

POTENTIAL LABOUR FORCE BETWEEN DECLINE AND UNEMPLOYMENT. CASE STUDY: BUZĂU SUBCARPATHIANS

Ilinca-Valentina STOICA *

University of Bucharest, CICADIT (Interdisciplinary Center for Advanced Researches on
Territorial Dynamics), Bd. Regina Elisabeta, no.4-12, Bucharest, Romania,
e-mail:stoicailincavalentina@gmail.com

Abstract: The purpose of this article is to emphasize the current characteristics of the labour force, in its potential dimension, in Buzău Subcarpathians. For a better understanding of the current situation, its dynamics and the influencing factors were analysed in the post-communist period. The potential labour resources dynamics (1992-2010) emphasized a decreasing for the majority of the administrative units. At the same time, the total age dependency ratio registers an increasing for over 60% of these. A better situation, pointed by a tendency slightly upward of the potential labour resources, is specific to some administrative units with a higher development level and/or with a good accessibility towards nearby urban settlements. The analysis of the labour market emphasis the existence of some enterprises only in a few settlements, in which the workplaces are being occupied in general. Thus, the majority of the population is occupied with a subsistence agriculture which generates low incomes. Therefore, there is potential labour force which can be involved in a various range of economic activities, but it is not adequately capitalized. In this context, it is necessary to develop a rural development strategy based on a sustainable and efficient exploitation of the local resources that can allow the stabilization of the population and their access to the minimal services (education, health care etc.).

Key words: labour force, Buzău Subcarpathians, decline, unemployment

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INTRODUCTION

In the last years, at the European level, it can be observed a constant preoccupation for identification of some politics that can allow occupation in different economic activities for a very significant share of the population. The economic crisis emphasized this challenge. At the same time, another preoccupation would be that related to the decreasing of the number of the active population as a consequence of the demographic aging process that can be considered to be intensifying in the future years.

The perspectives are alarming if we take into consideration that, in 2050, nearly one in three European citizens will be 65 or older. Demographic change and population ageing is one of the greatest challenges that will affect the structure of the EU economy over the next couple of decades, through its impacts on labour markets, pensions systems and public finances (Guerzoni, Zuleeg, 2011). In searching some strategies that should allow the economic recovery of the EU, the Strategy Europe 2020 was developed, in which one of the priorities regards the promotion of

* Corresponding Author

an economy with a high rate of employment. Thus, one of the five headline targets that has to be reached is 75 % of the population aged 20-64 should be employed (European Commission, 2010).

But there are differences as regards the degree of the economic development and therefore the possibilities for employment of the labour force within the European states, as well as urban and rural areas. Fifty-six per cent of the population of the 27 Member States of the European Union (EU) live in rural areas representing 91 % of its territory. This is why rural development is so vitally important (Pakurár et al., 2012). Nowadays, the employment rate in predominantly rural areas is lower than in other types of regions, especially among women, older and low-skilled workers (European Commission, 2011). At the same time, it is estimated that particularly those rural areas which are most remote, depopulated or dependent on agriculture face strong challenges as regards growth, jobs and sustainability in the coming years (Kasimis, 2010).

In the states of the former communist region, the situation is much more difficult, because of the transition towards the market economy. In Romania the rural regions have lower incomes, lower rates of employment and a relatively high dependency rate in the primary sector in comparison to urban ones (Alexandri, 2007).

The agriculture, which the majority of the rural population is relying on, is an activity that generates low incomes, which limits the opportunities to the access to an entire range of goods and services (Tudor, 2007). At the same time, the workplaces in the non-agricultural activities are limited or even inexistent in many rural areas. Rural communities seem to not found the solution to a rural development based on a sustainable exploitation of the local resources. In this context, the present study is set on the analysis of the labour force characteristic, in its potential dimension, in the post-communism, in Buzău Subcarpathians. The evaluation of the labour force allows the emphasis on the characteristics of the available human resources which may act as the foundation of economic activities, and thus play a decisive role in drafting rural development programs. Labour force characteristics are influenced by factors of a demographic, economic and social nature (Stoica et al., 2009).

