

**ACTIVE MEASURES FOR DECREASING THE UNEMPLOYMENT RATE IN THE RURAL AREA OF THE WESTERN REGION, OF ROMANIA****TIBERIU IANCU, TABITA HURMUZACHE, IOAN BRAD**

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**ABSTRACT**

The progress of each society is based on labor. The economic development level of the society is reflected in the occupation degree of the man power. The way this is involved in the economic activity determines important consequences in the social and economic activity of a country.

Every social and economic development of the society must focus on the human being. The approach of such a subject concerning the decrease of the unemployment rate represents a very important problem for the national economy.

An important characteristic of labor force from rural area is pronounced underemployment caused directly by the lack of economic infrastructure to have on base non-agricultural activities and which would contribute to maintaining the imbalance and disparity between urban and rural areas, in witch regards social-economic development.

The structure of employment is dependent on population dynamics and constitutes a real incentive in attracting investments in all economic sectors and increasing economic development degree of a region. Thus, in the realized study we will pay a particular attention to employment and active population, achieving a meaningful analysis on economic indicators that characterize this situation: the employment rate and unemployment.

**Keywords:** labor, unemployment, active population, occupied population, unemployment rate

**INTRODUCTION**

The unemployment problem is not a national one. It is an acute problem of the contemporary world, to create conditions so that the man power gets actively involved in the economy. At global level we can find this incapacity of the society to use the most important production factor for the economic growth and development – man power.

The unemployment is considered an economic misbalance between the demand and offer of man power. In this case we talk about a higher offer man power than demand, part of the population suitable for work does not have an employment.

The western development region was founded with governmental approval on the 28<sup>th</sup> October 1998 and consists in 4 counties: Arad, Caras – Severin, Hunedoara and Timis. From economic development point of view, the western region is considered as a developed region, with higher economic results than the national average and with high growth potential.

**MATERIAL AND METHOD**

For a comprehensive analysis of the occupational situation the countryside of Western Region, Romania, has made a thorough analysis of statistical data. The results were interpreted and based on them were drawn a number of conclusions and some proposals have been made on reducing unemployment and increasing employment of labor in the area studied.

## RESULTS

The western development region is located in the western part of Romania, at the border with Hungary and Serbia, and consists, from administrative point of view, of the following counties: Arad, Caras –Severin, Hunedoara and Timis.

### Aspects characterizing man power in the Western Region

The western region has a surface of 32,034 km<sup>2</sup>, representing 13.4% of the total country area. In year 2011, the population of West Region was 1,913,831 inhabitants, representing 8.94% from Romania 's population. West Region was situated on fifth place in terms of changes of population level. Thus, during 2000-2011, the population of West Region decreased with 130,739 persons, meaning 6.4%, while at national level there was a decrease of 4.6 %.

The analysis by counties, of the share of inhabitants, by area of residence, indicating the fact that in Arad county, 44.9 % from total the population is concentrated in rural areas. On second is placed Caras-Severin county with 44.0%, followed by Timis county with 38.5% and Hunedoara county with 23.4 %.

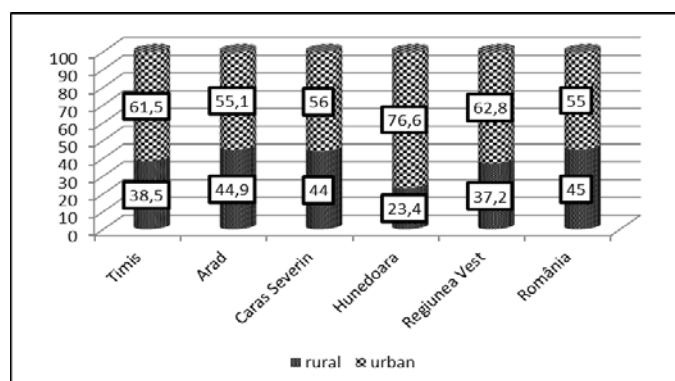


Figure 1. The population structure by residence environment

Concerning the population structure based on residence environment we can state that the western region is a rural area, 37.2% of the region population lives in the rural environment. At national level it represents 13.5% of the total rural population.

At national level rural population represents 45%, from total population. The fact that, at West Region level, the rural population has a lower value than at national average is mainly due to the high degree of urbanization specific to Hunedoara county, which is the second county , after Bucharest-Ilfov, as urbanization level.

