

EVOLUTION OF THE LABOUR MARKET IN BIHOR BETWEEN 2008 -2018

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Abstract: *This paper aims at analysing the labour market in Romania from the perspective of interregional disparities. In this sense we elaborate some INSSE and EUROSTAT statistical data which report to this type of market. In this analysis we mainly used the method of dispersion. In order to recognize the types of positive and negative effects of the national, sectorial and regional factors upon the employed population and the number of employees. The indicators monitored in the paper were the following: employed population, number of employees, activity ratio, unemployment ratio, job vacancy ratio. The analysed period included the years between 2008 and 2017. In the Northwest Region, expressive economic growth in the last decade has not continued at a progressive rate of employment, although labor productivity has resolved. Also, employment circumstance have steadily decreased, reducing the percentage of active population. Statistical labor market data put the Northwest Region at a disadvantage compared to the EU25; however this is a reasonable position in relation to the national average. The labour market on the national but also and regional level is determined by regress, delayed reactions, reduced flexibility in the dynamics of the economy, the inability to create new employment opportunities mainly in branches with high added value. This article tries to capture the evolutions of the rural economy of Bihor county, whilst appreciating the matters within the broader context of the six region of economic development and socio-legal context in which to place economic and social life of the rural Romanian during the post-communist period. Although with a very important agricultural potential, both at the country level and also territorial, this potential has not produced economic development, but underdevelopment, on the background of a rural subsistence economy, and this economy tends to become chronic underdevelopment, as a result of diminishing in agricultural productions without the appearance of alternative strategies for the development of services of small rural industries, rural or agricultural farming or associative systems.*

Keywords: *labour market; evolution; Bihor county; regional level; economical crisis; North West region.*

JEL Classification: *E24; R23; E29.*

1. Introduction

The North-West Region of Romania was established by the voluntary association of local and county authorities in the counties of Bihor, Bistrita-Nasaud, Cluj, Maramures, Satu Mare and Salaj. The area of the region is 34,160 km², representing 14,3% of Romania's territory.

72.5% are active in the services sector (33.51% in trade), while 12.8% are active in industry, 11.75% in construction and only 2.9% in agriculture. 47.4% of the

population live in rural areas. In the Northwest rural area, 45.8% of earnings are earned in agriculture, 29% in industry and construction and 25.2% in services.

An important barrier to economic development in rural areas is the diversification of the undisciplined development of road infrastructure and utilities. Lack of land and building ownership documents for many households.

The main reasons for this situation are the level of education, civic responsibility and participation.

In 2008, the North-West Region had 2,730,132 inhabitants, representing 12.65% of Romania's population. Cluj County has 689,523 inhabitants (25.26% of the whole population in the region); it is followed by Bihor (594,982 inhabitants – 21.79%), Maramures (515,313 inhabitants – 18.87%), Satu Mare (367,677 inhabitants – 13.47%), Bistrita-Nasaud (317,685 inhabitants – 11.64%) and Salaj (244,952 inhabitants (8.97%). (Table 1)

Table 1. Inregistered inhabitants by regions of Romania in 2008

Region	Area	Population Thousand inhabitants
North- West	60,3	77,3
Center	53,6	73,1
North-East	64,7	79,2
South Muntenia	58,2	76,6
Bucharest- Ilfov	66,7	80,3
South-West Oltenia	56,7	75,7
West	51,9	71,4
South-East	49,6	73,4

We analysed the some specific indicators of the labour market from statistical point of view: evolution of the unemployment rate among 20 - 64 years old people compared with the evolution of the unemployment rate among 15-24 years old people.

The employment rate demonstrates the superiority of the Bucharest - Ilfov county as compared with other regions. However, it should be noted that in most regions the employment rate exceeds 62%, only in the Central region and in the East South region we encounter rates below 60%. These values refer to 2010, allowing us to believe that by 2020 our country can meet the target of 70% employment rate.

The registred values are different, since the top ranking of the Romanian regions changes significantly.

The first place is occupied by the North East region at a rate of 13.2%, followed by the South West Oltenia region with 18.2% and the Northwest region with 18.9%. The Bucharest - Ilfov region ranks fifth, with a youth unemployment rate of 20.3%. The first position is occupied by the North East region due to the fact that it is ranked on the second place for the employment rate with 66.9%.

