

## MAIN TENDENCIES IN THE LABOR MARKET IN THE CENTRAL REGION OF ROMANIA

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### **Abstract**

*The paper presents and analyzes the main trends on the labour market manifested in the Central Region. The period on which this analysis is focused is 2010-2015. To capture a more realistic development of the employment in the Central Region were analyzed several indicators, such as labour resources; civilian labour force; activity rate of labour resources; employed civilian population; average number of employees; the number of unemployed and the unemployment rate. The analysis of specific indicators of the labour market recorded oscillations from year to year. It is noted that, in 2015, both nationally and at Central Region level resources have declined compared to 2010, with over 11%. A positive aspect is the unemployment rate decreased in 2015 compared to 2010. The statistical data which led to the realization of this study were taken from the national websites.*

**Key words:** labor resources, employed civilian population, average number of employees, unemployment rate, Central Region, Romania

### **INTRODUCTION**

Central Region of Romania is located in the South-Eastern part of the European Union. The Central Region is well positioned geographically as it intersects with six regions. This region consists of the following counties: Alba, Brasov, Covasna, Harghita, Mures and Sibiu. It must be recalled that due to mountainous terrain in some areas of the Central Region of Romania there are difficulties in terms of economy, social and territory [4].

After 1990, there were significant socio-economic transformations in Romania, who have made their mark on the evolution and structure of the workforce. In the developing regions of Romania's labor market was expressed differentially, depending on many factors.

In the Central Region in 2010-2015, the indicators characterizing the labor market have evolved differently from one year to another. According to studies published on the labor market in the Central Region, differences persist between residential environments. In urban areas, the overall rate of activity and the activity rate of the working

age population, are higher compared to those recorded in rural areas.

This is due mainly in urban areas where there is a large number of companies, which turns on in various industries and addressing both internal and external markets.

In the Central Region, in terms of sectoral composition of the workforce have been noted some changes in the sense that the construction sector and services have developed and the primary and secondary sectors have limited activity.

In the analyzed period, the Central Region has managed to attract a lot of investments that have led to job growth in this region. It must be remembered that attracting investment contributed directly to the concentration of labor in big cities [3].

Many of the jobs newly created address people with higher education and highly qualified. In a territorial plan, substantial differences between counties in the Central Region, in terms of employment levels [5].

Brasov county is the leader in terms of average number of employees due to industrial restructuring by retraining and attracting investments[11].

## MATERIALS AND METHODS

In order to accomplish this work, a number of specific labor market indicators were analyzed, such as labor resources; civil active population; activity rate of labor resources; civilian employment; average number of employees; the number of unemployed and the unemployment rate. Statistical data and information needed for the analysis of the labor market in the Central Region were taken from the National Institute of Statistics; Ministry of Regional Development and Public Administration; National Agency for Employment and the National Commission of Statistics. In order to accomplish this work was consulted a number of specialty materials.

## RESULTS AND DISCUSSIONS

Starting with 1990, Romania was marked by deep socio-economic transformations that have made their critical mark on the evolution of labor nationally and regionally.

It requires, to mention a few specific features of the labor market:

- In the short term, the demand for labor does not change, because creating jobs involve extending existing sectors and the emergence of new sectors;
- The job offer impacts the satisfaction mode of the labor demand;
- The job offer is formed in a certain period of time;
- The low level of labor mobility;
- The job offer is determined on one hand of a number of economic factors and, on the other hand is influenced by: people psychology; health status; age, etc;
- Heterogeneity of labor supply and demand [8].

The labor market is a very sensitive market registering changes in this market which occurred due to changes on other markets. Because labor is a factor of production, it generates a series of specific traits of supply and demand [2].

In Table 1 it is presented the evolution of labor resources, both in Romania and in the Central Region in 2010-2015.

