

## RURAL EMPLOYMENT IN THE CONTEXT OF ROMANIAN REGIONAL DEVELOPMENT

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### **Abstract:**

*This paper presents the main characteristics of the rural labour market, both at national level and at the level of the eight development regions of Romania, focusing especially on the qualitative aspects of employment. The objectives of our paper are to emphasize the fact that the labour resource in the Romanian rural area is and has to acknowledge itself as a key resource of sustainable development, under the circumstances in which in Romania 45.1% of the population lives in the rural area. Moreover, the paper underlines the implications of the regions’ degree of ruralisation on employment and economic development.*

*The results of the statistical-economic analysis, which was carried out based on the data at national level as well as the level of the development regions in Romania, show that rural labour market is characterized by: employment predominantly in agricultural activities, high share of self- employed and contributing family worker, low level of education, the basic occupation - farmers and skilled workers in agriculture, low productivity, etc.*

*We consider that in order to achieve rural regional development in Romania it is necessary to increase the quality of employment in the rural area.*

**Keywords:** rural development, labour market, employment, agriculture, development regions

**JEL Classification:** J43, R23; R58

## **1. Introduction**

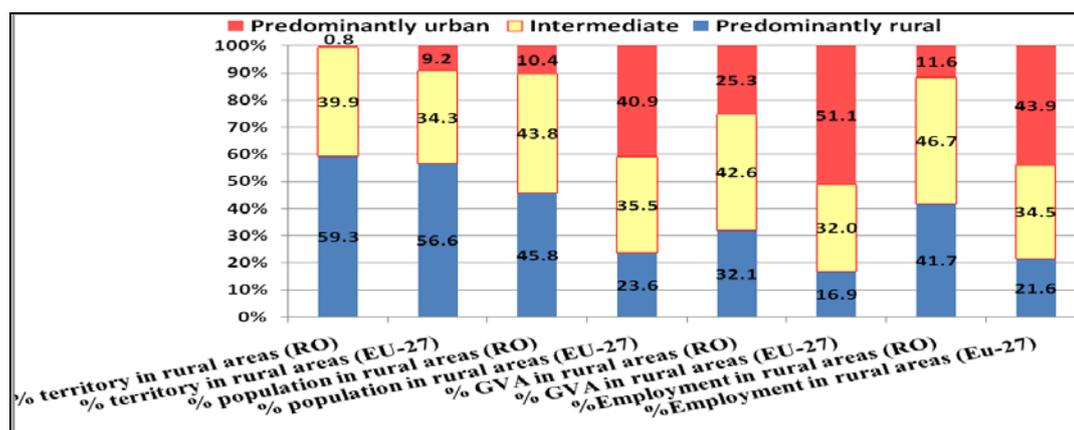
Assuring a high level of rural economic development and reducing the economic gaps between countries, as well as those between regions within a country, cannot be achieved without quantitative and qualitative changes of the rural labour market, being known that the labour resource is considered to be one of the most important assets of society. These transformations of the labour market need to take into consideration the fact that the rural areas have to be regarded as an economic, natural and cultural complex of locations [1] that cannot be characterized by a one-dimensional criterion such as population density, agriculture or natural resources.

The European Commission [2] recognises the diversity of Europe’s rural areas in terms of a number of different socio-economic factors, including labour markets. However, many of Europe’s rural areas face a common challenge – their capacity to create high quality, sustainable jobs is falling behind urban areas [3]. Rural areas tend to show a weaker economic performance [4], to lag behind urban areas in terms of GDP/capita, labour productivity, education level of population, employment in services [5]. Bryden et al.[6], Terluin and Post [7] have highlighted that differential economic performance between similar and different types of rural environments, is multi-dimensional and „is influenced by the complex interplay between economic, human, social, cultural and environmental capital, which is unevenly distributed from place to place”[8].

As for the quantity and quality of employment in rural areas, empirical studies [3, 9,10] show that due to low labour productivity, underemployment or any form of exploitation, most rural jobs do not ensure decent levels of income and sustainable livelihoods. Therefore, improving the functioning of rural labour markets remains a major challenge for rural sustainable development.

In order to achieve the process of real convergence and sustainable development, the development of the rural areas in Romania is necessary, taking into account that these have a substantial potential of economic development and a vital social role. According to the EU’ criteria of defining rurality [11], in Romania, the predominantly rural area (PR) and the intermediate one (IR) account for 99.2% of the country’s territory (59.3% in PR and 39.9% in IR). This accounts for 89.6% of the country’s population (45.8% in PR and 43.8% in IR), it generates 74.7% gross value added (32.1% in PR and 42.6% in IR), and has an employment of 88.4% of total employment at national level (41.7% in PR and 46.7% in IR). This statistical data underline the importance of the rural areas in Romania, but comparing it to the average values recorded at the EU-27 level, we can notice the high level of ruralisation of Romania (figure 1). According to the definition of ruralisation as defined in the national legislation, the rural areas in Romania cover 87.1%

of the country's territory [12], accounting for 45.1% of the population [13], 9.672 million inhabitants respectively. Considering this dimension and the economic characteristics of the rural area, which deviate very much from the EU average values, rural development is a major economic and social development issue.



