

CORRELATION OF SUPPLY AND DEMAND ON LABOR MARKET IN RURAL AREAS OF ROMANIA AS A SOLUTION FOR DEVELOPMENT

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Abstract

The main activity in the Romanian rural area remains, as in many other countries, agriculture, but that doesn't mean that this is the only sector in which rural inhabitants could or wish to work in. On the contrary, I assume that a larger palette of activities, correlated with the specific interests of the rural area would solve one of its biggest problems at this moment, the ageing of population and massive migration of youngsters to urban or foreign environments, no matter their professional qualification. This paper aims to prove that wider structure of labour market, a structure that comes in support of agriculture by producing and retailing of in-put sector, adding value to the out-put and also developing service and tourism sectors can produce a real infusion of youth in Romanian rural area.

Keywords

labour market; rural area; youth opportunities; migration.

Introduction

Romania is facing the phenomena of external migration towards more developed countries of the E.U. territory, migration caused by people in search of better income, better working conditions and also by people in search of a better education than in Romania (Popa, 2014). Through time, rural area has been the "victim" of major changes, changes made with the intention of improving the social and economic situation of the country, but with results of an even worse situation on short term and an atypical image on long term. Today's Romanian rural area is shaken, with cut roots and it's trying to build itself again on its old specificities in a world ruled by change, innovation and speed. We can see today flats in villages that were forced to urbanize or cities with farms and no infrastructure as a proof that the struggles of the authorities were irrational, as in the case of Tismana commune (Pricina, 2009). These area is not immune to the global changes like youth migration or the ageing population, but because of fundamental flaws the attention of the population is on surviving in its natural conditions and not being part in the global reorganisation and making future strategies. A solution in their help can come in the form of a well-structured strategy, a strategy oriented on their needs, place specificity and possibilities.

The need of reducing the differences between rural and urban has been made a European priority, at national level, after a first financing period, 2007-2013, with projects of human resources development and rural development, I see fit an analysis of the supply and demand correlation in labor market of rural area.

1. Literature review

The national laws say that a settlement is considered to be rural if most of the population is occupied in agriculture, forestry and fishing, has a specific way of life sustainable for its inhabitants, and the characteristics will be maintained by modernization policies; or if most of the population is occupied outside agriculture, forestry and fishing but the infrastructure

level is not enough to be considered a town (Kerekes K. et. al., 2010). Romanian rural area is characterised by both of these possibilities and the population is occupied in agriculture but not in a sustainable way, the lack of motivation to stay in native lands is sharper. The E.U. legislation considers rural area to be a settlement with villages and small towns, in which most of land is used for agriculture, forestry and fishing, economic and cultural activities of local people, Amusement arrangement of non-urban areas and other uses (except living) (Zotic, 2010). The attractiveness of a habitat is different by age and priorities (Zotic, 2010) and if priorities are built on a strong educational basis, the youth of rural area, that has the power of renewal, can't see any attractiveness in it so they leave to big university centers or to better job opportunities in cities. It is discussed the fact that regions should develop so called smart specialization strategies, which implies a focus on a region's most promising areas (Thissen et al., 2013; Naldi et al., 2015) in order to keep a balance of youth migration. The phenomena is similar, as shown in many papers, to the one in rural China, although it's volume and intensity in Romania are much smaller, but with similar effects: the children of the migrants from rural to urban face inequality, social and educational exclusion and lack of opportunities for a better future (Zhang N., 2013 and Ning C. et. al. 2015). In a study for the World Bank in 1998, prof. Dumitru Sandu sees a higher risk of poverty in rural areas with a low education, aged population, small households, reduced number of animals and a long distance from the city (Sandu, 1998), his opinion has been confirmed through time and the lack of education starts, among others, two negative currents: the increase of unqualified labor force and the ageing of rural population. General characteristics of peripheral and isolated regions are low accessibility, negative migratory balance, and low education levels (Naldi, 2015). There is however a growing literature that acknowledges the relevance of place-based amenity services and entrepreneurial context for the development of rural regions (Rappaport, 2009; Gosnell and Abrams, 2011). As a primary conclusion, it can be said that the attractiveness of a settlement is given by its development opportunities. In this stage, the Romanian rural area is not open to those opportunities so the youth finds ways to leave. A solution for reversing or at least decrease the intensity of this phenomena is given by a larger palette of possibilities to work.

2. Occupied population by sector of activity

The last calculations of the E.U., in 2013, for the Romanian rural area, show that 66% of the 9.070.979 persons populating it had ages between 15 and 64 years old (Common context indicators for rural development programs (2014-2020) – C02 Age structure), a percent resembling to other European countries, that means almost 6 million people needed a job to survive, either in their own farm or other possibilities.

