

The Evolution of the Labour Market in Romania's South-East Region

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Abstract

The decreasing total population has had major repercussions on the labour force market as well. The difficulties that Romania's South-East Region has to deal with characterise the whole country and have arisen as a result of the decline in the active and employed population. In the South-East Region, the dynamics of the active population decreased – as it did at national level – from 1,276 in 2004 to 1,240 thousand people in 2009. The declining trend affects both the population structure on residential areas and on sexes. The reduced active population is an obvious sign of a low activity rate with long-term effects on the economy of the region. On analysing the structure of the active population on residential areas, one can notice a slight increase in the urban active population: 708 thousand people in 2009 compared to 694 thousand people in 2003. However, the rural active population is decreasing permanently, 732 thousand people in 2009 compared to 586 thousand people in 2003. A significant decline was also visible in the employed population both at regional and national level: from 1,151 in 2004 to 1,151 in 2009. The regional and national dynamics of the employed population on residential areas is decreasing chiefly because of the decline in the rural employed population, which decreased with 20,000 people from 2009 to 2004. In the past years, the urban employed population has increased from 626 thousand people in 2004 to 642 thousand people in 2009. In 2009, the distribution of the employed population on activities of the national economy in every county of the South-East Region underlines the sectors with the highest share of employed population in the following order, in thousand people: agriculture (304), processing industry (225), trade (138) and construction (101).

Keywords: active population, employed population, labour force, labour market, total population

1. Introduction

With an area of 35,762 km² (15% of the country's total area), the South-East Region is the second by size among the eight regions of Romania.

From the geographic and historical perspective, it is the area where the provinces Moldova, Muntenia and Dobrogea meet, a confluence of their history and culture. The region is made of six counties: Constanța, Tulcea, Brăila, Galați, Vrancea and Buzău (Figure 1).

The South-East Region has almost all relief forms: the Danube Meadow, the Romanian Plain, the Dobrogea Plateau, the Macin Mountains and part

of the Carpathians and Curvature Sub-Carpathians in the north-west. The region is crossed by the Danube, comprises the Danube Delta and is bordered by the Black Sea Coast in the east. However, the plain with continental climate is the major form of relief.



Figure 1. Romania's South-East Region

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In 2009, the region had 2,812,755 inhabitants, meaning 13.1% out of the country population; the density of 78.7 inhabitants/km² is below the country average (90.1 inhab/km²). The highest density is registered in Galați County (136.5 inhabitants/km²), dominated by the industrial and commercial centre with the same name, and the lowest in Tulcea County (29.1 inhabitants/km²), where the natural and economic conditions are less favourable.

The South-East Region has 35 towns (out of which 11 municipalities) and 1447 villages (organized in 355 hamlets). The largest town in

the region is Constanța (302,040 inhabitants), followed by Galați (290,733 inhabitants), Brăila (211,884 inhabitants), Buzău (131,905 inhabitants), Focșani (98,123 inhabitants), and Tulcea (90,856 inhabitants).

In 2009, 25.68% (722,360 inhabitants) of the population lived in Constanța County; Galați County had 609,480 inhabitants (21.671% of the total regional population); Buzău County – 482,684 (17.16%); Vrancea County – 390,596 (13.89%); Brăila County – 360,191 (12.81%) and Tulcea County – 247,444 (8.79%) (Table 1).

Table 1. The structure of the South-East Region population on counties, sexes and residential areas (2009)

Development region /County	Total (number of persons)			Urban			Rural		
	Both sexes	Male	Female	Both sexes	Male	Female	Both sexes	Male	Female
Romania	21,469,959	10,457,219	11,012,740	11,823,516	5,649,707	6,173,809	9,646,443	4,807,512	4,838,931
Macroregion 2	6,526,805	3,211,425	3,315,380	3,154,287	1,514,648	1,639,639	3,372,518	1,696,777	1,675,741
South-East	2,812,755	1,376,625	1,436,130	1,549,279	743,642	805,637	1,263,476	632,983	630,493
Brăila	360,191	175,004	185,187	234,169	111,976	122,193	126,022	63,028	62,994
Buzău	482,684	235,468	247,216	198,259	95,014	103,245	284,425	140,454	143,971
Constanța	722,360	351,184	371,176	504,667	241,011	263,656	217,693	110,173	107,520
Galați	609,480	300,517	308,963	343,902	166,145	177,757	265,578	134,372	131,206
Tulcea	247,444	122,777	124,667	121,711	59,196	62,515	125,733	63,581	62,152
Vrancea	390,596	191,675	198,921	146,571	70,300	76,271	244,025	121,375	122,650

