

## ASPECTS REGARDING THE LABOUR MARKET IN ROMANIA'S NORTH-WEST REGION

### ASPECTE PRIVIND PIAȚA MUNCII ÎN REGIUNEA NORD-VEST A ROMÂNIEI

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**Abstract:** *In the North-West Region, the significant economic growth of the past decade was not followed by better employment rate, although labour productivity improved. Also the number of employment opportunities has decreased constantly, reducing the share of the active population and especially the employed population within the whole population. The statistical data on the labour market puts the North-West Region in an unfavourable position compared to UE25; however this is a balanced position in relation to the national average. Both on the national and regional level, the labour market is characterised by inflexibility, delayed reactions, reduced adaptability to the dynamics of the economy, the inability to create new job opportunities mainly in branches with high added value.*

**Rezumat:** *În Regiunea Nord-Vest, creșterea economică semnificativă a ultimului deceniu nu a fost însoțită de creșterea ocupării forței de muncă, chiar dacă s-a îmbunătățit productivitatea muncii. De asemenea, numărul locurilor de muncă ocupate a scăzut constant ceea ce a condus la scăderea ponderii relative a populației active față de populația totală și în special a numărului absolut a persoanelor ocupate. Datele statistice de pe piața forței de muncă plasează Regiunea Nord-Vest pe o poziție nefavorabilă în comparație cu UE25, dar relativ echilibrată prin raportare la media națională. Piața forței de muncă atât la nivel național, cât și regional, se caracterizează prin inflexibilitate, prin reacție întârziată, adaptabilitate redusă la dinamica economiei, incapacitatea de a crea noi locuri de muncă, în special în ramuri cu valoare adăugată ridicată.*

**Key words:** *active population, employed population, activity rate, employment rate*  
**Cuvinte cheie:** *populație activă, populație ocupată, rata de activitate, rata de ocupare*

#### INTRODUCTION

The North-West Region is also known as “Northern Transylvania”, a name promoted as a regional brand for tourist and investment purposes. This region has a strategic geographic position, as it is the gate to Romania from the European Union and Ukraine. Within the national territory, it neighbours the West and the Central Regions in the south and the North-East Region in the east. Romania's North-West Region is the sixth of the eight national regions. Law 151/1998 (modified by Law 315/2004) is the legal framework of this region that was created by the voluntary association of the local public administrations of Bihor, Bistrița-Nasaud, Cluj, Maramures, Satu-Mare and Salaj Counties.

In 2006, the North-West Region had 2,730,132 inhabitants, representing 12.65% of Romania's population. Cluj County has 689,523 inhabitants (25.26% of the whole population in the region); it is followed by Bihor (594,982 inhabitants – 21.79%), Maramures (515,313 inhabitants – 18.87%), Satu Mare (367,677 inhabitants – 13.47%), Bistrița-Nasaud (317,685 inhabitants – 11.64%) and Salaj (244,952 inhabitants (8.97%)). (Table 1)

In point of the distribution on the two residential areas, there are significant differences between the counties of the North-West Region. For instance, Cluj (the county with the highest urbanisation degree, 66.89% of the inhabitants living in urban areas) and Maramures have mostly urban population, Bihor has a balanced urban and rural population,

and in Bistrita Bistrita-Nasaud, Satu-Mare and Salaj most of the inhabitants live in rural areas. As far as the evolution of the human indicators is concerned, in the past years, the region has undergone a series of negative processes, among which the most significant are the demographic decline caused by the negative natural growth and the accentuated migration of the inhabitants, mostly the active ones. Irrespective of the decrease in the percentage of the urban population, which has been a national phenomenon, what should have us worried is the inability of the urban areas, especially those that concentrate most of the urban population in the region, to provide viable alternatives to those inhabitants who prefer the rural environment to the urban one or immigration.

