
UNEMPLOYMENT AND ITS CONTENT

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Abstract

Unemployment is the ratio between the employed population and the number of employees. Unemployment does not have a fulminant increase because many of the Romanian citizens who lose their jobs go abroad where they get somewhat higher incomes. It is true that they bring into the country quite large sums that contribute to helping families or making small investments or works they need.

In this article, using the data provided by the National Institute of Statistics, Eurostat and especially the data contained in the Statistical Yearbook 2022, we aimed to highlight the trend of this indicator, unemployment, slightly increasing, sometimes stagnant, but let's explain further broadly, what is the situation of employment, of labor resources in our country, in order to make it easier to understand that unemployment is not the one we calculate as a result of the correct data that exists at the National Institute of Statistics, but, from the point of view of view of the unemployment of the population is much higher if we also take into account the more than 4 million people who practically work abroad for indefinite or determined periods and who, over time, even settle in other states of the European Union or, on a wider scale, in the world.

I used the indicators provided by the INS and Eurostat that I processed, I placed them more eloquently in graphs and tables.

Keywords: population, employees, unemployment, crises, developments.

JEL classification: E20, E30

Introduction

In this article I started by presenting the actual situation of the population in our country. I have shown that according to the data provided by the National Institute of Statistics through the monthly releases, unemployment has a slight tendency to increase, but this is not entirely edifying considering the larger number of the unemployed population and not registered as unemployed or the population working abroad and, why not, the population

still working in limited conditions of unemployment, but with incomes that do not provide them with a special perspective and, above all, a perspective of pensions.

We analyzed unemployment according to several structures, the urban environment and the rural environment, female and male, resulting in the fact that in the urban environment the level of unemployment is higher, and according to the gender structure, unemployment is higher in the female field.

Also, an analysis of the age structure shows that the young generation has a higher percentage of unemployed which tends to increase, and in the population of the 2nd and especially the 3rd age, the number is lower and as a result of exiting the labor field and passing into the category of pensioners.

In this article, we also referred to a paradox that exists in our country, namely that having a number of over 430,000 registered unemployed, plus an unregistered population or working abroad that would lead to a particularly high number, Romania lacks skilled labor.

In this context, annual approvals are presented and obtained for the use of labor force from Asian countries especially, Romania becoming in a way for Asian countries in the field of labor what Western Europe has become for Romania in this field. The fields that most acutely feel the lack of labor force include construction, public catering, some services, etc.

I have shown that in this way we cannot talk about an obvious structure of professional and even higher education, which would provide for the labor market cadres according to the specializations in difficulty.

This also explains the fact that job vacancies increase from one period of time to another, but when fairs and tenders are organized to fill these jobs, they remain unoccupied precisely because there is a discrepancy between what comes out of education high school, less professional, but also higher education. Here we encounter the situation that from high school education, especially higher, the most gifted elements go to continue their studies abroad and, as a rule, they stay there after finishing their studies.

It remains to be determined what measures should be taken in order for education of all grades in Romania to be better anchored in the realities of our country, to be better subsidized and to create a framework in which to prevent as many high school graduates as possible from going to study abroad or among the graduates of higher education, let the valuable ones go to look for jobs abroad.

Literature review

The analysis of unemployment and the way of employment of the population has been the subject of several researches. Thus, Agrawala and Matsab (2013) studied the relationship between unemployment risk and business financing decisions, and Anghelache, Anghel, Dumbravă and Ene (2018) analyzed the correlation between the employment rate, unemployment and vacancies in the economy. Couch, Reznik, Tamborini Iams (2013) analyzed the long-term consequences of unemployment. Kroft and Notowidigdo (2016) as well as Krueger and Mueller (2010) presented significant elements regarding unemployment insurance. Moscarini and Postei Vinay (2012) studied how employers, depending on their size, contribute to job creation during periods of unemployment. Nekoei and Weber (2017) tried to identify how job quality is improved by extending unemployment benefits.

Methodology

To facilitate the understanding of the analysis made in this article, we will present the main methodological aspects used by the National Institute of Statistics. Thus, the unemployed, according to the international definition (BIM), are people aged between 15 and 74 (in completed years, at the end of the reference week), who during the reference week were not employed according to the definition of employed persons, were available to work, i.e. they were available for paid employment or self-employment within two weeks after the reference week, and they were actively looking for a job, i.e. they either made concrete efforts during the four-week period that ended with the reference week to look for a paid job or to carry out an independent activity, or they have found a job where they are going to start the activity within no more than 3 months from the end of the reference week.

