

Unemployment in Romania – Evolutions and Tendencies

Nicoleta CHERMENSCHI

Nicoleta CHERMENSCHI: Student, Masters Financial Management, Faculty of Economics, Ecological University of Bucharest, and Economist, Newspaper "Obiectiv" of Tulcea

Abstract

This article provides an overview of the dynamic situation development of the unemployment rate in Romania. While the industrial activity was focused in certain regions of the country, as example the case of the resources energy available in the most part, if these are minerals, other regions were characterized by the dominant position of the labor force in Romania, which is located in areas with low productivity, whereas in the education and training issue, the situation is worrying. Romania has a low rate of employment and knew the economic and social disparities. In this article, the labor force analysis was based on statistical, social and demographic concepts and approaches, as data source is reported the information provided by Eurostat and the National Statistics Institute. At alarming scale, through some complex dynamic structures that rapidly change rhythms and meanings especially, the unemployment has become a problem that is the subject of macroeconomics, arguing theoretical, methodological and political - ideological disputes. The Keynesian revolution treated the cyclical policies' use against the aggregate demand in order to reduce unemployment. The simple message, that the unemployment rate may be reduced by stimulating the demand, is not accepted in its original form. Most policies on unemployment did not distinguish between the cyclical unemployment and the unemployment equilibrium.

Keywords: regional unemployment, structural changes, regional increases

JEL classification: C21, C23, R11, R12

Introduction

In the literature there are several ways to analyze unemployment. Jula & Jula (2015, page 205) quotes and analyzes this literature. The definition of the unemployed is not a difficulty in terms of theory: it is considered unemployed any person who wishes to work for the current level of wages but he cannot find a job. This definition is derived from the global identification module of the oversupply on any market of any economic good. In the previous approach, specifying the search for a job for the current wage is essential and establishes, in fact, the line between the *voluntary* unemployment and the *involuntary* unemployment.

A priori, the unemployed definition poses no theoretical, extremely difficult, problems: is considered unemployed any individual who wants to work for the current wage and cannot find a job. This definition is derived from "the global identification module of the oversupply on any market of any economic good" (Heneman H.G., Yoder D., page 25). In the previous approach, specifying the search for a job for the current wage is essential and establishes, in fact, "the line between the *voluntary* unemployment and the *involuntary* unemployment." (Jula & Jula, 2015, page 205).

Adam Smith (*Avutia Natiunilor*, page 184) quotes: "both the productive and the unproductive workers, and those who do not work at all are supported equally by the earth and work annual product in a country. This product, no matter how great, cannot be infinite, but must have some limits. Therefore, depending on how small or large the proportion of it to be used will be in any year, to support the unproductive hands, will remain much more or much less for the productive ones - and the product of next year, therefore, will be greater or lesser, the entire annual product being considered, if we exclude here the spontaneous production of the earth, to be the effect of the productive work". A first boundary of unemployment is that of voluntary unemployment and involuntary unemployment. The voluntary unemployment exists when the workers refuse the opportunities to engage in certain jobs, for the wages on the market. The involuntary unemployment exists when the economy has insufficient jobs, for the existing wages. The percentage of unemployed who are voluntary unemployed is known, according to some definitions, as the natural rate of unemployment (Anderton, 1991).

The problems regarding the future of work and employment are some of the most important problems the economy faces. The work and all the productive activities are aimed at increasing the wealth of nations and thus creating a better life for all people. In terms of economy restructuring on the labor market, a large number of social problems was accumulated, including the unemployment emergence and development. Romania is, thus, facing a real crisis of employment in the economic downturn installed lately. The regresses that occur in the economy have limited the labor employment opportunities, leading to a reduction in the active and employed population and chronic unemployment.

The unemployment cannot be removed entirely, but only brought and maintained within economically and socially acceptable limits. At present, the policies envisaged by Romania focus generally on the economic growth, the unemployment decrease and the economic restructuring in the most important sectors. The unemployment analysis is performed according to different aspects of this complex phenomenon, the most important distinctions being made according to the people age group, gender and regional level. Regarding the unemployment by age group, the most affected is clearly the category of young people, aged between 15-25 years.