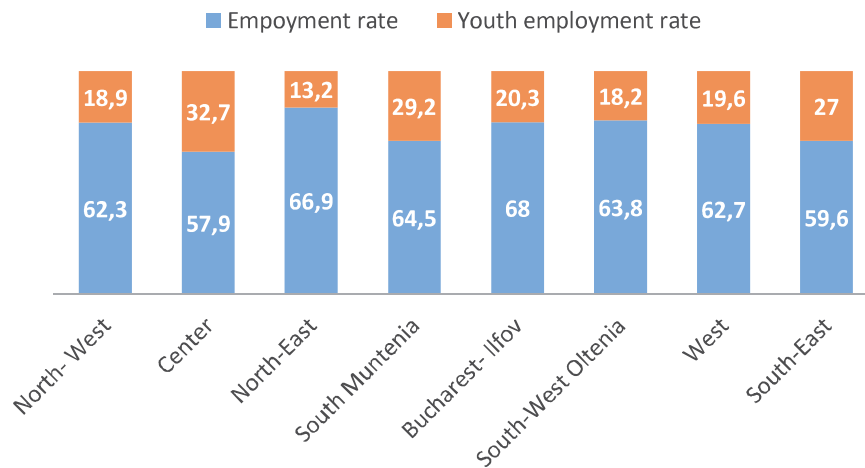


Figure 1. Evolution of the employment and youth employment rate by regional level in Romania, 2010

Source: Designed by the author based on the published by the INSSE, Editions: 2010

Bihor County is one of the counties where the percentage of young people under 25 years looking for their first job in the 2011 census reaches below 70%. In this region, only Cluj between the two censuses recorded an increase of over 5% for the unemployed of 55 years and above. The changes in the current period offer us information about the evolution of the labour market for long term and about how important training is both in the required cycles, but especially lifelong training. Based on this, but especially on the importance of the human factor on the labour market and implicitly in the economic development, we believe that the attention that must be paid to education should be more relevant to all levels of education.

As it can be seen from Figure No. 2, the concentration of the ones who attend a university in the Bucharest - Ilfov region is generated by the existence of a renowned university centre in the Romanian capital.

In a similar way, we can see higher rates in areas where there are well-known universities in our country; this is proof that these universities are still searched for, despite the alternatives that have appeared in the university field since 1989. For participation rates of four year-olds in pre-primary and primary education the regions of Romania record values above 66%, but they are still small given the context in which the EU rates vary mainly between 90% and 100%.

From the indicators based to education we selected: The participation rates of four year-olds in pre-primary and primary education (1); Total number of students in tertiary education (2), as a percentage of the population aged 20-24 years; Persons aged 25-64 years with tertiary education (3) realization.

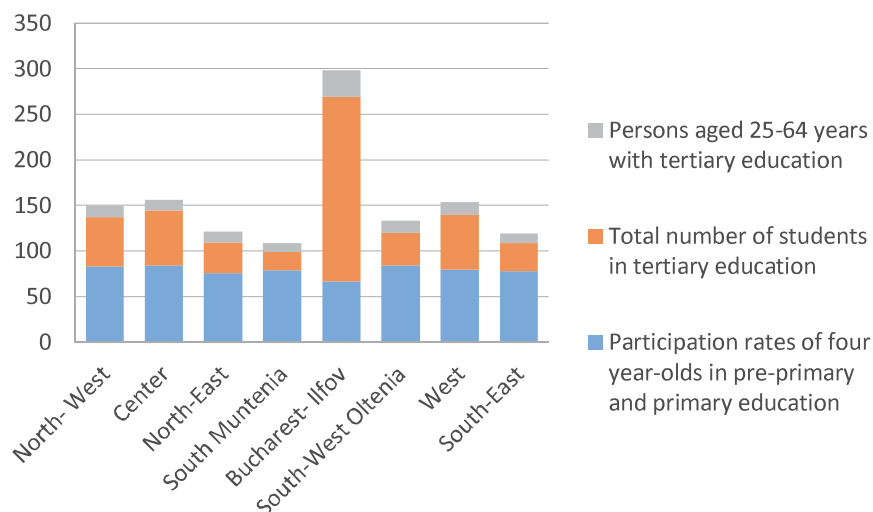


Figure 2. The participation rates of four year-olds in pre-primary and primary education the regions of Romania, 2011

Source: Designed by the author based on the data from the Romanian Statistical Directories published by the INSSE, Editions: 2011

2. Labour Status at Regional Level

In the second quarter of January 2017, the region's labour was 1 659.2 thousand persons, of whom 70.4 % were in active employment. The main economic activities, the share of the civilian population in agriculture, forestry and fisheries is 22.2 %, while the active population accounts for 34.3 % in industry and construction and for 43.5 % in services. The registered unemployment rate in the four quarter of 2017 was 3.1 %, corresponding to 33.7 thousand unemployed persons. The most important industrial sectors are present in this region, as are more and more major foreign companies, some of which are based in the industrial parks set up in this region in Tetarom Cluj, Borş, Jibou and Satu Mare.

