CONSIDERATIONS ON THE RURAL POPULATION AS A RESOURCE OF LABOR FORCE IN ROMANIA

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Abstract

The paper aimed to analyze the dynamics of Romania's population and mainly of the rural population in the period 2005-2010. The following indicators were used: total population, rural population, the share of rural population in the total population, active population at national level, in the rural areas and the share of the rural active population in the total population, employment, unemployment, activity rate, employment rate, unemployment rate, employment rate by educational level, employment in agriculture by population's age, active persons by age group. As a conclusion, Romania's rural population accounts for 45 % of total population. A series of restraining factors such as: ageing, low training level, low capital and financial resources, lack of investments and other job alternatives affect the development of the rural areas where most of the population is dealing with agriculture. Rural space requires a multifunctional development meaning to achieve a balanced combination between agriculture, connected industries and services which could create jobs and raise the population income and living standard. This means investments both in agricultural and non-agricultural activities, a new national and local policy concerning the development of rural communities.

Key words: age structure, labor force, living standard, rural population, training level

INTRODUCTION

The development of rural areas has to seen as a multifunctional use of land, human, capital and financial resources recognizing the limits imposed by the biological, geographical, economical and social environment [2].

Compared to other EU countries, in Romania about 45 % of the population is living in the countryside [7]. The rural space is characterized by many small households, people ageing, low productivity, lack of activity diversification the main economic branch being agriculture of low productivity, low training level of the most people, low chance for jobs and a low living standard. Migration to cities and other countries has become a common phenomenon in the last years looking for jobs[4].

Labor force is the most important factor contributing to the development of the economy. In the transition economies like the one of Romania, labor market is deeply influenced by privatization and restructuring [6]. Employers require high trained people and especially young but experienced people [3, 5].

For this reason, population structure has to be changed in the best direction by a rational labor force policy both at national and local level. New alternatives and investments have to contribute to the durable development of the local communities and rural space [6]

In this context, the paper aimed to analyze the situation of Romania's population and especially of the rural population concerning employment, unemployment, training level, age structure and professional status in the period 2005-2010.

MATERIALS AND METHODS

The data were provided by the National Institute for Statistics for the period 2005-2010 and were processed using the index, share and comparison methods [8].

The following aspects have been approached: population at national and rural level, the

share of the rural population in the total population, active population at national and rural level, the share of active rural population in the total population, GDP created at national level and also in agriculture, hunting and fishing, BDP/inhabitant, agricultural production value, employment and employment rate at national and rural level, unemployment and unemployment rate at national and rural level, population structure by age group, training level and professional status.

RESULTS AND DISCUSSIONS

The position of the rural population in Romania's population

Table 1.Romania's population by area, 2005-2010 (persons)

Romania' spopulation has continuously decreased because of the reduced natality, natural gain and also because of the migration to some people to other countries looking for better paid jobs. In 2010, Romania had 21,431,298 inhabitants by 0.90 % less than in 2005. Urban population has the highest share in the total population: 54.94 % in the year 2005 and 55.05 % in the year 2010. Therefore, rural population has also an important weight in the total population compared to other EU countries. It represents around 45 % of the total population, that is in Romania many people live in the country side (Table 1).

	2005	2006	2007	2008	2009	2010	2010/2005
							%
Total	21,623,849	21,584,385	21,537,563	21,504,442	21,489,959	21,431,298	99.10
population,							
of which:							
-Urban	11,879	11,913,938	11,877,659	11,835,526	11,823,516	11,798,735	99.31
population							
-Rural	9,743,952	9,670,427	9,659,904	9,669,114	9,646,443	9,632,562	98.85
Population							
Share of	45.06	44.80	44.85	44.94	44.89	44.95	-
Rural							
population							
(%)							

Source: National Institute for Statistics, 2012. Own calculations.

G.D.P. created in agriculture and its share in GDP

Romania's GDP has been continuously developing. In 2010, it accountde for Euro billion 122, being by 54.04 % higher than in the year 2005. The GDP created in agriculture, hunting nad fishing has also registered an increasing trend. In 2010, it

accounted for Euro billion 7.4 being by 11.35 % highre than in 2005 [1]. Therefore, GDP created in agriculture, hunting and fishing had a slower increase compared to GDP. As a consequence, the share of GDP created in agriculture, hunting and fishing recored a decline from 8.45 % in the year 2005 to 6.11 % in the year 2010 (Table 2).

