

## **ANALYSIS OF LABOR MARKET SEGREGATION BY GENDER IN ROMANIA**

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### **Abstract:**

*This article aims to highlight the analysis of labor market segregation in Romania. The labor market is defined by demand and supply of labor, which is in a close relationship with the ability to transform in order to meet the needs of the economy. In the situation when there is labor market segregation, the macroeconomic balance of the country is harmed. Special emphasis is placed on gender segregation that, although it does not manifest virulent across Romania, though this may delay the process of modernization and effective integration into the European single market.*

*In society, appreciation conferred to "women's work" and "men's work" is not the same. Women and men have the same status in the community but they do not equally contribute to decision-making. These differences fluctuate from one society to another, from one culture to another and are titled "gender differences".*

**Keywords:** employment, population structure, economic balance; earnings.

**JEL Classification:** B22; J21.

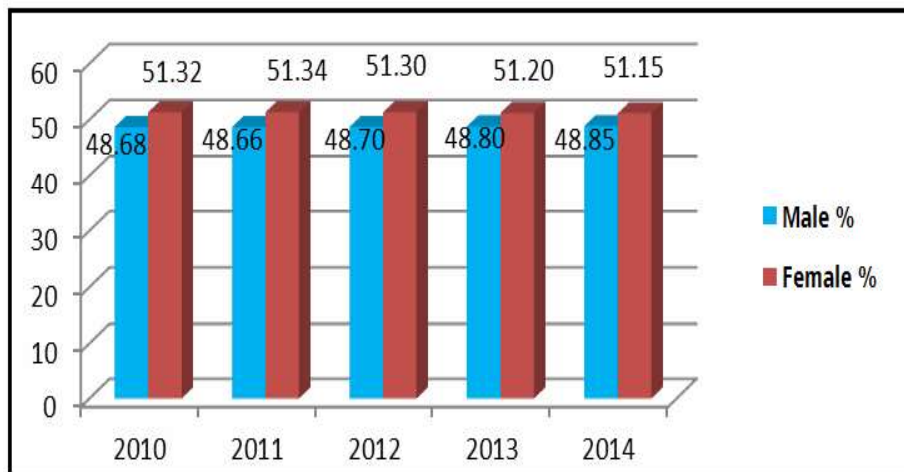
## 1. Introduction

Private and public services and areas such as employment, training, business and politics are not always created taking into account the specific needs of women and men (or most often the male standard is considered), hence the emergence of occupational segregation [2].

Generally segregation analysis did not take into consideration the division between men and women, but occupations and sectors in which they work. Gender segregation refers mainly to women or men who tend to work in different occupations and sectors. This phenomenon is related mainly to the labor market income disparities caused in a national economy in line with European standards and requirements [11].

## 2. Labor force at national level

Analyzing the structure of the population by gender Romania for the period 2010-2014, it can be seen that over the years, the percentage of female population has recorded a slight decrease, reaching in 2014 to 51.15% of the total population (see fig. 1), amid a shrinking total population (from 20,246,798 persons in 2010 to 19,913,193 persons in 2014).

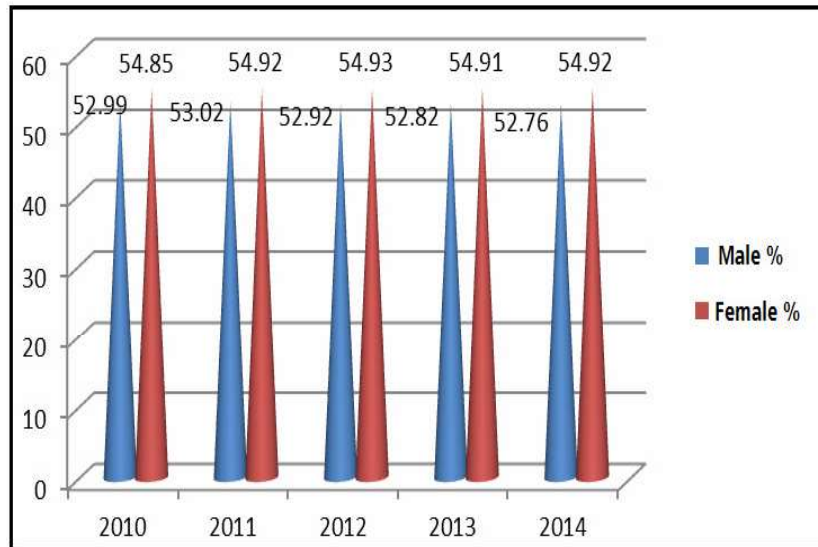


Source: data processed from [www.insse.ro](http://www.insse.ro) [12]

**Figure 1.** Structure of total population by gender (in %)

A slightly different trend is observed in the evolution of the population structure by gender and urban areas [7], which highlights a slight decrease of the percentage of the female population in urban areas (see Fig.

