

PARTICULARITIES OF THE YOUTH LABOUR MARKET IN ROMANIAN RURAL AREAS

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Abstract

At the present conjuncture, high levels of youth rate employment and diminishing the unemployment phenomenon of this category of persons are the priority objectives of the economic policy of all the countries that can be achieved through the balance between supply and demand on the labour market. Thus, the issue of employment among young people and especially those from the rural areas has become more prominent at the beginning of the 21st century on national and regional development agendas. The challenge of youth employment in rural areas has its own dimensions and is present in all rural areas, regardless of their socio-economic development stage. The economic development of rural areas, the lack of employment opportunities, the low quality of education and training, without an adequate link between labour markets, the decline in young people's interest and motivation to engage in agricultural activities, are only some of the factors that generate pressures on youth labour market in rural areas. In addition, they have to enter a volatile labour market in the process of structural change under the intensified impact of the changes determined by the digitization and intensive automation of all sectors of activity that entails the destruction and disappearance of jobs, at a much faster rate than the economy and the productive sectors, services, etc., in creating and generating new jobs in particular. The paper presents a synthesis of youth's labour market peculiarities in the Romanian rural areas.

Key words: employment, rural area, unemployment, vulnerabilities, youth

INTRODUCTION

The rural issue has been and continues to be one of the most important and complex economic, social, political, cultural, moral, ecological issues, etc. of our country. The important structural changes and the essential mutations that have taken place over the last decades in Romania have deeply affected the state of the Romanian countryside.

Contemporary rural space tends to exceed the field of agricultural activities and is no longer just the place where the agricultural population is working and living, but also a place where certain industrial and commercial activities are being carried out and which tends to become a place of residence and recreation for the population

The socio-economic development of the Romanian rural communities was influenced in the first place by the demographic evolutions of a society in the process of modernization and transformation. Thus, the process of population decline in the rural area

was permanent, due to the rural - urban migration (attenuated since 2008), negative natural increase of the population, relatively high infant deaths per 1000 live-births, etc.

If we look at the youth market in terms of its main characteristics, we find that in a segmented labor market they are included in a niche that is suffering from even greater segmentation and is subject to inherent stiffness.

In the increased context of polarization of jobs and increased economic uncertainty due to successive financial crises, the young people find themselves in a position that makes them extremely sensitive to economic fluctuations [24].

In Romania, on 1 January 2018, the young population (aged 15-34) living in rural areas was 2.13 million people, of which 1.112 million were aged 15-24 years and 1.022 million people aged 25-34 years old.

The low insertion of the rural youth into the labour market is due to factors such as: i) the

lack of jobs at local level [1]; ii) the specific entry barriers, often resulting from lack of experience; iii) the professional qualification level of rural youth is often considered as inappropriate to market requirements; iv) the access to information on available employment is a problem for young people in rural areas; v) a marked gender difference on occupations and fields of activity (young people are predominantly present in construction and industry, while young women are mostly engaged in trade, education, health and social assistance); vi) a greater chance of losing the job during an economic downturn; vii) "path of dependence": joblessness at young age increases the probability of unemployment later.

MATERIALS AND METHODS

The methodology used in the paper consists in using a combination of quantitative and qualitative methods, combining multiple data sources to capture the youth's labour market peculiarities in rural areas.

Also, using the methods used it was also intended to ensure the achievement of its objectives.

The methodology used takes into account the development of the following:

- ♦ identifying labour market challenges in the new conjectures;
- ♦ analyses on the dynamics and structural changes of the labour market.

By using the descriptive statistical analysis (charts, tables) it was intended to visualize and summarize the detached information from a set of data. A typology of employment among young people in rural areas, unemployment and vulnerability was achieved using the classification analyses. The factorial analysis has been used to identify the determinants of rural youth employment on the labour market, the effects of long-term unemployment, migration and the aging on this segment of population.

The data used in the performed analyses were those published in the Annual Reports of the National Agency for Employment, Romanian National Institute of Statistics (TEMPO-

Online database), Statistical Yearbooks of Romania (2000-2018), studies and statistics on the demographic evolution of Romania and the rural areas realised by national and international organizations, specialized papers published in the country and abroad.

