

SOCIAL DYNAMIC AND LABOR MARKET OVER THE PAST DECADE. CASE STUDY: DOLJ COUNTY

AVRAM Cezar, RADU Roxana

Abstract. *Social, economic and political changes suffered by the Romanian society in the last decade influenced, naturally, the development of Dolj county population, its social structure and labor market developments. Statistical indicators reveal a number of negative social trends at the county level: ageing population, unemployment, social protection expenditure, low employment level in rural areas, relatively high frequency of work accidents and occupational diseases, very low fertility rate. Analysis of social trends and labor market dynamics helps to identify areas to be subject to future strategies in order to find appropriate solutions to social problems of the future.*

Keywords: *population, labor, market, unemployment, work.*

Socio-political and, equally, the economic dimension of integration on the labor market is a matter of undeniable importance as the center of all public policies, especially the social ones are people and the ideal of prosperity and social inclusion by tackling unemployment, poverty and marginalization.

Strengthening the social dimension of economic policies and policies relating to employment are the responsibility of each state, but regional-scale problems can only be addressed at regional level. Some problems (such as, for example, unemployment or social exclusion) affects the whole community. Every citizen, every political party, each state must recognize the existence of a “common good” which goes, integrates and completes the common good of a collective or the individual welfare.

Social sphere is very important for Romania because the requirements of integration into a Europe characterized by the existence of a plurality of traditions, cultures, ethnicities, religions makes Romania needing acceptance, understanding and tolerance from the part of its citizens in order to eliminate any form of discrimination, racism, xenophobia, anti-semitism.

Economic and social dimension of European integration raises first the problem of solving rivalries between those who work within the work market (which are protected against social risks) and those excluded (who wish to enter this market and lack the social protection measures). In such a scenario it is extremely necessary to reform the social security system. To meet the needs of citizens, it is necessary first of all a political decision which can not ignore the continental size of economic and social crisis.

Analysis of social trends indicates an expansion, in the coming period, of the demand for benefits and social services. However, the potential of labor supply is also increasing, fact that imposes the making of appropriate decisions based on timely and reliable information. In addition, the encouraging trends in social participation should be viewed as an opportunity to be exploited if we are to find appropriate solutions to social problems of the future.

The changes made by the Romanian society in the last decade on the social, economic and political level influenced, naturally, the evolution of Dolj County’s population, its social structure, as well as the labor market.

Demographic Ageing

During 2001-2006 period, in Dolj County was held at a steady pace the process of demographic ageing, which primarily affected rural areas and then urban areas, being recorded a decrease of the young population (age group 0-14 years, from 16.89% in 2001 to 14.77% in 2006) and a parallel increase of the adult population: for age group 15-59 years, from 61.08% in 2001 to 63.43% in 2006 (Consiliul Județean Dolj 2008, 10).

In 2002, Dolj County’s population numbered 734,231 persons, of whom 368,410 in urban areas and 365,821 in rural areas (Institutul Național de Statistică 2009, 11).

On July 1, 2007, Dolj County had a population of 712,187 people (Institutul Național de Statistică 2009, 77), and on July 1, 2009 a total of 705,345 inhabitants, being recorded a drop of 22,044 people within every five years and 6,842 within 2 years. In comparison with the European Union, where those aged over 60 years represented 24% of working-age population recorded in 2003 (people aged between 15 and 64 years), in Dolj County the same category represented a percentage of 21.9% (the percentage will remain unchanged in 2007). Comparing the numerical evolution of county population by age, we found an increase in the number of persons aged between 70 and 74 years from 33,854 in 2003 to 35,937 in 2007, of those aged between 80 and 84 years from 11,779 in 2003 to 15,548 in 2007, as well as of people aged over 85 years from 5,016 in 2003 to 6,023 in 2007 (Institutul Național de Statistică 2009, 14). The ageing of population creates a significant increase in spendings with social security rights (especially pensions) and social assistance for the elderly and another, more moderate, increase of expenditure on temporary disability insurances.

