:253-279.

theoretical perspective, return is occurs when immigrant's earnings in the host country become comparable with the ones he or she would potentially receive in the home country. Yet, in case this situation does not occur, return is regarded as an anomaly and a failure. At times of economic crisis, this account predicts that migrants would still emigrate because of the gap between the wage differentials in the sending and receiving country.

The second approach, the new economics of labour migration (henceforth NELM) argues that return is more than "a response to negative wage differentials" (Stark 1996 qtd. in Cassarino 2004). In contrast to the former approach, NELM deems return as a success story. Return are part of the original "calculated project" of emigration which involves the attainment of certain goals in the country of destination (Stark 1991). It follows that at times of crisis, new immigrants will see in the country of destination opportunities to fulfil their goals. Therefore, just as the previous account argues, new immigration is expected to decrease. Similarly, the existing population might also find difficult to attain the goals (presumably set before the crisis). However, it is precisely the fact that the economic conditions have changed and the original goals of the emigration plan are no longer achievable in the estimated time that return migration will be delayed. In conclusion, at times of crisis, both theories predict a lowering of the new immigration inflows, and a less likely return of migrants to their countries of origin.

Empirical studies find no observable general trend pattern that would correspond to all immigrant communities across European countries. A study following the 1973/4 crisis, Amersfoort, Muss and Penninx show (1984) that unlike the Turks, Tunisians and Moroccans, the migrants from Spain, Italy, Portugal and former Yugoslavia had high return rates. Moreover, emigration statistics of these countries report that departures declined significantly since 1973.

Remarkably, the effect of the crisis on migration have been poorly documented for the zones of free circulation. Penninx (1986) studies its impact in the Nordic region and the European community. The author finds that in the aftermath of the 1973/4 crisis, "migration flows seem to diminish, if the free circulation zone as a whole is going through a period of stagnation or recession, ultimately, this leads to a less rapidly growing foreign population of member states" (1986: 957). In regards to return migration, Penninx notes that there is no general trend. For instance, the Portuguese

population decreased in the Former Federal Republic of Germany (FGD) and in France but stabilized in Norway and the Netherlands and increased in Luxembourg. Based on the discussion above, and the paper sets the following two hypotheses.

H1: In the context of economic crisis, new immigration to Spain will significantly decrease (new immigration hypothesis).

H2: In the context of economic recession, there will be some return migration of foreign workers (return immigration hypothesis).

Nevertheless, the economic downturn not only disrupts and transforms of pattern of migration but also the immigration policies in the country of destination. The following section examines the government's responses vis-à-vis of migrants in the context of economic recession.

Immigrants are attracted by the employment opportunities in countries with high and stable economic growth. However, the policies of the receiving states also are determinants for immigration as well as emigration. In the context of economic crisis, the states modify their provisions to face the consequences of the downturn and equilibrate their internal markets. Much of the research available on the reactions of states during and in the aftermath of crises are based on the experience of the 1973 downturn. Previous studies find that confronted with the dramatic increase in unemployment, most Northern European countries immediately took restrictive measures (Hollifield 1992: 74-88; Penninx 1986). The pro-active measures were directed at both controlling new immigration by suspending recruitment programmes and promoting return by introducing (financial) insensitives.

In a comprehensive analysis of the developments after 1973, Penninx (1986: 960-6) identifies four main areas where states have actively intervened: (1) recruitment and admission of workers; (2) admission of dependents; (3) prolongation of legal residence of workers and dependents; (4) stimulating and facilitating "voluntary" return based on (financial) *premia*. To this typology, Hollified (1992) argues that states take active measures to integrate the migrants who working and living in the country should also be considered and add a fifth area where the state can actively intervene. Let us now elaborate on each of these areas.

