
THE IMPACT OF THE PANDEMIC ON THE LABOR FORCE AND THE STANDARD OF LIVING IN ROMANIA

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Abstract

The pandemic triggered by the COVID-19 virus has had global repercussions in all sectors and, implicitly, in the workforce and people's living standards. The role of the current study is to analyze the impact that was felt by this sector in Romania, in this study being performed on the one hand a conceptual analysis of the pandemic and COVID-19 virus and on the other hand a statistical analysis of indicators which reflects the situation of the labor force in Romania and the standard of living of the citizens. According to the analysis, the pandemic had a noticeable impact on the labor force in Romania.

Keywords: pandemic, COVID-19, Romania, labor force, standard of living

JEL Classification: A190

INTRODUCTION

Given that the COVID-19 pandemic triggered in 2020 is an issue that is reflected and that influences most aspects of everyday life, their concrete study becomes an important objective in research. For this reason, this paper analyzes the social and human aspects that have been influenced by this global phenomenon, in order to determine the usefulness or negative impact that has been recorded.

Turning to the second element of interest in the virus, the social and economic impact, it is easy to determine by assessing the impact that the pandemic has had on areas of activity: (Atkeson, 2020)

- Hotel industry - the activity was drastically reduced, even stopped 100% in certain periods, resulting in huge losses both in this industry and in related industries;
- Transport industry - the activity was drastically reduced, even stopped 100% in certain periods, resulting in huge losses both in this industry and in related industries;

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- The automotive industry - the production activity was drastically reduced, due to the perspectives regarding the world economic evolution, etc.

We state that the coronavirus pandemic has had a significant impact on the workforce and on people's living standards because the repercussions of the shrinking economies have been suffered to a considerable extent by people who have faced specific phenomena such as unemployment. technically or with the situation in which the activity segment in which they were active was stopped 100% so that their incomes did not exist. (Elgin, Basbug and Yalaman, 2020)

The main repercussion of the economic impact suffered by people is represented by the implicit decrease of the living standard, these two aspects, at the level of Romania being the object of the statistical analysis within the future part. (Jargin, 2020)

In order to provide a comprehensive study, the outline of the research is made on two main pillars, represented in the first phase by a theoretical analysis, based on the review of current literature, to which is added the second part, that of nature analysis statistics, which is done in order to be able to confirm or to combat the hypotheses proposed at the end of the initial part.

Regarding the research hypotheses that will be tested through the practical part, there are three in number:

- The research activity intensively approached the subject of COVID-19, regardless of the research area or the place and manner of scientific manifestation.
- Labor force revenues in Romania will be lower in 2020 compared to 2019;
- Expenditures made by citizens in Romania will be lower in 2020 compared to 2019 as a result of reduced revenues and as a result of more preventive consumption behavior;
- The number of registered unemployed will be higher in 2020 compared to 2019 due to the contraction of the economy.

LITERATURE REVIEW

COVID-19 virus is the trigger for the global pandemic in 2020, where the virus originated on the Asian continent, near the Chinese city of Wuhan.

With transmissibility as its main attribute, the virus has established itself very quickly as a problem that can cause major negative implications. In addition to the ease with which this virus is transmitted from one person to another, another decisive factor in the emergence of the pandemic was the phenomenon of globalization. (Jargin, 2020)

Globalization has developed a lot in recent decades, with a real pillar in multinational companies that have favored the phenomenon of migration in all countries of the world, implicitly as a result of these phenomena being intensified and international travel, these being the main mode of transmission in most countries in the world of COVID-19 virus. (Nicola, Alsafi and Sohrabi, 2020)

In order to have a correct approach, it is necessary to determine the concrete meaning of the notion of “pandemic”, according to the Explanatory Dictionary of the Romanian Language, which represents “Epidemic that extends over a very large territory, including several countries, continents”, where we can deduce as the main feature the large area of spread.

