

HUMAN RESOURCES, SUSTAINABLE DEVELOPMENT PAWN IN SOUTH-WEST OLTENIA REGION

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Abstract: *Sustainable development is a strategy by which people seek ways of economic development, also benefiting from the local environment or to bring benefits to the quality of life.*

The aim of this paper is to highlight that each county has different sustainable development opportunities, according to the demographic and economic potential. These opportunities exist for each urban area in part and as a result for each development region.

Starting from the worldwide accepted idea that through sustainable development we seek the interaction and compatibility of four systems: human (social), economic, environmental (for the natural environment or ecological) and technological, I considered necessary an analysis of the human resources in the South-West Oltenia Region. The research methods used consist of the systemic, comparative analysis and in the comprehensive approach of the topic investigated, depending on the target set. This research is based on different databases and uses various methods in an attempt to provide an explanation for the issues that are, theoretically speaking, persuasive.

The research results consist of highlighting the employment rate in the South West Oltenia region, the programs used by the authorities to reduce unemployment and to identify any tracks to revive the labor market in this region.

Keywords: *sustainable development, regional development, economic development, population, unemployment rate.*

JEL Code: *E24, J21*

1. Introduction

The economic development of a country or company would not be achieved without the most important resource, namely the human one. There are very frequent cases when a central government representative or a manager speaks about good economic results without specifying how important the role of human resources is in achieving those results.

The human resource, the people, are the most important asset of a company, although they do not appear on the balance sheet or in the accounting, because through this resource the other resources within the organization / company are used, the people giving the measure of its performance.

The first mention of the importance of people in the conduct of any economic activity is found in R. Owen (1820 -1850).

Corn Elena Marinela presents in her “Human Resources Management” (2006) the importance of people in achieving the competitive advantage.

The labour production factor actually means the human resources, which are all physical and intellectual skills necessary to conduct any economic activity. The human resources capacity is obtained both by birth and by accumulating experience.

The human factor is an important element in carrying out any economic activity, an idea supported by Bill Gates the founder chairman of Microsoft, who said in 1992: “If 20 of the best people working with me leave, in a few months you will not hear about Microsoft.”

When our country decided to join the European Union, the national economic space organization in units appropriate to implementing the regional development policies and the development of an appropriate statistical system have become key elements of Romania’s development policy in the European context.

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The territorial administrative structure consists of a regional level (41 counties and Bucharest) and a local level (263 municipalities, of which 84,268 municipalities and communes).

For our country there were 8 regions established, defined as “areas which correspond to groups of counties, established by their voluntary association based on agreement signed by the representatives of the county councils and respectively the general council of Bucharest. These regions have similar sizes in terms of population and, except for the Bucharest-Ilfov region, as size.

The developing regions are territorial units large enough to constitute a good basis for developing and implementing regional development strategies, enabling efficient use of financial and human resources.

2. Research Methodology

The research methodology is based on the systematic, comparative analysis and it consists of the comprehensive approach of the topic studied, depending on the target. We conducted this research using a variety of databases, and we also used various methods in an attempt to provide an explanation of the issues that are, theoretically speaking, persuasive. In this paper we use the mathematical and statistical methods, such as classification, synthesis, static and dynamic comparative analysis, correlation analysis, methods of induction and deduction, the graphical representation of events and phenomena investigated. The investigation of the economic phenomena may have scientific sounding, only if we use mathematical and statistical tools, and they are always accompanied by sound analytical deductive logics.

3. Demo-geographic development of South-West Oltenia Region

Among these regions the South-West Oltenia region is also found and it of interest to the research in question.

This is an area of 29,212 km² and it consists of five counties: County, Olt, Valcea, Mehedinti and Gorj, and roughly coincides with the old historical region of Oltenia. The region is bordered by Bulgaria, Serbia and South, Central and West Wallachia regions.

South-West Oltenia has a population of 2,317,636 inhabitants, with a density below the national average (79.3 inhabitants / km² to 90.9 inhabitants / km²). The rural-urban structure of the population is 52.8% to 47.2%, most rural counties are Olt (59.6%), Valcea (55%) and Gorj (53.3%).