In reaction to the oil crisis and the economic downturn that followed, all major receiving countries suspended the programmes for recruitment of the foreign workers. For example, Germany deactivates its the guestworker programme in 1973 while France does it one year later as part of a larger package of measures which address immigration. From the Northern European countries, Switzerland takes a different venue. It does suspend the programmes in early seventies but reintroduces it at the end of the same decade. Based on these findings, we can conclude that at times of economic recession, to their great majority, states interrupt recruitment and restrict the *admission* for new foreign workers. Thus, the following hypothesis is formulated

H3: In the context of economic recession, the state restricts the admission of new foreign workers through the policy instruments available (Non admission policy hypothesis)

As result restriction of new admissions, it has been documented that workers started to bring their families when the legislation allowed it (see Entzinger 1978). This reorientation of the immigration inflows from labour migration to family migration determined the receiving countries to introduce more restrictive policies for family reunification. For example, Germany has lowered the age of the dependent children eligible for family reunion and increased the residence and marriage period needed for spousal reunion (Castels 1985). Therefore, the hypothesis concerning the admission policy for dependents is:

H4: In the context of economic recession, the state modifies its policy for family reunion in a restrictive way (admission of dependents hypothesis).

As mentioned above, the third area of intervention is the prolongation process of the legal residence. Penninx (1986) observes that Switzerland and the Netherlands change their legislation on the renewal of seasonal and temporary permits. The transformation of the renewal process had drastic effects of the size of the immigrant population. With other words, the fact migrants had found more difficult to maintain their legal status. In the case of the Romanians in Spain we will take as hypothesis

H5: In the context of economic recession, the state modifies its policies on renewal of temporary permits. (prolongation of legal residence hypothesis)

The fourth area in which states can actively interfere is to facilitate and promote return movement for the migrants who are already in the country. Following the 1973 crisis, a series of countries introduced programmes for voluntary return. In France, despite such an initiative run from 1977 to 1981 but proved of little success as only 54,631 migrants received aid to repatriate. Germany, on the other hand, introduced a short term programme of only one year (1983-1984) for nationals of Greece and Turkey. The return policy offered substantive financial *premia* for workers and their families and had better success. Furthermore, the receiving state introduced additional measures to eliminate the obstacles that prevent migrants to return. With this aim, receiving countries have signed bilateral treaties securing the transportation of social contributions. Taking these findings, the hypothesis regarding the return policies is

H6: In the context of economic recession, the state introduces return policy by offering premia and facilitating the going back.(return policy hypothesis)

Apart from stopping immigration and promoting the return of foreigners, policies can also be directed at integrating the foreign workers in the labour market. In the seminal study *Immigrants, Markets and the State* Hollifield (1992) notes that in the aftermath of the 1973 recession, states introduced active measures to assimilate the migrants and their families. It is a well known fact that one of the first consequences of the recession is the rise in unemployment. Taking this as starting point, we examine the what extent states intervened in managing the unemployment and facilitating the migrants' return to employment.

H7: In the context of economic recession, the state introduces policies to promote the return to employment among immigrants. (return to employment hypothesis)

In short, this section of the paper has addressed the question whether the global economic crisis affects the intra-European mobility. Building on the research that followed the 1973 oil crisis, it discusses the main aspects of migration that have been found to be related with economic downturns and dawns hypotheses as to how the recession might affect the intra-European migration. This research strategy will allow to analyze in whether there are, indeed, the intra-European migration reacts significantly differently and the more general regime of international migration. In the following section, we provide a descriptive overview of the evolution immigration in Spain and reconstruct the socio-economic profile of the Romanian community in this country.

2. Immigration to Spain

Despite the efforts of the states to contain and control migration, European countries have increasingly become receivers of foreign populations. The table below shows the evolution of the international migrants to Europe.

Table 1. Europe. International migrants as a percentage of the population and annual rate of change in the migrant stock (1990-2010)

1990		1995		2000		2005		2010*	
migrants %	Annual change in %	migrants %	Annual change in %	migrants %	Annual change in %	migrants %	Annual change in %	migrants %	Annual change in %
6.9	2	7.5	1	7.9	2.2	8.8	1.6	9.5	1.6
F M		F M		F M		F M		F M	
52.7	47.3	52.4	47.6	52.8	47.2	52.5	47.5	52.3	47.7

*2010 percentages refers to immigrant population without taking into consideration the impact of recession.

Source: UN, *Trends in International Migrant Stock. The 2008 Revision*, own calculations.