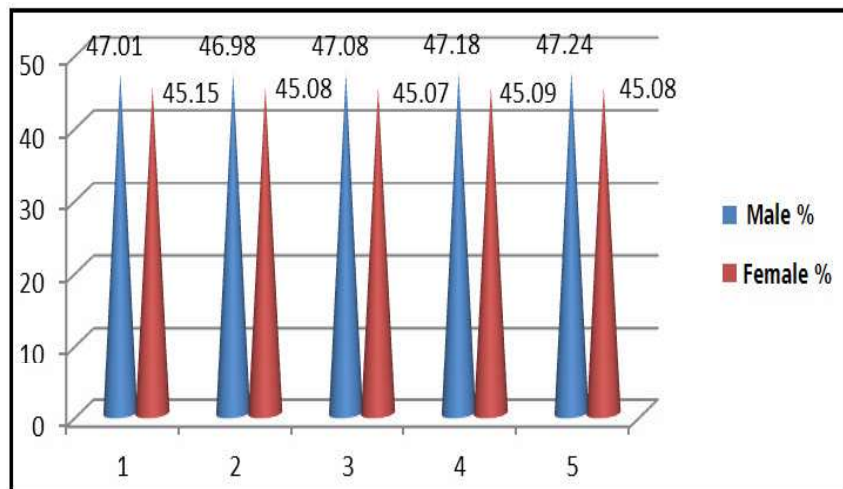
2), and a decrease in rural - female population share was 51,15% in 2014 in urban areas and 45.08 in rural areas [10].



Source: data processed from [www.insse.ro](http://www.insse.ro) [12]

Figure 2. Structure of urban population by gender (in %)

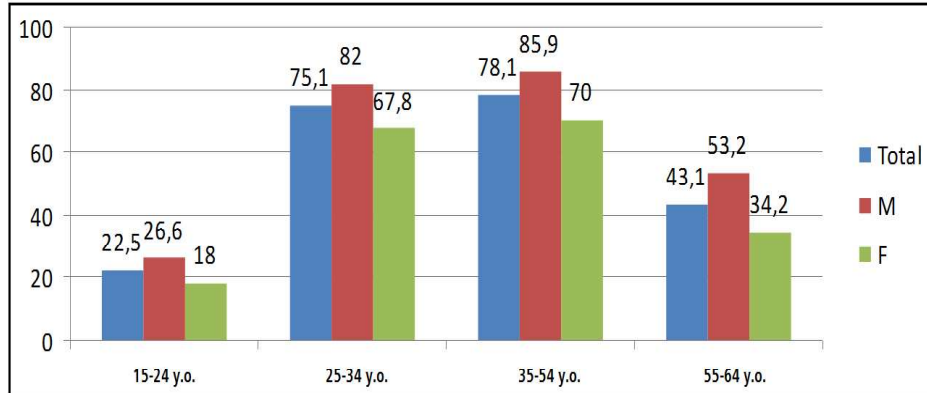
In rural areas, amid the negative total population evolution [9] from 10.190 thousand to 9.572 million people in 2012, the female population has been decreasing at a rate 0.8 percentage points higher than men (see Figure 3).



Source: data processed from [www.insse.ro](http://www.insse.ro) [12]

Figure 3. Structure of rural population by gender (in %)

The presence in the labor market based on gender and age can be illustrated through activity rates [3]. It is noted that the activity rates of women are lower than those of men, with the result that income gaps are widening the disadvantage of women (see Figure 4).



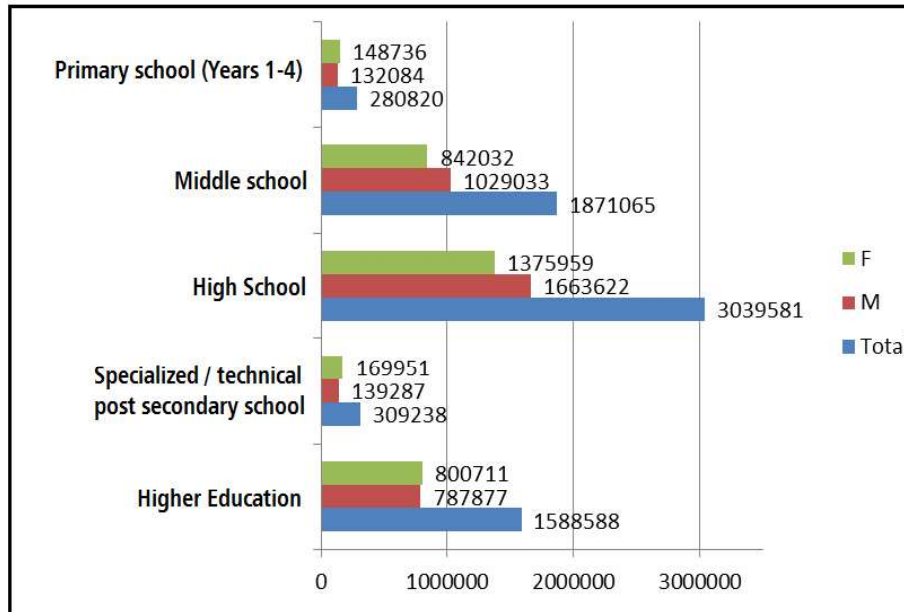
Source: Author's processing based on data from [www.insse.ro](http://www.insse.ro) [12]

