

IMPLICATIONS OF THE ECONOMIC GROWTH REDUCING THE UNEMPLOYMENT

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Abstract

Employment rate is one of the basic criteria by which to measure the level of a country's economic development and ability to provide jobs.

The effects of financial and economic crisis are felt strongly in Romania so traders and population. Increasing the number of unemployed is not based on labor productivity growth or a restructuring in production. Traders closed their business not to generate losses, causing a drop in gross domestic product, implicit in the economy but also to each individual.

Currently requires that economic recovery which would increase demand for labor and and through this massive absorption of the unemployed by their reintegration into productive activity, with positive effect on reducing the economic crisis.

In this paper we proposed to analyze the evolution of employment and unemployment in Romania during this period, which marks a major crisis in our economy.

Keywords: employment, economic growth, crisis, occupation, unemployment.

Currently, the financial and economy crisis in our country are deeply resented by traders, especially by the population. Currently the number of unemployed continues to grow fast. The biggest problem is that increasing the number of unemployed is not based on labor productivity growth or a restructuring in production.

Businesses which were closed to no longer generate losses determined decrease in gross domestic product, implicit economic decline, but also each individual.

MATERIAL AND METHOD

To achieve the objectives of this paper, the working method used were: data collection, processing, analysis and interpretation.

RESULTS AND DISCUSSIONS

In Romania, the unemployment rate by the standards of the International Labour Office (ILO) was 8.1% in the first quarter of 2010, increasing both the previous quarter, when it was 7.5% and from corresponding quarter of 2009 when it registered 6.9% according to data released by National Statistics Institute.

The unemployed category included persons aged between 15 and 64 years who meet the following three conditions simultaneously:

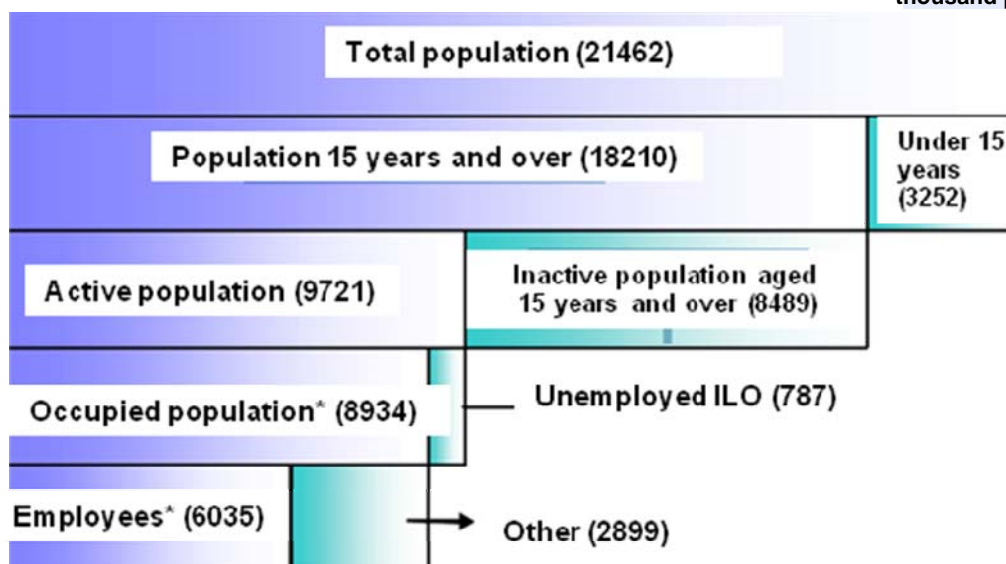
- no job;
- are available to start work in the following two weeks;
- were actively seeking a job in the last four weeks.

In the first quarter of 2010, Romania's active population was 9.721 million people of which 8.934 million people (including armed forces and assimilated and those working in the informal sector and black market) were employed people and 787,000 were unemployed. Of the total employed persons only 6.35% were employees.

Note that the potentially active population group by 9721 only 18,210 people, namely 53.38% are employed, and of these 787,000 are registered unemployed.

Analyzing the unemployment rate by age we find that the highest unemployment rate recorded among young people aged 15-24 years, reaching a high percentage rate of 23.5% among those men and 20.3% among the females as shown in *figure 2*.

From the graph we find that young people aged 15-24 have a low employment rate and the trend is downward.



Note: Registered unemployed are people in the records of the National Agency for Employment, receiving the laws on social protection of unemployed