The number on immigrants has constantly augmented since 1990 when the foreign born amounted from 6.9 per cent of the of the total population to 8.8 per cent in 2005. According to UN estimation, this percentage would raise to 9.5 in 2010.

Spain together with its Southern European counterparts Italy, Greece, and Portugal, but also Ireland and Finland outside the geographical area, became countries of destination because of the closure of “traditional” receiving European societies. Among the European countries, Spain now host one of the largest and most rapidly growing community of migrates. Significant migration inflows started not with immigration but with the return of the former nationals. During the seventies a small number of foreigners took residence every year in both societies; the number of

nationals who were leaving the country was still higher and raised controversy in the political arena. Nevertheless, returned migration only exceeded emigration in Spain in 1975 (King and Rybczuk 1993: 176). It was triggered by the transitions to democracies in these countries and promising economic growth.

As Table 2 shows, in terms of the size of the foreign population, Spain is among the first five European countries outnumbering traditional immigration countries like France or the United Kingdom. Moreover, Spain hosts the host the second largest foreign population in Europe with 4,5 millions foreigners only surpassed by Germany with a foreign population of 7,2 millions

Table 2. Ranking of ten first with the largest foreign population in Europe (2007)

	Total population (thousands)	Foreign nationals (thousands)	%
Germany	82 314 9	7 255 9	11.4 (2008)* 10.4 (2007)
Spain	44 474 6	4 606 5	2.0 (1999)** 1.3 (1995) 1.1 (1990)
United Kingdom	60 852 8	3 659 9	
France	63 392 1	3 650 1	
Italy	59 131 3	2 938 9	
Belgium	10 584 5	932 2	
Greece	11 171 7	887 6	
Austria	8 298 9	826 0	
The Netherlands	16 358 0	681 9	
Sweden	9 119 3	492 0	

Source: Eurostat 2007; *Padron Municipal, INE (2008); ** INS(2008) Foreign population refers to non-citizen residents of the country, ***Ministry of Interior, Spain 1990-1999; SOPEMI 1990-1999.

For the last 15 consecutive years Spain experienced economic annual growth of 1 to 1.5 per cent growth over the OECD rate in 15 years in last. Immigrant workers were attracted by the booming Spanish economy and filled the positions created by the economic expansion. The dramatic increase in the stock of foreign population occurred between the years 1999 and 2007 when this segment of the population expanded by six times in Spain. Immigrants account for a growing share of workers in many OECD countries, but in Spain, they rise up to eightfold of the share of the total workforce (from 1.1 percent to 9.0 percent) between 1991 and 2007 (Fix et al. 2009). In addition, the second wave of the EU enlargement in 2007 which gave free entry to citizens of Romania and Bulgaria increased the foreign population by more than one per cent in just one year. The last year coincided with a continuous

increase of the Romanian immigration which transformed it in the largest foreign community in Spain. While in the end of the year 2006 there were 200. 000 Romanian citizens with residence in Spain, one year later this number tripled to 600.000, at the end of 2008, their numbers reaches 718.000 (Pajaras 2009).

Socio-economic and demographic profile of the Romanian immigrants

The data from the Spanish survey *Encuesta Nacional de Inmigrantes*³ (2007) allows us to draw the profile of the Romanian community in regards to their demographic features and socio-economic indicators. Considering the gender distribution, the Romanian group is equilibrated with 51 per cent are male and 49 per cent female. In respect to their age, Romanian migrants are on average younger than the native population with an average age of 31.9 years.

In terms of migrants' legal status, the half (49.9) of the Romanians in Spain posses temporary residence permits. Only 9.9 per cent of them have acquired the long term residence to with we add 4.1 per cent who hold the EC permit. Additionally, 28.9 per cent report to have none of the statuses mentioned above.

Regarding educational attainment, the performance of immigrants is similar to that of the Spanish population, and even higher among at certain levels of education. While 11 per cent of the Spaniards have incomplete primary education or no education (MEC, 2002)⁴ this is true for 6.7 per cent of the all migrants and only 4.3 among Romanians. In addition, 31 per cent of the Spaniards have primary education compared with 29.8 per cent of the all migrants and 13.3 per cent for the Romanian migrants; 28 per cent of Spaniards have secondary education and almost the double of the migrants, 58,5 per cent, and 73 per cent of the Romanians have the same level of studies. However, for tertiary education, 21 per cent of the natives have a university degree as compared with 4.4 per cent of the all migrants and 0.1 of the Romanian migrants.