RESULTS AND DISCUSSIONS

In the last two decades, the world of the Romanian village has continued the process of transformation started in the 90s, which led to the modification of the specificity of the rural localities, as well as of the demographic, occupational and value coordinates of the population.

The socio-economic transformations of the last decades have made the Romanian countryside characterized by a significant heterogeneity, determined by the uneven development of the villages. In this context, the profile of the contemporary rural area is dominated by several evolutionary models, ranging from the shape of the developed countryside, the area of urban expansion to the traditional rural area dominated by large-scale subsistence agriculture [23].

Evolutions and involutions of Romanian rural areas in the 21st century

In Romania (with a rural population of 9.03 million people in 2018 [2], [3]) the share of the rural population (46.225%) is the highest among the Member States, followed by Poland and Bulgaria [17].

Romania (the seventh largest country in the European Union), with a countryside that almost covers 87% of the country's total area and 46.2% of the population, of which 20.76% occupied in agriculture, had in 2016 a share of agriculture in GDP of only 4.7% [2].

Significant is the fact that in Romanian rural there is a pronounced phenomenon of aging agrarian labour force: from the total population occupied in agriculture in 2017, 7.1% were over 65 years old and 45.15% over 45 years [3].

From the point of view of demographic evolution, the Romanian rural areas is characterized by a strong heterogeneity (both socially and economically) between different parts of the country. Thus, rural localities

located close to the cities or tourist areas record positive demographic trends (determined mainly by the urban-rural migration movement) and isolated localities, as well as those remote from the urban centers, are experiencing negative demographic developments. Therefore, it can be said that, in general, the evolution of the rural population follows the socio-economic evolution of the rural communities [5]. The analysis of the pyramid of rural population ages over the last two decades (Fig. 1 a) and b)) reveals major changes in the age structure of the population.

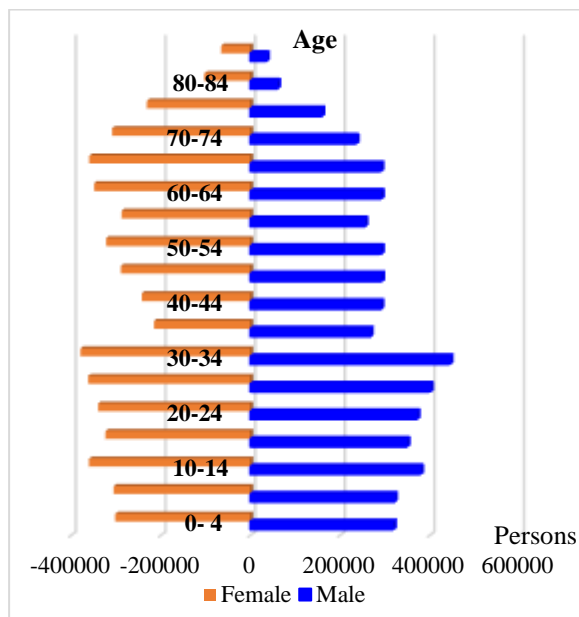


Fig. 1. a) Age pyramid for rural population, 2003
 Source: Own calculation based on TEMPO-online data - National Institute of Statistics, www.insse.ro

The overall birth reduction recorded after 1990 has led to a narrowing of the pyramid base. In the next years while the birth rate will continue to decrease and the structure and size of the migratory flows of the young population will continue to grow, there will be a reversed demographic pyramid, which the base will be the representation of younger generations and at its peak the reunion of the third and fourth age cohorts.

