

NATIONAL UNEMPLOYMENT ANTE AND POST CRISIS

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Abstract:

I chose this topic because it is a topic that affects the population and lack of jobs reduces people's income and thus consumption becomes increasingly smaller. The necessity of this article is given to the evolution of the political, socio-economic background of developments in the phenomenon, based on a number of factors. The objective of this article is to present an analysis of the phenomenon in the period before the economic crisis and during the period affected by the global crisis.

Keywords: *unemployment; macroeconomic unbalance; labor market.*

JEL Classification: *E24; J21.*

1. Introduction

Over time the role of work performed, being environment favorable to the development of various ideological currents such as the classical theory, neoclassical, Marxist, Keynesian, to the contemporary theories: the theory of implicit contracts, salaries theory or reverse selection theory (Smith, 1992).

If the noblest profession in antiquity was the farmer, the constant development of new technologies has led to significant advances in the economy has created multiple new opportunities in the labor market and a

more prosperous society. Since antiquity there were early forms of employment, but labor market foundations were laid during the great industrialization, which in addition to the need for a consistent capital, require a large number of workers led and coordinated by an entrepreneur.

After the events of 1989, the Romanian company was facing one of the most acute problems, namely unemployment specific capitalist economies (Dinu et al, 2005). The phenomenon of "unemployment" appears on the labor market and studying to become increasingly more important implications for population and economy can be of the most serious (Angelescu et al, 2010). During socialism, the Romanian economy was centralized and political checked and businesses were financed from the state budget. In this regard it was promoted a policy of full employment of labor. After December 1989, unemployment has exploded due to essential changes in the Romanian economy with the transition to a market economy (Dornbusch et al., 2007).

Since the early 1990s Romania's population decreased by 3.4% (or 800,000), reaching 22.4 million in 2001). By the mid-1990s due to the deteriorating economic situation has changed people's migration to rural areas. Decreased participation in the labor force has affected especially the younger age groups and the population within the age range of 65 and above is a high and even a feature in Romania's participation in the workforce. In 1990, employment was 10.84 million people, reaching in 1999 a number of 8420000. Since 1990, total employment fell by 20%.

Both migratory flows between rural and urban areas and increase employment in agriculture suggest that it was important over the last decade. Part of the rural population, may well continue to have a job in industry and parallel to it to carry out some permanent or seasonal agricultural activities (Keynes, 1970).

There are two official sources of data regarding unemployment. A source reflects unemployed registered unemployment. The second is based on the Labor Force Survey began in 1994 and carried out in accordance with the international definition of unemployment given by the International Labor Organization. The description below of unemployment trends are based on Labor Force Survey data (Lipsey et al., 2002).

The unemployment rate dropped and stabilized at around 5.5% in mid-1990. In 2001, the unemployment rate remained at 6.5%, 6.9% for men (above the EU average of 6.6%) and 6% for women (below the EU average of 9%). Unemployment is much higher in urban areas compared to rural areas (Socol et al., 2003). In urban areas in 1996, increasing the unemployment rate is even twice as high, i.e. 8.4% compared to 3.6% rural. By 2000, unemployment rates differ higher, reaching in 2000 to 11.7% in urban areas, compared to 2.4% in rural areas (www.ec.europa.eu).

In 2002, unfortunately, debuted with a further increase in unemployment, the number of unemployed women is representative of 44%. The biggest drop was in 2003, when the unemployment rate fell to 7.6%. In 2005 the end of June, the registered unemployment rate of 5.5%. At the end of September 2006, the registered unemployment rate national level was 5%, reaching in 2000 an unemployment rate of 6.87% and in 2011 the unemployment rate was 5.12%. As in other countries, youth unemployment is higher as the adult. Long-term unemployment remains high despite the decrease in the overall level of unemployment. Long-term unemployment tends to be higher in women than in men.

2. Analysis of unemployment before the crisis

Unemployment through its effects not only affects the labor market (Burloiu, 1993), but also leads to macroeconomic imbalances. Market liberalization, including the labor market, the transition to a market economy caused unemployment explosive process.

Unemployment officially became known in Romania after the 1990. Underlying unemployment imbalances are manifest in the economy which is in the process of restructuring. After December 1989, the national economy has been in continuous decline and unemployment was determined both by demographic and economic factors. An important role was played and errors of economic policy on the implementation of economic reform (Burghelea et al., 2011). After the Revolution of 1989, Romania's population is in continual decline reaching 22400000 inhabitants in 2001.

