
The Analyse of the Labor Force Resources Market

Prof. Constantin ANGHELACHE PhD.

Bucharest University of Economic Studies, "ARTIFEX" University of Bucharest

Prof. Alexandru MANOLE PhD.

Assoc. prof. Mădălina-Gabriela ANGHEL PhD.

"ARTIFEX" University of Bucharest

Cristina SACALĂ PhD.

Bucharest University of Economic Studies

Abstract

In this article, the authors present a study on the Romanian labor market-related resources and wage/income situation. The research covers the resident population, the structure by genders, the ageing and the gap between age groups, the index of demographic dependence. A significant phenomenon that affects the Romanian society and economy is the migration, and a set of relevant indicators is analyzed in the study, such as the sold of the international temporary migration. The study on the population incomes reveals the increases and decreases by categories of activities, the highest and the less significant average wages in the Romanian economy

Key words: labor, population, resources, unemployment, persons

JEL Classification: J20, J30

Introduction

The occupied population, according to the SEC methodology, is the sole indicator that indicates the human potential of the occupied labor force that can be used to determine the social productivity of labor as a ratio between the GDP and the occupied population.

The evolution of the productivity of labor is, within the series, fluctuant enough, from positive elevated levels, to constant decreases starting quarter I 2009 until quarter I 2010, to record a comeback to a positive trend, of 1.6% in quarter II 2010 against the previous year, of 1.9% in quarter III 2010 against quarter III 2009. In 2015 and during the first six months of 2016, the productivity have not manifested significant oscillations, but recorded a still low level.

On activity branches, the greatest weight is held by agriculture, with 27.6%, followed by industry, with 22.5% and transports with 21%.

The indicator occupied population of Romania compared to other countries proves a concerning discrepancy in negative way and where I think the attention of decisional factors must be focused. The information regarding the "budget sector" must be carefully analyzed, because the data refer to the statistics from economic activities (aggregated on homogenous activity) according to CAEN Rev.2.: public administration, education, respectively health and social assistance (including private education – some 2%, respectively some 4.5% for health and social assistance), excluding the armed forces and assimilated personnel (MApN, SRI, MAI etc.).

Literature review

Anghelache (2016) presents the major elements that characterize the economic environment of Romania. Anghelache, Manole, Anghel and Popovici (2016)

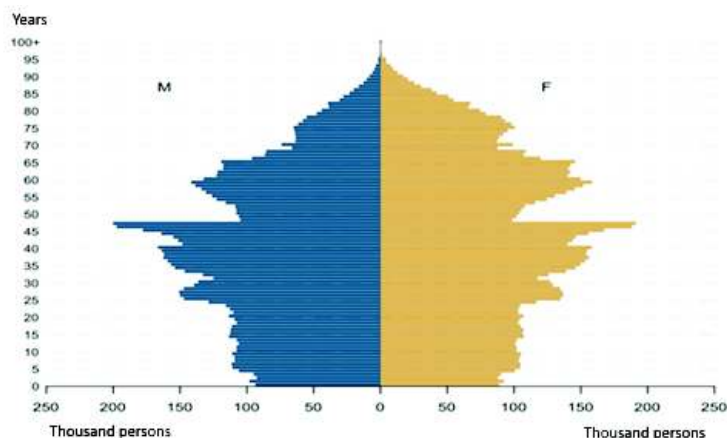
study the human resources and their position, dynamics in the Romanian economy. Anghelache, Manole, Anghel and Ursache (2016), Anghelache and Anghelache (2012) analyse the correlation between labour force, labour market and the population of Romania. Brown, Earle and Telegdy (2010) analyze the impact of privatization on employment and wages in Romania and three adjacent countries. Dubey, Jones and Sen (2006) present some consideration on the structure of labor force. Florescu (2015) develops on the knowledge economy and analyses the labour market in this context. Hamermesh and Lee (2007) develop on the labor-associated stress. Hili, Lahmandi-Ayed and Lasram, H. (2016) analyze the labor market in the globalization context. Lopes and Jesus (2015) focus on the correlation between financial liberalization and economic growth. Matei and Dinu (2014) approach the single market fragmentation. Stanef (2014) studies the discrepancies on the Romanian labor market, depending on the urban/rural environment.

