# HUMAN RESOURCES: THEIR ROLE AND DEVELOPMENT IN THE NATIONAL ECONOMY

Prof. Constantin ANGHELACHE PhD.

Bucharest University of Economic Studies, "Artifex" University of Bucharest Prof. Alexandru MANOLE PhD.

"Artifex" University of Bucharest

Assoc. prof. Mădălina-Gabriela ANGHEL PhD.

"Artifex" University of Bucharest

Marius Popovici PhD. Student

Bucharest University of Economic Studies

## Abstract

In this paper, the authors describe the situation of the human resources in the Romanian economy. After studying the main characteristics, the article includes an analysis of the training degree of the potential resource, a valuation on the usage of working time, the atypical and secondary activities, the unoccupied and discouraged population, the regional distribution of the active population. Each section includes an analysis on the official data panel, the interpretation of the results and conclusions.

Key words: labor, occupation, training, unemployment, regional

Any analysis of the human labor characteristics in Romania between 2008 and 2013 is a difficult task to accomplish, as the data might be contradicted by the risks which are hard to anticipate lacking a real anti-crises program finally adopted at least for the following period of time.

## **Main characteristics**

The last final data regarding the population of Romania are from June 30, 2012, when it comprised 21,582,000 persons. By then, the employment rate was 55.3%. Under BIM system, the number of the unemployed was 466,932 on July 30, 2012.

Regarding the instruction level, 67.60% of the unemployed had elementary, gymnasium and professional instruction of which 192,292 were women. 109,311 unemployed were secondary and post-secondary school graduates of which 56,026 were women.

At the end of July 2013, the employed population represented 8,759,150 persons of which 4,381,100 were on payrolls, the others were on their own. They were working in industrial branches (1,272,500), services and agriculture (98,300). In relative expression, at the end of 2012, persons who were 15 and over represented 58.0% of the total population of Romania.

In July  $20\overline{14}$ , the population was counting 19,628,000 residing in Romania, as against 16,435,000 persons in July 2013.

The population growth rate exceeds by 338 persons in July 2014 as against the deficit for July 2013 which was 2396 persons.

The birth rate grew by 1.17% which meant 11.4 in July 2014 as against 9.7 in July 2013. Death rate was stagnant, while infantile death rate decreased.

Regarding the total population of 15 age and over, the unemployed share was greater on women.

### On the population instruction study

In 2012, the instruction rate for 15 years old and over was 10.8%, the same regarding sex. Bigger differences were registered by social environment as follows: 13.8% for the town residents as against 6.9% for rural residents.

The instruction participation rate at least one instruction form was 1.5% for employed persons, 1.2% for BIM unemployed and 23.1% for inactive persons of 15years old and over.

The number of those instructed within the national instruction program for at least one form of instruction was 1,731,000. The average rate regarded urban women and young persons.

For most of these persons, the total instruction duration was two years and over with 28.1 hours per week, in courses halls. In 98.0% of the cases, the aim of these courses was high school and basic university levels. The professional instruction aimed at 5.1% of the total of participants.

Social sciences, economic, financial and legal studies represented 21.1% from the total number of persons instructed as their first instruction outside the national educational system. Foreign languages study represented 14.0% of the cases.

Outside the national educational study, the instruction aimed to develop the professional aspect of persons' education.

#### On working time

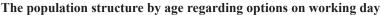
During 2013, the average working week time was 40.1%, while the actual average time was 38.5%.

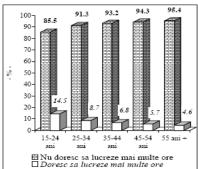
Those who fully worked represented 90% of the employed persons. The average duration of the working week was at least 40 hours for 84.8% for these people. For 65.3% of these people the actual duration of the working week was 40 hours.

784,000 persons had part-time jobs from which most of them were working on their own in rural environment, while 40.6% were women.

For the whole analyzed period, 75.8% of the salary paid persons and 93.1% of the employers had a complete working program; 70.6% were unpaid family members and 70.5% on their own. 85% worked 40 hours/week, while 56.4% of employers had over 40 hour working week.

For the analyzed period, 574,000 persons wanted a longer working program than they had, doing what they did or something else.





Data source: The National Institute for Statistics, No.7/2015, Monthly Statistics Bulletin.

The share of the persons wanting to work longer from the total population was 6.9%. This indicator was higher for males, rural environment, as three quarters lived at the country side and were men.

## On atypical activities

The number of those whose main activity was displayed during atypical period of time, in the evening, night, Saturdays of Sundays was 2,176, 000. persons having atypical activities represented51,3% of the employed population. Most of them were males living in rural environment, being 25-54 years old.

The distribution by the working time indicates that most of these persons worked on Saturdays, regardless the fact that they did some other kind of atypical working (during evening, night or on Sundays).