In general, labor resources reflect the part of the population that has all the physical and intellectual capacity that allows it to perform useful work in a sector of the national economy. It must be remembered that, labor resources include more specific components: population of working age; fit to operate and persons under and over working age who work [12]. From the data presented it can be seen that the labor resources in Romania, in the period 2011-2015 were within a downtrend. In 2011, nationwide there were the largest labor resources (14,047.7 million people). Labor resources recorded an insignificant increase in 2011 compared to 2010. Nationally, there was a decrease of labor resources in 2015 (-11.2%) compared with 2010.

In the Central Region, in the analyzed period labor resources have followed a downward path. 2010 was highlighted by having the largest labor resources (1,669.4 thousand people). In 2015, we notice a decrease of labor resources by 11.4% compared to 2010. Central Region in 2015 held a share of 11.8% of the labor resources of Romania.

At county level, in 2015, there was a decrease of labor resources compared with 2010. This decrease of labor resources, ranged between 10.0%-15.8%.

Mures and Brasov counties hold the most important labor resources in the Central Region. In 2015, Brasov County held a share of 25.4% of the labor resources of Central Region and 2.8% of the labor resources of Romania.

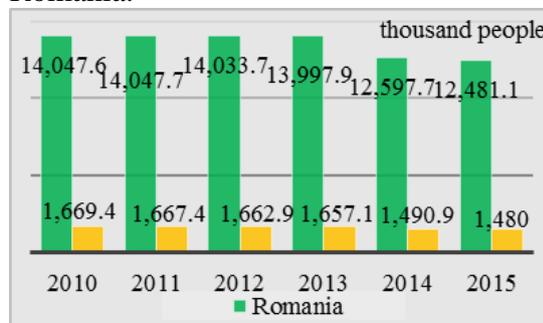


Fig. 1. Dynamics of labor resources in Romania and Central region

Source: <http://statistici.insse.ro/shop/>, TEMPO-Online, 2016, [12].

Table 1. Employment developments, nationally and in Central Region between 2010-2015 ( thousand people)

No.	Specification	2010	2011	2012	2013	2014	2015	2015/2010 (%)
1.	Romania	14,047.6	14,047.7	14,033.7	13,997.9	12,597.7	12,481.1	88.8
2.	Central Region	1,669.4	1,667.4	1,662.9	1,657.1	1,490.9	1,480	88.6
3.	Alba	244.3	243.4	242	240.3	208	205.8	84.2
4.	Brasov	415.9	413.4	410.9	408.4	357.5	356.4	85.6
5.	Covasna	145.9	145.3	144.6	144.2	130.8	129.3	88.6
6.	Harghita	209.9	210.6	210.3	209.9	195.6	193.7	92.2
7.	Mures	371.8	371.7	372.3	372	343.8	341.1	91.7
8.	Sibiu	281.6	283	282.8	282.3	255.2	253.7	90.0

Source: <http://statistici.insse.ro/shop/>, TEMPO-Online, 2016 [12]; own calculations .

Civil active population of Romania is the potential of potential demand and employment for the population. Civilian labor force includes two components: the employed population and the unemployed who are

registered [12].

Table 2 provides the evolution of civil active population registered in Romania and in the Central Region in 2010-2015.

Table 2. Active civilian population trends, nationally and in the Central Region, during 2010 – 2015 (thousand people)

No.	Specification	2010	2011	2012	2013	2014	2015	2015/2010 (%)
1.	Romania	8,998.3	8,826.5	9,063.4	9,042.9	8,910	8,776.8	97.5
2.	Central Region	1,089.3	1,071.8	1,109.4	1,110.6	1,086.7	1,076.9	98.8
3.	Alba	174.3	171.3	178.3	181.8	172.1	168.6	96.7
4.	Brasov	245.8	241.5	249.9	253.5	251.4	253.3	103.0
5.	Covasna	89.7	89.6	91.4	89.8	88.7	88.3	98.4
6.	Harghita	145.2	141.2	145.5	144.3	138.8	136	93.6
7.	Mures	247.9	243.6	250.7	246.9	244.2	236.9	95.5
8.	Sibiu	186.4	184.6	193.6	194.3	191.5	193.8	103.9

Source: <http://statistici.insse.ro/shop/>, TEMPO-Online, 2016, [12]; own calculations .

