

WORKFORCE MIGRATION - INCOME TAXATION AND RELATED INEQUALITIES

I. General aspects of international workforce migration

1. International workforce migration – overview and current trends

The international workforce migration, a complex fact with high amplitude of the contemporary world, has attracted the attention of many specialists (economists, sociologists, political scientists), national and international scientific organizations, as well as governmental institutions from various countries.

The international workforce migration represents an important part of the globalization in the current conditions, with major implications over the economic growth and living standard of the population, both in the countries from which the migrant workers are leaving and in the countries of destination.

It can be said for sure that the international workforce migration has become at this time an essential, unavoidable and possibly positive part of the economic and social life of each country and region.

Besides the international workforce migration, the international workforce movement will also include the cross-border movement of the workforce for actions related to the economic, technical and scientific international cooperation, as well as the international civil servants.

If we take into account the duration of the movement, the international migration can be a **long-term** one, when the migrants remain on the new territory forever or for a long period of time, a **temporary** one, when the intention is to return to the country of origin after 1 or 2 years and a **seasonal** one, when the migrants are going to their jobs on a daily basis.

At international level, the recommendations made in 1998 by the United Nations Organization (UNO) regarding the international migration define the migrant persons as being those that are moving from the country in which they have their habitual residence.

The **long-term migration** refers to the persons that are moving from the country where they habitually reside for a period of at least one year.

The **short-term migration** refers to the persons that remain in some other country than the one in which they habitually reside for a period of at least 3 months, but not more than one year, except when the movement is made for holiday purposes, visits made to relatives or friends, medical treatments or religious reasons.

The one year duration considered by the UNO study is not a standardized one, but is considered a practical one, because it is similar to the period used usually by the majority of the countries in order to determine the demographic movement of the population.

The reasons of the international migration are not part of the definition of this notion, although it represents a key issue in understanding the nature and sense of the international migration.

Thus, among the reasons resulting in an international migration it can be included the personal ones, especially those that are desired to improve one's financial situation, as well as those related to political or religious events.

At the level of the European Union (EU) there are some debates over and solutions sought for the problem of “brain drain”, which is linked with the migration in some countries or for certain periods.

The highly qualified persons have a greater inclination to migration when their chances of earning as much as they want are smaller.

For the countries of origin, the departure of the specialists can have as a result the decrease of the technological development, the economic growth, as well as the income and employability for certain sectors.

There are usually some possibilities for avoiding or fighting this kind of effects, like: motivating the specialists, temporary exchanges of specialists, creating networks between the internal specialists and those residing abroad, stimulating the investments with the amounts that are sent home by the migrant specialists.

This phenomenon has some advantages, especially financial, for the countries of destination. It was nevertheless argued that on a long-term basis the neglect of their educational systems can be observed.

Considering the overcome of the economic crisis that has affected the majority of the countries in the last years, the international workforce migration has reached a turning point.

The economic decline has also marked a 7% reduction in the international migration on the labor market that used to have a steady evolution, but the major changes have occurred in the level of the free movement of persons inside the EU (a 36% downfall) and the temporary migration of the workforce (almost 17% decrease) in 2009 as compared with 2007.

The OECD studies on international workforce migration have constantly monitored this phenomenon, especially by implementing the Continuous Reporting System on Migration (SOPEMI), creating and publishing in 2008 a centralized database (Database on Immigrants in OECD countries - DIOC), which has been subsequently expanded in order to include also the OECD non-member countries.

Thus, according to the centralized data provided by this system, 68% of the migrant persons are from OECD member countries, the study being realized on a number of nearly 110 million persons, representing 72% of the total number of migrant persons estimated for now.

The **overall rate of migration** is estimated at 2,4%, but there are significant differences from a regional perspective, considering that Europe, Latin America and Oceania have the highest rates of migration, surpassing those of Africa, Asia and North America.

The global number of migrant workers with a low level of qualification amounts to 46,8 million persons (43,5%), 37,5% million have a middle level of qualification (35%) and 23 million have a high level of qualification (21,5%).

As regards the **source countries of the migrants**, the highest percentage was registered by **China (9%), Romania (5%), India (4,5%) and Poland (4%)**.