Table 2.Romania's GDP and GDP created in agriculture, hunting and fishing, 2005-2010

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	MU	2005	2006	2007	2008	2009	2010	2010/2005
								%
GDP	Euro Billion	79.2	97.1	121.2	136.8	115.9	122	154.04
GDP created in agriculture, hunting and fishing	Euro Million	6,700.3	7,616.9	7,181.3	9,266.6	7,622.2	7,461.1	111.35
Share of GDP created in agriculture, hunting and fishing	%	8.45	7.84	5.92	6.77	6.57	6.11	72.30

Source: National Institute for Statistics, 2012. Own calculations.

GDP/capita

GDP per inhabitant registered an increasing dynamic from Euro 3,687.9 in 2005 to Euro

5,791.8 in the year 2001, the gain being represented by 57.04 %, reflecting an increasing living standard of the population (Table 3).

Table 3. GDP/inhabitant (Euro/capita)

	2005	2006	2007	2008	2009	2010	2010/2005
							%
GDP/capita	3,687.9	4,530.4	5,787.7	6,499.2	5,508.5	5,791.8	157.04

Source: National Institute for Statistics, 2012. Own calculations.

Comparing the living standard in Romania with the one registered in all the other EU countries, one can notice that Romania comes on one of the last positions taking into account GDP/capita as shown in Table 4.

Table 4. GDP/inhabitant in the EU countries, 2010 (Euro/capita)

Country	GDP/capita	Country	GDP/capita	Country	GDP/capita	Country	GDP/capita
Austria	34,100	Finland	33,300	Latvia	8,600	Romania	5,800
Belgium	32,700	France	29,900	Lithuania	8,900	Slovakia	12,100
Bulgaria	4,800	Germany	30,500	Luxembourg	78,600	Slovenia	17,400
Czech Rep.	14,300	Greece	19,600	Malta	15,200	Sweden	37,300
Cyprus	21,00	Hungary	9,700	Netherlands	35,400	United	27,500
						Kingdm	
Denmark	42,600	Ireland	35,000	Poland	9,200	EU-27	24,500
Estonia	10,700	Italy	25,700	Portugal	16,200		

Source: www.epp.eurostat.ec.europa.eu/statistics_explained

Agricultural production value.

Agricultural production increased by 19.19 from Euro million 12,844 in 2005 to Euro million 15,309 in 2010. This is a positive

aspect reflecting that agroculture is an important branch of the economy and is able to better cover population and industry needs regarding agro-food product offer (Table 5).

Table 5. Romania's agricultural production value, 2005-2010 (Euro million)

	2005	2006	2007	2008	2009	2010	2010/2005
							%
Agricultural production value	12,844.162	14,370.719	14,299.966	18,191.518	14,143.059	15,309.762	119.19

Source: National Institute for Statistics, 2012. Own calculations.

Economically Active Population

Active population increased by 1.15 %, a low increase. However, in the urban area, active population registered a higher increase of 3.30 %. Rural population declined by about

17.43 %, from 5,361 thousand persons in 2005 to 4,427 thousand persons in 2010. As a result, the share of active rural population in total active population declined from 54.4 % in 2005 to 44.42 % in 2010 (Table 6).

Table 6. Romania's active population by area, 2005-2010 (thousand persons)

	2005	2006	2007	2008	2009	2010	2010/2005
							%
Active population, of which:	9,851	10,041	9,994	9,944	9,954	9,965	101.15
-urban population	4,490	4,446	4,500	4,473	5,495	5,538	103.30
-rural population	5,361	5,595	5,494	5,471	4,459	4,427	82.57
Share of rural population (%)	54.4	55.7	549	55.0	44.79	44.42	81.65

Source: National Institute for Statistics, 2012. Own calculations.

