LABOR RESOURCE - A RESTRAINING FACTOR OF RURAL AREAS DEVELOPMENT

FORTA DE MUNCA – FACTOR RESTRICTIV AL DEZVOLTARII ZONELOR RURALE

AGATHA POPESCU[1]

[1]University of Agricultural Sciences and Veterinary Medicine, Bucharest, Romania; agatha_popescu@yahoo.com

Abstract: *The paper aimed to analyze the statement of labor force emphasizing the main restraining factors of rural areas development in the period 2000-2008. The following indicators have been used: active population, employment, unemployment, activity rate, employment rate, unemployment rate, employment rate by educational level, employment in agriculture by population's age, active persons by age, farmers and skilled workers by age group. As a conclusion, Romania's rural population accounts for 45 % of total population, because of the following restraining factors: ageing, low training level, lack of investments and other job alternatives.*

Keywords: *labor, rural areas, development, restrains*

INTRODUCTION

Labor force is a dynamic factor of economic growth. In the transition economies, labor market has known important changes as a consequence of privatization and restructuring [1,3,4,5],

The development of rural areas has to seen as a multifunctional use of land, human, capital and financial resources recognizing the limits imposed by the biological, geographical, economical and social environment [2],

Labor is the core of durable development, economic progress and poverty reduction in the rural space.

Unfortunately, compared to other EU countries, about 45 % of Romania's population is living in the countryside, characterized by a reduction of economically active population, a high number of old

population, a continuous migration both from rural to urban areas and the reverse, a low educational level, a low productivity in agriculture, a lack of other jobs opportunities in the non agricultural sectors, reflecting a lack of sustainable development in the rural space [6],

In this context, the paper aimed to present the statement of labor resource emphasizing the main restraining factors of the rural areas development based on the statistical data provided by National Institute for Statistics for the period 2000-2008 [7].

MATERIALS AND METHODS

In order to set up this paper, the following specific indicators characterizing labor force in the rural areas have been studied: economically active population, employment, unemployment, activity rate, employment rate, unemployment rate, employment rate by educational level, employment in agriculture by population's age, age structure of economically active persons in rural areas, farmers and skilled workers by age group. The period of reference is 2000-2008. The data have been collected from the National Institute for Statistics, Statistical Yearbook, 2009.They have been processed using usual statistical methods for such an analysis: fixed basis index, share of various indicators related to rural population, comparison between rural and urban areas.

RESULTS AND DISCUSSIONS

Economically Active Population accounted for 4,473 thou persons in the year 2008, by 24.64 % less than in the year 2000. At the same time, in the urban area, the active population increased by 2.29 % reaching 5,471 thou persons in 2008. This situation is the consequence of rural-urban migration of the young generation in order to look for a higher training and better paid jobs in the cities or abroad (Table 1).

The share of rural population in total population has recorded an increase from 52.6 % in the year 2000 to 55 % in 2008, reflecting that urban-rural migration is also a new trend starting from the year 2004 mainly determined by low pensions and high living cost in the cities.

Table 1. Economically Active Population by area (thou persons)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2008/ 2000%
Total	11,283	11,151	10,079	9,915	9,957	9,851	10,041	9,994	9,944	88.13
-Rural	5,935	5,872	4,891	4,764	4,534	4,490	4,446	4,500	4,473	75.36
-Urban	5,348	5,279	5,188	5,151	5,423	5,361	5,595	5,494	5,471	102.29
Share of Rural in Total(%)	52.6	47.3	51.4	51.9	54.4	54.4	55.7	54.9	55.0	-

Employment has continuously decreased in the rural areas, reaching 4,268 thou persons in 2008, being by 25.80 % less than in 2000, compared to urban employment which has increasing by 7.25 % in the same period of time. This is due to the lack of opportunities for non-agriculture jobs and the population ageing in the rural areas. The employment share in total employment has registered a decreasing trend from 54.7 % in the year 2000 to 45.5 % in 2008 (Table 2).

Table 2. Employment by area (thou persons)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2008/ 2000%
Total	10,508	10,440	9,234	9,223	9,158	9,147	9,313	9,353	9,369	89.16
-Rural	5,752	5,708	4,627	4,561	4,252	4,258	4,198	4,281	4,268	74.20
-Urban	4,756	4,732	4,607	4,662	4,906	4,889	5,115	5,072	5,101	107.25
Share of Rural in Total(%)	54.7	54.6	50.1	49.4	46.4	46.5	45.0	45.7	45.5	-

Unemployment has grown up by 12 % in the rural communities, accounting for 205 thou person in 2008, while in the cities it was diminished by 37.5 % because of the varied job opportunities. The weight of rural unemployment in the national unemployment increased from 23.6 % in 2000 to 35.6 % in the year 2008 (Table 3). This was due to the pension increase in the rural areas starting from 2008, which has also determined a reduction in seasonal employment.