Period 2010-2015 is characterized by active civil population decrease both nationally and in the Central Region.

In the analyzed period differences between counties in the Central Region are remarked, in terms of registered civil active. In 2015 compared to 2010, there were increases in Sibiu (+3.9%) and Brasov county (+3.0). By 2015, the largest civil active population is registered in Brasov (253.3 thousand people). Covasna County recorded the lowest civil active in the analyzed period. In this county, civil active population suffered a drop of 89.7 thousand people (2010) to 88.3 thousand people (2015).

This reduction registered in the Central Region is lower compared to the one recorded nationally during the same period. Nationally, civil active population was reduced from 8,998.3 thousand people (2010) to 8,776.8 thousand people (2015) (Fig.2).

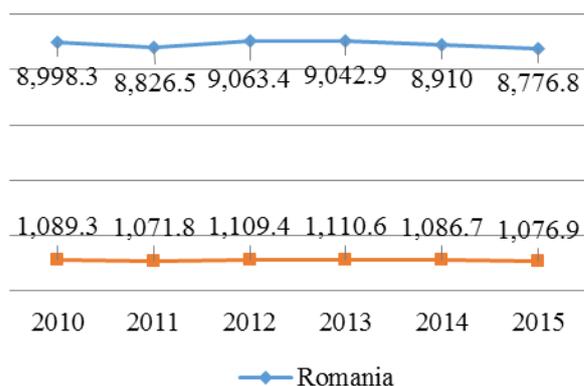


Fig. 2. -Active civilian population dynamics in Romania and in the Central Region, 2010-2015

Source: <http://statistici.insse.ro/shop/>, TEMPO-Online, 2016 [12].

In Romania, in 2015, the civil active population was reduced by 2.5 percentage points compared to 2010.

Central Region in the period under analysis, reveals a differential evolution from one year

to another. In 2015, it is noticed an active civil population decline by 1.2 percentage points compared to 2010.

By 2015, in the Central Region is observed that the civil active population accounts 12.2% of the registered civil active population nationwide.

Table 3 presents the activity rate of labor resources nationally and in the Central Region in 2010-2015. Activity rate of labor resources is determined as the ratio of Active civil population and labor resources. Activity rate of labor resources is expressed as a percentage [12]. Nationally activity rate of labor resources has often varied from year to year, in the analyzed period. This rate ranged between 62.4% -70.7%. The highest rate of activity was recorded at national level in 2014 (70.7%).

In the Central Region, between 2010-2015, we see a differentiated evolution of the activity rate of labor resources. The lowest

rate of activity was registered in 2011 (64.3%), while the highest was recorded in 2014 (72.9%). In 2015, we have an activity rate of labor resources by 72.8% higher compared to 2010 (65.3%). It is imposed to emphasize that in the analyzed period, in the Central Region, the activity rate of labor resources is superior to that accomplished nationwide.

From the data presented, it stands differences between counties in the Central Region, in terms of activity rate of labor resources in 2010-2015. The highest rate of activity was recorded in Alba county. In this county, the activity rate ranged between 70.4% -82.7%. In 2010-2012, in Brasov county, it stands the lowest rate of activity. By 2015, in Brasov, the activity rate of labor resources has increased, reaching 71.1%, which resulted in placing on the third place, after Alba and Sibiu.

Table 3. The evolution of the activity rate of labor resources, nationwide and in the Central Region during 2010-2015 (%)

Source: <http://statistici.insse.ro/shop/>, TEMPO-Online, 2016 [12].

No.	Specification	2010	2011	2012	2013	2014	2015
1.	Romania	64.1	62.8	64.6	64.6	70.7	70.3
2.	Central Region	65.3	64.3	66.7	67	72.9	72.8
3.	Alba	71.3	70.4	73.7	75.7	82.7	81.9
4.	Brasov	59.1	58.4	60.8	62.1	70.3	71.1
5.	Covasna	61.5	61.7	63.2	62.3	67.8	68.3
6.	Harghita	69.2	67	69.2	68.7	71	70.2
7.	Mures	66.7	65.5	67.3	66.4	71	69.5
8.	Sibiu	66.2	65.2	68.5	68.8	75	76.4

The evolution of occupied civilian population nationally and in the Central Region in 2010-2015, it is presented in Table 4 (fig.3). According to the balance of labor the employed population is: all persons who have an occupation that generates income, which performs regularly in one of the activities of the national economy; people who are enclosed in an economic or social activity based on a labor contract or independently in order to achieve income [12].