According to the researchers who analyzed the subject of the coronavirus pandemic, it is differentiated by a series of characteristic elements: (Nicola, Alsafi and Sohrabi, 2020)

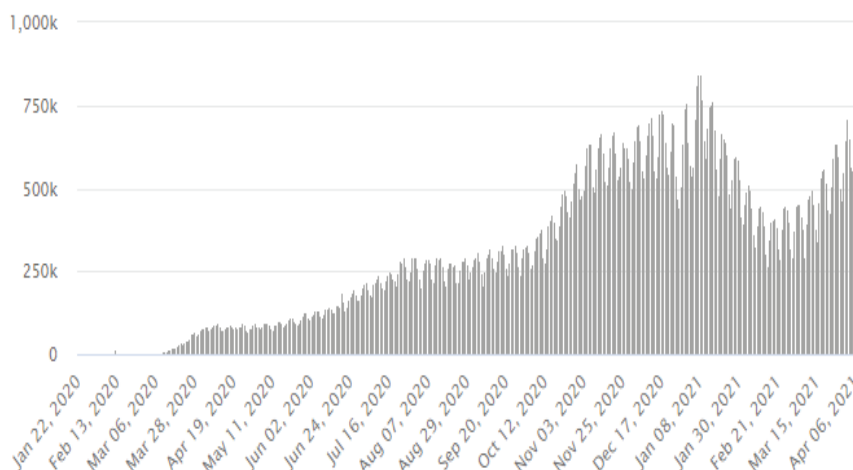
- Reached a global level;
- It is focused on all countries, regardless of income level;
- Generates strong chain effects for international supply chains;
- The market is affected by influences on both courts: supply and demand.

As we presented above, a global problem, the coronavirus pandemic and related elements have been scientifically analyzed in several fields of activity, as well as in many countries worldwide. (Fernandez, 2020)

Relevant for the evolution of the number of cases is the graph no. 1, which shows the number of cases worldwide, in which it is easy to see that the number of new cases registered daily is very high, although it does not rise to the maximum level from December 2020 to January 2021, at present the level is extremely high compared to the initial period.

**Evolution of the number of new cases of COVID-19 worldwide
(number of people)**

Graph 1



METHODOLOGY

This part of the presentation of the methodology used aims to facilitate the completion of the following passages of the research paper, by presenting the procedures and sources of information that have been used in the following.

Obtaining statistical data was performed from two data sources, each of these sources serving statistical data for different analyzes, both as a purpose and as a methodology.

On the one hand, the SCOPUS platform was used to obtain bibliographic information, information that was subsequently processed with VOSViewer software, version 1.6.16, so using these resources we were able to perform bibliometric analysis of research papers that we considered to be of interest as a subject for this study.

In order to obtain the data set, the keyword used in the query was: "COVID-19", with no restrictions on the field of research, the method of scientific manifestation or any other specific filtering restriction.

On the other side is the statistical analysis, which we performed using the official database of the National Institute of Statistics, where we obtained statistical information from 2019-2020 on the necessary indicators: average net monthly salary, average monthly expenses per household and number of registered unemployed.

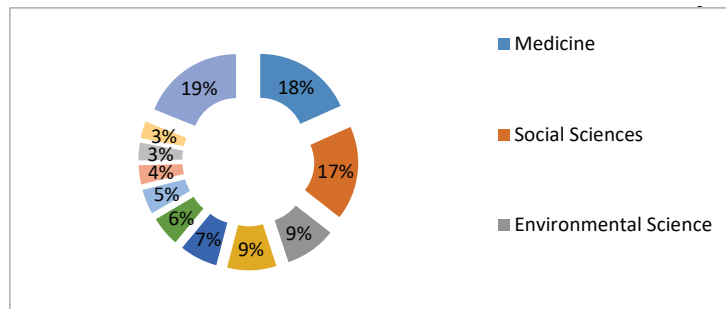
Data, results and discussions

We start the process of scientific analysis with bibliometric analysis through which we can observe the bibliographic links and the quantitative evolutions recorded.

We can see in figure no. 2 main business segments that were active in the COVID-19 impact research activity. In this figure we observe, as expected, that most studies were conducted in the field of medicine (18%), social sciences with 17% and the environmental analysis segment with 9% being the components that constitute the top three.

The structure of coronavirus research according to the field of activity present on the SCOPUS platform

