GENERAL JOB-EXCHANGES IN ROMANIA. A COMPARATIVE SPATIAL ANALYSIS OF VACANCY SUPPLY AND DEMAND BEFORE AND DURING THE CURRENT ECONOMIC – FINANCIAL CRISIS

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Les bourses générales d'emplois en Roumanie. Analyse spatiale comparative de la demande et de l'offre d'emplois pendant la crise économique-financière actuelle. Les effets de la crise économique-financière actuelle sur l'offre et la demande d'emplois enregistrées sont soulignés dans une analyse comparative (2008–2010) aux niveaux des départements sur les informations générales et les disparités territoriales de ces variables. Pendant cette crise, le nombre des agents économiques participants aux bourses générales d'emplois a enregistré une évolution négative, à cause de la restreinte des activités économiques, avec des conséquences sur la croissance du surplus de force de travail. L'offre d'emplois a enregistré une dynamique sinueuse, mais la tendance a été négative, concrétisée par le passage pendant 2008 et 2010, de la classe supérieure (2001–2500 emplois et plus de 2501 emplois) à la classe inférieure, celle de 1001–2000 emplois. Au niveau des départements, les analyses indiquent la constance spécifique pour la demande d'emplois (la classe de plus de 2500 emplois) et le déclin d'offre d'emplois, qui signifie la baisse d'emplois, généralisée dans l'économie pendant la crise économique-financière actuelle.

INTRODUCTION

General job-exchange meetings are organized once a year by all county employment agencies (local agencies and working points) for all persons of working age, irrespective of training level, ethnicity, etc. Apart from the other types of labour exchanges organized at national or county level for various occupations and categories of labour (*e.g.* youth, graduates, women, Roma, the over 45 year-olds people coming from the social protection system, disabled, etc.), the general job-exchange system represents the most important organized framework for face-to-face supply and demand.

County and local employment agencies identify and centralise vacancies on the basis of by the economic agents' reports (legally binding). However, employers do not report all vacancies, the number of which is seen to decrease in the agencies records as higher qualification and specialisation is required (*Analiza pieţei muncii. Regiunea de Vest,* 2008). Another difficulty encountered in this study is the discontinuous data rows at county level. But for all that, a comparative analysis of general information and territorial disparities in jobs supply and demand gives an overall insight into the impact of the current economic crisis on businesses and the labour market.

The aim of the present study is to analyse jobs supply and demand in the light of the statistical figures published by NAE (National Agency for Employment) after each general job-exchange meeting. The effects of the current crisis on job supply and demand at county level have been assessed by comparing the situation of counties as it appears in the data published for the years 2008, 2009 and 2010.

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TEMPORAL AND LOCAL LANDMARKS

A general job-exchange took place in 134 localities on April 18, 2008, while in 2009 and 2010; a similar event was scheduled on the 24th of April and, respectively 23rd of April, when there were only 106 and 103 offers, respectively).

General job-exchanges are organized all over Romania, by all county agencies (inclusive of the Bucharest Municipality Agency for Employment) and in most local agencies subordinated to county agencies. In terms of territorial distribution, few rural working points have organized such meetings, basically only four (Bozovici – Caraş-Severin County, Rodna – Bistriţa-Năsăud County, Ilia –Hunedoara County, Valea Sării – Vrancea County) compared with 46 in urban working points. Among the counties that did organize general job-exchanges in urban working point would recall: Hunedoara (9 exchange points), Sibiu and Mureş (each with 4 exchange points), Harghita, Timiş, Ialomiţa and Cluj (each with 3 exchange points), Caraş-Severin, Suceava, Dâmboviţa, Brăila and Vrancea (each with 2 urban localities). In the counties of Satu Mare, Bistriţa-Năsăud, Alba, Vâlcea, Olt, Argeş, Giurgiu and Galaţi there was only one urban working point. In the south-western counties (Mehedinţi, Dolj and Gorj), in some southern counties (Teleroman and Călăraşi), in south-eastern ones (Constanţa, Tulcea and Buzău) and in Braşov County, there were no general job-exchanges, with the exception of county agencies for employment and some local agencies for employment which undertook exchange actions.

As of 2008, the number of working points in town began decreasing sharply, from 44 to 21 in 2010. Outstanding among organizers were the counties of Timiş, Caraş-Severin, Cluj, Mureş and Sibiu (Fig. 1).