The employed population nationwide in 2010-2015, has fluctuated from year to year. In 2015, civilian employment has diminished very

little (-0.4%) compared to 2010. The year 2012 is distinguished by the highest number of civilian employed population (8,569.6 thousand people).

In the Central Region, in the analyzed period we are witnessing a civil employed population oscillation from one year to another. In 2015, in this region we are witnessing a civil employed population growth by 2.4 percentage points compared to 2010. By 2015, Central Region accounts a share of 12.3% of the employed civil population nationwide.

In counties in the Central Region, reveals a different pattern of civil employed population

from year to year. In 2015, Brasov County recorded the highest civilian employment in the Central Region. Brasov County, in 2015, held a 23.7% share of total employment in the Central Region civil and a share of 2.9% of total employment nationwide existing civil.

Table 4. The evolution of civil employment, nationally and in the Central Region during 2010-2015 (thousand people)

No.	Specification	2010	2011	2012	2013	2014	2015	2015/2010 (%)
1.	Romania	8,371.3	8,365.5	8,569.6	8,530.6	8,431.7	8,340.6	99.6
2.	Central Region	1,001.8	1,006.8	1,040.7	1,040.8	1,026.4	1,026.6	102.4
3.	Alba	156.8	158.1	163.4	163.3	159.6	159.2	101.5
4.	Brasov	228.1	229.2	237.6	241.7	240.5	243.6	106.7
5.	Covasna	80.7	81.9	84.4	83.2	83	83.2	103.0
6.	Harghita	132.4	132	134.9	134.2	130.5	128.5	97.0
7.	Mures	228.2	229	235.6	233.4	230.2	225.5	98.8
8.	Sibiu	175.6	176.6	184.8	185	182.6	186.6	106.2

Source: <http://statistici.insse.ro/shop/>, TEMPO-Online, 2016, [12]; own calculations.

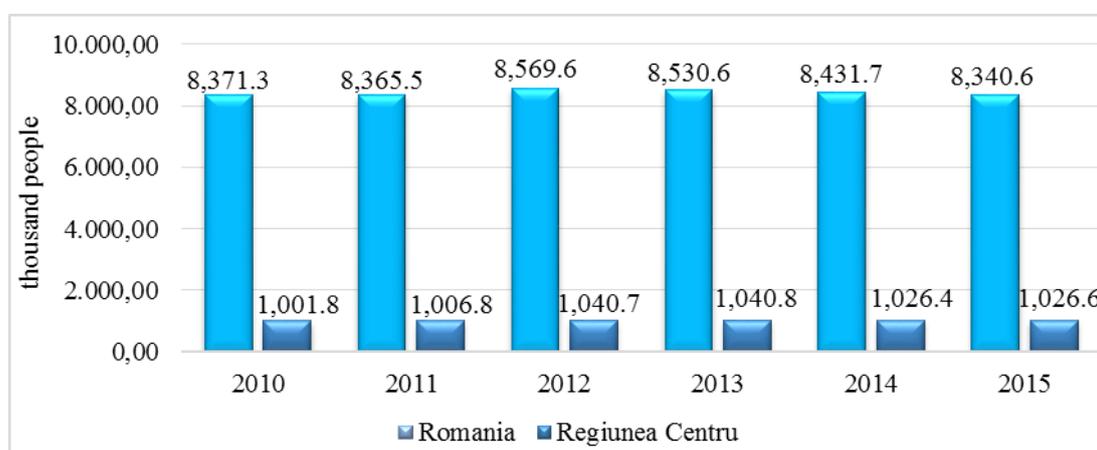


Fig. 3. - Occupied civilian population dynamics in Romania and in the Central Region, 2010-2015  
 Source: <http://statistici.insse.ro/shop/>, TEMPO-Online, 2016, [12].