Methodology and data

By January 1st, 2015, the resident population counted for 19,861 thousand persons, by 85.9 thousand persons less as against January 1st, 2014. The main cause of this decrease consists of the negative natural growth (- 69,522 persons).

The urban and feminine populations are of a majority (53.8%, respectively 51.1%). The phenomenon of demographic ageing became more prominent, the gap between the old population of 65 years and over and the young population of 0 – 14 years old increasing up to over 300 thousand persons (3,376 thousand as against 3,072 thousand persons). The index of demographic dependence increased from 47.1 to 48.1 young and of full age persons for 100 adult persons. The sold of the international temporary migration of long duration was negative (-42,177 persons). By January 1st 2015, the resident population of the urban milieu counted for 10,695 thousand persons, decreasing by 0.5% as against January 1st, 2014. Also by January 1st, 2015, the feminine population amounted 10,141 thousand persons, decreasing by 0.6% as against the same date of the previous year.

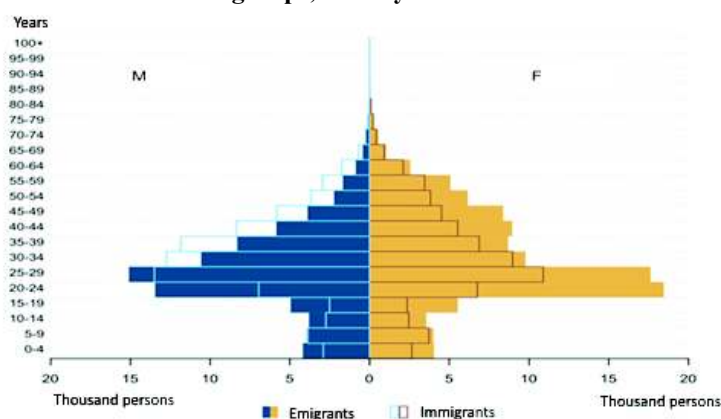
The resident population by sex and age, January 1st, 2015



Data source: National Institute of Statistics, Press release no. 249/07.10.2015.

The process of the demographic ageing deepened comparatively with January 1st, 2014, showing the decrease of the number of the young persons (0-14 years old) and the increase of the number of old persons (65 years old and over). The index of the demographic ageing increased from 106.5 (by January 1st, 2014) to 109.9 old persons against 100 young persons (by January 1st, 2015). The weight of the population of 0-14 years old in the total of the population kept on remaining constant (15.5%) for both years but the weight of the population of 65 years old and over in the total population increased from 16.5% in 2014 to 17.0% by January 1st, 2015. Thus, the index of demographic dependence increased from 47.1% (by January 1st, 2014) to 48.1 young and old persons against 100 adult persons (by January 1st, 2015). The sold of the international migration for the year 2015 was negative, the number of emigrants exceeding the number of immigrants. During the year 2015, as well as in 2014, the female population emigrated at a higher proportion in comparison with the male population.

The international temporary migration of long duration, by sexes and age groups, in the year 2015



Data source: National Institute of Statistics, Press release no. 249/07.10.2015.

This number differs significantly from the one of employees that is currently operated with. It includes the number of employees determined in compliance with the accounts, that take into consideration, both data sources used to determine the cost of labor force occupation, such as the Survey on labor force in households (AMIGO); the Inquiry regarding the cost of labor force (S3); Annual structural survey in enterprises (ASA); and also administrative data sources (information provided by the Ministry of Foreign Affairs, Ministry of Labor, Family and Equality of Chances, Ministry of Interior and Administrative Reform etc.); accounting situations of commercial companies. I state that the number of employees includes those working in the hidden economy, established according the computation methodology.

During the period 2010 - 2015 by continuous decreases of the number of employees. The most accentuate declines were recorded in 2010 and during the first nine months of 2011.

The rate of the vacant jobs diminished in the health and social assistance

sector (by 0.20 percent points), in the public administration (by 0.11 percent points), while in the education sector an increase (by 0.12 percent points) has been recorded.

The evolution of the vacant work places ratio was more accentuated in health and social assistance (by 2.53 p.p.), followed by public administration (0.67 p.p.), and for education the ratio kept unchanged (0.26%).