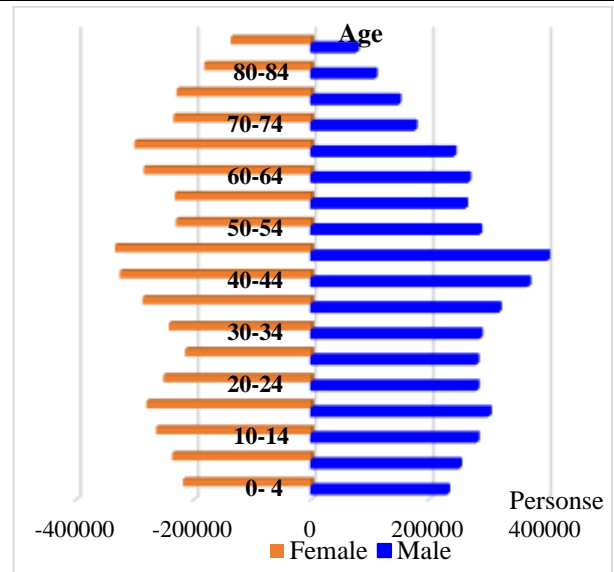


Fig. 1. b) Age pyramid for rural population, 2018
 Source: Own calculation based on TEMPO-online data - National Institute of Statistics, www.insse.ro

Also, the analysis of the evolution of age structure of rural population (Fig. 2) indicates the decrease in the share of the young population aged between 0 and 15 years (from 20.99% to 17.62%) over the last two decades, while increasing the share of the population over 66 years (by almost 2 percent, up to 25.06%).

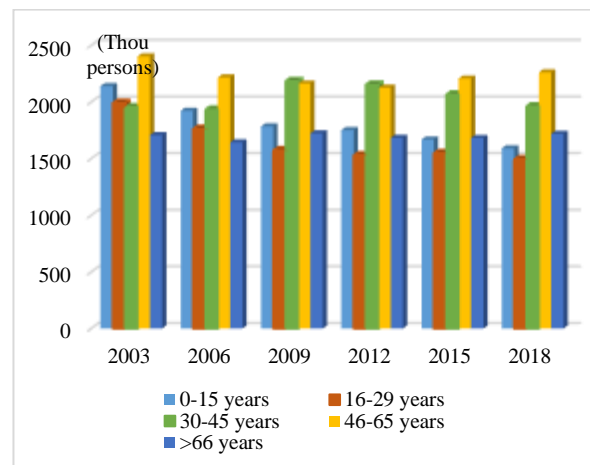


Fig. 2. Age structure of the rural population
 Data source: TEMPO-online data, www.insse.ro

In this context, in the last 20 years, the employment rate in the Romanian rural area had a downward trend, reaching 53.9% in 2017, thus departing significantly from the European Union average of 73% [13], [18]. The underdevelopment also indicates both a lack of economic development in rural areas, the impossibility to absorb the labour in both

agricultural and non-agricultural activities and a significant degree of risk with a high potential for deepening local underdevelopment.

The Romanian agriculture is presented in its vast majority as a subsistence farming. At national level in 2016 only 9.9% of farmers were employed and 0.3% patrons, while 53.9% were self-employed and 35.92% unpaid family workers [2]. The analysis of the statistical data of the last two decades shows therefore the reality of a farming dominated by subsistence family farms, the agricultural enterprises being a minority whose development is at least unlikely.

Another phenomenon faced by rural space is the internal and international migration [4].

Regarding internal migration, the trends were quite stable and the region that "lost" the largest number of inhabitants was, during the analysed period, the South-Muntenia and North-East regions [15]. People with the highest availability to migrate are usually young people of the working population who migrate to urban areas in search of better jobs and a more attractive social life. Thus, if in 2000 internal migration was dominated by rural-urban flows for the 20-29 age segment, in 2017 it also expanded for the age group of 15-19 years.

It is worth noting that, in the last 25 years there has been an unequal exchange of human resources between the town and the village, consisting in the depopulation of rural areas by young and competitive segments. Depopulation and repopulation of the rural areas does not occur uniformly at the level of demographic and educational levels turning the rural environment into a strong social and economic risk region.

Youth and the labour market in rural areas

The employment of young people in rural areas or their decision to continue their studies (possibly combined with part-time work) depends on a number of economic and social factors, the financial situation of the young person, the support that parents or other family members can offer him, the availability of public funds for studies, the duration of the transition from school to work; the expansion of the service sector (requiring more skilled

labour); by demographic processes that determine the structure of the population; reducing the interest and motivation of young people to engage in agricultural activities [1], [11], [14].