The average number of employees nationally and in the Central Region in 2010-2015, is presented in Table 5 (fig.4). In general, the average number of employees is made up of people who are employed by work contract / service report on a limited or unlimited period [12].

Table 5. Average number of employees, nationally and in the Central Region, during 2010-2015 (people)

No.	Specification	2010	2011	2012	2013	2014	2015	2015/2010 (%)
1.	Romania	4,376,044	4,348,739	4,442,865	4,443,554	4,507,729	4,611,395	105.3
2.	Central Region	544,191	546,445	567,851	573,807	579,874	590,125	108.4
3.	Alba	74,577	73,983	77,467	77,320	79,006	80,782	108.3
4.	Brasov	145,465	145,274	151,324	154,690	157,160	160,470	110.3
5.	Covasna	40,858	41,964	44,533	44,666	45,355	47,500	116.2
6.	Harghita	59,403	59,506	62,478	61,050	59,700	59,423	100.0
7.	Mures	114,826	114,551	115,815	11,7940	118,991	12,2045	106.2
8.	Sibiu	109,062	111,167	116,234	118,141	119,662	119,905	109.9

Source: <http://statistici.insse.ro/shop/>, TEMPO-Online, 2016, [12]; own calculations .

In Romania, in the period under review, the average number of employees has changed from one year to another. In 2015, the average number of employees increased by 5.3% compared to 2010. Nationally, the highest average number of employees was recorded in 2015 (4,611,395 people). In the Central Region, in 2015, we are

witnessing a rise in the average number of employees by 8.4% compared to 2010. In the year 2015, this region accounts 12.7% of the average number of employees registered nationwide. In 2010, it recorded the lowest average number of employees (544,191 people), and in 2015 was recorded the highest number of employees (590,125 people).

The average number of employees in the

counties of Central Region have evolved differently from one year to another. Brasov County is the leader in terms of average number of employees in 2015 (160,470 people), followed by Mures county (122,045 people) and Sibiu (119,905 people). In contrast, we find lowest average number of employees in Covasna County (47,500 people) in 2015.

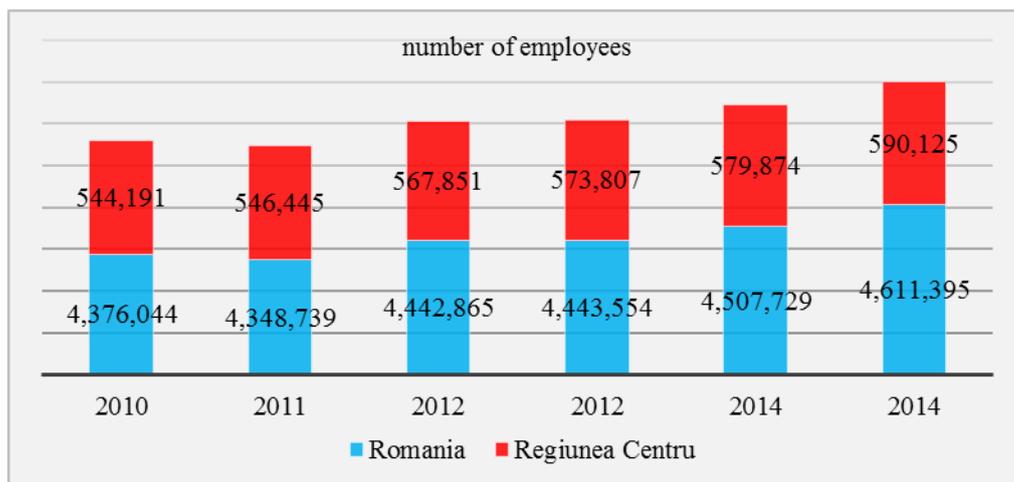


Fig. 4 Dynamics of average number of employees in Romania and in the Central Region, 2010-2015

Source: <http://statistici.insse.ro/shop/>, TEMPO-Online, 2016, [12].