Employment has continuously increased since 2006 to 2009, but in 2010 it decreased at national level. However, in 2010, its level accounted for 9,240 employed persons, being by 1.01 % more than in 2005. In the rural areas, employment declined by 1.18 % from 4,258 thousand persons in 2005 to 4,208 thousand persons in 2010. In the urban areas,

the situation looks to be better because in 2010 the employed population accounted for 5,032 thousand persons being by 2.92 % higher than in 2005. As a result, the weight of the employed persons in the rural areas remained relatively stable at 45.54 % in 2010 like in the previous years (Table 7).

Table 7.Employment by area, 2005-2010 (thousand persons)

	2005	2006	2007	2008	2009	2010	2010/2005
							%
Total employment, of which:	9,147	9,313	9,353	9,369	9,310	9,240	101.01
-rural employment	4,258	4,198	4,281	4,268	4,280	4,208	98.82
-urban employment	4,889	5,115	5,072	5,101	5,070	5,032	102.92
Share of rural employment (%)	46.5	45.0	45.7	455	45.54	45.54	97.93

Source: National Institute for Statistics, 2012; Own calculations.

Unemployment

Unemployment increased at country level, reaching 725 thousand persons in 2010, by 2.98 % more than in 2005. However, looking at the data in Table 8, one can see that in 2007 and mainly in 2008 whene the economic cruses started, the employment regiestered the lowest levels. Rural employment has recorded

a continuous decline started from 2007. In 2010, 219 thousand people were employed in the rural areas, by about 5.61 % less than in 2005. As a consequence, the share of the employed persons in the rural areas represented about 30 % of the total employment with a decreasing trend starting from 2009 (Table 8).

Table 8.Unemployment by area, 2005-2010 (thousand persons)

	2005	2006	2007	2008	2009	2010	2010/2005
							%
Total unemployment, of which:	704	728	641	575	644	725	102.98
-rural unemployment	232	248	219	205	219	219	94.39
-urban unemployment	472	480	422	370	425	506	107.20
Share of rural unemployment (%)	32.9	34.0	34.1	35.6	34.0	30.2	91.79

Source: National Institute for Statistics, 2012; Own calculations.

Activity Rate

Activity rate is higher in the rural space compared to the urban one in the period 2005-2010, despite that a decreasing trend was noticed starting from 2005 till 2010. This

aspect was the consequence of the high weight of the population in the rural areas and also of the economic development encouraged by the EU(Table 9).

Table 9. Activity rate by area 2005-2010 (%)

	2005	2006	2007	2008	2009	2010
Total	62.4	63.7	63.0	62.9	63.2	63.6
Rural	65.3	65.2	65.1	64.5	64.3	64.4
Urban	60.3	62.6	61.6	61.7	61.2	61.6

Source: National Institute for Statistics, 2012; Own calculations.

Employment Rate

Employment rate was also higher in the rural area compared to the urban one. In the year 2010, it reached 60.9 % compared to 58.8 % in the urban environment. But, rural

employment rate has continuously decreased from 61.6 % in 2005 to 60.9 % in 2010, while in the urban areas it has slowly increased from 55 to 56.9 % in the same period of reference (Table 10).

Unemployment Rate

Unemployment rate registered a decreasing trend determined both by Romania's economic development in the period 2005-

2008 and external migration of some people looking for better paid jobs.

Table 10.Employment rate by area, 2005-2010 (%)

	2005	2006	2007	2008	2009	2010
Total	57.7	58.8	58.8	59.0	58.6	58.8
Rural	61.6	61.1	61.5	61.2	60.7	60.9
Urban	55.0	57.2	56.8	57.5	57.2	56.9

Source: National Institute for Statistics, 2012; Own calculations.

Then it increased year by year reaching 7.3 % in 2010, when it was higher than in 2005 because of the impact of economic crisis and the lack of jobs. Unemployment rate declined in the rural areas from 5.2 % in 2005 to 5 % in

2010. A worse situation was noticed in the urban environment where the unemployment rate is very high. However, it declined from 8.8 % in 2005 to 6.9 % in 2010 (Table 11).

