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## THE STATUS ON LABOUR MARKET OF THE ROMANIAN IMMIGRANTS FROM ITALY

### ABSTRACT

Knowing that Romanians represent the largest community of immigrants from Italy, the main aim of this paper is to study the status of these immigrants on the Italian labour market. Using statistical tests, random-effects ordered logistic regressions and generalized ridge regression model based on the survey data, the results showed significant differences between the number of males and females for Romanian immigrants in the period 2006–2018. Females have more chances than males to be active and to be employed on the Italian labour market due to their stability in services sector. Young people are more active and have more chances to be employed compared to old ones. The number of Romanian unemployed immigrants from Italy depends on tax rate, on low wage earners, adult participation in learning and harmonized index of consumer price.

**Keywords:** immigrants; labour market, gender, unemployment

### 1. INTRODUCTION

The labour market is far from the free market described by neoclassical current. Even if government took measures to discourage the illegal labour force mobility, the experience has shown an intensification of this phenomenon from new EU Member States to old EU Member States. A particular case could be the emigration of Romanian people to Italy for labour purposes.

The European Agenda related to migration is based on four pillars: fewer benefits for irregular migration in order to discourage illegal migration, borders administration, common policy asylum, a new migration policy to support immigrants' integration in order to cover

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the labour market requests. The economic and social integration of immigrants supposes the acceptance of the host country culture which allows foreign people to exert their human rights (King and Lulle, 2016).

A SWOT analysis made by Dumitrescu (2019) to assess the impact of immigrants on labour market states benefits like higher labour productivity and competitiveness, higher occupation rate and labour supply. The limits consist in higher unemployment and lower salaries for nationals which might bring social pressures.

Ruhs and Vargas-Silva (2015) indicated that immigrants could not stop the labour market decline in most of the EU countries. The occupation rate is less than 70% in Italy and the recent social and economic context affected by COVID-19 will determine even a lower rate.

Italy was the main destination country for Romanian migrants in the period 1991–2000 and 2007–2019. After the Romanian integration in the EU, the number of destination countries grew up. After the visa elimination in the Schengen zone, most of the Romanian emigrants settle down in Italy, Spain, US, Canada, Germany, Hungary. Immediately after Romania's entrance in the EU, 31% of the Romanian people chose Italy as a main destination country and 17% established in Spain.

Romanian people from Italy represent the largest community abroad (more than 1.2 million Romanian migrants in 2018). The Romanian immigrants play an essential role on the Italian labour market, especially in those sectors that require unskilled work. However, they are forced to make significant physical labour and to accept poor wages and worse working conditions.

The recent economic context marked by economic crisis did not determine many Romanian migrants to leave Italy (Hinks and Davies, 2015). An argument for this, provided by Castle (2009), explained that the origin countries are more affected by economic recession.

Economic transition in Romania with high unemployment rates and low wages enhanced the emigration process (Zaiceva and Zimmermann, 2016; Streimikiene et al., 2016; Simionescu et al., 2016; Bilan, 2014). On the other hand, the Italian labour markets requested migrants to occupy unskilled jobs. The Italian society was characterized by ageing and the tendency of skilled women to be part of the labour market. In this context, immigrants are required to offer assistance to elderly and children for low salaries (Del Boca and Venturini, 2016).

Beside these economic issues, social problems like corruption and political instability (Simionescu, 2016) determined Romanian citizens to migrate in Italy where social networks appeared to attract more migrants.

Italy was seriously affected by the recent global economic crisis started in 2008, being the country with the highest public debt. The economic situation of Italy will get worse with the new challenge brought by COVID-19 and will determine a massive leave of immigrants. A first decrease in the number of Romanian immigrants from Italy in this decade was observed in 2011 because of the economic recession, the men being more affected than the females by this crisis.

