

## **QUANTITATIVE DIMENSIONS OF THE USE OF WORK RESOURCES IN ROMANIA AND BIHOR COUNTY IN THE POSTREVOLUTIONARY TIME PERIOD**

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**Abstract:** This article represents a mostly descriptive analysis, based on the available statistic indicators from 1990 until 2009, of the use of work resources at a national level, in North-East development region and Bihor County, in correlation with the primary indicators of social-economic development, in comparison with European Union countries. In a direct correlation with the growth coefficients of industrial production, agricultural production and with the development of services, the evolutions of the gross rate of activity, rates of activity and the occupation rate – the last, including the main domains of economy - are highlighted, as well as the evolution of the unemployment rate, in the same time reference. This material highlights the fact that the analyzed indicators, at a national average level certifies inferior levels compared to the ones in the European countries, Bihor County registering superior levels to the national average levels, even the level of the developing region of which it belongs to, that suggests the existence of a superior potential for developing and usage of the local work resources.

### **1. INTRODUCTION**

The majority of the social analysts, sociologists, philosophers, economists, and political scientists point towards the fact that in the second half of the 20th century, and especially at the beginning of the third millennium, humankind is in the process of rebuilding a social order that is specific to the industrial society. The futurist Alvin Toffler [1], one of the members of the Rome Club, named the transition process the new type of society „the third wave”, that comes after other waves with which the society has met with during its evolution, materialized in the transition from the primitive society of hunters and gatherers (the first wave) to the agrarian society, and to the industrial, modern one (the second wave). The new society starts at the beginning of the 60’s, with the decline of the industrial production in the USA, the process that was later extended towards other developed countries of the world, to which theorists associated different names: postindustrial society [2], postmodern society [3], reflexive society [4].

In *The great disruption: human nature and the reconstitution of social order*, Francis Fukuyama, the American philosopher, brings into question the very foundations of social development, presenting evidence that suggests redressing possibilities through mechanisms of social order in the new emerging social system. Despite the fact that his book refers to developed countries, it presents many interesting and specific elements of Romanian society, involved in the same process of globalization and interdependence, which generates similar effects everywhere. On the other hand, also the reconstruction of Romanian social policy is affected by the same transition, and the revival of traditional forms of community in order to assert the existing capital stock in the companies is suggested.

### **2. CHARACTERISTICS OF TRANZITION TOWARDS THE INFORMATION AGE**

According to the Fukuyama, the various correlated characteristics, generate one from another, are eventually forming a new society profile [3]. In economic terms, this transition is gradually highlighted by several trends in all countries: services increasingly replaced the production as a form of enrichment; in terms of employment, there is a shifting

tendency from conventional industries to areas such as banks, software companies, restaurants, universities and social agencies; the role of information and intelligence becomes more pronounced; intellectual work tends to replace physical labor; globalizing production; cheap technology information beyond borders of different countries; rapid communication through modern means of communication: wireless, cable TV, fax, e-mail that leads to erosion of traditional boundaries of cultural communities. In what concerns the cultural, social values, the new information age tends to assert more power. The two values that modern democratic societies have particularly cherished, *freedom* and *equality*, generate individualism (such as freedom of choice of cable television channels or choice of friends and mating partners over the Internet). Hierarchies of any kind begin to collapse, trust in authorities eroded, and traditional bureaucracies, which built efficiency in modern societies that have managed to control everything that happens within their sphere of activity through rules, regulations and constraints have been undermined by the shift towards knowledge-based economy. A "rupture in the social order specific to industrial society" has been produced. For Fukuyama, the resource that rebuilds social order in the information society, is what sociologists have called social capital, defined as a set of informal values, shared by group members and allowing them to work together [5-7]. The informal social capital is a resource, but in some cases an impediment for the development for implementing the New Information Technologies [8].

### **3. CHANGES IN THE STRUCTURE OF ROMANIAN ECONOMY IN TRANSITION PERIOD (1990-2008)**

The analyzed time span is characterized in everyday language, political texts and social science as the period of transition, referring to the process of changing the Romanian socialist society in a capitalist society [9].

The structure of Romanian economy, occurred in recent decades, has changed a lot which led to these changes in lifestyle and values of Romanians. The present study aims to present an overview of changes in the structure of the Romanian economy and Bihor County during the transition from 1990 to 2008, generating a new structure of employment and living standards, measured by the earnings development.