Source: Based on data from [11]

Figure 1. Importance of rural areas, in Romania and EU-27

Reaching the objective—improving the quality of life in rural areas and encouraging diversification of rural economic activity, stated in The National Rural Development Programme 2007-2013 [12] aims at managing and facilitating the transition of the labour force from the agricultural sector towards other sectors that assure a corresponding living standard from a social and economic point of view, in other words rural development through increasing the quality of employment.

This paper highlights the peculiarities of the Romanian rural labour market and the existing gaps between the eight development regions in Romania. Moreover, it underlines the implications of the regions' degree of ruralisation on employment and economic development.

For reaching the objectives set, **the methodology used** is the empirical approach and secondary analysis of statistical data provided by National Institute of Statistic [13-15], National Commission of Prognosis [16] and Eurostat[17], and related to rural labour market, both at national level and at the level of the eight development regions of Romania. In order to study the intensity of the relationship between the following indicators: employment, degree of ruralisation and economic development (GDP per capita), we have applied the Pearson correlation coefficient and we have used the regression analysis. The values of the Pearson correlation coefficients are presented in the Correlation matrix (table1) which “shows the correlation coefficients of all pairs of model variables” [18].

## 2. The main characteristics of the Romanian rural labour market. Regional disparities

When we analyze the Romanian labour force market, we take into consideration that the functioning of the labour market is conditioned by economic, institutional social or demographic factors, with two major consequences:

✓ The labour force market has a strong national characteristic, its functioning being determined not only by the variation of the aggregated labour force demand and supply, but also by regulations, by the structure of the national economy and the system of education and professional training. Thus, excluding the pure theoretical approaches, it means that we cannot talk about labour force market in general but about concrete labour force markets.

✓ The technical and technological modifications, even though they can start from the same set of scientific knowledge, can have different consequences on the employment and qualification structure in relation to the local and regional conditions.

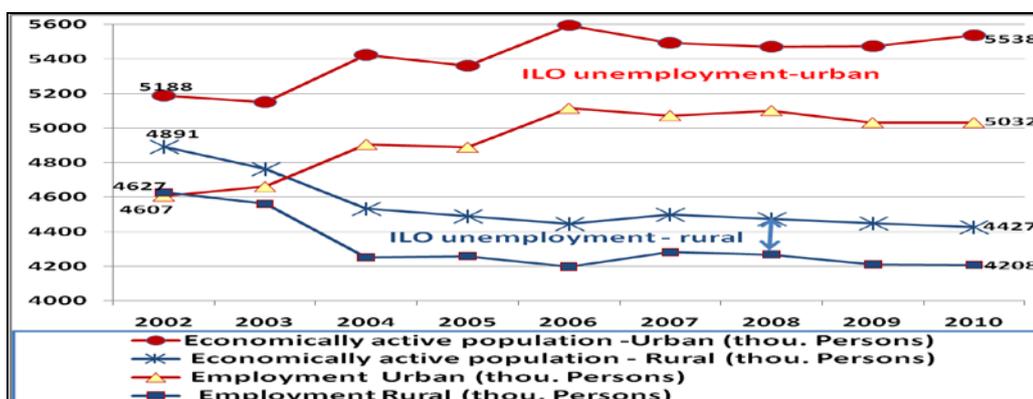
Evaluation of the general status of employment implies the analysis of the main statistical indicators that dimension labour market: active population, employed population, number of unemployed, number of employees etc.

**The labour force supply** in the rural area statistically highlighted by the economically active population indicator, records a pronounced decreasing trend, between 2002 and 2010, from 4891 thousand people to 4427 thousand people (figure 2). During the same period, the active population in the urban area increased from 5188 thousand people to 5032 thousand people.

The explanation of the evolution of the labour market supply is, on the one hand, the evolution of the two components of the economically active population, of employment and unemployment respectively, and on the other hand, the evolution of the total population.

In the context of the exigencies of sustainable development and globalization of the socio-economic activities, the demographic dimension has a special theoretical as well as practical significance, being known that the population must be regarded as the endogenous side of sustainable development. The rural population, as basis of rural labour

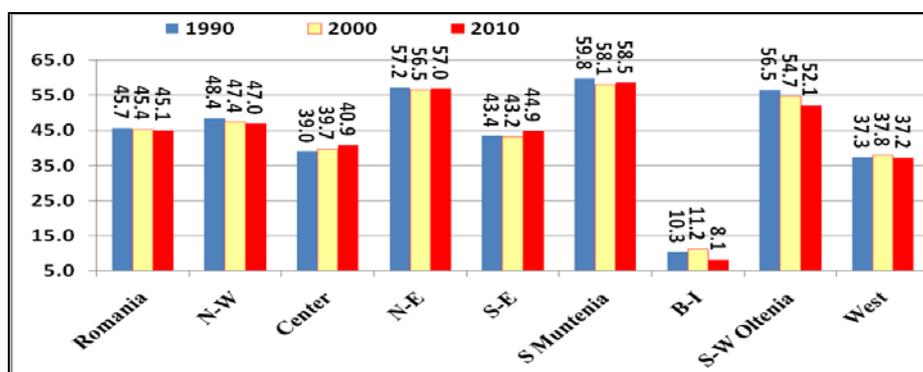
resources, is characterized by significant differences, determined by economic, geographic (relief), social and cultural factors. According to the EU criteria of defining rurality, in Romania, 45.8% of the population is predominantly in the rural area (with 22.2 p.p. more than the EU average), our country ranks fourth, after Slovakia, Estonia and Hungary. The statistical data [11] highlight that only 10.4% of the Romanian population is in predominantly urban areas (compared to the EU average of 40.9%, figure 1), Romania being the last country in EU regarding this aspect.