**Figure 4.** Activity rate based on age and sex (2014) (in %)

The gap between male and female activity rates is widening, especially for the age group 55-64 years. The activity rate of women aged 55-64 years in 2014 is much lower than that of men, namely 34.2% to 53.2%. Attracting more women into the labor market in Romania helps to counterbalance the effects of the aging population, budget cuts in public funding [4] and social protection systems, expansion of human capital and increasing competitiveness.

The employment rate of women [1] aged 55-64 years ranged between 2010-2014 from 32.6% (2010) to 33.1% (2008), while in 2014 recorded a value of 34.2 %. Employment rate for men compared to the same time and the same age group ranged from 49.9% (2010) to 53.2% in 2012.

For analyzing employment, data on the qualitative aspect of labor depending on the level of education [5] are quite relevant,. Numerically there are no essential differences in terms of education level between the two genders, female workforce recorded a higher education level than the male (see Figure 5).

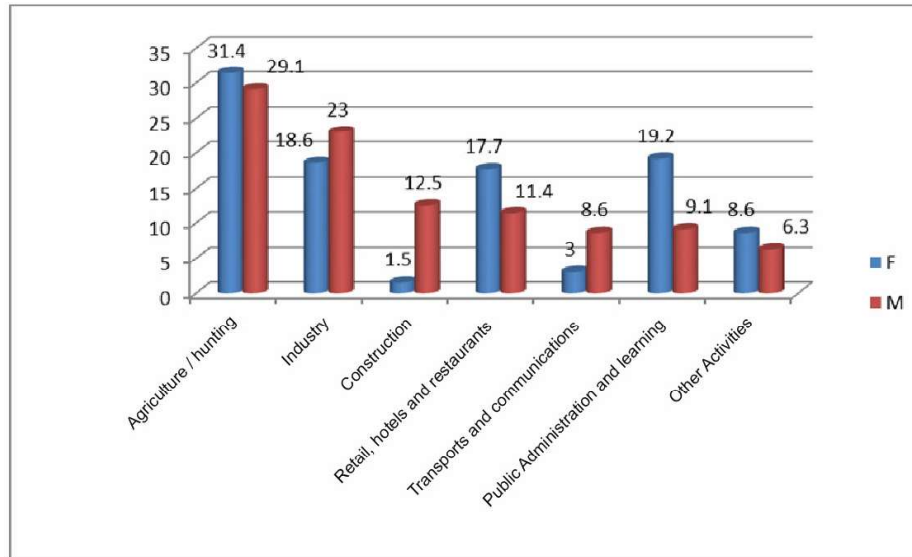


Source: Author's processing based on data from [www.insse.ro](http://www.insse.ro) [12]

**Figure 5.** Occupied population based on education level and gender (2014)

The share of women with "Higher Education", "Specialized or technical Secondary School" and "Secondary School" of all employed women is higher than the share of men with the same education levels in all employed men, accounting 18.2%, 4.7% and 31.7% compared to 14.3%, 3.8% and 27.5% respectively. At the same time, the largest share of women also stands where education levels are "Secondary" and "Primary (grades 1-4)", respectively 24.4% and 6.4% compared with 21.4% and 4.6%.

The higher percentage of women with a higher education in the total number of women than in the case of men could be an asset to the first category in terms on employment opportunities and productivity growth. It also can be seen that men leave the educational process earlier to get hired. Although the level of education of women is higher than men, it seems that further professional development or career promotion for women is much slower, requiring the implementation of specific measures to accelerate it.



Source: Author's processing based on data from [www.insse.ro](http://www.insse.ro) [12]

**Figure 6.** Distribution of employed population by area of activity and by gender

Analyzing gender distribution of the employed population in each area of activity for 2014 (see Figure 6), we can see that in traditionally "female" areas the share of men is relatively high, namely 37.1% compared to the 62.9% of women in public administration and education, and 44.5% compared to 55.5% in "trade, hotels and restaurants". The share of women in traditionally considered "male" fields of activity such as construction, transport and communication values are rather small, 9% compared to 77.8%.