The relief of the region has a relatively balanced distribution, including mountains, plains, hills and plateaus. The northern Oltenia's landscape is mountainous and hilly (the Carpathians and the Sub-Carpathian), predominantly with forests and grasslands. The plain area is specialized mainly in the cultivation of cereals.

The hydrologic network consists mainly of the Danube River, Olt and Jiu rivers and provides the region with the main energetic role in Romania (71.57% of the total hydroelectric production).

The network of localities is established in 40 cities, of which 11 being municipalities and 408 communes, comprising 2,066 villages. The major cities are Craiova (302,622 inhabitants), Ramnicu Valcea (111,980 inhabitants), Drobeta Turnu-Severin (104,065 inhabitants), Târgu Jiu (96,562 inhabitants) and Slatina (79,171 inhabitants). Among the small towns (under 20,000 population) there are many which do not have a proper structure and development: Vânju Mare, Dăbuleni, Scornicesti, etc.

4. Analysis of the human resources and labor market

The transition to the market economy has negatively affected the employment of people from South-West Oltenia, employment has become one of the most tense areas of transition. In the period 1992-2004, employment has continuously decreased due to the economic restructuring, the most affected were Gorj and Valcea counties, where the reduction was more drastic mainly due to the restructuring of the mining industry.

In the current period, the share of employment in South-West Oltenia is around 10% in the total economy, the region in question has the active population under one million people.

We can see in the following table the employment situation at the level of economy and at the level of each region in the period between 2005 -2012, the last three years represent a forecast.

Table no. 1. The civilian employed population to total economy and development regions

<i>The civilian employed population at the end of the year – thousands of persons</i>								
	2005	2006	2007	2008	2009	2010	2011	2012
All economy	8390,4	8469,3	8725,9	8765	8550	8590	8665	8740
North-East	1265,6	1246,2	1262,3	1263	1214	1215	1217	1221
South-East	1028,2	1035,8	1056,5	1058	1024	1026	1029	1032
South	1188,9	1184,5	1214,8	1215	1181	1185	1187	1189
South-West	857,1	853,0	875,0	876	849	850	851	853
West	834,9	839,4	869,2	878	854	859	863	866
North-West	1145,5	1155,4	1186,5	1192	1165	1170	1173	1177
Center	1008,1	1024,9	1049,9	1058	1032	1037	1040	1044
Bucharest-Ilfov	1062,1	1130,1	1211,7	1225	1231	1249	1305	1359

Source: The table was made by the author based on the data from the Statistical Yearbook and CNP estimates

One of the visions of sustainable development at regional level is to increase employment. Employment indicators are used in analysing sustainability in order to measure the social dimension of this such broad concept . The importance of employment is fundamental, both individually, bringing value to the individual and being considered the reason “to live”, but also at company level, while the taxes come mostly from the profitable activities.

It is very important to see what the situation is in terms of employment in each county within the region. Therefore, in the following table we present the population of South-West Oltenia, the counties, involved in a business:

Table no. 2 The civilian employed population at the end of the year in Romania!!!

	2005	2006	2007	2008	2009	2010	2011	2012
SOUTH - WEST	857,1	853,0	875,0	875,6	849,3	850,2	851,0	852,7
Dolj	266,6	268,5	276,3	276,9	269,2	269,6	270,0	270,5
Gorj	138,5	136,4	139,6	138,8	136,1	136,1	136,2	136,3
Mehedinti	112,0	111,7	113,2	113,4	108,0	108,1	108,2	108,2
Olt	173,1	169,5	173,7	174,1	168,5	168,7	169,0	169,5
Valcea	166,9	166,9	172,2	172,4	167,4	167,6	167,7	168,2

Source: The table was made by the author based on the data from the Statistical Yearbook and CNP estimates

Until 2005, due to the economic performance and competitiveness deficit, the employed population in the region declined continuously, but since 2006 there have been increases in most counties of the region. In 2006 compared to 2005, there was in the total

area a reduction in employment to 4,100 persons, mostly resulting both from current or collective redundancies of the staff and from the recent graduates from various education institutions. Olt and Gorj counties have contributed most to this decline, especially Gorj in which restructuring in the mining industry took place.