Source: Our processing based on data provided by [13] and [14]

Figure 2. Population by participation in economic activity in rural and urban area, in Romania

The tendencies recorded by Romania in the last two decades related to the country's population that lives in rural areas (figure 3) indicates that Romania has remained a country with a profound rural character. If we look inside Romania, we observe significant differences in the rural population between the eight development regions: North-West (N-W), Center, North-East (N-E), South-East (S-E), South Muntenia (S-Muntenia), Bucharest-Ilfov (B-I), South-West Oltenia (S-W Oltenia), West. Analysing the data at regional level, presented in figure 3, we notice that the regions that are characterized by the highest shares of rural population (over 50%) are South-Muntenia, North-East and South-West Oltenia, the decreasing trend in the last two decades being highlighted also here. Due to the peculiarities, the Bucharest-Ilfov region records the lowest level of ruralisation, being followed by the West and Centre regions.



Source: Our processing based on data provided by [13] and [14]

Figure 3. The evolution of population in the rural area (% of total population), in Romania, 1990-2010

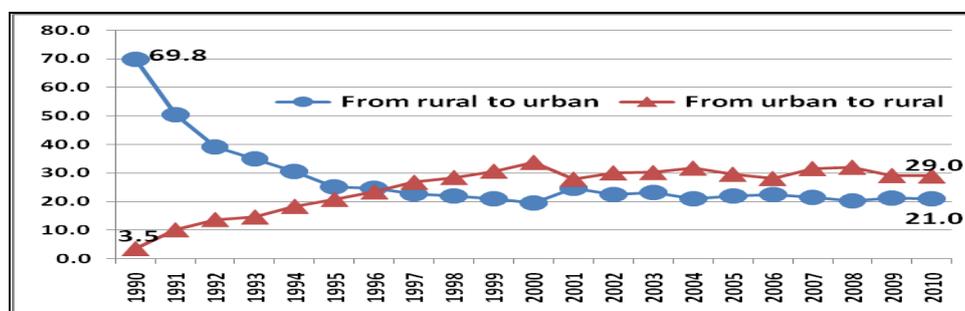
The change in the direction of evolution of the country's population after 1989, meaning the reduction from 23.21 million people to 21.45 million people [13], is to be found also in the rural area, where a more pronounced decline is recorded (from 10.59 million people in 1990 to 9.67 million people in 2010), accompanied by a population ageing process.

The population decrease was determined by a series of factors among which the natural decrease of population (negative natural increase), the ageing process, and the internal and external migration. In Romania, the negative natural increase rate was more pronounced in the rural area compared to the urban one [14], as a result of the fact that the difference between the mortality and birth rates in the rural area was, during almost the entire period, higher than the same difference calculated for the urban area.

As far as the internal migration is concerned, as variable that influences the population in the rural area, between 1990 and 2010, based on the political, economic and legislative changes, significant changes in the evolution of the migratory fluxes by *changing the direction of the internal migration* were recorded. The flux from urban to rural was the main direction of internal migration until 1996, after that the urban-rural flux had the highest share in the structure of migration (figure 4). Law no. 18/1991, the law of the land fund, as well as the impossibility of professional reintegration of some categories of the population made redundant, as result of restructuring certain branches of industry,

have contributed to the change in the direction of the migratory fluxes. Economic reasons, above all differences in income levels and employment, tend to be the main factors inducing people to move between regions.

Statistical data presented in figure 4 show that territorial mobility from the urban area to the rural one, in 1990 was very low (3.5%) compared to the mobility from the rural area to the urban one in the same year (69.8%). Between 1990 and 2010, the territorial mobility from the urban area to the rural one increased, reaching the value of 29% in 2010, with 8 p.p. more than the rural urban mobility. In parallel, the movement of population from the rural area by setting the domicile towards the urban area continued to decrease in intensity, thus between 1997 and 2010, the rural-urban migratory flux was inferior to the urban-rural one, the direction of the internal migration being changed. Although the urban-to-rural internal migration increased as share in the total of internal migration, the decline of the rural population could not be stopped.