Most of the rural population of the western region is in Timis county, 36.1% and Hunedoara county has 15.2%.

In the analysis process of the man power occupation, the occupied population has a special attention. This represents that part of the active population that is actually involved in an economic activity, being the category that produces goods and services needed by the economy.

In order to highlight how well is structured on branches and sectors the occupied population we use as indicator the occupation degree calculated as percentage between the number of occupied population and the total capable population.

The changes from the economy determined changes in the occupied population structure both from the point of view of the number of persons employed in different economic activities and of the environment, urban or rural where these activities are deployed. Most

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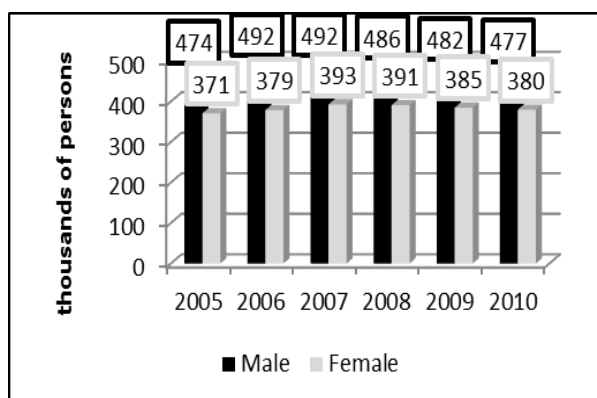
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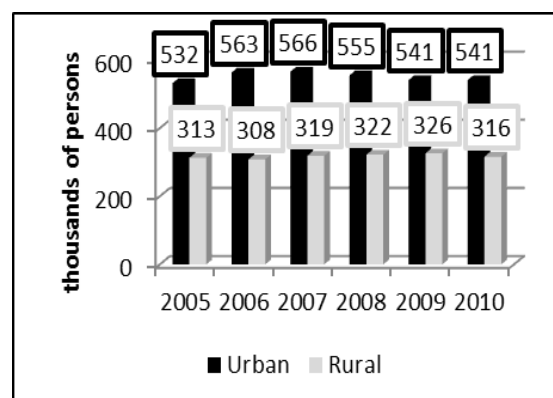
In the period 2001 – 2011 both the active population and the occupied population registered increases of 0.01 – 0.02%. Still, the analysis of the active population according to sexes and residence environments shows a lower increase of the male active population (3000 persons) and of the active population from the rural environment (3000 persons). Concerning the occupied population we can notice similar increases, the highest are registered in the urban environment (10000 persons compared to 7000 persons from the rural environment) and in the case of male population.

In 2010 the active population of Romania consisted in 9965 persons and the occupied one consisted in 9240 persons. In both cases the number of male persons is higher and more persons are registered in the urban environment than in the rural environment.



**Figure 2. Active population evolution, according to sexes, 2005 – 2010**

Source: Romanian statistical yearbook, 2011

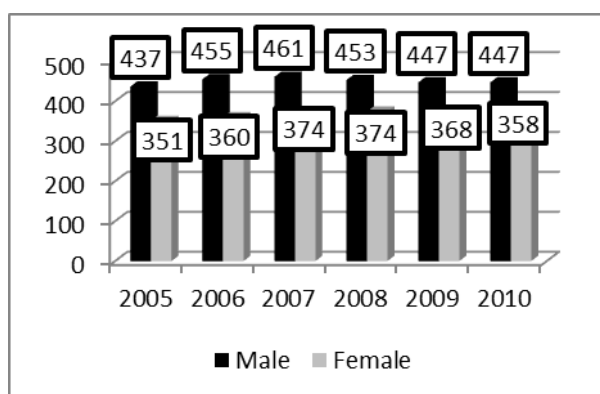


**Figure 3. Active population evolution according to residence environment**

Source: Romanian statistical yearbook, 2011

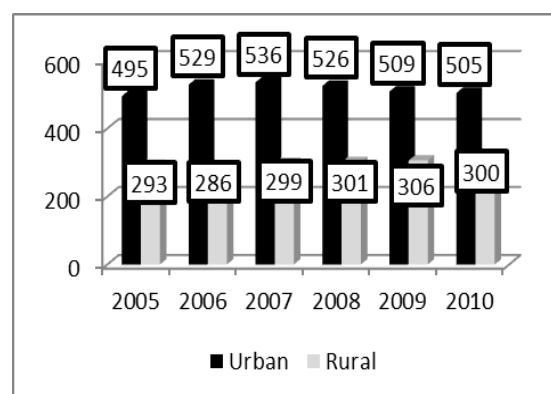
Concerning the analysis of the active population according to sexes we can notice different situations. In the analyzed period there is an increase of the male active population, in the first three years of the period, and then it continuously decreases. The same situation is noticed for the female population.