Table 1

The structure of the North-West Region on counties, sexes and residential areas (2006)

Development region/ County	Total (number of persons)			Urban			Rural		
	Both sexes	Male	Female	Both sexes	Male	Female	Both sexes	Male	Female
<b>North-West</b>	<b>2,730,132</b>	<b>1,331,983</b>	<b>1,398,149</b>	<b>1,449,635</b>	<b>696,026</b>	<b>753,609</b>	<b>1,280,497</b>	<b>635,957</b>	<b>644,540</b>
Bihor	594,982	288,861	306,121	300,063	142,992	157,071	294,919	145,869	149,050
Bistrita-Nasaud	317,685	157,849	159,836	116,205	56,762	59,443	201,480	101,087	100,393
Cluj	689,523	332,837	356,686	461,251	219,336	241,915	228,272	113,501	114,771
Maramures	515,313	253,732	261,581	303,097	147,478	155,619	212,216	106,254	105,962
Satu Mare	367,677	178,716	188,961	168,915	80,427	88,488	198,762	98,289	100,473
Salaj	244,952	119,988	124,964	100,104	49,031	51,073	144,848	70,957	73,891
<b>Romania</b>	<b>21,584,365</b>	<b>10,521,189</b>	<b>11,063,176</b>	<b>11,913,938</b>	<b>5,704,872</b>	<b>6,209,066</b>	<b>9,670,427</b>	<b>4,816,317</b>	<b>4,854,110</b>

Source: Romanian Statistical Yearbook, 2007

In 2006, the natural growth was negative both on the national (-1.8‰) and the regional level (-1.7‰), except for Bistrita-Nasaud County (0.2‰).

At the regional scale, the aging process is influenced by the different level of life expectation in the six counties. Once the living standard improved, in 2004-2006 life expectation for both sexes has increased to 71.38 years, but it is still smaller than the national value (72.22 years). However, important differences can be noticed among the counties: in the mentioned time interval, life expectation was the highest in Cluj (72.86 years) and Bistrita-Nasaud (72.74 years), and the lowest in Satu Mare (69.03 years). (Table 2)

Table 2

Average life expectation on sexes and residential areas in the North-West Region counties in 2004-2006, in years

Development region/ County	Total (number of persons)			Urban			Rural		
	Both sexes	Male	Female	Both sexes	Male	Female	Both sexes	Male	Female
<b>Romania</b>	<b>72.22</b>	<b>68.74</b>	<b>75.80</b>	<b>72.98</b>	<b>69.56</b>	<b>76.34</b>	<b>71.23</b>	<b>67.69</b>	<b>75.13</b>
<b>North-West</b>	<b>71.38</b>	<b>68.01</b>	<b>74.86</b>	<b>72.15</b>	<b>68.78</b>	<b>75.51</b>	<b>70.50</b>	<b>67.11</b>	<b>74.18</b>
Bihor	70.90	67.72	74.13	71.92	68.90	74.76	69.93	66.60	73.53
Bistrita-Nasaud	72.74	69.64	76.03	73.07	69.62	76.75	72.35	69.41	75.58
Cluj	72.86	69.57	76.21	73.42	70.15	76.63	71.72	68.35	75.48
Maramures	71.17	67.84	74.63	71.25	67.77	74.81	70.93	67.80	74.28
Satu Mare	69.03	65.05	73.19	70.02	65.96	74.15	68.18	64.28	72.40
Salaj	71.04	67.51	74.78	72.39	69.29	75.71	69.85	66.06	74.06

Source: Romanian Statistical Yearbook, 2007

As far as the labour market is concerned, the main factors that influence labour force are the civil employed population, the active and the employed population. The civil employed population includes all the people who, in the reference year, performed a social-economic activity that brought income, except for the military and their personnel, the employees of the political and community organisations and the imprisoned. The economically active population

includes all people of fifteen and older who provide the labour force for the goods and services production and comprises the employed and the ILO (International Labour Office) unemployed population. The employed population includes all people of fifteen and older who performed and economic activity for at least an hour in the reference period (one week before registration) in order to obtain a salary, payment in kind or other benefits. The activity rate is the ratio between the active population and the total 15-64-year-old population expressed in percentages. The employment rate is the ration between the employed population and the total 15-64-year-old population expressed in percentages.

