

THE WORK MARKET DEVELOPMENT FROM ROMANIA

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ABSTRACT: From demand-offer analysis report on work market from Romania, was revealed the importance of employees number development. In this work are presented aspects regarding average number of employees' development, on national economy activities during 2000 – 2005, the number of unemployed workers on sexes and the development of unemployment ratio on sexes during 2000 – 2006. The working condition of work market it's reflecting through entire population dynamics, working population and the employees number. In this way, the occupy development will be influenced by the foreign investments flux which will generate new work places and by the expansion of small and medium - sized companies which have to contribute positively to the rate of work. In consequence of economic, demographic and politic developments that fallow to be implemented in this work, it presents the priority directions for growing the rate of work.

РАЗВИТИЕ НА ПАЗАРА НА ТРУДА В РУМЪНИЯ

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РЕЗЮМЕ: Доклад върху анализа на търсенето и предлагането на пазара на труда в Румъния разкрива развитието на заетостта. Той съдържа някои аспекти свързани с годишната заетост в националната икономика за периода 2000-2005, и броя на безработните според пола за 2000-2006. Описано е състоянието на пазара на труда в динамика, работоспособното население и броя на зетите места. По този начин развитието на заетостта се влияе от чуждестранните инвестиции, които генерират нови работни места, и от разширението на малкия и среден бизнес, който влияе позитивно върху пазара на труда. Докладът предлага някои приоритетни направления за развитие на пазара на труда, свързани с икономическото, демографското и политическо развитие на страната.

In analysis of demand-offer ratio on labour market from Romania, a big importance is given to development of employees' number, this as fallows a vicious circle that was in, after 1990:

- Reduced productivity → reduced incomes (as much for employees as for employers) → reduced rate of saving and gathering → reduced incomes to state budget → reduced investments in technologies and in human capital development → the decrease of labour productivity and the growth of unregistered labour → the development on economy informational sector.

It still exist many "employees" unregistered who are outside formally labour market, are not protected by labour contracts and moreover are loosing each day from their chances to enter or reenter to labour formal market on positions which assures them a decent work an a decent income. This category of persons is predisposed to poverty in present and in future because they won't derive advantage from pensions or other wrights to oldness. The average number of employees from Romania during 2000-2005 (table 1) was decreased with 64 thousands persons (1.4%) especially because the decrease of workers number which was reduced with 239 thousands (8.3%).

Table 1

The average number of employees on national economy activities in Romania during 2000-2005
 - thousands persons -

No.	Activities	2000	2001	2002	2003	2004	2005	2005/2000 (%)
1	Entire employees, from which:	4623	4619	4568	4591	4469	4559	98,6
2	Workers	2874	2894	2810	2734	2668	2635	91,7
3	Agricultures, hunting, silviculture and fish breeding	199	191	162	155	145	147	73,9

4	Industry	1873	1901	1891	1848	1741	1672	89,3
5	Constructions	316	309	300	325	323	348	110,1
6	Services and others national economy activities	2235	2218	2215	2263	2260	2392	107,0

*Source: Date INS- TEMPO Online and own calculus.

In parallel with the entire decrease of employees' number we assisted to the growth of average number of employees from entire private sector +710 thousands persons (+34.5%) such

as results from figure no. 1.

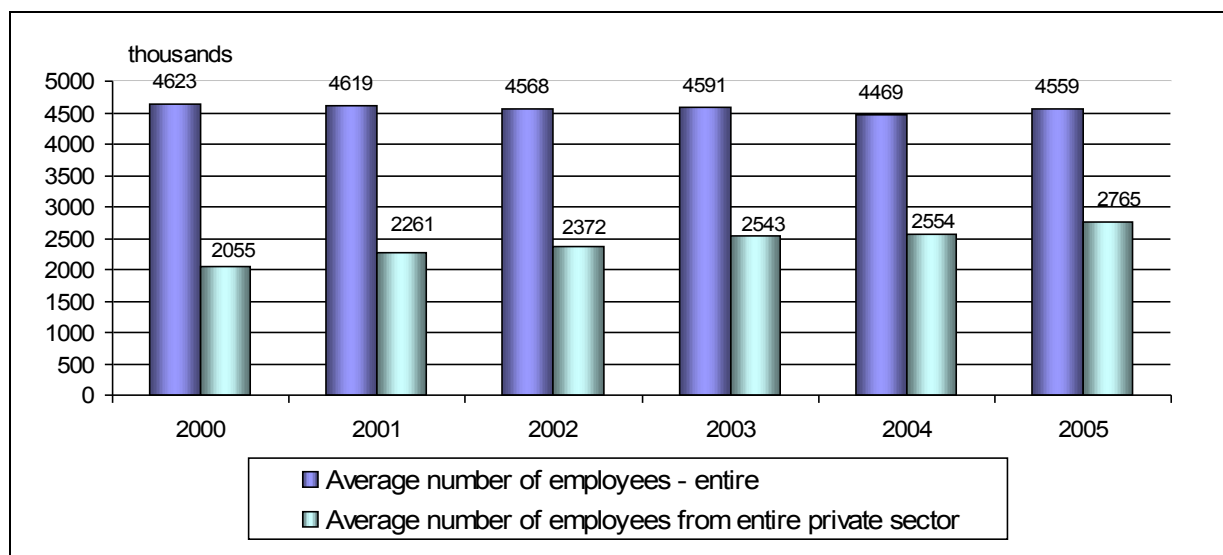


Fig. 1. The average number of employees' development from Romania during 2000-2005