The economically active population includes all persons who provide the labor force available for the production of goods and services during the reference period, including the employed population and the unemployed.

The employed population includes people aged between 15 and 89 (in completed years, at the end of the reference week) who, during the reference week, fell into one of the following categories: people who, during the reference week, have worked at least 1 hour for pay or for profit, including family workers who collaborate in the family business; persons who have a job or an enterprise and who were temporarily absent from work during the reference week, but had a formal connection with the workplace, provided that the following groups have a formal connection with the workplace ; persons absent from work due to vacations, organization of working time, medical leaves, maternity or paternity leave; persons attending vocational training

courses for the workplace; people on parental leave who receive and/or are entitled to income or benefits related to work or whose parental leave should last no more than 3 months; seasonal workers in the off-season, if they continue to regularly perform tasks and duties for the workplace or for the enterprise, excluding the fulfilment of legal or administrative obligations; persons temporarily absent from work for other reasons, if the expected duration of the absence is a maximum of 3 months, or persons who produce agricultural goods intended for the most part for sale or exchange in kind. Starting from 2021, people who produce agricultural goods intended exclusively or mainly for self-consumption are no longer part of the employed population.

The registered unemployed are the people in the records of the National Employment Agency (ANOFM), who benefit from the provisions of the legislation on the social protection of the unemployed.

The two sets of statistical indicators, monthly unemployment according to the international definition and registered unemployment, are not comparable because the data sources, measurement methods, concepts, definitions and scope are different. The analysis of the data from both series, however, provides a complete and real picture of the Romanian labor market.

The applied estimation methodology is based on econometric methods that exponentially level the data series with a linear trend. The estimated values are derived from the data provided by the statistical research on the labor force in households, based on some smoothing coefficients, which correct the level and trend of the series in raw (unadjusted) form. For provisional results, values are derived taking into account partial data collected for the reference month.

The data are presented in a seasonally adjusted form, thus eliminating the effect of seasonal variations. The DEMETRA program package (TRAMO/SEATS method) was used for seasonal adjustment. The seasonally adjusted series were obtained by removing the seasonal component from the original series. The trend, which represents the series adjusted both for the effect of seasonal and accidental variations, was obtained by removing the irregular component from the seasonally adjusted series.

Due to the small number of observation cases, the degree of reliability of the estimates for the indicators corresponding to the category of young people (age group 15-24 years) is extremely low, the obtained series presenting a high degree of volatility. Therefore, quarterly data are disseminated for the youth category (for example, the data presented for the months of January, February and March are equal and refer to the first quarter). Data for young people are disseminated, as provisional data, two months after the end of the reference quarter and finalized with the completion of the estimates for the AMIGO statistical survey in the corresponding quarter.

Data, Results and Discussion

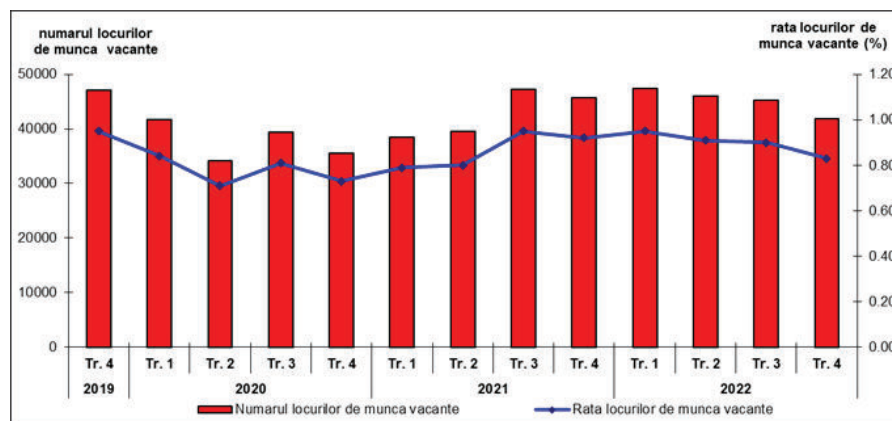
Analyzing the labor market, we find that there are fewer vacancies in the fourth quarter of 2022. Thus, in the fourth quarter of 2022, the number of vacant jobs was 41.9 thousand, down by 3.4 thousand compared to the previous quarter. Also, the estimated vacancy rate for the fourth quarter of 2022 was 0.83%, down 0.07% from the previous quarter.