To better understand the structure of the Romanian economy, it is needed to identify the contribution of the main activities (agriculture, forestry, hunting, fishing industry, including constructions and services) to the GDP, compared to EU countries in 2007 [10]. It is surprising and symptomatic to note that Romania is the country with the largest share of the contribution of agriculture to GDP among all European Union countries (7%, close only to Bulgaria (6%), Lithuania 5%, Greece and Poland, 4%). The same rank has Romania in what concerns the contribution of industry to GDP (41%, with values ranging close to the Czech Republic, 39%, Slovakia 36% and Ireland 35%). Similarly, the contribution of services is the lowest, with only 52% (similar values, just under 60%, having the Czech Republic). It is interesting to consider, as a comparison, the U.S. situation, where agriculture has a contribution of 1%, the industry 22% and services 77% in 2007.

**Agriculture** is both at national and at Bihor county level an important branch of economy, in terms of contribution to GDP and employment [11, 12].

Analyzing Romania's ranks among EU countries [10], in terms of development of agricultural production in the period 2000-2007, we should remember that in 2004 Romania recorded the highest index of agricultural output growth of EU countries compared with the period 1999-2001, namely 125%, only Hungary exceeding it, with 110% and 114%. In 2006, the index of agricultural production growth compared to the period 1999 - 2001 places Romania, also in first place with 110% followed by a dramatic

decrease, reaching 87% compared with that period, having from this point of view the rank 20 of the 27 EU countries in 2007.

Analyzing the evolution of **industrial production, including constructions**, in 2000-2008, through growth indices compared to 2000, Romania's place is on the EU average [10]. In 2005, the index of industrial output growth was 125%, placing Romania on the tenth place, after countries like Lithuania, 164%, Estonia, 160%, Bulgaria, 152%, Latvia and the Czech Republic, cu134%, Hungary, 132%, Slovakia, 128%, Poland, 129%, 127% Ireland. In 2006, with a growth index of 135%, Romania ranks ninth after countries such as Lithuania 176.9%, Estonia, 176.2%, Bulgaria, 161.3%, Czech Republic, 149% Poland, 145.5% 145% Hungary, Ireland, 143.8%, 141.4% Latvia, Slovakia, 141.1%. In 2008 the growth index is of 143.1%, being surpassed by the same former communist countries, and also Ireland.

An analysis of Romania's industrial output by industry shows stronger manufacturing growth (growth index located between 132 and 153% compared with 2000) and mining (with increases between 101 and 103%).

#### **4. PUBLIC PARTICIPATION IN THE WORKFORCE**

**Human resources** represent all the people in a particular area, considered quantitatively (number) and qualitatively (level of competence, education, training level, health status, etc.). This concept links the number and demographics of people that make up a community on one to their level of competence (knowledge, skills, work habits, etc.) [13].

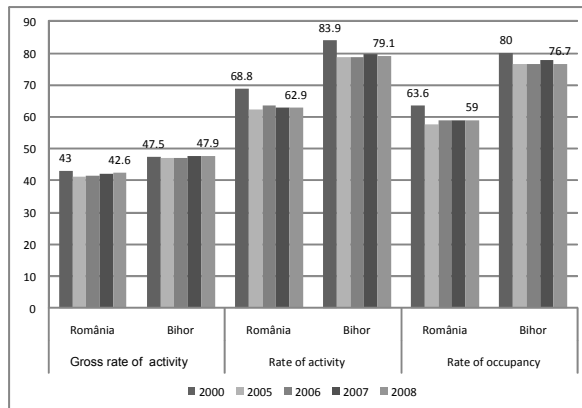
Employment is essential for individual quality of life in Romania [14]. Analyzing the evolution of the indicators of the gross rate of activity (civil active population / total population) 100, the rate of activity (active civil population / resource employment) \* 100 and employment rates (civilian employment / labor resources) \* 100, in the period 2000-2008, within the Romanian region of North - West and Bihor County, we observe the following:

- Year 2000 recorded the highest values after registering a decline to a level which remains constant until 2008 (with one exception, the gross activity in 2000 to a record level of Bihor County value slightly decreased compared to previous years, 47,5% respectively, compared with 47,9% in 2008)
- For each indicator in each year analyzed, Bihor achieved higher rates, followed by the North - western part of which is above the national average [11].