#### MATERIAL AND METHOD

Given the social-economic evolution, the labour market changes very rapidly and requires qualified staff in as many fields as possible, mostly in those that can adapt to the sustainable development required by the European integration. In Romania, the labour market aims at becoming as competitive as the other European Union markets, part of an economy based on knowledge. With this object in view, both the employers' demands regarding their employees' skills and the employees' needs should be answered. The individual must be prepared to learn all his life in order to improve his abilities and meet the market requirements. In this respect, all factors involved in the labour market play an important role. As a whole, the North-West Region is characterised by an economic development that leads to a better social life. Nevertheless, the aspects that have either a positive or a negative influence on this evolution should not be ignored.

#### RESULTS AND DISCUSSIONS

In 2006, the active population in the West-West Region had 1,217 thousand inhabitants, representing 12.1% of the country's active population. In 2001, their number was 1,435. In 2001-2006, the active population decreased in number not only in the North-West Region, but also in the whole country. However, at the regional level, the decline was slower (Table 3) until 2004, when a slight increase was noticed at the national level (42,000 people). In the region the decrease continued until 2006, when the active population increased with 30,000 people, compared with 2005. At the national scale, the active population also increased with 190,000 people.

Table 3

The evolution of the active population in the North-West Region (thousand people)

Specification	2001	2002	2003	2004	2005	2006
Romania	11,151	10,079	9,915	9,957	9,851	10,041
<b>North-West</b>	<b>1,435</b>	<b>1,260</b>	<b>1,228</b>	<b>1,193</b>	<b>1,187</b>	<b>1,217</b>

Source: Romanian Statistical Yearbook, 2007

As far as the active population on residential areas is concerned, the rural population prevailed in the North-West Region until 2003. This is why it was also called a "rural region". But the situation was reversed starting with 2003, when investors were attracted in the urban areas. The lower birth rate must also be considered, as it characterises the whole country. Together with the death rate, it has reduced the rural population. (Table 4)

Like in the whole country, in the North-West region, the active population on sexes has decreased in the past years. The decline is especially obvious in the male active population. (Table 5)

The activity rate in the North-West Region was reduced with 7.9%, from 68.8% in 2001 to 60.9% in 2006 (Table 6).

Table 4

The evolution of the active population in the North-West Region on residential areas (thousand people)

Specification	2001		2002		2003		2004		2005		2006	
	Urban	Rural	Urban	Rural	Urban	Rural	Urban	Rural	Urban	Rural	Urban	Rural
Romania	5,279	5,872	5,188	4,891	5,151	4,763	5,423	4,534	5,361	4,490	5,595	4,446
<b>North-West</b>	<b>648</b>	<b>787</b>	<b>628</b>	<b>632</b>	<b>618</b>	<b>610</b>	<b>644</b>	<b>549</b>	<b>637</b>	<b>550</b>	<b>657</b>	<b>560</b>

Source: Romanian Statistical Yearbook, 2007

Table 5

The evolution of the active population on sexes in the North-West Region (thousand people)

Specification	2001		2002		2003		2004		2005		2006	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Romania	5,995	5,156	5,525	4,554	5,465	4,450	5,471	4,486	5,431	4,420	5,526	4,515
<b>North-West</b>	<b>753</b>	<b>682</b>	<b>679</b>	<b>581</b>	<b>665</b>	<b>563</b>	<b>650</b>	<b>543</b>	<b>643</b>	<b>544</b>	<b>654</b>	<b>563</b>

Source: Romanian Statistical Yearbook 2007

Table 6

The evolution of the activity rate in the North-West Region (%)

Specification	2001	2002	2003	2004	2005	2006
Romania	67.7	63.6	62.4	63.2	62.4	63.7
<b>North-West</b>	<b>68.8</b>	<b>62.8</b>	<b>61.0</b>	<b>60.2</b>	<b>59.7</b>	<b>60.9</b>

Source: Romanian Statistical Yearbook, 2007

The decline in the activity rate was due mostly to unemployment and the imbalance caused by the activity episodes alternating with the unemployment ones in an active individual's life; for people who remain inactive for periods longer than six months, it is harder and harder to find a new job.