In the six years of analysis we can notice both increase and decrease periods. So, in the case of urban population we notice a 6.4% increase of the active population during 2005 – 2007, followed by a decrease in the first two years (4.42%), in 2010 the active population had the same value as in 2009. In the rural environment there is a fluctuating situation. The highest value is registered in 2009, 362000 persons are capable for deploying an economic activity in the rural environment. However in 2010 the number of active population decrease with 0.31%.



**Figure 4. Occupied population evolution, according to sexes, 2005 – 2010**

Source: Romanian statistical yearbook, 2011

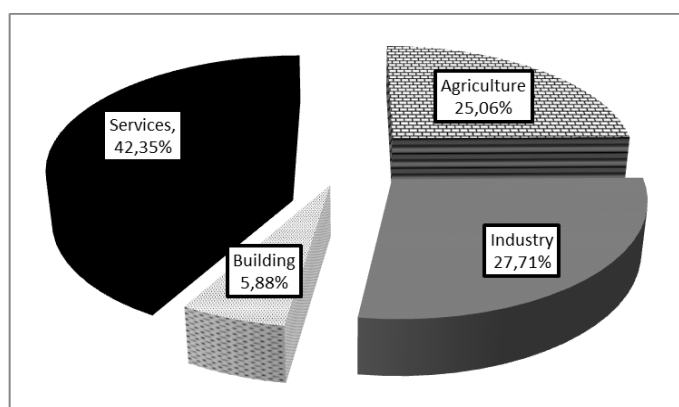


**Figure 5. Occupied population evolution, according to residence environment**

Source: Romanian statistical yearbook, 2011

In *Figure 4* we presented the occupied population evolution according to sexes. Concerning the evolution of the male occupied population we can notice that in 2010 this counted 10000 persons compared to 2005, after a sinuous evolution in the seven years of analysis, starting with increases till 2007 (5.49%) and followed by continuous decreases. The female occupied population decreased with 7000 persons in the analyzed period following the same evolution that the male population.

The structure of the occupied population according to residence environments shows a higher occupation degree in the urban environment than in the rural environment. Even if during the analyzed period there were significant increases related to the occupied population from the urban environment (8.28%) during 2005 – 2007, at the end of the period there is an increase of only 2%.



**Figure 6. Occupied population structure according to main economic activities, Western region, 2010**

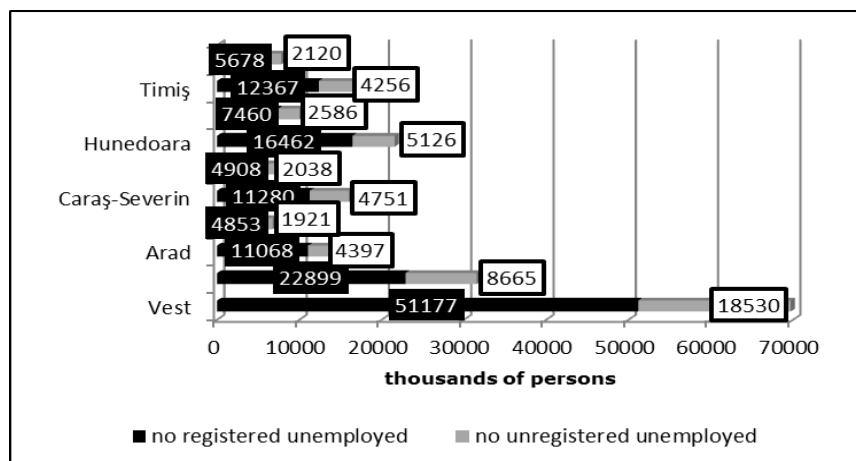
Source: Romanian statistical yearbook, 2011

Concerning the population structure according to economic branches we can observe a decrease of the occupied population in the primary and secondary sector and increase of the occupation degree in the tertiary sector. The decrease of the occupied population in the first two sectors must be analyzed separately. So, in the case of agriculture we talk about a decrease of the labor resources because this sector is not attractive with a low productivity. Still, in agriculture there is a large number of the occupied population. In case of industry, the analysis must be realized on the composing activities because some industrial branches are in decline generating unemployment but there are also profitable industries where we notice increases of the occupied population.