Source: Our processing based on data provided by [13] and [15]

**Figure 4. Evolution of the structure of urban and rural internal migration flows determined by permanent residence changing (% of total internal migration), in Romania, 1990-2010**

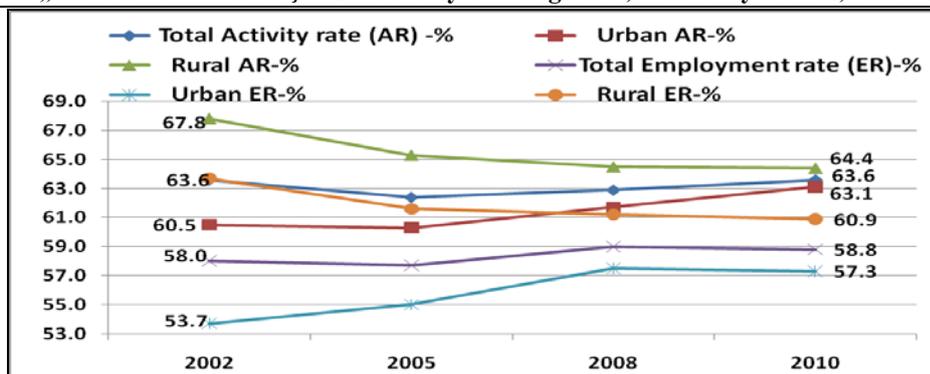
The migration from and to the rural area has negative effects on the **process of ageing in the rural area**. The lack of perspective of finding a job outside agriculture and the lower living standards determine people in the rural area, mostly young and qualified people, to look for opportunities in another place (the rural-urban migration). On the other hand, the rural space has become more and more attractive for the people over 45 years, who are more vulnerable on the labour market in the urban area and who turn to the rural area, where they start to develop a subsistence agricultural activity (the urban-rural migration). We consider that if we want to develop the rural areas, then this is a problem that needs to be solved, being known that national wealth is obtained through work and is kept through work, and the more people work in a country, either young or old, the more prosperity grows.

The marked ageing of rural population can cause potential problems for sustainability of the social security system of these areas (notably health services), also because in most of these regions young people have difficulties in finding a job and so cannot contribute to financial sustainability of the social security system [5].

The other side of the rural labour market, the **labour force demand**, statistically expressed by rural employment, between 2002 and 2010, decreased by 419 thousand people (figure 2). Unlike rural employment, in the urban area employment has recorded a growth of 425 thousand people, fact which highlights that the economic growth in this period generated jobs, especially in the non-agricultural and urban sectors of economy. The tendencies recorded by the labour force demand in the urban area as well as in the rural one, are the result of the relationships that are set among a series of economic variables such as the rhythm of economic growth, labour productivity, the cost of the labour force, the demand for goods and services, etc [19].

The difference between active population and employment is made by the **number of unemployed people**, which has had a fluctuating evolution, but with a decreasing trend, both in the rural and in the urban area. It is noticed that in the urban area the number of unemployed people is much higher, almost double than the value recorded in the rural area. For example, in 2010, the number of the unemployed people was of 506 thousand in the urban area and 219 thousand in the rural one [13]. Statistical data confirms that in Romania we are witness to an increased urbanization of the active population, the employed population and unemployment, but insufficient in relation to EU. If we take into account the EU criteria of defining rurality (figure 1), in the Romanian economy 41.7% of the total number of jobs created is in the predominantly rural area, 46.7% in the intermediate area and only 11.6% in the predominantly urban area, so we can notice a significant gap in relation to the average values recorded in EU-27.

Between 2002 and 2010, the **derived indicators of the rural labour market**, i.e. the activity and the employment rate in the rural area, recorded higher values compared to the rate recorded at national level, and also compared to the one in the urban area. Based on the demographic ageing in the rural area and the attractiveness of the labour market in the urban area, both rates have a descending trajectory. On the other hand, in the urban area, the activity rate as well as the employment one records significant increases (figure 5). The result of a higher employment rate in the rural area compared to the one recorded in the urban area, consists in a lower rate of rural unemployment (5.0% in 2010) than the urban one (9.1% in 2010).

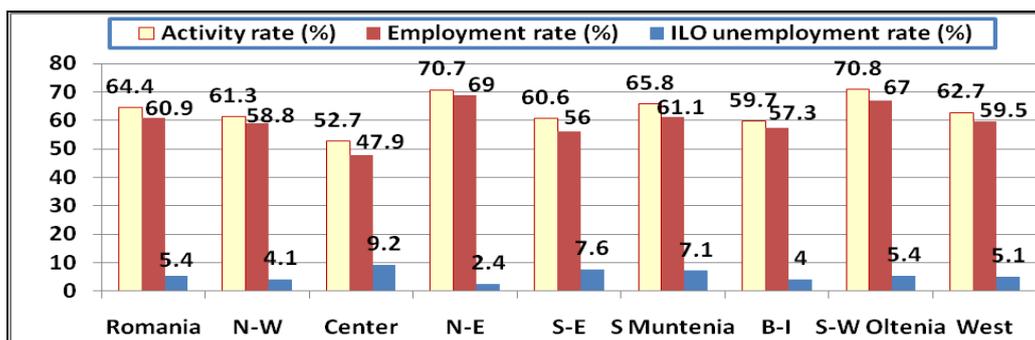


Source: Our processing based on data provided by [13] and [14]

Figure 5. Activity and employment rate in rural and urban area, in Romania, 2002-2010

From the regional perspective, in 2010, there are significant differences related to the participation in the labour market. Thus, in the South-West Oltenia, North-East and South Muntenia regions, the activity rate in the rural area is over the national average, and the one recorded in the urban area. Also in these regions, where the degree of ruralisation is the highest, the highest values of the employment rate are recorded, with consequences on the unemployment rate (figure 6). The highest rate of unemployment is recorded in the Centre region, where there is the lowest level of employment (47.9%), and the lowest one in the North East region, characterized by a high level of employment and activity.