According to data published by the National Commission for Prognosis in Romania, the average number of employees per total economy will register an upward trend during 2017-2019, as follows: 4,925 thousand people (2017); 5,070 thousand people (2018) and 5,210 thousand people (2019). In 2019, the average number of employees per total economy will grow by 5.7% compared to 2017.

Regarding the evolution of the number of employees in the Central Region in the period 2017-2019, is forecast as follows: 645.0 thousand people (2017); 668.0 thousand people (2018); 690.0 thousand people (2019). The data expected, it may be noted that the average number of employees in the Central Region will grow in 2019 compared to 2017 [7].

Market economy is an economy marked on one side, a number of positive phenomena and on the other hand, negative phenomena. Unemployment is a negative phenomenon that affects some people of a country. Share of population affected varies from country to

country, depending on a variety of factors. Unemployment specific market economy is a phenomenon that cannot be stopped, but the economic measures taken by the state can be controlled [1].

In Romania, due to socio-economic conditions, special attention should be paid to unemployment, especially through the development and implementation of programs that aim retraining. This conversion aims accomplishing the transfer of workforce will be redundant at a time without needing shift in unemployment [1].

In table 6 it is provided the evolution of the number of unemployed people in Romania and in the Central Region in 2010-2015. Nationally, the number of unemployed people had a different evolution from one year to another. The highest number of unemployed nationwide was recorded in 2010 (626,960 thousand people). In the Central Region, one can observe a decrease in the number of unemployed from 87,504 thousand people (2010) to 50,232 thousand people (2015) (Fig.5).

Table 6. The number of unemployed people, nationally and in Central Region, during 2010-2015 (people)

Specification	2010	2011	2012	2013	2014	2015	2015/2010 (%)
<b>Romania</b>	626,960	461,013	493,775	512,333	478,338	436,242	69.5
<b>Central Region</b>	87,504	64,959	68,656	69,915	60,251	50,232	57.4
<b>Alba</b>	17,506	13,228	14,924	18,557	12,508	9,394	53.6
<b>Brasov</b>	17,742	12,271	12,255	11,780	10,850	9,734	54.8
<b>Covasna</b>	8,959	7,690	6,981	6,613	5,746	5,048	56.3
<b>Harghita</b>	12,777	9,196	10,567	10,128	8,256	7,509	58.7
<b>Mures</b>	19,740	14,568	15,144	13,517	14,039	11,384	57.6
<b>Sibiu</b>	10,780	8,006	8,785	9,320	8,852	7,163	66.4

Source: <http://statistici.insse.ro/shop/>, TEMPO-Online, 2016, [12]; own calculations.

This is due to the economic development of urban centers at the expense of investments in the Central Region, and a majority of the population migration in other countries. In all

counties in the Central Region, the number of unemployed fell substantially in 2015 compared with 2010.

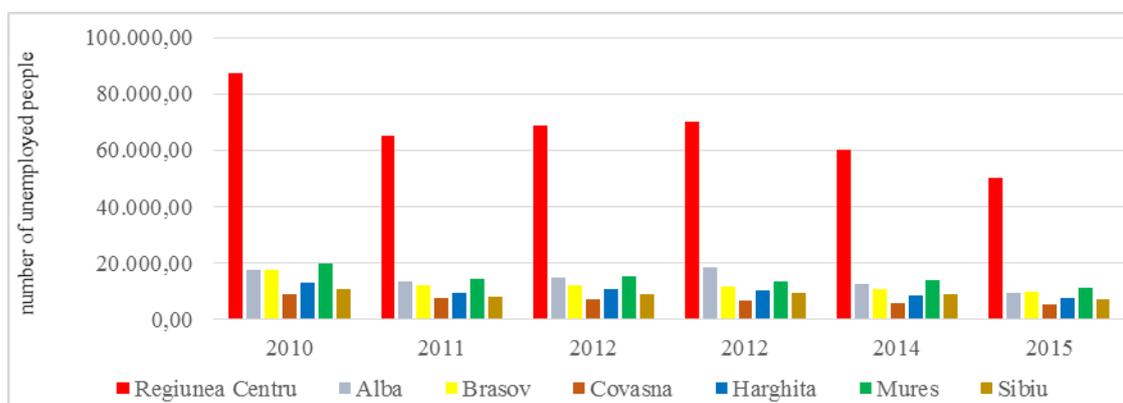


Fig. 5. Dynamics of unemployment in the Central Region, 2010-2015

Source: <http://statistici.insse.ro/shop/>, TEMPO-Online, 2016 [12].

