

Analysis of the Labor Force of Two Romanian Development Regions Populated Almost the Same, but with Totally Different Areas: Bucharest-Ilfov and South-West Oltenia

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Abstract

In the 21st century, the companies play an important role in defining society at local, regional, national and even continental level. If we are looking at a regional level, we can find different similar characteristics, such as population numbers, density of the region, area of the region or number of jobs vacant for a particular economic sector of activity, but which may change depending on the specific area, territorial distribution or type of economic climate.

In this respect, it was considered appropriate to analyze two development regions in Romania (Bucharest-Ilfov and South-West Oltenia, which, although located in the area of Muntenia, have certain special characteristics. With a similar population, but with a surface difference of almost 16 times the size, but also a population density of 64,93 times higher, the South-West Oltenia development region has at first sight a still untapped potential.

Keywords: *region of development, job vacancies, population, area, sector of activity.*

JEL classification: *O14, O15, P25, P25, R11*

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1. Introduction

The structure of employment, but also the number of vacancies, shows us that the fact that Romania is lagging far behind the other European countries in terms of economic structure, which generally affects productivity.

Despite the fact that some gaps have been overcome, Romania is still the country in the EU with the worst job distribution for economic sectors. In this respect, this structure affects the real convergence capacity, which is so necessary to be part of the euro area. At the same time, Romania's economy continues to be characterized by a low and medium-skilled workforce, with specialists heading for developed countries in the EU.

The reduced use of technologies, further relying on low value added industries, is also an important aspect of the productivity dimension. In this respect, entrepreneurs need to reduce their pay levels so that they can achieve an increase in

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their own company's productivity, which is essentially, an additional source of stress. The lack of economic balance, pro-cyclical fiscal and budgetary policies are aggravating factors for Romania, which, based on excessive private sector consumption and current account deficit, is a safe victim in the face of any financial crisis.

2. Literature review

The experience of countries that have succeeded in reducing poverty shows significantly the importance of high growth rates in achieving this situation. High growth is not a sufficient condition for poverty reduction; the model and sources of growth and the way in which its benefits are distributed are equally important in terms of achieving the poverty reduction target. Employment also plays a key role in this context. Indeed, it is also the countries that have achieved high rates of labor growth with high growth rates that have managed to significantly reduce poverty (Islam, R., 2004).

Historically, local governance has played different and partly inconsistent roles. One is the service producers, underlining the efficiency of management, economic and administrative thinking. At the same time, the second role is characteristic of the political arenas, as an instrument for embracing local democracy. At the same time, the vision of the two roles has changed over time. In the pro-democracy era, the local government played an important role in regulating civil society, defining the measures and limits of roles and also maintaining a few roles in delivery services, strictly respecting local laws, order and protection of fire (Pierre, J., 2016).

Another topical issue even today is the continuing - and future - importance of regional development issues, even in a rapidly-globalizing world economy. The foundations of regional economic activity are analyzed in terms of network production structures, technology systems, local labor markets and regional business cultures. This points to a clearly defined policy framework for addressing regional competitiveness tasks, with particular reference to first advantages, resource mobilization, regional coordination issues and institution building in general (Storper, M. and Scott, A. J., 1995, pp. 505-526).

Taking a multi-level governance perspective, we can say that urban climate governance is an important aspect of how companies operate in the future. This will not be limited to a specific local area or state actions, but will be orchestrated by the interrelations between global, national and local state/non-state actors. In this respect, consideration should be given to the ways in which climate change shapes urban agendas; the usefulness of multi-level governance prospects for understanding this phenomenon; And the extent to which we can identify a "new" policy of urban climate change governance and its implications for the development of theory and practices in this field (Bulkeley, H. and Betsill, M.M., 2013, pp. 136-154).

As regards the study of regional labor development collaboratives in California, Chapple, K. argues that there is a new approach to the problem of economic and labor development, in particular, a theory of change proposed by a group of stakeholders from a variety of sectors (governance, foundations and labor development) was in place at the end of the '90. In order to meet the multiple objectives of economic growth, opportunity, poverty reduction and increased regional economic competitiveness, these experts supported a new system of labor development that was collaborative in scope, regional on a scale and career-oriented toward the desired end of life (Chapple, K., 2005, p. commission).