At regional level, the trends related to the employment rate are reflected differently, in relation to the area's socio-economic specificity and the complex transformations that took place in the national economy, as a result of the restructuring process.



Source: Based on data from [13]

Figure 6. Population by participation in economic activity in rural area, at regional level, 2010 (%)

The rural area can often present the phenomenon of *hidden unemployment* and/or underemployment, notably in the less economically developed areas [4, 9]. This happens when other working opportunities are absent and it is possible to work within the family farm, with low or very low productivity, where the agricultural sector is large, along with a large presence of self-employment in farms, and traditional services (small businesses), are often small or very small [19]. The presence of these phenomena causes an overestimation of employment in the rural area from Romania.

### 3. Influence of qualitative employment on rural regional development

Romania, as any other country, has disparities between the levels of economic and social development of the different areas of the country. The existence of the disproportions of territorial socio-economic development was determined by objective and subjective causes, by natural and conjunctural factors. The economic theory and practice claims that there are disparities between regions and they are mainly notable between the urbanized and rural regions. The most evident performances related to the economic development and the elimination of discrepancies are obvious in the case of the regions with a high degree of urbanisation, there being a direct relationship between the level of socio-economic development and the degree of urbanisation of a region [20]. On the contrary, an inverse relationship is highlighted between the degree of ruralisation and the socio-economic development.

The statistical data on the eight development regions of Romania show that in regions where the degree of ruralisation is the highest (resulted by the share of rural population in total population), there is also the lowest degree of economic development. The most developed region is Bucharest-Ilfov (GDP/capita=58207.9 lei), where there is the lowest degree of ruralisation, and the most underdeveloped areas are the border ones North East (GDP/capita=14763.4 lei/capita), and those along the Danube (SW Oltenia-17841.5 lei/capita), characterized by a high degree of ruralisation. In Romania, in 2010, from the statistical analysis at regional level (figure 7 and table 1), carried out based on the

correlation coefficient, between economic development (GDP/capita) and the degree of ruralisation, there is a very strong, negative correlation (the value of the Pearson correlation coefficient = -0.952).

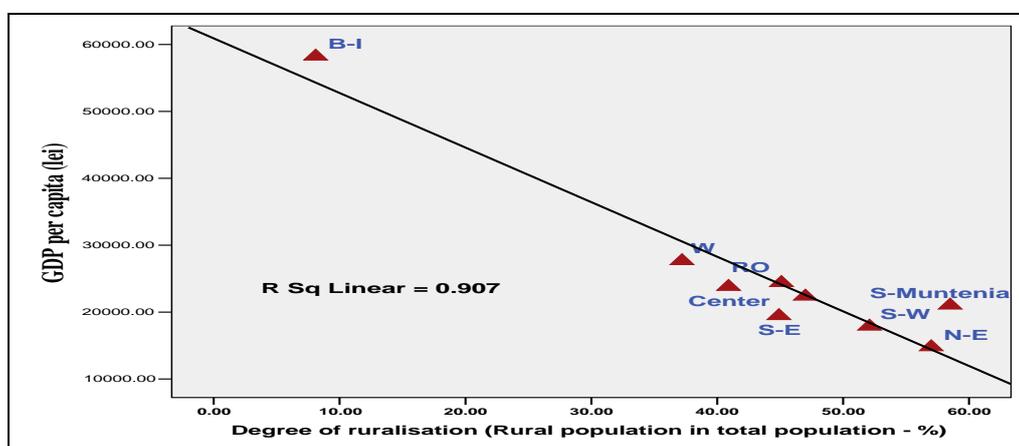
**Table 1. The matrix of multiple correlations**

		Correlations					
		Rural population (%)	GDP per capita	Labour productivity	Employment in agriculture (%)	Employment in services (%)	Employees in employment (%)
Rural population (%)	Pearson Correlation	1	-.952**	-.967**	.883**	-.958**	-.887**
	Sig. (2-tailed)		.000	.000	.002	.000	.001
	N	9	9	9	9	9	9
GDP per capita	Pearson Correlation	-.952**	1	.992**	-.837**	.967**	.837**
	Sig. (2-tailed)	.000		.000	.005	.000	.005
	N	9	9	9	9	9	9
Labour productivity	Pearson Correlation	-.967**	.992**	1	-.898**	.976**	.899**
	Sig. (2-tailed)	.000	.000		.001	.000	.001
	N	9	9	9	9	9	9
Employment in agriculture (%)	Pearson Correlation	.883**	-.837**	-.898**	1	-.885**	-.997**
	Sig. (2-tailed)	.002	.005	.001		.002	.000
	N	9	9	9	9	9	9
Employment in services (%)	Pearson Correlation	-.958**	.967**	.976**	-.885**	1	.876**
	Sig. (2-tailed)	.000	.000	.000	.002		.002
	N	9	9	9	9	9	9
Employees in employment (%)	Pearson Correlation	-.887**	.837**	.899**	-.997**	.876**	1
	Sig. (2-tailed)	.001	.005	.001	.000	.002	
	N	9	9	9	9	9	9

\*\* . Correlation is significant at the 0.01 level (2-tailed).

