

QUANTITATIVE ANALYSIS OF RURAL WORKFORCE RESOURCES IN ROMANIA

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Abstract

This paper is proposed like an analysis of labor resources in Romania, especially for the agricultural sector workforce. Economic growth and development are overarching objectives of the national economy, closely related to the resources used. The main resource is the labor factor. Since the man with his labor, is the most valuable renewable resource and virtually unlimited, its use in the most efficient and offered domestic and foreign, and the evolution of prices and incomes, but also through more fully may have been and remain a constant concern of all stakeholders, finding the most appropriate way to fight unemployment is an objective necessity. The variety and complexity of the phenomenon, its forms of manifestation of multiple implications, directly or indirectly in almost all parts of the body economic and social - are particularly difficult the task. Creating conditions for labor factor to be active and creative is one of the major socio-economic problems facing all countries of the contemporary world.

Key words: agriculture, employment, labor resources, population, rural

INTRODUCTION

The labor market in broad sense, include employment problems, unemployment and quality of work, productivity, earnings and labor costs. The employment - in the broadest sense of the term - is the only mechanism for ensuring security and social protection for people facing temporary difficulties by creating resources to support social protection. The resources that produce the highest desired profit are not financial or business machines - are people who use these resources and produce goods, offering added value to these resources. Man is located in the center of any research on the development and evolution of the economic system. In this respect, an approach to employment and to unemployment is a research priority. According to this, the primary objective is to create more jobs and ensure better living conditions. This strategy aims to ensure smart, sustainable and inclusive growth [1].

Given the many changes who register under the impact of labor market transition in Romania, we consider that the problem of

employment and unemployment are of special importance and should be addressed.

MATERIALS AND METHODS

In this paper, during the analysis will be used more elements and concepts characteristic of the labor market and thus are recommended domain-specific methodological notes as follows in this section [6].

Civil employment includes, according to the methodology used for the labour force balance, all persons who, during the reference year, carried out a socio-economic lucrative activity, excepting military staff and similar, political and community organisations employees and the convicts.

Economically active population (*active persons*) comprises all persons aged 15 years and over, providing available labour force for the production of goods and services; it includes employed population and ILO unemployed.

Employment includes, according to the methodology of "Household labour force survey" all persons aged 15 years and over, who carried out an economic activity

producing goods or services of at least one hour¹) during the reference period (one week) in order to get income as salaries, payment in kind or other benefits.

Status in employment represents the situation of an employed person, depending on the way of achieving income from his activity, namely:

– *employee*, a person who carries out his activity based on an employment contract into an economic or social unit - no matter of its ownership type - or for private persons, for a remuneration as salary, in cash or in kind, as commission a.s.o.;

– *employer*, a person who carries out his occupation (trade) in his own unit (enterprise, agency, workshop, shop, office, farm a.s.o.) for whose activity he has one or several employees;

– *self-employed*, a person who carries out his activity in his own unit or in an individual business, without hiring any employee, being helped, or not, by contributing family workers;

– *contributing family worker*, a person who carries out his activity into a family economic unit, run by a member of the family or a relative, for which he gets no remuneration as salary or payment in kind; peasant (agricultural) household is considered such a unit;

– *member of an agricultural holding or of a non-agricultural co-operative*, a person who worked either as owner of agricultural land into an agricultural holding set up according to legal provisions, or as a member of a craftsmen, consumption or credit co-operative.

ILO unemployed, according to International Labour Office (ILO) criteria, are persons aged 15-74 years who, during the reference period, simultaneously meet the following conditions:

– have no job and are not carrying out any activity in order to get income;

– are looking for a job, undertaking certain actions during the last four weeks (registering at employment agencies, or private agencies for placement, attempts for starting an activity on own account,

publishing notices, asking for a job among friends, relatives, mates, trade unions a.s.o.); – are available to start work within the next two weeks, if they immediately find a job.

