

DYNAMICS OF WORK FORCE IN ROMANIA

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The labor market can be represented by the degree of employment, unemployment and economic inactivity. The degree of employment is influenced by the decisions taken by employers at a given moment, by the legislative changes and developments of activity fields. Given the factors of production, labor, nature and capital, the most representative for the economic entity is the workforce. That is why, when designing the organization of various activities, account is taken of both the evolution of the market and the availability of the workforce, thus being included in the development of the society dimension. The objective of this paper is to analyze the dynamics of the workforce in Romania, both in terms of the unemployment rate and the degree of employability.

Key words: *work force; labor market; Romania.*

JEL Classification: *J 81*

I. INTRODUCTION

The new millennium brought, from the beginning, the meaning of a borderless career. Nowadays, the worker is less aware of the national and immigration limitations. It is a new labor market with a wide open area, emigrants orienting themselves both in local urban areas, but also in all corners of the world, in cities around the globe. Based on this "mobility" of the workforce with these geographical and occupational connotations we can take into account the benefits for both workers and employers (**Bostan and Grosu, 2010; Grosu, 2009**). Due to this mobility, several EU Agenda projects have been developed: opening up a labor market for EU countries, creating a job vacancy web site across the EU family, creating a directive that would lead to the mobility of pensions, etc. Due to the fact that workers move from one country to another and from one job to another, they contribute to creating an authentic and unique labor market. Unfortunately, in the Romanian market as in the EU one, a large part is represented by the increase of unemployment, with the percentage of young people reaching to 19%.

"The main forms of social economy appeared in the 19th century, but the associative expression of the people with socio-economic purposes started in ancient times. However, it is difficult to state that the genesis of social economy identifies largely with the gradual historical establishment of the different forms of human association" (**Nicolăescu, Cace and Cace, 2012**).

The employed civilian population includes, according to the balance of the work force, all persons who have an income-generating occupation, which they usually carry out in one of the activities of the national economy, being employed in an economic or social activity on the basis of a work contract or independently (on his/her own account) with the interest of earning salary incomes, payment in kind, etc.

Within the context in which major stress is out in the implementation of Europe 2020 strategy, which is associated to the definition of the social economy as a serious partner of the civil society and of the state (**Zamfir E., Fitzek S. 2010**)

We can say that the occupation degree is represented by the active population of a country, in this category are included individuals who are able to work, taking into account the training and the professional obligation, meaning the employed population. The segment representing the occupied population is made by people aged 15 and over, as well as people who produce goods and services, falling into one of the categories:

- pursues an activity in a private or public company;
- is uniquely associated;
- is an unpaid family worker;
- is employed, but is on vacation.

Economic growth also involves providing labor resources. This growth can be seen under two dimensions, given the quantitative aspects, meaning the number of workers and the ability of the market to

accept them, but it can also be seen in qualitative terms, meaning the structure, level and the quality of the culture.

II. THE ISSUE OF UNEMPLOYMENT AND EMPLOYABILITY

A first problem would be to find a job, maybe it would not be so hard, but in an unknown place, sometimes it is extremely difficult to find, especially since it would involve changing the language of communication, the house, neighbors, friends, and maybe even the family. In the context of mobility, U.E. aims to achieve three objectives, namely:

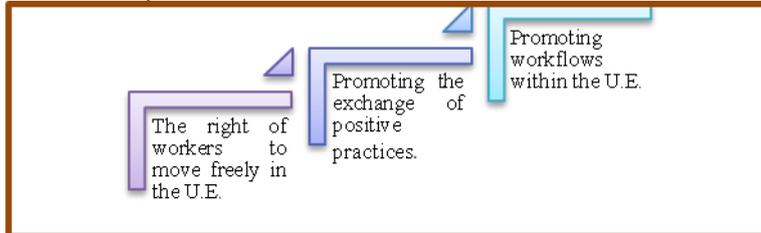


Figure 1 - Mobility objectives

In order to encourage or to influence economic agents for employing people without a job, the state grants a reduction; they benefit from this reduction if they hire people who are registered among the unemployed and if they form them professionally for a period of 6 months from the date of employment, the reduction consists of lowering the contribution owed by the employer to the *unemployment insurance budget*.

Considering the tendency to leave for the better paid jobs in Western countries, we analyzed the population employed by activities of the national economy at the level of CAEN Rev. 2, as well as the structure of the employed population by age and gender, we have also identified the unemployment rate on the same criteria for a period of 5 years, namely the interval 2011-2015.