The economic recession negatively influenced the migrants' living conditions (Tilly, 2011). The demographical structure also changed. Gender plays an important role, because gender distribution in some types of jobs creates differences in what concerns the exposure to unemployment (Otoabe, 2011). Most of Italian immigrants are engaged in cyclical industries

and could be immediately replaced (IOM, 2010). Immigrants since many years in Italy are less discriminated and socially excluded compared to new ones (Bradatan and Sandu, 2012).

In this context, Sacchetto and Vianello (2016) evaluated some social and economic consequences of the economic crisis on the Romanians and Moroccans from Italy. 170 in-depth interviews were made and the results indicated that Romanian people are more stable in Italy, while the other immigrants are more mobile when they are not happy with working conditions. Romanian migrants in Italy have the support of church and family to find an easier job compared to the Moroccans. In general, immigrants accept low-paid jobs in poor working conditions because they could not afford to stay too much without a job that could bring them a wage (Fleischmann and Dronkers, 2010; Reyneri, 2010). Therefore, migrants were less affected by unemployment compared to local workers.

Calavita (2005) showed that usually migrant workers benefit less from welfare protection and have less rights compared to nationals. Since the rights of immigrants are not always respected, most of them are exposed to different social risks (Standing, 2011). They are usually employed in those sectors that are the most affected by economic crisis (construction, care sector) as Papademetriou et al. (2010) showed.

After this introduction, the paper will present the data, methods and the results of empirical analysis.

## 2. DATA AND METHODS

The aim of this study is to analyze few characteristics of Romanian migrants employed on Italian labour market in the period 2006–2018. The data are provided by the Eurostat survey for the research “Case Study on Labour Force”.

The questionnaire is composed by questions related to demographic characteristics like age, marital status, gender, or family type. The differences between genders will be analyzed using suitable statistical tests.

In the period of 2006–2018, more females from Romania were present in Italy compared to men for labour purposes. In 2011, the number of males and females among Romanian immigrants decreased, because of the economic recession.

There are other questions which describe issues related to the status of Romanian immigrants on the Italian labour market: professional position in the main and second activity, absence from work because of unemployment. We built a dummy variable to reflect the absence from work, the possible values being 1 (“Yes”) and 0 (“No”). There are three possible values for the professional position in the principal activity of immigrants: independent, employee, and collaborator.

We will try to explain the status of Romanian immigrants on Italian labour force market from two perspectives: active status and employment based on demographic characteristics. The panel is unbalanced since a different number of migrants is included each year in the sample.

Moreover, the number of unemployed Romanian immigrants from Italy based on survey data was explained using macroeconomic indicators and a generalized ridge regression constructed in R program using simulations.

### 3. RESULTS AND DISCUSSION

Differences between Romanian immigrants established are analyzed according to gender in the period 2006–2018. A t-test was applied in this case, considering a p-value of 5%. The superior number of females compared to men is explained by the fact that women get employed faster than men in housekeeping and care sector. In the last years, the construction sector was deeply affected by economic crisis, forcing more men to lose their jobs in this sector. Differences between age group are also analyzed. Most of the immigrants prefer family reunification and we do not expect to have significant differences in age between Romanian immigrants in Italy.

Tab. 1. Differences between the Romanian immigrants from Italy according to group age and gender (2006–2018)

Variable	t-computed	p-value
Gender	-6.44	0.00006
Age group	-1.90	0.08

Source: own computations

The number of males increased by 3.5 times in 2018 compared to 2006, while the growth of number of women was higher (by 4 times more females in 2018 compared to 2006).

According to results of t test in Tab. 1, there are significant differences between the number of men and women in the case of Romanian immigrants from Italy. On the other hand, there is not significant differences between Romanian immigrants according to age group in the period 2006–2018 at 5% level of significance. These results are confirmed by statistics. Many immigrants came to Italy for family reunification and in general husbands are placed in the same category of age.