In rural areas on January 1, 2018 there were 3.073 million youth aged 15-35. In the period 2003-2018 the evolution of the number of youth in rural areas had a decreasing trend, in 2018 they were with 835.7 thousand persons less than in 2003 [12].

The youth employment rate in rural areas had a declining trend in the first decades of the 21st century (Fig. 3).

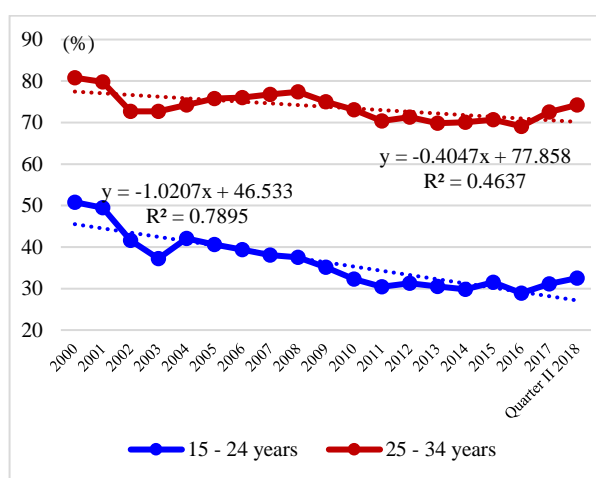


Fig. 3. Evolution of the employment rate of young people in rural areas

Data source: TEMPO-online data, www.insse.ro

The analysis of young employment must be implicitly linked to an estimate of the relationship between the labour market demands and the level of training/qualification of young people.

Thus, the studies elaborated on this topic and the statistical data show that the level of training of young people in the rural labour market is much lower than in the urban one. Thus, the youth in the rural area make their studies mainly at the secondary vocational level.

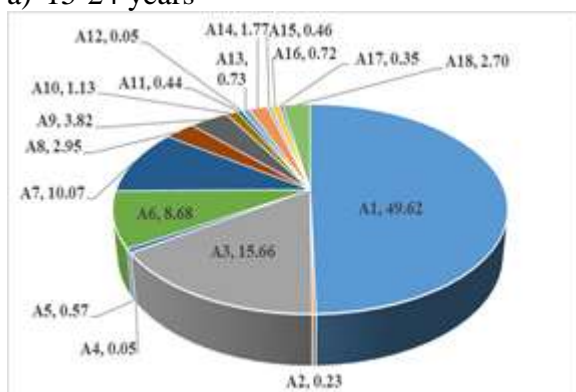
In recent years, besides the decrease in the absolute number of children of school age, the gross rate of schooling in rural areas has also been reduced. There is also a hidden form of school dropout, namely an extreme low participation in educational activities (the students come to school only a few times a month) and these cases are not documented in

official statistics, and so the actual schooling indicators may be even lower. The main factors that lead to decrease in schooling rates are the poverty affecting families with children, the parental migration, the discrepancies in the financing of the education system, and a lack of normative framework that would set the responsibilities of parents, schools and local governments for schooling. The analysis of statistical data points out that young people aged 15-24, respectively 25-34 years of age in rural areas in 2017 were also trained in activities other than those related to agriculture such as Manufacturing, trade (15.66% and 20.29% respectively), Wholesale and retail trade; repair of motor vehicles and motorcycles (10.07% respectively 13.09%), Construction (8.68%, respectively 12.09%), hotels and restaurants (3.82%, respectively 2.16%) (Fig.4 a) and b)).