The social role of cooperatives is also ensured by expressing common objectives through cooperative unions, increasing participation in value chains and protecting producers from unfair prices. However, the functioning and development of cooperatives and their support institutions is restricted by frequent reforms, a lack of qualified human resources and limited awareness of cooperative approaches to development (emanating from 2009). At the same time, regional structures and policies for housing have only had a marginal impact on other sectors, and this appears to be partly due to the fragmented nature of the housing sector, in particular the limited involvement of the private sector in regional housing structures. Fragmentation and lack of coordination also seem to be characteristic of the regional level in England, and this acts as a general barrier to integration, along with the lack of a mechanism to address conflicting priorities, pointing to an urgent need for regional assemblies proposed directly by the government (Scombe, L., 2003, pp. 235-248).

In a rapidly changing world, American cities are strategically placed on the Global Web and play an increasing role in determining the quality of local citizenship. In this respect, Clarke, S.E. and Gaille, G.L. sustain that beyond academic debates and political disputes to analyze the remarkable transformations in local economies, citizens and local leaders are faced in the 20th century with outdated ideologies and principles, which should be adapted to new labor market demands and not only (Clarke, S.E. and Gaile, G.L., 1998)

Policy makers have high expectations of the non-agricultural rural economy (NFE). Given high income rates, employment is on an increasing trend and capital requirements are often low, the supply of this sector is a possible way out of poverty for the unemployed or low-income rural population. However, the evidence available suggests that pro-poor non-agricultural rural growth does not occur automatically. For the poor to benefit from non-agricultural rural growth, policy makers need to stimulate rural economies in full life, with robust non-agricultural income growth, not just with a low productivity workforce. Moreover, the poor need to gain access to growing market niches. Fluid labor markets provide an important bridge linking the poor in rural areas with growing opportunities in the non-agricultural area (Haggblade, S., et al., 2010, pp. 1429-1441).

At the end of the 20th century, Stöhr, W.B., addresses the consequences of the failure of the large-scale industrial enterprise and the inability of central government policies to cope with the results of economic restructuring, in a series

of comparative case studies showing how local communities across Europe (East and West, rural and industrial) They responded promptly to the economic dislocation and decline (Stöhr, W.B., 1990). These policies have subsequently changed over the next 20-30 years, bringing into the 21st century an era of commercial society that has gained the necessary strength to negotiate on an equal footing with Europe's major governments.

At the beginning of the 21st century, Herrschel, T. and Newman, P. brings to the fore the notion of 'city region', which has become an buzzword in the development of urban and regional areas and, in particular, in the debate on competitiveness and globalization processes. This concept is based on different local strategies and their position against regional and national government levels, but also on stabilizing regional strategy by creating a multitude of organizational connected local areas that can form the "Region City" in a sustainable form (Herrschel, T. and Newman, P, 2003).

At the end of the 21st century, Ihlanfeldt, K.R. conducted a market survey in Atlanta to find out the knowledge that people have about the spatial distribution of job vacancies in the metropolitan area. Respondents were asked to rank areas in the region, based on the number of jobs for workers without university education. To assess the accuracy of the responses, a variety of methods are used to achieve the true ranking. The results indicate that both whites and blacks have poor information, with blackers being less informed and that the disadvantage of a black is entirely attributed to residential segregation (Ihanfeldt, K.R., 1997, pp. 218-242).

3. Analysis results

As for the case study, two development regions in Romania (Bucharest-Ilfov and South-West Oltenia, which, although located in the area of Muntenia, have certain special characteristics, were analyzed. With a similar population, but with a surface difference of almost 16 times the size, but also a population density of 64,93 times higher, the South-West Oltenia development region has at first sight a still untapped potential. Due to the fact that the city of Bucharest-Ilfov is highly urbanized and the important economic pole is in the country's capital, the low number of job vacancies is due to the wage size offered by the companies operating in this area.