Source: Romanian Statistical Yearbook, 2010

In 2009, the urban population accounted for 55.1% of the total regional population. In three counties (Constanța, Galați and Brăila) that have high industrialisation level and good employment opportunities, the population is concentrated in the urban areas. In the same year, the distribution of population on residential areas in 2009 revealed major differences among the six counties: Brăila, Constanța and Galați are urban counties, while Buzău, Tulcea are rural counties. The low birth

rate is the result of the economic conditions in general and poor medical services in the rural area in particular. The decrease in these indicators was registered in counties with low urbanisation degree. The main factor causing population decline is the negative natural growth, which is expected to turn positive in the next years. Significant changes in the dynamics of natural growth have been registered in Constanța (+889 inhabitants) and Buzău (-2.163 inhabitants) (Table 2).

Table 2. The natural movement of population in the South-East Region (2009)

Development region	Absolute data (number)					Dead-born per 1000 births (live-births and dead-born)	Infant deaths per 1000 live-births
	Live-births	Deaths	Natural increase	Marriages	Divorces		
Romania	222,388	257,213	-34,825	134,275	32,341	969	2,250
Macroregion 2	69,394	75,281	-5,887	39,544	10,183	287	755
South - East	28,131	33,215	-5,084	16,745	4,095	127	296
Brăila	3,147	4,662	-1,515	1,872	733	7	31
Buzău	4,457	6,620	-2,163	2,581	781	13	50
Constanța	8,398	7,509	889	5,262	773	51	80
Galați	5,913	6,697	-784	3,641	978	26	73
Tulcea	2,274	3,019	-745	1,284	280	13	18
Vrancea	3,942	4,708	-766	2,105	550	17	44

Source: Romanian Statistical Yearbook, 2010

A continuous decrease at regional and county levels is predicted for 2013: -25.4 thousand people in Galați; -24.4 thousand people in Brăila; -7.2

thousand people in Constanța and -10.6 thousand people in Vrancea (Table 3).

Table 3. Number of inhabitants at regional and county level in 2013 (Thousand people)

Development region/ County	2005	2006	2007	2008	2009	2010	2011	2012	2013
Brăila	369.6	366.7	363.9	361.1	358.3	355.5	352.0	348.6	345.2
Buzău	493.4	490.6	487.8	485.1	482.3	479.6	476.2	472.7	469.3
Constanța	714.5	714.1	713.8	713.4	713.1	712.7	710.9	709.1	707.3
Galați	618.9	616.1	613.4	610.6	607.9	605.2	601.3	597.4	593.5
Tulcea	252.1	250.7	249.3	247.9	246.5	245.1	243.3	241.4	239.6
Vrancea	393.8	392.7	391.6	390.4	389.3	388.2	386.5	384.9	383.2
South-East	2,842.3	2,831.0	2,819.7	2,808.5	2,797.4	2,786.3	2,770.1	2,754.1	2,738.2

Source: Regional Action Plan for Employment in the South-East Region, 2006

2. Materials and methods

The Romanian labour market is aimed at becoming as competitive as other markets in the European Union, in a knowledge-based economy. To this end, companies attempt to satisfy both employees' demands regarding employers' competence and employers' demands. The individual must be prepared to learn all his or her life to update his or her skills to meet the market demands.

This paper presents data about the South-East Region concerning both employed and active population provided by the national and regional statistics institutions and other statistical research facilities in Romania. The labour market plays a decisive role in assuring long-term economic growth and productivity. Creating the necessary environment to improve professional skills required in a competitive production process has become and absolute priority. The difficulties that

the South-East Region has to deal with characterise the whole country and have arisen as a result of the decline in the active and employed population. The decreasing total population has had major repercussions on the labour force market as well.

3. Results and discussion

The dynamics of the active population has decreased not only in the South-East Region, but also at national level. The active population increased in 2006, but in 2009 a decrease of active population with 58,000 people from 2006. The declining trend affects both the population structure on residential areas and on sexes (Table 4). The reduced active population is an obvious sign of a low activity rate with long-term effects on the economy of the region.