³ The ENI is the first comprehensive survey that allows studying the migratory process of the foreign population in Spain as well as the main characteristics of their living conditions and dynamics of integration in the country. The targeted population considers all resident migrants above 16 years old according to their country of birth and not to their nationality. This decision makes it possible to include in the sample those migrants who have acquired the Spanish citizenship after they arrival even though it excludes second generation migrants.

⁴ Ministerio de Educación y Ciencia , *Resume informativo* 2002 available at <http://www.ince.mec.es/ri/ri02-02.pdf>

The Romanian migrants are most represented in unqualified position (42.2 per cent) followed by qualified workers in industries (34.5 per cent) and, finally, in the service sector (11 per cent)⁵. When we examine the income of this immigrant group, we find the pattern as predicted by the position in the labour market. Their earnings cluster in the middle category 500-999. In turn, when we compare it with the earning of other immigrant groups listed in table 3 below, we observe that the earning of the Romanian immigrants highly concentrate in the lower middle classes and no representation in the most upper ones. Yet, if we consider the education attainment of the Romanian group and its position in the labour market and together with the level of income, we conclude that the former does not explain the latter.

Table 3. Immigrants' declared level of income by in Spain (% of the population of 15-65 years, 2007)

	British	Romanian	Argentinean	Moroccan
Don't know/no income	21.3	8.9	12.6	16.7
<250	3.2	5.6	-	8.7
250-499	5.9	14.4	4.7	3.9
500-999	23.6	43.1	22.0	35.9
1000-1499	12	20.5	39.1	27.3
1500-1999	14.7	7.0	4.5	4.8
2000-2999	11.6	0.4	8.9	1.3
3000-4999	2.9	-	1.7	1.3
5000-9999	4.6	-	6.2	-

Source: ENI 2007. Own calculations (individual weights used)

This section of the paper tests the hypotheses we have discussed above in order to evaluate the impact of the economic crisis on the Romanian immigration in Spain as a critical case of intra-European migration. The recent economic recession has hit particularly hard the immigrants worldwide. According to the *International Migration Outlook 2009* unemployment rate among immigrants is increasing more rapidly than among natives (2009c). Particularly, in Spain more 1 out of 4 in the labour force is in unemployment a proportion which rises to 2 out of 5 for migrants from Africa.

Despite the reduced employment opportunities, surprisingly new migrants continue to arrive in Spain. The registration in the *Pardon Municipal*, lists 684. 169 foreign citizens who came in and 242. 274 emigrate in 2008. This means that for this year, Spain received a net immigration of 443.930 which compared with the previous year accounts for a decrease with 38 per cent. Regardless of origin of the migrants,

⁵ The data presented here refers to employment for males. However, the same sectors are most represented among women in similar percentages: unqualified workers 45 per cent, qualified workers in industries 29.9 per cent and, finally, in services 13 per cent.

new immigration continued in 2008. In turn, for the same year 114 995 new Romanian immigrants are registered as residents i.e. 13.6 per cent more than the previous year. The table below shows the annual increase of Romanian residents as compared with the increase of migrants with other origins.

Table 4. Spain. Annual increase of foreign residents by nationality (31 dec2005 dec-31 dec2008)

	2005		2006		2007		2008	
	residents	Increase %	residents	Increase %	residents	Increase %	residents	Increase %
Romania	192.134	130.5	211.325	10	603.889	185.8	718.844	13.6
EU-27*	817.747	33.1	932.503	14.0	1.546.309	65.8	1.794.229	16.0
Rest of Europe	88.714	66.5	96.175	8.4	114.936	19.5	122.840	6.9
Africa	649.251	30.2	709.174	9.2	841.211	18.6	922.635	9.7
Latin America	986.178	51.9	1.064.916	8.0	1.215.351	14.1	1.333.886	9.8
Asia	177.423	24.3	197.965	11.6	238.770	20.6	270.210	13.2
Oceania	1.466	31.8	1.819	24.1	2.051	12.8	1.839	-10.3
North America	17.052	0.5	18.109	6.2	19.256	6.3	20.272	5.3
TOTAL	2.738.932	38.5	3.021.808	10.3	3.979.014	31.7	4.473.499	12.4