Source: Own calculations based on data provided by [13] and [16]

In the economic literature there is the opinion according to which the degree of economic development depends on the efficiency of using the labour resource, the labour productivity respectively [21], being emphasised that between economic development and labour productivity there is a direct and interdependent relationship. This relationship is verified in Romania as well at regional level, for 2010 (the value of the Pearson correlation coefficient is of +0.992, indicates a very strong positive relationship). This highlights the necessity to increase labour productivity in order to reduce the gaps between the eight development regions in the country, as well as the gap between Romania and the other EU countries. We mention that, in Romania, in 2010, labour productivity was only of 48.9% compared to the average recorded at the level of EU-27.

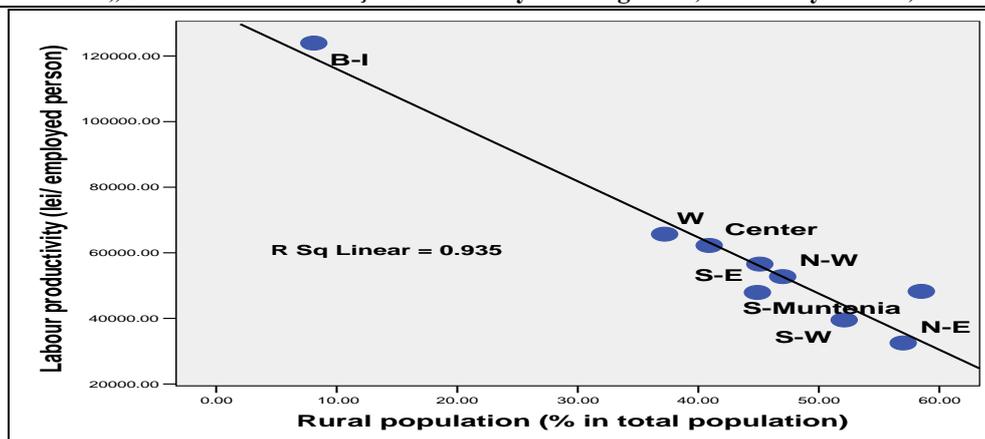


Source: Own calculations based on data provided by [13] and [16]

**Figure 7. Inverse correlation between degree of ruralisation and economic development, at regional level, 2010**

More reduced economic performance, in the regions with a higher degree of ruralisation, is generally explained by lower average labour productivity, determined by specialisation in lower value added sectors (e.g. agriculture *versus* industry or services); a less educated workforce; a lower percentage of the region's population in the labour force; a higher unemployment rate; a greater percentage of older persons; a higher rate of commuters employed in other regions [5].

Statistical data at the level of the eight development regions presented in figure 8 confirm the negative relationship between labour productivity and degree of ruralisation (Pearson correlation coefficient = -0.967), fact which highlights the necessity to increase labour productivity in order to reduce the gaps between the eight development regions in the country.



Source: Own calculations based on data provided by [13] and [16]

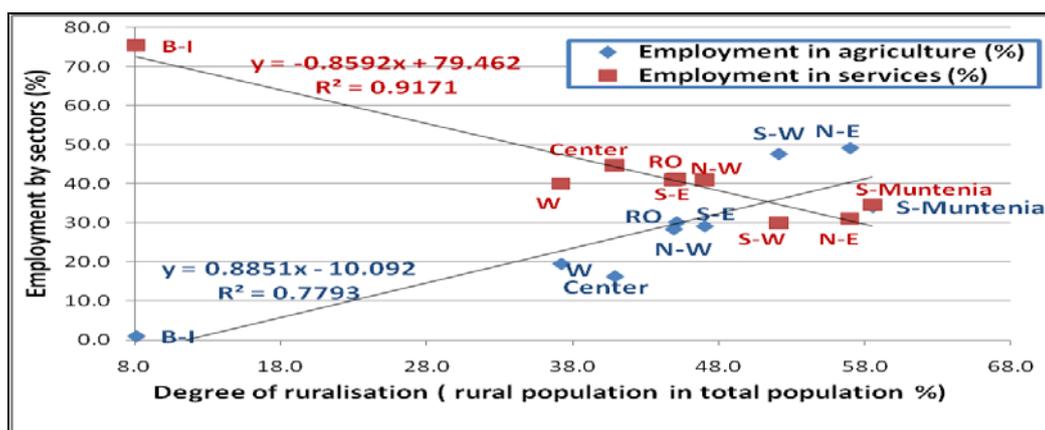
Figure 8. Inverse correlation between degree of ruralisation and labour productivity, at regional level, 2010

The efficiency of using the labour force and implicitly economic development depends on the employment's quantity and quality. The fact that, in Romania, the employment rate in the rural area is superior to the one in the urban area, but the regions with a higher ruralisation degree record a lower level of development, imposes the necessity of taking some measures to increase the quality of employment.

It is important, when we analyse the quality of rural employment, to take into consideration the sector of activity in which the employed population performs its occupation, the professional status that it has, the level and security of work-earned income, level of education.