Although the labor law is stimulating youth employment, the economy has a low capacity to absorb the newcomers, which shows that the labor market contains strong elements of discrimination. Owning a graduating diploma from a form of education, even higher education, does not guarantee a job, but only increases the chances of employment for one. Because the colleges in Romania graduated students on a treadmill, the market cannot absorb them all, and they risk to practice in areas from which they fled when they decided to go for the higher studies. Regarding the extent to which unemployment affects more one of the sexes, a reversal of the situation can be seen. If until 1998, women held the highest share among the unemployed, now men are the ones contributing most to the increase in unemployment. Regarding regional unemployment, the areas with the highest unemployment rates were the South West, the South and the Central, regions where the rural activities are prevalent, and the lowest unemployment rates were recorded in the Bucharest – Ilfov area.

The causes of unemployment are many and whether the technical progress, the poverty, the layoffs phenomenon or the economic crises, this phenomenon has many negative effects and cannot be improved in a short period of time but maintained at an acceptable level. The current crisis has shown the fragility of some industrial activities which had registered an almost explosive development in the period before the crisis and that, in the context of the global economic setback, were forced to restructure.

The existence of unemployment itself constitutes a fundamental imbalance at all levels. Its consequences are extremely strong, manifesting both nationally and individually -

family. This phenomenon is also an obstacle to the economic and social progress. Its emergence and enlargement represents a step back in terms of the individual standard and the collectivity to which it belongs. One of the main problems caused by unemployment is the need to achieve a balance between the receipts and the payments of the social security systems. From the perspective of correlation between the number of those paying for the social security systems and the number of beneficiaries, the unemployment is a narrowing, a proportional reduction of the future beneficiaries. The unemployment benefits can also help to sustain and expand the underground economy, due to the fact that people receiving unemployment benefits have undeclared activities. The unemployment is presented as one of the biggest existing imbalances in the economy and cannot be removed regardless of the number and intensity of measures taken by the country.

In the developed countries the unemployment is seen as a normal, natural, phenomenon that, by the labor surplus generates a competitive environment, both for those who provide labor, and also for those who create jobs. In Romania, however, unemployment is perceived as a catastrophic phenomenon due to the population mentality towards this phenomenon, but also due to the disastrous situation of the economy, labor market chronic imbalances and lack of real social protection.

According to the Dictionary of the Romanian Language, work is a conscious activity, specific to humans, directed to a specific purpose, in the process of which a human performs, regulates and controls, by his action, the exchange of materials between him and nature in order to satisfy his needs. Antoine de Saint Exupéry calls this activity: "Unnamed quality of man. This quality may be accompanied by the most smiling joy. It is that quality of the carpenter who sits on an equal footing before his piece of wood, touches it, measures it and, far from treating it lightly, gathers all his skill for it".

The unemployment is characterized by the loss of income, the loss of confidence, the eroding relations with the community and the emergence of alienation feelings and exclusion from normal life, which causes tensions and threatens the social stability. The unemployment is manifested unequally per countries, areas, periods, genders, ages, professional qualifications. Most often it affects young people and women, and the extension of time increases the risk of professional competence degradation and the difficulty of reintegration. The long-term unemployed disqualifies, sometimes irreparably. Forgetting the professional gestures, loss of work rhythms, make the unemployed less competitive and drives an increased distrust among the potential employers.

According to the BIM (International Labor Office), unemployed are considered the persons cumulating the following conditions:

- Have exceeded the age of 15;
- Are fit for work;
- Have no job (terminated the contract or it was temporarily discontinued and are in search of paid employment);
- Have no occupation, are able to work, have never worked or the last job was not paid.

(according to www.ilo.org/global/standards/introduction-to-international-labour-standards/).

1. Analysis of unemployment in Romania, during 2005-2015

In 2005, the unemployment rate continued to decline, from 6,3 percent in December 2004 to 5,9 percent in December 2005. Even if, on a market characterized by a temporary labor migration abroad these figures appear less relevant, they appear to reflect a better registration of the employment in the formal economy sector. Furthermore, the figures

indicate a close level of "full employment", which may explain the wage increases far above the labor productivity growth, as well as the persistence of the inflationary pressures.