As economic crisis stepped in, significant declines have been registered in the dynamics of the migration process, especially in Romania, Poland and Bulgaria.

According to the OECD statistics, the international workforce migration is represented by the figures shown in **table 1**.

The international migration rate has increased especially starting with 2007, after Romania and Bulgaria joined the EU, but also for other countries like the Dominican Republic, Peru, Morocco, Poland and Ukraine.

As regards the Romanian citizens, their migration was quite diversified towards a large number of European countries, the largest number of people being registered in 2008 towards Italy, Germany, Portugal and Luxembourg, while the flows towards Spain and Hungary were significantly diminished.

2. International workforce migration and the effects of the economic crisis - inequalities regarding migrant workers

The effects of the recent economic crisis have had a different impact on the OECD member and non-member countries, both as regards the affected categories of workers and the intensity of these effects.

At global level, between the first quarter of 2008 and the last quarter of 2009, the average unemployment rate for the OECD countries has increased with almost 3%, resulting in an additional number of 17 million people.

The category of migrant workers has been strongly affected by the world crisis, so that in the first three quarters of 2008 and 2009 the unemployment rate for migrant workers has significantly increased, the highest increases being registered in Spain (11%) and Ireland (8%).

The **average increase of the unemployment rate for migrant people** in the EU founding member countries was of **3,4%**, double compared to the one for native people.

Likewise, some of the sectors in which migrant persons have mainly worked (for example, the construction sector) have been largely affected by the crisis, which could be an important factor for the increase with a greater extent of the unemployment rate for migrant persons compared to the one for native people.

Thus, the effects of the crisis have been unequally felt by different categories of migrant workers.

Between 2008 and 2010, the unemployment rate for migrants has been much bigger for **men** (mainly because they were performing their activity in economic sectors that have been strongly affected by crisis, like the finance, construction and management sectors), while for **women** the unemployment rate was much smaller, due to the fact that the area of social and household services in which they were performing their activity was less affected by the world crisis.

Likewise, other categories of migrants have been especially affected by the crisis, like the **young people**. This occurred in countries like Great Britain and Ireland, while in Holland and to a lesser extent in Denmark and United States the opposite is true.

As regards the **level of qualification**, the trends were mixed, leading to a sharing that has divided the countries into several distinct categories within the statistics.

Today, opportunities for new jobs are created in new areas, like health, education, household services or restaurants and hotel industry in Europe. These sectors are usually hiring women.

In the United States, the agriculture and food processing industry are still hiring a significant number of migrant persons.

However, the inequalities between migrant workers are still persisting, especially as regards the hiring opportunities, some of the most important ones being the much smaller number of hiring possibilities offered to men compared to female migrants, as well as the jobs crisis for persons with a low or average level of training.

3. Workforce migration in Romania

The accession of Romania to the EU on January 1st, 2007 has been accompanied by a highly significant increase of the international migration, especially of the workforce migration.

The specific form of international migration in the case of Romania was the emigration.

The **number of emigrants from Romania** who are performing their activity abroad is roughly estimated to **3 million people**.

The number of emigrant persons has increased by 17% in 2009 and the main destinations for persons who are emigrating from Romania according to the statistics are Canada (20%), Germany (19%) and United States (18%).

According to the statistics provided by the countries of destination for Romanian migrants, the Romanian population from Italy has increased by 90.000 persons in 2009, reaching a total number of 887.800 persons, while in Spain the increase was of 33.000 persons, reaching to 751.700 persons of Romanian nationality.

According to the data provided by the National Agency for Workforce Employment (NAWE), the number of labor contracts concluded between Romanian citizens and foreign employers in 2009 was of 111.000, the main destinations being Germany and Spain, while for the 2008, the number of contracts concluded with the NAWE mediation was of 52.400.

The **flow of remittances**, amounts sent to Romania by migrant workers, has the **highest level of the EU**.

In 2009, their amount has reached more than 3 billion EUR, representing a decrease by almost 40% compared to the level registered in 2008.

About two-thirds of this amount comes from Italy and Spain, where the presence of Romanian emigrants is the most significant one.

According to the data provided by the Romanian Immigration Office, the **immigrant population in Romania** has increased by 4% in 2009 compared to 2008, reaching **88.500 persons**.