From the perspective of the type of activity that the employed population performs, a higher level of employment in the primary sector (agriculture, forestry and fishing), is recorded in Romania, of 30.1%, with 24.9 p.p. more than the average recorded in EU-27, but we have to appreciate its decreasing tendency from 46.3% in 2000 to 30.1% in 2010 [17]. At regional level, as far as employment in agriculture is concerned, significant differences can be noted (figure 9): in the three regions where the degree of ruralisation is over 50%, an employment in agriculture much over the average recorded at national level is registered (North East – 49.1%; South- West Oltenia -47.6%; South-Muntenia -34%).

Between the degree of ruralisation of a region and employment in the primary sector, in 2010, at regional level, a strong direct relationship was identified (figure 9), fact which emphasises that as the level of ruralisation of the region increases, the employment in agriculture increases too, this being the main sector of activity (Pearson correlation coefficient = + 0.883). On the contrary, between employment in services and the share of rural population, a strong negative correlation (Pearson correlation coefficient = -0.958) was identified. At the same time, we can state that the high employment in agriculture, under the circumstances of a low labour productivity, did not assure a high level of economic development. At regional level, from a statistical point of view, a negative relationship is identified between employment in primary sector and economic development (Pearson correlation coefficient = -0.837).



Source: Own calculations based on data provided by [13]

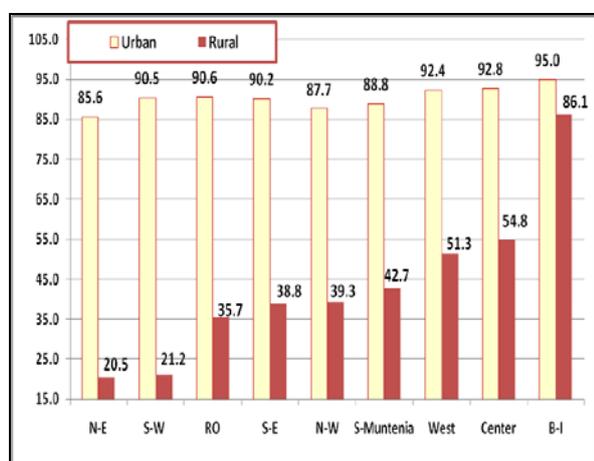
Figure 9. Correlation between degree of ruralisation and employment by sectors, 2010

The Romanian agriculture absorbed the people made redundant after the privatization of the state-owned companies of other sectors of activity (especially the secondary sector), people that returned to their rural origins, with or without redundancy payments from the state (mainly in the first decade of transition). The consequence of this state is to be found not only in employment but also in the labour productivity, the competitiveness of the agro-industrial products on the domestic and EU market. The high share of the employed population in agriculture, in Romania, explains the existence of a higher share of farmers and skilled workers in agriculture, forestry and fishery in total

employment. In 2010, according to data from National Institute of Statistic [13], 24.3% (2241.9 thousand people respectively) of the total of 9243 thousand employed people had this occupation, of which 94.9% (2129.8 thousand people) lived in the rural area. The fact that the majority of the workers in the rural area work in agriculture, and the predominant occupation is that of farmers and skilled workers in agriculture, forestry and fishery (over 50% of the jobs in the rural area), creates the conditions for self-employment to the detriment of salaried work.

According to statistical data from National Institute of Statistic [13], agriculture, as the main occupational activity, declined in importance in the following regions: Centre, North-west and Bucharest-Ilfov (where the employed population in agriculture represents less than 50% of the rural employed population), the labour force in these regions being oriented to the industry and services sector. In the other regions, especially those in the East and South of the country, the share of agriculture in total rural employment exceeds 60% (for example in S-W Oltenia).

The fact that the majority of the workers in the rural area work in agriculture, and the predominant occupation is that of *farmers and skilled workers in agriculture, forestry and fishery*, creates the conditions for self-employment to the detriment of salaried work. The statistical data presented in figure 10 indicates us that while in the rural area 90.6% of the employed population are salaried; in the rural area only 35.7% has this status. The highest differences between the salaried work in the urban area and the one in the rural area emerge in the regions with a higher degree of ruralisation (South West Oltenia, North East). Moreover, there are gaps between regions as far as salaried work is concerned in the rural area (figure 11): in the South West Oltenia and North East regions, a share of the employed population under 25% is recorded, and in the regions Bucharest -Ilfov, Center and West over 50%. In the regions where salaried work is reduced, a high share of self-employment and contributing family worker is noticed and vice versa. In these regions, a high level of the rate of poverty is also identified.



Source: Our processing based on data provided by [13]

Figure 10. The share of employees in total employment, by area, at regional level, in 2010 (%)

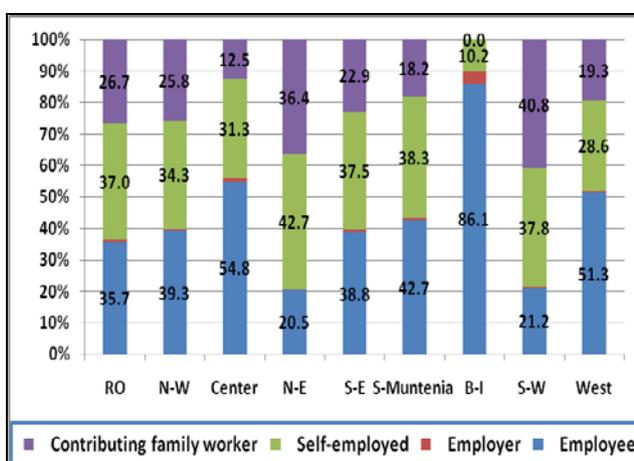


Figure 11. Rural Employment structure, by status in employment, in 2010 (%)