In 2006, the employment rate of the working age population (15-64 years) was of 58.8% at a distance of 11.2 percentage points from the 70% target set for 2010 by the Lisbon Strategy; the BIM unemployment rate was of 7.3%. In 2006, Romania's active population was of 10041 thousands, of which 9313 thousands employed and 728 thousands BIM unemployed (according to the International Labor Office criteria). The activity rate of the working age population (15-64 years) was of 63.7%, registering its highest level in the last five years. The employment rate of the working age population (15-64 years) was of 58.8%, increased from the previous year (+1.1 percentage points). This indicator had, as in previous years, higher values for men (64.7% versus 53.0% for women) and for people in rural areas (61.1% versus 57.2% in the urban areas). The employment degree of young people (15-24 years) was of 24.5%. The employment rate of older people (55-64 years) was of 41.7%, distance to the target of 50% set for 2010 by the Lisbon Strategy, being of 8.3 percentage points. Compared to 2005, the most significant increase was registered in the employment rate of older people (55-64 years) in urban areas (+5.1 percentage points), while for young people (15-24 years) in rural areas was registered the most significant decrease (-1.7 percentage points). The highest employment rate for people of working age was recorded among graduates of higher education (86.1%). The decrease of the education levels brings the decline of employment. Thus, from those with medium levels of education only 64.9% were employed and only 39.6% of those with low levels of education. The unemployment affected to a greater extent the graduates of the secondary and primary education, for which the unemployment rate was of 7.8% and 7.6% compared to 3.8% - the rate recorded for unemployed with university degrees. The BIM long-term unemployment rate (unemployed for a year and more) was of 4.1%. The incidence of the BIM long-term unemployment (share of unemployed for one year and more, total unemployed) was of 56.1%. The long-term unemployment was manifested stronger among people in rural areas (57.5% versus 55.3% in urban areas), the gender gap being more pronounced (57.4% for men and 53.8% for women). For young people (15-24 years), the long-term unemployment rate (unemployed for six months and over) was of 14.2% and the incidence of long-term unemployment among young people of 67.4%. The narrowing of the labor market is also reflected by the downward trend of the unemployment rate (from 5.9 percent in December 2005 to 5.2 percent in December 2006);

In 2007, the employment rate of the working age population (15-64 years) was of 58.8%, and the BIM unemployment rate of 6.4%. The employment rate of the population of working age is situated at a distance of 11.2 percentage points from the 70% target set for 2010 by the Lisbon Strategy. In 2007, Romania's active population was of 9994 thousands, of which 9353 thousands employed and 641 thousands BIM unemployed (according to the International Labor Office criteria). The economic dependency ratio (the number of inactive and unemployed persons per 1000 employed) was of 1.304 ‰, higher for women (1607 ‰ compared to 1053 ‰ for men) and for people in urban areas (1339 ‰ compared to 1263 ‰ in rural areas). The activity rate of the working age population (15-64 years) was of 63.0%. The employment rate of the working age population (15-64 years) of 58.8% was situated at than registered in the year 2006. This indicator had, as in previous years, higher values for men (64.8% compared to 52.8% for women) and for people in rural areas (61.5% versus 56.8% in urban areas). The employment rate of young people (15-24 years) was of 24.4%. The employment rate of older people (55-64 years) was of 41.4%, distance to the target of 50% set for 2010 by the Lisbon Strategy, being of 8.6 percentage points. The highest employment rate for people of working age was recorded among graduates of higher education (85.8%). The decrease of the education levels brings the decline of employment.

Thus, 63.9% of those with secondary education were employed and only 40.3% of those with primary education. The employees still hold the largest share (66.2%) of the total employed population, their number being with 30 thousand bigger than the previous year. In 2007, the self-employed and unpaid family workers accounted for 32.3% of the total employed population. The BIM unemployment rate was of 6.4%, decreased compared to the previous year (7.3%). By gender, the spread between the two BIM unemployment rates was of 1.8 percentage points (7.2% for men versus 5.4% for women), while by residential environments of 2.8 percentage points (7.7 % for urban areas compared to 4.9% for rural areas). The BIM unemployment rate was the highest (20.1%) among youth (15-24 years). The BIM long-term unemployment rate (unemployed for a year and more) was of 3.2%. The BIM long-term unemployment incidence (share of unemployed for one year and more, total unemployed) was of 50.0%. The long-term unemployment has manifested approximately equally per genders (49.9% for men and 50.1% for women), but also by residential environments (49.4% for rural areas and 50.3% for urban areas). For young people (15-24 years), the long-term unemployment rate (unemployed for six months and more) was of 13.3% and the incidence of long-term unemployment among young people of 66.1%.

