LABOUR MARKET ANALYZE IN THE SOUTH MUNTENIA REGION IN CONTEXT OF SUSTAINABLE DEVELOPMENT

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Abstract

This article has in view the analysis of labor market development in the South Muntenia region, studied in the concept of sustainable development. The present paper starts from the fact that the role of human capital in economic development is stated in the modern theory of growth. Thus, sustainable development entails raising awareness of labor force on the rational use of limited resources. After a brief presentation of the context of the labor market, we have considered the analysis of the current state economic and social environment in the South Region, with special focus on labor force.

Key words: labour market, labour resources, employment, unemployment.

JEL CLASSIFICATION: J21, J29

1. Brief presentation of the context of the labour market

In 2010 the Europe 2020 Strategy was launched. According to this, the primary objective is to create more jobs and ensuring better living conditions. The goal of this strategy is to ensure a smart, sustainable and inclusive growth. Specifically, there are five strategic priorities. Among them, on the top position increasing the employment rate of people aged 20-64 years from 69% to at least 75% is stated.

In accordance with the specific national economy, with its real potential to implement effective measures to achieve the targets in Romania, when compared with European, values for employment rates are five percentage points lower.

In 2012, in Romania, the employment rate of working age population (15-64 age segment) was 64.2%, the percentage for men, of 72.1%, being much higher than for women (56.4%). For the segment aged between 20-64 years, in the year 2012, the employment rate was 63.8% at a distance of 6.2% compared to the national target of 70% set in the Europe 2020 strategy.

Higher values were recorded for the male population (71.4% compared to 56.3% for the female population) and for the 55-64 age segment, i.e, the working population which may be defined as the elderly, Romania recorded values were 32.9% for women and 51.2% for men.

In the South Muntenia Region, we found the following:

- On first January 2013, according to Employment Balance, the labour resources of the region were represented by 2.0788 million, of which employed population represented 56.9%.
- Unemployment rate at 31 December 2013 was 7.5%, with 94 700 registered unemployed. According to Eurostat, in 2012, the unemployment rate in Romania was ranked the seventh among the countries with the lowest unemployment rates in the EU, namely 7%, 3.5% below the European average.
- According to the Statistical Yearbook, agriculture makes a contribution of 8.9% to the achievement of the regional GDP, while industry and construction participate to GDP with 40.3%.
- In the industrial sector of this region almost all industrial activities are represented: the extraction and processing of oil and natural gas, of coal, limestone, clay, sand and salt, processing of food products and textile manufacturing, woodworking, manufacturing of equipment and means of transport, production of oil and chemical equipment, production of refrigerators and freezers, automobile production (Dacia-Renault), production of electricity, gas, etc.. Services contribute with 41.1% to regional GDP, a quite low percentage compared to other regions in this regard.
- In terms of participation to the main economic activity, employed population in agriculture, forestry and fishing is prevalent (37.4%) while in civil service employment represents 35.1% and 27.5% in industry and construction.
2. Labour market analyze in the South Muntenia Region

In Romania seven growth poles and thirteen development poles were set up. The South Muntenia Region is structured around two polarization centers, namely: the city of Ploiesti, identified - as a growth pole by Government Decision no. 988/2008, and the city of Pitești, identified as a development pole in the same GD.

Creation of these seven growth poles and thirteen development poles represents a potential advantage for the South Muntenia Region, especially as this region fits according to the European Commission' to the "less developed" regions category.