Most of the immigrants are from countries outside Europe, especially the Republic of Moldavia (21%), Turkey (11%) and China (15%).

As regards European countries, most of the migrant persons are from Italy (7%) and Germany (6%).

Following the economic crisis of the last years, the Romanian authorities have taken regulatory measures concerning the entry of migrant persons on the Romanian labor market by reducing the limit of issued work permits (a limit of 8.000 permits issued for 2009 compared to 15.000 permits in 2008).

However, according to the statistics, only 4.200 work permits have been issued in 2009, resulting in a decrease with more than 60% compared to the previous year.

The work permits have been especially issued for permanent workers (61%) and cross-border workers (34%).

Most of the migrant workers in Romania are from China (28%) and Turkey (28%).

In 2009, a number of 830 requests for asylum have been registered in Romania, a decrease by almost 25% compared to the level registered in 2008.

Most of these requests have been made by citizens of the Republic of Moldavia (15%), Pakistan (12%) and Afghanistan (9%).

The accession to the Schengen area is a major objective of external policy for Romania, with direct implications over the policies implemented in the international migration area.

The Schengen standards require the strengthening of border control for EU non-member countries, provisions regarding a harmonized policy for temporary entry of persons (including the Schengen visa) and cross-border cooperation from a judicial and internal affairs perspective.

Likewise, starting with 2010, the Romanian competent authorities have developed new legislative regulations, aiming to transpose some of the European directives.

If adopted, the new legislative framework will bring a significant number of changes within the administrative procedures that are applicable at this time in Romania.

They aim to facilitate the workforce migration, to combat illegal migration, as well as to regulate the staying and residence of foreigners in Romania.

Among other changes, they provide for the issuing of a personal identification number for all the foreigners in Romania.

II. International migration of workers with a high level of qualification - income taxation for specialists

1. Mobility of migrant workers with a high level of qualification and granting tax incentives to highly skilled migrant workers

The taxation systems for the majority of OECD member countries have been implemented based on an immobile workforce concept.

This immobility has largely been the consequence of some migration related high costs, meaning that the income taxation systems were not important in the relocation of the workforce.

In the last 15 - 20 years, the workforce migration has started to be more and more influenced by a series of factors, especially in the case of highly skilled workers.

First of all, the migration costs have significantly been reduced, both the material ones (transport and settling down) and the psychological ones, once the modern means of communication have spread out.

Likewise, the quality of education has increased, especially for developing countries, which resulted in a greater number of specialists.

Thirdly, the development of multinational enterprises has led to the internationalization of the labor market for managers, administrators and scientists, which resulted in the increase of the global demand for specialists.

The studies conducted so far as regards the impact of fiscal policy over the international workforce migration, especially for specialists, have pointed out

the fact that this impact, although existent, is however reduced compared to other factors (family driven, political, cultural, religious ones and so on).

However, the impact of the level of taxation over the international migration of the specialists may have important consequences for the fiscal policy of a country.

First of all, in order to avoid the emigration of the specialists, the governments may be thereby constrained to reduce their fiscal burden by decreasing the progressivity of the taxation systems for the income obtained by individuals, thus restricting the capacity of redistributing the income.

Moreover, some fiscal incentives can be granted to highly skilled persons, in order to discourage the migration of inland specialists, on one hand and to attract foreign ones, on the other hand.

While the impact of the migration of the specialists over the progressivity of the income taxation systems in the OECD member countries cannot be quantified, its impact over the introduction of fiscal incentives in the legislation of the member countries is quite significant, according to the OECD studies.

The decision to grant certain tax incentives for specialists has become a common practice for the OECD member countries, so that in 2010, according to the data, 16 OECD member countries used to have such tax incentives.

As previously observed, there are two major reasons for granting tax incentives for highly skilled workers, namely: **to reduce the impact that the effects of the tax regime has on the decision to migrate and to attract or retain the specialists.**

In order to reduce the impact of the fiscal policy over the decision of the specialists to migrate, some countries have adopted tax incentives for the income obtained by specialists.