In Fig.4, the meaning of the symbols A1-A18 is the following one:

- A1 Agriculture, forestry, fish farming
- A2 Mining and quarrying
- A3 Manufacturing
- A4 Production and distribution of electric and thermal energy, gas and warm water and conditioning air
- A5 Water distribution; salubrity, managing of waste, decontaminate activities
- A6 Constructions
- A7 Trade
- A8 Transports and storage
- A9 Hotels and restaurants
- A10 Informations and communications
- A11 Financial intermediations and assurance
- A12 Real estate transaction
- A13 Professional, scientific and technical activities
- A14 Activities of administrative and support service
- A15 Education
- A16 Health and social work
- A17 Cultural and recreative entertainment activities
- A18 Other service activities, staff and social.

a) 15-24 years



b) 25-34 years

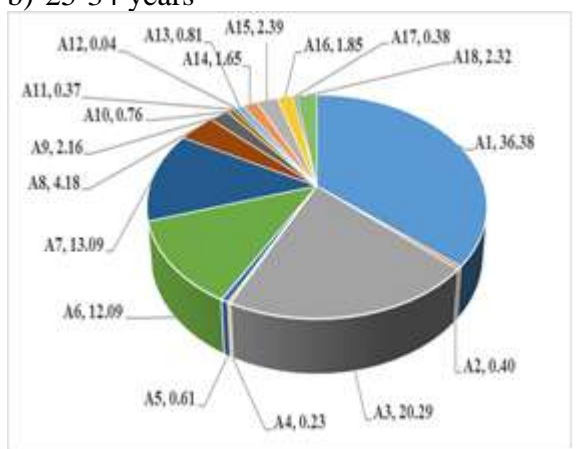


Fig. 4. Share of employed young people by economic activities in rural areas in 2017

Data source: TEMPO-online data, www.insse.ro

From the point of view of the structural indicators, the share of the employed population in the agricultural activities in the Romanian rural area is very high. Even though in recent years this occupational category has also seen a downward trend among young people, however, it is still the main occupation sector of the rural population. In categories self-employed and unpaid family worker, according to INS statistics [3], there are 134.88 thousand youth aged 15-24 years old and 153.457 thousand youth aged 25-34 in the quarter II 2018. In the two age categories 179.9 thousand persons, respectively 445.9 thousand young people have the employed state. Only a small proportion of young people working in rural areas have the status of self-employed (52.8 thousand people aged 15-24 and 156.5 thousand people aged 25-34); and a much smaller proportion of them are employers (only 6.8 thousand people aged 25-34 years). The youth unemployment is a characteristic phenomenon for all market-economy countries and the resolution of this problem depends, to a great extent, on the quality of employment policies [21].

The weaker consolidation of the rural labour market relations, the lack of employment opportunities in this environment leads to a lower flexibility of this market and therefore

an increase of the unemployed number. Generally in the rural areas, the values for the unemployment rate were lower than the national average by about two percentage points between 2000 and 2015. Starting in 2016, rural unemployment is slightly above the national average [16]. The most vulnerable age categories in terms of the unemployment spectrum are young people under 20 and those aged 20-24 (Fig. 5). This coincides with the situation of fresh graduates of secondary or tertiary education or those who have dropped out of school, which makes it even more difficult to find a job. Labour market statistics for youth indicate that for the youth aged 20-25 years and 30-34 years the chances of being registered among the employed population are extremely high. The unemployment rate for these two age groups among young people in rural areas has not exceeded very rarely, and by very little, the level of 7%, over the last ten years.

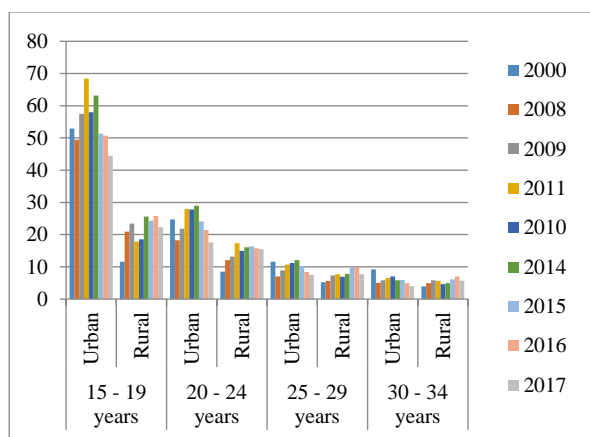


Fig. 5. Evolution of youth unemployment rate in rural areas by age group, (%)

Data source: TEMPO-online data, www.insse.ro

Also, long-term unemployment for young people in rural areas is more pronounced for the 15-24 age group (Fig. 6).