Table nr. 1 - Employed population by sectors of the national economy in 2011

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1 During the programming period 2007-2013-EU regions were divided and financed by the European Commission according to income into two categories: the less developed and more developed regions. For the 2014-2020 programming period - EU regions were divided and will be financed by the European Commission according to the GDP per capita in three categories: less developed regions with GDP per capita <75% of the EU average, transition regions with GDP per capita between 75% and 90% of the EU average, more developed regions with GDP per capita> 90% of the EU average.
<table>
<thead>
<tr>
<th>Region/County</th>
<th>South Muntenia Reg.</th>
<th>Argeș</th>
<th>Călărași</th>
<th>Dâmbovița</th>
<th>Giurgiu</th>
<th>Ialomița</th>
<th>Prahova</th>
<th>Teleorman</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>1154,5</td>
<td>241,7</td>
<td>99,2</td>
<td>193,3</td>
<td>87,5</td>
<td>96,0</td>
<td>284,2</td>
<td>152,6</td>
</tr>
<tr>
<td>Agriculture, hunting and forestry, fishing and fishery</td>
<td>429,6</td>
<td>70,0</td>
<td>49,1</td>
<td>70,6</td>
<td>46,3</td>
<td>44,2</td>
<td>63,6</td>
<td>85,8</td>
</tr>
<tr>
<td>Industry</td>
<td>254,7</td>
<td>69,2</td>
<td>16,1</td>
<td>46,8</td>
<td>7,9</td>
<td>15,0</td>
<td>77,3</td>
<td>22,4</td>
</tr>
<tr>
<td>Construction</td>
<td>68,7</td>
<td>18,6</td>
<td>3,4</td>
<td>5,6</td>
<td>7,7</td>
<td>4,7</td>
<td>25,8</td>
<td>2,9</td>
</tr>
<tr>
<td>Wholesales and retail trade; repair of motor vehicles and motorcycles</td>
<td>135,4</td>
<td>27,4</td>
<td>8,8</td>
<td>27,5</td>
<td>6,7</td>
<td>11,2</td>
<td>38,9</td>
<td>14,9</td>
</tr>
<tr>
<td>Transport and storage</td>
<td>58,1</td>
<td>11,2</td>
<td>3,8</td>
<td>12,3</td>
<td>4,3</td>
<td>4,3</td>
<td>17,1</td>
<td>5,1</td>
</tr>
<tr>
<td>Hotels and restaurants</td>
<td>13,9</td>
<td>2,8</td>
<td>1,7</td>
<td>2,1</td>
<td>0,3</td>
<td>1,0</td>
<td>5,3</td>
<td>0,7</td>
</tr>
<tr>
<td>Information and communication</td>
<td>6,9</td>
<td>0,9</td>
<td>0,3</td>
<td>0,5</td>
<td>0,2</td>
<td>0,4</td>
<td>4,1</td>
<td>0,5</td>
</tr>
<tr>
<td>Financial intermediaries and insurances</td>
<td>7,6</td>
<td>2,3</td>
<td>0,6</td>
<td>0,9</td>
<td>0,4</td>
<td>0,7</td>
<td>2,0</td>
<td>0,7</td>
</tr>
<tr>
<td>Real estate</td>
<td>3,3</td>
<td>0,8</td>
<td>0,1</td>
<td>0,5</td>
<td>0,2</td>
<td>0,1</td>
<td>1,4</td>
<td>0,2</td>
</tr>
<tr>
<td>Professional, scientific and technical activities</td>
<td>16,2</td>
<td>4,0</td>
<td>1,2</td>
<td>1,9</td>
<td>0,8</td>
<td>1,0</td>
<td>6,3</td>
<td>1,0</td>
</tr>
<tr>
<td>Activities of administrative services and support services</td>
<td>24,4</td>
<td>4,8</td>
<td>2,4</td>
<td>3,4</td>
<td>2,0</td>
<td>2,1</td>
<td>7,1</td>
<td>2,6</td>
</tr>
<tr>
<td>Public administration and defense; social security assurances</td>
<td>27,9</td>
<td>5,7</td>
<td>2,9</td>
<td>4,3</td>
<td>2,7</td>
<td>2,6</td>
<td>6,0</td>
<td>3,8</td>
</tr>
<tr>
<td>Education</td>
<td>45,8</td>
<td>10,4</td>
<td>4,1</td>
<td>8,4</td>
<td>3,2</td>
<td>3,5</td>
<td>10,9</td>
<td>5,3</td>
</tr>
</tbody>
</table>

Source: The National Institute of Statistics, TEMPO-Online

Overall, it can be noticed that, both nationally (Figure 1) and at the level of South Muntenia Region (Table 1), in 2008-2011 the employed population manifested a decreasing trend.
Thus, it appears that, in 2011, the share of employment in the South Muntenia Region worked in agriculture, forestry, fishing (about 429,600 persons, representing approx. 37%); being followed by those who worked in industry (approximately 254,7 thousand persons, representing 22%) and trade (about 135,400 of persons, representing nearly 12%). On the opposite side were real estate transactions (where about 3,300 people were working) and the activities Arts, entertainment and recreation, with approximately 6,200 employed people.