The reduction of the number of the population aged 15 years and over by labour status, by regions of development is represented table no 2.

The ratio of economic dependency (number of economically inactive persons and unemployed per 1000 employed persons) reached the highest value (1566‰) in the region South-East and the lowest value in the region Bucharest-Ilfov (1032‰).

The rate of the active population between 15-64 years registered the lowest values in the regions West and South East (both with 61.7%) and in the Center region (63.4%) and the highest ones in the regions Bucharest-Ilfov (73.2%), North-East (72.2%) and North-West (68.9%). Men have higher activity rates than women in all the regions of the country.

In two of the eight regions, the activity rates for working age population in rural area were higher than in urban area: North-East (6.3 %) and South-West (3.8 %).

At the opposite pole there are the other six regions, where the activity rate in rural area is outrun by the one registered in urban area; the highest difference being noticed in the region Center (11.3 %).

Table 2. Structure of population aged 15 years and over by labour status, by macroregions and regions, in 2017

Macroregions Regions	Population aged 15 years and over	of which:		
		Employed persons	Unemployed	Economically inactive persons
	(thousand persons)	(percentages)		
TOTAL	16600	52.2	2.7	45.1
MACROREGION ONE	4119	51.9	2.1	46.0
North-West	2165	54.8	2.1	43.1
Center	1954	48.6	2.1	49.3
MACROREGION TWO	4729	53.6	2.4	44.0
North-East	2663	59.3	1.8	38.9
South-East	2066	46.1	3.2	50.7
MACROREGION THREE	4518	53.6	3.2	43.2
South Muntenia	2555	50.5	3.7	45.8
Bucharest-Ilfov	1963	57.6	2.6	39.8
MACROREGION FOUR	3234	48.9	3.2	47.9
South-West Oltenia	1697	50.3	4.2	45.5
West	1537	47.3	2.2	50.5

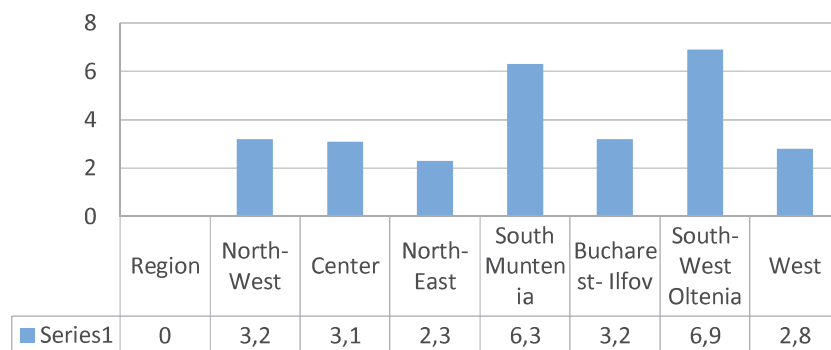


Figure 3: The ratio of economic dependency by region, in 2017

Source: Designed by the author based on the data from the Romanian Statistical Directories published by the INSSE, Editions: 2017

In 2017 the employment rate of working age population (15-64 years) reached the highest values in the regions Bucharest-Ilfov (70.0%) and North-East (69.9%), and the lowest in the regions South-East (57.6%) and West (58.9%). the employment rate of working age population was higher for the men than for women; the difference between the two rates had values from 11.6 percentage points in the region Bucharest-Ilfov to 21.0 percentage points in the region South-East.

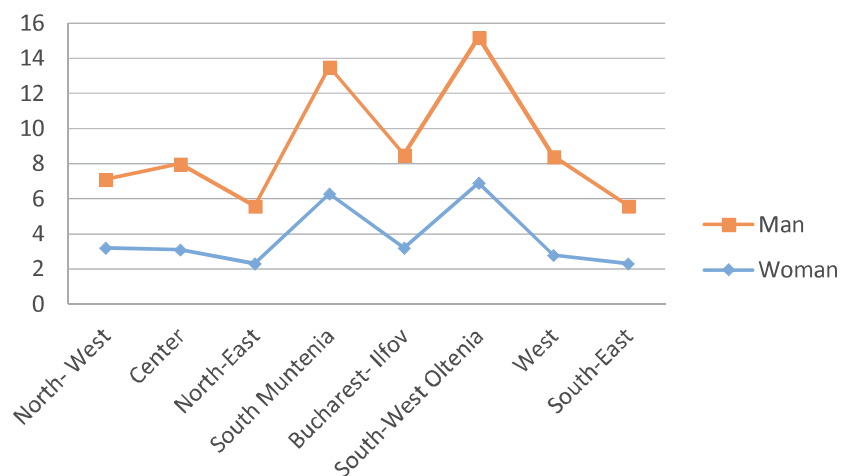


Figure 4. The number of unemployed and the young unemployment rate by regions, in 2017

Source: Designed by the author based on the data from the Romanian Statistical Directories published by the INSSE, Editions: 2017

The employment rate of the working age population in rural areas surpassed that of urban areas in two of the eight regions, the differences being registered in North-East (6.3 percentage points) and South-West (3.3 percentage points).

