

LABOR MARKET IN ROMANIA BETWEEN PRESENT AND FUTURE

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Abstract

The current economic crisis, cataloged by most economists as the worst recession of 1933, makes most of the population can not enjoy a decent standard of living and appropriate working conditions.

The most serious implication that the economic crisis has on the labor market is the rising unemployment and underemployment rate increase default. The number of unemployed in Romania could increase at any time due to the economic restructuring of the country and the availability of immigrants from the Community, Romania is one of the major exporters of labor. In this time of crisis in the face of Romanian economy appears that a particular problem are twofold. It is, on the one hand, an effective demand for labor insufficient structurally that will lead in the future to under-utilization of production equipment, and on the other hand, a substitution of labor imposed by technical progress, which will lead to increased unemployment

Cuvinte cheie: Romania, labour market, progress, crisis

Clasificare JEL : A, A1, A10

1. Introduction

The purpose of this paper is to bring out and remarks that Romania is a balance lackluster in terms of labor market and increasing unemployment consistency lately, due to the economic crisis.

Romania is a European country whose labor market is still marked by structure-European: too much subsistence agriculture, a sector informal oversized, very few workers and too few employers, groups of occupations manuals predominant extremely high risks of becoming poor for people who work (for people who have graduated from vocational school at most), massive emigration of labor, relatively low unemployment, but long-term and hidden unemployment.

The labor market is at all times a very topical subject because this market is traded one of the most important resources: the workforce.

The fast pace of development of science and technology and implicit requests and socio-professional Romanian institutions found insufficiently prepared for those organizing educational approaches for acquiring professions and skills they require current rapidly changing society. If we add to all this and the economic crisis with all its negative consequences, we find that regardless of profession, workers are largely unprepared, not only professionally, but also psychologically to accept these shifts and adapt quickly to them.

In the past, crises in the labor market as unemployment dressed only. Today these crises is not limited to unemployment being affected and the scope of employment. Classical full-time employment is losing ground, even in the event of economic growth rates. Worsening labor market crisis could exceed capacity limits can be mastered, so we consider that, according to some scenarios, PIB of the 2030 could only be achieved by employment of only 15-20% of the current resources of the active population.

We mention that the labor market provides (along with market consumer goods and services, money market, capital market) the functioning of modern economies as market economy and dealing in this process an extremely important that stakeholders directly are the people themselves preparing and their potential specific vocational skills, and supply and demand refers to a "good" especially – work

In the terms of economic restructuring is inevitable in times of crisis, employees redundant in the declining economic sectors, not just lose work, but they have training and new conditions becomes inadequate. This raises the need to assess the priority areas of lifelong learning relevant for future economic recovery. The measures on continuing vocational training or retraining the workforce redundant, as well as providing other services aimed at social integration of disadvantaged groups aim to prevent undesirable phenomena such as, for example, social exclusion, which can lead to tension and instability in society and, ultimately affect the business climate and economic recovery.

2. Present situation of the labor market in Romania

The current economic crisis, cataloged by most economists as the worst recession of 1933, makes most of the population can not enjoy a decent standard of living and appropriate working conditions.

The most serious implication that the economic crisis has on the labor market is the rising unemployment and underemployment rate increase default. the number of unemployed in Romania could increase at any time due to the economic restructuring of the country and the availability of immigrants from the community space, **Romania is one of the major exporters of labor.** In this time of crisis in the face of Romanian economy appears that a particular problem two distinct aspects. It is, on the one hand, an effective demand for labor insufficient structurally that will lead in the future to under-utilization of production equipment, and on the other hand, a substitution of labor imposed by technical progress, which will lead to increased unemployment.

We conclude that the present employment situation in Romania is in a fragile balance is quite jeopardized by at least two major events, namely:

- aging population and
- continuous labor migration

Occupation of policies should address the effects of unwanted phenomena present and identify solutions for the future. The sustainable development strategy is precisely this goal to be "development that meets the needs of the present without compromising the ability of future generations to meet their own needs." [1.]

So, the labor market in Romania is strong imbalanced and tense.

Global imbalances and structural above all, economic reasons and, only secondarily, demographic causes.

