

Chinese fill the gap in the new Romanian revolution

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Romania

In the run-down Romanian town of Bacau, 200 miles north of Bucharest and not far from the border with impoverished Moldova, several hundred newcomers have begun making themselves at home.

They tend not to venture out much, keeping mostly to a dormitory that has been built to house them. There they play cards and tune in to their favourite television shows, beamed over from China.

So low-key is their presence that most locals don't even know they're in town. But these 800 men and women, flown in from Fujian Province, are one employer's desperate answer to a manpower problem that could cripple Europe.

That man is Sorin Nicolescu, Romanian manager of a Swiss clothing manufacturer which turns out sportswear for labels including Prada. In his warehouse in Bacau, hundreds of sewing machines which had fallen silent are now whirring again, thanks to his newly imported labour.

He doesn't like having to hire abroad. It's more expensive and the housing costs eat into his margins. But before he started recruiting in China, finding Romanians to work the machines had proved almost impossible.

As his older workers retired, Mr Nicolescu couldn't find anyone to replace them. Faced with stiff competition in the textile industry, his salaries, at about £175 a month, were hardly likely to lure a young Romanian with dreams of a western European wage several times that.

A huge chunk of Romania's workforce has already left. Of its 22 million people, an estimated two million have emigrated to save up a few lei,



Sewing as she reaps: a Chinese worker in Bacau, Romania

mostly in Italy and Spain.

For employers such as Mr Nicolescu back in Romania, where the unemployment rate has fallen to its lowest level since the Ceausescu dictatorship, there is simply no one left to hire.

The Romanian government knows it. The Romanian prime minister, Calin Popescu Tariceanu, who is in London today, is currently exhorting his fellow citizens to come home. "We are having a crisis of the labour force and we should make a common effort to try to attract Romanians who are working abroad to come back," he said last month.

A day earlier, his finance minister, Varujan Vosganian, had put a figure on the crisis, saying Romania lacked half a million workers.

He wasn't talking about the elites - doctors and IT programmers gone to make their fortune elsewhere, though that would be damaging enough. Romania needs its skilled labourers to

return - the people who are going to build up the infrastructure that the country severely lacks. "We need more engineers, mechanics and bricklayers," Mr Vosganian said. "We have a labour deficit of 500,000 employees."

Mr Tariceanu wants to lure Romanians back to Romania rather than open his country's doors to foreign workers.

But Romania needs many more able pairs of hands. Local reports say that within the next few weeks another 8,000 workers are due to arrive from China, India, Pakistan, Moldova and Turkey, to fill long-empty vacancies on building sites and shop floors.

In western Europe it is easy to be smug. After all, the UK is among the favourite destinations for those workers whose flight leaves their central European homes so short-staffed.

I have seen the migration in action in recent months: Poles heading to the UK, Slovaks heading to the Czech

Republic, Romanians heading to Spain and Italy. But precious few people head in the opposite direction.

What will happen if that changes? What will happen if Mr Tariceanu gets his wish and wages and benefits rise enough to keep the talent from Bacau in Bacau?

Then where will western Europe get its labour? Statistics released on Monday showed that unemployment in the eurozone fell to a record low in October.

On the same day, McKinsey consultants released a report saying that Europe's biggest economy, Germany, will need six million new workers by 2020 to continue economic growth at its current pace.

"Already now we have a shortage of engineers," said Frank Mattern, head of McKinsey Germany. "The expected shortage of workers will affect many different professional and social groups, including sectors which are presently not problematic at all, like trade, health, and finances." It's not as if Europe can entrust its working future to a baby-boom. While the United Nations predicts the rest of the world's population will rise by almost a third to just over nine billion by 2050, Europe will see its population decline.

Bacau may feel like something of a backwater, but Sorin Nicolescu is on the front line of Europe's manpower crisis. He knows that Europe soon won't have enough people to sustain its position in the world.

So just as the US closed its eyes to the reality of the credit crunch, as long as all the financial plates kept spinning in the air, so it is easy here to ignore the fast oncoming employment crunch.

Europe's fortunes may seem robust now, but it's hard to see how those plates won't start falling soon.