#### **5. THE OCCUPIED POPULATION**

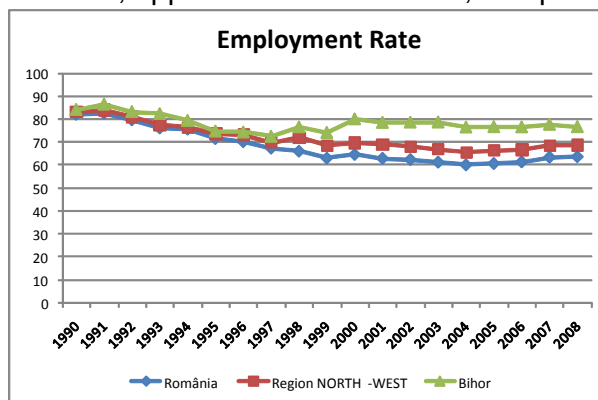
The Occupied Population comprises the people who have the legal age to work, able to work, who have an economical activity or a social one that produces assets or services for at least an hour in the referential time period, with the purpose of obtaining salaries as income or other benefits.

In 2008, Romania registered an employment rate of 59% compared with the average EU countries, by 65.9%. Moreover, the Lisbon Agenda, assumed by political leaders in 2000, provide targeted employment growth in EU Member States so that in 2010 to reach 70% [15]. It should be noted that the employment rate of female population is only 52.5%, while the employment rate of male population is 65.7%, being higher by 13.2%.



**Fig.1. Gross rate of employment, activity rate and employment rate, at a national level and for Bihor County (Source: for Romania and North West region: Tempo database, for Bihor County: Statistical Annuary of Bihor County)**

Comparing the employment rate of people (civilian employment / labor resources) \* 100) in Romania, and the Northwest region of Bihor County is found primarily that is shrinking by the year 1997, all levels analyzed, compared with 1990. Furthermore, in terms of employment, the highest rate was recorded in Bihor County, since 1990 and the next period, followed by the Northwest region, which has consistently an employment rate of the population above the national average. At all levels of analysis, the employment of the male population is higher than that of female, with about 5%. It should be noted that this category also includes people employed as civilian workers, employers, self-employed workers, unpaid family workers, apprentices and trainees, and paid military personnel.



**Fig.2. Employment rate in Romania, Northern Region - West and Bihor (1991-2008).**

Analyzing the **structure of employment in key sectors of the economy**, we observe that agriculture is in the first place, although its share fell continuously during the transition to a market economy, amounting in 2008 30.9% compared to 38 %, as represented in 1992.

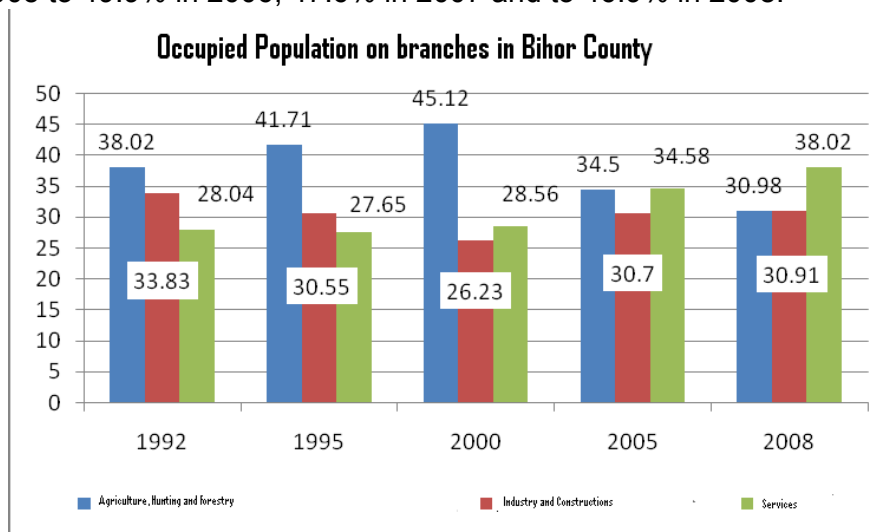
At national level the share of agriculture in employment represents, in 2007, 25.7% (lower than the share of Bihor County, of 31.2%). Romania is among European countries with the largest share of population employed in agriculture, compared only with Turkey (27.2%). In most European countries the share of agricultural population stood to the values below 5%. European countries recorded higher values and employment in industry and constructions, (33.1%), occupying the fourth place, next to the Czech Republic (38.1%), Estonia and Slovenia (34.6%) and Slovenia (34.3%). It should be noted that the share of

employment in industry and constructions is, in most European countries, between 20 and 25%.

As regards the share of employed in services, Romania ranks last, with 41.1% share, the nearest being that of Turkey with 47.5%, 54.7% of Poland or Lithuania with 59.2%. As will be seen, Bihor situation is even more deficient than the national average (agriculture, 30.98, industry and constructions, 38.91 and only 38.1 in services). Within the employed population in the Bihor County in 2008, those occupied in the industry have a share of 25%, diminished compared to previous years except 2000, when he registered the lowest share, followed by trade with 13.6%, constructions by 5.91%, health and welfare by 5.7%, education by 4.93%, transport, storage and communications with 4.89, real estate and other services, 3.95 % etc.