The income gap between the two genders may be due to the higher concentration of women in public economic units where wages depend on budgetary resources which were limited, especially due to the economic crisis. Out of the total people employed in public establishments 53% are women, while in the private sector women represent only 43% of total employment. Analyzing as well the distribution of the employed population in the areas of activity considered "female", it is observed that the presence of women in public facilities is even more pronounced [8].

Branches where women mainly operate require a higher level of training and instruction, but that is not rewarded properly due to salary cap reduction on account of budgetary resources. Therefore, the problem of low wages for women in correlation with a high level of training and qualification is not just a problem of inefficient use of existing human capital and hence low productivity, but also a problem of organization

payroll system. Such a situation will generate a deficit of specialized human resources and a lack of motivation to work in areas of major importance for society.

The payment (remuneration) gap between men and women is also largely due to gender segregation in the labor market, by unequal promotion of men and women in professional careers. Men have a higher weight than women among heads of public authorities and economic, social and political units - 67.59% men versus women which only account for 32.41%. Range of occupations requiring a high level of skills and qualifications are held by women - namely, professionals with higher qualifications - 51.29%, average qualified specialists with 63.10%, and 69.9% administrative officials. Women also hold the main share for the category of occupations "household, commercial and communal services", i.e. 63.94% of the total employed in this occupational category.

Men hold in greater extent groups of occupations that require physical effort - 79.19% of skilled workers in industrial enterprises [6], construction, transport, telecommunications and 58.64% of unskilled workers.

**Table 1**  
Average nominal monthly earnings by gender (lei / employee)

	Year 2014		
	Men	Women	Spread
<b>Total</b>	<b>1348</b>	<b>1264</b>	<b>0,94</b>
<b>Less than 50 employees</b>	<b>876</b>	<b>801</b>	<b>0,91</b>
<b>50-249 employees</b>	<b>1242</b>	<b>1182</b>	<b>0,95</b>
<b>250 employees and over</b>	<b>1739</b>	<b>1549</b>	<b>0,89</b>
<b>Public property</b>	<b>1876</b>	<b>1631</b>	<b>0,87</b>
<b>Less than 50 employees</b>	<b>1225</b>	<b>1042</b>	<b>0,85</b>
<b>50-249 employees</b>	<b>1604</b>	<b>1695</b>	<b>1,06</b>
<b>250 employees and over</b>	<b>1966</b>	<b>1664</b>	<b>0,85</b>
<b>Private property</b>	<b>1191</b>	<b>1062</b>	<b>0,89</b>
<b>Less than 50 employees</b>	<b>859</b>	<b>781</b>	<b>0,91</b>
<b>50-249 employees</b>	<b>1181</b>	<b>1043</b>	<b>0,88</b>
<b>250 employees and over</b>	<b>1581</b>	<b>1401</b>	<b>0,87</b>

Source: Author's processing based on data from [www.insse.ro](http://www.insse.ro) [12]

The spread is calculated as a ratio between the salaries of men and women.

From the above data on average monthly earnings between the sexes can be observed the following (see table no. 1):

- Both in the public and private sectors, women were less well paid than men in enterprises of all dimensional classes, excluding establishments with 50-249 employees in the public sector where women were better remunerated in 2014;
- The spread between the wages of women and men has shown a declining trend.
- In the public sector wages were higher than in the private sector in virtually all dimensional classes of enterprises.

### 3. Conclusion

The present study shows that the pay gap between women and men remain at a fairly high level, and there are no signs of reduction. Due to the emergence of the phenomenon of segregation in the labor market a high discrepancy between work patterns resulted, access to education and training becoming more and more limited (especially among women).

Concentration of certain groups, lack of education and professional training for a large part of the population segregated on economic, ethnic or racial reasons, along with issues regarding employment and the lack of revenue, creates an environment for a particular behavior that focuses primarily on discrimination.

Segregation leads to the emergence of increased requirements to integrate people into employment, but also in the community and cause the catching up of rural areas to stand still, and hardens the process of economic, social and territorial cohesion.

Thus, concrete and positive measures should be applied to combat wage gaps and in particular gender segregation manifested increasingly more evident in the labor market. Some of these include: promoting payroll agreements to reduce the pay gap based on gender, setting objectives and qualitative and quantitative indicators to undermine wrong perceptions and misinterpreted stereotypes and achieve a continuous exchange of best practices.

As it is right in the process of modernization of the labor market, Romania still has to recover significant gaps in relation to the developed EU countries. Although not manifested virulent, the segregation in the labor market in Romania may delay the process of modernization and effective integration into the European single market.

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