Table 3. Unemployment by area (thou persons)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2008/ 2000%
Total	775	711	845	692	799	704	728	641	575	74.19
-Rural	183	164	264	203	282	232	248	219	205	112.02
-Urban	592	547	581	489	517	472	480	422	370	62.50
Share of Rural in Total(%)	23.6	23.0	31.2	29.3	35.2	32.9	34.0	34.1	35.6	-

Because of the economic crisis Romania is passing through, agriculture and other nonagricultural activities have become more attractive in the rural areas with a benefic impact upon seasonal employment. For this

reason, the effect of ACP in the Romania's rural areas is not the expected one, on the contrary, it is a reverse one.

Activity Rate is higher in the rural space compared to the urban one in the period 2000-2008, despite that a decreasing trend is noticed from 76.7 % in 2000 to 64.5 % in 2008. This aspect is the consequence of economic development encouraged since 2005 as the rural areas to become more and more suitable to the EU requirement (Table 4).

Table 4. Activity Rate by area (%)

	2000	2001	2002	2003	2004	2005	2006	2007	2008
Total	68.8	67.7	63.6	62.4	63.2	62.4	63.7	63.0	62.9
- Rural	76.7	75.6	67.8	66.0	65.1	65.3	65.2	65.1	64.5
-Urban	62.8	61.7	60.5	59.7	61.8	60.3	62.6	61.6	61.7

Employment Rate is also higher in the rural areas compared to the urban one. In the year 2008, it reached 61.2 % compared to 57.5 % in the urban environment. But, rural employment rate has continuously decreased from 73.8 % in 2000 to 61.2 % in 2008, while in the urban areas it has slowly increased from 55.8 % to 57.5 % in the same period of reference (Table 5).

Table 5. Employment Rate by area (%)

	2000	2001	2002	2003	2004	2005	2006	2007	2008
Total	63.6	62.9	58.0	57.8	57.9	57.7	58.8	58.8	59.0
- Rural	73.8	73.1	63.7	62.9	60.6	61.6	61.1	61.5	61.2
-Urban	55.8	55.2	53.7	54.0	55.9	55.0	57.2	56.8	57.5

Unemployment Rate has registered a decreasing trend determined both by Romania's high economic development in the period 2005-2008 and external migration abroad looking for better paid jobs. Unemployment rate has been 3.1 % in the rural area in the year 2000, than it has increased to 6.2 % in 2004 and then it has decreased to 4.6 % in 2008 (Table 6).

Table 6. Unemployment Rate by area (%)

	2000	2001	2002	2003	2004	2005	2006	2007	2008
Total	6.9	6.4	8.4	7.0	8.0	7.2	7.3	6.4	5.8
- Rural	3.1	2.8	5.4	4.3	6.2	5.2	5.6	4.9	4.6
-Urban	11.1	10.4	11.2	9.5	9.5	8.8	8.6	7.7	6.8

Employment by Economic Branches reflects that agriculture, hunting, forestry, fishery and pisciculture are still important sectors in the national economy, despite that the number of employed persons in agricultural activities has decreased by 32.3 % from 3,575 thou persons in 2000 to 2,421 thou persons in 2008. (Table 7).

Employment in Agriculture by Age Group. In 2008, the age of the employed people in agricultural sectors varied between 15-64 years and

represented 82.5 % of rural population. The figures from Table 8 show that working age of employed people in agriculture is very high, and in addition 17.5 % of rural population is represented by people of 65 years and over .

Table 7. Employment by Branches of National Economy (thou persons)

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2008/ 2000%
Total	8,629	8,563	8,329	8,306	8,238	8,390	8,469	8,726	8,747	101.36
Agriculture*	3,575	3,502	3,015	2,888	2,638	2,678	2,518	2,465	2,421	67.7
Industry	2,004	2,017	2,122	2,059	2,052	1,973	1,969	1,958	1,919	95.7
Services	3,050	3,044	3,192	3,359	3,548	3,739	3,982	4,303	4,407	144.4
Share of Agriculture in Total Employment (%)	41.4	40.8	36.1	34.7	32.02	31.9	29.7	28.2	27.6	-

*Agriculture, hunting, forestry, fishery and pisciculture

Table 8. Employment in Agriculture by Age Group in2008

Employment in agriculture (thou persons)	Of which, at working age (%)						65 years and over (%)
	Total 15-64 years	15-24 years	25-34 years	35-44 years	45-54 years	55-64 years	
9,369	82.5	9.0	17.6	18.5	17.2	20.2	17.5

Rural Population Age Structure by participation in economic activity reflects that economically active persons represented 46.2 % in 2008 and the uneconomically active persons 53.8 %, as a consequence of people ageing in the rural communities. The employed people represented 44.1 % and the highest employment rate, over 60 % is registered by people older than 34 years (Table 9).

