

VULNERABILITIES OF EMPLOYMENT LEVELS IN CONTEMPORARY SOCIETY OF ROMANIA

Diana Elena ȘERB
dianaserb10@yahoo.com

Nicoleta Camelia CICIOC
alexandracicioc@gmail.com

“VALAHIA” UNIVERSITY, TÂRGOVIȘTE, ROMANIA

ABSTRACT

The employment level vulnerability – a subject of interest to specialists, and also lately there is an increasing attention of European organizations in this regard by means of directives and regulations. Vulnerable groups are groups without support. The main groups with a higher risk of being affected by some form of exclusion from the labor market are young people, women, the disabled, the elderly, roma people, rural population. In our country one of the characteristics of democracy is that men and women are equal in rights. Young people are exposed to an endogenous risk that reflects their inexperience and also to exogenous risks related to the fields they're frequently working in. The purpose of this article is to show that the forms of vulnerability generate economic and social imbalances in both the individual and the country. The working hypothesis of this article is that young people and women are the groups most exposed to vulnerability, and this also influences the employment levels.

Keywords

Vulnerability, risk, risk factors, labor market, employment levels, Jel: I21, J20, J81

1. Introduction

Young people represent the potential labor resource of a society, and the right environment will generate their physical and mental development. Their vulnerability on the labor market is reflected in the fact that entrepreneurs want labor resources with extensive experience and they can't gain experience since they are not given the chance to work, while the pursuit of profit and the lack of patience will fail to form the young man who could potentially become the core of the organization. On the other

hand the vulnerability occurs because the school does not prepare the young man for making contact with problems that arise in an organization. Women are another vulnerable group, and this stems from the fact that the chance and gender equality is not always applied. Even if the society has evolved and many of the activities that were carried out by men in the past are now done by women too, they tend to not always be considered equal to men.

2. Theoretical Approach

The labor market is by definition an imperfect market characterized by different structural dysfunctions. Vulnerability is the

“weakness”, “defenseless”, “lack of means”. Employment levels face a variety of vulnerabilities and their eloquent representation can be seen in the figure below.