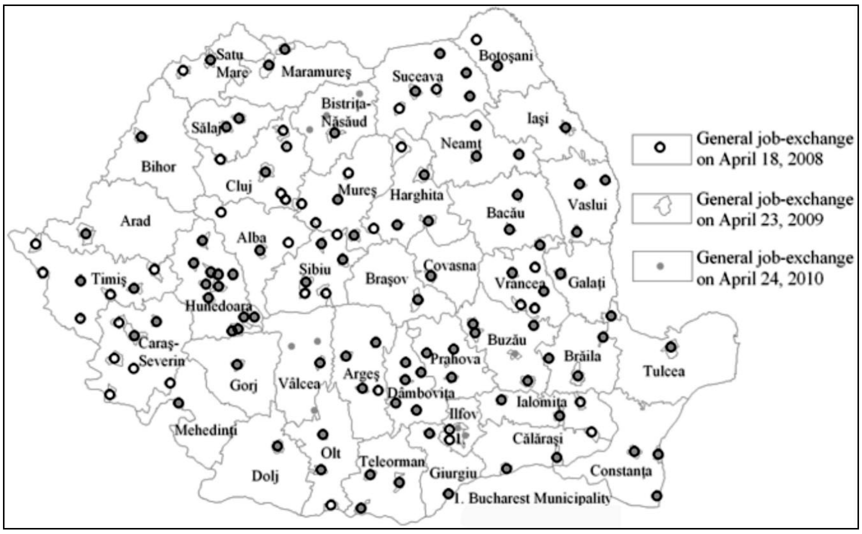


Fig. 1 – General job-exchange locations (*Source: information processed from* www.anofm.ro).

The reason behind this situation was the lower job-supply in the small towns and communes, where working points were in place, the reduced number of economic agents and their lower economic capacity; besides, the necessary work-force was more readily available locally than was the case in a middle town or a large city.

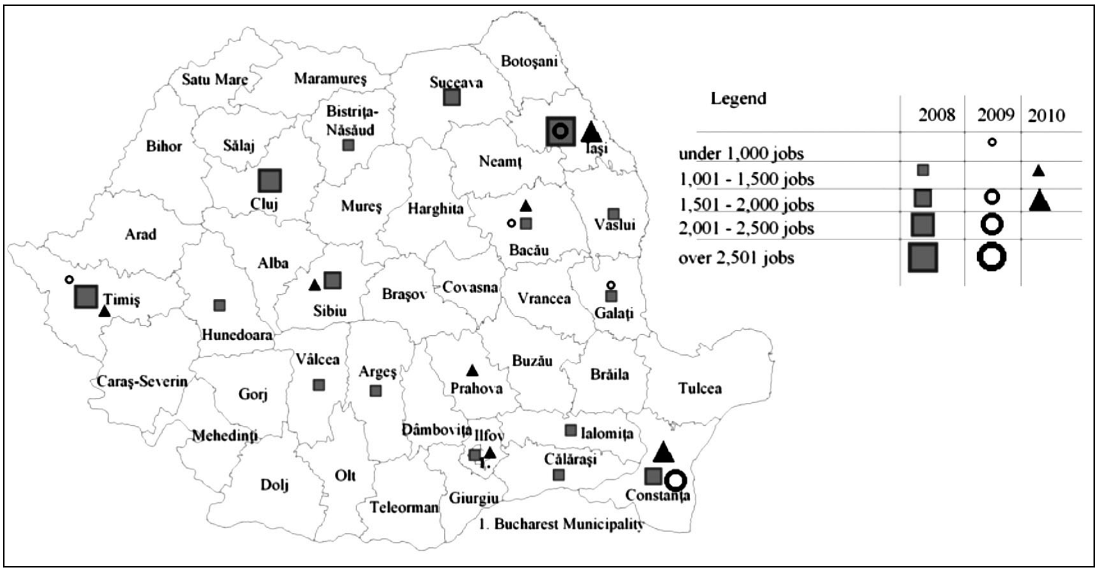
The job supply was made by the economic agents present at the meeting, but the onset of the current economic crisis suddenly diminished their number because of reduced activities, and the inevitable labour surplus. In 2008, 3,726 employers offered 54,038 jobs; in 2009, the number of prospective employers dropped by 41.9%, and although in 2010 this percentage rose by 17.9, yet it still was by 29.7% lowers than in 2008.

While in the 2nd trimester 2008, 43% of Romanian companies voiced employment intentions *(Manpower Study on Labour Employment Prospects in the 2nd Trimester 2008*[1]), their prognosis for the 3rd trimester 2010 was a slow-down in this respect, only 21% of employers expecting the situation to improve in the 4th trimester 2010 (*Manpower Study on Labour Employment Prospects in the 3rd Trimester 2010*[2])

The fact that the average number of jobs supplied by exchanges/participants employer has been decreasing (14.5% in 2008, 12.1% in 2009 and 11.6% at present) is quite relevant of the negative impact of the crisis on the economic milieu.