Table 1: Vacancies in the Bucharest-Ilfov region

Activities of the romanian economy	Period					
	Year 2014	Year 2015	Year 2016	Year 2017	Year 2018	Year 2019
	Number					
Agriculture, Forestry and Fisheries	40	84	80	97	142	111
Extractive Industry	3	7	12	8	10	13
Manufacturing Industry	503	630	776	1.136	1.350	1.100

Activities of the romanian economy	Period					
	Year 2014	Year 2015	Year 2016	Year 2017	Year 2018	Year 2019
	Number					
Production and Supply of Electric and Thermal Energy, Gases, Hot Water and Air Conditioning	3	3	2	4	22	9
Water Distribution; Sanitation, Waste Management, Decontamination Activities	346	560	495	463	509	494
Constructions	69	128	166	362	566	641
Wholesale and Retail Trade; Repair of Vehicles and Motorcycles	1.192	1.739	1.987	1.618	1.939	2.429
Transport and Storage	376	775	847	1.051	1.408	1.614
Hotels and Restaurants	147	164	212	271	307	567
Information and Communications	524	1.043	1.309	1.092	1.713	1.542
Financial and Insurance Intermediaries	382	399	712	823	578	366
Real Estate Transactions	37	43	53	64	72	61
Professional, Scientific and Technical Activities	428	524	581	753	844	673
Administrative Services Activities and Support Services Activities	796	946	1719	1.732	1.271	1.380
Public Administration and Defense; Social Insurance in the Public System	2.874	3.048	4.111	3.459	3.212	2.650
Education	184	124	123	159	219	183
Health and Social Assistance	1.050	1.530	2.129	2.505	1.576	1.273
Performance, Cultural and Recreational Activities	253	500	559	539	478	566
Other Service Activities	78	125	128	144	445	214
Total	9.285	12.372	16.001	16.280	16.661	15.886

Source: National Institute of Statistics in Romania

The above table shows that in the region of Bucharest-Ilfov, areas such as wholesale and retail trade; repair of motor vehicles and motorcycles, public administration and defense, social security in the public system, but also health and social care, have been at the highest level of labor shortages. On the other hand, the extractive industry and the production and supply of electricity and heat, gas, hot water and air conditioning report the minimum level of job vacancies. At the same time, according to Annex 1, it can be observed that the manufacturing industry has the highest level of labor shortages at national level, while the Bucuresti-Ilfov region reports about 6,4% of the total romanian labor needs over the period analyzed.

Also, among the areas that have seen a decrease in the number of vacancies, during the period under review, we include financial intermediation and insurance, public administration and defense; social security in the public system, but also education. This is therefore a worrying issue because of this small number of economic activities, since most business activities report an increase in labor demand, which is naturally found in this region, where job vacancies are growing by around 71% in 2019, compared to base year.

Table 2: Vacancies in the South-West Oltenia region

Activities of the romanian economy	Period					
	Year 2014	Year 2015	Year 2016	Year 2017	Year 2018	Year 2019
	Number					
Agriculture, Forestry and Fisheries	49	59	34	18	43	25
Extractive Industry	-	-	-	2	-	17
Manufacturing Industry	438	426	580	729	730	537
Production and Supply of Electric and Thermal Energy, Gases, Hot Water and Air Conditioning	6	-	-	-	5	-
Water Distribution; Sanitation, Waste Management, Decontamination Activities	19	37	67	89	67	21
Constructions	26	8	48	25	44	12
Wholesale and Retail Trade; Repair of Vehicles and Motorcycles	172	127	132	218	109	139
Transport and Storage	15	21	20	27	72	47
Hotels and Restaurants	8	5	14	12	15	26
Information and Communications	14	23	36	42	92	45
Financial and Insurance Intermediaries	25	31	42	43	30	29
Real Estate Transactions	9	22	25	13	15	5
Professional, Scientific and Technical Activities	20	24	34	47	13	20
Administrative Services Activities and Support Services Activities	43	72	39	25	47	48
Public Administration and Defense; Social Insurance in the Public System	424	359	351	400	331	302
Education	26	21	68	149	143	54
Health and Social Assistance	264	278	336	487	479	336
Performance, Cultural and Recreational Activities	34	52	46	63	40	27
Other Service Activities	3	5	3	2	1	7
Total	1.595	1.570	1.875	2.391	2.276	1.697