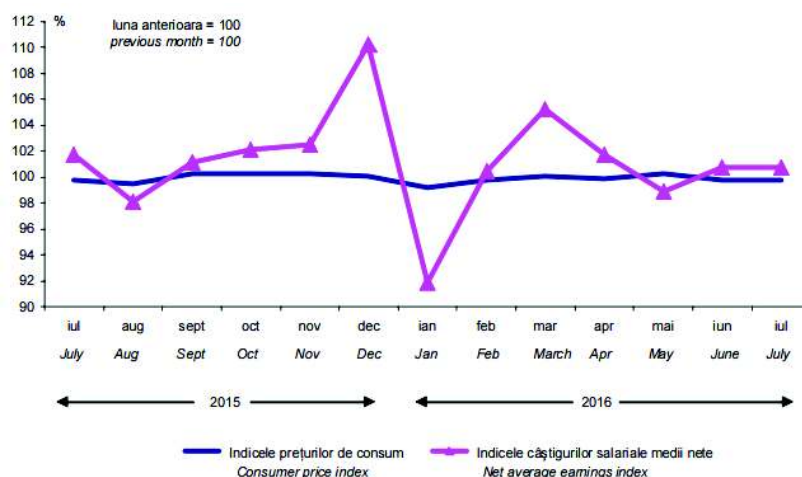
Slightly over 10% of the total vacant work places were recorded in each of the activities: public administration (2.7 thousand vacant places), respectively health and social assistance (2.4 thousand vacant places), while in education the demand for work places was of some one thousand.

Comparatively against the previous periods, in health and social assistance, the most significant decrease of number of vacant places recorded: by 7.8 thousand vacant places, representing more than two-thirds (67.5%) of the number of vacant places that diminished within a year in the whole economy, respectively with 0.8 thousand vacant places against the previous trimester.

Comparatively with month of July of the previous year the average net nominal salary gain increased by 7.6%. The index of the real salary gain as against the same period counted for 109.4%. The index of the real salary gain for July 2016 was 101.9% as against the previous month.

Comparatively with October 1990, the index of the real salary gain counted for 140.1%, by 2.6 percent points higher than the one recorded for June 2016.

The evolution of the consumer prices indices and of the indices of the average net salary gains, during the period July 2015 – July 2016



Data source: National Institute of Statistics, Statistical Bulletin no 7/2016.

The most significant increases of the average net salary gain have been recorded as follows: by 14.2% for the production of basic pharmaceuticals and pharmaceutical preparations, respectively by 14.1% for other extractive activities; between 6.0% and 8.0% for storage and other auxiliary activities for transport, silviculture forestry and forestry exploitation (inclusive fishing and aqua-culture), repair, maintenance and

installing machines and equipment, production and supply of electric and thermic energy, gas, hot water and conditioned air, fabrication of other conveyance means; between 4.5% and 5.5% for superior and inferior coal extraction, hotels and restaurants, agriculture, hunting and annex services, cinematographic production activities, videos and television programs (inclusive radio recordings and activities of musical editing; activities of programs broadcasting and transmission); residues collecting, treating and eliminating (inclusive activities of recyclable materials recuperation, activities of decontamination; wood processing, fabrication of wooden and poplar products, excepting the furniture (inclusive the fabrication of products of straws and other weaved vegetal materials); the fabrication of cloths ware, constructions.

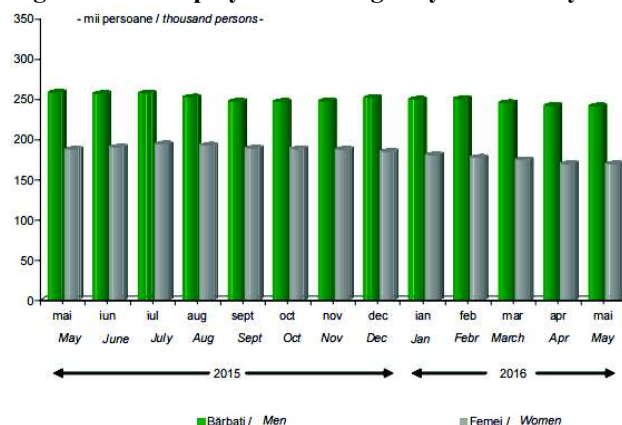
The decreases of the average net salary gain as against the previous month have been generated by the fact that for June occasional premiums had been granted (inclusive bonuses for holydays, as well as sums out of the net profit and other funds.