Dolj County’s population continues to age and is in a steady decline relative to the population of Romania, due to low birth rates and death rates, a phenomenon found throughout Europe (Rompres 2004). Another factor behind the population decline is the phenomenon of migration which had a negative score, the number of migrants exceeding the one of the immigrants: 210 migrants and 126 immigrants in 2007 (Institutul Național de Statistică 2009, 81).

Employment of work force

In 2007, the number of people occupying a job in Dolj County stood at 276,003 persons, 7,008 more than in 2006 (Institutul Național de Statistică 2009, 95). Overall occupancy rate of the population was 40.8% in 2007 compared to 40.6% rate in 2003 (Institutul Național de Statistică 2009, 95). In late 2007, in Dolj had been recorded a percent of 48.4% employees from the total number of civilian employees, while the unemployed represented 4.4% of civilian labor force. In 2008, statistics show a total of 276,006 people occupying a job in Dolj County (Institutul Național de Statistică 2010a), of which 136,000 employees (Institutul Național de Statistică 2010b). The number of employees has been steadily declining; in 2009 being recorded a number of 129,002 employees (Institutul Național de Statistică 2010b).

As regards the employment rate in rural areas compared to urban areas, the average number of persons employed in 2004 (109,602, representing a 6% decrease compared with 1998), 93.1% were in the urban area (102,079 employed persons) and only 6.9% in rural areas (7,523 persons employed). Analyzing the average number of persons employed in the localities of Dolj County, 94.5% of the total are concentrated in 7 locations: Craiova - 86.1%; Calafat - 2.4%; Băilești - 2.3%; Filiași - 1.3%; Podari - 1%; Ghercești - 0.7%; Ișalnița - 0.7% (Consiliul Județean Dolj 2009, 19).

In the last decade, the activity rate of older people, particularly those aged between 60 and 64 years, has declined steadily in almost all Member States of the European Union, Romania being no exception. This rebound was rather the result of combining several factors such as the lack of jobs, reduced mobility and insufficient qualifications and not the result of the early retirement benefit.

In 2005, the number of civilian employees was 266,600 persons, representing 37.2% of the resident population in Dolj County and 31.1% of total civilian employees in South-West Oltenia region. Over 44% of total civilian employed population were occupied in agriculture, forestry and hunting, 18.15% in industry (mainly manufacturing), 12% in trade. Statistical data shows that the share of services in total civilian employed population rose during 2001-2005 period, from 27.5% in 2001 to 33.61% of total civilian employees in 2005 (Consiliul Județean Dolj 2009, 62).

Women's Employment Rate

In 2007, 57.6% of the total number of employees in Dolj County was men (Institutul Național de Statistică 2009, 96). Unemployment rate among women was 4.9% in 2007 compared with 5.8% in 2006 and 7.5% in 2003 (Institutul Național de Statistică 2009, 96). Percentage of men in almost all fields of activity was much higher, but the gender gap has been gradually reduced over time. In all sectors, women have almost the same opportunities as men to be economically active. In the services sector, the percentage rate of women employed has exceeded even that of men: 66.5% - in case of women, compared to 63.5% - in case of men (Institutul Național de Statistică 2009, 96).

A major trend of the last decade is the increase of women's participation in economic and social life, a trend that has been, without doubt, strongly linked to the above mentioned trend of population ageing. In the last three decades, education and employment of men and women have become increasingly similar. A much higher percentage of women turned to employment activity, thereby benefiting of the individual social security rights. However, in families, according to ancient Romanian traditions, women continue to assume much of the typical household tasks. In future, these responsibilities will likely lead to an increased demand for social services, particularly children and elderly care.

Income Level

In the last decade, the average income disposable in Dolj County has experienced considerable change. Compared to the year 2003, average monthly gross wage income for 2007 was 1327 RON and net average income was 987 RON, registering a growth of 32.2%, respectively 35% (Institutul Național de Statistică 2009, 104). After a period of involution, inequality worsened, the lowest wages being recorded in the agriculture, forestry and trade, and the biggest in the sector of financial intermediations. This trend is however uniform in time and space, in 2008 the lowest salaries being paid in real estate transactions, hotels and restaurants, and in 2009 in hotels, restaurants and administrative services.