Source: National Institute of Statistics in Romania

With regard to the above table, it is noted that the number of job vacancies in the South-West region of Oltenia reports the highest level of labor shortages in business activities such as manufacturing, public administration and defense; social security in the public system, but also health and social care. On the other hand, the minimum labor supply level has been recorded in the areas of real estate transactions, electricity and heat production and supply, gas, hot water and air conditioning, as well as other service activities. In addition, according to Annex 1, it can be observed that the area reporting the highest level of labor shortages in Romania, manufacturing, accounts for around 4% of the total national needs in the period 2014-2019. At the same time, the minimum need for job vacancies in Romania is reported in areas such as real estate transactions, where this area accounts for about 11% of the national need.

The areas reported a decrease in the number of vacancies between 2014 and 2019 are agriculture, forestry and fisheries, electricity, gas, hot water and air conditioning, construction, wholesale and retail trade; repair of motor vehicles and motorcycles, real estate transactions, public administration and defense; public social security, but also show, cultural and recreational activities. This analysis is therefore encouraging, as this small number of economic activities leads to a 6,5% increase in the number of vacancies in 2019 compared to the base year.

Table 3: Unemployed registered in the Bucharest-Ilfov region

JUDET	PERIOADA					
	2014	2015	2016	2017	2018	2019
Ilfov	43.089	28.159	23.349	19.825	14.946	10.982
Bucharest	352.443	254.605	237.717	221.313	207.311	185.967
TOTAL	395.532	282.764	261.066	241.138	222.257	196.949

Source: National Institute of Statistics in Romania

As for the number of unemployed registered in the Bucharest-Ilfov region, there is a gradual decrease in unemployment rates over the period under review. It can also be seen, according to Table 1, that job vacancies in the southern romanian region report a much higher number than the total unemployed. In this respect, the assumption that research should be developed at the level of every qualification of the registered unemployed is validated in order to get them into the labor market.

At the same time, it can be seen that the number of unemployed people has decreased for each county, and therefore also at regional level. At the same time, according to Annex 2, the share of unemployed in the region analyzed compared to the national level is around 5,8%. In this respect, we consider this weight to be an important but not decisive one regarding the importance of this highly urbanized area in national economy reporting.

Table 4: Unemployed registered in the South-West Oltenia region

COUNTY	PERIOD					
	2014	2015	2016	2017	2018	2019
Dolj	428.992	313.158	313.666	287.774	251.306	224.042
Gorj	178.502	136.565	110.854	117.219	75.324	60.287
Mehedinti	189.753	139.806	135.929	121.884	107.646	85.421
Olt	228.639	167.546	165.820	145.773	124.776	107.906
Valcea	165.208	117.905	96.845	88.166	64.178	59.387
TOTAL	1.191.094	874.980	823.114	760.816	623.230	537.043

Source: National Institute of Statistics in Romania

According to the number of registered unemployed in the South-West Oltenia region, they are gradually decreasing within the time period analyzed. It can also be seen, according to Table 2, that the number of job vacancies in the southern region is much higher than the total number of unemployed. In this respect, this is a statement that research should be developed among every qualification of registered unemployed people, with the aim of getting them into the labor market.

It is also possible to see that there has been a decreasing trend in the number of unemployed people for each county, and therefore also at the level of the area. According to Annex 2, the share of unemployed in the South-West Oltenia region compared to the total level of the country is around 16,3%. From this point of view, given that there are eight development regions at national level, we consider this important, but not decisive, issue as to the importance of this region in national economy reporting.

4. Conclusions

The case study analyzed found that the two development regions in Romania, except for the approximate population, have economic aspects in common, so that the extractive industry and the production and supply of electricity, heat, gas, hot water and air conditioning, report a minimum level on the number of vacancies. In terms of job supply, the two regions differ, so that the greatest deficit in the highly urbanized area of Bucharest-Ilfov is in the wholesale and retail sectors; Repair of motor vehicles and motorcycles, while the South-West region of Oltenia reports the maximum level of job vacancies in the manufacturing industry business area. Interestingly, both regions have a high number of labor supply in two distinct economic sectors: Public administration and defense; public social security and health and social care.