Table 4. The evolution of the active population in the South-East Region (Thousand people)

Specification	2004	2005	2006	2007	2008	2009
Romania	9,957	9,851	10,041	9,994	9,944	9,924
Microregion 2	3,090	3,036	3,055	3,047	2,999	3,013
South-East	1,276	1,246	1,298	1,262	1,246	1,240

Source: Romanian Statistical Yearbook, 2010

The analysis of the active population structure on residential areas has revealed that compared to 2009, in 2008 the urban active population increased with 10,000, but decreased with 13,000

people compared to 2007. The rural active population is decreasing permanently. In 2009 the active rural population increased with 4,000 people compared to 2008 (Table 5).

Table 5. The evolution of the active population in the South-East Region on residential areas (Thousand people)

Specification	2004		2005		2006		2007		2008		2009	
	Urban	Rural										
Romania	5,423	4,534	5,361	4,490	5,595	4,446	5,494	4,500	5,471	4,473	5,475	4,449
Microregion 2	1,429	1,661	1,418	1,618	1,474	1,581	1,430	1,617	1,407	1,592	1,417	1,596
South-East	710	566	701	545	741	557	710	552	700	546	708	532

Source: Romanian Statistical Yearbook, 2010

In 2006, the male population within the total active population increased with 23,000 people compared to 2005, but decreased with 17,000 people compared to 2009 (Table 6).

In 2009, the employed population in the region was 1,147 thousand people – 12.4% of the national figure.

Both at national and regional level, the employed population decreased significantly in 2005, then increased with 35,000 people in 2006, and

decreased with 35,000 people in 2009 from 2006. The regional and national dynamics of the employed population on residential areas is decreasing chiefly because of the decline in the rural employed population, which decreased with 20,000 people from 2004 to 2009. The urban employed population increased with 34,000 people in 2006 from 2004, but it decreased with 18,000 in 2009 from 2006 (Table 7).

Table 6. The evolution of the active population in the South-East Region on sexes (Thousand people)

Specification	2004		2005		2006		2007		2008		2009	
	Male	Female										
Romania	5,471	4,486	5,431	4,420	5,526	4,515	5,515	4,479	5,526	4,418	5,524	4,400
Microregion 2	1,698	1,392	1,663	1,373	1,669	1,386	1,671	1,376	1,668	1,331	1,682	1,331
South-East	737	539	722	524	745	553	735	527	735	511	728	512

Source: Romanian Statistical Yearbook, 2010

Table 7. The evolution of the employed population in the South-East Region on residential areas (Thousand people)

Specification	2004		2005		2006		2007		2008		2009	
	Urban	Rural										
Romania	4,906	4,252	4,889	4,258	5,115	4,198	5,072	4,281	5,101	4,268	5,032	4,211
Microregion 2	1,273	1,579	1,280	1,555	1,317	1,518	1,291	1,560	1,289	1,541	1,275	1,538
South-East	626	525	633	514	660	522	638	517	640	516	642	505

Source: Romanian Statistical Yearbook, 2010

In 2008, the male employed population share in the South-East Region increased with 18,000 people from 2004. In 2009, a decline was also

noticed in the employed population, with 6,000 people (Table 8).

Table 8. The evolution of the employed population in the South-East Region on sexes (Thousand people)

Specification	2004		2005		2006		2007		2008		2009	
	Male	Female										
Romania	4,980	4,178	5,011	4,136	5,074	4,239	5,116	4,237	5,157	4,212	5,100	4,143
Microregion 2	1,549	1,303	1,538	1,297	1,528	1,307	1,551	1,300	1,558	1,272	1,558	1,255
South-East	658	493	660	487	674	508	671	484	676	480	670	477

Source: Romanian Statistical Yearbook, 2010

In 2005, the employed population accounted for 36.1% of the total population: services (44.5%) agriculture (32%) and industry (23.5%). Owing to the tourist resorts on the sea coast and the harbours in Constanța, Mangalia and Galați, the

employed population in the service sector is high. On the other hand, in Vrancea County, approximately 49% of the employed population works in agriculture and 62% of the county population lives in rural areas.