The decrease of entire number of employees was due especially to decrease of employees number from industry (-201 thousands persons, -10.7%) and agriculture (-52 thousands persons, -26.1%), too less compensated by the growth registered in constructions (+32 thousands persons, -10.1%) and services (+157 thousands persons, -7.1%).

Because of the lacks of balance from labour market (where the labour force offer is superior to demand's) and from goods and services market (where production is lower than demand) appears the unemployment phenomenon.

Measuring the unemployment from Romania, like in other european countries, is realized with help of two indicators

namely unemployment in BIM idea and registered unemployment.

It exist differences between the BIM unemployment rate and the registered unemployment rate. The differences between this two series of dates show's that exist persons who while are enrolled like unemployed at employment agency, they work outside the legally frame.

The number of registered unemployed was reduced during 2000-2005 with 546.6 thousands persons (table 1.1), -54.3%, fact that led to a decrease from 10.5% in 2000 to 5.2% in 2006 (table 1 and figure 1).

Table 2

The development of registered unemployed number in Romania, on categories and sexes, during 2000-2006*
- thousands persons -

Nr.	Categories	2000	2001	2002	2003	2004	2005	2006
1	Entire, from which:	1007,1	826,9	760,6	658,9	557,9	523,0	460,5
2	▪ masculine	535,5	445,8	421,1	372,6	323,3	303,8	269,0
3	▪ feminine	471,6	381,1	339,5	286,3	234,6	219,2	191,5
4	Graduates of primary, gymnasium and vocational from which:	725,9	599,1	584,5	494,9	420,2	418,4	369,8
5	▪ masculine	417,2	351,5	343,3	296,2	261,2	257,2	228,5
6	▪ feminine	308,7	247,6	241,2	198,7	159,0	161,2	141,3
7	Graduates of secondary education and	248,8	199,7	152,1	136,2	109,0	84,8	73,2

after that, from which:								
8	▪ masculine	103,3	81,2	67,2	64,0	49,8	38,1	33,2
9	▪ feminine	145,5	118,5	84,9	72,2	59,2	46,7	40,0
10	Graduates of university education, from which:	32,4	28,1	24,0	27,8	28,6	19,7	17,5
11	▪ masculine	15,0	13,0	10,5	12,4	12,2	8,4	7,4
12	▪ feminine	17,4	15,1	13,5	15,4	16,4	11,3	10,1

*Source: calculated relayed on INS -TEMPO Online dates

Table 3

The development of unemployment rate on sexes in Romania, during 2000-2006* - % -

Nr.	Unemployment rate	2000	2001	2002	2003	2004	2005	2006
1	Entire, from which:	10,5	8,8	8,4	7,4	6,3	5,9	5,2
2	▪ masculine	10,7	9,2	8,9	7,8	7,0	6,4	5,7
3	▪ feminine	10,1	8,4	7,8	6,8	5,6	5,2	4,6

*Source: INS- TEMPO Online dates.