METHODOLOGY

The hypothesis within the present study is that the potential labour force is in decline (intensified in the last years) and in a higher degree – unemployed. Starting from this, initially it is the dynamics of the potential labour resources that is analysed, the reasons that determined a certain type of evolution, the current volume. At the same time, the ratio between the population considered to be of working age and the rest of population was analysed through the total age dependency rate. Further, the possibilities of occupation are being quantified in terms of the evolution of the number of companies and the number of employees. This analysis was based on the calculation of some indicators (on the basis of the statistical data, obtained within The National Institute of Statistics, including the county statistical directions, and within The National Trade Register Office) and their interpretation, correlated to the gathered information during field visits. However there were a series of obstacles related to the lack/difficulty of obtaining some statistical data. Thus, the year of 1992 was elected as a reference year because the results of the census allow the performance of an analysis of the potential labour resources at the level of the administrative unit. At the same time, it was not performed anymore a thorough analysis of the labour force characteristics because of the fact that the late current statistical data, at the commune level, are only for the year of 2002 (in the context of not publishing the data of the 2011 census). Also, the current statistical data do not allow a more detailed analysis at the village level, thus the area boundaries were considered to be those of the administrative units.

RESULTS AND DISCUSSIONS

Buzău Subcarpathians are localised at the exterior of the Carpathians' chain, representing the central part of the Curvature Subcarpathians. The relief is made of a sequence of hills and depressions, crossed by a dense hydrographical network. Within the analysed area, there are 58

administrative units, of which 31 are in Buzău county and 27 in Prahova county. All settlements are rural, with one exception, the town of Pătărlagele (which obtained this title in 2004), but whose development degree is not much higher than the one of the adjacent region.

The population within the analysed space was in 2010 of 191000 people, decreasing by 8.5% by comparison with the year of 1992. The smallest number of inhabitants (bellow 1000) is found in the communes from central-northern part (Chiliile, Cănești, Odăile) and southern part (Jugureni). A population bellow 3000 inhabitants is noticed in 51.7% of the administrative units. The highest number of inhabitants (over 5000) is characteristic to 17.2% of the administrative units. Among these, Berca and Vernești are distinguished themselves by over 9 000 inhabitants. The current characteristics of the analysed space were highly influenced by the definitive emigration of a high number of inhabitants, especially outside the Buzău Subcarpathians, in the communist period. The consequences of the definitive abandon of the area analyzed by a high percentage of emigrants were profound, in the medium and long run (Stoica, Munteanu, 2012). Thus, while the ratio of the adult population was initially high enough to support the optimal functioning of the rural system, because of a positive natural increase rate, the birth and fertility rates gradually dropped, at the same time as the ratio of the elderly population rose (Stoica et al., 2012).

At present, the economic activity in which the majority of the population is involved in is the agriculture. But could be distinguished also settlements with a higher degree of development, in which there are small industrial units (the majority of them former sections of the enterprises in the communist regime). The weakest level of development is characteristic to the villages situated in isolated areas, affected by intense processes of demographic aging and depopulation.

The Dynamics of the Potential Labour Resources (1992-2010)

At a macroeconomic level, the labour force offer is determined by demo-economic variables, such as potential labour resources (population considered to be of working age) (Zamfir, 2007). Population aged between 15-64 years old, as a potential active population, represents a major age group of the entire population, as a result of the temporal evolution of demographic phenomena (Mocanu, 2008). If we analyse the evolution of the population considered to be of working-age (15-64 years old), in the Buzău Subcarpathians, between 1992 and 2010, it was observed that this reduced by 8.6% (approximately 11300 persons). The decreasing was more accentuated in the first interval, until 2002 (by 6.2% – about 8150 persons), and in moderation for a subsequent interval (by 2.6% – about 3150 persons).

However, if the overall situation seems not to emphasize a spectacular dynamics, the analysis at the territorial level allows the identification of some major differences. Thus, for the majority of the administrative units (78.6%) the population considered to be of working age reduced (by approximately 13900 persons). The most accentuated decreases (more than 30%) were recorded in the communes in the northern part (Chiliile, Cozieni, Starchiojd, Odăile, Cănești, Colți) and in Jugureni (Figure 1). Among all these, Chiliile (by 46.6%) and Jugureni (by 41.2%) registered the most accentuated reductions. The reasons for this negative evolution are various, the most important ones being the negative net migration rate, especially before 1990, the negative natural increase rate, the ageing process etc. The highest decline, as number of people, was registered in the commune of Starchiojd (over 1700 persons), against the overall decreasing of the population (by 35 % between 2002 and 2010).

