The secondhand car trade in a country of emigration.

This post is the second in a three-part series on Romanian Mobilities: Vehicles of Migration in New Europe.

Cluj-Napoca, the second-largest city in Romania and the unofficial capital of Transylvania, is well known for its vibrant arts scene, including edgy galleries and hip music and film festivals. But Cluj (as the locals call it) is also a prominent hub for the import and trade of secondhand cars, which became a mass phenomenon in the decades following the fall of communism. According to the official statistics, every third car currently registered in Romania was imported from elsewhere in Europe in the previous eight years (about 1.7 million of a total stock of around 4.9 million cars). The number rises when one considers older vehicles: 60 to 70 percent of the entire car stock in Romania was imported from abroad in the last two decades (Coșciug 2016). The vast majority of these imported cars passed through the gates of the secondhand car markets situated at the outskirts of several big cities. For instance, every Saturday, no matter the weather, thousands of customers and entrepreneurs stroll the unpaved lots outside of Cluj where good-looking, gently-used cars of different makes and models are parked for quick departure. One need only file minimal paperwork, pay, secure the keys, pull forward, and drive away.

Within the European Union, Romania is a migrant-producing nation: some 15 percent of Romanians work abroad, most notably in countries such as the Spain, Italy, United Kingdom, or Germany. Migration has played a special role in both the development and the expansion of the cross-border car trade. First, it created a market for imported cars by injecting cash into the Romanian economy. In the past 15 years, Romanians abroad sent some 50 billion euros home to their families (Anghel et al 2016). Seventy to 80 percent of those financial remittances were spent, even though some were intended for investments or savings. Among the most consumed items by migrants and their
families were home appliances (40–50 percent), extension/modernization of houses (40–50 percent), and automobiles (10–20 percent) (Roman and Voicu 2010). In my research on car traders and buyers, I found that a sizeable share of the remittances was used to buy imported secondhand cars. Andrei, a young man in his mid-twenties whose mother worked in Italy provides a representative example. I met Andrei in the secondhand car market near Cluj as he was buying a 10-year-old VW Golf IV 2.0 TDI. He explained to me that replacing family’s old Dacia (a Romanian produced car) with a freshly imported secondhand German car was “a question of modernization and Europeanization... so we won’t remain behind.”

This idea of “modernization and Europeanization” and the meanings attached to it, especially where cars and other consumer products are concerned, is related to the second type of remittances migration has produced in Romania. Commonly referred as “social remittances,” the ideas, attitudes, know-how and practices that migrants acquire abroad also reshape their countries of origin. For example, many of Romania’s three million migrants living and working abroad return home for periods of time (especially during holidays such as Christmas, Easter, and summer breaks), during which they may reproduce (European) consumer behaviors seen and experienced in the destination countries. Migrants use Italian-inspired design to modernize their houses, cook Spanish dishes, wear trendy occidental clothes, or drive well-known German car brands that demonstrate their modernity, cosmopolitanism, and the success of their migration experiences (Anghel et al. 2015). “But they wouldn’t throw away their hard-earned money on fancy new cars when they have the same options for half-price,” noted Vlad, a returned migrant who had worked in the United Kingdom. I accompanied Vlad on multiple trips to London to buy right-hand driving secondhand cars, which are even cheaper compared to the left-hand driving ones imported from continental Western Europe.

Indeed, the key to success for a secondhand car dealer is being able to offer high-quality vehicles at a competitive price. Among the many types of entrepreneurs involved in the trade element with
imported secondhand vehicles, former migrants had a distinct advantage. Most of the imported cars come from countries where significant Romanian migrant communities exist (Germany, Austria, Benelux, and so on), so prior experience in these countries was highly valuable for traders of secondhand imported cars. One of the reasons is that while abroad, migrants do not accumulate only money. They develop language skills, increase their social networks, and learn how to navigate the institutional settings that directly influence their ability to import better secondhand cars for less money. This situation has such profound implications for the secondhand car market that those regions that send the most migrants abroad (to the countries from which the cars are imported) also import more secondhand cars per capita than anywhere else in Romania. (Note Transylvania, covered entirely in red in the figure below.)

And the trade is lucrative: Ion, one of the many secondhand car traders from Cluj, estimates he garners 300 to 400 euros profit for each car he imports, and he manages at least three or four imports monthly. This is a considerable amount of money for Romania, where the average monthly salary only slightly exceeds 500 euros. Ion began selling secondhand cars after he lost his job in a car repair shop in Spain. He returned to Romania and began looking for local jobs, but was not satisfied with the salaries offered. Eventually, with the money he saved while working in Spain, he began importing secondhand cars. Later, he partnered with a family member living in Germany to further develop his import business and streamline transportation expenses.
Despite increasing four-fold since the collapse of communism 25 years ago, Romania’s motorization rate remains one of the lowest in EU. At the same time, the lack of consistent investment in public transportation infrastructure (trains, buses, airports) and an increasingly mobile population enhances the pressure on households to own a car. This is why the import of secondhand cars is expected to persist in the coming years. Secondhand car imports, coupled with and underpinned by mass migration, has dramatically reshaped the Romanian economy and family lives. It is also reshaping the landscape: increased car ownership has paved the way for other features of motorized life: urban sprawl, traffic jams, and car accidents.

Read the first article in this series here.

Read the third article in this series here.

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