The employed population of the North-West region represents 12.3% of the whole employed population in the country. In 2006, the region had 1,145,000 employed individuals.

In 2001-2005, like the active population, the employed population decreased at a slower pace than the national level. The active population has started to increase since 2006. (Table 7)

Table 7

The evolution of the employed population in the North-West region (thousand people)

Specification	2001	2002	2003	2004	2005	2006
Romania	10,440	9,234	9,223	9,158	9,147	9,313
<b>North-West</b>	<b>1,343</b>	<b>1,164</b>	<b>1,154</b>	<b>1,115</b>	<b>1,118</b>	<b>1,145</b>

Source: Romanian Statistical Yearbook, 2007

In 2006, the civil employed population of the region represented 13.6% of the national employed population, but it was had 21,500 people less than in 2001. In 2001-2006, the number of the civil employed inhabitants in the six counties of the region oscillated: 8,000 in Bihor, 13,800 in Satu Mare, a decrease with 13,800 people in Maramures, and an increase with 2,400 in Bistrita-Nasaud and with 16,700 in Cluj. (Table 8)

Table 8

The evolution of the civil employed population in the North-West Region (thousand people)

Specification	2001	2002	2003	2004	2005	2006
Romania	8,562.5	8,329.0	8,305.5	8,796.2	8,390.4	8,469.3
<b>North-West</b>	<b>1,176.9</b>	<b>1,133.4</b>	<b>1,131.4</b>	<b>1,174.0</b>	<b>1,145.5</b>	<b>1,155.4</b>
Bihor	281.2	274.2	274.9	275.2	272.4	273.2
Bistrita-Nasaud	119.9	114.4	117.1	124.6	120.8	122.3
Cluj	298.4	298.7	299.7	320.5	309.4	315.1
Maramures	211.4	199.2	197.0	208.1	200.1	197.6
Satu Mare	161.6	149.5	146.0	145.4	146.0	147.8
Salaj	104.4	97.4	96.7	100.2	96.8	99.4

Source: Romanian Statistical Yearbook, 2007

In the North-West region, the distribution of the employed population on residential areas has been fluctuating. If by 2002 both the urban and the rural employed population decreased, starting with 2003 only the former increased slightly, and since 2004 this increase has been noticed both at the national and the regional level. The rural employment rate is very low because the number of employed inhabitants (who have signed any type of labour contract) is very low itself and the professional associations are very few (Table 9).

Table 9

The evolution of the employed population on residential areas in the North-West Region (thousand people)

Specification	2001		2002		2003		2004		2005		2006	
	Urban	Rural	Urban	Rural	Urban	Rural	Urban	Rural	Urban	Rural	Urban	Rural
Romania	4,732	5,708	4,607	4,627	4,662	4,561	4,906	4,252	4,889	4,258	5,115	4,198
<b>North-West</b>	<b>581</b>	<b>762</b>	<b>562</b>	<b>602</b>	<b>567</b>	<b>587</b>	<b>600</b>	<b>515</b>	<b>593</b>	<b>525</b>	<b>611</b>	<b>534</b>

Source: Romanian Statistical Yearbook, 2007

Both the male and the female employed population in the North-West Region decreased especially in 2002, when the effects of the economic reorganisation were felt all over the country. (Table 10) The decline of the major agricultural sectors, where most of the employees were men, and the staff reduction in the light and textile industries have reduced the number of jobs both for women and for men. However, the continuous development of the construction and services fields in the region will create new job opportunities for both sexes.

Table 10

The evolution of the employed population on sexes in the North-West Region (thousand people)

Specification	2001		2002		2003		2004		2005		2006	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Romania	5,581	4,859	5,031	4,203	5,057	4,166	4,980	4,178	5,011	4,136	5,074	4,239
<b>North-West</b>	<b>699</b>	<b>644</b>	<b>622</b>	<b>542</b>	<b>623</b>	<b>531</b>	<b>605</b>	<b>510</b>	<b>604</b>	<b>514</b>	<b>615</b>	<b>530</b>

Source: Romanian Statistical Yearbook, 2007

The employment rate decreased from 64.0% in 2001 to 57.1% in 2006, meaning a 6.9% loss, the decreasing trend being quite strong starting with 2002 (Table 11).