The combined effects of net market incomes and social benefits significantly influenced the distribution of incomes. Social benefits reduce social inequalities, but at the same time, increase differences between income levels in different European Union member states. Between the volume of social benefits and their redistributive effect is a positive report which seems to indicate that the more important is redistribution, the higher is the part of GDP (Gross Domestic Product) taken for this purpose.

Average monthly nominal net earnings, by activities of national economy - Dolj County (RON/employee).

Activity (CAEN - National Classification of Activities of the Romanian Economy Rev.1)	2004	2005	2006	2007	Activity (CAEN - National Classification of Activities of the Romanian Economy Rev.2)	2008	2009
Total/economy	597	720	855	987	Total/economy	1216	1303
Agriculture, hunting and forestry	418	529	581	727	Agriculture, forestry and fishing	836	1110
Fishing and pisciculture	424	382	407	367			
Industry	641	792	899	1010	Industry	1216	1324
Mining and quarrying industry	928	1307	1714	1563	Mining and quarrying industry	2060	2381

Manufacturing industry	582	707	776	908	Manufacturing industry	1081	1167
Electricity, gas and water	971	1162	1395	1546	Production and supply of electricity, gas and hot water and air conditioning	2249	2400
					Water supply, sanitation, waste management and decontamination activities	1112	1079
Constructions	492	623	703	865	Constructions	1029	1096
Trade	373	450	544	651	En-gross&en-detail Trade	817	860
Hotels and restaurants	369	378	454	563	Hotels and restaurants	652	628
Transport, storage and communications	821	822	958	1152	Transport and storage	1455	1502
					Information and communication	1918	2054
Financial intermediation	1331	1860	1817	2146	Financial intermediation and insurances	2546	2380
Real estate transactions and other services	534	584	782	899	Real estate transactions	677	840
					Professional, scientific and technical activities	1487	1722
Public administration	850	956	1428	1745	Administrative service activities	804	797
					Public administration and defense	2106	2160
Education	723	857	1094	1232	Education	1471	1595
Health and social care	555	732	863	1036	Health and social care	1347	1396
Other activities of national economy	470	593	709	728	Shows, cultural and recreational	1061	1261
					Other activities and services	726	869

Source: Institutul Național de Statistică 2010c

Level of Education

The level of education in Romania has progressed steadily in recent years, this being due primarily to the fact that access to the labor market has been growing competition among candidates, fact which has stimulated young people to acquire higher qualifications. Statistics show that the most vulnerable occupational categories on labor market, which recorded the highest unemployment, are people with low education and vocational studies. Regarding the age groups, most affected by the phenomenon of unemployment are young people (under 25) and adults aged between 30 and 49 years.

A significant proportion of young people is currently leaving the education system after the completion of the first cycle of secondary education. They face significant difficulties in finding a job and in asserting their potential in society. They form a group threatened by social exclusion and need support in terms of career guidance, work experience and training opportunities.

During 2001-2005 period, the situation of higher education has improved, the total number of students enrolled in universities has increased by 6.7% (well below the national average of 34.4%). Craiova occupied the fifth place in the national classification of universities (after Bucharest, Iași, Cluj and Timișoara), in the 2005/2006 academic year holding 4.3% of the total number of students in Romanian higher education. Regarding the distribution of students on faculties and specializations, between 2001 and 2005 there was a significant increase in the number of students in the following profiles: agriculture (+ 74%), technical (+ 21%) and economic (+ 16%) and the number of students who attended a college education fell by 50% (Consiliul Județean Dolj 2009, 95).

School population by level of education (including private education).

Dolj County	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010
Total number	148606	147728	150241	147556	147285
Pre-school	20997	20318	20391	19561	19811
Primary and secondary school	62134	60305	58606	56537	54807
Primary school (I-IV)	30218	29590	28002	27486	26865
Secondary school (V-VIII)	31916	30715	30604	29051	27942
Special education (I-VIII)	246	229	212	210	221
High school	24774	24932	25304	25359	27392
School of Arts and Trades and Apprenticeship	8030	7017	6192	5523	3182
Post-secondary and foremen schools	1971	1725	2114	2926	3466
Higher education	30700	33431	37634	37650	38627