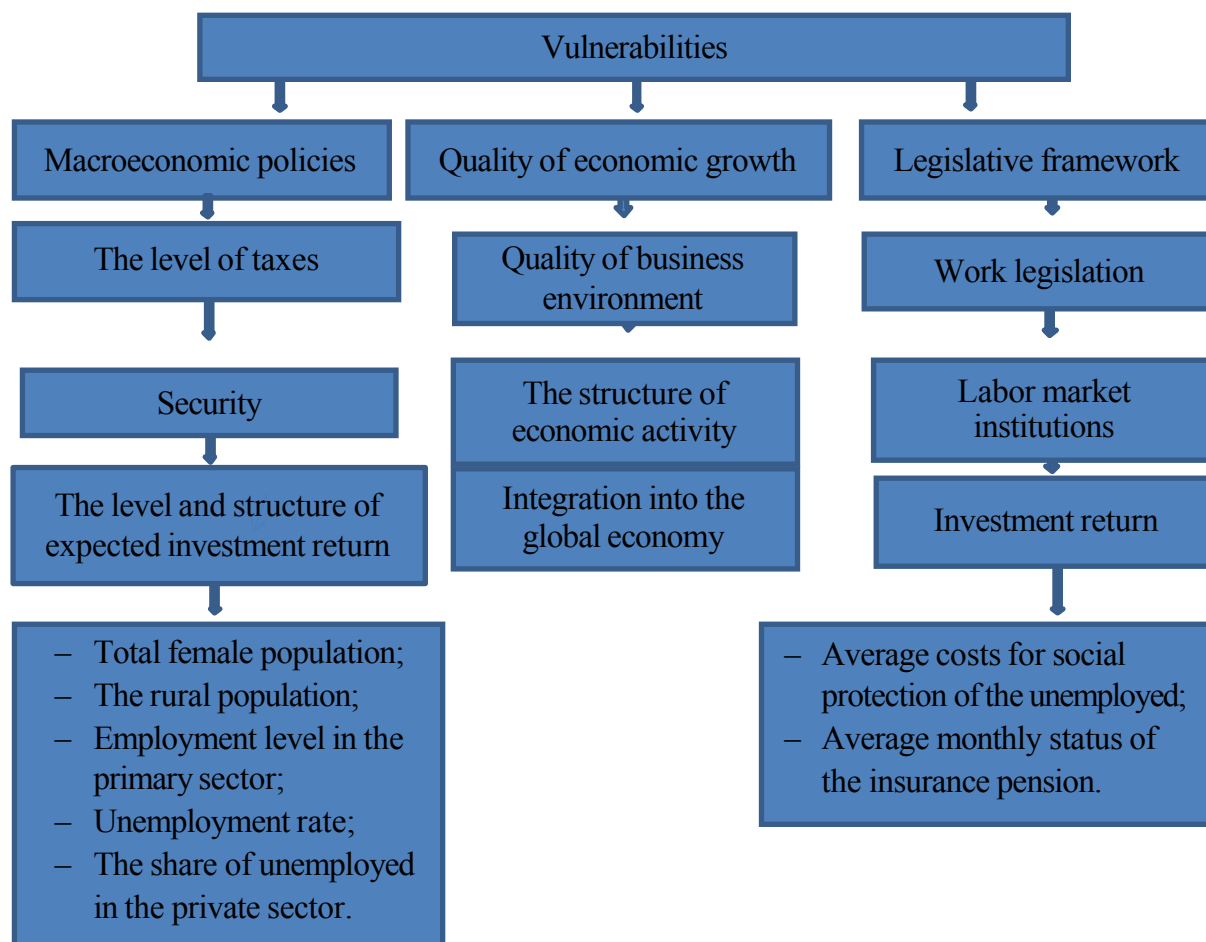


Figure no. 1 Vulnerability of employment levels

Source: [1]

Figure above shows that the vulnerabilities of the current labor market are mostly felt by: females and rural population. To open the formal labor market to vulnerable groups it is required to [2]: changing the regulations on labor relations; encouraging temporary demand; improving and expanding temporary active employment measures, the introduction of new financial support schemes for people who lose their jobs. The term vulnerability is often used in relation to the concept of social inclusion, which requires individual's access to opportunities and resources necessary to participate fully in the economic, social and

cultural life and to enjoy a standard of living considered normal/desirable to the society they live in [3]. The main groups with a higher risk of being affected by some form of exclusion from the labor market are young people, women, the disabled, the elderly, Roma people, rural population [4]. Promoting equality and social inclusion involves efforts so that all individuals, including vulnerable groups can play an active role in the labor market and in society and enjoy equal opportunities in this regard [5]. EU Member States via the European directives are urged, in cooperation with the social partners, to act against the problem of different

remuneration based on gender and segregation between sexes, an issue that is still evident in the labor market, especially through flexible regulations regarding working time, allowing both men and women

to better merge work and family life [6]. Young people are exposed to an endogenous risk that reflects their inexperience and also to exogenous risks related to the fields they're frequently working in (Table no. 1).

Table no. 1

Risk factors

Endogenous Risk Factors	<ul style="list-style-type: none"> - Less aware of the risks - Less experience and qualifications - Later development of occupational diseases
Exogenous Risk Factors	<ul style="list-style-type: none"> - Work in high-risk sectors (male) - Psychosocial risks, including gender-related risks - Work arrangements (temporary work, etc.)

Source: [7]

Social exclusion occurs at different levels, by some of the most varied mechanisms: individuals, whether they are excluded or not, excluded families or categories of people, the causes are often both at micro-social and macro-social level and the consequences are also at both levels [8]. Vulnerability of labor market is also felt by people of Roma origin. Starting from 1989, Roma people from Romania have been affected by various shocks on the labor market: unemployment, informal work or unpaid work recorded in

documents. Its effects were magnified by discrimination and marginalization, which forms a vicious circle that can be hard to escape from [9].

3. Young People in the Labor Market – Statistical Analysis

On the labor market there are several categories of people including children and young people. The tables below present statistics about their status.

Table no. 2

The status of children on the labor market

	Survey Year	Children in employment					Employment by sector			Status in employment		
		Total	Male	Female	Work only	Study and work	Agriculture	Manufacturing	Services	Self-employed	Wage	Unpaid family
		% of children ages 7-14	% of children ages 7-14	% of children ages 7-14	% of children ages 7-14 in employment	% of children ages 7-14 in employment	% of children ages 7-14 in employment	% of children ages 7-14 in employment	% of children ages 7-14 in employment	% of children ages 7-14 in employment	% of children ages 7-14 in employment	% of children ages 7-14 in employment
Romania	2000	1.4	1.7	1.1	20.7	79.3	97.1	0	2.3	4.5	..	92.9

Source: [10]

According to statistics in 2000 there were 1.4 % children working aged between 7-14 years, 79.3 % combining work with study.

Regarding the analysis of the status of young people into the labor market the analysis of education has an important role.