Table 11

The evolution of the employment rate in the North-West Region (%)

Specification	2001	2002	2003	2004	2005	2006
Romania	62.9	58.0	57.8	57.9	57.7	58.8
<b>North-West</b>	<b>64.0</b>	<b>57.8</b>	<b>57.2</b>	<b>56.1</b>	<b>56.0</b>	<b>57.1</b>

Source: Romanian Statistical Yearbook, 2007

Until 2000, the agricultural employed population increased, while the population employed in industry, construction and services decreased. After that year, an increasing trend was noticed in all sectors except agriculture, thanks to the large number of investors and the progress of the private economic sector in the region (Table 12)

Table 12

The structure of the employed population on activities of the national economy in the North-West region (thousand people)

Development region/ County	Economy total	Agriculture, hunting and forestry	Fishing and pisciculture	Industry	Construction
Romania	8,469.3	2,514.3	4.0	1,969.4	512.6
<b>North-West</b>	<b>1,155.4</b>	<b>376.4</b>	<b>0.1</b>	<b>287.7</b>	<b>54.4</b>
Bihor	2,73.2	89.0	0.1	73.9	10.3
Bistrita-Nasaud	122.3	44.9	-	28.8	5.2
Cluj	315.1	74.5	-	74.8	22.4
Maramures	197.6	15.2	-	46.6	7.3
Satu Mare	147.8	57.0	-	38.4	6.6
Salaj	99.4	35.8	-	25.2	2.6

Source: Romanian Statistical Yearbook, 2007

In the North-West Region, the dynamics of the employed population in the main economic sectors shows significant differences among the counties. As far as industry is concerned, in 2006, Cluj County had 74,800 employed inhabitants, followed by Bihor - 73,900 employed inhabitants. In the construction sector, which shows a general increasing trend of the employed population, Cluj is also the leader, with 22,400 employed people, followed by Bihor, with 10,300 employed people.

As regards agriculture, hunting and silviculture, in 2006, Bihor had the largest number of employed inhabitants (89,000), followed by Cluj (74,500). Maramures was on the last place, with only 15,200 employed inhabitants in these areas of activity. Romania still has the largest share of employed population in agriculture in Europe, this being both a regional and a national problem.

### **CONCLUSIONS**

As a whole, the North-West Region is characterised by economic evolution and improved social life. However, one should not neglect those aspects that can have either a positive or a negative influence upon this evolution. The economic reorganisation that has affected Romania since 1997 has had a strong impact on the labour market; it has destabilized the economic growth and has led to imbalances between supply and demand. Consequently, in the North-West region the population has been decreasing slowly in the past years, though the national population has showed a slight increase. The employed population in the residential areas is oscillating: it decreased until 2002 and it increased moderately starting with 2003, although this increase characterised only the urban environment and not the rural one as well. Furthermore, the continuous development of the construction and services fields in the region will lead to new job opportunities for both sexes especially in the urban areas. Until 2000, the agricultural employed population increased, while the population employed in industry, construction and services decreased. After that year, an increasing trend was noticed in all sectors except agriculture

In March 2000, in Lisbon, The European Council developed a ten-year strategy to turn the Union into “the most competitive and dynamic economy of the world, based on knowledge, capable of sustainable economic development with more job opportunities and strong social cohesion”. As specified in the European Employment Strategy, the objectives of the Lisbon strategy that concern employment cover the three global objectives for total employment, better quality and labour productivity and stronger social cohesion. By 2010, the following goals are to be achieved: a 70% global employment rate (67% in 2005), a 60% employment rate for women (57% in 2005), a 50% employment rate for the older population (55 to 64 years of age), a 5-year increase of the average age of the individuals who leave the labour market, child care services for 90% of the children three years old to school age and 33% of the children under three.

### **LITERATURE**

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