Taking into account the tendency to leave for better paid jobs in the Western countries, we analyzed, on the basis of statistical data, the employed population by activities of the national economy at section level CAEN Rev. 2, as well as the structure of the employed population by age and gender, we also identified the unemployment rate on the same criteria for a period of 5 years, namely the interval 2011-2015.

Immobility can be found on the EU labor market, so less than 2% of workers have left their native country to work in other countries. By conducting a case study, it came to the conclusion that 40% of workers did not change their jobs in the last 10 years.

In the old member states labor mobility is relatively low compared to countries without restrictions, so over a year and a half after enlargement, more than 250.000 East Europeans have applied for jobs in the Great Britain, and in Ireland entered 85.000 Europeans and 22.000 in Sweden.

The workforce moves from poor countries to wealthy countries, and retirees go in reverse, for example, the number of Spanish workers in Germany is about 300.000, and that of German retired in Spain exceeds a million.

Looking at our country, the resettlement of the work force was possible only in 2007 when we entered the "big family" of the European Union. In addition to the increased workforce, well-paid jobs have also increased, with employers being forced to change their salary grid. In the year of joining the EU there was also a GDP growth of 6.1%, compared to 2016, the inflation rate reached to 8.6%, compared to the original target of 7%. The unemployment rate has fallen from 7.2% in 2007 to 6.1% in 2008, and in recent years the number of unemployed has increased.

Table 1. The number of unemployed 2013-2016

YEAR	UNEMPLOYED NUMBER
2013	501.219,00
2014	508.663,00
2015	516.107,00
2016	523.551,00

On the basis of the statistical data, we can see in the chart below, an evolution of the employability by age group in the period 2011-2015. From this chart it is noted that persons with a high degree of employability are those aged 35-49 years, we can also see an upward trend of employed people from 2011 to 2015.

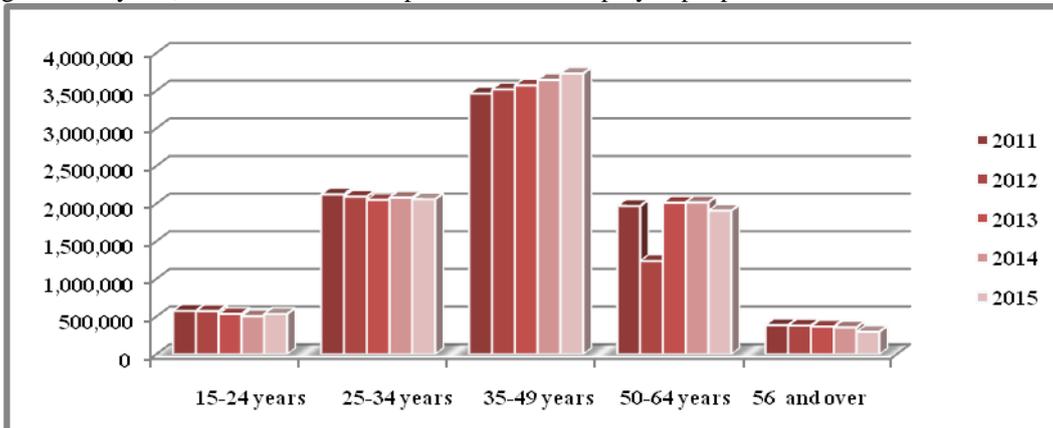


Figure 2 - Evolution of employability by age group

Source: National Institute of Statistics, 2017

Also within this graph it can be noticed that people aged between 15-24 and 65 and over do not present a high degree of employability and they have a downward trend, this development can be influenced either by the lack of motivation for people aged between 15-24 years, either by health problems, elderly or retirement in the case of the individuals having 65 years and over. However, people aged between 25 and 34 are on the downside, fluctuating from one year to the other, due to the fact that employers are more reluctant to hire young graduates without experience.