If we do a comparative analysis with the same quarter of 2021, the number of vacancies decreased by 3.8 thousand and the vacancy rate decreased by 0.09%.

Based on the data taken from the National Institute of Statistics, graph number 1 was drawn up, which highlights the evolution of the rate and number of vacant jobs during the period IV quarter 2019 - IV quarter 2022.

Evolution of the rate and number of vacant jobs during the period IV quarter 2019 - IV quarter 2022

Graph 1



Source: INS release no. 44 / February 20, 2023

Analyzing the data on activities of the national economy, we find that in the fourth quarter of 2022, the highest rates of vacant jobs were registered in public administration (1.61%), performance, cultural and recreational activities (1.46%), transport and storage (1.44%), respectively water distribution, sanitation, waste management, decontamination activities (1.41%).

A quarter of the total number of vacant jobs was concentrated in the manufacturing industry (10.5 thousand vacancies), and the value of the rate was 0.95%.

The budgetary sector amounted to about 21% of the total number of vacant jobs. Thus, 4.4 thousand vacancies were found in public administration, 3.1 thousand vacancies in health and social assistance, and 1.3 thousand vacancies in education.

At the opposite pole, the vacancy rate recorded the lowest values in construction (0.25%) and in other service activities (0.26%).

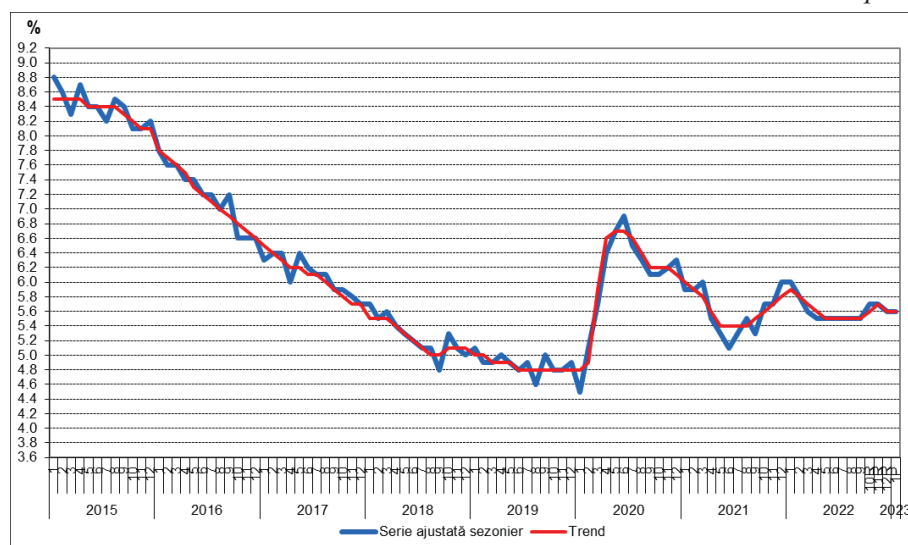
The fewest vacancies were found in real estate transactions, other service activities, respectively in the extractive industry (0.1 thousand vacancies for each separately).

However, considering the situation of vacancies in January 2023, we note that the seasonally adjusted unemployment rate was 5.6%, the same value as that recorded in December 2022.

Graph number 2 shows the evolution of this indicator between January 2015 and January 2023.

