

# Evolution of the regional unemployment in Romania

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## Abstract

Unemployment is a social and economic phenomenon, with numerous implications at the individual level and at the level of an entire population. At the macroeconomic level, unemployment may be equated with the production value that would be realized by working unused population. At the individual level, unemployment leads to deterioration of living standards, social and psychological problems. In Romania, this phenomenon is detailed as follows: in terms of age, gender distribution, the degree of training, the duration of unemployment, but also in terms of the distribution of the territorial units. This article presents an analysis of unemployment data from the last two censuses and highlights the main changes that took place at the local level. The data presented come from the National Institute of Statistics of Romania.

**Keywords:** unemployment, the structure of unemployment, long term unemployment, unemployment for young people

## 1. Introduction

Romanian economy transition to a market economy has led to a lot of socio-economic changes that have generated changes in population structure. The decrease in the population of the 40 counties and in Bucharest City is determined by the negative natural increase (in most counties), internal and external migration. Ilfov County is the only county where the population increased by 29.5% between 2002-2011, due to economic development in the north of the capital. The territorial distribution of the population changes between the two censuses. Below is the first 5 and last 5 counties (except Bucharest), ordered by the population:

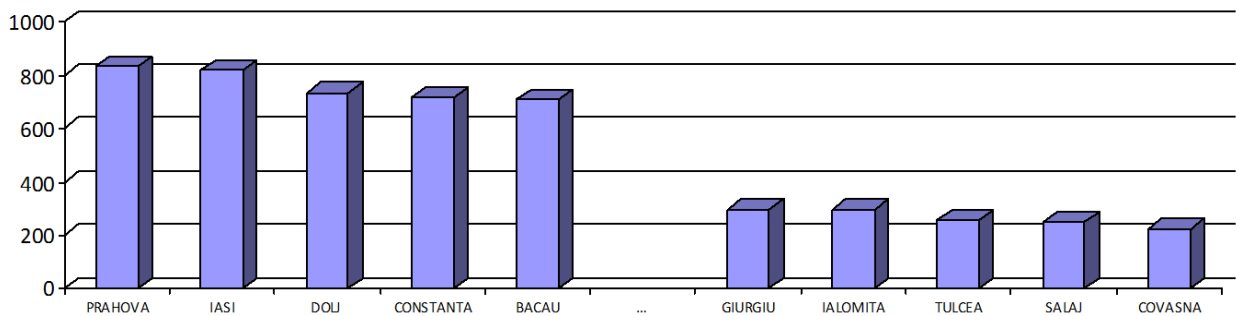


Fig. 1. Distribution of unemployed by regions, at 2002 Census

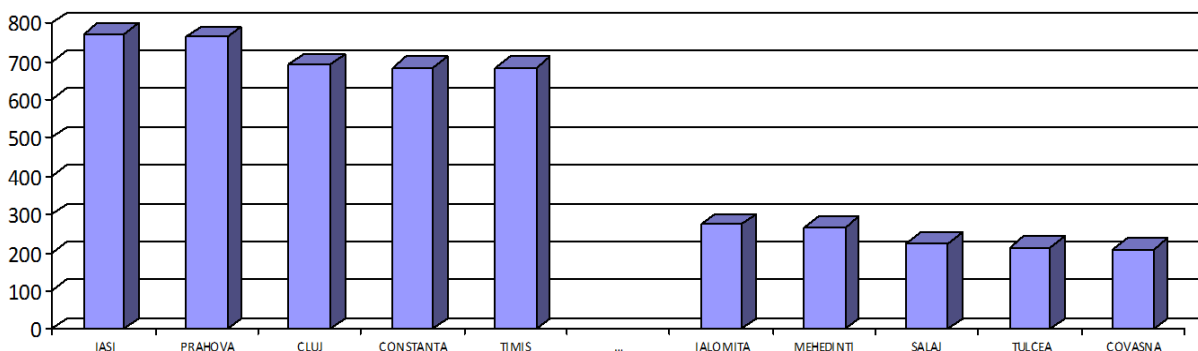


Fig. 2. Distribution of unemployed by regions, at 2002 Census

The different pace of development from one county to another, the creation or existence of large urban centers are the main factors influencing the intensity of internal migration. The most affected counties by the loss of population through relocation were Vaslui, Botoșani, Maramureș, and Olt.