Speaking in quantitative terms, job supply showed a sinuous evolution over the three study years, with a downward trend during the economic crisis: 2008–2009 registered a 51.5% decrease followed by a slight increase (14%) between 2009 and 2010, yet the overall diminution was of 44% 2008–2009).

The National Agency for Employment published county only partial data and only for counties in which job supply crossed certain thresholds that varied by the year. Therefore, the job supply territorial distribution picture of at the general job-exchange meetings is incomplete. However, a supply decrease is noticeable from job classes of 2,001–2,500 to over 2,500 in 2008 to 1,001–2,000 in 2010 (Fig. 2).



(*Source: information processed from* www.anofm.ro)

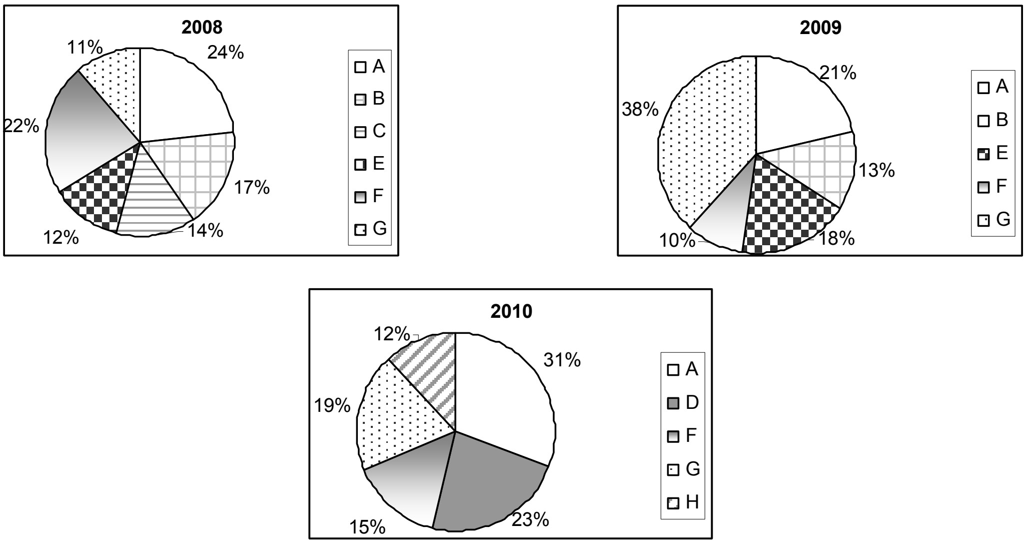
Fig. 2 – The territorial distribution of most job supplies
(referred only to over 1,000 jobs in 2008, over 800 in 2009 and over 1,000 in 2010).

In point of structure, the National Agency for Employment-published-data base reveals a distinct job supply by main economic branches, yet only those branches that have the highest employment record are listed, basically those branches that boast a good correlation between supply and demand, people being employed right away. According to our three-year findings, high on the list were agriculture and auxiliary services, retail trade and tourism, with an up going supply for 2008, 2009 and 2010 (double in the retail trade sector and by four-times higher in tourism). This situation suggests seasonal job supply of low-skilled or unskilled labour. It is interesting to note that despite the economic crisis and the authorities affirmed intention to reduce public sector personnel, yet 12% of the

[1] *Manpower Study on Labour Employment Prospects in the 2nd Trimester 2008* was achieved by interviewing a representative sample of 841 employers in Romania.

[2] *Manpower Study on Labour Employment Prospects in the 3rd Trimester 2010* was achieved by interviewing a representative sample of 751 employers in Romania.

job-seekers were employed on the spot just in the public administration. Reduced supply over the years was recorded in the food, wood processing and garments industries, sectors severely affected by crisis throughout the country (Fig. 3).



(*Source: information processed from* www.anofm.ro)

Fig. 3 – The job structure by main economic branches employing many people on the spot.
(Legend: A – agriculture and auxiliary services, B – food industry, C – wood processing industry, D – transports, E – garment industry, F – retail trade, G – tourism, H – public administration)

Employers from the agriculture, hunting, forestry and fishing sector were most optimistic in regard of job supply for the 3rd trimester 2010, stating an up to + 21% increase of the Net Employment Forecast[3] (NEF). Optimistic views held also the processing industry employers: NEF + 9%. Moderate job supply was anticipated also in the extractive industry (+ 6% NEF). Depleted employment possibilities were assumed by the representatives of four sectors (electrical power, gas and water, constructions, public administration, transport, storage and communications) who foresaw fewer jobs, especially in the first sector, the value advanced by them being – 10% (Source: *Manpower Study on Labour Employment Prospects in the 3rd Trimester 2010*).