Branches progress on employment are: trade from 7.18%% in 1992 to 9.81% in 2000 to 13.60 in 2008, constructions from 2.78% in 1995 to 5.91 in 2008, health and social care, from 3.08% in 1992 to 5.07% in 2008 and higher. A significant increase in the share of employment has been made in public administration and defense, which almost doubled in the period analyzed, from 1%, in 1992 to 1.92% in 2008.

Statistical data suggest that the share of employed women increased steadily since 1980. After 2000, however, there is a decrease in women employment rate, from 51% in 2000 to 49.1% in 2005 to 49.9% in 2006, 47.6% in 2007 and to 46.9% in 2008.



**Fig.3. Occupied population on branches, in Bihor County (1992-2008)**

Regarding the share of employed women in the main branches of the county economy in 2008, the largest is in health and social services (77.1%), education (71.3%), financial intermediation (70.8%), hotels and restaurants (62.7 %), agriculture (52.6%), industry (47.6%), commerce (40.8%), real estate and services 40.3%. Lower share of women in the employed population are found in constructions (4.9%), transport, storage and communications (16.2%), and other sectors (34%).

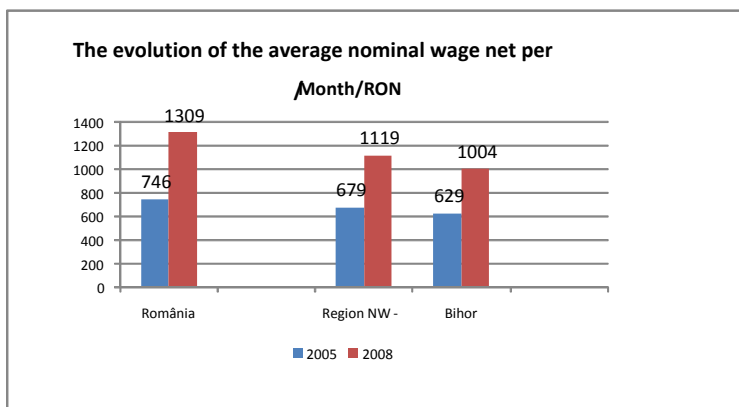
The evolution of the indicators of **real earnings** ratios suggest that the 1990 level was reached only in 1996-1997. In 2008, it makes a 130.3% increase compared to 1990. Compared to 2000, real earnings increased by 219.2% in 2008. Comparing the average net nominal earnings in North-Western region and Bihor County, we find that the lowest wage is obtained in Bihor County: 1004 lei in 2008, with an increase of 159.6% compared to 2005.

In the Northern-Western region, the average net nominal wage is 1119 lei, with 115 lei higher than in Bihor County, with an increase in 2008 compared to 2005 of 164.8%, higher than in Bihor County.

*Average gross monthly earnings* in December 2009, in Bihor County, were of 1485 lei, with 3 RON (0.2%) less than the correspondent in December 2008.

*Average net monthly earnings* in December 2009 were of 1094 lei, with 0.6% lower compared to December 2008. Significant increases in monthly net average earnings were registered in industry and constructions sectors.

In December 2009, the average gross monthly earnings in Bihor represent 73.4% of the national average gross monthly earnings.



**Fig.4. Average net nominal earnings developments in Romania, North-West and Bihor County, in 2008 compared with 2005. Source: Romanian Statistical Yearbook, 2009 Statistical Yearbook of Bihor County, 2009**

## 6. CONCLUSIONS

Quantitative analysis conducted using data provided by official statistics suggests that in the Romanian transition towards market economy, the structure of the economy and employment changed, in a direction of convergence towards the next developed European countries. In this regard, although the share of agriculture and industry in the GDP decreased compared to the 1990, is much higher than in the rest of the European Union countries.

Similarly, although the share of services increased during the same period, it is far below that in the more developed countries, and employment in main economic sectors follows the same trend. It also important that employment rate in Romania (59%) is much lower than in the more developed EU countries (their average being 65.9%). Bihor County is recording an employment rate above national average, which indicates a satisfactory development. In what concerns the salaries, we observe that in Bihor County the average net nominal wage is much lower in the North-Western region, and especially than the national average. In 2009, it represents only 73.4% of the national average net nominal wage.

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