Meantime, the decreases of the average net salary gain have been generated by production failures or by smaller receipts (depending on contracts), as well as by hiring personnel with low salary gains in certain economic activities.

The most significant decreases of average net salary gain have been recorded as follows: by 10.9% for the computers and electronic and optical products fabrication; between 9.5% and 10.0% for publishing activities and beverage fabrication; between 2.0% and 4.5% for printing and reproduction on supports and recordings, fabrication of rubber products and plastics, research-development activities, activities of annex services to the extraction of crude oil and natural gas.

In the budgetary sector, increases of the average net salary gain have been recorded as against the previous month, as follows: public administration (2.2%), health and social assistance (1.3%), as consequences of the enforcement of the legal provisions starting with July 1st, 2015. For education, a decrease of the average net salary gain (-3.4%) has been recorded as a consequence of the diminishing of the amounts representing hour-payment of the didactic personnel during the period of the summer vacation.

Registered unemployment during May 2015 – May 2016



R- revised data, P – provisional data

Data source: National Institute of Statistics, Statistical Bulletin no. 7/2016.

By sexes, the unemployment ratio for men is by 2.2 percentage points higher than the one for women (the values being 7.8% for men and 5.6% for women).

Unemployment rate by sexes (%)

	2014						2015						
	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	March	April	May	June	July
Total													
15-74 yrs	6.8	6.8	6.7	6.7	6.7	6.6	6.9	6.9	6.8	6.8	6.8	6.8	6.8
25-74 yrs	5.5	5.4	5.4	5.3	5.4	5.2	5.5	5.5	5.4	5.6	5.6	5.6	5.6
Men													
15-74 yrs	7.3	7.3	7.1	7.1	7.1	6.9	7.5	7.5	7.4	7.6	7.6	7.6	7.8
25-74 yrs	6.0	5.9	5.8	5.8	5.8	5.7	6.1	6.1	6.1	6.4	6.4	6.4	6.5
Women													
15-74 yrs	6.1	6.1	6.1	6.1	6.1	6.1	6.1	6.0	6.0	5.8	5.8	5.7	5.6
25-74 yrs	4.8	4.8	4.8	4.7	4.8	4.7	4.7	4.7	4.6	4.6	4.5	4.4	4.4

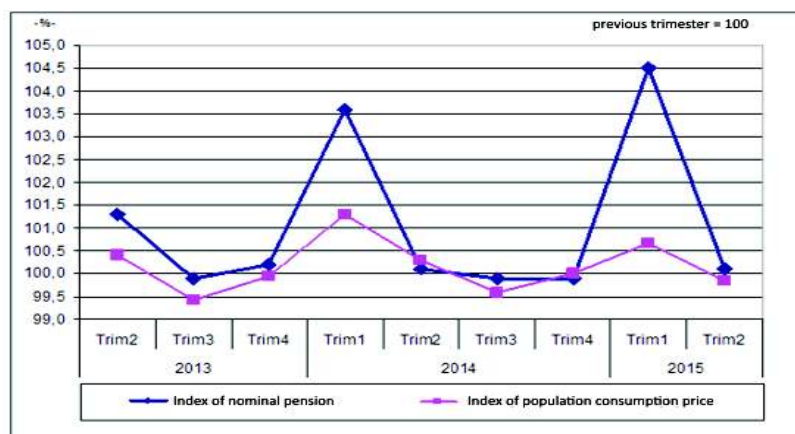
Data source: National Institute of Statistics, Statistical Bulletin no. 7/2015.

For adult persons (25-74 years), the unemployment rate was estimated as 5.6% for July 2015 (6.5% in the case of the men and 4.4% for women), out of the total number of unemployed estimated for July 2015.

In the quarter II 2015, the average number of pensioners counted for 5307 thousand, decreasing with 25 thousand as against the previous quarter.

The ratio between the average number of state social security pensioners and the employees' number was 10 to 10; the average monthly pension amounted 892 lei, by 0.2% higher as against the previous quarter; the average state social security pension counted for 886 lei, while the ratio between the average state social security pension for age limit with complete stage of subscription and the average net salary gain counted for 58.6% (comparatively with 60.8% for the previous quarter); the index of the average real pension as against the previous quarter was 100.3%.