We constructed two types of logistic regressions based on panel data to explain the active status of immigrants and their employment in the period 2006–2018. The dummy variables that dependent variables in these models are built starting from the existent variables in the database. Each variable reflects two states: employed/unemployed, respectively active/inactive. The first dependent variable takes the value 1 if the immigrant is employed and the value 2 is the immigrant is unemployed. The second dependent variable takes the value 1 if the immigrant is active and the value 2 is the immigrant is inactive. Panel data unit root tests are applied to check for stationary (Levin-Lin-Chu test) and the tests indicated no unit root at 5% level of significance, which was expected because of the large data set.

More than 80% of the cases are correctly classified by the model in Tab. 2. Higher the level of education of Romanian immigrants is, lower their chances to be active on the Italian labour market (these chances decreased by 30%). Immigrants from other origin countries have lower chances to be active compared to Romanian immigrants, which is confirmed by previous studies that show the stability of Romanians in their jobs (Sacchetto and Vianello, 2016). Females have by 9 times more chances to be active on Italian labour market compared to men. Passing from an age category to a superior one, there are less opportunities for people to be active on labour market. More mobile immigrants that circulate also in other countries for work purposes tend to be more active than those who established only in Italy.

Tab. 2. The Random-effects ordered logistic regression to explain the active status of Romanian immigrants on the Italian labour market (2006–2018)

Variable	Coefficient	Calculated statistic	Sig.
Gender	2.11	482.86	0.00
Italy is the single destination country	-0.18	361.43	0.00
Education level	-0.35	363.23	0.00
Age category	-0.07	270.94	0.00
Citizenship	-0.14	178.29	0.00
Constant	-3.56	784.57	0.00

Source: own computations

Tab. 3. The Random-effects ordered logistic regression to explain the employment status of Romanian immigrants on the Italian labour market (2006–2018)

Variable	Coefficient	Calculated statistic	Sig.
Gender	0.45	256.42	0.00
Italy is the single destination country	0.23	844.61	0.00
Education level	-0.25	133.15	0.00
Age category	-0.13	279.22	0.00
Citizenship	-0.03	872.33	0.00
Constant	-1.62	198.77	0.00

Source: own computations

More than 78% of the cases are correctly classified by the model in Tab. 3. If the Romanian immigrants are more educated, their chances to be employed on the Italian labour market are by 20% less compared to less educated people, because Italian employers offer them jobs that imply unskilled work.

Immigrants from other origin countries have by 3% lower chances to be employed compared to Romanian immigrants, which is also confirmed by previous studies (Sacchetto and Vianello, 2016). Females have by 1.8 times more chances to be employed on Italian labour market compared to men. Older immigrants have less opportunities to be employed on labour market compared to young ones. More mobile immigrants that circulate also in other countries for work purposes have lower chances to be employed compared to those who established only in Italy. This result is consistent with expectations. Immigrants that encounter difficulties in finding a job in Italy preferred to migrate to other countries.

The number of unemployed Romanian immigrants from Italy was determined based on survey data and it was explained based on macroeconomic indicators in the period 2006–2018.

A generalized ridge regression model in a Bayesian approach of estimation was proposed to explain the number of Romanian unemployed immigrants from Italy in the period 2008–2018 (Tab. 4).

Tab. 4. The generalized ridge regression to explain the number of unemployed immigrants in Italy (2008–2018)

Variable	Standardized Coefficients (posterior mean)	Posterior probability for standardized coefficient to be within 1 standard deviation of 0
GDP	-710345.92	0.622
Tax rate on low wage earners	4903281.06	0.024
Adult participation in learning	-6925481.91	0.028
Harmonized index of consumer price	1592478.43	0.04

Source: own computations

According to the generalized ridge regression model, the number of Romanian unemployed immigrants from Italy depends on:

- Tax rate on low wage earners (there is a direct correlation between this indicator and unemployment rate; higher tax on low wage earners stimulates Romanian immigrants to search for a better paid job).
- Adult participation in learning (there is an indirect correlation between this indicator and unemployment rate; more adults participating in learning bring less unemployment among immigrants, which show the utility of these education forms in getting a job). The effectiveness of these education programs for adults was confirmed in Italy, while in other countries like Belgium did not provide expected results for low-skilled adults.
- Harmonized index of consumer price (there is a direct correlation between this indicator and unemployment rate; higher prices influence the immigrants wages and some of them are unemployed). This direct correlation is showed also by Friedman (1977) represents a big concern for policymakers that are asked to take measures for unemployment decrease.