International migration has contributed substantially to the decline in population, particularly since 2007, after Romania joined the European Union. At the territorial level, the sole beneficiary of the positive balance of external migration is Ilfov County. The biggest negative external migration we meet in Bacău, Galați, Iași, Neamț, Suceava and Bucharest. The main destination countries for people going on long time are: Italy and Spain.

Also, economic development and changes in the age structure of the population have been changes in the structure of the economically active population (employed and unemployed). Thus, if in 2002 the share of unemployed in the total active population was 11.2%, in 2011 this share drops to 7.3%. Noteworthy is the fact that the share of active population in total population increased from 40.8% to 45.6% from one census to another.

The definition used in the two censuses for the term "unemployed" was the one used by the International Labour Office: persons aged 15-74 years who, in the reference period simultaneously meet the following conditions: have no job and are not carrying out any activity to get income; they are looking for a job, undertaking certain actions during the last four weeks (registering at employment agencies, or private agencies for placement, attempts for starting an activity on own account, publishing notices, asking for a job among friends, relatives, mates, trade unions a.s.o.); they are available to start work within the next two weeks if they immediately find a job.

## 2. Evolution of unemployed people between 2002 and 2011

At the 2011 census as against the 2002 census there was a reduction of 367,520 unemployed people, which means a reduction in the relative values of over 35%. In one county there is an increase in the number of unemployed: Bucharest, where, from a number of 58,293 unemployed in 2002 ascend to 66,031 unemployed in 2011. In four regions there was a greater decrease than the national level, namely : South East (about 50%), North East and South-Muntenia (over 43%), Central Region (over 40%).

Distribution of unemployed by regions is changing in time. But ranking of regions remain almost the same. Thus, in 2002 on the first place is South Muntenia Region, followed by North East Region, South East Region, Centre Region, North West Region, South West Oltenia Region, West Region and Bucharest-Ilfov Region. The same ranking is also found in 2011 except Bucharest-Ilfov Region, which reached on the 8th place from the 5th, and this because of the increasing number of unemployed in Bucharest City.

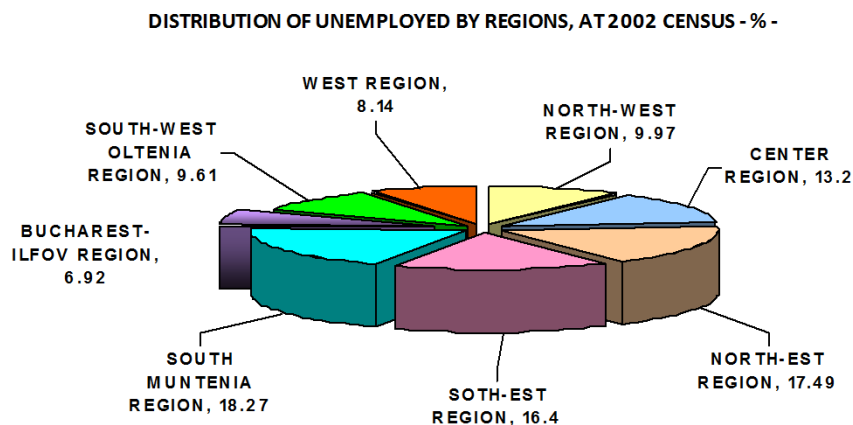
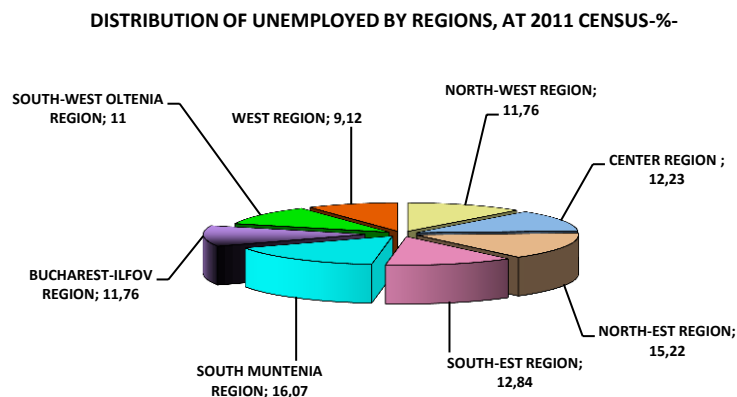