In rural, the youth unemployment rate is higher than that of young women, regardless of the age group analysed and is dependent on the level of education (the higher the level of training is lower both the number of unemployed young people is higher).

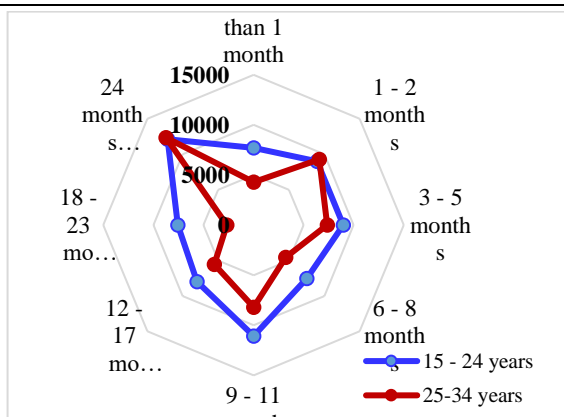


Fig. 6. ILO unemployed in rural areas by the duration of unemployment, by age group, in 2017, (persons)

Source: Own calculation based on TEMPO-online data - National Institute of Statistics, www.insse.ro

The study of labour market indicators for young people in rural areas indicates the complexity of the problems affecting the 2.13 million youth (aged 15-34). These communities must overcome the barriers generated by education, training and the labour market, and, last but not least, to face the challenge of the aging phenomenon of the population.

CONCLUSIONS

Rural issues have been, and continue to be, one of the most important and complex topics, economic, social, political, cultural, moral, ecological, etc. of our country. The important structural changes, and the essential mutations that have taken place over the last decades in Romania, have affected in depth the Romanian countryside, respectively of the village, of the agriculture and Romanian peasant.

In the last two decades, both the national and the rural ones, the main demographic trends were the declining and aging populations of Romania. According to official statistical data, in 2018 the youngsters represented less than 23.63% of the rural population (about 2.13 million people). However, the share of youth in the total population is lower in rural than in urban.

According to the level of education, gender, age and ethnicity, there are the following categories of vulnerable young people on the labour market:

- Unqualified young people who have not graduated a higher secondary education institution, abandoning school at some point;
- Young people aged 19-25, most often fresh graduates, without professional experience, “new entry into the labour market”;
- Women represent a significant share in the category of inactive young people.

The structure of demand for labour force is also reflected in the current employment profile of rural youth (despite the agricultural potential of Romania, only about 5% of young people have income from agricultural activities).

Both in rural and urban areas is a strong relationship between certain occupations and gender. Thus, in construction and industry, men predominantly work, while women are majority in trade, education, health and social care. Very often, young people are employed as skilled, unskilled workers and service and trade workers.

The level of professional qualification of rural youth is often considered by many employers and authorities to be inadequate to market requirements.

Another negative and lasting phenomenon on the labour market in Romanian rural area is the unemployment. In 2017, the youth unemployment rate aged 20-24 reached 15.5%, for those in the 25-29 years to 7.7% and 5.7% for those with aged 30-34. The unemployment has affected all young people, regardless of their level of training.

Differences in unemployment rates have also been reported between young men and women: youth unemployment being almost double that seen by young women.

Increasing the duration of unemployment, was also due to the persistence of volatile and fragile economic conditions on rural labour market.

A high level of unemployment leads to the emergence of a number of social problems that can affect both economic development and the social development of rural communities.

Even though, in the last two decades, a set of laws have been formulated and promulgated for young people in general [6] - [9] and for those in rural areas in particular [10], or

strategies in the field of youth policies, learning lifelong or reducing school dropout [19], [20], [22] young people from Romanian rural area continue to be a vulnerable group on the labour market.

In this context, the young economically active rural population is put in a position either to accept work for a modest income or to choose the path of migration into urban areas to find a job more attractive and better paid, or to go abroad.

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