In 2008, the employment rate of the working age population (15-64 years) was of 59.0%, and the BIM unemployment rate of 5.8%. The employment rate of the population of working age is situated at a distance of 11.0 percentage points from the 70% target set for 2010 by the Lisbon Strategy, respectively 6.9 percentage points compared to the value recorded in the EU27. In 2008, Romania's active population was of 9944 thousands, of which 9369 thousands employed and 575 thousands BIM unemployed (according to the International Labor Office criteria). The economic dependency ratio (the number of inactive and unemployed persons per 1000 employed) was of 1297 ‰, higher for women (1619 ‰ compared to 1033 ‰ for men) and for people in urban areas (1318 ‰ compared to 1271 ‰ in rural areas). The activity rate of the working age population (15-64 years) was of 62.9%. The employment rate of the working age population (15-64 years) was of 59.0%, slightly increased from the previous year (+0.2 percentage points). This indicator had, as in previous years, higher values for men (65.7% versus 52.5% for women) and for people in rural areas (61.2% versus 57.5% in urban areas). The employment rate of young people (15-24 years) was of 24.8%. The employment rate of older people (55-64 years) was of 43.1%, distance to the target of 50% set for 2010 by the Lisbon Strategy, being of 6.9 percentage points. The BIM unemployment rate was of 5.8%, decreased from the previous year (6.4%). By genders, the spread between the two BIM unemployment rate was of 2 percentage points (6.7% for men compared to 4.7% for women) and by residential environments of 2.2 percentage points (6.8% for urban areas compared to 4.6% for rural areas). The BIM unemployment rate was the highest (18.6%) among young people (15-24 years). The unemployment affected to a greater extent the graduates of primary and secondary education, for which the unemployment rate was of 7.1% and 6.0%, much higher than the rate recorded for the unemployed with higher education (2.7%). The BIM long-term unemployment rate (unemployed for a year and more) was of 2.4%. The incidence of BIM long-term unemployment (share of persons unemployed for one year and more, total unemployed) was of 41.3%. The long-term unemployment was manifested stronger in men (42.9% versus 38.4% for women) and in urban areas (43.4% versus 37.5% in rural areas). For young people (15-24 years), the long-term unemployment rate (unemployed for six months and more) was of 10.5% and the incidence of long-term unemployment among young people of 56.3%.

In 2009, the employment rate of the working age population (15-64 years) was of 58.6%, and the BIM unemployment rate of 6.9%. The employment rate of the population aged 20-64 years was of 63.5%, at a distance of 6.5 percentage points from the national target of 70% set in the context of Europe 2020. In 2009, Romania's active population was of 9924

thousands, of which 9243 thousands employed and 681 thousands BIM unemployed (according to the International Labor Office criteria). The economic dependency ratio (the number of inactive and unemployed persons per 1000 employed) was of 1324 ‰, higher for women (1660 ‰ compared to 1052 ‰ for men) and for people in urban areas (1344 ‰ compared to 1301 ‰ in rural areas). The activity rate of the working age population (15-64 years) was of 63.1%. The employment rate of the working age population (15-64 years) was of 58.6%, in decrease from the previous year (-0.4 percentage points). This indicator had, as in previous years, higher values for men (65.2% versus 52.0% for women) and for people in rural areas (60.7% versus 57.1% in urban areas). The employment rate of young people (15-24 years) was of 24.5%. The employment rate of older people (55-64 years) was of 42.6%. The BIM unemployment rate was of 6.9%, in increase from the previous year (5.8%). By genders, the spread between the two BIM unemployment rate was of 1.9 percentage points (7.7% for men compared with 5.8% for women) and by residential environments of 2.7 percentage points (8.1 % for urban areas compared to 5.4% for rural areas). The BIM unemployment rate was the highest (20.8%) among young people (15-24 years). The unemployment affected to a greater extent the graduates of primary and secondary education, for which the unemployment rate was of 7.5% and 7.2%, much higher than the rate recorded for the unemployed with higher education (4.3%). The BIM long-term unemployment rate (unemployed for a year and more) was of 2.1%. The incidence of BIM long-term unemployment (share of persons unemployed for one year and more, total unemployed) was of 30.9%. The long-term unemployment was manifested stronger in men (31.6% versus 29.8% for women) and in urban areas (32.2% compared to 28.7% in rural areas). For young people (15-24 years), the long-term unemployment rate (unemployed for six months and more) was of 10.3% and the incidence of long-term unemployment among young people of 49.5%.