Figure1 Population groups in the first quarter 2010

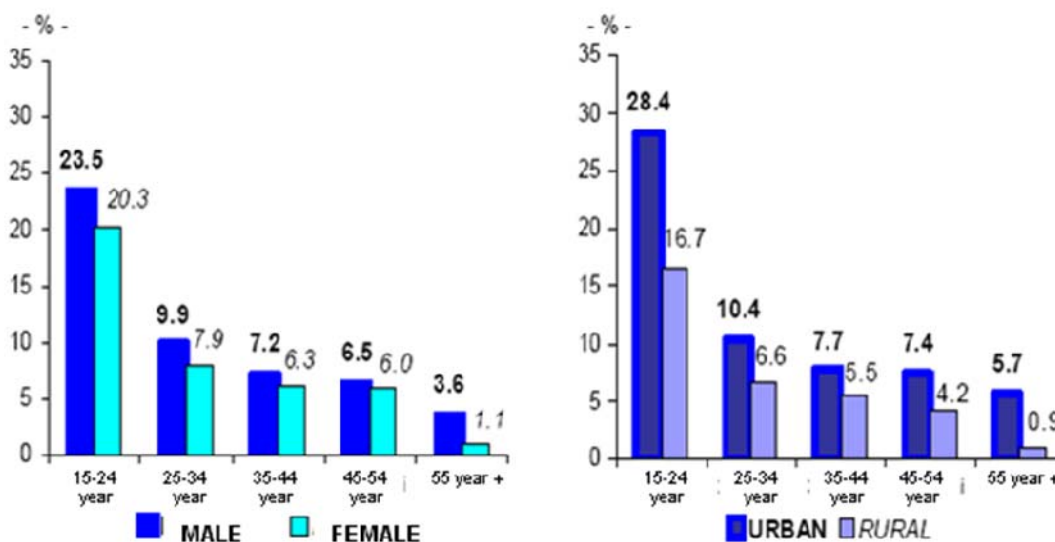


Figure 2 Unemployment rate by age, sex and environment, in the first quarter 2010

In the following counties the percentage unemployment rate was registered under the national level : Ilfov (2,69%), Bucharest (2,79%), Timiș (4,28%), Constanța (5,11%), Arad (5,59%), Cluj (5,87%), Botoșani (5,91%), Bihor (6,04%), Sibiu (6,08%), Satu Mare (6,23%), Maramureș (6,66%), Bistrița (7,06%), Tulcea (7,27%), Iași (7,36).

The most high unemployment rate was registered in the counties: Brașov (7,60%) Vrancea (7,67%), Suceava (7,70%), Argeș

(7,71%), Olt (7,73%), Sălaj 8,11%, Brăila (8,18%), Mureș 8,30%, Călărași (8,45%), Bacău (8,56%), Dâmbovița 8,70%, Harghita 8,74%, Giurgiu 8,87%, Neamț 9,01%, Caraș Severin 9,39%, Buzău 9,53%, Vâlcea 9,59%, Galați 10,17%, Hunedoara 10,17%, Prahova 10,27%, Alba 10,29%, Dolj 10,41%, Ialomița 10,58%, Gorj 10,89%, Covasna 11,19%, Vaslui 11,64%, Teleorman 11,86%, Mehedinți 12,31%.

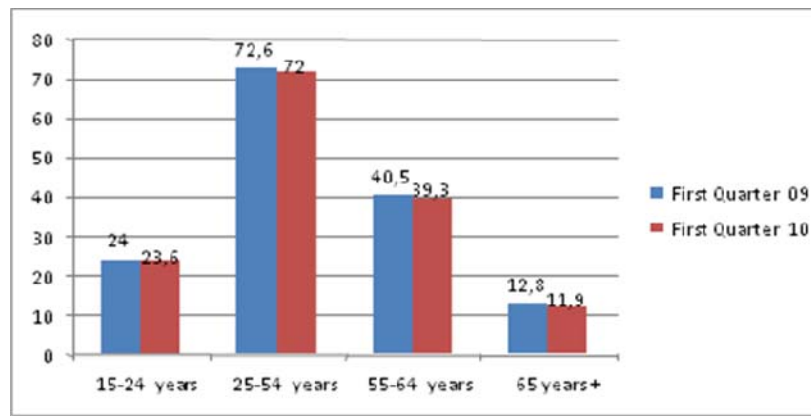


Figure 3 Evolution of employment rate of population 15 years and over, age groups

Should be noted that urban centers where there were massive layoffs, have a poorly diversified economic sector and the opportunity employment of new unemployed decreases sharply. So, unemployment continues to grow at high speed, producing negative effects on economic growth.

Ensure of a stable economic growth in our country is the main objective that allows the overcome economic crisis.

Economic growth is closely related to other important objectives such as: achieving full employment as complete possible, so a unemployment as low, inflation control consider reducing its but also to avoid balance of payments deficits and excessive fluctuations of the exchange rate of national currency.

Linking these four goals is not easy to do especially since some of them are conflicting. Is important to ensure that appropriate balance to allow recovery and economic growth.

Economic growth seeks to achieve high rates of production of goods and services, like avoid severe fluctuations in economic activity overall.

Growth potential refers to growth that could be achieved if they used all existing economic resources. By current economic growth or real means the yearly increase, expressed in absolute or percentage figures of national product.

Economic recovery determined primarily increase labor demand, and through this massive absorption of the unemployed through their reintegration into productive activity and / or services.

The safest way to growth and implicitly rising living standards determined to create new production capacity and jobs and no unemployment benefit or unemployed status which allows only minimal short-term existence.

CONCLUSIONS

Reducing the unemployment rate can be achieved by following specific objectives identified which synthetic can be summarized as follows: economic recovery to allow development of a comprehensive labor market, flexible and modern; promovarea culturii antreprenoriale; promoting re-insertion or insertion into the labor market of inactive people (8.489 million), including in rural areas; improving public employment (and not dismissal); human resources development in education; facilitating access of young people in the labor market; higher levels of education and training of human capital and adapting education and initial training to labor market; facilitating access to education and employment for vulnerable groups.

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