As shown in the table above, in 2008, the largest number of people who have a job was recorded, 2009 recorded a decline due to the economic crisis affecting all the regions, but in the future there is hope for a revival of the labor market.

Acivilian employed population South – West region Oltenia

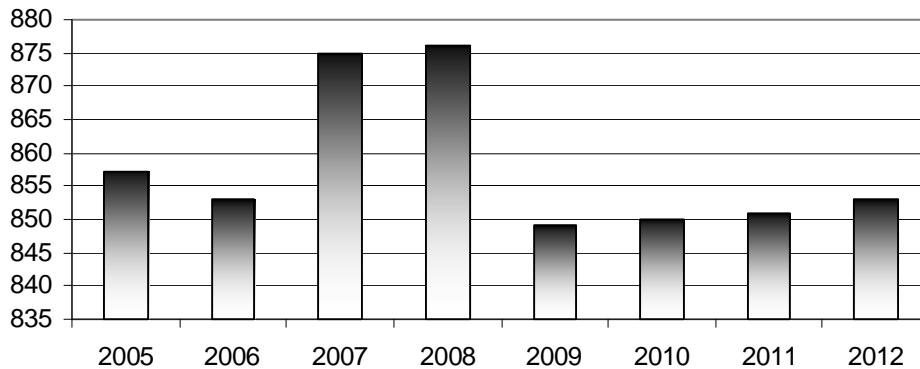


Chart no. 1. Evolution of employment

Source: The graph was based on the data from the Statistics Directorate

The National Forecast Council is confident in the future and estimates a growth in the employed population for 2011 and 2012.

We can say that the employment situation in the region is in a balanced state brought by the economic development in the recent years, by the new process of globalization, but it is also threatened by two major phenomena: aging of population and continuous labor migration. The employment policies counteract the undesired effects of certain current phenomena and focus mainly on the situation, not taking into account prevention and creating a long term strategy.

In the South-West Oltenia region, most people work in Agriculture, hunting and forestry (37.7%), while in services the civil employment population is 15.8%, and 25.8% of the population works in industry and construction. The remaining 20.70% of the population is involved in other sectors as shown in the chart below.

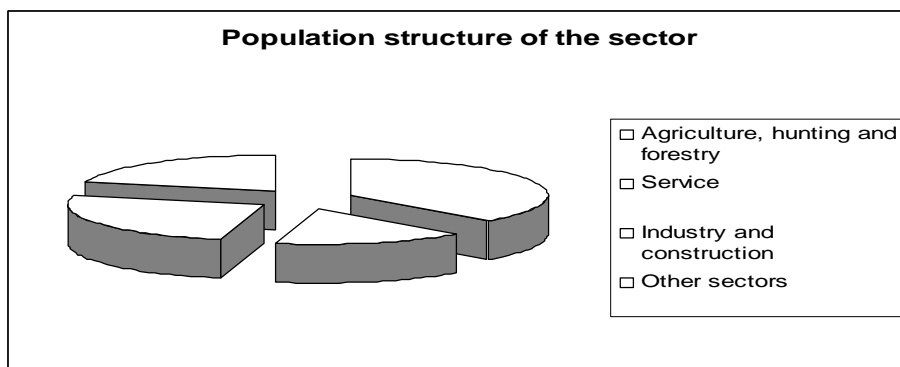


Chart no. 2. Population structure by sector

Source: Graph was made by the author based on data from the Statistical Yearbook

In the context in which the question of closing or limiting mining activities and those of certain state-owned companies was raised, it is obvious that reducing the number of employees increased the number of the unemployed or of those transiting towards unemployment through redundancy ordinances.