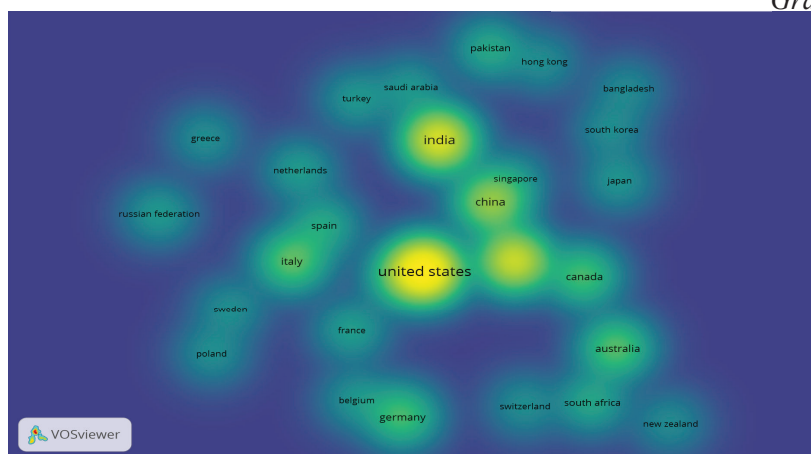
Graph 2



Next, figure no. 3 presents the bibliometric analysis of the works that included in the title, abstract or keywords the notion of “COVID-19”, this analysis being performed at the country level, so we can see the best represented country is represented by the United States of America, in within which 185 articles were published. We also notice a high level of activity in India, China or Italy.

Bibliometric analysis of the presented papers on the SCOPUS platform that have in title, abstract or keywords the term COVID-19 performed depending on the country of publication

Graph 3



We note from the above that the topic proposed in the current paper was one that was of great interest worldwide, regardless of the discipline in which it was analyzed, the main reasons being its speed of spread and the strong impact it has had on the world economically and socially.

Based on those presented in the first 2 graphs of this part of the research, we can conclude a result related to the first hypothesis of the research, that the interest in the subject was high, the conclusion being favorable to the initial opinion, which materialized according to previous analysis.

The analysis continues with the second part, where it is necessary to involve the method of statistical analysis, so that we can test the initially formulated hypotheses.

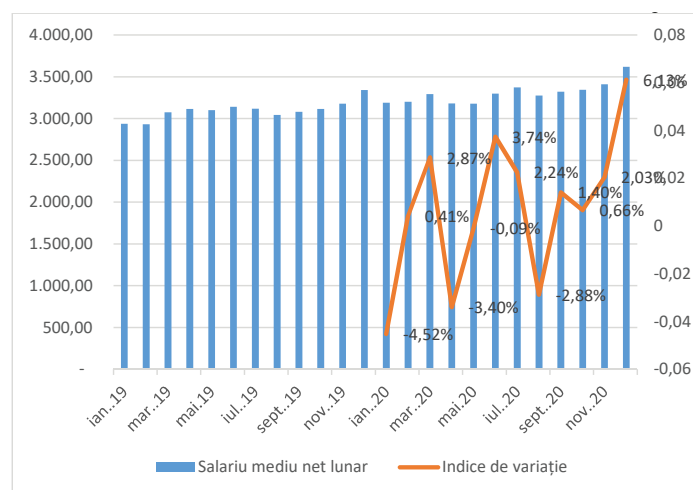
A first indicator analyzed is represented by the average net earnings per inhabitant, within figure no. 4. Its interpretation shows that the first hypothesis formulated cannot be confirmed because the salary level reached in Romania was on an oscillating trend in 2020, but with a positive purpose from the employees' perspective.

The index of variation analyzed indicates that the most drastic reduction was reached in January 2020 compared to the previous month, a reduction of 4.52%, despite the fact that the pandemic was introduced in March 2020, a month that registered a net salary increase. monthly with a percentage of 2.87%, this increase being immediately corrected in April, when a reduction of over 3 percent was registered. After April, the only substantial reduction was reached in August, of 2.88%, as a result of a strong wave of COVID-19 infections in Romania.

Thus, the increases registered in most months of 2020 are noticeable, the second highest increase being that of July, of 3.74%, on the first place being the increase from December 2020, the final month of analysis, increase of over 6 percentages, which led to the average monthly net salary of 3,620 lei / employee / month, an increase of 280 lei / employee / month, ie 8% higher than the level of December 2019.

Evolution of the average net monthly salary per employee in Romania during January 2019- January 2020 (lei / employee / month)

Graph 4



A second indicator is represented by the level of monthly expenses that a household makes, this being present in chart no. 5.

We see from figure no. 5 the fact that the average level of expenditures made in Romania is in a continuous increase in 2019, we thus observe the increase of 6 percent in the Second Quarter of 2019 compared to the previous quarter, followed by an increase by another 4 percent in the following quarter, the year 2019 ended with an increase of 2 percent in the last quarter.

The year 2020 starts with a reduction of only one percent, the level of spending being still at a very high level. The high level was maintained in the second quarter, despite the fact that there was a decrease of 2 percent, all this evolution culminating in the increase of 7 percent in the third quarter of 2020, which thus brought the highest level of monthly expenses of a household.

