

Evolution of the Labor Market in Romanian Development Regions

PhD Brîndușa-Mihaela Radu

„Athenaeum” University of Bucharest, Romania

E-mail: bmradu@yahoo.com

Abstract: In the context of economic transition, the labor market in Romania has undergone significant changes in the volume and structure of the main indicators of labor. After 1990, fewer inhabitants of Romania, due to the negative natural growth and massive emigration has resulted in reduction of the active population and employment in all eight development regions in Romania.

The paper analyzes the phenomenon of labor employment at regional level. In essence, they were followed two issues: public participation in economic and social areas and developments and structures active population. It also highlighted the differences and disparities between developing regions of Romania in the use of labor in order to identify conclusions that can improve regional development policies and enhancing effective action to fill labor resources available.

Keywords: *labor market, employed population, regional gaps*

Classification JEL: *J01, J43, J80*

1. Introduction

The economic restructuring process succeeded to re-direct an important part of the old unemployed people of cities towards rural areas, but this for embracing a just subsistence agriculture. So, the high rural population here existent and

resulted, face to the large amount of arable land as available succeeds in their turn to make the agriculture predominant at least in the regional view and especially in the southern part of the country. There are, besides the increasing number of agricultural people, crumbled farmland resulted from the property reform and low agricultural technology assimilated that equally resulted into a significant productivity diminishing. And concomitantly to agricultural development in particular, regional economic structure and distribution of activities continuously adapted to realities like: natural resources availability, their local processing traditions, facilities of available technology and capital, price system and market mechanism, as also locally specific.

Last year, Romania was by far the top European Union member country regarding the percentage of agricultural farmers in total active population, i.e. the top decreasing order in this regard within EU28 was: Romania (25.4%), followed by Greece (13.0%) and Poland (11.2%).

It is general remark that the education level currently becomes increasingly important for the evolving structure of employed population, as previously a progress providing factor for the whole nation. When considering the same EU28 scale in 2014 for the education level of labour of 15-64 years old, the medium one was predominant, as 49%, that further meaning by sexes 50.3% for males and 47.3% for females in their separate totals. So that the higher education level came on the second position as such with 32.7%, that further meaning 29.8% for males and 36.2% for females, and lastly the low education level was the third with 18.3%, that meaning 19.9% for males and 16.5% for females.

As correspondingly in Romania, the National Institute of Statistics' (NIS) data equally show a predominant medium education level of labour, for 60.8% of males and 54.6% of females, followed by the higher education for 16.7% of employed males and for 22.3% of employed females.

2. Employed population's regional distribution in Romania

In the 2008 year end the civil employed people in Romania were as high as 9259 thousands, then in the 2014 year end they were 8614 thousands that means a decrease of 645 thousands persons in six years. Table 1 shows the employed people's structure on inside developing regions.

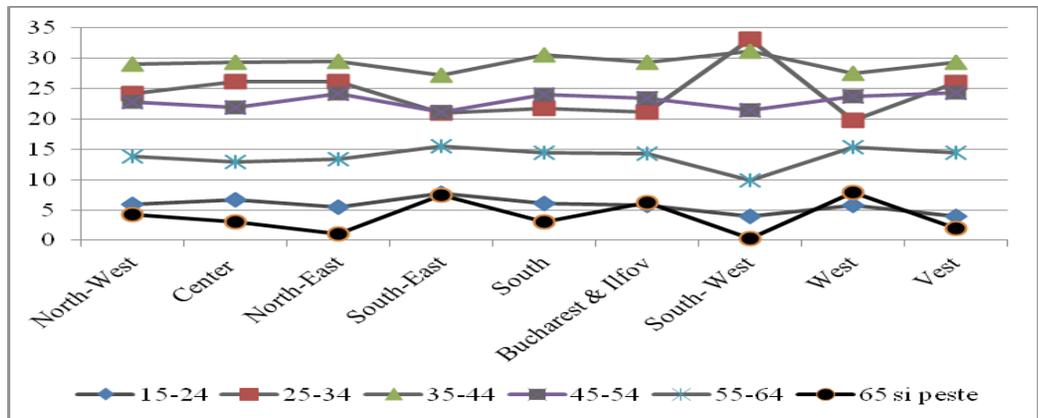
Table 1 Employed people, by Romania’s developing regions in 2008 and 2014 (% of total)

Developing region	2008	2014
North-West	13.6	14.0
Center	12.0	11.2
North-East	14.3	15.1
South-East	12.1	11.8
South	13.7	13.4
Bucharest & Ilfov	14.6	14.2
South- West	9.9	12.1
West	9.8	10.1

Data source: Romania’s Yearbook 2009-2015 of the NIS

Employment by age has a very differentiated territorial distribution as shown in Figure 1. As expected, the age groups 15-24 and 65 and over had the lowest share because in the first category many of them not completed their studies, and in the second most are retired.