A positive trend was registered only for 21.4 % of the administrative units, the highest increases (by more than 10%) being specific for Calvini (10.8%), Săpoca (11.3%) and Vernești (20.1%). This positive dynamics was influenced by many factors, among which positive natural increase rate (Calvini) or a good accessibility to urban settlements nearby, etc. Population considered to be of working-age increased in these administrative units by approximately 2600 persons, of which 40.3 % in Vernești. This evolution is determined by the geographical position in the nearby vicinity of Buzău municipality, which led to the localisation of enterprises in the communist period and post-communist period, meaning a stabilisation of the population within

this area. At the same time, the inhabitants preferred to commute to work in the urban settlement and not to migrate definitively, because of the reduced distance, which allowed returning into the village. In the last years, a new trend is observed, one of migration of the inhabitants of Buzău municipality in this commune, new dwellings being under construction.

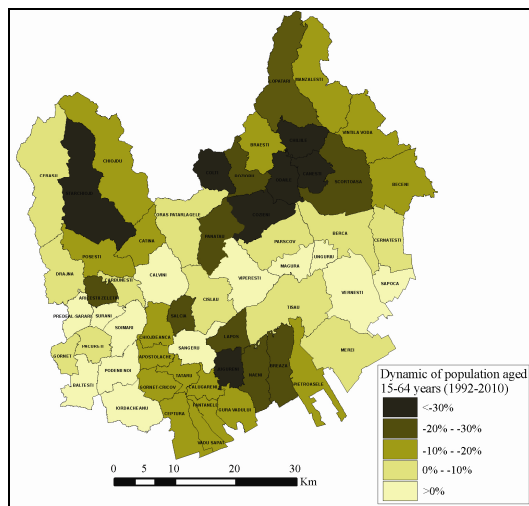


Figure 1. Dynamic of population aged 15-64 years (1992-2010)

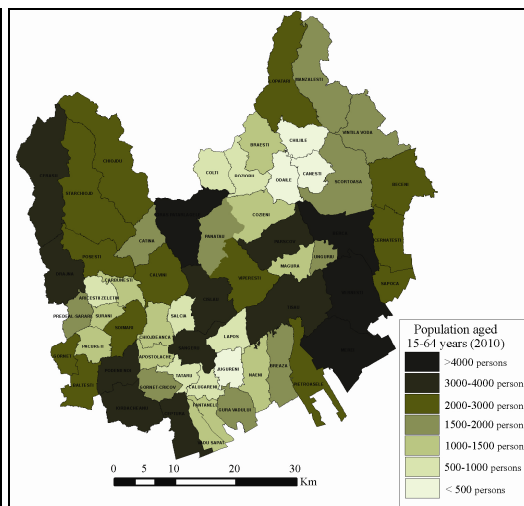


Figure 2. Population aged 15-64 years (2010) (1992-2010)

The size of the potential active population and its characteristics (education level, qualification degree) are very important to the potential investors. In 2010, the number of the potential labour resources was of approximately 121000 persons. At the level of the administrative units, only 6.9 % of these disposed of a number of over 4 000 persons of working age (figure 2). These units are localised either nearby Buzău municipality (Vernești and Merei) or represent highly industrialized areas in the communist period (Pătărlagele and Berca). The lowest values (under 500 persons) were registered in communes that described high decreasing of the population considered to be of working age between 1992 and 2010 (Chiliile, Jugureni, Cănești, Odăile) and that had a reduced total population.

Thus, on long and medium term, there are being felt the effects of the emigration of a significant share of the population, especially the young one, under the communist regime, especially to urban areas, which led to destabilization of the local population and to demographic unbalances (Stoica, 2009).