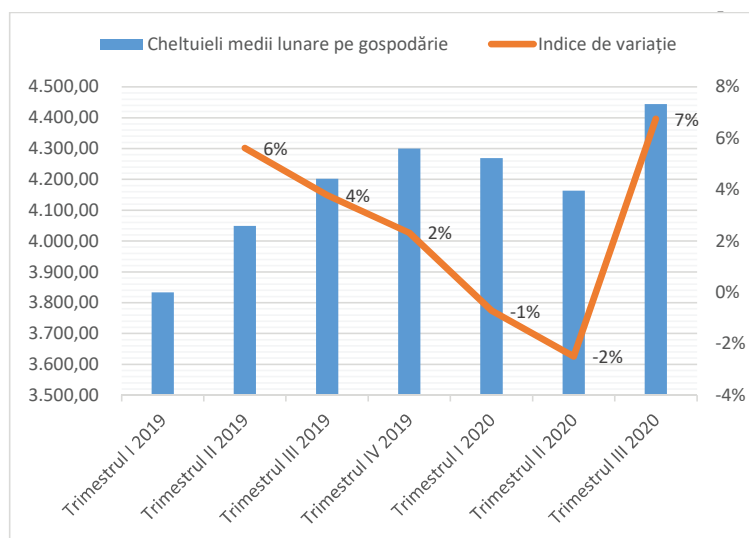
In these conditions, we can say that the reduction of household spending in Romania due to the pandemic was present only in the first two

quarters of 2020, the third quarter bringing with it a strong increase, which greatly raised the level of average monthly expenses recorded.

According to the above analysis, the second hypothesis of the paper is only partially confirmed in the first part of the pandemic.

Evolution of average monthly household expenditures in Romania during January 2019- January 2020

Graph 5



A last indicator analyzed for testing the third hypothesis is represented by the number of unemployed registered in Romania at the end of each month.

The aforementioned indicator is present in figure no. 6, where the number of unemployed in the period January 2019-December 2020 is presented. We notice that the number of unemployed on a monthly level did not have a constantly increasing trend in the analyzed period.

You can see in the first phase the obvious downward evolution in 2019, which is continued in the first period of 2020, more specifically until May 2020.

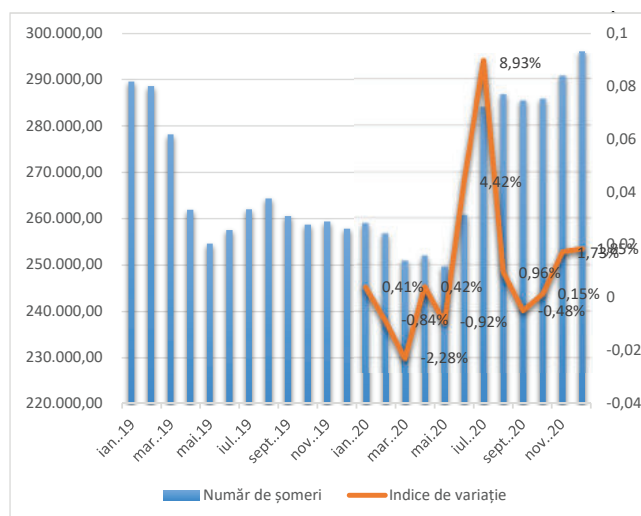
After May, there is a strong increase of 4.42% in June compared to May, this increase being followed by a much stronger one in July compared to June, an increase of 8.93%.

After July, it can be noticed that only one month had a negative trend, reducing the number of unemployed (September, the reduction being 0.48%), the other months registering a slight increase in terms of the number of unemployed.

In these conditions, following the analysis we can see the confirmation of the third hypothesis of the paper, which provided for the increase in the number of unemployed due to the pandemic.

The number of unemployed registered at the end of the month in Romania during January 2019-December 2020

Graph 6



CONCLUSIONS

The realization of this paper shows has a concrete completion in the conclusions section, in which we can say that all the initial hypotheses formulated were analyzed through statistical methods, the result of the analysis being materialized by:

- complete refutation of the first hypothesis;
- partial refutation of the second hypothesis;
- confirmation of hypothesis no. 3.

Regarding the limits of the study, they are represented by the relatively low number of indicators that were analyzed, the analysis of living standards and employment status are represented by a very large number of indicators.

Given the above, the current study is a possible basis for a more comprehensive future study in terms of the number of indicators analyzed.

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