Regarding the national economy sectors, the analysis indicates that 51.9% of the total persons with atypical activities worked outside agricultural environment. Almost a quarter of the salary paid persons worked in shifts; from them, the majority were males from rural environment, being between 35-44 years old, and 8.4% were young between 15-24 years old.

The salary paid persons working in shifts made an important share from the total of employed persons from extracted industry, hotels and restaurants, health system and social assistance department, transports, storage and communications, processing industry, electrical and thermal energy, gases, water and commerce.

From the total of salary paid persons working in shifts, women were preponderant in health and social assistance activities, commerce, hotels and restaurants, education and financial intermediary activities.

Another kind of atypical work is home based activity. From the total working persons, 1.2% worked mainly at home. From them, there were operative agents in services and commerce or handicraftsmen, persons qualified as artisans, or machine and installation adjustment and maintenance.

## Secondary activities

In 2013, 249,300 persons had secondary activities, especially in agriculture. Population with multiple activities represented 3.1% of the occupied population, shares being bigger among males, from rural environment, as well as among professionals. Percentage increase of people with secondary or multiple activities is based on salary decrease and the introduction of the new working code.

Most of the occupied persons with multiple activities lived in rural areas and were males. Among those with secondary activities worked on their own or they were unpaid family members, 85.9% living in rural areas.

Persons with salary status, main or secondary, represented only 6.2% of those with multiple activities. Concerning the age category, most of those with secondary activities were adults. The average time for the secondary activity displaying was 12.8 hours per week.

The secondary activity correlated to the educational level acquired indicates that from the occupied persons with multiple activities 35.1% graduated from professional, complementary or apprenticeship education, while 30.8% graduated high school.

From the total population with secondary activities in the urban environment, most of the persons graduated high school, including first grade, as well as those with college studies. In rural areas, most persons were graduates of the professional, complementary and apprenticeship education system, as well as of high school first grade.

#### **Inactive population**

The inactive population comprised 11,812,000 persons representing 54.7% of the total population. The inactive persons from rural areas were majority, while the number of feminine persons exceeded the number of males.

Inactive population over 15 years old and over was 8,348,000, from which 59.5% were women, 68.7% were between 15 and 64, and 48.8% living in urban environment. From the total of inactive persons being 15 and over, more than a quarter were young (15-24).

Analysis of the 15 and over inactive population distribution regarding inactivity categories, pensioners and those social assisted represent a little over half of the total and are from urban environment. Schoolchildren and students of 15 years old and over represented almost a quarter of the inactive population of the same age category.

376,000 persons from the inactive population of 15 years old and over were available to start working, either having searched for work or they were not available to work. Most of them were women, from rural areas, and were between 15 and 34 years old.

# **Discouraged population**

Discouraged persons (available to any working activity but did nothing for it being convinced they will not succeed on the working market) represent an underprivileged category o the Romanian market of work, together with the unemployed and underemployed persons.

From the total of the discouraged persons, 71.9% were women living in urban areas. The most of discouraged person categories were women between 15 and 24 and 25 and 34 years old.

The discouraged persons represented 0.9% of the total population of 15 years and over, and 1.3% of the population having the appropriate age for working.

The majority of the discouraged population was searching for work in the past. For the rest of them, they didn't even search for it.

When analyzing the main reason of discouragement for those who don't search for work, it results that 58.6% don't believe to have any access of the work market because they tried some other time but they couldn't find anything. 24.3% believe that there are no available jobs or they don't know how to find any, and 9.4% are age discouraged; a little portion of this category don't search for work as they consider they are not professionally prepared for it.

## Active population regional distribution

The population of 15 years old and over was categorized on participation at the economic activity on regions of development as presented further. The economic dependency (number of inactive persons and unemployment at 1,000 occupied persons) reached the highest level in the Central region and the lowest in Bucharest-Ilfov.

The highest rate of activity of the population of 15 and over was registered in North-East regions and South-East Oltenia, and the lowest in Central and South-East regions. The masculine population had higher activity rates than the feminine population in all regions of the country.

In the North- East region, the activity rate in rural areas was higher compared to the urban activity rate. The Central region is completely opposed to the former, the activity rate in the rural areas being outmatched by the one registered in the urban environment.

The activity rate of the working population was among the highest in the North-West and North- East regions.

The 15 and over population occupation rate was higher for the males than for women in all regions of the country except for Central region and Bucharest, for the rural areas as against urban areas. The North-West region registered the same occupation rate for both residence areas.