* The category "EU" includes includes Romanians for the years 2005 and 2006 as well as Switzerland and EEA

Source: Pajaros *Inmigración y mercado laboral* (2009, p. 38) based on data from *Observatorio Permanente de la Inmigración. Secretaría de Estado de Inmigración y Emigración*

The annual increase for the Romanian community is above the total increase of 12.4 per cent for all immigrant group. Yet in 2007, this increase was of 185 per cent. This means that, although new immigrants are entering the country (and taking residence!) compared with the previous year, Romanian immigration has experienced a significant decrease. This trend of the Romanian free movers is recurrent for the EU-27 group. With an increase of 16 per cent in the last year, the EU migrants is the group that overall most rapidly developing. If we take out the share of the Romanian groups, we find that 332.956 EU nationals have taken residence in 2008. We can therefore confirm the first hypothesis and argue that in the in the context of the economic crisis, new Romanian immigration was not disrupted but rather slowed down. As showed above, the same pattern we find among the other migrants from the free circulation area.

The second hypothesis referred to the impact of economic recession on return movement for the intra-European Romanian migrants. But, their return is difficult to track through the data from the municipal registry and from the register of the foreign residents. While third country nationals need to renew even their registration with the municipal authority every two years and renewals of permits, EU citizens are exempted from the former and need not renew their permits if they hold a work

contract. The little statistical data we have is based on returns of the permits and shows, indeed, an increase from 4000 returnees in 2007 to 5700 in 2008. However, these numbers are obviously far from giving a clear picture of the dimensions of return. Instead, information collected through interviews Pajaras (2009) notes that leaders of immigrant associations reveal that some Romanians migrants are returning. The manner in which they return has determined Pajaras to call it “the silent return”. The author notes that members of the associations recall “(...) people disappearing or are told by some relatives of the return of others; they realize that have not seen some people for a long time and when they ask about them, they are told that they have returned to Romania” (2009:188).

In contrast with the case of the Romanians in Spain, scholarly works and a series of commissioned reports have documented a massive return for the A8 migrants from UK and Ireland (see OECD2009c; Fix et al. 2009; Somerville and Sumption 2009). For the 1.4 million A8 workers who had come to the United Kingdom between May 2004 and March 2009, almost half had returned by the end of 2008 — a result of contractions in the UK and Irish economies at a time of growing opportunities in Poland. Moreover, new entries also declined. For instance, in the UK 2007 amounted to 210,505 while in 158,520 in 2008 and for the two quarters 47,955 in 2009.⁶

Fix and his colleagues (2009:35-6) explain the return of the Polish migrants as the outcome of a growing convergence of the economies of the sending and receiving countries. The scholars point out that Poland has had economical growth over the last years which reduced the unemployment from 13 per cent (in 2006) to 8.2 per cent (in 2009). In turn, the recession has increase the unemployment rate in the UK. Additionally, the authors also show that the continuous decrease of the exchange rates (from 7 zlots-1 pound 2004 to 4 zlots-1 pound in 2009) created strong incentives for the return of the Polish migrants.

However, these two conditions do not apply in the case of Romanian immigration in Spain. Between the two economies there is still an important economical “gap”. Unemployment continues to be very high (17.5) in Spain when compared to Romania (6.2). In this context, it is important to mention that Romania entered in recession later than Spain (see table below). This means that when the

⁶ UK Border Agency Accession Monitoring Reports (UK Border Agency 2009)

recession was at its pick in Spain, Romania was experiencing positive economic growth. Yet, return did not occur.