Examples may include the following groups of countries: countries that have **high taxation rates** and **intend to increase the competitiveness of their tax systems** in order to encourage specialists to settle down in these countries, countries aiming **to reduce the difficulties created by certain fiscal provisions** as regards the taxation of specialists and finally countries **responding to the incentives given by other states.**

2. "Brain drain" and "fiscal gain" concepts

The "brain drain" and "fiscal gain" concepts are connected by the migration phenomenon.

The "**brain drain**" concept or the **human capital flight** represents the emigration process of persons who are educated or talented in some areas from less economically developed countries to more economically developed countries, so that according to previously developed studies the main cause of this process is considered to be the economic one.

The "**fiscal gain**" occurs when states are competing to attract a mobile base of taxation consisting especially of highly skilled workers or to reject mobile taxation beneficiaries.

Generally, the workforce is less mobile than the capital and a low skilled workforce is less mobile than a high skilled workforce.

Considering the fact that the specialists are likely to be included in the category of high income taxpayers, they are going to significantly contribute to

the budgetary revenues of the country of destination, even considering the results of the tax incentives that are granted.

Their contribution to the pension funds by payment of mandatory social security contributions is considered a significant one.

Accordingly, the workforce leads to a significant change of the taxation structure. The governments of the member states are thus constrained to reduce the level of taxation for high mobility factors and to increase the tax burden on less mobile sources, in order to secure its revenues.

In case of a “fiscal gain”, the taxes will be accordingly shifted from corporate income to an individual one, from capital gains to a labor one, from high income to a low one generated by the workforce and generally from the taxation of income and welfare to consumption taxation.

In the current European context, the EU citizens can choose their residence in a country that offers an optimal combination between the tax burden and the public services that are offered to them.

In accordance with the European legislation, the free movement of workers is a fundamental right and according to Article 39 of the EU Treaty, the EU citizens have the right to look for a job on the territory of another member state, to work and to live in another member state and to have equal chances as regards the access to jobs and the working conditions.

The tax incentives granted to specialists in different countries are generally based on transparent criteria and from the analysis performed the following trends can be drawn: countries that have introduced specific incentives for specialists, but with quite wide open provisions and countries that have adopted general incentives, but with specific provisions that limit the scope of those incentives.

A general look into the incentives granted by OECD member countries is presented in **table 2**.

As regards **Romania**, starting with July 1st, 2001, **a tax exemption was given for wages related to the activity of creating computer programs**.

This tax exemption for the income obtained by programmers was then taken over in the current Fiscal Code of Romania, in force since January 4th, 2004.

For the granting of this tax incentive to individuals, a number of conditions have to be fulfilled, both for the individual (regarding the type of graduated academic training, the division of the company in which he/she should work) and for the employer (a certain minimum amount of annual income that should be achieved by the company following the contribution of each employee who benefits from the incentive).

Another incentive granted by the Romanian legislation, according to the Fiscal Code that is now in force, is represented by a tax exemption for wages obtained from an employment performed abroad by Romanian residents for a foreign employer that does not have a permanent establishment in Romania.

The granting of this incentive is not subject to any condition regarding the sector of economy in which the activity should be performed or the training degree of the individual, the only requirement being that the income should not be paid from Romania.

The temporary or permanent work migration has become in the last years an important part of the Romanian migration.

The highly skilled workforce migration is directly affecting those countries that are facing such phenomena.

At European level, as seen above, the demand for qualified personnel remains high, despite the effects of the global crisis and the fact that increasingly more Romanian specialists choose to emigrate represents an important issue for Romania, where there are areas in which the staff shortages are very intense, with negative results, amid a low level of wages and tax burden on labor.

Taking into consideration these aspects, the Government of Romania has initiated a set of measures regarding the **education reform in Romania** and the **support of private investment in the Romanian economy**, especially for small and medium enterprises, among which we can mention:

- ✓ Definition of the types of universities, classification of universities and introduction of a methodology of ranking the programs of study;
- ✓ Introduction of a financing for every student on the “funding follows the student” principle;
- ✓ Ensuring a high degree of decentralization for secondary education;
- ✓ Redefining the doctorate by establishing a scientific doctorate and a professional one;
- ✓ Modernizing the management of universities;
- ✓ Reorganizing the evaluation system for students and the establishing of the “educational portfolio”;
- ✓ Financing competition and encouraging academic excellence;
- ✓ Ensuring equal access to education for disadvantaged groups.