Table 1.

Unemployment evolution during 1991-2005

Year	Unemployment at the end of the year (thousands)	Unemployment rate	ILO unemployment (thousands)	ILO unemployment rate
1991	337,4	3,0	-	-
1992	929,0	8,4	-	-
1993	1164,7	10,2	-	-
1994	1323,9	10,9	971	8,2
1995	998,4	8,9	968	8,0
1996	652,0	6,2	791	6,7
1997	816,3	9,3	706	6
1998	1025,0	10,4	732	6,3
1999	1130,3	11,8	790	6,8
2000	1007,1	10,5	821	7,1
2001	826,9	8,8	750	6,6
2002	760,6	8,4	845	8,4
2003	658,9	7,4	692	7,0

2004	557,9	6,3	680	6,8
2005	523	5,9	650	6,5

Source: Romania Statistic yearbook 1992-2004; Statistic bulletin 1997-2006, Labor survey in household (AMIGO) 1994-2005 (www.insse.ro)

If you achieve a deeper analysis of annual values in the range 1991-2005, we see that the unemployment rate has fluctuated: continuously increased in 1991-1994. Even in 1994 it was reached maximum unemployment when over 1.2 million people had no jobs. After 1994 the unemployment rate began to decline until 1996, will increase again from 1997 until 2000, and then to fall steadily, reaching 5.9% in 2005 (Mocanu, 1991).

Analyzing the dynamics of unemployment in the period 1991-2005, a number of conclusions can be drawn: the unemployment rate entries was particularly high in 1991 due to triggering of tracking the number of unemployed and granting monetary compensatory amounts; the period 1991-1994 was characterized by a growing number of people became unemployed; since 1995 unemployment starts to decline; since 1997, unemployment started to rise until 1999; Since 2000 unemployment began to decline until 2005. Compared with previous years, in 2004 the number of people entering unemployment was much lower due to layoffs of employees that have occurred as a result of restructuring and privatization various sectors.

The categories of people are unequally affected by unemployment, but most affected are young (Tindeche et al., 2014). The period required to find a new job and is reduced as long as the education level is higher, thus leading to a high rate of youth unemployment. Unemployment has affected more women than men, until 1998. Thus, over 50% of the unemployed were women.

Since the beginning of the transition, the first people who were affected by layoffs have been women. However, after 1998, the higher share among the unemployed was men. The case was the restructuring that took place in the industry. Thanks to the early retirement and discourage people after 50 years of age, men are more affected. With an unemployment rate of 21.7% in 2002, people aged 14-24 years are most affected by unemployment, according to labor force surveys, surveys that provide information on unemployment ILO. Thus, the two ILO unemployed has more than 24 years.

Among young people aged under 24, the unemployment rate is 10 times higher for the unemployed who have high school or secondary, and 8 times higher for unemployed persons with post-secondary education or higher. There are some peculiarities occupational characterizing unemployment, related fields and industries that feed stock unemployment,

as the characteristics relative to the level of training of the unemployed (Tindeche et al., 2014).

Main branch that has redundant workforce in the period after 1990 was industry. As a result, the share of employment in industry fell almost continuously from 36.9% in 1990 to 24.8% in 2003 (Ungureanu, 2001).

On the duration of unemployment, some estimates over the period 1995-1999 it lead to finding inverse relationship between that indicator and unemployment. Decrease the average duration of unemployment during 1996-1999 it can be considered only partially as a positive aspect. However, an average duration of unemployment over 12 months shows an important structural component of unemployment, the unemployed represented what can be reintegrated into activity only with difficulty and active employment policies.

Chronic phenomenon and the potential increase in number of discouraged people, leading to increased unemployment duration (Varjan, 2005). These people, although available for work, do nothing to search for a job, being convinced that they cannot fit on the labor market. They constitute a disadvantaged labor market, to which were added underemployed persons.

Table 2

Unemployment share

	Share of total ILO	Total	Men	Women	15-24 years	25-34 years	35-49 years	Over 50
Unemployment lenght	- over 12 month, in %	57,68	58,13	56,97	15,12	17,25	20,41	4,9
	- over 24 month, in %	35,28	34,09	37,16	7,56	9,94	14,15	3,63

Source: National Agency for Employment (ANOFM), 2004 (www.anofm.ro)

A share of 57.68% of the total unemployed persons manifests itself more strongly among men, according to Labor Force survey on households being included in long-term unemployment (over 12 months). Of the total unemployed persons were unemployed for over 12 months' people in the age category 35-49 years (20.41%). Over a third of BIM unemployed (35.28%) are unemployed for over 24 months.