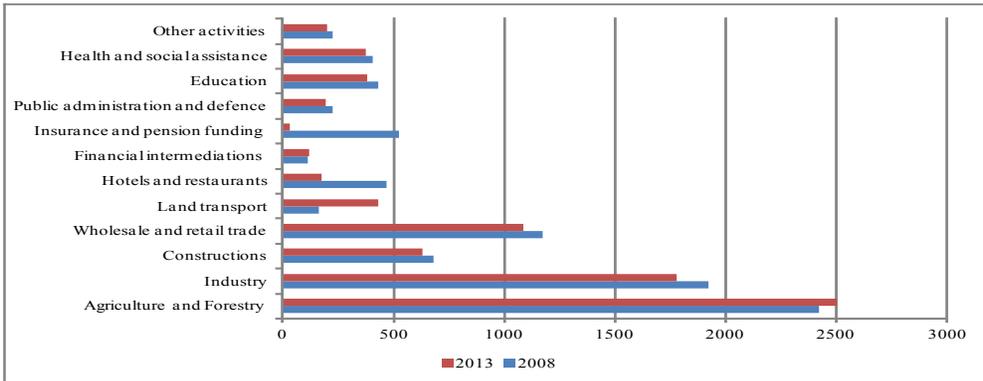
Figure 1 Employment structure by age group in 2014



Data source: Romania’s Yearbook 2015 of the NIS

Not too much structural change in the regional labour’s distribution in Romania during these five years to be noticed. But now seeing on the economic sectors, the same employed people’s structure appears like in Figure 2, that recalls the above introductory idea about significance of agriculture and forestry in this respect, and this at the national scale viewed.

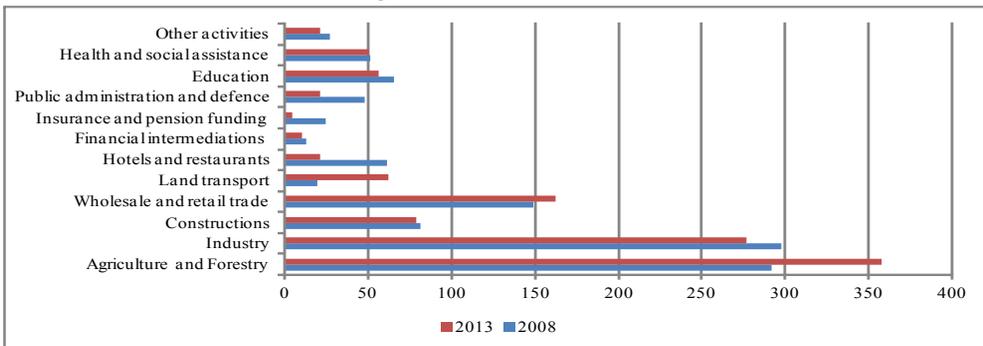
Figure 2. Employed people, by economic sectors in Romania during the 2008-2014 interval



Data source: Romania's Yearbook 2009-2015 of the NIS

In the 2008 year end, the North-West region's civil population employed was as high as 1187.9 thousands and in the 2014 year end 1170, namely a relatively constant number, but that is the lonely regional case; though, a case in which the activity structure of population significantly changed, as concomitantly (see in Figure 3).