Table 9. Rural Population's Age Structure by Participation to Economic Activity in 2008 (%)

Age Group	Economically Active Persons			Non-economically active persons
	Total	Employed	Unemployed	
Total	46.2	44.1	2.1	53.8
-under 15 years	-	-	-	100.0
-15-64 years	64.5	61.2	3.3	35.5
-15-24 years	37.5	32.0	5.5	62.5
-25-34 years	72.1	68.5	3.6	27.9
-35-44 years	80.1	77.0	3.1	19.9
-45-54 years	75.9	73.4	2.5	24.1
-55-64 years	58.4	57.4	1.0	41.6
65 years and over	25.7	25.7	-	74.3

Farmers and skilled workers Age Structure. In 2008, a number of 2,224 thou employees were farmers and skilled workers, representing 23.7 % of employment at country level. A number of 1,803 thou farmers and

skilled workers are of 15-64 years old, representing 81.1 % of their total number. Just 8.6 % are young farmers and workers of 15-24 years old, 17.1 % have 25-34 years, but about 55.4 % are farmers and workers over 35 years (Table 10).

Table 10. farmers and Skilled Workers Age Structure in 2008 (%)

Specification	Total employment (thou persons)	Of which, at working age						65 years and over
		15-64 years	15-24	25-34	35-44	15-54	55-64	
Total country	9,369	94.8	8.3	26.8	26.9	21.7	11.1	5.2
Farmers and skilled workers	2,224	81.1	8.6	17.1	17.9	16.6	20.9	18.9

Employment in agriculture by ownership in 2008 reflects that the most of people is dealing with private business (98.38 %).

Employment Rate by Educational level has decreased in 2008 compared to 2006. The share of employees having high educational level decreased from 84.5 % to 81.6 %, the weight of employees with medium educational level decreased from 69.8 % to 68.7 % and the employed persons with low training level increased from 51.1 % to 51.8 %. This is a negative aspect reflecting a low training level of rural population with a deep impact on economic development of rural communities (Table 11).

Table 11. Employment Rate by Educational level in the Rural Area (%)

	2006				2008			
	Total	Educational level			Educational level			
		High	Medium	Low	Total	High	Medium	Low
Total country	58.8	86.1	64.9	39.6	59.0	85.7	63.5	41.0
Rural	61.1	84.5	69.8	51.1	61.2	81.6	68.7	51.8
Urban	57.2	86.3	62.3	21.3	57.5	86.2	60.5	22.0

Rural Population Structure by Development Region. The majority of rural population is living in the N-E, S-E and S-W regions, dealing mainly with agriculture. The highest developed rural communities, whose population is working with various economic branches, are situated in the W, N-W, Central regions and Bucharest-Ilfov area. Investments made in nonagricultural sectors helped Bucharest and Center areas to be better developed. A slight decrease of employed persons in agriculture is noticed in N-E, S, W, N-W, Center and Bucharest. But, in the S-E and S-W, the share of employed people in agriculture has increased because of the lack of

investments in non agricultural sectors, the population hired from industry and absorbed in agriculture (Table 12).

Table 12. Rural Population Structure by Development Regions (%)

Development Region	2000	2001	2002	2003	2004	2005	2006	2007	2008
Total Rural (thou persons)	5,752	5,708	4,627	4,561	4,252	4,258	4,198	4,281	4,268
North West	71.8	73.3	62.3	60.7	55.5	57.5	57.9	56.4	54.0
Center	66.0	64.8	58.1	54.9	49.0	51.4	52.1	52.7	53.0
North East	77.7	77.7	68.5	67.5	69.4	69.2	66.1	68.4	66.8
South East	73.4	71.8	61.4	61.1	58.1	57.5	58.2	56.5	57.0
South Muntenia	71.1	69.8	61.7	61.4	60.6	61.8	63.0	64.3	64.4
Bucharest Ilfov	61.0	58.2	49.7	50.8	49.9	52.2	55.1	54.8	64.5
South West Oltenia	82.4	82.2	70.9	71.7	66.4	68.4	66.6	66.1	67.1
West	75.4	71.4	62.0	61.5	59.3	60.0	58.9	59.8	60.4

CONCLUSIONS

1. About 45.5 % of Romania's population is living in the rural areas and dealing mainly with agriculture having a negative impact upon labor productivity, whose level is one the lowest ones in the EU.

2. Despite that agriculture contributes by 18 % to GDP, investments in this sector are more than modest, representing about 3 % of the total investments in Romania's economy. As a result, non agricultural sectors are less developed in the rural communities and a lack of job alternatives is still characterizing the local economy in the rural space.

3. The low training level in agriculture is close related to employment rate and it is another restraining factor for rural population 's professional reconversion.

4. The rural population's ageing causes serious problems to labor productivity, modernization of communities and balanced multifunctional development of the rural space. It is a characteristic phenomenon for Romania, determined by reduced birth rate, social and economic problems, mainly poverty in many of the rural communities.

5. The surplus of employed persons mainly in the North-East, South-East and South West is an important restraining factor of the productivity development in agriculture.

6. Rural areas require deep changes in non-agriculture sectors such as processing, trade, services etc in order to create new job opportunities, to increase rural population's income and living standard. This means

investments both in agricultural and non-agricultural activities, a new national and local policy concerning the development of rural communities.

7. A special attention has to be paid to ageing and training level, running special programmes for stimulating young people to work in their home localities.

8.Rural areas development requires a behavior and mentality change, more involvement of the Government and other decision makers both at national and local level to find the best solutions for stimulating the multifunctional development of the rural space.

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