The lack of job opportunities, poorly paid jobs and reduced qualification have led to the huge migration of the active population to places with economic growth in the country and abroad. Migration occurs chiefly in Vrancea County, where the fragile economic structure made the young people to leave their native places and find work abroad.

In the past years, the industrial branches have started to decline, causing the liquidation and/or reorganisation of the largest companies – and implicitly a higher unemployment rate – and the opening of small and medium-sized companies.

According to the statistical data, in the last years, the small and medium-sized firms have the largest share in the region. Most of the larger enterprises are active in the processing industry, construction, transport and storage services.

In 2009, the county distribution of the employed population on activities of the national economy underlines the sectors the South-East Region with the highest share of employed population in the following order: agriculture, processing industry

and trade. Nevertheless, changes occur from one county to another, according to the number of employed people: structurally, agriculture comes first (32.28%), but industry shares only 19,78% of the total employed population in the studied region; the processing industry is the main activity, most of the people (16.23%) working in this sector (Table 9).

Taking into consideration the sustainable development issue, efforts must be made to develop the service sector, which can provide new job opportunities, even though the employment population rate is high in this sector and low in agriculture and industry.

Aging may cause the loss of major skills in certain areas of interest on the labour force market. The number of employers has been reduced drastically in fields like research, (higher) learning education, industry etc. On the other hand, aging may encourage the need of initial and/or continuous training in poorly developed areas such as medical care and socialising for the elderly, fitness and prophylactic activities, part-time jobs etc.

Table 10. The structure of the employed population in the South-East Region on activities of the national economy

(Thousand people) Development region/ County	Economy total	Agriculture, forestry and fishing	Industry	Construction	Wholesale and retail; repair of motor vehicles and motorcycles	Education
Romania	8,410.7	2,410.7	1,773.6	626.1	1,138.2	413.0
Microregion 2	2,219.3	815.7	406.3	153.6	268.5	115
South-East	1,011.1	326.4	200.0	80.7	126.6	46.3
Brăila	127.1	38.2	29.0	11.6	16.0	6.0
Buzău	173.6	72.4	35.5	7.9	21.0	7.6
Constanța	295.7	62.9	54.9	33.5	44.2	12.1
Galați	191.8	59.6	37.8	16.1	23.2	10.4
Tulcea	82.6	31.0	16.9	4.5	7.3	4.3
Vrancea	140.3	62.3	25.9	7.1	14.9	5.9

Source: Romanian Statistical Yearbook, 2010

4. Conclusions

The difficulties that Romania's South-East Region has to deal with characterise the whole country and have arisen as a result of the decline in the active and employed population. The decreasing total population has had major repercussions on the labour force market as well.

In the South-East Region, the dynamics of the active population decreased – as it did at national level – from 1,276 in 2004 to 1,240 thousand people in 2009. The declining trend affects both the population structure on residential areas and on sexes. The reduced active population is an

obvious sign of a low activity rate with long-term effects on the economy of the region.

On analysing the structure of the active population on residential areas, a slight increase in the urban active population can be noticed: 708 thousand people in 2009

compared to 700 thousand people in 2008. However, the rural active population is decreasing permanently.

A significant decline was also visible in the employed population both at regional and national level: from 1,151 in 2004 to 1,147 in 2009. The regional and national dynamics of the employed population on residential areas is decreasing

chiefly because of the decline in the rural employed population, which decreased with 20,000 people from 2004 to 2009. In the past years, the urban employed population has increased from 642 thousand people in 2009 to 626 thousand people in 2004.

In 2009, the distribution of the employed population on activities of the national economy in every county of the South-East Region underlines the sectors with the highest share of employed population in the following order, in thousand people: agriculture (326.4), processing industry (164.1), trade (126.6) and construction (80.7).

The region faces a number of issues on environmental protection, because of natural factors and the anthropogenic: forest degradation, marine pollution, beach erosion, pollution caused by industrial chemicals or pesticides and fertilizers.

The labour market, through its human factor, plays a decisive role in assuring long-term economic growth and productivity. Creating the necessary environment to improve professional skills required in a competitive production process has become an absolute priority.

The strategic objective set by the European Council at Lisbon in March 2000 is for the

European Union “to become the most competitive and dynamic knowledge-based economy in the world capable of sustainable economic growth with more and better jobs and greater social cohesion”.

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