### Western Region unemployment analysis

The unemployment is a social phenomenon with negative influences on the human society development and is the direct result of the restructuring process and of the adaptation of national economy to the open market economy requirements.

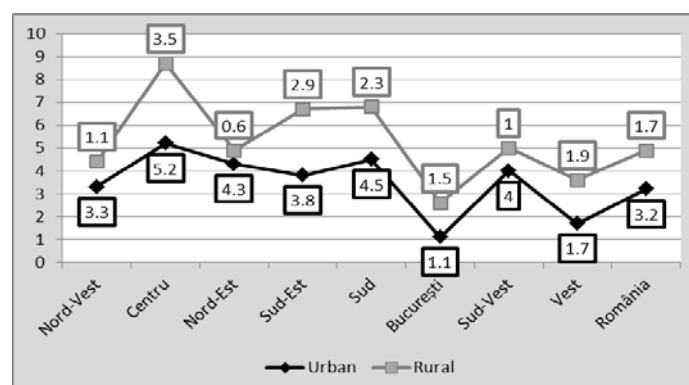
In 2010, in the western region there were 69707 unemployed persons where 51177 were declared (*Figure 7*). The analysis of the unemployed persons at counties' level shows that Hunedoara is the county with the highest number of unemployed persons, 31% of the unemployed persons from the region. On the second place is Timis with 23.85%, followed closely by Caras – Severin with 22.99% and Arad has the lowest level of unemployment 22.18%.



**Figure 7. Unemployment number in western region, 2010**

Source: Romanian statistical yearbook, 2011

In the unemployment analysis according to sexes we can notice that women represent only 45.28% of the total number, the highest percentage is represented by men. At county level, the number of female unemployed persons is the same as at global level. A more often used method to express the number of unemployed persons is the unemployment rate.



**Figure 8. Unemployment rate according to development regions and residence environments, 2010**

Concerning the unemployment rate according to residence environments (*Figure 8*), in the western region, we notice that it is higher in the rural area, 1.9%, compared to the urban environment 1.7%.

The masked unemployment is a phenomenon which is present also in the rural environment because almost 85% of the rural population works in agriculture with part – time due to the fact that the population already has a full-time job.

The geographical distribution of the unemployment certifies the preservation of the men occupational vulnerability; the risk of being unemployed among women exists only in the case of the counties with high demographic degradation (ageing) and where the occupational restructuring is in progress.

## CONCLUSIONS

In conclusion, the unemployment is an economic misbalance which creates several negative consequences on the society, in general, and on its members, in particular:

- ✓ Decrease of the production volume for goods and services which could be realized by the unemployed persons;
- ✓ Incomplete usage of the labor resources;
- ✓ Decrease of incomes for the inactive man power, but in the same time the decrease of the contributions to the state budget which could come from the unemployed persons' contribution if they were employed;
- ✓ Decrease of the purchasing power of the unemployed persons and of the quantities of goods and services purchased by the persons in such situations;
- ✓ The decrease of state budget by paying the unemployment allocations;
- ✓ Occurrence of some antisocial phenomena as a result of the lack of an income (criminality, delinquency, etc)

In order to reduce the unemployment among the population from rural environment, we propose the following measures:

1. Correlation of studies with the demand from the labor market;
2. Inform the young people about the existent opportunities for education and training in non – agricultural activities;
3. Inform and support the occupied persons from the rural environment, from subsistence agriculture, about the development of businesses other than agriculture;
4. Involvement of local communities' in attracting foreign investors in the area in order to create new jobs;
5. Organization at local level of enterpriser training courses.

Nevertheless, the unemployment represents both an economic problem and a social one. From economic point of view, the unemployment represents an incomplete usage of the labor resource and from social point of view the unemployment is the cause of a precarious life, the persons in such situation have low incomes and try to survive.

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