In the other regions, the employment rate was higher in urban areas than in rural areas, the biggest differences occurring in the Center (12.4 percentage points) and Bucharest-Ilfov (4.9 percentage points).

The highest difference between the two rates (men compared to women) was recorded in West (2.8 percentage points) and the lowest in North-West (0.7 percentage points).

In 2017, the region South Muntenia concentrated 21.0% of the total unemployment, followed by South-West Oltenia (16.0%) and South-East (14.8%). The lowest share in total unemployment was held by region West (7.5%), with only 34 thousand unemployed.

The unemployment rate reached the highest values in the regions: South-West Oltenia (7.7%) and South Muntenia (6.8%) and the lowest ones in the regions: North-East (2.9%) and North-West (3.6%).

The rural area is characterized by higher unemployment rates than urban area in five of the regions, the highest difference being registered in Bucharest-Ilfov (2.6 percentage points).

The highest unemployment rate was recorded in the urban area of the region South-West Oltenia (7.9%) and the lowest one in the region North-West (2.9%). In comparison, the highest rate of unemployment in rural area was recorded in South-West Oltenia (7.6%) and the lowest in North-East (2.7%).

In North-East and South-West Oltenia the unemployment rate was higher in urban area than in rural area; in West the same value was registered in both residential areas (4.4%).

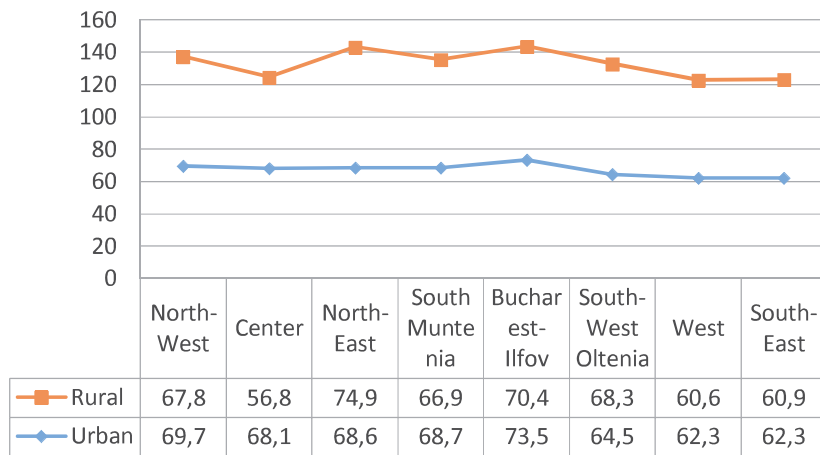


Figure 5. The number of unemployed and the unemployment rate by regions and urban/rural area, in 2017

Source: Designed by the author based on the data from the Romanian Statistical Directories published by the INSSE, Editions: 2017

The highest difference between the two rates (men compared to women) was recorded in West (2.8 percentage points) and the lowest in North-West (0.7 percentage points). Figure no.6.

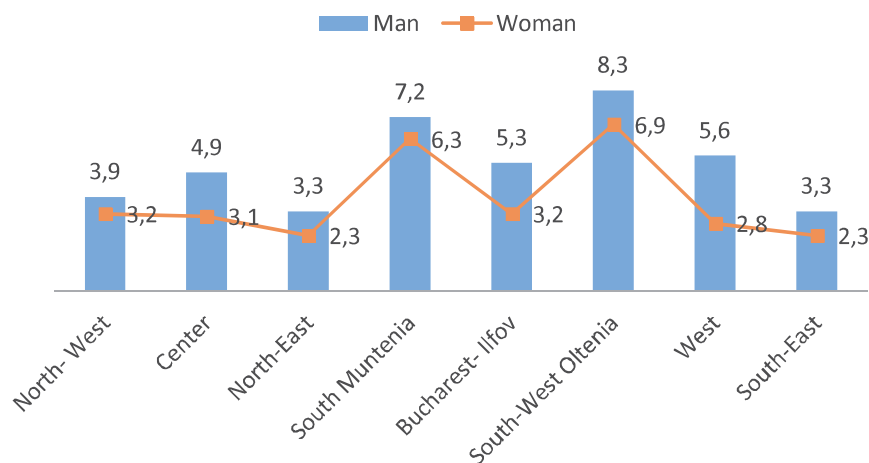


Figure 6. Evolution of the unemployed and the unemployment rate by regions, in Romania, 2017