Source: Institutul Național de Statistică 2010d

Unemployment

In 2005, unemployment rate registered in Dolj County (6.3%) was lower than that recorded both at the regional (6.6%) and national level (7.2%) (Consiliul Județean Dolj 2009, 61). The total number of unemployed registered at the County Agency for Employment at the end of 2007 was 14,347, lower than that of 23,580 registered in 2003 (Institutul Național de Statistică 2009, 96). Of this total, only 30.7% benefited of unemployment benefit, the remaining 69.3% being people who were not entitled to receive unemployment benefit or whose granting period expired. Among unemployed which enjoyed social rights, those aged under 25 years (28%) and those aged between 40 and 49 years (25.5%) had the highest rate (Institutul Național de Statistică 2009, 96). Statistical analysis reveals some particular feature by gender: while men's unemployment rate exceeds female unemployment rate by 2.6%, the employment rate for women exceeds that of men by 2.5% (Consiliul Județean Dolj 2009, 61).

Registered Unemployed and Unemployment Rate in Dolj County.

Year	Unemployed registered by the Employment Agencies (number of persons)	Of which: Women (number of persons)	Unemployment Rate (%)	Unemployment Rate women (%)
2004	16176	6923	5,8	5,0
2005	17834	6777	6,3	5,0
2006	19598	7836	6,8	5,8
2007	14347	6563	5,0	4,9
2008	24310	10531	8,4	7,9
2009	33643	14089	10,2	11,2

Source: Institutul Național de Statistică 2010e; Agenția Națională pentru Ocuparea Forței de Muncă 2010

Developments on the labor market in 2008-2010 period are alarming. The number of registered unemployed increased in Dolj County in 2008 at a number of 24,310 people, and in 2009 at 33,643. From these statistics it can be easily ascertained that the unemployment rate has doubled, rising from 5% in 2007 to 10.2% in 2009.

Expenditure on Social Protection

Expenditure on social protection includes unemployment benefits, pensions and other rights of social insurances, costs for training of persons deprived of employment, payments for encouraging the unemployed to undertake a job before the expiration of unemployment payments, for encouraging employers who hire unemployed or disadvantaged persons, compensatory payments made under the programs of restructuring, privatization and liquidation, expenses on boosting graduates rate of employment and combat social exclusion, social welfare benefits, expenditures for children care, social assistance of the elderly etc.

In 2005 (January, 1st), the General Directorate for Social Assistance and Child Protection (D.G.A.S.P.C. in Romanian) Dolj had 12,132 disabled people in charge (1,925 children and 10,207 adults), of which: 1,272 with locomotion disability; 1,056 with somatic disability; 477 with hearing disability; 3,439 visually handicapped; 3,506 mentally handicapped; 1,473 with neuropsychic disability; 688 with associated disability; 221 with AIDS and HIV. DGASPC Dolj had also registered 1,890 children, of which 450 children in residential system, 314 children in alternatives forms to residential protection, including children in family type homes, 1,126 children in family type alternatives. A total of 890 children have benefited in 2005, from financial support for maintaining the child inside family and prevent child abandonment (Consiliul Județean Dolj 2009, 61).

Expenditure on Unemployed Social Protection (thousands of RON).

Dolj County	2005	2006	2007	2008	2009
Total	43784,2	42635,4	38619,8	37473,9	84991,9
Unemployment benefit ¹	23091,9	25790,1	21207,7	18678,4	53625,4
Vocational integration allowance ²	2406,8	1839,8	1467,5	1445,2	2449,8
Support allowance	-	-	-	-	-
Graduates payments	2024,4	1096,4	1570,4	1468,3	1363,6
Expenditure on occupational training	1192,9	809,5	102,3	110,9	9,8
Expenditures on encouraging the unemployed to undertake a job before the expiration of unemployment payments ³	228,1	167,9	182,5	159,7	125,7
Payments for stimulating labor mobility ³	155,3	130,1	143,2	161,6	201,0
Payments for encouraging employers who hire unemployed or disadvantaged persons ³	1087,6	1274,2	1262,4	1461,4	929,9