Figure 3: Employed people by economic sectors in the North-West region during the 2008-2014 interval

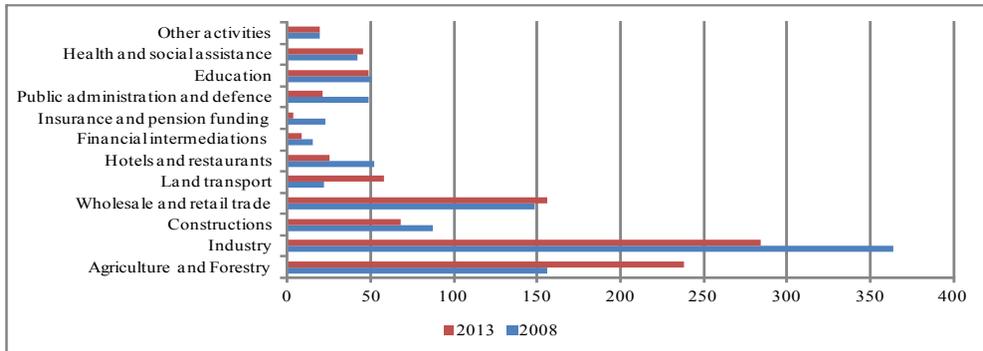


Data source: Romania's Yearbook 2009-2015 of the NIS

In the Center region, in the 2008 year end the civil population employed accounted 1046.5 thousands and in the 2014 year end 884 thousands, whereas the activity structure of this can be seen in Figure 4. This region is an example

of the industry predominance, in this regard, agriculture coming on the next position for people employed and this in the aftermath of an important growth of these years.

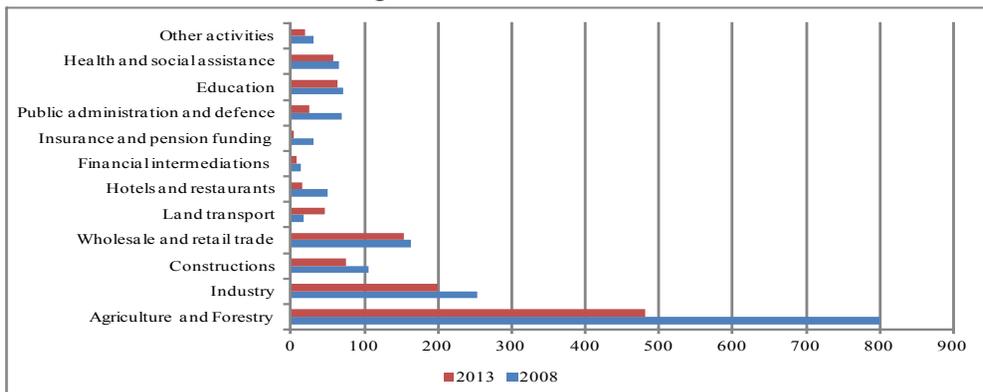
Figure 4. Employed people by economic sectors in the Center region during the 2008-2014 interval



Data source: Romania's Yearbook 2009-2015 of the NIS

Now in the North-East region, in the 2008 year end the civil population employed was 1248.9 thousands and in the 2014 year end 1203.7 thousands; the same populations were distributed on activity structure as in Figure 5. In this case, agriculture was predominant even in a significant declining trend.

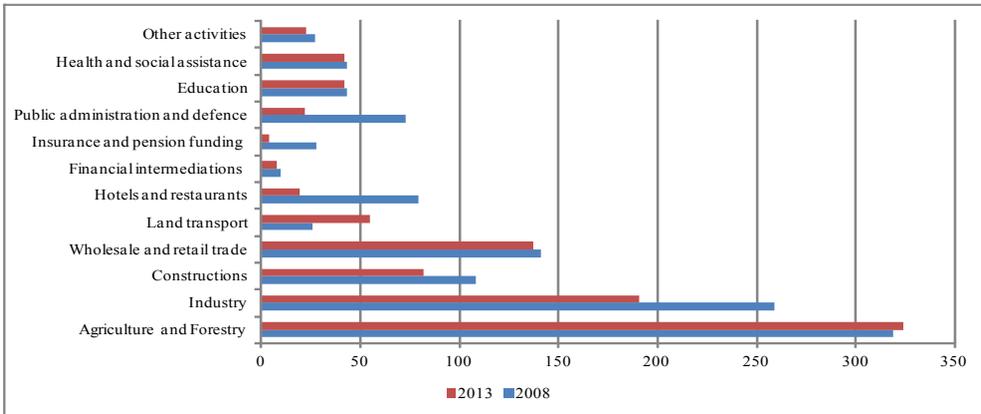
Figure 5. Employed people by economic sectors in the North-East region during the 2008-2014 interval



Data source: Romania's Yearbook 2009-2015 of the NIS

In the South-East region, in the 2008 year end the civil population employed was 1057.6 thousands and in the 2014 year end 946 thousands and the activity structure of population was in the same years as in Figure 6. Here, the industrial population dramatically lowered along this period.