Among the factors the unemployment rate change for some counties, we can mention: different rates of economic development of the area, redundancies on some industrial sites (Galati, Olt, Brasov). Thus, we see

that the unemployment rate fell sharply in the last 7 years, 2000 with an unemployment rate of 10.5%, decreasing further (2001 - 8.8%; 2002 - the 8.4%; 2003 - 7.4%, 2004 - 6.3%) reaching the unemployment rate in 2005 is 5.9%, which represents a significant decrease compared to 2000 (www.eurostat.com).

As a conclusion, we can notice the improvement of the unemployment situation in Romania over 1990-2005.

3. Unemployment analysis during 2006-2012

Unemployment increased in 2006 similar to previous years. There were layoffs of employees affected counties: Alba, Arad, Bacau, Arges, Cluj, Hunedoara, Constanta, Suceava and Bucharest. Maintain the highest rate of youth unemployment. What becomes alarming for Romania is the unemployment rate among young people was 21% in 2006, compared to unemployed people over 25 who have an unemployment rate of 6% in 2006 (www.bnr.ro).

Due to layoffs, unemployment persisted in 2007. Large layoffs were made in the construction, textile industry, machinery and equipment.

Counties that have experienced the phenomenon of unemployment, find solutions for economic recovery has been reflected in alleviating problems in terms of employment, but it can be said that the layoffs that took place in 2007 not produced imbalances in the evolution of unemployment.

Unemployment peaked in Gorj (9.5%) and in Valcea County (5.5%) minimum. In Bucharest and Northwestern regions they were recorded the lowest levels of unemployment. Thus, the unemployment rate in 2007 saw a decline and one remained low and constant as in 2004-2006.

Therefore, the year 2007 kept same trends that occurred in 2004, in terms of unemployment. In the first half of 2008, unemployment was decreasing and the end of 2008 was characterized by a sharp increase value exceeding the unemployment rate in the same month of the previous year. Activities such as agriculture and forestry, construction, led to higher unemployment due to layoffs made in these branches seasonal.

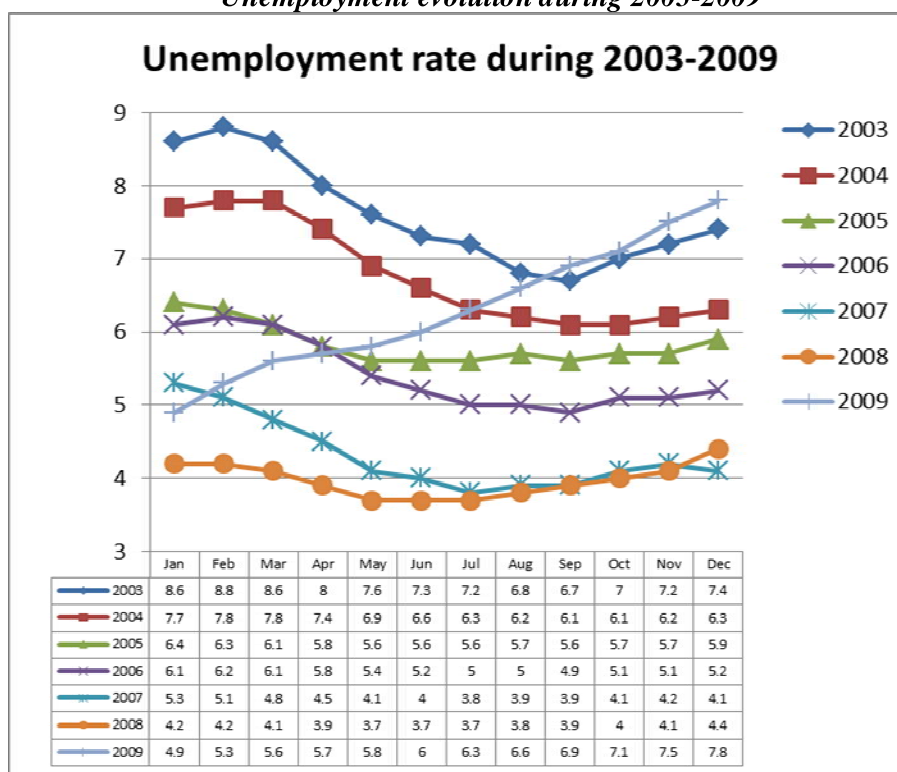
In 2008 was lower than previous years in terms of mobility Roman citizens across borders. Most unemployed remain, however, in the age groups 30-39 and 40-49. Both groups were characterized in maximum number of unemployed. Younger group age under 25 years showed significant declines until June (Balan et al., 2013).