The Dynamics of the Total Age Dependency Ratio

The age dependency ratios are used as indicators of the level of support of the young (aged 0-14 years old) and of the old (aged 65 years or over) by the working age population (conventionally aged 15-64 years old) (Giannakouris, 2008). The analysis of the total age dependency ratio emphasis an upward trend for 60.7 % of the administrative units between 1992 and 2010. The most significant increases (of over 30%) were registered in the central-northern communes (Chiliile, Bozioru, Colți, Odăile, Cozieni, Cănești) plus administrative units localised in the southern (Năeni, Jugureni) and the western part of the analysed area (Aricești-Zeletin) (Figure 3). Among these, the most pronounced increasing of the total age dependency ratio was registered for the commune of Chiliile (with 72.1%), affected by an intensified process of demographic aging. If in 1992 the effects of the massive emigration from the communism period were less

evident, gradually, along with the process of the population growing older and lacking a sustainable birth rate, these are more and more acute.

A decreasing tendency is observed for 39.3% of the administrative units under analysis, but with more significant diminutions (of over 10%) for only 21.4% of all these.

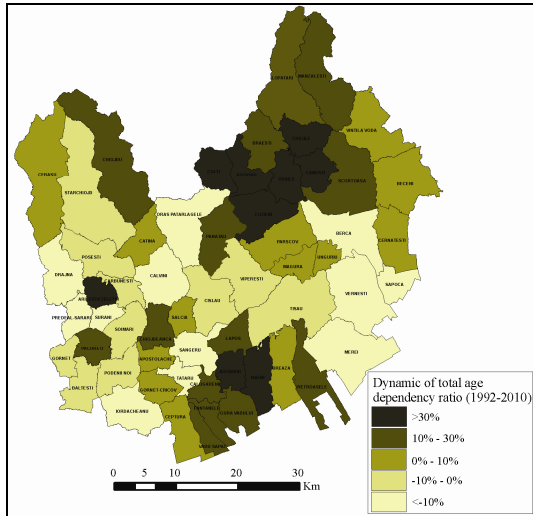


Figure 3. Dynamic of total age dependency ratio (1992-2010)

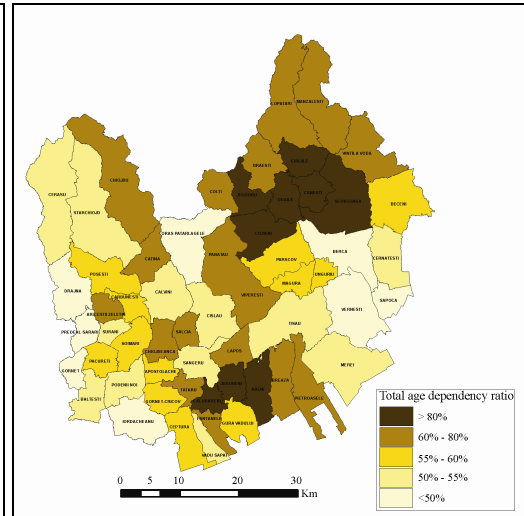


Figure 4. Total age dependency ratio (2010)
Source: Stoica, Munteanu, 2012

In 2010, 86.2 % of the administrative units of the analysed area register values of over 50% for the total age dependency ratio (Figure 4). The highest values (above 90%) are typical of the communes of Cănești, Cozieni, Jugureni and Chiliile, where one working-age person supports approximately one inactive person. The lowest values (below 49.3%) are typical of communes located close to the borders of the area analyzed, near the cities of Buzău and Vălenii de Munte. Pătârlagele also falls in below the 49.3% limit. In those administrative entities, every one dependent person is supported by two other working-age people (Stoica, Munteanu, 2012).

Labour Market

Until 1990, in the analysed space, more industrial units were functioning, specialized in various fields of activity, in which the local population was working. The industrial activity was diversified and, especially, based on the exploitation and processing of some local resources. Thus, the industry of the oil and natural gases extraction, the extractive industry and the industry of building materials, the industry of exploitation and processing wood, the industry of processing agricultural products etc. developed. The enterprises were localised for the most part in some settlements (such as Berca, Pătârlagele, Pârscoav, etc.), which were considered attractors for the local population. At the same time, a part of the population was working in the towns of the nearby vicinity (Buzău, Nehoiu, Vălenii de Munte etc.), in which they started emigrating gradually and definitively.