Table 11.Unemployment rate by area, 2005-2010 (%)

	2005	2006	2007	2008	2009	2010
Total	7.2	7.3	6.4	5.8	6.9	7.3
Rural	5.2	5.6	4.9	4.6	4.8	5.0
Urban	8.8	8.6	7.7	6.8	6.7	6.9

Source: National Institute for Statistics, 2012; Own calculations.

Employment in agriculture and its share in the national employment

At national level, employment increased by 10.13 % from8,390 thousand persons in 2005 to 9,240 thousand persons in 2010. In agriculture, hunting and fishing, employment increased only by 3.80 % from 2,678 thousand persons in 2005 to 2,780 thousand persons in 2010. As a result, the share of

employment in agriculture, hunting and fishing in the national employment has slightly declined from 31.9 % in 2005 to 30.08 % in 2010. This is due the larger possibilities in the cities to find a job compared to the rural areas, where mainly agriculture is developed, small industry and services are not well represented (Table 12).

Table 12.Employment in agriculture and its share in the national employment (thousand persons)

	2005	2006	2007	2008	2009	2010	2010/2005
							%
Total employment	8,390	8,469	8,726	8,747	9,310	9,240	110.13
Employment in agriculture	2,678	2,518	2,465	2,421	2,610	2,780	103.80
Share of employment in	31.9	29.7	28.2	27.6	28.3	30.08	94.29
agriculture							

Source: National Institute for Statistics, 2012; Own calculations.

Employment by age group

At national level, the highest employemnt is situated at the 35-44 years group (28.9 %), then at the 26-34 years group (26.5 %) and 45-54 years group of persons(20.8 %). Therefore both young and mature persons are well employed compared to older people which had a low percentage, only 4.5 %.

In agriculture, hunting and fishing, the age groups have a very close percentage, except the

35-44 years persons which are on the top position with 21.1 %. Also, the young persons of 15-24 years old and the old persons of 65 and over represented 10 % and respectively 14 % showing that the population working in agriculture is aging (Tabel 13).

Rural Population Age Structure by participation in economic activity reflects that economically active persons represented 45.8 % in 2008 and the uneconomically active persons 54.2 %, as a consequence of people ageing in

the rural communities. The employed people represented 43.5 %. The lower employment rate of 32 % belonged to one third of the rural population younger than 25.

Therefore, the highest employment rate was registered by people older than 25 years (Table 14).

Table 13.Structure of employment by age group at national level and in agriculture, hunting and fishing in 2010 (%)

	MU	Age groups (years)						
		15-24	26-34	35-44	45-54	55-64	65 and over	
Employment at national level	Thousand persons	7.8	26.5	28.9	20.8	11.4	4.5	
Employment in agriculture, hunting and fishing	Thousand persons	10.2	17.7	21.1	17.4	18.9	14.7	

Source: National Institute for Statistics, 2012.

Table 14. Rural population structure by participation in economic activity by age group in 2010 (%)

Age group	Total population		Unactive		
		Total	Employed	Unemployed	persons
Total, of which	100	45.8	43.5	2.3	54.2
15-64, of which:	100	64.4	60.9	3.5	35.6
15-24	100	37.8	32.0	5.8	62.2
25-34	100	72.3	68.3	4.0	27.7
35-44	100	80.3	76.9	3.4	19.7
45-54	100	75.1	72.5	2.6	24.9
55-64	100	56.0	55.1	0.9	44.0
65 and over	100	22.4	22.4	-	77.6

Source: National Institute for Statistics, 2012.

Structure of employed population by educational level

For the young people of 25-34 years group, employment rate is higher for the people with a higher education level both at national level (40.6 %) and in the rural areas (39.3 %).