Table.5 Evolution of GDP in Spain and Romania. Percentage change compared with the same quarter of the same quarter of the previous year

	2008		2009	
	Q3	Q4	Q1	Q2
Spain	0.5	-1.2	-3.2	-4.2
Romania	9.2	2.9	-6.2	-8.8

Source: Eurostat (2009b), Euro area GDP down by 0.1 and EU 27 GDP down by 0.2

Moreover, the exchange rates have continued to grow (3.3 Ron-1 euro in September 2007 to 4.3 Ron-1 euro in September 2009) and wage differentials are still significant. Based on this discussion, we can argue that there is no indication that the crisis has provoked a significant return for the Romanians in Spain.

Table 6. Unemployment rates in main destination and sending countries for intra-European migration

	June 2008	March/April 2009	Rate of unemployment increase
<i>First corridor</i>			
Italy	6.8	7.4	0.6
Spain	11.4	17.5	5.9
Romania	5.8	6.2	0.4
<i>Second corridor</i>			
UK	5.7	7.5	1.8
Ireland	6.0	8.7	2.7
Poland	7.0	8.2	2.2
<i>Other countries</i>			
EU 27	7.0	9.0	2.0
US	5.8	8.9	3.1
Japan	4.0	5.0	1.0

Source: Eurostat, Unemployment in EU27, July 2009, Own elaboration

Furthermore, having examined both the case of the Romanians and the Poles we can claim that the intra European mobility it is not homogenous and responds to the crisis in the same manner (see table above). Based on this differentiated responses we have observed, we can claim that there are the two corridors of the intra-European migration: Romania-Spain and Italy and Poland- UK and Ireland.

The third area where states can intervene is to introduced insensitives and programmes to encourage return. Spain as well as Czech Republic and Japan, indeed, put into practice programmes of voluntary return offering financial bonuses to foreign workers and their families that agreed to return. However, the Spanish programme addresses to the third country nationals and not the EU citizens. In turn, in July 2009

Spain signed an agreement with the Romanian authorities that makes possible to access a data base with the open positions in Romania. Spain takes a decisive step in facilitating return of the Romanian migrants. As Union citizens, Romanians are not confronted with the obstacles of the regular returnees: the transportation of social contribution or the recognition of qualification gained in the stay in Spain. Hypothesis six on return policy is only partly confirmed because the cooperation on the diffusion of the positions on the Romanian labour market but no *premia* or return schemes have been introduced.

The other two hypotheses referred to modification in policy on admission of dependants and the prolongation of the legal status. Although there is little space for member states to restrict the policy in these areas without violating the mobility rights of Union citizens, Spain made no modification in the relevant provisions. Thus, hypotheses three and four are rejected.

As said above, the another type of policy replies the state have taken is to suspend their recruitment programmes and to restrict admission. In the context of the recent economic crisis, some states have already took interrupted their programmes (Italy has announced that its quota for the year 2009 will be set at zero) or reduced its numerical limits (Austrian reduced with 20 per cent of its annual quota). Similarly, Spain announced a number of reduced number of 901 open positions (reduced from 15 000 in 2008) for the 2009 contingent justifying. The authorities have justified their action by saying that all resources are directed to the unemployed who are already in the country.⁷ But EU citizens are not eligible for the quota (*contingente*) and, therefore, the decision does not affect this particular group.

Nevertheless, Romanian workers have also been the subjects to restrictions in Spain. Transitional arrangements (TA) introducing restrictions in the free movement of workers are stipulated for the first time in the Accession Treaty of the 2004 enlargement and kept in the same form in the subsequent 2007 treaty with Bulgaria and Romania. The TA allow the older member-states to postpone the introduction of Community Law for workers coming from the new member-states and control the entry of new workers through national law or bilateral agreements with countries of origin for a period of maximum seven years. In 2007 when Romania joined the EU, Spain opted for introducing the temporary restrictions. However, Spain decided to

⁷Decision of the Council of Ministries available at <http://www.tt.mtin.es/periodico/inmigracion/200812/INM20081219.htm>

apply Community law and remove restrictions. Spain's action is counterintuitive because at the moment it gave free access to nationals of Romania and Bulgaria, the country entered in severe economic recession. In normal circumstances, member states cannot restrict the free movement of persons and access to their domestic labour markets. Yet, in the case of the Romanians in Spain, given that the country was confronted with economic downturn, it could have maintained the restrictions. One possible explanation for this action is that restrictions were removed in order to facilitate the acquisition of legal status for those migrants who were already in the country. Nevertheless, the no- admission hypothesis that we have seen is confirmed in the case of the third country nationals, is rejected in the case of the Romanian immigrants.