There have been layoffs in areas such as hide tanning and finishing, construction, clothing, and other products of nonmetallic materials. In 2008

the labor market was characterized by major imbalances. Therefore, in 2008 kept the same trends that occurred in 2004, in terms of unemployment.

Unemployment in 2009 was characterized by an upward trend, so the only year of the reference period, except the year (1991), when the unemployment rate increased from month to month, as exemplified in chart below:

Unemployment evolution during 2003-2009



Source: National Agency for Employment (ANOFM) (www.ajofm.ro)

In 2009, the labor market in our country has been influenced by the financial and economic crisis manifested worldwide.

Economic and financial crisis was also felt in our country leading to increased unemployment due to layoffs in all sectors of activity (Vasile et al., 2013). During 2009, employers reported job vacancies, resulting in a reduction in their offers compared to previous years.

Within 5 working days of their vacancy, employers must provide employment agencies for all vacancies. Thus, these places have a decrease of about 50% in 2009 compared to the previous year. Long-term unemployment at the end of 2009 was 23.90% and 16.73% for young adults.

In Timis, Prahova, Galati, Arges, Brasov and Bucharest, were recorded the largest layoffs, specifically more than 5,000 people in 2009. The evolution of unemployment, layoffs they produced a series of territorial imbalances in the counties of Vaslui, Teleorman and thus Alba recorded the highest unemployment rate and the lowest rate was in the counties of Ilfov and Bucharest.

Therefore, year 2009 kept same trends that occurred in the fall of 2008, continued growth in terms of unemployment. In 2010, the labor market was influenced by the economic and financial crisis, thus registering a significant increase in unemployment. Increase in unemployment benefits, namely "technical unemployment" is a measure that has been taken by the Government in 2009 and 2010, when the unemployment rate has grown to the extent of the economic downturn manifested in the Romanian economy. Job vacancies reported by employers in 2010, registered a slight increase over 2009 jobs were created in 2010, in fields as: manufacturing of wearing apparel; activities to protect and guard; construction works; life insurance activities.

During 2010, they were given unemployed more employees from layoffs that occurred in areas such as public administration and defense, insurance, social security, land transport, transport via pipelines, construction of buildings, civil engineering.

In 2010 the counties most affected by the redundancies were: Timis, Suceava, Prahova, Hunedoara and Bucharest. Unemployment dropped in the counties of Ilfov and Bucharest.

Compared with 2010, in 2011 the unemployment rate has decreased. So in reference vacancies were recorded as: cargo manager, unskilled workers in the clothing industry, product packaging, etc.

However, decreasing the number of jobs is determined by the crisis that was maintained and reduced economic activity by the employer (Aceleanu et al., 2010). Defining for 2011 is that the percentage of unemployed was lower than the unpaid indemnity.

At the territorial level, 2011 was the year that have recorded the highest unemployment rates in the counties of Dolj and Mehedinti and Valcea County unemployment rate was the lowest.

Romanian economy global financial and economic crisis, in 2011, was felt with intensity much less than in 2010, thus knowing a significant drop in the unemployment rate. Unemployment has stabilized in 2011 at the rate of 7.3% and is still very close to the maximum of 7.5% that it has reached Romania after the recession (in the fourth quarter of 2008). In 2012, at the end of February the unemployment rate nationally was 5.27%.

4. Conclusions

Article provides a description of the phenomenon causes formation classifications based on several criteria, costs that must assume them and other theoretical issues related to unemployment. Was highlighted in part, the effects it generates unemployment existence of the Romanian economy. Since economic growth and investment are essential prerequisites to combat unemployment and increase employment, it should be noted that the national economy should be aligned with EU standards and guidelines in the field.

The Article also gave an important space on the evolution of unemployment in our country in the period before the economic crisis and during the crisis, which present relevant statistical data and a series of measures to combat unemployment and its measurement.

The last part of the research presents the phenomenon of unemployment in the South-East of Romania, separate the six counties that make up the region. This is the economic crisis and also showing the effects of unemployment on the common man. The main objective is to increase the standard of living and future prospects of the unemployed in the counties of Southeastern region of Romania.

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