Fig. 3. Distribution of unemployed by regions, at 2002 Census



**Fig. 4.** Distribution of unemployed by regions, at 2011 Census

Analyzing the values of unemployment from the two censuses, at county level, we can see changes in their distribution by counties, which lead to changes in the ranking of counties, in terms of this indicator.

In the North West region, in Bistrița Năsăud County, unemployed decreased to more than half and in Sălaj and Cluj with more than a third. Satu Mare County, however, registers an increase in the number of unemployed by 2,200 people, which makes that their share in this region will increase from 8.48% to 13.96%. In Central Region, counties with the largest decreases in the number of unemployed are: Covasna (over 60%), Brașov (over 40%), Alba (over 45%).

With over 40% decreases the number of people who said they were unemployed in the North East. In Botoșani, Vaslui, Neamț the number of unemployed halves. But in Bacău county the decline does not even reach 25%.

In South-East Region, the biggest drop is found in Buzău (-26,088 persons). At the opposite end is Vrancea County, where the number of unemployed increased from a census to another, which leads to doubling their share in the total unemployed in the region (from 6.42% to 12.81%).

In South Muntenia Region, the number of unemployed people drops with over 82,000 and about 35% of them are from Prahova county. However, this county remains in first place, in terms of the number of people unemployed among the top counties in the region, with a slight drop of it's share from 31.68% to 29.38%. The smallest decrease in the number of unemployed is found in Dâmbovița (only 17,75%), leading to an increased share in this region from 14.12% to 20.43%, thus climbing a place in ranking of this region.

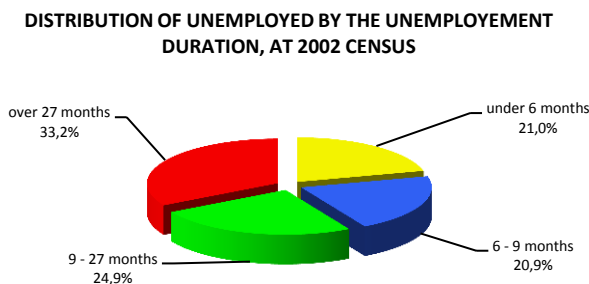
The only region where the number of unemployed increased, the Bucharest-Ilfov nearly doubles its share in the total unemployed in the country (from 6.92% to 11.76%). The trend in the region is given almost exclusively from the Bucharest City, which holds over 80% of the unemployed in the region.

In South-West Oltenia Region, Olt County move from the second place to the 4th place in the ranking of this region, registering a fall of over 35% in the number of unemployed. Dolj County continues to be first in the region, living here almost 30% of the unemployed in the region.

Hunedoara County manages, by about 50% decrease in the number of unemployed, to move from first to second place among Western region. Only 10% decrease in the number of unemployed between the two censuses, raises Timiș on the first place in the region, with a share of almost 33%. To note is the situation in Arad, where the number of unemployed increased by 2,000 people.

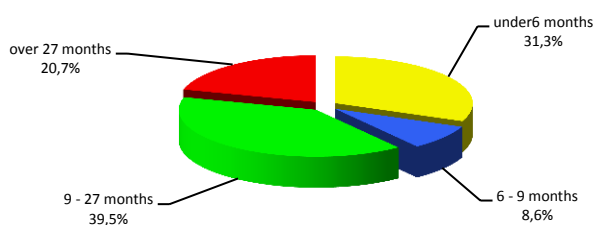
### 3. Unemployment by duration between 2002 and 2011

Distribution of unemployed by duration of unemployment, according to the 2011 census, changes from that of 2002 census. We can remark the decline in the share of long term unemployment (over 27 months) from 33.2% to 20.7%. The counties where there is the greatest drops in the long-term unemployed are Prahova (over 19,000 people) and Buzău (over 15,000 people).