The dimensions of these categories can characterize the dynamics of the labour market as well as the dynamics of the socio-economic development at regional and national level. The economic theory states that between the GDP per capita and the employees' contribution to the GDP's formation there is a direct relationship [22]. From the statistical analysis based on the data on GDP/capita and the share of employees in the employed population in rural area, at regional level, in 2010, one can notice that between the two indicators there is a direct strong relationship (Person correlation coefficient = +0.837). But when we analyse the relationship between salaried work and the degree of ruralisation, we identify a negative relationship (Pearson correlation coefficient = -0.887), fact which emphasises that in those regions where the degree of ruralisation is high, the salaried employment is low (North East – 20.5%; South- West Oltenia – 21.2%), accompanied by a development level equally low.

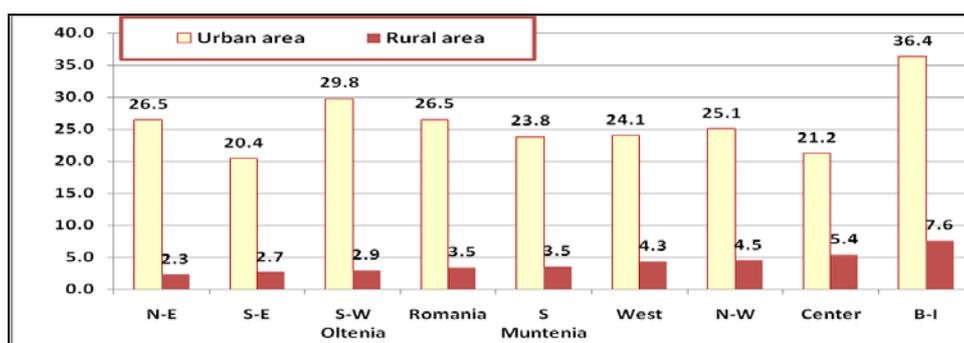
Therefore, we need to increase the share of employees in total employment in Romania, because from the income security and social protection point of view, the employee status on the labour market is by far superior compared to the other categories (self-employed, family worker, etc). Moreover, an expansion rate of salaried work is specific to a high level of economic development.

On the other hand, knowing that in Romania the majority of the employed population in the rural area works in agriculture (2603 thousand people), and that 53.2% of the total employed population in agriculture, in the rural area, are self-employed, 42.7% are contributing family workers, and only 4.9% are employees [13], we can state that in Romania agriculture has an important role for assuring income, by self-employment, while the diversification of activities in the rural area still remains a problem.

Rural development is the key tool for the restructuring of the agriculture sector, and for encouraging diversification and innovation in rural areas [23]. The capacity of regions to support learning and innovation processes is an important source of competitive advantages, a multiplier of economic activity, employment and development. Rural labour productivity improvement can result from the introduction of labour-enhancing innovations which allow the same amount of agricultural labour to cultivate more land or through the introduction of better seed varieties,

improved soil fertility and irrigation that raise land productivity [10]. Thus, “the agricultural sector may provide Romania a real competitive advantage across Europe, Romania being alongside countries as France, Germany, one of the countries with a high agricultural potential” [24].

The introduction of technical progress in the Romanian agriculture relies heavily on the skills and education of the agricultural workforce as well as on the availability of information, credit and markets. Rural labour markets are largely markets for unskilled labour where supply comes from workers with little formal education or training, generating low productivity, low wages and weak bargaining. On the Romanian labour market, important educational disparities are also present. Data in figure 12 on the share of the employed population with higher education of total employment emphasises that the gap between urban and rural at national level, as well as regional level, is significant, in the urban area, there being a much higher share of the employed population with higher education. It is extremely important for the Romanian higher education system to “correlate the graduates number with the number of work places in the Romanian economy, and take into account the necessities imposed by the participation at international competition” [25].



Source: Based on data from (NIS, 2011b)

Figure 12. Employed population with higher education (% of total employment), by area, at regional level, 2010

For increasing the quality of employment in rural areas, it is necessary to improve education, especially entrepreneurship education because this makes a difference. The European Commission [26] have highlighted that „those who went through entrepreneurial programmes and activities display more entrepreneurial attitudes and intentions, get a job earlier after finishing their studies, can innovate more even as employees in a firm, and start more companies”.

#### 4. Conclusions

Although the employment and activity rate in the rural area are high compared to the urban one, and the unemployment rate is lower, the results of the statistical-economic analysis carried out based on the data at national level, as well as the level of the development regions, show that the problems of rural employment in Romania are far from being solved. Instead of reflecting employment opportunities of a high quality, the higher level of the rural employment rate reflects self-employment, with a lower level of education, especially in agriculture, where productivity and income continue to be low.

In order for employment in the rural area to contribute to raising the standard of living of the inhabitants of the rural areas, it is necessary to create and implement some employment policies that will lead to the development of rural non-agricultural employment, to increasing income security, to making work more efficient in the rural area, in other words it is necessary to increase the quality of employment in the rural area.

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