After 1990, the analysed area suffered a significant change of the economic structure. Thus, some enterprises were restructured, some being closed (as a consequence to a defective management or a limited commodity market for the manufactured products), simultaneous, for some cases, with development of new sectors of activity. At the same time, the agricultural production cooperatives and state agricultural enterprises were closed, the equipment being sold and also their entire patrimony (developed in a few decades, by the effort of the local communities). As a consequence, the number of the workplaces was systematically reduced, and those who were early released

either were included into the inactive population category (by retirement) or they recommenced practicing a subsistence agricultural activity which offered low incomes.

At the present, the majority of the enterprises have all the workplaces taken, the free workplaces being reduced or even inexistent for the majority of the settlements. At the same time, a small part of the local population (especially the male one), works outside the analysed area, especially in construction field.

In 2010, the majority of the companies represent SMEs (according to the National Trade Register Office). The largest number of the companies are localised in Pătârlagele, Berca, Vernești, Ceptura (over 50 for each), followed closely by Lopătari, Cislău, Pârscov, Săpoca. As a field of activity, approximately 50% of those are in trading, especially retail trading.

The steep rise in the number of companies involved in retail was first of all due to the need for such units that would supply the population; their development was also stimulated by the large degree of isolation that characterizes a big part of the rural settlements in this area. A great inflow of such units was noticed right after 1990, when the purchasing power was high, and the rapid success of some owners launched an upward trend, also emphasized by the fact that the initial investment was reduced and it could be relatively easy recuperated. In the longer run, some of them stopped being self-sufficient so they were either closed down or they reoriented towards other fields of trade: services, transport or the timber industry. This was easy especially for those companies that had had several fields of activity listed upon their setting up (Stoica et al., 2010).

If we analyse the number of the employees for 1000 inhabitants, it can be observed that the highest values are registered in Ceptura (over 200 employees/1000 inhabitants) and Gura Vadului (over 130 employees/1000 inhabitants). In Ceptura, it can be mentioned the existence of more companies specialized in various activity fields with the highest number of employees of the analysed area (over 1000 persons), representing 21.2% of the total number of the employees.

If we take into consideration the percentage of the employees of the total population considered to be of working age, it can be observed that, overall, only 4.1% of the potential active population is employee. For 81% of the administrative units, the share of the employees is below 5% of the total potential active population. Among these, for 31%, there are only 1% employees of the population considered to be of working age. On the other hand, it can be observed that the highest values are specific to the Ceptura (about 33%), Gura Vadului (about 22%) and Vernești (approximately 10%).

CONCLUSIONS

In Buzău Subcarpathians, due to the massive emigration of population (especially young and adult), especially until 1990, the potential labour force was decreased in the majority of the administrative units. If in 1992 this process was slightly visible, gradually it has become more accentuated. In the conditions of lacking some strategies of sustainable exploitation of the existent resources and of creation of some workplaces, the descending trajectory it will continue. Probably, in some communes in the central-northern part, especially, the situation will become worse.

A better situation is characteristic to administrative units that still have enterprises or have a better degree of accessibility towards urban settlements in the adjacent areas, which can lead to the local population involving in various economic activities. Therefore, these registered a slightly increase of the potential active population (between 1992 and 2010). In addition, there are communes which registered a high birth rate, ensuring a constant contribution of population to the age group of 15-64 years old.

Therefore, at the present, in Buzău Subcarpathians there is sufficient potential labour force that can be involved in economic activities. But for the moment the main activity is represented by the agriculture, mostly a subsistence one, practiced with traditional means. At the same time, the non-agricultural activities are less developed. Thus, the population is continually searching for constant incomes, which meant for some inhabitants to work in other regions of the country or even abroad. Lacking workplaces and implicitly of some constant incomes generate various

repercussions, on one hand on the pension system and the sanitary one and the living standard of the rural communities on the other hand. This means a poor access to the basic services for both children and adults, whose access is limited to education, health care system, culture etc. Thus, the future of these rural communities itself is affected. The most difficult situation is characteristic to the secluded settlements that are affected by an accentuated process of demographic aging and depopulation. In this context, it is necessary to formulate strategies for the analysed area that should generate workplaces and allow the stabilisation of the local population.

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