Registered unemployed represent persons who fulfil the cumulative conditions stipulated by the Law no.76/2002 regarding the system of unemployment insurance and employment incentives and who register to the employment agency in the territorial zone they have domicile or, by case, residence, or to another provider of employment services, functioning according to the law, in order to get a job [8].

In the analysis performed in this work we use statistics from Tempo-online data base for the period 1996-2012 – National Institute of Statistics [10].

RESULTS AND DISCUSSIONS

In Romania, earlier than it would be assumed by its economic development, there has been recorded the problem of aging population. Referring to a relatively short historical period, such as the past two decades, 1990-2010, in Romania's case is remarkable, the demographic transition from a structure characteristic of a country with a relatively young population and growing at one characteristic of a country with affected by the aging of the population and therefore located in a significant process in reduction [4].

In the modern economy, labor mobility is one of the basic conditions of development. It is dictated by the criterion of efficiency, workforce turning to more productive sectors or geographical areas, which clearly and wages, incomes are generally higher. Mobility is however restricted by the degree of labor market flexibility, as well as a number of other particular conditions. According to economic theory and practice, capital, tending to migrate to more profitable sectors and regions, entails a workforce which in time will gain increased.

The main contribution to the increase of aging population by 1990 had external migration, given that prevailed among active emigrants, both economically and demographically [5].

This contributed to the reduction of births and natural population growth. According to available data, between 1990 and 2010 the share of young population between 0 and 19, has dropped dramatically, from 31.7% in 1990 to 25.7% in 2000 to 20.8% in 2010, while share of elderly population over 64 years increased from 10.4% in 1990 to 13.3% in 2000 to 14.9% in 2010. In the same period, the share of the working population between 20 and 64 years increased from 57.9% in 1990 to 61.0% in 2000 to 64.3% in 2010. Stable population on 1 January (figure 1) is the population consists of people who live in those areas, with residence in the village at the time. It is calculated based on the last census, corrected by the natural increase of population, external migration, migration balance with relocation movement and the movement of migratory balance with changing residence between censuses and recorded phenomena given moment.

PS (t) = PL (t) +/- balance announcement of residence (floating),

where:

PS (t) = stable population

PL (t) = resident population

t = time t

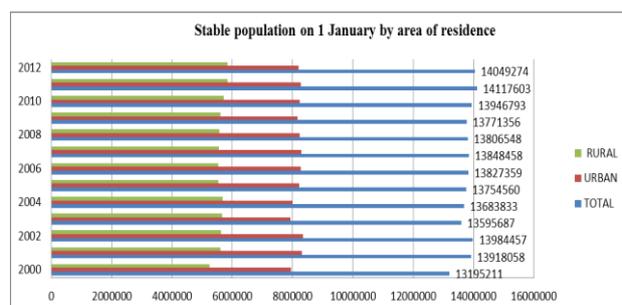


Fig. 1. Distribution of stable population on 1 January by area of residence

Analysing the phenomenon in residential work shows that activity rates are higher in rural than urban areas due to their historical, economic, social and even demographics. Urban-rural migration intensity increases with the approach end of life active people. After the age of 55 years, mobility decreases in intensity as the eve of retirement, the person's ability to seek a job or change their professional profile is very small [7]. In

conclusion, changes in respect of domestic migration flows as the main cause subsistence. There are numerous other disturbances on the labor market in Romania. Some are oldest being amplified during the crisis, others were yielded. The new labor code, which introduces some provisions aimed at labor market flexibility, seems not caused major effects, at least during the crisis. Causes disorders appear to be more complex, given the behavior of economic conservatism came from some traditions renounced hardly. The rapid adoption of modern methods and techniques of market regulation work, the determination of their application etc.

In a broad sense, labor market dysfunctions based on labor demand and supply mismatch. Different structure at some point between the two branches of equilibrium structure creates tensions in the labor market, eventually leading to inefficiency, either in use or in that labor capital. The main consequence of dysfunction in the labor market is the unemployment. The problem is more complex, it is just a result of imbalances [3].