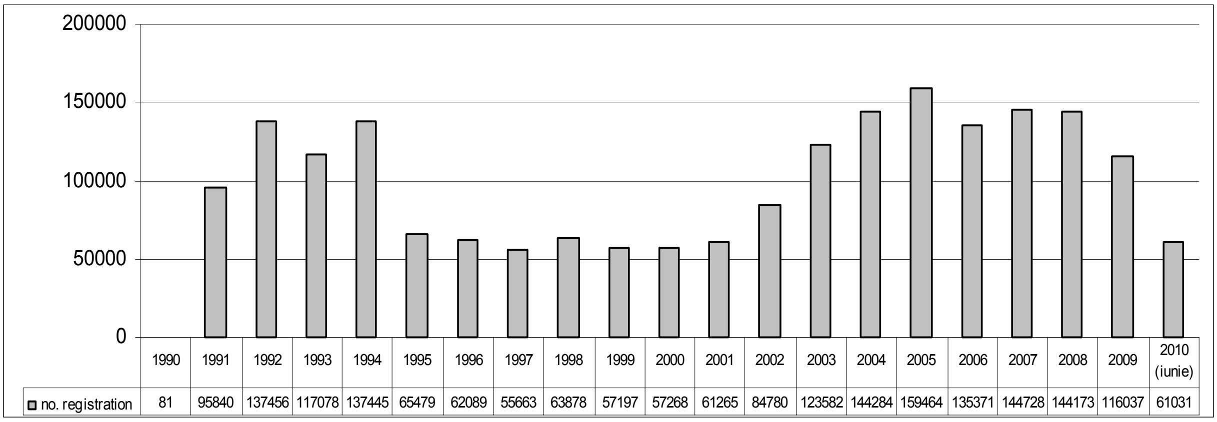
Job demand is quantified by number of participants, steadily increasing by 29.7% between 2008 and 2010. As the crisis has become ever more acute, the distribution of participants in job exchanges over 2008–2009 was fairly uneven (12.8%) compared with 2009–2010 (19.3%), when the cumulated negative effects were being felt.

More demand and less supply is directly correlating with the dynamics of new business registrations in Romania. Looking at these registrations found in the trade registers after 1990 indicates similar evolutions between the country's economic regression in the late 1990s and the present crisis situation, basically by 52.3% fewer registrations in 1994 and 1995 followed by a fluctuating interval (55,663–63,787 registrations) and a positive dynamic begun in 2002; in 2007, that is before the present crisis hit, registrations went up to 144,728 only to decrease by 19.8% in 2009 (Fig. 4).

Simultaneously with a fall in the registrations of new economic agents, there was an explosion of crossings off in trade registers their number growing by 46.6% between September 2008 and December 2009 and soaring to 84% in the first half of 2010 (Source: *Operations in the Trade Central*

[3] Net Employment Forecast is obtained by the difference between the percentage of employers which anticipate a higher total employment volume and employers forecasting a fall in employment in their enterprise over the next trimestre (Manpower Study on Labour Employment Prospects in the 3rd Trimester 2010).

Register. Statistical synthesis of data in the Trade Central Register on December 31, 2007, December 31, 2008, December 31, 2009 and June 30, 2010 – provisional data). It is obvious that the job supply diminished considerably, while demand was on the increase.



