

REGIONAL DISPARITIES CONCERNING THE OCCUPYING LEVEL IN ROMANIA

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The analysis for the rate of occupying the population underlines the important presence of the under-occupation phenomena for the whole economy. At a regional level, the rates of occupying over the national average are recorded in the regions that are less developed: North-East, South Muntenia and South-West Oltenia, which are caused by the high rates of occupying in agriculture and in the Bucharest Ilfov region, but in the last case due to the higher level of work force needed. There are obvious disparities between the developed regions and the less developed ones, the more rural regions (North – East, South – East, Muntenia South and South – West Oltenia) recording large amounts of occupied population with primary or no school graduated.

Key words: work force, occupied population, regional disparities

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1. Introduction

The active population of a country is determined by the evolution of economic processes and phenomena, but also the complexity of demographic developments. As level and structure it accumulates the effects of technical and technological progress and is determined by material, human and financial resources available or potential, prices, wages, and traditions of the consumer and not last for economic policy. Conditioning demographic, though least visible, is extremely important through implications. Demographic structural changes made to the total population are found in both supply and demand of labor. Thus the numerical and structural change of the population and an aging demographic influencing the level and structure of the active population and its components: employed population and unemployment.

The most important component of the active population is employed population. It is actually producing goods and services necessary for the existence of the entire society. Meanwhile, the people give full measure demand for labor in the labor market. Demand for labor is determined both by the evolution of economic processes and phenomena related to the complexity of demographic development and the eventual pressures of any offer. Consumption needs of the population are reflected in the amount of work required to meet them, and this quantity finds its correspondence in the employed population. Employed population comprises of persons of 15 years and over who have conducted an economic or social activity producing goods or services at least one hour during the reference period (which is one week) in order to achieve revenues in the form of wages, payment kind or other benefits.

2. Dynamics of population employed in the main development regions

The privatization and restructuring of the Romanian economy had a significant effect on the labor market, causing significant release and the appearance of the phenomenon of unemployment. The involutions in economy have limited opportunities for employment.

Employed population in Romania and in the main development regions during 2000 - 2007 are presented in Table 1

Employed population during 2000-2007 Table no.1

Region	2000	2001	2002	2003	2004	2005	2006	2007
Romania	100,00	99,35	87,87	87,77	87,15	87,04	88,63	89,00
North-East	100,00	100,26	85,95	86,31	88,87	88,19	86,36	88,61
South-East	100,00	98,03	87,88	89,01	87,19	86,89	89,54	87,5
South-Muntenia	100,00	99,41	85,69	85,69	84,14	83,97	85,33	87,17
South-West Oltenia	100,00	101,09	84,48	83,93	81,04	81,36	81,05	80,19
West	100,00	97,80	88,24	87,91	87,14	86,59	89,56	91,76
North-West	100,00	101,97	88,38	87,62	84,66	84,88	86,94	87,09
Center	100,00	99,82	91,86	90,97	87,66	88,28	91,14	89,98
Bucharest-Ilfov	100,00	94,29	94,39	94,08	99,90	99,90	106,23	105,71

Source: The Statistical Yearbook of Romania 2007 and 2008;

It is noted from Table 1 that reducing employment was a phenomenon that has occurred in all regions of the country at a differentiated scale and depth from one region to another and was the main issue of industry restructuring. Many of the companies with majority state capital, which mobilized the largest number of employees, have made restructuring, which meant, with the waiver of a number of activities the dismissal of a large number of staff. However, it should be noted that the only region in which the employed population has undergone a significant recovery in 2004 is the Bucharest-Ilfov. Foreign capital was more concentrated in regions of Bucharest-Ilfov, West, North-West, Center, which had a positive effect on labor markets in these regions, creating permanent qualified work force and the development of services for businesses.

The main causes of this dynamic were the general economic decline, with diminishing volume production, especially industrial, in the conditions of the narrowing of the domestic market and the loss of large segments of foreign markets, the failure of programs of macro-stabilization and delay privatization, reducing investment and restructuring of unprofitable businesses, low mobility of labor in both territorial and professional plans, constraints caused by international economic environment.

3. Employment structure by main activities of the national economy

Disparities in levels of development of different regions are the result of differentiated endowment by their natural and human resources, and relatively specific frameworks of development (economic, technological, demographic, social, political, cultural) that have shaped their development throughout history. This led to the dominance of agriculture as an economic force in regions where climatic conditions were favorable, a heavy industry in areas that have found the resources of iron ore and coal industries and the concentration of the services sector in the administrative centers.