In 2010, the employment rate of the working age population (15-64 years) was of 58.8%, and the BIM unemployment rate of 7.3%. The employment rate of the population aged 20-64 years was of 63.3%, at a distance of 6.7 percentage points from the national target of 70% set in the context of Europe 2020. In 2010, Romania's active population was of 9965 thousands, of which 9240 thousands employed and 725 thousands BIM unemployed (according to the International Labor Office criteria). The economic dependency ratio (the number of inactive and unemployed persons per 1000 employed) was of 1321 ‰, higher for women (1666 ‰ compared to 1043 ‰ for men) and for people in urban areas (1340 ‰ compared to 1299 ‰ in rural areas). The activity rate of the working age population (15-64 years) was of 63.6%. The employment rate of the working age population (15-64 years) was of 58.8%, slightly increased from the previous year (+0.2 percentage points). This indicator had, as in previous years, higher values for men (65.7% versus 52.0% for women) and for people in rural areas (60.9% versus 57.3% in urban areas). The employment rate of young people (15-24 years) was of 24.3%. The employment rate of older people (55-64 years) was of 41.1%. The BIM unemployment rate was of 7.3%, in increase from the previous year (6.9%). By genders, the spread between the two BIM unemployment rate was of 1.4 percentage points (7.9% for men compared to 6.5% for women) and by residential environments of 4.1 percentage points (9.1 % for urban areas compared to 5.0% for rural areas). The BIM unemployment rate was the highest (22.1%) among young people (15-24 years). The unemployment affected to a greater extent the graduates of primary and secondary education, for which the unemployment rate was of 8.3% and 6.1%, much higher than the rate recorded for the unemployed with higher education (5.4%). The BIM long-term unemployment rate (unemployed for a year and more) was of 2.5%. The incidence of BIM long-term unemployment (share of persons unemployed for one year and more, total unemployed) was of 34.9%. The long-term unemployment was manifested stronger in men

(36.9% versus 32.0% for women) and in urban areas (35.2% versus 34.2% in rural areas). For young people (15-24 years), the long-term unemployment rate (unemployed for six months and more) was of 13.0% and the incidence of long-term unemployment among young people of 58.8%.

In 2011, the employment rate of the working age population (15-64 years) was of 58.5%, and the unemployment rate - according to the international definition (BIM) - of 7.4%. The employment rate of the population aged 20-64 years was of 62.8%, at a distance of 7.2 percentage points from the national target of 70% set in the context of Europe 2020. In 2011, Romania's active population was of 9868 thousands, of which 9138 thousands employed and 730 thousands unemployed - according to the international definition (BIM). The economic dependency ratio (the number of inactive and unemployed persons per 1000 employed) was of 1340 ‰, higher for women (1669 ‰ compared to 1071 ‰ for men) and for people in rural areas (1376 ‰ compared to 1311 ‰ in urban areas). The activity rate of the working age population (15-64 years) was of 63.3%. The employment rate of the working age population (15-64 years) of 58.5% was lower than the previous year by 0.3 percentage points. This indicator had, as in previous years, higher values for men (65.0% versus 52.0% for women) and for people in rural areas (58.8% versus 58.2% in urban areas). The employment rate of young people (15-24 years) was of 23.8%. The employment rate of older people (55-64 years) was of 40.0%. The unemployment rate - according to the international definition (BIM) - was of 7.4%, in increase from the previous year (7.3%). By genders, the spread between the two BIM unemployment rates was of 1.1 percentage points (7.9% for men versus 6.8% for women) and by residential environments of 3.3 percentage points (8.8% for urban areas compared to 5.5% for rural areas). The unemployment rate was the highest (23.7%) among young people (15-24 years). The unemployment affected to a greater extent the graduates of primary and secondary education, for which the unemployment rate was of 8.1% and 7.3%, much higher than the rate recorded for the unemployed with higher education (5.1%). The long-term unemployment rate (unemployed for a year and more) was of 3.1%. The long-term unemployment incidence (share of persons unemployed for one year and more, total unemployed) was of 41.9%. The long-term unemployment was manifested stronger in men (42.6% versus 40.9% for women) and in urban areas (44.3% versus 37.1% in rural areas). For young people (15-24 years), the long-term unemployment rate (unemployed for six months and more) was of 15.0% and the incidence of long-term unemployment among young people of 63.4%.

In 2012, the employment rate of the working age population (15-64 years) was of 59.5%, and the unemployment rate of 7.0%. The employment rate of the population aged 20-64 years was of 63.8%, at a distance of 6.2 percentage points from the national target of 70% set in the context of Europe 2020. In 2012, Romania's active population was of 9964 thousands, of which 9263 thousands employed and 701 thousands unemployed. The economic dependency ratio (the number of inactive and unemployed persons per 1000 employed) was of 1303 ‰, higher for women (1647 ‰ compared to 1026 ‰ for men) and for people in rural areas (1307 ‰ compared to 1300 ‰ in urban areas). The activity rate of the working age population (15-64 years) was of 64.2%. The employment rate of the working age population (15-64 years) of 59.5% increase compared to the previous year by 1.0 percentage points. This indicator had, as in previous years, higher values for men (66.5% versus 52.6% for women) and for people in rural areas (60.7% versus 58.7% in urban areas). The employment rate of young people (15-24 years) was of 23.9%. The employment rate of older people (55-64 years) was of 41.4%. The unemployment rate was of 7.0%, in decrease from the previous year (7.4%). By genders, the spread between the two unemployment rates was of 1.2 percentage points (7.6% for men versus 6.4% for women) and by residential environments of 3.5 percentage points (8.6% for urban areas compared to 5.1% for rural