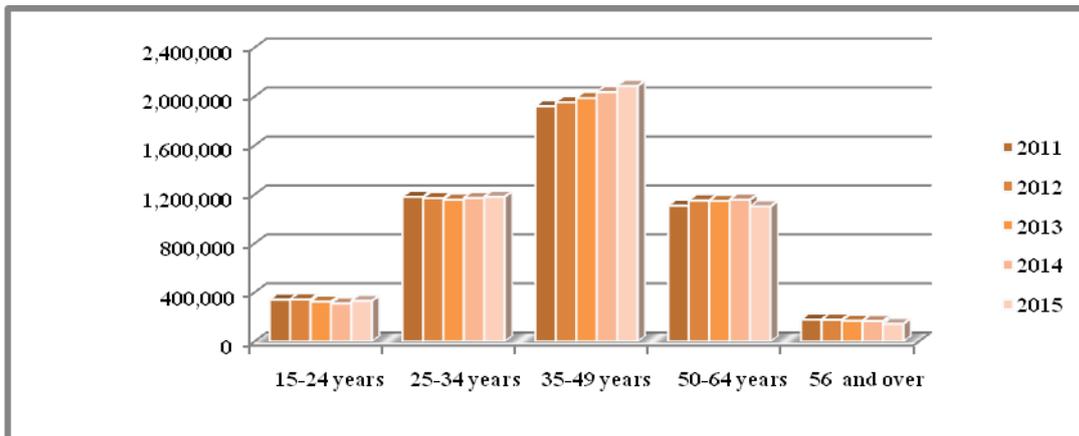


Figure 3 - Evolution of the male employability degree

Source: National Institute of Statistics, 2017

Figure 3 shows the evolution of the male employment rate since 2011. One of the most visible features is the relatively low relative employment rate in the group ranging from 1-24 years to over 56 years. In most cases, it results from higher employment rates among men aged between 39 and 49, followed by those aged 25 and 34 years.

Seeing the trend of employability, both by age group and by employing people more often, I decided to analyze the degree of employability by field of activity so that I can deduce which is the most developed segment.

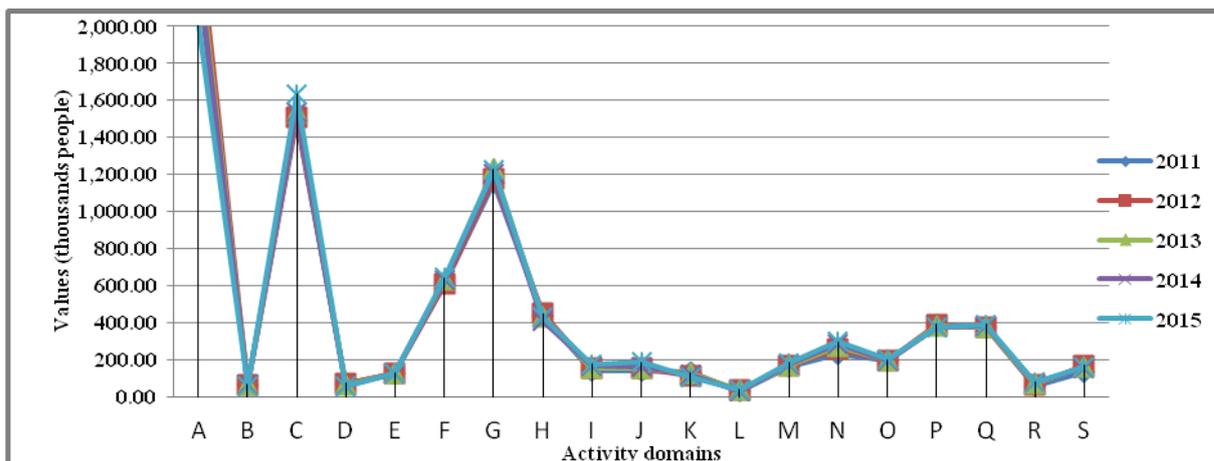


Figure 4 - Evolution of employability by activity domain

On the basis of this graph it can be noticed that almost all the fields of activity, classified according to the CAEN Rev.2 code and based on the study made by the INS (**National Institute of Statistics**), during the analyzed period 2011-2015, have the same evolution, with values close each year, oscillating from one year to the other, some increasing, some decreasing. However, we can make a hierarchy of domains that within this period had a high degree of employability; therefore, we can see that the top field is agriculture and forestry which in 2012 reaches the value of over 2.500 thousand people, followed by the manufacturing industry that in the year 2015 records the value of over 1.600 thousand people and is followed by the wholesale and retail trade; motor vehicles and motorcycles repair which in 2013 has the highest value.

III. CONCLUSIONS

Looking at our country, the resettlement of the work force was possible only in 2007 when we entered the "big family" of the European Union. In addition to the increased workforce, well-paid jobs have also increased, with employers being forced to change their salary grid. In the year of joining the EU there was also a GDP growth of 6.1%, compared to 2016, the inflation rate reached to 8.6%, compared to the original target of 7%. The unemployment rate has fallen from 7.2% in 2007 to 6.1% in 2008, and in recent years the number of unemployed has continued to increase.

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