**Fig. 5.** Distribution of unemployed by the unemployment duration, at 2002 Census

**DISTRIBUTION OF UNEMPLOYED BY THE UNEMPLOYMENT DURATION, AT 2011 CENSUS**



**Fig. 6.** Distribution of unemployed by the unemployment duration, at 2011 Census

#### 4. Unemployed by age group between 2002 and 2011

Population distribution by age shows that the aging process is emphasized. The employed population is concentrated in age groups 30-39 years and 40-49 years. Instead, in the category of unemployed, young people under 25 have a significant share: 31.44% at 2002 census to 32.19% 2011 census. The share of employed persons of 50 years and over has increased due to raising the retirement age. But, the share of unemployed in the age group 50-59 years increased from 1.26% to 4.61%. In 2002 about 37% of total number of unemployed were persons searching for their first job and in 2011 their share dropped to 35.4%.

In Centre Region, only in Alba and in Braşov, the share of unemployed aged up to 25 years register a decrease below 28%. In the other counties the share of the young unemployed has a tendency to increase exceeding 32%. In Brasov, in 2011, it finds the largest increase in the share of unemployed in the age group 55 years and above (from 1.36% to 8.23%).

Bihar County is one of the counties where the percentage of young people under 25 years looking for their first job in the 2011 census reaches below 70%. In this region, only Cluj between the two censuses recorded an increase of over 5% for the unemployed of 55 years and above.

In Botosani county, in the North-East Region, at the 2011 census, young unemployed people under 25 years represent nearly 44% of the total number of unemployed. Here, the share of those who are looking for their first job, in this segment age, increased by 5% between the two censuses (from 79.8% in 2002 to 84.3% in 2011). In this region, the biggest share of unemployed in the age group 55 years and above was found in Vaslui ( 5.83%).

South East Region is characterized by high weights reached by the unemployed in the age group 55 years and over, in 2011, especially in the counties of Constanţa (8.73%) and Tulcea (9.68%). With the lowest share of elderly unemployed, Buzău County stands out for the high percentage of young unemployed: 43.21% at 2011 census, of which about 85% are seeking first job.

In Giurgiu County, the share of unemployed people aged up to 25 years attain to 40.3% in 2011, value that is ranked third in the top of counties with the highest proportion of young unemployed people. In Prahova and Teleorman, which register higher shares of the unemployed over 55 years in South Muntenia Region, it highlights a downward trend in the share of young unemployed.

With a share of 25.6% of young people unemployed in 2011, the Bucharest ranks first among the counties with the fewest unemployed aged up to 25 years. Also, opportunities in the capital and lifestyle are leading to early engagement of young people, so that in 2011, only 68, 2% of the 16,915 young unemployed, were searching for their first job.

Valcea county, from South-Est Oltenia Region, stands out as the county with the lowest percentage of unemployed people aged 55 years and older in the total unemployed in the county (0.5% in 2002 and 2.96% in 2011).

West Region is distinguished by small weights of young unemployed in the total number of unemployed in the county. Arad County registers a big enough increase of share of unemployed persons aged 55 years and over, reaching 8.17% in 2011, followed by Timiș with 7.5%.

### Conclusions

Demographic changes, economic and technological progress have a permanent influence on the structure of the labor force in different territorial units in Romania. By comparing the last two censuses is observed qualitative and quantitative changes of the components of the active population, including that of the unemployed. The unemployment rate in 2011 was 7.3 per 100 active persons, 4.5% less than in 2002. Socio-economic development of the various different territorial units of the country has led to changes in the concentration of unemployment in some areas. The North-East, South-East and South focuses most unemployed people. Here they are found most unemployed with unemployment lasting more than 27 months.

Once Romania joins the European Union should adopt a number of measures to help encourage people to remain in work or find a new job, including: the promotion of a life-cycle approach to work, encouraging lifelong learning, improving support to those seeking a job, as well as ensuring equal opportunities in all territorial units.

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