Before 1989, the villages of South Muntenia Region were dependent on one economic agent (mono-industrial areas). After 1989, with the restriction of activity or closing these economic agents - these villages were the most affected ones by the economic restructuring process (which resulted in an increase of the unemployment rate) - some of them even being declared disadvantaged areas.

During the period between 2009-2012 in the South Muntenia Region, the evolution of the unemployment rate, both for males (Figure 2) and for women (Figure 3) showed a decrease from 10.4% in 2009 to 7.5% in 2012 for males and, respectively, from 8.3% in 2009 to 6.2% in 2012 for women.

Thus, the national average of the unemployment rate for men was in 2009 7.7% lower than in South Muntenia Region, where a value of 10.4% was recorded, and, also lower than that which was registered in Prahova County, where the male unemployment rate was 9.1%. For women, the national average of the unemployment rate in 2009 was 5.8% lower than that from the South Muntenia Region, where a value of 8.3% was recorded, and, and also lower than that from Prahova County, where a value of 8.6% was recorded (Fig. 4).
In 2010 the national average of unemployment rate for men was 7.9%, lower compared to South Muntenia Region, for which a value of 9.6% was recorded and smaller than that registered in the Prahova County where a value of 8.5% was recorded. For women, the national average of unemployment rate in 2010 was 6.5% lower than in South Muntenia Region, where a value of 7.8% was recorded, and smaller than that which was recorded in the Prahova County, where female unemployment was 8.7% (Fig. 5).

In 2011, the national average of the unemployment rate for men was 7.9%, greater than that recorded in South Muntenia Region for which a value of 7.0% was recorded and greater than that recorded in Prahova County, which had a value of 5.5%. For women, the national average of the unemployment rate was 6.8% above the level of 5.9% recorded in South Muntenia Region and also over the value recorded in Prahova County, which was also 5.9% (Fig. 6).
In 2012 the national average of the unemployment rate for men was 7.6%, greater than that which was registered in South Muntenia Region, where a value of 7.5% was recorded and higher than that which was recorded in Prahova County of 5.5%. For women, the national average of the unemployment rate was 6.4%, higher than the 6.2% in the South Muntenia region and greater than that of the county Prahova 5.8% (Figure 7).

Currently, most of these localities diversified local economy - but in terms of specificity, these centers are vulnerable - meaning a single employer provide over half of local jobs (eg. during Arges County,, in Mioveni - Automobile Dacia, during Dambovita County, in Gaiesti - Arctic, during Prahova County, in Ceptura - Aplast).

During 2009-2012 The South Muntenia Region followed the growth trends of labor resources at the national level, ranking the second among the eight development regions in respect of the volume of labor resources (with 2,085,600 people) after the North East Region [8].

It appears, also on gender distribution of labor resources, a similar trend to the one of the national level. Thus it appears that, in 2009-2012, male labor resources have been higher than female labor resources (Figure 8).
3. Conclusions

In 2009-2012, South Muntenia Region is characterized by decreasing of the labour force. This decrease can be explained, on the one hand, by the population decrease and, on the other hand, by enhancing international migration, especially to the EU countries.

Unemployment is slightly higher compared to the national situation.

In terms of employment, by economic branches, the following aspects can be observed: in the southern counties agriculture and services are prevalent, while in the north is the predominant the industry.

A major objective of sustainable development refers to ensuring a high level of employment. One way to achieve this is to promote public-private partnerships, generating jobs with high productivity and use of income redistribution mechanisms in justified cases [6].

The total level of employment provides a measure of demand at the macroeconomic level. It is noteworthy, in this respect, the relatively high female employment, while reducing the total number of people employed. This is due, on the one hand, almost the same level of education and training of women and men as well as women's ability to adapt to the discipline, work intensity, risk-taking, features characterizing private sector.

Development and professionalization of human resources should be a major target for South Muntenia Region, coupled with the need to attract new economic investment able of ensuring a sustainable strategic development. Training and job creation, economic development of the region can be linked to the Lisbon goals to create a "knowledge society". Entrepreneurship education can be an important factor for achieving sustainable development targets. In the regional economy, professionalized labour force and modern infrastructure are elements that can generate added value and real economic growth.

Bibliography