Employment structure by main activities of the national economy is presented in Table 2. It is noted that during 2000-2007, the population employed in agriculture had a decreasing trend in all regions of the country, while services registered an increase in the employment. The largest decrease in employment in agriculture is registered in the West region with 20.28%. In this region there is an increasing share of employment in services and industry. In the West, in 2007, the employed population was over 40% of the total share of the region with the most significant in the tertiary sector (39,29%).

Population employed in industry fell significantly after 1990, particularly in heavily industrialized counties (Hunedoara and Caras-Severin), mainly as a result of massive release of personal from Mining and Iron and Steel. Against this background of restructuring and dismissals of the population employed in the industrial sector, the population has mainly oriented towards the service sector.

Employment structure by main activities of the national economy Table no.2

Institutional Sectors Development Regions	Agriculture			Industry and constructions			Services		
	2000	2007	2007 /2000	2000	2007	2007 /2000	2000	2007	2007 /2000
Romania	43,90	29,48	- 14,42	25,70	31,41	5,71	30,4	39,11	8,71
North-East	57,60	48,64	- 8,96	19,70	21,87	2,17	22,7	29,49	6,79
South-East	46,80	30,48	-16,32	21,00	30,73	9,73	32,2	38,79	6,59
South-Muntenia	49,20	33,38	-15,82	25,20	32,63	7,43	25,6	33,99	8,39
South-West Oltenia	59,00	43,97	-15,03	20,20	25,77	5,57	20,8	30,26	9,46
West	38,60	18,32	-20,28	27,10	42,39	15,29	34,3	39,29	4,99
North-West	42,00	27,11	-14,89	26,90	34,25	7,35	31,1	38,64	7,54
Center	31,20	16,10	-15,10	37,60	43,04	5,44	31,2	40,86	9,66
Bucharest-Ilfov	5,80	1,18	-4,62	35,00	28,29	-6,71	59,2	70,53	11,33

Source: The Statistical Yearbook of Romania 2007 and 2008;

The development region of Bucharest-Ilfov has a structure of employment, in the main economic sectors, similar to that of EU Member States, with a low share of employment in the agricultural sector and having a decreasing evolution (representing 1.18% of the population employed in agriculture in 2007) and a high share in the service sector. However, it should be borne in mind that in the regions jurisdiction we are dealing with to completely different entities: the city of Bucharest and the county of Ilfov, which gives the region a very scratchy structure in terms of employment in the big sectors of activity. Characteristic of employment in the South-Muntenia region is that a substantial proportion of this work in agriculture (49.2% in 2000 and 33.38% in 2007), the difference being divided almost equally between the industry and construction sectors (25.2% in 2000, 32.63% in 2007) and commercial and social services (25.6% and 33.99%).

Over the period of 2000-2007, the employed population of the North-West region has entered a downward trend. The decline in the heavy sectors of the region, in which the vast majority of employees were among men and reductions in personal from the light and textile industry have led to a decrease in the employment of both women and men. On the other hand, however, the continuous development of the fields of constructions and services in the region led to the creation of new jobs for both sexes. Since 2000, the employed population by sectors of activity had a tendency to increase in all sectors except agriculture, due to the attraction of a large number of investors and the development of the private economic sector (especially SMEs in the region).

The population employed in industrial activities in the South-East region is in a secondary position. The „service” sector has the first position (38.79% in 2007), while the industrial activity together with the constructions gather 30.73% of total employment in the economic analysis. The effort of developing the „services” should be supported, being able to generate new jobs in the context of sustainable development, although we observe an increase in the employment in the „services” sector and a pronounced decrease of the population employed in agriculture.

Of the eight development regions of the country, half are based on agriculture, with its share of overall regional employment ranging between 30% and 48%. North-East is the poorest, contributing 15.2% of the total employment in the country, holding at the same time the highest participation in employment in agriculture, by 48.64%.