In the perspective the coming years, easing labor market is possible only under the combined action of economic, demographic, psychosocial and policies, internal and external.

Employment, training, development and efficient use of labor resources are priority objectives of economic reform and social policy associated with it.

Romania has promoted in recent years, a series of reforms aimed at strengthening the flexibility of the labor market, increasing participation and creating sustainable jobs. This includes revising the Labour Code more emphasis on active policies on the labor market and improving the business environment to reduce transaction costs for companies, including simplification of company registration. The effects were beneficial and led to increasing employment and reducing unemployment. That being said, it should not be missed safety valve that is the massive migration of workers abroad, helping to keep unemployment relatively [2.]

Labor market performance in Romania needs improvement, while the employment rate of the labor force is 63%. And Romania is the sixth country in the ranking of countries with poor performance in this area.

The labor market performance require improvement. The employment rate in Romania stagnated between 2007 and 2011, it is especially employment situation for young people. Differences between the general employment rate among youth and is in Romania, 16% versus European average of 10%. The rate is higher than it was in 2008 '

At present our country's unemployment rate rose to 6.1% in the first half of 2016, reaching 546 000 people, according to INS.[5]

Unfortunately, such situation will not change significantly in the coming years, it is likely to be affected and economic change.

At present according to data from the National Statistics Institute, Romania's resident population is 19.94 million people.

According to data for 2015, civil active population was 8910.0 thousand persons, representing 44.9% of the total population. Of all assets, 53.4% were male and 46.6% were female. [6.]

The employed population was 8.4317 million, of which 4.9007 million employed persons. Most employees working in the service sector (3.0145 million persons) and in industry and construction were occupied 1.7724 million people. In agriculture, forestry and fisheries 113 800 people were employed. Third quarter century In the 2015, the employment rate of working age population (15-64 years) was 63.2% having higher for men (71.6% versus 54.6% for women).

From the administrative point of view Romania is divided into eight regions:

- ✓ North-West,
- ✓ Central,
- ✓ North-East,
- ✓ South-East,
- ✓ South-Muntenia
- ✓ Bucharest-Ilfov,
- ✓ South-West Oltenia
- ✓ West.

They have certain features in terms of their economic structure, which makes certain sectors play a decisive role in their development. In the the North-East and South-West high share of the population is engaged in agricultural activities. The civilian population is employed in industry and construction especially in West and Central regions and in services in the Central, West and Bucharest-Ilfov.

There are also regions with a significant tourism potential (the Bucovina region in the North - East coast and the Danube Delta in the South - East, etc.), economic developments of which are influenced by the level of use of this potential.

At the end of the previous year -2015, statistical regions with the highest unemployment rates were recorded South West (7.9%) and South-Muntenia (6.8%). The regions with the lowest levels of unemployment were Bucharest (1.6%) and West (3.4%).

3. Labor-market- in the future prospects

According planned by experts in the field, the local economy will reach a strength of over 5.2 million employees in 2019, with 580,000 additional people (an increase of 13%) compared to the level estimated for this year. The Alba County, in which the active investors in wood processing (Holzindustrie Schweighofer and Kronospan) or the production of automotive components (Daimler Sews etc.), will arrive in 2019 to nearly 96,000 employees, with 13,800 more (18%) from the current level. The number of employees will be increased by 16% in Brasov, Harghita and Satu Mare, according to data from Prognosis in these counties thus predicting an increase or expansion investment.

It is expected that the number of employees and wages rise where there will be investment. The biggest problem is that they no longer have anyone work so that no investor wants to say. On the one hand, there are people who did not work, but knowing conditions in the industry and that they receive the minimum wage will not commit that unskilled workers. For them, it is more convenient to live on social assistance, which earns quite well, by 400-500 lei per month, which adds to the work they have done around the house. If the money deducted from the minimum wage and time spent commuting to work in shifts, people say that it does not pay to work. [7.]