Finally, states can actively intervene in introduce policies that would deal with the rising unemployment among the migrants. In Spain, in the third quarter of 2009, the unemployment rate was of 28.4 per cent among migrants as compared with only 17.4 per cent among natives (Fix et al. 2009: 41). Migrants with temporary work permits have been especially vulnerable, because they are most closely linked (along with illegal immigration flows) to the economy. Among the Romanians in Spain, the economic downturn has had deteriorated the employment as the table shows below.

Table 7. *Employment and Unemployment among Romanian migrants in forth semester of 2007 and 2008*

2007		2008	
Employment	Unemployment	Employment	Unemployment
429.427	60.826	455.500	114.685

Source: Pajaras, (2009) *Inmigración y mercado de trabajo*

The Secretary of State on Immigration and Emigration, Consuelo Rumi acknowledges the vulnerability of migrants as a collective (2009:3). In the High Level Forum on Migration organized by the OECD, the secretary of state affirms that this vulnerability“ is a reality which is approached by the Spanish government on a principal of equality, without privileges nor discrimination” (p.3). Therefore, the seventh hypothesis is partly confirmed: measures for reincorporation are mainstreamed through the instrument to combat general unemployment. Active measures are taken, but there is no special provision for the unemployment among the immigrant population.

The hypothesis is not fully confirmed because the measures do not refer specifically at the problems of the foreign workers although the rate of unemployment is 10 per cent higher than for natives. Moreover, scholars have identified certain peculiarities of the Spanish labour market and welfare state that put foreigners at particular risk.

First of all, the labour market operates with a considerable share of informal sector or black economy. For Spain this sector is estimated to reach up to 22 per cent of the GDP (Schneider and Kinglmair 2004 qtd. in Corcoran 2006). Secondly, Spain has a dual labour market with a large sector of “insiders” who occupy the secure segments of the market and considerable minority who are either dependent on the insiders or with temporary or unsecure jobs (Gallie and Paugam 2000; Piore 1979). These jobs are basically taken by women (in a context of low participation in the market), the youth and, to their majority by immigrants. In Spain, temporary contracts alone account for a third of all jobs compared with an OCDE average of 13 per cent (OECD 2005).

For some scholars the characterization of a dual labour market where immigrants are in the more vulnerable position is an over-simplistic model. For instance, Perez Diaz and Rodriguez (1994) propose for Spain a so-called “four corner society” based on four distinct socio-economic spaces characterized by job/income and welfare opportunities: the protected sector at the core of the labour market constituted by the working individuals; the sector of temporary and irregular employment; the underground sector; and, finally, the inactive and unemployed. The authors’ own description of how this four corners society works is as follows:

“The name of the game is to stay in any of the safe corners and move around swiftly and carefully while the unlucky child in the middle tries to replace one of the runners. Spanish workers do play around from one corner to another, with unlucky watchers in the middle who have just dropped out of the safety net, for one reason or another...and with more and more foreign immigrants playing this game, and starting as unlucky watchers” (32).

Although this metaphor is suggestive because it illustrates the principles of the market, Fererra (1996) argues that it is often the case that people in the Southern European countries combine different opportunities and welfare benefits along their life course in such a way that the proportion of individuals who really become trapped in very unstable labour market trajectories is rather small. Indeed, as Esping-Andersen

(1990) remarks the role of the family as the most important institution in the Southern European type of welfare state may offset part of the negative consequences of the labour market. Needless to say, immigrants, have not always have this option so that labour market dualities can have intense negative spillover effects on their life chances while in the host societies hindering, in turn, their attempts to exit unemployment and reenter the labour market.