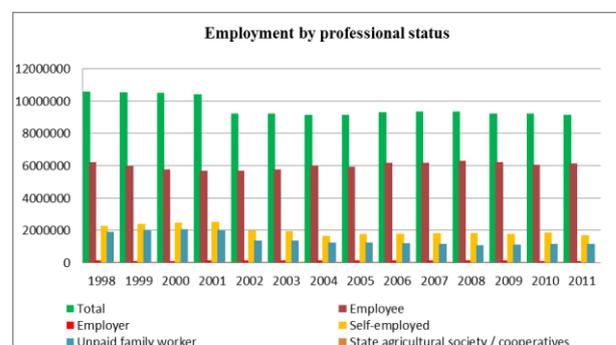


Fig. 2. Distribution of employed population by employment status

In Romania, as distinct from the situation in other EU countries, there is a major consequence of dysfunction in the labor market, namely the existence in the countryside (here I refer to the agricultural sector) of a large number of people having status of self-employed and unpaid family workers respectively. In reality, they are only partially employed or informal (Proofs are very low income that are officially registered near or below the poverty line) and not adapted or movable relative to current

conditions in the labor market in Romania, should be practically excluded from the labor force and eventually put into a special category of "unemployment" or whatever the "vacancy" (figure 2). However, through their professional status assigned to them formally and legally not entitled to unemployment benefits, however, are conventionally employed in the statistical system employed population category. In Romania, the rate participation and employment rates vary by area of residence and sex. Based on data published by the National Institute of Statistics (for the period 2000-2010) is found permanence decreasing trend both public participation in force employment and the employment rate, a phenomenon linked to the evolving economic-social in Romania, but also of the international. The decrease in absolute numbers was of 1.318 million people for the working population of 1.268 million people respectively for employment, mainly due to the reduction of public participation women in economic activities. However, there is significant reduction the active and employed population in rural areas compared to urban areas.

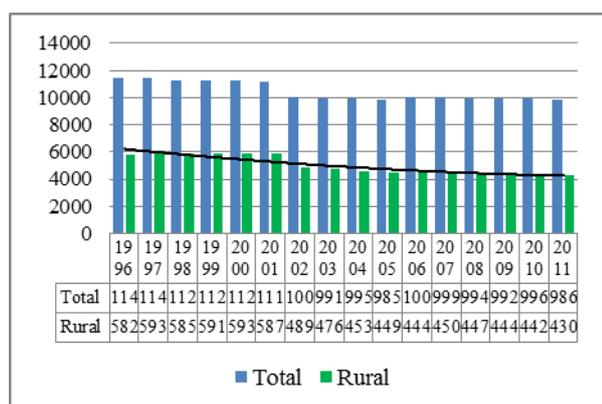


Fig. 3. Distribution of active population (thousand person)

Analysing participation rates by age group for the period up to 2010, the maximum was recorded in 1997, both for the entire population over 14 years (66.2%) and the population group 20-64 years (77.7%), while the small rate of non-relevant (33.8% and 22.3%). For the other two age groups considered, 15-19 years and over 64 years

respectively, the maximum turnout was recorded in 1992 (36.7%) and in 1999 (39.7%), simultaneously with minimum rates corresponding to inactivity (63.3% in 1992 and 60.3% respectively, in 1999). It also notes that, since 2002, when it recorded a sharp drop in participation rates and a jump in the course of inactivity, coinciding with the change of base data (i.e. from 2002 onwards the data has been changed due to adjustments required by consideration of population census). After this year, it appears, until the year 2010, relative flattening process for all age groups considered.