In terms of the number of unemployed people, it was found that the South West Oltenia region has been three times larger than the high-urbanized area of

Bucharest-Ilfov, which indicates that the surface difference and the consequent territorial spread of the economic area, it can generate a greater number of entrepreneurial activities. In addition, as regards the reporting of the number of vacancies and the number of unemployed, it has been found that the number of unemployed people in the Bucharest-Ilfov region is around 18,5 times higher in favor of the unemployed, while the southwest region is still three times more in favor of the unemployed. This indicates that there is a discrepancy between the two indicators analyzed, which are in one relationship that is dependant on one another. In this respect, this case study could be a starting point for clarifying these large differences, so that new research can demonstrate the source of these mismatches, or there are no qualified staff for job vacancies among unemployed people, or there is no interest among the unemployed in finding a new source of income. The two assumptions will help government decision-makers, but also local entrepreneurs, to know what economically sustainable strategies they can address, and what measures need to be imposed on the unemployed, but also in terms of labor supply.

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Annex 1: Vacancies in Romania

Activities of the romanian economy	Period					
	Year 2014	Year 2015	Year 2016	Year 2017	Year 2018	Year 2019
	Number					
Agriculture, Forestry and Fisheries	382	611	606	637	634	755
Extractive Industry	101	83	100	80	66	127
Manufacturing Industry	10.711	13.685	15.793	15.756	16.403	13.304
Production and Supply of Electric and Thermal Energy, Gases, Hot Water and Air Conditioning	98	113	297	365	300	293
Water Distribution; Sanitation, Waste Management, Decontamination Activities	803	1.094	1.068	1.094	1.269	1.279
Constructions	1.147	1.479	1.623	1.821	2.412	2.398
Wholesale and Retail Trade; Repair of Vehicles and Motorcycles	2.949	4.656	5.216	5.075	5.641	6.269
Transport and Storage	1.650	2.568	2.686	3.323	4.567	4.061
Hotels and Restaurants	439	540	1.141	866	1.133	1.380
Information and Communications	939	1.668	2.257	2.027	2.946	2.462
Financial and Insurance Intermediaries	790	864	1.253	1.435	991	708
Real Estate Transactions	98	135	151	128	184	106
Professional, Scientific and Technical Activities	818	1.124	1.499	1.602	1.624	1.330
Administrative Services Activities and Support Services Activities	1.841	1.943	2.901	2.858	2.574	2.851
Public Administration and Defense; Social Insurance in the Public System	6.455	8.158	9.685	8.695	7.612	6.200
Education	2.619	2.471	2.500	2.473	2.701	1.480
Health and Social Assistance	4.881	6.451	8.461	9.197	6.948	6.452
Performance, CULTURAL AND Recreational Activities	814	1.272	1.454	1.430	1.206	1.206
Other Service Activities	988	1.037	1062	1.125	1.375	1.160
Total	38.523	49.952	59.753	59.987	60.586	53.821

Source: National Institute of Statistics in Romania

Annex 2: Unemployed registered in Romania

Development region	PERIOD					
	2014	2015	2016	2017	2018	2019
NORTHWEST region	566.718	509.367	467.007	438.818	352.233	306.523
CENTER region	726.176	684.146	576.500	496.847	399.004	340.825
NORTHEAST region	995.057	955.804	921.525	834.077	730.972	636.484
SOUTH-EAST region	832.693	830.482	799.202	739.688	578.478	504.913
SOUTH-MUNTENIA region	1.053.446	1.011.023	909.914	757.328	617.681	493.207
BUCHAREST - ILFOV region	300.208	282.764	261.066	241.138	222.257	196.949
SOUTHWEST OLTENIA region	884.986	874.980	823.114	760.816	623.230	537.043
WEST region	350.192	321.391	264.291	227.086	196.947	177.547
TOTAL	5.709.476	5.469.957	5.022.619	4.495.798	3.720.802	3.193.491

Source: National Institute of Statistics in Romania