Source: Designed by the author based on the data published by the INSSE, Editions: 2017

The rural area is characterized by higher unemployment rates than urban area in five of the regions, the highest difference being registered in Bucharest-Ilfov (2.6 percentage points). The highest unemployment rate was recorded in the urban area of the region South-West Oltenia (7.9%) and the lowest one in the region North-West (2.9%). In comparison, the highest rate of unemployment in rural area was recorded in South-West Oltenia (7.6%) and the lowest in North-East (2.7%). In North-East and South-West Oltenia the unemployment rate was higher in urban area than in rural area; in West the same value was registered in both residential areas (4.4%). Figure no.7.

In point of the distribution on the two residential areas, there are significant differences between the counties of the North-West Region. For instance, Cluj (the county with the highest urbanisation degree, 66.89% of the inhabitants living in urban areas) and Maramures have mostly urban population, Bihor has a balanced urban and rural population and in Bistrita Bistrita-Nasaud, Satu-Mare and Salaj most of the inhabitants live in rural areas.

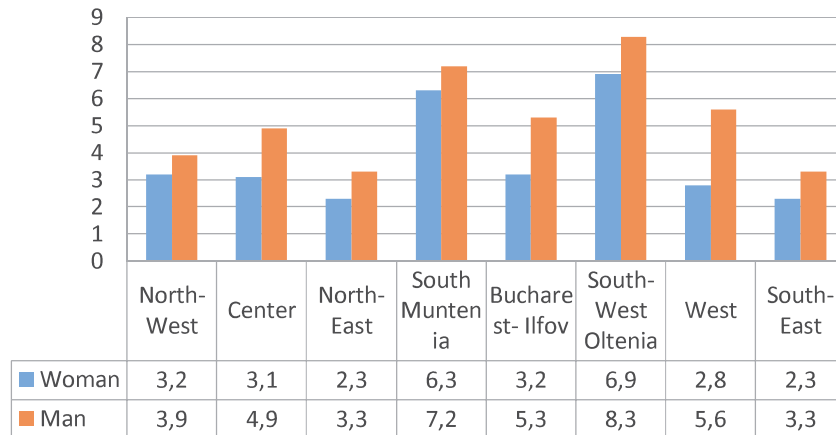


Figure 7. The unemployment rate by regions and gender, in 2017

Source: Designed by the author based on the data from the Romanian Statistical Directories published by the INSSE, Editions: 2017

As far as the evolution of the human indicators is concerned, in the past years, the region has undergone a series of negative processes, among which the most significant are the demographic decline caused by the negative natural growth and the accentuated migration of the inhabitants, mostly the active ones. Irrespective of the decrease in the percentage of the urban population, which has been a national phenomenon, what should have us worried is the inability of the urban areas, especially those that concentrate most of the urban population in the region, to provide viable alternatives to those inhabitants who prefer the rural environment to the urban one or immigration.

3. Conclusions

The discrepancy between Romania's regions are more than apparent, but there is growth possibilities, probably not at the level of the richest EU regions. At first, Romania must set it is priorities in securing the future evolution of these regions and to establish realistically attainable goal, based on the current evidence available in each region, without letting ourselves be manipulated by what is happening in Europe.

It is more than evident that we should follow the pace of evolution of the other regions in the EU, but not to set standards impossible to reach in Romania. All these declarations are based on the illustrations presented above, and especially on the main objectives of the regional development policy founded by the Ministry of Regional Development and Tourism.

In conclusion the low level of unemployment is explained mostly by growth, but in the case of Romania, is explained by the obvious action of several factors: labor gone abroad (1.5 - 2 million people) while the majority are people who, if he had stayed in the country were unemployed, the population employed in subsistence farming that had no job and a steady income and was in an insecure socio-economic situation; employment unit engaged in economic losses that would become unemployed if the subsidies will be stopped, early retirement decreased pressure on the labor market but led to increasing economic dependence.

I believe that Romania needs policies that address improving incentives to increase the supply of jobs for some special categories: young, elderly and women. This policies measures and include more flexible working conditions, such as part-time contracts and temporary, increased assistance for job identification and guidance, and dedicated programs.

Analysis throughout the period between 2008-2017 in the labor market in Romania was characterized by large regional disparities, with increases the unemployment in some counties. Therefore, this unemployment development is manifested differently at regional level there are differences between east and west of the country.

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