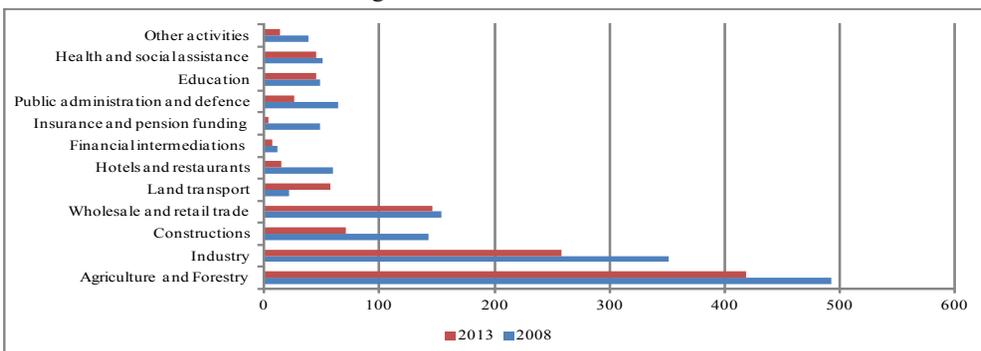
Figure 6. Employed people by economic sectors in the South-East region during the 2008-2014 interval



Data source: Romania's Yearbook 2009-2015 of the NIS

In the South (Muntenia) region, in the 2008 year end the civil population employed was 1201.0 thousands and in the 2014 year end 1168.8 thousands and the activity structure was distributing the same population as shown in Figure 7. Here both industry and agriculture were losing employment and agriculture was staying as majority during these five years.

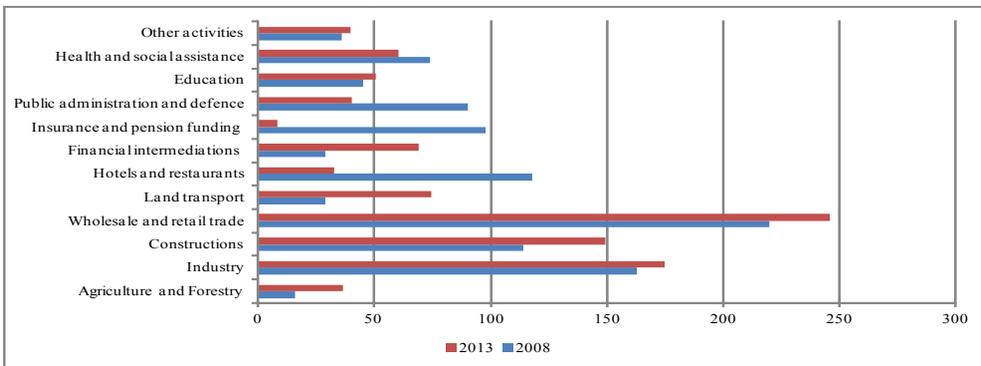
Figure 7. Employed people by economic sectors in the South-Muntenia region during the 2008-2014 interval



Data source: Romania's Yearbook 2009-2015 of the NIS

In the Bucharest & Ilfov region, in the 2008 year end, the civil population employed was 1,281.7 thousands and in the 2014 year end 1062 thousands and the activity structure of population was like in Figure 8 along the same period. This is a rather atypical region at the national scale, namely it is the lonely one with the services activity dominant.