Compensatory payments made under the programs of restructuring, privatization and liquidation	4237,0	802,4	832,8	620,9	860,4
Expenses on boosting graduates rate of employment	-	41,9	129,2	109,6	55,0
Expenditure on combating social exclusion ⁴	-	44,7	60,7	23,4	8,8
Other	9360,2	10638,4	11661,1	13234,5	25362,5

¹ Including unemployment benefits for persons unemployed due to job loss, according to art. 39 of Law no. 76/2002 on the unemployment insurance system and employment stimulation, Government Emergency Ordinance no. 170/2001, G.E.O. no. 95/2002, G.E.O. no. 175/2002, G.E.O. no. 8/2003, G.E.O. no. 113/2003 and G.E.O. no. 115/2003.

² Including unemployment benefits granted to graduates of educational institutions under Art. 40 of Law no. 76/2002 on the unemployment insurance system and employment stimulation.

³ New categories of expenses, according to Law no. 76/2002 on the unemployment insurance system and employment stimulation.

⁴ According to Law no. 116/2002 on preventing and combating social exclusion.

Source: Institutul Național de Statistică 2010f; Agenția Națională pentru Ocuparea Forței de Muncă 2010

On the total of inactive population, the average number of retired increased by 10.8% in 2007 versus 2003 (Institutul Național de Statistică 2009, 108), and in 2009 grew by 33.7% compared to 2005. Also significant are the expenditures on invalidity pensions (Institutul Național de Statistică 2010h), the number of people with a permanent disability to work (7% of the people of working age in 2005), having an atypical growth of around 21% during 2001 – 2005, as well as during 2005 – 2009 period.

Average Number of Retired People.

Dolj County	2005	2006	2007	2008	2009
Total number of retired	198	244	319	486	586
Social insured	198	244	320	487	587
Social insured in state system	249	292	375	562	670
Social insured in agriculture	93	122	165	260	308
Social benefit beneficiaries	78	87	113	160	191
War disabled, orphans and widows	212	221	231	241	243

Source: Institutul Național de Statistică 2010g

Work Accidents

Approximately 167,000 workers from EU countries lose their lives every year in work accidents, and another 159,000 people die from occupational diseases, according to the European Agency for Safety and Health at Work (Eurostat). Accidents are caused mostly by unsafe working conditions and / or unsafe actions of employees.

The statistical data presented by the National Labour Inspectorate delivers an insignificant decrease in the number of work accidents recorded in 2008 compared to 2007 and 2006 (the moment of entry into force of Law no. 319/2006 regarding health and safety at work), the index of frequency for the total number of injured being of 0.80 ‰, with 0.04 ‰ lower than in 2007 and 0.05 ‰ lower than in 2006. In the first nine months of 2009, 2,467 workers were victims of an accident, and in the first quarter of 2010 there were 685 accidents (Inspekția Muncii 2010), the percentage of accidents being higher in the constructions sector.

According to statistics, in 2007 was recorded the lowest number of work accidents (86), although 49.26% of workers were exposed to contaminants (Institutul de Sănătate Publică București, 2008, 31). Also in 2007 was the highest number of new emerging cases of occupational diseases (218), Dolj County being placed on the second place among counties with high incidence of occupational morbidity rate (Institutul de Sănătate Publică București, 2008, 43).

Injured at work.

Dolj County	2005	2006	2007	2008
Total number of injured at work of which:	100	101	86	98
Dead	7	8	7	10
Temporary work disability	93	93	79	88
Number of collective accidents	-	-	1	-
Number of injured in collective accidents	-	-	3	-
Number of deadly injured in collective accidents	-	-	-	-
The rate of work accidents (‰)	0,63	0,64	0,55	0,64

Source: Institutul Național de Statistică 2010i

Although the values are generally higher than the regional average, Dolj County has a socio-economic level of development under the national average, GDP per capita in Dolj County representing 80% of the national average (national average was 3,500 euros per capita in 2005) and about 27% of EU 27 average (Consiliul Județean Dolj 2009, 61). Also, the main social indicators are below the European average: for example, employment rates, decreasing in recent years, represented 60.6% in 2005 (60.1% at regional level) is below the European average of 67% and away from the Lisbon target of 70% (Consiliul Județean Dolj 2009, 127).