Statistics of education in Romania of 2013 [10]:

- Mean years of schooling 10.69;
- Expected years of schooling 14.1;
- Adult literacy rate (% ages 15 and older) 97.7;
- Population with at least some secondary education (% aged 25 and above) 88.9;
- Gross enrolment ratio: pre-primary (% of children of pre-school age) 78;

– Gross enrolment ratio: primary (% of children of primary school age) 96;

– Gross enrolment ratio: secondary (% of children of secondary school age) 96;

– Gross enrolment ratio: tertiary (% of population of tertiary school age) 52;

– Primary school dropout rates (% of primary school cohort) 5.23;

– Pupil-teacher ratio 17;

– Expenditure on education (% of GDP) 4.2.

The table below provides information on the efficiency of education in Romania.

Table no. 3

Education efficiency

	Gross intake ratio in first grade of primary education								Repeaters in primary education		Transition rate to secondary education	
	Male	Female	Reaching grade 5, male	Reaching grade 5, female	Reaching last grade of primary education, male	Reaching last grade of primary education, female			Male	Female	Male	Female
	% of relevant age group	% of relevant age group	% of grade 1 students	% of grade 1 students	% of grade 1 students	% of grade 1 students	% of enrollment	% of enrollment	%	%	%	%
	2013	2013	1999	2012	1999	2012	2012	2012	2013	2013	2012	2012
Romania	96	95	..	..	..	..	94	94	2	1	100	99

Source: [10]

Choosing to analyze education is not random and it is based upon the fact that it prepares young people for job requirements within the organization, so it has an impact on employment levels. There is not a

significant difference between females and males in terms of primary school enrollment rate. The structure of youth employment on the labor market according to European statistics can be seen in the table below.

Table no. 4

Young employees up to the age of 35 in the year 2013

	Total	Men	Women	Urban	Rural
Total	2,257,374	1,205,251	1,053,697	1,178,346	1,080,601
%	100.0	100.0	100.0	100.0	100.0
Employed :	69.2	67.2	71.5	92.4	43.9
*permanent	68.8	66.8	71.0	92.0	43.5
*temporary	0.4	0.4	0.5	0.4	0.5
Employer	0.8	0.9	0.6	1.3	0.3
Unemployed	30.0	31.9	27.9	6.3	55.8

Source: [11]

According to the data found in the table above we can see that 68.8 % of all young employees have a permanent job, 0.4 % a temporary job and 30 % do not have a job.

Another indicator of the status of young people in the labor market is decent work, productivity and vulnerability at the workplace.

Table no. 5

Decent work and productive employment

	Employment to population ratio				Vulnerable employment				Labor productivity	
	Total		Youth		Unpaid family workers and own-account workers, male		Unpaid family workers and own-account workers, female		GDP per person employed	
	% ages 15 and older		% ages 15-24		% of male employment		% of female employment		% growth	
	1991	2013	1991	2013	1990-1992	2010-2013	1990-1992	2010-2013	1991-1993	2009-2012
Romania	55	52	47	23	27	31	40	31	-0.3	0.8

Source: [12]

The data we see in the table above shows that if in 1991 the employment rate for young people aged between 15-24 years was 47 % in 2013 it diminishes and reaches 23 %. The vulnerability of the employees reflected by the unpaid workers category and those that work on their own shows that in the year 2013 there is no difference between males and females (31 %).

Average unemployment in the EU 28 youth under 25 at the end of 2014 was 21.4 %. The biggest value was 51.4 % registered by Estonia, and the smallest was 9 % registered by Athens. The spread between the highest and lowest value was of 42.4 %. In Romania unemployment was 23.3 % for this category of population.

The European Commission has proposed since February 2015 to increase the funds allocated to Member States in support of the initiative, and it seeks to make the pre-financing rate in 2015 reach 30 %.

Table no. 6

Funds allocated for supporting youth expressed in billion euros

BE	42 435 070
BG	55 188 745
CZ	13 599 984
IE	68 145 419
EL	171 517 029
ES	943 496 315
FR	310 161 402
HR	66 177 144
IT	567 511 248
CY	11 572 101
LV	29 010 639
LT	31 782 633
HU	49 765 356
PL	252 437 822
PT	160 772 169
RO	105 994 315
SI	9 211 536
SK	72 175 259
SE	44 163 096
UK	206 098 124
Total	3 211 215 406

Source: [13]

Out of the 3211215406 billion euros 30% is allocated to Romania. The highest value is allocated to Estonia, and the smallest to Slovakia.

Investment priorities of the new ESF regulation (European Social Fund) allows targeted support for young people between 2014-2020 – sustainable labor market integration of young people, especially those that are not employed, education or training, including young people at risk of social exclusion and young people coming from marginalized communities, including the implementation of the youth guarantee [14].