The primary sector of economy occupies 30% of the total occupied population in 2013, of almost 9 million persons, in the secondary sector 28.8% and in tertiary 41.3%. From rural area 3.7 million persons are occupied in all sectors of economy, in 2011 (Common context indicators for rural development programs (2014-2020) – C11 – Structure of Employment). The situation of Romania is a special one, the number of employees, at country level, in primary sector of economy is very high, compared to other countries of Europe, as it can be seen in Table 1.

If the percentage of rural employees can be explained by the percent of rural population, 45%, the atypical situation is given by the overwhelming percentage of employees in primary sector compared to the European average. The reasons for this situation can be themselves subjects of separate papers so I will only mention a few of them: sharp fragmentation of the territory; lack of associative structures; lack of technology and also lack of education which could offer people other jobs than subsistence agriculture.

Table 1 Occupied population structure

Country	Primary sector (Agriculture + Fishing + Forestry) %	Secondary Sector (Industry + Constructions) %	Tertiary Sector (Service + Tourism) %	Employees from rural area %
Belgium	1.3	18.7	80.1	6.8
Bulgaria	19.2	25.1	55.7	32.7
Czech Republic	3.2	36.2	60.6	31.4
Germany	1.5	24.7	73.8	15.2
France	2.8	18.4	78.8	27.0
Italy	3.7	25.7	70.6	19.0
Hungary	7.1	28.9	64.1	38.8
Poland	12.0	30.3	57.7	33.3
Romania	30.0	28.8	41.3	41.4
UK	1.2	16.0	82.9	28.0
UE 28	5.1	22.4	72.5	20.3

Source: Common context indicators for rural development programs (2014-2020) – C11 – Structure of Employment

Although official data bases don't mention it, it is a fair assumption that most of those 30% hired in primary sector come from rural area, this fact comes in support of the first hypothesis, that the lack of working options creates a youth migration phenomenon from rural to urban, where they will accept minimum wages of even on the black market due to lack of qualification.

The fact that Romania indulges in this situation instead of a national strategy on the above mentioned problems that maintain the rural-urban differences is well known and it can be seen easily in the differences of the gross value added of the primary sector at European level and at national level, E.U. – 1.7% and Romania 6.4% (Common context indicators for rural development programs (2014-2020) – C10 – Structure of the Economy), our country relying each year on the low yield agriculture to form its budget. The low yields can be recognised in the utilised agricultural area of 3.4 ha per farm compared to the European average of 14.4 ha per farm and an economic size of 2700 euro per farm compared to the 25000 euro per farm in Europe (Common context indicators for rural development programs (2014-2020) – C17- Agricultural farms).

About the poverty rate, the E.U. has calculated that Romania occupies a shameful penultimate place, with a poverty rate of 41.7 % compared to a European average of 24.8%. The less populated areas, affiliated mostly with rural areas have a poverty rate of 54.8 %, a number that can be translated in motivation to leave for the local population (Common context indicators for rural development programs (2014-2020) – C09 Poverty Rate).

3. Romanian population's migration

The primary hypothesis said that a big part of the rural population, in its working years, migrates to other settlements in order to find a better way of living. To analyse the migration in the last years I have chosen the National Statistics Institute and Internal Affairs Ministry, the data does not take into consideration those with unclear situations or who work on the black market.

In tables 2 and 3 can be observed the double way migratory flow for the internal migration.

Table 2 Home settlements

	Urban (number of persons)			
	<15	15-60	60<	Total
2010	40674	183621	12207	236502
2011	28862	126428	8729	164019
2012	32579	138984	9631	181194
2013	33723	139158	9512	182393
2014	35290	144048	10618	189956
	Rural (number of persons)			
	<15	15-60	60<	Total
2010	52189	156452	13852	222493
2011	38537	111912	10158	160607
2012	42333	135035	13635	191003
2013	40441	117603	10119	168163
2014	44475	125718	11528	181721

Source: www.insse.ro - tempo online – migratory movement of the population – home settlements by age and environment

Table 3 Home leavings

	Urban (number of persons)			
	<15	15-60	60<	Total
2010	46342	209230	17781	273353
2011	34262	146664	13322	194248
2012	39078	169336	16693	225107
2013	39382	157850	13848	211080
2014	41973	164889	15541	222403
	Rural (number of persons)			
	<15	15-60	60<	Total
2010	46521	130843	8278	185642
2011	33137	91676	5565	130378
2012	35834	104683	6573	147090
2013	34782	98911	5783	139476
2014	37792	105077	6605	149474

Source: www.insse.ro - tempo online – migratory movement of the population – home leavings by age and environment

It can be seen that along the 5 years analysed, the home settlements in urban have a slightly higher value than the rural. The difference is given by those in their working years and the

teens that come to study. The number of children and retired people that move to the rural area is higher than the urban, fact that can be explained by the returning to the native lands of those retired who take their grandchildren with them in order to reduce the family expenses.