The evolution of the nominal pension index and the consumer prices index, during the period 2013-2015



Data source: National Institute of Statistics, Statistical Bulletin no. 7/2015.

The ratio between the average number of state social security pensioners and the employees' number is showing significant fluctuations in territorial profile, from 5 pensioners only to 10 employees in the Municipality of Bucharest, to 17 to 10 in the district Giurgiu. the average state social security pension varied with significant discrepancies in territorial profile as well, the gap between the minimum value and the maximum one exceeding 400 lei (711 lei in the district Giurgiu against 1122 lei in Bucharest).

Conclusion

Among the European countries, the evolutions as against 2010 are divergent: thus, the diminishing tendency is notices in 12 countries, increasing in 12 countries while in 3 countries the weight of the employees in administration remained constant comparatively with the same period of the previous year.

In July 2016, the unemployment rate in its seasonally adjusted form counted for 4.1%. The unemployment rate in July 2015 kept the same level as that recorded for the previous month. The unemployment rate for men is exceeding by 1.2 percent points the one recorded for women.

In July 2016 the average gross nominal salary gain counted for 2875 lei, by 1.9% higher as against June 2015.

The highest values of the average net nominal salary have been recorded in the field of the extraction of crude oil and natural gas while the lowest ones in the domain of hotels ad restaurants.

The social security pensioners hold the majority (99.9%) of the total number of pensioners. The social security pensioners represent 88.2% of the total number of those of social security pension. By categories of pension, the number of the pensioners of age limit was preponderant (73.8%) in the frame of the category of the social security pensioners. The pensioners included in the categories - anticipated pension and partially anticipated – represented 2.1% only.

References

1. Anghelache, C. (2016). *România 2016. Starea economică*, Editura Economică, București
2. Anghelache, C., Manole, A., Anghel, M.G., Popovici, M. (2016). *Resursele umane: rolul și dezvoltarea lor în economia națională / Human resources: their role and development in the national economy*, Romanian Statistical Review Supplement, Issue 4/2016, pp. 51-58/59-65
3. Anghelache, C., Manole, A., Anghel, M.G., Ursache, A. (2016). *Corelația dintre evoluția populației și piața muncii/ Correlation between the Evolution of the Population and the Labor Market*, Romanian Statistical Review Supplement, Issue 3/2016, pp. 91-101/102-111
4. Anghelache, G.V., Anghelache, C. (2012). *Labor Force Market in Romania*, Metalurgia International, nr. 5/2012, pp. 145-153
5. Brown, D., Earle, J., Telegdy, A. (2010). *Employment and Wage Effects of Privatisation: Evidence from Hungary, Romania, Russia and Ukraine*, The Economic Journal, Volume 120, Issue 545, June 2010, pp. 683–708
6. Dubey, A., Jones, R.P., Sen, K. (2006). *Surplus Labor, Social Structure and Rural to Urban Migration*, The European Journal of Development Research, No.18, pp. 86-104
7. Florescu, I.C. (2015). *Technological revolution, labor markets and income distribution in the knowledge economy*, Theoretical and Applied Economics, Volume XXII (2015), No. 2(603), Summer, pp. 293-302
8. Hamermesh, D.S., Lee, J. (2007). *Stressed out on four continents: time crunch or yuppie kvetch?*, The Review of Economics and Statistics, 89(2), pp. 374-383

-
9. Hili, A., Lahmandi-Ayed, R., Lasram, H. (2016). *Differentiation, labor market and globalization*, The Journal of International Trade & Economic Development, Volume 25, 2016 - Issue 6, pp. 809-833
 10. Lopes, T., Jesus, C. (2015). *Financial liberalization and economic growth: The (ir) relevance of the democracy context*, Journal of Economic Studies, 42(2), pp. 207-223
 11. Matei, L., Dinu, I.T. (2014). *Single market fragmentation. The influence of the public decision system's features upon the national decision system: A case study of the Romanian Eco-duty*, Theoretical and Applied Economics, Vol. XXI (2014), No. 5(594), pp. 69-84
 12. Staneş, M.R. (2014). *Economic disparities between urban and rural Romanian labor market*, Theoretical and Applied Economics, Volume XXI (2014), No. 9(598), pp. 61-70
 13. Institutul Național de Statistică, Buletinele statistice nr. 7/2015, 7/2016.