As for encouraging private investment in Romania, the Government has initiated a set of measures aimed at granting state aids and guarantees, among which we can mention:

- ✓ State aids for an investment of over 100 million EUR, which is also employing at least 500 employees;
- ✓ Support for large investment projects by granting state aids for those investing at least 5 million EUR and employing at least 50 employees;
- ✓ The “Mihail Kogălniceanu” program for starting small and medium enterprises, which is developed over the internet;
- ✓ Granting of “de minimis” aids;
- ✓ Support for developing the female entrepreneurship by the multiannual national program for 2005 - 2012 regarding the development of entrepreneurial culture among female managers from the small and medium enterprises sector;
- ✓ Credits for female entrepreneurs - credit lines with subsidized interest for small and medium enterprises with female shareholders or administrators that are also shareholders;
- ✓ Program for young people starting a business - granting of non-returnable funds of up to 10.000 EUR, but not more than 50% of the business plan value;
- ✓ The multiannual national program for 2002 - 2012 regarding the set up and development of technological and business incubators;
- ✓ Support for small and medium enterprises through the Guarantee and Counter-Guarantee Fund for Small and Medium Enterprises;

- ✓ Offering of governmental guarantees of 80% of the credit value for the beneficiaries of the projects financed by structural funds in key areas of the Romanian economy for up to 4 years.

III. Remittances and their role in the global economy

The remittances sent to developing countries have been an external financing source that has resisted the recent global financial crisis, with an estimated flow of 325 billion USD in 2010, up from 307 billion USD in 2009, according to the last Migration and Remittances Factbook 2011 published by the World Bank (WB).

The worldwide flow of remittances is estimated at 440 billion USD in 2010.

The amounts of remittances are exceeding the value of the social aids and in some developing countries they can reach up to 10% of the GDP.

The remittances tend to increase the level of investment in education, health and small enterprises.

However, as previously stated, the loss of a big part of the highly skilled workforce can slow down the development of a country and the provision of services within its territory.

The main countries of destination as regards the international migration are the United States, Spain, Italy and Great Britain, mainly from Eastern European, Northern African and Latin American countries.

In 2010, according to the WB data, the countries that have received the highest amount of remittances were India, China, Mexico and the Philippines.

As a share of the GDP, the highest percentages have been registered in 2009 in Tajikistan (35%), the Republic of Moldavia (31%), Tonga (28%), Lesotho (25%) and Nepal (23%).

The source countries for remittances are usually those in which the standard of living is high. The United States are leading the rankings with 48 billion USD in 2009, followed by Saudi Arabia, Switzerland and the Russian Federation.

The flow of remittances has dropped as a result of the global economic crisis, but not very much; a 5,5% decrease in 2009 compared to 2008, while they have registered a fast increase in 2010.

The **remittances from the migration** are the sum of the **remittances sent by workers, compensations given to the employees and transfers made by migrants**.

According to the definition of the International Monetary Fund, the **remittances sent by workers** represent private monetary transfers from migrant workers considered to be residents of the host country towards recipients from their home countries.

Where migrants live for at least one year in the host country, they are considered to be residents, while if they live in the host country for less than a year, their income from this country is considered to be **compensation for employees**.

The **transfers made by migrants** represent the net value of the assets being transferred from one country to another during migration for at least one year.

As regards Europe and Central Asia, the indicators provided by the WB are the following:

1. Data on emigration for 2010:

- **total number of emigrants:** 43,1 million or 10,7% of the population;
- **top 10 emigration countries:** the Russian Federation, Ukraine, Turkey, Kazakhstan, Romania, Uzbekistan, Belarus, Bosnia and Herzegovina, Albania and Azerbaijan;
- **emigration rate of tertiary educated population (top 10 countries):** Macedonia (29,1%), Bosnia and Herzegovina (23,9%), **Romania (11,8%)**, Albania (9,0%), Armenia (8,8 %), Lithuania (8,6%), Bulgaria (8,6%), Turkey (5,8%), Ukraine (3,5 %) and the Republic of Moldavia (3,4%);
- **emigration of doctors:** 15.687 or 1,2% of the regionally trained doctors.