The 35-44 years group with a medium educational level had the highest employment rate at national level (34.2 %). In the rural areas, the highest share belonged to the 25-35

Table 15. Structure of employed population by educational level in 2010 (%)

Educa	Emplo	To	To Of which, age (%)						
tion	yed	tal	15	25	35	45	55	65	
level	popula	15-	-	-	-	-	-	an	
	tion	64	24	34	44	54	64	d	
	(Thou							ov	
	sand							er	
	person								
	s)								
]	NATI(ONAI	LEV	/EL				
Total	9,240	95.	7.	26	28	20	11	4.	
countr		5	8	.6	.9	.8	.4	5	
у									
-High	1,480	99.	3.	40	29	18	8.	0.	
		6	9	.6	.0	.1	0	4	
-	5,437	99.	7.	25	34	23	8.	0.	
Mediu		3	5	.4	.2	.4	8	7	

years old people with high education level (39.3) and to the 35-44 year old group with a low training level (35.9 %). Therefore, in the rural areas, high and also low educated people are preferred to be employed. This is a negative aspect reflecting a low training level of rural population with a deep impact on economic development of rural communities (Table 15).

m								
-Low	2,323	84.	11	20	16	16	19	16
		0	.0	.4	.7	.4	.5	.0
	RU	JRAL	ARE	AS LI	EVEL	,		
Total	4,208	90.	10	22	26	17	14	9.
countr		5	.3	.2	.3	.6	.1	5
y								
-High	145	97.	6.	39	22	17	11	2.
		6	8	.3	.5	.5	.5	4
-	2,112	98.	9.	23	35	19	9.	1.
Mediu		3	8	.7	.9	.9	0	7
m								
-Low	1,951	81.	11	19	16	15	19	18
		6	.0	.4	.1	.2	.9	.4

Source: National Institute for Statistics, 2012.

Structure of employed population by professional status and age group

At national level, the highest share belonged to employees (65.60 %), self workers (20.32 %) and family contributing workers (12.49). In the rural areas, there is a similar distrubution by professional status: employees 35.67 %, self workers 36.95 % and 26.68 % family contributing workers.

At national level, the employees are prefered to be between 35 and 54 years old, while in the rural areas the employees are preferd to be between 25-54 years old. Selfworkers are manily older than 35 years both at national level and in the rural areas. Family contributing workers belong mainly to the younger categories between 15- 34 years (Table 16).

Table 16. Structure of employed population by professional status and age group, 2010 (%)

Professional	Employed	Of which in	Of which in age (%)						
status	population	Total	15-24	25-34	35-44	45-54	55-64	65 and	
		15-64						over	
NATIONAL LEVEL									
Total, of which:	9,240	95.5	7.8	26.6	28.9	20.8	11.4	4.5	
Employee	6,062	99.9	6.5	30.3	32.4	22.5	8.2	0.1	
Employer	119	99.5	1.4	20.7	37.0	29.7	10.7	0.5	
Self worker	1,878	85.0	4.7	17.3	242	19.6	19.2	15.0	
Family contributing worker	1,177	88.9	20.3	22.9	17.8	12.6	15.3	11.1	
			RU	RAL LEVEL	,				
Total, of which:	4,208	90.5	10.3	22.2	26.3	17.6	14.1	9.5	
Employee	1,501	99.9	9.4	28.6	35.6	19.6	6.7	0.1	
Employer	26	99.7	2.0	26.7	36.6	24.6	9.8	0.3	
Self worker	1,555	82.5	4.0	15.5	23.2	19.2	20.6	17.5	
Family contributing worker	1,123	88.8	20.4	22.9	17.8	12.6	15.1	11.2	

Source: National Institute for Statistics, 2012.

CONCLUSIONS

About 45 % of Romania's population is living in the rural areas. The main activities are representing by agriculture and raw material processing in the household.

The lack of technical endowment and financial resources, people ageing, the lack of jobs, low training level and low productivity are the main characteristics of the rural areas. a higher Agriculture had and higher contribution to GDP, but investments in this sector are still modest, so that productivity is still at low level. Non agricultural sectors are less developed in the rural communities and oblige mainly young people to look for jobs in the cities or to emigrate in other EU countries. Modernization of the rural space involves the multifunctional development combining agriculture, connected industries and services which could create jobs and raise the population income and living standard. This means investments both in agricultural and non-agricultural activities, a new national and local policy concerning the development of rural communities.

A special attention has to be paid to the young people in order to encourage them to remain in the local communities, to set up farms and develop their own business, to work in the public administration etc.

The development of the rural areas requires a change of population behaviour and mentality, more involvement of the decision makers both at national and local level to find the best solutions for stimulating the multifunctional development of the rural space.

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