Evolution of the unemployment rate between January 2015 and January 2023

Graph 2

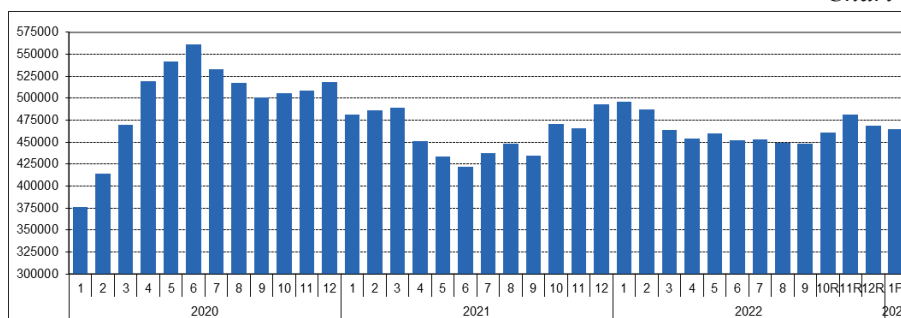


Source: INS release no. 51 / March 2, 2023

Graph number 3 shows the evolution of the number of unemployed between January 2020 and January 2023.

Number of unemployed between January 2020 and January 2023

Chart 3



Source: INS release no. 51 / March 2, 2023

Analyzing the data taken from the National Institute of Statistics, we find that the number of unemployed (aged 15-74) estimated for January 2023 was 465.0 thousand people, down from the previous month, respectively 468, 4 thousand people, and in decrease compared to the same period of the previous year, respectively 495.6 thousand people.

The number of unemployed aged 25-74 represented 75.8% of the total number of unemployed estimated for January 2023.

Table number 1 shows the evolution of the unemployment rate by gender in percentages between January 2022 and January 2023.

Evolution of the unemployment rate by gender in the period January 2022 – January 2023 (%)

Table 1

	2022												2023
	Jan.	Feb.	Mar.	Apr.	May	Jun.	Jul.	Aug.	Sept.	Oct.	Nov.	Dec.	Jan. ^P
Total													
15-74 years	6,0	5,8	5,6	5,5	5,5	5,5	5,5	5,5	5,5	5,7 ^R	5,7 ^R	5,6 ^R	5,6
15-24 years	23,1	23,1	23,1	23,0	23,0	23,0	22,9	22,9	22,9	22,2	22,2	22,2	..
25-74 years	4,8	4,7	4,4	4,4	4,4	4,3	4,3	4,4	4,3	4,5 ^R	4,7 ^R	4,5 ^R	4,5
Male													
15-74 years	6,2	6,1	5,8	5,9	6,0	6,0	6,1	6,0	6,1	6,2 ^R	6,1 ^R	5,9 ^R	5,8
15-24 years	22,2	22,2	22,2	21,4	21,4	21,4	21,2	21,2	21,2	21,6	21,6	21,6	..
25-74 years	4,9	5,0	4,6	4,7	4,9	4,9	4,9	4,9	4,9	5,1 ^R	4,9 ^R	4,7 ^R	4,8
Female													
15-74 years	5,8	5,3	5,3	5,0	4,9	4,7	4,7	4,8	4,6	4,9 ^R	5,3 ^R	5,3 ^R	5,3
15-24 years	24,6	24,6	24,6	25,9	25,9	25,9	25,7	25,7	25,7	23,1	23,1	23,1	..
25-74 years	4,6	4,3	4,2	3,8	3,8	3,5	3,4	3,6	3,4	3,8 ^R	4,3 ^R	4,2 ^R	4,2

Source: INS release no. 51 / March 2, 2023

Analyzing the evolution of the unemployment rate by gender, we find that the unemployment rate for men exceeded that of women by 0.5%, respectively 5.8% for men and 5.3% for women. It should be noted that the level of 22.2% of the unemployment rate among young people between the ages of 15 and 24 is quite high. For adults aged 25-74, the unemployment rate was estimated at 4.5% for January 2023 (4.2% for women and 4.8% for men).

Conclusions

From the point of view of unemployment, this indicator is somewhat more monotonous as there are no large increases from one period to another in the registered unemployed and the unemployment rate does not increase so steeply but, also taking into account the non-employed, unregistered population as unemployed or salaried and by people working abroad, we find that it is a rather delicate issue that needs to be treated with more importance.

Of course, investments would be the main way to create jobs, which correlated with the better structuring of dual and professional education as well as higher education institutions to prepare cadres for the new jobs in industry, construction and others that are improve, so as to increase primarily the quality of work and, in this way, the quality of production, to slightly reduce prices, to be competitive in exports.

Another conclusion is that the unemployed have a short registration period and many of them refuse to return to the labor market, preferring to thicken the market, as we call it, coloured, grey or black, or to go abroad or to find activities that are not recorded and easy to track.

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