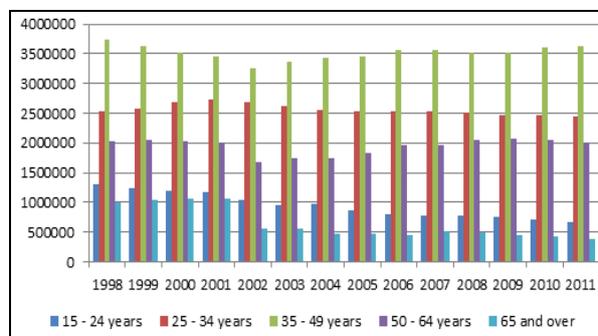


Fig. 4. Distribution of employed population by age

Employment is central to the workforce or the workforce, the other component being represented by the unemployed. Employment covers all persons from the age of 15, who conducted an economic activity producing goods or services (for at least one hour) in the reference period (one week) in order to get income as salaries, payment in kind or other benefits [9].

For two intervals within which data are comparable, there is a decrease of 3.5% in 1997-2001, after which up to the year 2010 a slight increase (+0.8%). From the analysis of the dynamics of the employment rate for people aged 20-64 who are interested in the Europe 2020 Strategy target, there is a decrease of 3.2% in the first period and almost stagnant in the second.

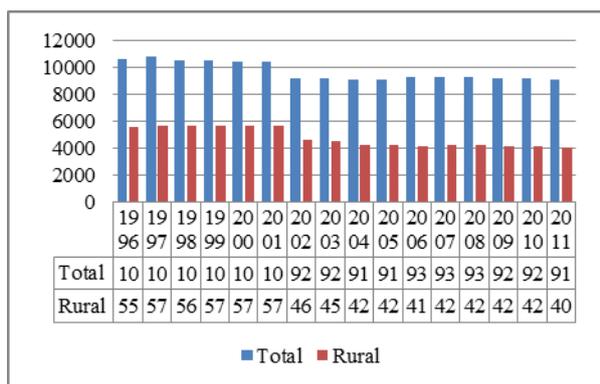


Fig. 5. Distribution of employed population (thousand person)

Note that increasing the employment rate when considering the whole population between 15 and 64 years, from 2002 to 2010, is achieved while decreasing by 470 thousand population aged 15 to 19 years (-28.2 %) and consequently, a significant reduction in its share in the total population aged 15 to 64 years, from 11.0% to 8.0% .

It notes the high percentage of elderly labor for agriculture, where more than 45 years represent more than 50% of the total (compared to 36.7% nationally) and people over 64 years almost 15% (compared to 4.5% national average). Practically the entire employed population over 64 years (98.3%) engaged in agriculture.

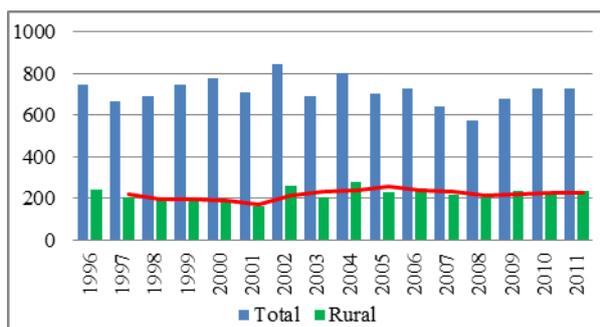


Fig. 6. Distribution of unemployed BIM (thousand person)

In the period 1996-2011, the dynamic of ILO unemployment rate in Romania ranges from a minimum of 5.8% (in 2008) and a maximum of 8.4% in 2002. On area of residence, the unemployment rate was higher in the population of urban areas (8.9% in 2002, 9.0% in 2004 and 7.9% in 2010), and by gender, it was higher in the male population

(11.2% in 2003 and 9.1% in 2010). The rural unemployment rate was the lower (4.7%) in 2008 and the level (7.7%) in 2002.