2. Data on immigration for 2010:

- **total number of immigrants:** 27,3 million or 6,8% of the population (3,2% of the total number of immigrants);
- **top 10 immigration countries:** Russian Federation, Ukraine, Kazakhstan, Turkey, Uzbekistan, Belarus, Serbia, Republic of Moldavia, Armenia and Tajikistan.

The main countries receiving remittances in 2010 were: the Russian Federation (5,6 billion USD), Serbia (5,6 billion USD), Ukraine (5,3 billion USD), **Romania (4,5 billion USD)**, Bosnia and Herzegovina (2,2 billion USD), Tajikistan (2,1 billion USD), Bulgaria (1,6 billion USD), Azerbaijan (1,5 billion USD), Republic of Moldavia (1,3 billion USD) and Albania (1,3 billion USD).

In 2009, the share of the remittances within the GDP was: Tajikistan (35,1%), Republic of Moldavia (23,1%), Kirghiz Republic (15,4%), Bosnia and Herzegovina (12,7%), Serbia (12,6%), Albania (10,9%), Armenia (9%), Georgia (6,4%), Macedonia (4,5%) and **Romania (4,4%)**.

Based on the data provided by the WB, the information regarding the international migration in the case of Romania is presented in **table 3**.

A detailed situation of the inflow and outflow of remittances for Romania is presented in **table 4**.

In terms of fiscality, Romania taxes the income obtained from abroad by Romanian residents (except wages that are not paid by a Romanian employer or by a permanent establishment situated in Romania, as previously stated), taking into account the provisions of the double tax avoidance agreements concluded between Romania and the source countries of the income, if there are any.

The tax return is filed annually, until May 25th of the year next following the one in which the income was obtained and then the tax authority has to issue and send to the taxpayer the annual tax decision based on which the differences in tax that are due in Romania for the income obtained from abroad have to be paid.

The amounts sent as remittances by migrant workers in the country are tax exempted at the level of the recipients, being taxed only at the level of the Romanian resident person that obtains them, according to the national legislation in force combined with the provisions of the double tax avoidance agreements.

The remittances sent to Romania are however subject to VAT when they return to consumption or are taxed according to the national legislation on individuals or legal persons when invested in the national economy.

TABLE 1

International workforce migration

Country	2000	2005	2007	2009	Percent of the total international migration 2009	Variation between 2007 and 2009	Migrant persons for 1 million inhabitants 2009
	(thousands of inhabitants)						
China	301	438	642	468	9,2	-14	350
Romania	90	205	453	255	5,0	-44	12000
India	114	208	216	225	4,5	5	190
Poland	107	266	253	204	4,0	-22	5360
Mexico	180	174	206	180	3,5	-13	1640
Philippines	171	189	160	161	3,2	1	1750
USA	114	126	142	135	2,7	-5	430
Great Britain	99	160	144	133	2,6	-8	2160
Germany	80	105	166	131	2,6	-21	1600
Ukraine	135	130	147	125	2,5	-14	2790
Morocco	103	136	161	123	2,4	-23	3850
France	74	66	74	81	1,6	10	1300
Korea	69	57	80	79	1,6	-1	1640
Pakistan	63	68	76	78	1,5	2	430
Peru	22	63	100	77	1,5	-23	2650
Vietnam	62	78	98	77	1,5	-22	870
Russian Federation	92	94	78	77	1,5	-2	540
Bulgaria	90	94	96	74	1,5	-23	9770
Columbia	68	53	89	71	1,4	-21	1550
Italy	63	54	80	71	1,4	-12	1180
Dominican Republic	25	43	54	65	1,3	21	6460
Turkey	85	73	60	59	1,2	-1	790
Uzbekistan	49	38	66	59	1,2	-10	2140
Iraq	47	24	45	55	1,1	22	1790
Kazakhstan	131	55	53	53	1,0	1	3400
Total for listed countries	2403	3027	3650	3118	61,4	-15	750
Total for other countries	1096	1800	2311	1960	38,6	-15	730