It is noteworthy that the number of employees will grow in areas where there will always be investors

Table 1. Top judets that is expected to grow the most number of employees

Judets	2015	2019	Evolution in 2019 compared to 2015%
Alba	82,1	95,9	17
Brasov	163	189,6	16
Harghita	62	71,9	16
Satu Mare	78,5	90,7	16
Covasna	47,4	54,7	15
Bistrita-Nasaud	60	69,1	15

Source: National Prognosis Commission

Tab 2. Top judets that is expected to grow at less than the number of employees

Judets	2015	2019	Evolution in 2019 compared to 2015%
Bucuresti	841,7	925	10
Dolj	118,7	130,8	10
Dambovita	74,5	82,1	10
Vaslui	52	57,4	10
Braila	62,6	69,2	11
Giurgiu	32,1	35,5	11

Source: National Prognosis Commission

Tab 3. Top judets in which wages rise most

Judets	2015	2019	Evolution in 2019 compared to 2015%
Gorj	1.892	2.473	31
Ilfov	2.237	2.909	30
Bistrita-Nasaud	1.379	1.788	30
Teleorman	1.434	1.848	29
Brasov	1.746	2.250	29

Source: National Prognosis Commission

Tab 4. Top judets in which wages rise at least

Judets	2015	2019	Evolution in 2019 compared to 2015%
Mehedinti	1.574	1.950	24
Dolj	1.654	2.057	24

Satu-Mare	1.461	1.823	25
Bacau	1.573	1.965	25
Suceava	1.461	1.826	25

Source: National Prognosis Commission

It is expected that future wages rise by over 20% across the country

The Percentage least until 2019 will increase the number of employees in Bucharest and Dambovită Dolj, where the increase will be only 10-11% by 2019. An explanation for this - at least for the capital - is that in this area the number of employees is already quite high at present, so that their number will increase significantly in volume (83,000 employees in 2019 to 2015), but the percentage increase will be only 10%.

In Dolj, only whether to make new investments around the factory Ford will increase wages and number of employees. Otherwise, it's unlikely to happen some labor market in the county

In terms of wages, forecast data show that in Gorj, Ilfov and Bistrita Nasaud salaries will increase most, with 30-31% by 2019 compared to 2015. Thus, employees will move from Gorj average wages of about 1,900 lei this year the average salary level of nearly 2,500 lei in the next five years.

On the other hand, the lowest salary increases will Mehedinti and Dolj employees who will have higher salaries by 24% over five years compared to current levels.

The highest salaries will continue in Bucharest, where employees will receive in 2019 about 3,400 lei net per month (27% more than in 2015 and 44% above the average level nationwide in 2019), while what the lowest-paid employees will be obtained in Harghita, where average wages will reach 1,690 lei net per month, 26% above current levels. The planned sounds very charming, and hope they will achieve by the end of 2019

4. Conclusions

Given the current state of the labor force in Romania, characterized by imbalances quantitative and structural should be taken as a priority to those measures which lead to employment as complete and efficient labor resources, social protection as good, reducing social tensions and combating poverty and social exclusion.

The economy of Romania as a whole must reach an optimum level of employment. but this optimum is not the current level, but above the current level, or policies to reduce costs, both in the public and private sectors, inducing a trend in the labor market in the opposite direction to optimize the employment level of labor. in other words, to develop sustainably and to balance the budget, Romania needs more employees to work in the formal economy and pay taxes, but the current trend is to the contrary.

Thus to establish a balance between supply and demand ratio of labor is supposed to act in several directions:

- remodeling professional structure by restructuring the entire education system so that supply labor to adapt rapidly to demand permanent and labor;
- correct determination of the necessary labor;
- development and expansion activity in some areas and less developed, thus creating new jobs;
- designing a modern and efficient system for the retraining and redeployment of workers dismissed from industry or other activities. It must be borne in mind that the number of unemployed in the system of retraining is far below needs to reintegrate the unemployed into work, and the fact that many people believe they have made the best choice of profession and can not assert professional, all with a negative effect over work productivity;
- use in international relations in other countries for exploitation of part of employment issued by layoffs, including specialization / using countries.

It is important that a large part of the population to shift to acquire new knowledge, new skills that will be useful in the new conditions of work and life. they require an ongoing effort adult lifelong learning to adapt to new requirements.

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