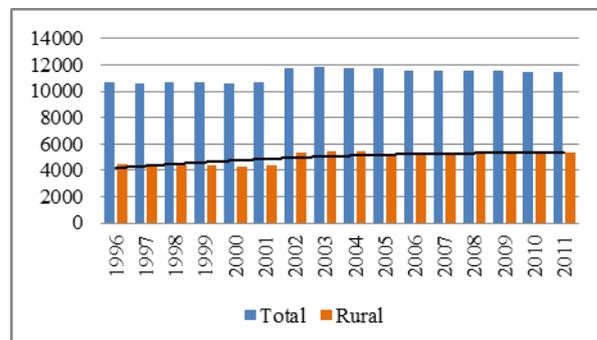


Fig. 7. Distribution of inactive population (thousand person)

The fact that throughout the transition, and after joining the EU, not managed in a satisfactory transfer to other branches of labor rural currently has adverse consequences. While currently in agriculture is occupied almost 30% of the workforce at the end of 2011, share in total number of employees was only 2%. This is consequence of the fact that in Romania, the agricultural structure of employment by profession is completely different from that of other branches of economy [1].

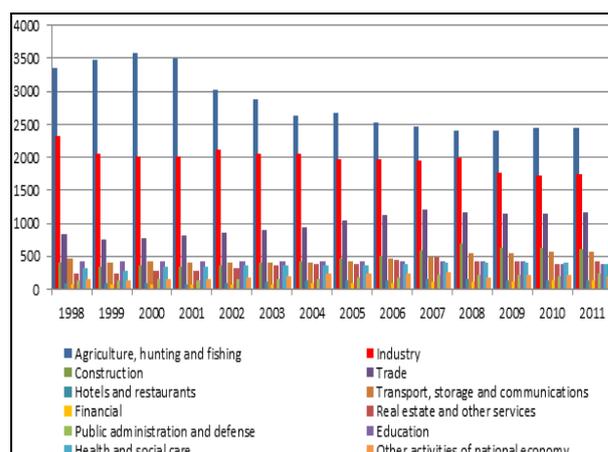


Fig. 8. Distribution of employed population by activity of national economy (CAEN section level)

Indeed, one can say that the population is employed in agriculture aging, the proportion of persons aged over 54 in employment in this branch of 33.6% in 2010. At the same time, the proportion constituted 27.9% of the young workforce under 35 years, as known, having a

low level of education and qualification, so weak possibilities adapting to market requirements will not have any hope of future migration to other activities are virtually captive. In fact, the whole industry, productivity a person is only about a quarter of the national average.

The result is that a large part of the rural population made a living income limit decent. Without investment to provide alternative employment in rural living and better conditions for civilized living situation will certainly worsen in the future [2].

CONCLUSIONS

From graphic representations based on the data (from Tempo on line data base from 1996 to 2012, National Institute of Statistics) and after analysis it appears that in terms of the changes taking place in the labour market can enter the following:

-In terms of quantity, the largest decline recorded in the age range 15-24 years. On the one hand it can be seen that a segment of the population that further education, but in the second segment 25-34 there is a possibility that they are no longer found in future national economy as a result of migration flows.

-The fastest growing segment is the segment aged 35-49 years. People aged around 40 are professional, mature, may have a significant contribution to economic progress. Considering that were present in the field of labor during transition exhibit great mobility and sustainable development can be the mainstay of the economy.

-Segment of those aged 50-64 years has increased and become a driver of tensions on the labor market. At this age, mobility decreases, and those dismissed comes a sense of discouragement and marginalization.

-Currently, in Romania, only 33.9% of total employment in rural areas working in non-agricultural. It is also known that in the case of agricultural labor during the calendar year is only partially occupied, and the self-employed occupations predominate (52.1%) and unpaid family workers (41.6%) actually

which means so-called practicing subsistence agriculture.

-Since 1990 reducing the number of employees in the economy was recorded in all sectors. In agriculture decreased number of trained annually, a rate of 32300 people each year, reaching in 2008 in agriculture there were only 15.4% of those who were active in 1990.

-Personnel cuts in the first two sectors were offset by increasing the number of employees in the tertiary sector. Regarding the intensity of urban migration - rural it increases with close people end their working lives. Changes to the meaning of internal migration flows are the main cause subsistence.

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