Industry and constructions hold 30% of total employment, the regions that are above this level being Center (43.04%), Western (42.39%), South Muntenia (32.63%) and North-West (34.25%). The region of Bucharest is the only region of the country in which services, which nationally have 38% of total employment, generates the most important jobs, reaching 70.53% of total

employment in the region. The average national level has been exceeded also by the West and Center regions with a share of employment in the area of 39.29%, 40.86% respectively. According to forecasts made by the National Forecast Committee until 2013, the share of the population employed in agriculture will decrease by about 16 percentage points and that of the services will have an increase of 11.5 percentage points. Employment growth may be assessed as being in line with the dynamics of economic restructuring, changing the functional and productive basis structures of the economic and social system.

4. Employment rate of the population at regional level

Analysis of the employment rate of the population highlights the significant presence of the underemployment phenomenon throughout the economy.

Employment rate in the eight development regions in the period 2000-2007 are presented in Table. 3.

The rate of employment in the development regions of Romania during 2000-2007

Table no.3

Years	2000	2001	2002	2003	2004	2005	2006	2007
Romania	63.,6	62,9	58,0	57,8	57,9	57,7	58,8	58,8
North-East Region	67,1	66,4	60,1	59,9	62,4	61,5	60,1	61,3
South-East Region	60,8	59,9	55,3	55,8	54,7	54,7	56,4	54,7
South Muntenia Region	64,7	64,0	58,2	58,1	58,1	58,1	59,6	60,5
South-West Oltenia Region	69,1	69,5	61,8	62,0	59,9	60,1	60,1	59,3
West Region	62,2	61,2	57,6	57,1	56,9	56,6	58,7	59,6
North-West Region	63,4	64,0	57,8	57,2	56,1	56,0	57,1	57,0
Center Region	59,8	59,6	55,9	55,2	53,9	54,2	56,0	55,1
Bucharest-Ilfov Region	60,0	56,7	56,9	56,5	59,7	59,4	62,9	62,4

Source: INSSE, Regional Statistics, www.inssee.ro;

According to the table, the rate of employment of the population in Romania has maintained at a relatively constant level during 2000-2007 (58%), marking a slightly downward trend, being situated at a low level compared to the average employment rate in EU-27 (63,4% in 2005). This decrease in employment is correlated with the decrease of jobs available, and with the phenomenon of temporary migration for work abroad.

At regional level, rates of employment over the national average are recorded in less developed regions: North-East, South and South-West, caused by high rates of employment in agriculture. The Bucharest-Ilfov and West regions also recorded rates of employment over the national average, but in this due to a much higher and varied labor supply.

A direct consequence of the process of industrial restructuring and increasing unemployment in the North-West is an unique phenomenon in Europe, consisting of population migration from urban to rural areas and an increase in the share of rural population in all counties of the region. In the case of the Bucharest-Ilfov region, the gradual industrial decline after 1990 resulted in loss of many jobs and the accelerated closure of many inefficient enterprises will increase the reduction of employment in the industry sector and cause its migration to the tertiary sector – services. Trade, from storage, distribution, administration – communal farm, constructions had a rapid evolution, so that the region, despite the unfavorable geographical position, is outrunning the other regions and their major cities as level of development.

Unemployment in the Bucharest-Ilfov region is low due to rapid growth of financial banking services and the development of the telecommunications sector, which have created new jobs, especially for people with high qualifications, whose share is highest in this region.

Uneven evolutions of the counties economies and large geo-economic areas of the country were reflected in the behavior of regional unemployment. Its unequal distribution over the national territory makes the unoccupation of a working factor one of the most tensed social problems of

the transition. Tensions are generated on one hand, by the high unemployment rate and on the other hand, by the material effort needed to ensure social protection for the unemployed.

Demographic sources of the quantitative growth of work resources will be limited and decreasing. The rate of employment of the population of working age will continue to increase from 58.8% in 2007 to 60.3% in 2013 due to fiscal policies, creation of sustainable and performant jobs and a balance between employment flexibility and security.

Accordingly, even if not at the same level, employment resources have diminished, and also the population of working age (15-64 years old). In this context of limited labor resources, it is possible to improve the employment status. The advantages of the economic growth process, reflected in the growth of the population employed in the private sector, will alleviate the pressures on the part of employment generated by the processes of privatization and restructuring, but also concern entrepreneurs to increase labor productivity as the main condition for improving competitiveness. In addition, they amplified the changed in the occupational structure which have already been visible in the last period, and reducing employment in agricultural and increase the construction and services. These processes have the effect of:

- reducing non-wage population in agriculture, particularly the elderly (over 64 years), including the exit from the labor market;
- increasing employment, especially for employees in services and especially in construction.