areas). The unemployment rate was the highest (22.7%) among young people (15-24 years). The unemployment affected to a greater extent the graduates of primary and secondary education, for which the unemployment rate was of 7.5% and 6.9%, higher than the rate recorded for the unemployed with higher education (5.6%). The long-term unemployment rate (unemployed for a year and more) was of 3.2%. The long-term unemployment incidence (share of persons unemployed for one year and more, total unemployed) was of 45.3%. The long-term unemployment was manifested stronger in women (45.7% versus 45.1% for men) and in urban areas (48.2% versus 39.2% in rural areas). For young people (15-24 years), the long-term unemployment rate (unemployed for six months and more) was of 13.9% and the incidence of long-term unemployment among young people of 61.1%.

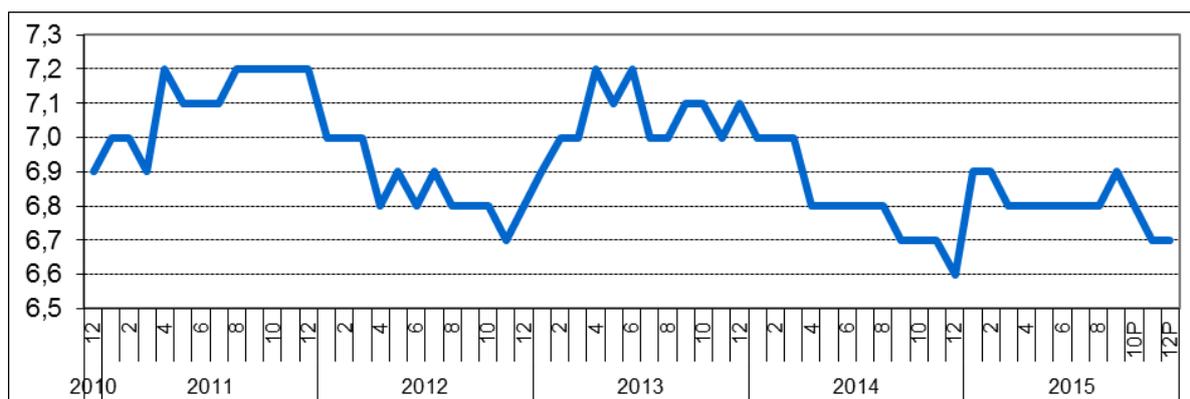
After a continuous increase recorded during 2005-2008, since 2009 the employed population began to decline, reaching in 2011 the lowest recorded value (9138 thousands), and in 2012 we record a slight increase by 125 thousands and 9263 thousands.

In 2013, the employment rate of the working age population (15-64 years) was of 59.7%, and the unemployment rate of 7.3%. The employment rate of the population aged 20-64 years was of 63.9%, at a distance of 6.1 percentage points from the national target of 70% set in the context of Europe 2020. In 2013, Romania's active population was of 9977 thousands, of which 9247 thousands employed and 730 thousands unemployed. The economic dependency ratio (the number of inactive and unemployed persons per 1000 employed) was of 1302 ‰, higher for women (1652 ‰, compared to 1020 ‰ for men) and for the rural and urban areas, both recorded 1302 ‰. The activity rate of the working age population (15-64 years) was of 64.6%. The employment rate of the working age population (15-64 years) of 59.7% increase compared to the previous year by 0.2 percentage points. This indicator had, as in previous years, higher values for men (66.8% versus 52.6% for women) and for people in rural areas (60.7% versus 58.9% in urban areas). The employment rate of young people (15-24 years) was of 23.5%. The employment rate of older people (55-64 years) was of 41.5%. The unemployment rate was of 7.3%, in increase from the previous year (7.0%). By genders, the spread between the two unemployment rates was of 1.3 percentage points (7.9% for men versus 6.6% for women), and by residential environments of 3.6 percentage points (8.9% for urban areas compared to 5.3% for rural areas). The unemployment rate was the highest (23.6%) among young people (15-24 years). The unemployment affected to a greater extent the graduates of primary and secondary education, for which the unemployment rate was of 7.9% and 6.9%, higher than the rate recorded for the unemployed with higher education (5.8%). The long-term unemployment rate (unemployed for a year and more) was of 3.4%. The long-term unemployment incidence (share of persons unemployed for one year and more, total unemployed) was of 46.4%. The long-term unemployment was manifested stronger in women (48.0% versus 45.3% for men) and in urban areas (49.1% versus 40.8% in rural areas). For young people (15-24 years), the long-term unemployment rate (unemployed for six months and more) was of 14.2% and the incidence of long-term unemployment among young people of 59.9%.