However, the Spanish authorities disregard the risks to which immigrants are exposed. In fact, the Secretary General, Consuelo Rumi, believes that the collective vulnerability of the migrants is partially “offset by the fact that they *are more mobile* than the rest of the population and, therefore, have better opportunities of re-entering the labour market” (Rumi 2009: 3, my Italics). However, *prima facie* it is not clear why should migrants be more mobile than the native population. Foreign workers have indeed emigrated and entered the Spanish labour market but this does not automatically makes them more mobile. Particularly, for migrants it is more difficult to move once inside the country because of the additional resources that such endeavour involves.

The failure to recognize the consequences recession for the immigrants and to take actions to prevent further deterioration of their situation can be interpreted as protectionism of the native labour force. The *laissez faire* approach to the severe problems and risks which migrants face confirms the dual market theory where the natives occupy the protected sector and migrants the vulnerable one (Piore 1979). Hollifield explains the protectionist turn as caused by what he calls the logic of politics of recession

“The policy shift is consistent with the Marxist analysis of capitalism: if foreign workers constitute an industrial reserve army with few political protections, then states (and employers) would be expected to discriminate against them during hard times. Likewise, it would seem to be in the national interest of these states to get rid of an economically superfluous, socially expensive and politically controversial labour force.” (Hollifield 1992: 75-6)

Conclusion

The most severe crisis since the Great Depression, the economic recession of 2007/2008 has impacted the European immigration. Building on the findings of the literature that emerged after the 1973/74 crisis, this paper has examined what its effects for the intra-European migration are. Taking the case study of the Romanian immigrants in Spain, the research has analyzed mobility patterns and immigration policy. Concerning the former, we have found that the Romanian immigration to Spain has diminished but not stagnated. In other words, the economic crisis has put the

slowed down the growing of the Romanian community. In this way, we confirm Penninx (1986) results who showed that within free circulation areas, new immigration decreases during recessions. We have further asked whether the downturn reactivated the mobility between Spain and Romania and triggered return migration. We have found that although some Romanian migrates are going back, there is no clear evidence that the crisis has provoked a significant return.

In regards to the changes in the immigration policies, Spain has enforced no restrictive measure for the Romanian immigrants: the policies of family reunification and renewal of temporary residence permit have not been modified. On the contrary, in 2009 Spain increased the access to the labour market by lifted the temporary restriction for the Romanian workers. We have also observed, that simultaneously (2009), Spain nearly suspended its annual quota for third country nationals and introduced a voluntary return programme. Therefore, we can claim that while for EU-citizens, the policies saw no change, for the third country nationals it shifted to more restrictionist policies.

As unemployment had risen to historical rate among foreign population, we have also looked whether Spain introduces measures to manage this problem and the risks that are associated with it. Interestingly, we find that at this point there is no distinction between the third country nationals and the EU citizens (here, the Romanians). In matters of combating unemployment all migrants and all natives benefit of the same provisions. However, scholars of welfare state and labour market has shown that migrants are particularly vulnerable at times of crisis because of the way the Spanish labour market functions. Moreover, unemployment is only a short term consequence. Medium term effects such as underemployment and general deterioration of quality of life will need to be further monitored. Once emerged these effects can be perpetuated and transformed into long term effect or becomes a permanent condition.

Overall, for the intra-European migrants, the economic crisis has more significant effect of the patterns of mobility than of the disrupting the immigration policies. When comparing the effects of the 1973/4 crisis with the recent one, only half of the hypotheses were confirmed or partially confirmed. Moreover, two of the hypotheses that were rejected in the case of the Romanian immigrants, were confirmed for the third country nationals. For the latter, the Spain had restricted

admission and introduced the voluntary return programme. Thus, we can conclude that for the case discussed above, intra-European migration has reacted differently than the post-1973 migration to an economic downturn. Furthermore, when compared with the effects for the migration from third countries, we have seen different responses to the same economic crisis. These findings bring a contribution to the understanding of intra-European migration policy decisions and patterns during critical events such as the recent financial crisis. It also enquires into the general features of mobility in the European space.

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Interestingly, we find that at this point there is no distinction between the third country nationals and the EU citizens (here, the Romanians). In matters of combating unemployment all migrants and all natives benefit of the same provisions.