As expected, there are significant more females from Romania who are established in Italy for work purposes or family reunification compared to Romanian men. This result is confirmed by the structure of the Italian labour market that prefer to employ foreign workers in those specific sectors that are dominated by females (domestic work, health and care sector, elderly assistance, jobs in tourism, restaurants and hotels) (Stan, 2005). On the other hand, the excess of immigrants created disturbances on Italian labour market (Gallardo et al., 2016). Moreover, the recent economic crisis negatively influenced the agriculture and construction sector which affected the number of Romanian males. This tendency is specific to migration process of Romanian people from Italy, which is different from other historical immigration waves. Other migration flows were determined by the political context: dictatorship that brought Portuguese migrants in France, the situation after the Second World War moved a lot of people from Turkey to Germany.

For Romanian migrants, migration chains based on relatives' relationships are important for relocation needs (Weber, 2004). Other authors consider the preference of men to come in their origin country to start business with Italian businessmen, while women are more stable on Italian labour market due to their integration in Italian families (Vlase, 2013). The gender distribution is reflected by the different reasons for migration in the case of males and

females (Mara, 2012). In general, men search for a job in Italy, but women are motivated by career prospects and family reunion. The decision of migration is individual for Romanian men looking for better economic condition, while females have better position on Italian labour market taking a joint family decision (Mara, 2012; Erez, 2017). As Bonifazi and Marini (2014) showed, the number of Romanian males decreased because of the economic crisis.

Remaining at a poor professional and social condition, Romanian immigrants are easily integrated on the Italian labour market and in the society. Their main target seems to be getting money to survive (Ambrosini, 2013). Even immigrants with higher education prefer to make an unskilled work (Reyneri, 2006, Minneci, 2015) for getting money. The opposite situation is for nationals for who the level of education is directly linked to probability of avoiding unemployment (Fullin and Reyneri, 2011). The skills from another educational system are not recognized in Italy, human capital being country-specific (Heath and Yu, 2005). Higher educated immigrants could not afford to wait for a better job corresponding to their qualification and accept a job with poor working conditions. Most of the Romanian immigrants established in Italy are young people that were unemployed in Romania (Schreiner, 2008; Uccellini, 2010). These people physical capacity of work is higher than that of older people. The unemployment rate for Italian immigrants is lower compared to nationals, but the jobs suppose few qualifications (Reyneri and Fullin, 2011).

#### 4. CONCLUSIONS

The Italian labour market was affected by the recent economic crisis in Italy which determined unemployment, more job insecurity and less labour productivity (Boschetto et al., 2016). However, the Romanian immigrants were less affected by this economic situation, a significant increase in part-time employment being observed in this period (Di Quirico, 2010). Differences in gender were observed, the number of females from Romania being larger than that of men, because of a more stability of women on Italian labour market. Females are employed usually in care services sector with continuous activity during the year. On the other hand, construction sector in Italy and agriculture preferred by Romanian males were negatively influenced by economic crisis in the period 2008–2014.

As expected, the status of Romanian immigrants on Italian labour market is influenced by gender, age, level of education, citizenship and continuous presence in Italy. The number of unemployed Romanian immigrants is positively correlated to tax rate on low wage earners and inflation rate, but negatively linked to adult participation learning. It seems that GDP has no significant impact of these immigrants unemployment. However, the regression is limited by a small number of explanatory variables. More macroeconomic indicators should be considered in the ridge regression in a future research.

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