In the case of home leavings, the number of the urban leavings is higher and it's a natural situations, the opportunities for the urban population to have a change of city are much more and they come from a different category than in the rural. By age categories, equality through the analysed years can be seen in the case of children, they follow their parents to the rural or the urban area. Because of the dispersed structure of the rural area, a number of 100000 leavings of home is very high and it means a strongly aged population to remain behind.

Were taken into account in terms of internal migration, the indicators regarding change of address as a stable situation involving that person and not a transient change that can be repeated easily.

In the case of external migration, the situation of the Internal Affairs Ministry for 2013 show that the proportion of emigrants from rural and urban are approximately equal, of the 171640 emigrants about 56% come from urban and 54 % from rural, most of them are in the working age category. As preferred destinations Italy comes first with 47%, Germany and Spain each have 12.9% followed by Belgium and Austria (Popa, 2014)

4. Increasing the work possibilities in rural area

Rural area has become, in many European countries, an oasis for the people that want to escape the city rush and prefer the villages as a place to raise their children, this means that they came with the comfort of the city, from basic utilities to the latest technologies, creating a new way of life for the rural area, a way rapidly embraced by the locals. Other meaning for rural area in the E.U. is a profitable agricultural business for the young people that inherited their parents' farms or a new way of tourism, more and more searched by city people.

Romanian rural area has become a subject of international interest since Prince Charles of Great Britain has seen and promoted the potential for tourism of the area. As a proof of adaptability and with help from non-profit organizations, the locals have learned to be hospitable and to offer their households for rent to tourists and to have profit from this. This is only a local situation, it is not easily transmitted and publicity is not equally spread so agriculture remains the only source of living for most of the rural area.

A questionnaire conducted at European level has shown that the perception of rural population about the success of a business depends on the skills, management abilities, creativity and the courage of taking the chance (RNDR, 2014). It was also identified the need for information of the potential entrepreneurs. Young people want to start a business but don't know how, that is the reason for setting up a series of classes to teach them how to start and manage their own business. As a proof to that, the measure with the highest absorption of funds from the National Rural Development Program 2007-2013 was "Installing of young farmers", measure that included courses and trainings for the farmers so they could become real managers of their business and not only subsistence farmers. There were also trainings for rural locals who wanted to open a non-agricultural business but the absorption was much lower due to the lack of entrepreneurial education and even basic education that can help them see opportunities in the lacks of their lives.

The new National Rural Development Program, structured on the results and flaws of the first one, is offering support for rural development through education and local initiatives, so the measures still include the "Young farmers", development of non-agricultural business and development of small farms, this being an opportunity for locals to improve their way of life and not leave to other settlements in order to achieve that. Based on the need for education

and information of the local people, measures “Knowledge transfer and information actions” and “Counseling services” offer the ones who have the information the possibility to share it with its direct users – the local rural people and to the locals the possibility to learn and develop their business. Other opportunities for a wider palette of jobs in the rural area come from measures like “Environment and agriculture”, “Ecological agriculture” or “Cooperation” all of them structured to fight the lacks of the rural area with the direct implication of local people.

Conclusions

Romanian rural area starts with disadvantages compared to other European countries, it has been through many deep changes and its building itself again in a very slow pace basing on its primordial knowledge in a world that its going through speeding changes, innovations and globalisation, so in order to make the rural area an active part of this new world the strategies must be structured on place, people and their specifics.

At the moment the supply and demand of labor force in the rural area are not correlated, the demand is poorly qualified and the supply hasn't changed very much in the last 20 years so a new structure of supply needs to be set up in order to meet the demand and a new educational system needs to be structured so the demand can look up to better jobs.

Last years came with the opportunity of financing the local initiatives, opening new business, supporting and training young people to be managers and not unqualified workers. At a slow pace, things started to come alive, farms to be restructured, those who worked abroad have come back home and take over an old farm in their local villages, but until this can be seen as a natural thing to do many years will pass. The local rural area has great potential and that is a good thing especially for locals, but in order to make that potential a real opportunity for most of them, the local authorities must involve and use that financing to help them. It is known that for rural areas, local authorities represent the most reliable source of information. Lacks of the rural area can be transformed in business opportunities, in new jobs and an increase of the way of living that turns to increase of education stock and so a cycle of development can be started.

The possibility for rural children to go to school in good conditions, having access to information through libraries, trainings and internet can resume to a decrease of their need to leave home in order to get a satisfying education and an increase in developing new business.

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