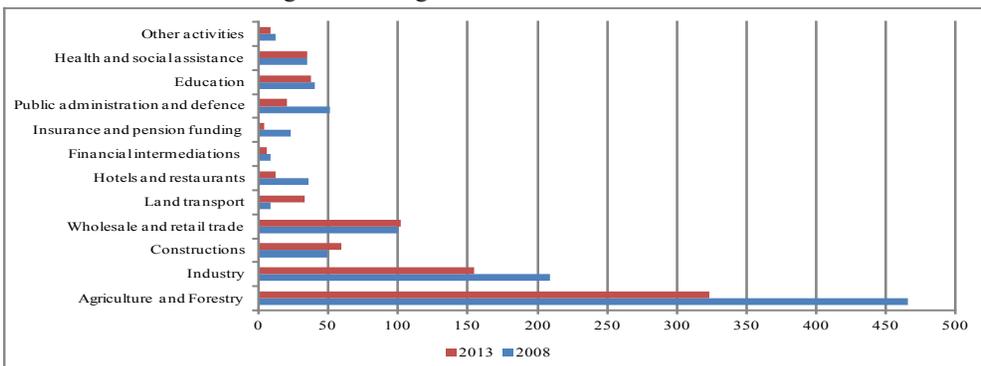
Figure 8. Employed people by economic sectors in the Bucharest&Ilfov region during the 2008-2014 interval



Data source: Romania's Yearbook 2009-2015 of the NIS

In the South-West Oltenia region, in the 2008 year end the civil population employed was 867.0 thousands and in the 2014 year end 832.0 thousands. The activity structure employed people distribution was so like in Figure 9. This is another region of dominant agriculture, despite this sector losing enough people employed.

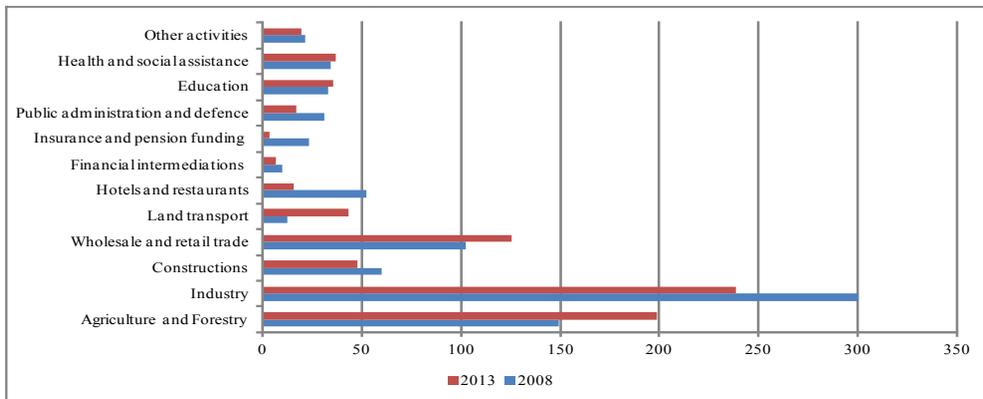
Figure 9. Employed people by economic sectors in the South-West Oltenia region during the 2008-2014 interval



Data source: Romania's Yearbook 2009-2015 of the NIS

In the West region, in the 2008 year end the civil population employed was 856.4 thousands and in the 2014 year end 767 thousands and its activity structure was as shown in Figure 10. The West region is the third one in the decreasing order in which agriculture doesn't hold the majority of its employed population. Despite this, the agricultural population is here significantly increasing along this period.

Figure 10. Employed people by economic sectors in the West region during the 2008-2014 interval



Data source: Romania's Yearbook 2009-2015 of the NIS

Conclusions

Then, there is a list of conclusions of the above analysis:

- ✦ it is about an overall 645 thousands decrease of population employed in all Romania's economic sectors;
- ✦ only three regions, of the total of eight, in which people employed in agriculture aren't majority of total people employed;
- ✦ the Bucharest&Ilfov region is atypical nation-wide, i.e. trade is the highest in employed people structure, followed by industry and constructions.
- ✦ it is to see the total employed people of Romania diminishing at both the national scale and in rural areas. Overall, in 2014 the employment rate of the 15-64 years old people was 61.0%, namely 3.2% lower than the European average.

References

1. Simona Vonica Radutiu: *Comparative Analysis of the Labour Market in Romania, EU and EU candidate countries*
2. *Romania's Statistical Yearbook (2015): Labour in Romania. Employment and unemployment. Data series recalculated on RPL 2002 basis.*
3. *National Developing Plan: 2007-2013*
4. *Plan of Regional Development. North-East: 2007-2013, elaborated by the North-East Regional Development Agency*
5. *Regional Operational Programme: 2007-2013*
6. *Joint Assessment Paper, a common document of evaluating employment policies in Romania*
7. *Statistics of AJOFM*