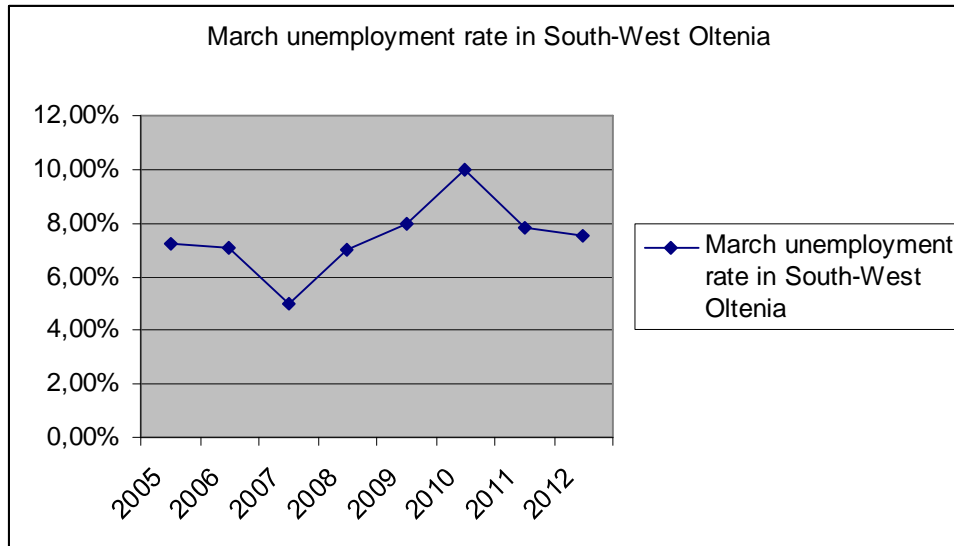


Chart no. 3. Unemployment rate in South-West Oltenia

Source: The graph was made by the author using the data obtained from the Department of Statistics and the Forecast Center.

As shown, the total region unemployment rate was decreasing from 2005 to 2007, followed by an upward trend since 2008, reaching in 2010 a 10% higher value than the national average.

High unemployment in the region reflects the long-term unemployment, especially among the youth and concerning certain disadvantaged groups (such as the Roma, although specific data on unemployment among the Roma population are not available).

According to the type of staff and level of training, most of the unemployment is registered among people with primary, secondary and vocational education.

Furthermore, the lack of jobs in the urban areas and the increased maintenance costs caused the migration of the unemployed to rural areas, where they practice subsistence agriculture.

The lack of adequate jobs has led to migration of the population for unskilled work abroad. Thus, in the years after 1990 people used to leave especially to Serbia, after the crisis to Yugoslavia, Italy and Spain became privileged destinations.

It is likely that the system of recording the unemployed makes more people of working age outside the labor market “escape” the unemployment statistics. Unemployment does not say much about the living standard, rather it is sometimes used by the populist politicians to emphasize illusory performance.

It is required to take measures in the region to stimulate the economic activity and development, especially that of the SMEs leading to creating jobs and reducing unemployment support costs.

Conclusion

My conclusion is that there is a change in the concept on human resources which start to be seen as one of the most important production factors in developing an economic

activity. A number of Romanian authors, as well as foreign ones, appreciate the efforts made by companies and by the international, local and central authorities in this field.

As a result of the fact that this paper refers to the South-West Oltenia region I can say that so far the regional authorities have been involved in projects on employment and facilitation of labor market integration by improving and expanding the professional skills of the inactive people and of the unemployed on long-term, of the young people and adults in the South-West Oltenia region to meet the demands of the employers from the various sectors in support of regional development, improvement of the human resources and promoting economic and social cohesion.

The category of young (15-24 years old) unemployed is concerned in particular on long term (over 6 months of unemployment) which has to face the difficulties related to the integration on the labor market precisely because there is no correlation between qualifications and skills obtained through training and the labor market requirements. The authorities were involved in organizing training programs in the following sectors: agriculture (crop production worker and livestock breeder), trade (trader, merchant seller), construction (bricklayers, workers in construction structures), electrical engineering, automatics, electronics, computer science/information technology (data operators and network operators), food industry, beverages and tobacco, and services (waiter, cook).

In terms of external migration, the South West Oltenia region has a relatively low level as compared with other regions, but this phenomenon will intensify if the economic revival measures delay and the population pauperization increases.

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