In 2014, the employment rate of the working age population (15-64 years) was of 61.0%, and the unemployment rate of 6.8%. The employment rate of the population aged 20-64 years was of 65.7%, at a distance of 4.3 percentage points from the national target of 70% set in the context of Europe 2020. In 2014, Romania's active population was of 9243 thousands, of which 8614 thousands employed and 629 thousands unemployed. The economic dependency ratio (the number of inactive and unemployed persons per 1000 employed) was of 1313 ‰, higher for women (1704 ‰ compared to 1008 ‰ for men) and for the rural areas (1330 ‰ compared to 1299 ‰ in urban areas). The activity rate of the working age population (15-64 years) was of 65.7%. The employment rate of the working age population (15-64 years) of 61.0% increase compared to the previous year by 0.9

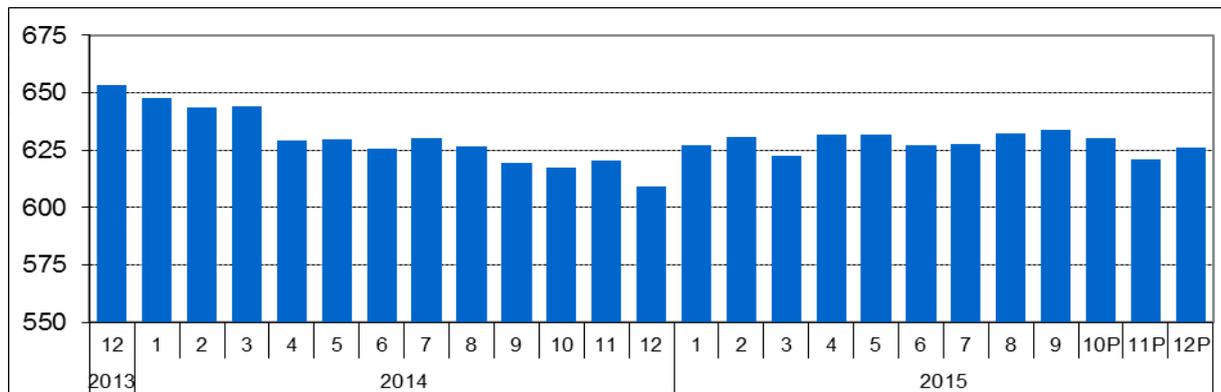
percentage points. This indicator had, as in previous years, higher values for men (68.7% versus 53.3% for women) and for people in rural areas (61.7% versus 60.5% in urban areas). The employment rate of young people (15-24 years) was of 22.5%. The employment rate of older people (55-64 years) was of 43.1%. The unemployment rate was of 6.8%, in decrease from the previous year (7.1%). By genders, the spread between the two unemployment rates was of 1.2 percentage points (7.3% for men versus 6.1% for women), and by residential environments of 2.8 percentage points (8.1% for urban areas compared to 5.3% for rural areas). The unemployment rate was the highest (24.0%) among young people (15-24 years). The unemployment affected to a greater extent the graduates of primary and secondary education, for which the unemployment rate was of 7.2% and 6.7% higher than the rate recorded for the unemployed with higher education (5.8%). The long-term unemployment rate (unemployed for a year and more) was of 2.8%. The long-term unemployment incidence (share of persons unemployed for one year and more, total unemployed) was of 41.1%. The long-term unemployment was manifested stronger in men (41.8% versus 40.0% for women) and in urban areas (42.1% versus 39.2% in rural areas). For young people (15-24 years), the long-term unemployment rate (unemployed for six months and more) was of 14.3% and the incidence of long-term unemployment among young people of 59.7%.