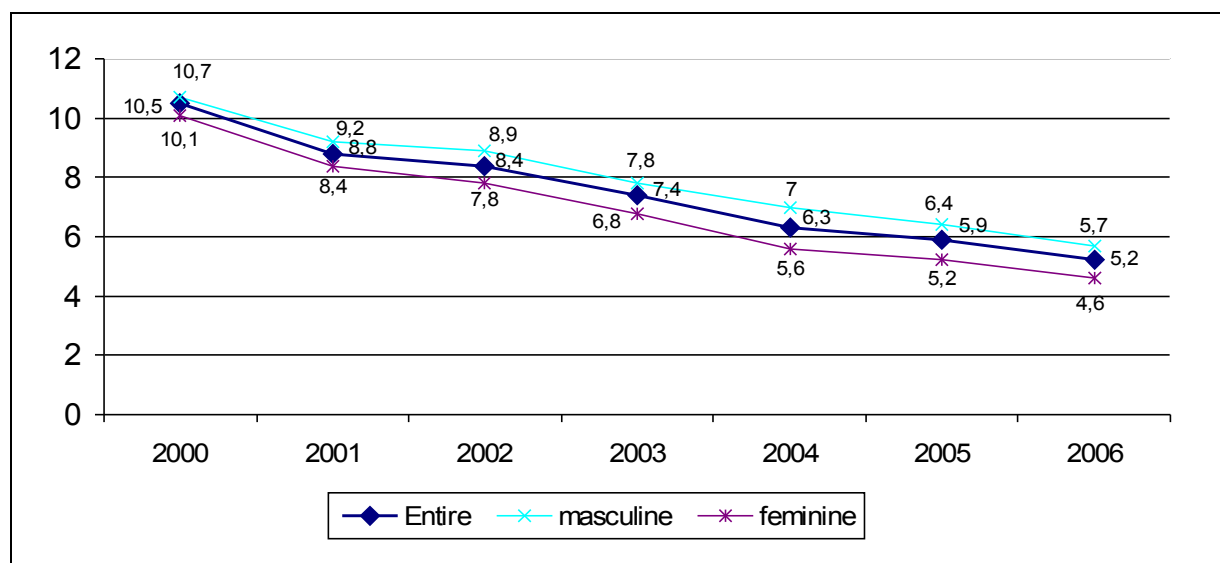


Fig. 2. The development of unemployment rate, on sexes in Romania during 2000-2006

The dates from table 2 are emphasizing that, in the analyzed period, the average number of unemployed with week training (graduates of primary, gymnasium and vocational education) from 72.1% in 2000 to 80.3% in 2006.

The average number of unemployed with medium trading (graduates of secondary education and after that) was reduced from 24.7% in 2000 to 15.9% in 2006, while the average number of unemployed with superior training (graduates of university education) has slowly increased from 3.2% in 2000 to 3.8% in 2006, this, because to a fast growth of graduates number with university education.

Identical with macroeconomics previsions, realized by National Committee of Forecast, Romanian gross domestic product will register an average growth of 5.7 – 6%. The functionally state of labour market it's reflecting through entire population, occupied population and the employees' number dynamic. Demographic sources of quantitative growth of work force will be limited and the entire country population will be reduced annually with approximately 0.4%. Important changes will be produced in population structure on ages; witch will be characterized by a continuing demographic re aging process. The increase of active age period through a prolongation of

retirement age to 60 years to womens and 65 years to mans, leads to a major increase of activity rate.

The occupy development will be influenced by foreign investment flows which will generate new work places and by the expansion of small and medium-sized companies which have to contribute positively to rate of work, especially under unpaid work aspect.

In spite of a relative high economic growth, work market will remain tensioned, especially because of the unemployed structure on age and profession, structure which is not similar with demands from economy.

Because to a wise occupy policies which have to aim at:

- the increase of occupying rate through stimulate the increase of new work places;
- efficacious measures of unemployed support;
- vocational and technical education quality improvement;
- the improvement of a continue professional formatting process;
- the development of social partnership;
- regionally development in agreement with natural

resources and work resources;
is expecting the decrease of inactive population with approximately 500 thousands persons during 2006-2013.

Although the inactivity rate will be reduced, though, the proportion of persons which, from various reasons are not wishing to activate on labour market will remain high.

Because o big part of unoccupied population is maked up by persons who are in multifarious forms of professional training, it's estimated that, in perspective (2013 horizon), approximately 400 work places will be occupied by other active population categories, from outside working age or from exterior.

The labour force offer will be strongly influenced by the balance of external migration movement, including that with temporary character.

The structurally changes from economy have affected positive or negative the structure on branches of occupied population.

Because of significant growths, expected especially in constructions and in services, is estimated that occupied population in this sectors will reach 49% (in services) and 10.8% (in constructions) from entire occupied population (comparing with 39.1% and 5.5% in 2005).

In perspective, it's estimated the activity rate increase of population in age of work to 64.3% in 2013 comparing with 62.4% in 2005. At the same time, the occupying rate of population able to work, it's estimated to reach 60.3% in 2013 comparing with 2005.

As fallows an ascending trend of gross added value from services department and from constructions sector, it's expecting an increase of employees' number from these sectors and an increase of entire employees' number with 2.8 in 2013 comparing with 2005.

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Because of economic, demographic and politic evolutions that fallow to be implemented, we consider necessary the fallowing priority directions of action for growing the labour force occupying rate:

- the continuing economic growth sustained by the small and medium-sized companies development and by making good use of potential development of some branches, such as: tourism, information technology or some branches who still have a reduced average in economy comparing with their potential;
- fighting against underwork without legally forms and initiating some measures, especially of fiscal policy, which has to reduce the cost of employment places and to stimulate the employers to abide the domain legislation;
- an substantial growth of incomes obtained from work by a better correlation of active employment policies with the policy of income increase (with a bigger growing rate of minimum gross income on country, poverty decreasing);
- effective measures for controlling and preventing unemployment, especially among young population (15-24 years) with a view to occupying rate increase of this population category;
- special programs for persons who are confronting with difficulties to integrate on labour market (gipsy people; the young people from placement centers);
- the initial and continue formatting system adjustment to medium and long term tendencies, of an occupied world, in a society based on knowledge and based on using the new IT technologies.

References:

1. *Romanian Statistical Yearbook* (2006), National Statistics Institute.
2. Dates from National Statistics Institute – *TEMPO Online*.
3. National Committee of Forecast, *The economic development and the occupying rate at year2013 horizon*.