5. Employment structure by level of education

In the regions there are disparities regarding the level of training of the workforce. An important factor in investment location is the existence of superior qualifications. As the transfer of productive and creating activities is enhancing, the requirement for such skills is growing. Already there are difficulties in recruiting labor with appropriate qualifications for the market's requirements, in areas of technical, administrative, different jobs, in those regions that have attracted more significant foreign investments, regions such as West Romania, South, West, Bucharest-Ilfov and Center.

Employed population structure by development regions by the level of training is presented in the figure No.1.

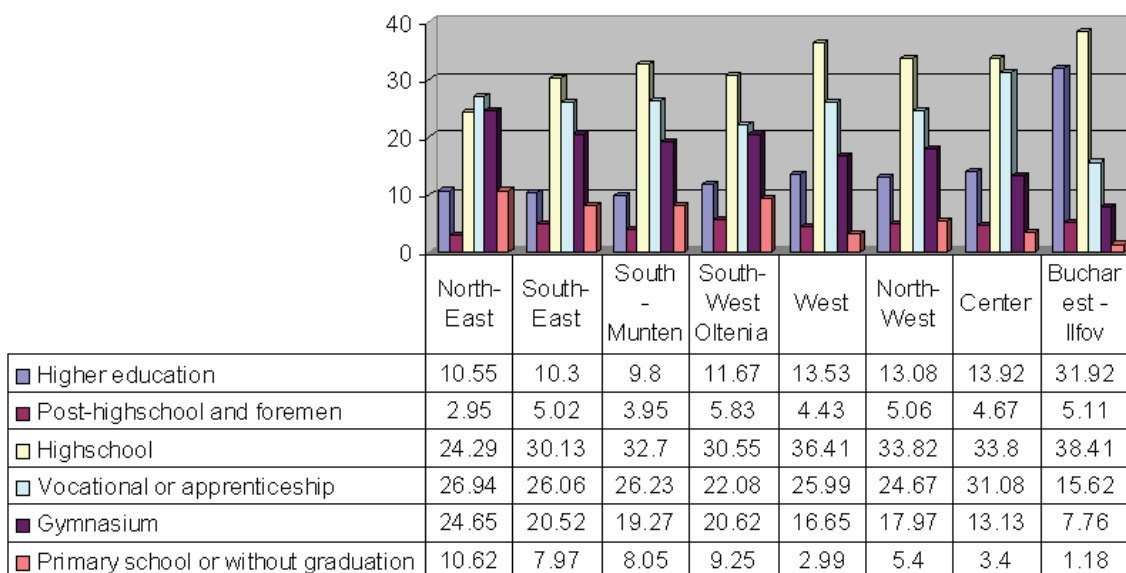


Figure No. 1. Employed population structure by development region by the level of education (2007)

There are obvious gaps between the developed and less developed regions, primarily rural regions, namely, North-East, South-East, South and South-West record high shares of employed population with primary school or no school graduated.

The Bucharest-Ilfov region emerges through the net share of staff with higher academic training (31.92%) and secondary (38.41%), followed by the West and Center regions. On the opposite side are the North-East, South-Muntenia and South-West Oltenia regions, where the education of employment is lower. In terms of distribution in both environments (rural and urban) of population employment, between the development regions of the country there are notable differences: the South-Muntenia and Bucharest-Ilfov have a preponderance of the population employed in the urban environment, and the South-West, West and North-West regions have small differences between the population employed in urban areas and employment in rural areas. This high rate of activity in rural areas is a result of the presence of agriculture as a predominant economic branch, with a low-level technicality. Although, reported to the economic activities carried out in rural areas, labor is sufficient in terms of quantity, it is unqualified. This is due, firstly, to the lacking of training and education, and that a large proportion of the rural population to not attend such a school.

6. Conclusions

The main issues identified in the period under review are: the share of high but declining population employed in agriculture, the increasing share of population employed in services and industry. The largest decrease in employment in agriculture is registered in the West.

Occupied population distribution by sector in the development regions is somewhat similar to the one at national level in the sense that employment in agriculture has a share of over one third of total employment, except the regions of Bucharest-Ilfov, Center and West.

Predominantly rural regions record large shares of employment with primary education or no school graduated.

The effort of development of the service sector must be supported, being capable of generating new jobs in the context of sustainable development, although an increase in employment in services and a regulated decrease of employment in agriculture can already be seen.

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