Statistical indicators show a series of negative social developments at regional and county level and help to identify areas that should be subject to future strategies. One of the most worrying phenomena is population ageing. Equally alarming are the unemployment rate and social protection expenditures which, in the current economic conditions, are continuously increasing. Other negative social aspects recorded in Dolj County are the low employment rate in rural areas, the relatively high frequency of work accidents and very low fertility rate. Although there was a general improvement in living conditions, specific groups in society still faces serious social problems. In the same time, demographic and behavioral trends are going to emphasize the need to protect and diversify the necessities of protection coming from society.

In conclusion, we can say that at the end of the first decade of the third millennium, Dolj County is affected by a number of competitiveness problems related to its geographical position, on the one hand, and to the slow processes of industrialization and development (particularly in services and tourism sector), on the other hand, problems exacerbated by the global economic crisis. The wind of social change we are witnessing, as a result of globalization, demographic change, new forms of work and family life, and the transition to a knowledge society, increases the importance of social dimension in achieving economic efficiency and social equity.

BIBLIOGRAPHY

- Agenția Națională pentru Ocuparea Forței de Muncă, *Raport de activitate pentru anul 2009*, 2010, <http://www.anofm.ro/proiect-raport-activitate-2009> (accessed on November 10th 2010).
- Consiliul Județean Dolj, *Elaborarea strategiei Consiliului Județean Dolj de dezvoltare economico-socială 2007-2013*, 2008, p. 10, <http://www.adroltenia.ro/index.php?id=7&sid=21&news=151> (accessed on October 1st 2010).
- Eurostat, http://epp.eurostat.ec.europa.eu/cache/ITY_SDDS/en/hsw_acc_work_esms.htm (accessed on June 9th 2009).
- Inspekția Muncii, <http://www.inspectmun.ro/Statistici/statistici.html> (accessed on November 10th 2010).
- Institutul de Sănătate Publică București, *Morbiditatea profesională în România în 2007*, 2008, http://www.sigurantamuncii.ro/pages/legis/Lucrare_BP_2007.pdf (accessed on October 1st 2010).
- Institutul Național de Statistică, *Anuarul Statistic al Județului Dolj*, 2009, <http://www.neamt.insse.ro/cmsdolj/rw/resource/cupanuardj.pdf?view=true> (accessed on October 1st 2010).
- Idem, 2010, http://www.dolj.insse.ro/cmsdolj/rw/pages/j9_PopOcupCivSfAn.ro.do (accessed on October 1st 2010).
- Idem, 2010, http://www.dolj.insse.ro/cmsdolj/rw/pages/j14_NrMediuSal.ro.do (accessed on October 1st 2010).
- Idem, 2010, http://www.dolj.insse.ro/cmsdolj/rw/pages/j20_CastigSalMediuNetLunar.ro.do (accessed on October 1st 2010).
- Idem, 2010, http://www.dolj.insse.ro/cmsdolj/rw/pages/j30_PopScolara.ro.do (accessed on October 1st 2010).
- Idem, 2010, http://www.dolj.insse.ro/cmsdolj/rw/pages/j17_SomeriRataSomaj.ro.do (accessed on October 1st 2010).
- Idem, 2010, http://www.dolj.insse.ro/cmsdolj/rw/pages/j26_ChProtSomerilor_2002-2006.ro.do (accessed on October 1st 2010).
- Idem, 2010, http://www.dolj.insse.ro/cmsdolj/rw/pages/j10_nrmedpens.ro.do (accessed on October 1st 2010).
- Idem, 2010, http://www.dolj.insse.ro/cmsdolj/rw/pages/j11_pensmed.ro.do (accessed on October 1st 2010).
- Idem, 2010, http://www.dolj.insse.ro/cmsdolj/rw/pages/j18_NrAccidentatiMunca_2005-2006.ro.do (accessed on October 1st 2010).
- Idem, 2010, http://www.itmdolj.ro/dinamica_accidentelor.html (accessed on October 1st 2010).
- Rompres, L.C. – *Europa, tot mai bătrână*, 31 ianuarie 2004, www.expres.ro (accessed on June 31st 2004).