Graph 1. Evolution of the unemployment rate



In December 2015, the seasonally adjusted unemployment rate was of 6.7%. The unemployment rate in December 2015 was unchanged to the one in the previous month. The unemployment rate for men exceeds that of women by 1.7 percentage points. The seasonally adjusted unemployment rate was of 6.7%, the same level as the one in the previous month but up with 0.1 percentage points from that recorded in December 2014. The number of unemployed (aged 15-74 years) estimated for December of the current year is of 626 thousand, increasing both compared to the previous month (621 thousand) and to the same month of the previous year (609 thousand). By genders, men's unemployment rate exceeds that of women by 1.7 percentage points (these values being 7.4% for males and 5.7% for females). For adults (25-74 years), the unemployment rate was estimated at 5.6% for the month of December 2015 (6.5% for men and 4.5% in women). The number of unemployed aged 25-74 years represents 77.6% of the total number of unemployed estimated for the month of December 2015.

Graph 2. Number of unemployed



Conclusions

In Romania, the unemployment recorded lower levels than in the other countries in transition, except for the Czech Republic. It should, however, be noted that the differences between countries may be due to various factors, such as different eligibility criteria to be classified as unemployed or the implementation of budget constraints on firms. The data on employment and unemployment come from a variety of sources and, in addition, may differ methodologically from country to country. This is why proper understanding of the concepts and the methods and the measurement difficulties are of special importance. But there are some positive changes in the characteristics of unemployment in Romania: the duration decreased, the proportion of women and young people was also diminished.

All this may, also, be a result of better designed and implemented policies; as such, the policies that have as effect hiring unemployed determine a boosting in the search process, allowing other companies to fill their vacancies and provide new jobs on the employment market. Even if decreased, the average duration of unemployment continues to be higher than the duration of the financial aid. This raises the question of establishing a fair balance between the active and the passive measures.

The question is not to weigh if you apply or not active measures, but to evaluate the results of the active measures compared to those of the passive measures; this would require an assessment of how costs are apportioned between the two types of measures, as long as there are important interactions between these; as such, a restriction of the passive measures can lead to an increased participation in the programs of measures even in the case when it does not provide access to new material aid.

References

- Anderton, Alain, 1991. Economics, Causeway Press Limited, Ormskirk, Lancs
- Cugno, Franco; Ferrero, Mario, 2014. Share Systems and Unemployment: A Theoretical Analysis, Palgrave Macmillan, London
- Fletcher, Tabitha 2016. Unemployment: Economic, Political and Social Aspects, Nova Science Pub Inc., New York
- Giugni, Marco, 2016. The Politics of Unemployment in Europe: Policy Responses and Collective Action, Routledge, New York.
- Heneman, Herbert Gerhard; Yoder, Dale, 1965, Labor Economics, 2nd edition, Columbia University Press

- Howell, David R., 2004. *Fighting Unemployment: The Limits of Free Market Orthodoxy*, Oxford University Press
- National Statistics Institute, 2011-2015, *Revista Română de Statistică*, no. 1-4
- Jula, Dorin; Jula, Nicoleta, 2007. "Inter-industries productivity gap and the services employment dynamics." *Romanian Journal of Economic Forecasting*, nr. 2: 5-15.
- Jula, Dorin; Jula, Nicoleta, 2015. *Macroeconomie*, Editura Mustang, Bucharest
- Jula, Nicoleta; Jula, Dorin, 2016. *Modelare economică. Modele econometrice și de optimizare*, Editura Mustang, Bucharest.
- Junankar, Raja (Editor), 2015. *Economics of the Labour Market: Unemployment, Long-Term Unemployment and the Costs of Unemployment*, Palgrave Macmillan, London
- Layard, Richard; Nickell, Stephen J., Eichhorst, Werner; Zimmermann, Klaus F., 2016. *Combating Unemployment*, Oxford University Press.
- Pedersen, Peder J.; Lund, Reinhard (eds.), 1987. *Unemployment: Theory, Policy, and Structure*, Walter de Gruyter Edition, Berlin, New York.
- Reiff, Mark R., 2015. *On Unemployment, Volume I: "A Micro-Theory of Economic Justice", Volume II: "Achieving Economic Justice after the Great Recession"*, Palgrave Macmillan, London
- Saint Exupéry, Antoine (de), 1985. *Gânduri*, Colection COGITO, Editura Albatros, Bucharest
- Smith, Adams, 2011. *Avuția Națiunilor*, Editua Publică, Bucharest
- *** www.ilo.org
- *** www.insse.ro
- *** www.ec.europa.eu
- *** www.ec.europa.eu/eurostat/statistics-explained/index.php/Unemployment_statistics
- *** www.tradingeconomics.com/