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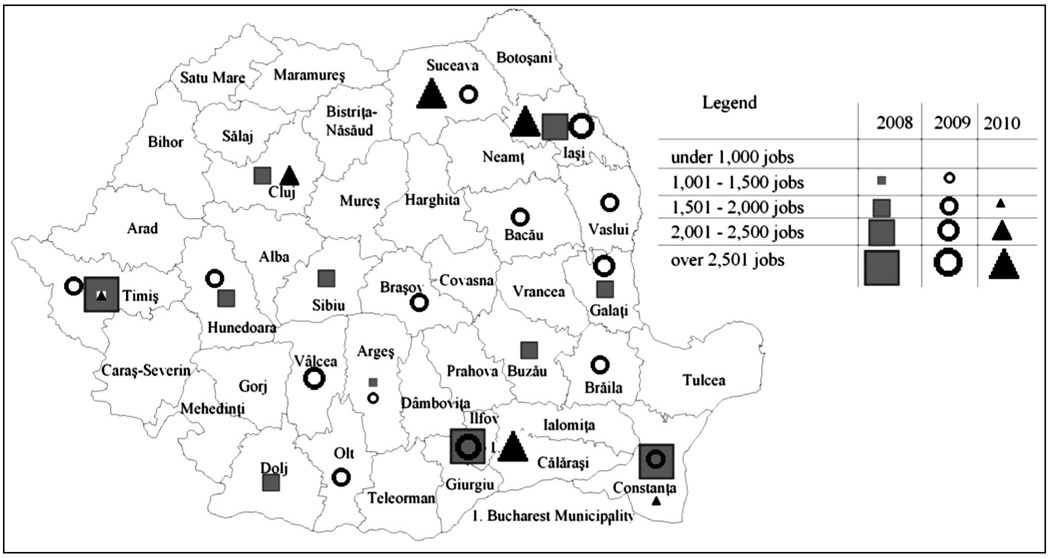
no. registration	81	95840	137456	117078	137445	65479	62089	55663	63878	57197	57268	61265	84780	123582	144284	159464	135371	144728	144173	116037	61031

(*Source*: *Operations in the Trade Central Register. Statistical synthesis of data in the Trade Central Register on June 30, 2010 – provisional data*)

Fig. 4 – The number of registrations in trade registers and the annual structure.

Job-demand was unequally distributed at county level, with Bucharest Municipality heading the table (6,429 participants in 2008; 3,350 in 2009 and 4,000 in 2010) in the north-east, east and south-east counties (Suceava, Iaşi, Bacău, Vaslui, Galați and Constanța), in western counties (Timiş and Hunedoara) and in the central and southern parts of the country (Braşov; Vâlcea, Olt and Argeş).

Likewise for the supply, statistical data rows on demand are incomplete, and yet values continue to be elevated (over 2,500 employment demands) (Fig. 5). This being the result of a deficit of work-places at the general job-exchanges after the current crisis has set in.



(Source: information processed from www.anofm.ro)

Fig. 5 – The territorial distribution of most job demands
(referred only to over 1,000 jobs in 2008, 2009 and over 1,500 in 2010).

THE JOB SUPPLY – DEMAND RELATION

In 2008, the general job-exchange supply topped demand (by 43,046 places). The job supply in excess to demand was characteristic of all the job-exchanges held before the onset of the present crisis. Beginning with the April 2009 meeting, the effects of the crisis situation started being felt acutely, fact that was seen in the shortage of job supply compared to demand, that is 26,259 jobs to 46,982 solicitants. With the crisis going on and unemployment rising, demand was increasing, too, (58,206 – 19.3% participants in the exchange of April 2010). In 2010, job supply increased by 14%, yet still lagging behind demand, the difference between the two growing (in absolute values: the 2009 and 2010 job deficits were 20,723 to 27,683, respectively).

RESULTS

The number of participants selected for employment was steadily rising, from 18,579 in the 2008 general job-exchange, to 24,941 in 2010. However, referred to the total number of job-seekers through the exchange system, results appear to be lower in 2010 than in 2008. The proportion of people selected for employment and of those employed on the spot per total participants in job-exchange was decreasing from 2008 to 2009, slightly reaching the 2008 value in 2010. However, a decreasing trend throughout the interval is obvious.

The main economic branches employing most people right away were agriculture and auxiliary services (increased supply), the food industry (relatively constant supply), constructions (increased supply in 2008–2009), retail trade (a twofold increase between 2008 and 2010), tourism (a four-time increase over the three years studied) and public administration.

CONCLUSIONS

General job-exchanges are being organized on an annual basis by all county agencies for employment, and partly by local agencies and working points (only in 50 working points, which are one-third of the existing ones) subordinated to the local agencies.

The number of employers present in the general job-exchanges dropped suddenly as the current economic crisis set in, because activities slowing down, there was labour surplus. The evolution of job supply over 2008–2010 was rather sinuous, notably decreasing, with supply in the 2008 job-exchange standing in the 2,001–2,500 class and over 2,501, job and falling to only 1,001–2,000 jobs in 2010.

From 2008 to 2010 there was a steady 29.7% rise in the number of participants. High values were being maintained at county level in the over 2,500 job-demand classes.

Reduced job supply and increasing demand are correlating with the numerical involution of firms founded in the trade registers and the upsurge of crossed out companies.

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