TABLE 2**Incentives granted by OECD member countries**

Country	Type of incentive	Duration of the incentive/ eligibility for obtaining it	Migrant persons eligible for incentives	Required eligibility conditions
Australia	Tax exemption for foreign sources income	4 years	Permanent and temporary migrant persons	-
Belgium	75% exemption for wage tax withheld at source	-	Permanent and temporary migrant persons	Researchers
Belgium	Tax exemption for daily allowances/ reimbursement of the expatriates' expenditures	-	Temporary migrant persons	Activities requiring special responsibility or knowledge
Denmark	Reduced tax rate for wages (25% for 3 years or 33% for 5 years, at the taxpayer's choice)	3 or 5 years	Temporary migrant persons	Foreign scientists and executives earning more than 63.000 DKK per month
Finland	35% flat rate withheld at source	4 years	Foreign migrants who were residents in Finland for 5 years	Experts earning more than 5.800 EUR per month
France	Partial tax exemption for payments of setting down costs	Date of setting down	Foreign migrants sent by foreign companies to work in France	-
Ireland	Income tax cuts depending on the income earned	-	Foreign migrants sent by foreign companies to work in Ireland	-
Italy	90% exemption for the income tax	3 years	Foreign migrants or foreign citizens returning to Italy	Researchers with a recognized research activity performed for at least 2 years
Italy	income tax exemption of 80% for women and 70% for men	3 years	Italian or EU citizens who return to work in Italy after staying abroad for at least 2 years and who have previously worked in Italy	Persons with university degrees; Authorized persons or employees who have stayed or studied abroad for at least 2 years

South Korea	50% income tax exemption	2 years	Permanent and temporary migrant persons	Specialists working for multinationals
Holland	Tax exempted allowances of up to 30% of the income earned	10 years	Permanent and temporary migrant persons	Highly skilled workers
Holland	Exemption for the reimbursement of school fees for students of international schools	10 years	Permanent and temporary migrant persons	-
Poland	50% deduction for the income from artistic, scientific, sports or expertise activities	-	-	Persons working in the artistic, scientific or sports area and experts
Poland	20% deduction for the income from the transfer of copyright	-	-	Persons working in the transfer of copyright area
Portugal	20% flat rate	10 years	Migrants (including Portuguese citizens) who were not fiscal residents of Portugal for a 5 years period	Income from scientific, artistic or technical activities defined by order of the finance minister
Spain	Reduced tax rates for income and capital gains	6 years	Foreign migrants who were residents of Spain for the last 10 years	-
Sweden	Exemption for 25% of the income tax	3 years	Temporary migrant persons (not more than 5 years of staying in Sweden)	Experts, researchers, specialists or managers
Switzerland	Deduction of expenses related to expatriation	5 years	Temporary migrant persons (not more than 5 years of staying in Switzerland)	Experts or managers

TABLE 3

**Information regarding international migration
- Romania -**

Data on emigration (2010)		Data on immigration (2010)	
Total number of emigrants	2.769,4 thousand people (of 21.500 thousand people)	Total number of immigrants	132,8 thousand people (of 21.500 thousand people)
Emigration percentage of the total population	13,1%	Immigration percentage of the total population	0,6%
Emigration percentage of the total population with academic degrees	11,8%	Immigration percentage for women	51,3%
Total number of emigrant doctors	3.119 or 6,9% of the total number of doctors	Refugees, as percentage of the immigration	1,3%
Countries of destination	Italy, Spain, Hungary, Israel, United States, Germany, Canada, Austria, France, Great Britain	Countries of origin	Republic of Moldavia, Bulgaria, Ukraine, Russian Federation, Syria, Hungary, Greece, Turkey, Italy, Germany

TABLE 4

**Inflow and outflow of remittances
- Romania -**

Million USD	2003	2004	2005	2006	2007	2008	2009	2010
Inflow of remittances of which:	124	132	4,733	6,718	8,542	9,381	4,928	4,517
- remittances of workers	14	18	3,754	5,509	6,835	7,580	4,207	-
- compensations for employees	110	113	954	1,165	1,626	1,705	651	-
- transfers from migrants	-	1	25	44	81	96	71	-
Outflow of remittances of which:	8	8	33	57	353	664	310	-
- remittances of workers	1	1	4	6	289	482	243	-
- compensations for employees	7	5	24	42	55	169	61	-
- transfers from migrants	-	2	6	8	9	13	6	-