In the period 2017-2019 is forecasted a drop in the number of unemployed, as follows: 430 thousand people (2017); 410 thousand people (2018); 405 thousand people (2019). This decrease in the number of unemployed will be recorded along with the increasing number of employees. In the Central Region number of employees will fit on a downtrend in the period forecasted as follows: 2017 (57 thousand people); 2018 (52 thousand people) and 2019 (51 thousand people). In 2019, in the Central Region will drop by 11.0% in the number of unemployed people as compared to 2017.

In Table no. 7, is presented the unemployment rate in Romania and in the Central Region in 2010-2015. It can be seen easily that the unemployment rate both nationally and also in the Central Region in the analyzed period has changed from one year to another.

Nationally, in 2015, is observed a decrease in the unemployment rate compared with 2010. Another significant aspect for 2015 is the lowest level for the unemployment rate (5%) of the entire analyzed period. In the Central Region, the unemployment rate had fluctuated in the period under review. The highest unemployment rate was recorded in 2010 (10%) and the lowest in 2015 (4.7%). In 2015, the Central Region unemployment rate was below the average achieved nationwide. This situation demonstrates that, the Central Region is characterized by a higher investment degree compared to other regions. In the counties of the Centre Region there are differences in terms of the unemployment rate. The lowest unemployment rate was recorded in 2015 (3.7%), in Sibiu, and the highest rate was in Covasna, 5.7%. According to data from the National Forecast

Commission, between 2017-2019, the unemployment rate will be 4.7% (2017); 4.4% (2018) and 4.3% (2019). For the Central

Region is projecting an unemployment rate of 4.5% (2017) and 4.4% (2018 and 2019).

Table 7. Unemployment rate, nationally and in the Central Region, during 2010-2015

Specification	2010	2011	2012	2013	2014	2015 %
Romania	7.0	5.2	5.4	5.7	5.4	5.0
Central Region	8.0	6.1	6.2	6.3	5.5	4.7
Alba	10.0	7.7	8.4	10.2	7.3	5.6
Brasov	7.2	5.1	4.9	4.7	4.3	3.8
Covasna	10.0	8.6	7.6	7.4	6.5	5.7
Harghita	8.8	6.5	7.3	7.0	6.0	5.5
Mures	8.0	6.0	6.0	5.5	5.8	4.8
Sibiu	5.8	4.3	4.5	4.8	4.6	3.7

Source: <http://statistici.insse.ro/shop/>, TEMPO-Online, 2016, [12].

In Romania, for placing on labor market, persons who are registered at the National Agency for Employment benefit of customized package of measures, which directly contributes to stimulating employment [6].

Regional Operational Programme 2014-2020 provides for the development regions in Romania, stimulating investment, in order to simulate employment [9, 10].

## CONCLUSIONS

After analyzing the labor market in the Central Region of Romania can be drawn:

- in 2015, labor resources have registered a decrease of 11.4% compared with 2010;
- civil active population was lower in 2015 compared to 2010;
- in 2014, it was recorded the highest rate of activity in the analyzed period;
- employed civilian population increased by 2.4% in 2015 compared to 2010;
- 2015, this region has held a share of 12.7% of the average number of employees registered at national level;
- in 2015 was significantly reduced the number of unemployed in all counties in the region, compared to 2010;
- the lowest unemployment rate was recorded in 2015 (4.7%).

An important and positive impact on the economy of the Central Region is the fact that in 2019, the average number of employees

will grow compared to 2015.

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