15 years old and over population structure as to participation to the economic activity by region

activity by region				
Regiunea	Populația de 15 ani și peste	din care:		
		Persoane ocupate	Şomeri BIM	Persoane inactive
	(mii persoane)	(procente)		
TOTAL	18.250	49,8	3,9	46,3
Nord-Est	3.062	52,9	3,1	44,0
Sud-Est	2.412	47,2	4,4	48,4
Sud-Muntenia	2.819	49,3	5,8	44,9
Sud-Vest Oltenia	1.950	52,3	4,2	43,5
Vest	1.641	49,2	3,3	47,5
Nord-Vest	2.288	48,8	3,0	48,2
Centru	2.136	46,6	4,6	48,8
București-Ilfov	1.942	51,7	2,0	46,3

Data source: The National Institute for Statistics, The Monthly Statistic Bulletin no.7/2015

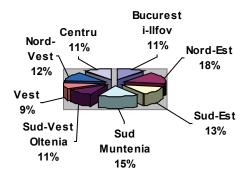
The working aged population occupation rate was highest in Bucharest-Ilfov and North-East region, and the lowest was in the Central and South-East regions.

Regardless the region, men's occupation rate reached the higher values than that of women, the difference being between 5.3% in North-East and 17.7% in South-East region.

In urban areas, the working aged population occupation rate exceeded that in rural areas only in Central and region and in Bucharest-Ilfov, while in North-East region in rural areas it was higher than in urban areas.

Among the eight regions, urban population occupation rate was higher than the rural one. Considering its specificity, Bucharest-Ilfov region registered the highest value: 93.6% occupied population in urban area. Among the three regions with mainly rural occupied population, North-East region is the first of all.

#### Occupation rate by region



Data source: The National Institute for Statistics, The Monthly Bulletin for Statistics

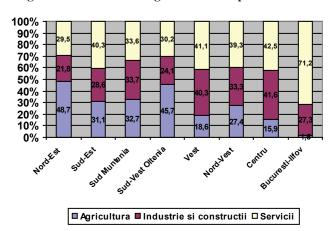
From the considered point of view, Bucharest-Ilfov region registered the highest rate of occupied working aged persons between 25 and 54 years old, respectively the lowest rates for young persons and persons of 55 and over, contrary to the Central region that has a rate of 9.9%, with a rate of 9.5% of the young persons.

The occupied population rate by the level of education indicates that 60% of the occupied persons in each region had medium education level (post-high school, high school and professional), except for three regions: North-East, South-East Oltenia and Bucharest-Ilfov. Central region is the most important having the biggest share of medium educational level population, while Bucharest-Ilfov region had the biggest number of college graduates, contrary to South-Muntenia region where the number was 3.3 times smaller. Regarding the lower education levels, the highest share came from the North-East region.

With regard to national economic sectors of activity it can be seen that the South-West Oltenia and North-East regions registered the highest shares of the people working in agriculture. In West and Central regions, 41.6% and 40.3% respectively of the occupied persons worked in industry and constructions. The service occupied population had a significant share in Central, South-East, North-West, West regions, and in Bucharest-Ilfov region especially, where service working population represents 71,2% of the whole population.

Regarding the professional status population structure, we can see that the salary paid persons had the highest shares in Bucharest-Ilfov, Central and West regions, but the lowest in North-East and South-West Oltenia regions.

## Working force structure on regions and occupational domains



The share of employers in the total of occupied population varied between 2.9% in Bucharest-Ilfov and 1.3% in South-West Oltenia and North-West regions. The North-East and South-West Oltenia regions had significant shares from the occupied total population regarding independent workers and family unpaid workers. South Muntenia region used to concentrate approximately a fifth from BIM unemployed persons, followed by North-East region. Bucharest-Ilfov had the lowest rate, with only 38, 840 BIM unemployed persons.

# References

- Anghelache, C. (2015). România 2015. Starea economică pe calea redresării, Editura Economică, București
- Balogh, P., Golea, P. (2010). *Influence of Population Decline in Romania on Human Resources Management*, Ovidius University Annals, Economic Sciences Series, Volume (Year): X (2010), Issue (Month): 2 (October), pp. 23-25
- Demyen, S., Lala Popa, I. (2014). *Perspectives And Trends Regarding The Key Indicators Of Human Resource Performance Management In Romania*, Annals of Computational Economics, Volume (Year): 1 (2014), Issue (Month): 42, pp. 115-122
- Nicolae, S. (2014). The Impact Of The Economic Crisis On Human Resource In Romania, Manager, Volume (Year): 20 (2014), Issue (Month): 1 (December), pp. 80-91
- Stoika, R. (2012). Future Policy Actions In Continuous Training Of Human Resources. Case Study: Romania, Proceedings of the INTERNATIONAL MANAGEMENT CONFERENCE, Volume (Year): 6 (2012), Issue (Month): 1 (November), pp. 363-369
- Stoika, R., Nen, M. (2014). Future Strategies In Human Resources. Study Case: Romania, Balkan Region Conference on Engineering and Business Education, Volume (Year): 1 (2014), Issue (Month): 1 (August), pp. 569-572
- www.insse.ro