4. Study on the Vulnerability of Women in the Labor Market of Romania

4.1. Methodological Framework

The purpose of research – identifying the vulnerability of women in the labor market. Research objectives:

1. Knowledge about respecting gender equality in the labor market,
2. Identify differentiated male / female remuneration,
3. Observing how the woman is perceived as an entrepreneur.

Hypothesis:

H1-In our country one of the characteristics of democracy is that men and women are equal in rights,

H2-There is no gender pay differential criteria,

H3-Romanians do not consider women to be successful entrepreneurs.

This is an office research focused on secondary data analysis. Information was collected from European statistics, but also from websites specializing in analyzing the quality of life of Romanians, including the quality of labor. The data was taken from the World Values Survey in 2012.

4.2. Research results

Equality of women and men in the labor market

Many things are desirable, but not all are essential for democracy. Please tell me for each of the following, how important do you consider them to be as characteristics of democracy. Use this scale, where 1 means “Not an essential characteristic of democracy” and 10 means “It is an essential characteristic of democracy”.

Table no. 7
Women have the same rights as men

	Number of cases	%/Total
Not an essential characteristic of democracy	49	3.3%
2	24	1.6%
3	25	1.7%
4	14	0.9%
5	62	4.1%
6	28	1.9%
7	39	2.6%
8	89	5.9%
9	164	10.9%
An essential characteristic of democracy	962	64.0%
No answer	5	0.4%
Don't know	41	2.7%
(N)	(1,503)	100%

Source: [15]

64 % of people participating in the research think that women should have equal rights with men.

Table no. 8

The pay gap between women and men (Difference between men's hourly earnings as a percentage of gross average earnings for women and men average gross hourly earnings –for employees)

	2007	2008	2009	2010	2011	2012	2013	2013 - 2008
BE	10.1	10.2	10.1	10.2	10.2	10	9.8	-0.4
BG	12.1	12.3	13.3	13	13	14.7	13.5	1.2
CZ	23.6	26.2	25.9	21.6	22.6	22.2	22.1	-4.1
DK	17.7	17.1	16.8	15.9	16.3	16.8	16.4	-0.7
DE	22.8	22.8	22.6	22.3	22.2	22.4	21.6	-1.2
EE	30.9	27.6	26.6	27.7	27.3	30	29.9	2.3
IE	17.3	12.6	12.6	13.9	11.7	14.4	:	:
EL	21.5	22	:	15	:	:	:	:
ES	18.1	16.1	16.7	16.2	17.9	19.3	19.3	3.2
FR	17.3	16.9	15.2	15.6	15.6	15.4	15.2	-1.7
HR	:	:	:	5.7	3.4	2.9	7.4	:
IT	5.1	4.9	5.5	5.3	5.8	6.7	7.3	2.4
CY	22	19.5	17.8	16.8	16.4	16.2	15.8	-3.7
LV	13.6	11.8	13.1	15.5	13.6	13.8	14.4	2.6
LT	22.6	21.6	15.3	14.6	11.9	12.6	13.3	-8.3
LU	10.2	9.7	9.2	8.7	8.7	8.6	8.6	-1.1
HU	16.3	17.5	17.1	17.6	18	20.1	18.4	0.9
MT	7.8	9.2	7.7	7.2	6.2	6.5	5.1	-4.1
NL	19.3	18.9	18.5	17.8	17.9	16.9	16	-2.9
AT	25.5	25.1	24.3	24	23.7	23.4	23	-2.1
PL	14.9	11.4	8	4.5	5.5	6.4	6.4	-5
PT	8.5	9.2	10	12.8	12.8	14.8	13	3.8
RO	12.5	8.5	7.4	8.8	11	9.7	9.1	0.6
SI	5	4.1	-0.9	0.9	2.3	2.5	3.2	-0.9
SK	23.6	20.9	21.9	19.6	20.5	21.5	19.8	-1.1
FI	20.2	20.5	20.8	20.3	19.6	19.4	18.7	-1.8
SE	17.8	16.9	15.7	15.4	15.8	15.9	15.2	-1.7
UK	20.8	21.4	20.6	19.5	20.1	19.1	19.7	-1.7
EU28	:	:	:	16.1	16.4	16.5	16.4	:

Source: [16]

According to European statistics for Romania in 2013 the pay gap between men and women was 9.1%.

Should the difference in pay decrease?

Table no. 9

The difference in pay should decrease

	Number of cases	%/Total
Incomes should be made more equal	259	17.2%
2	84	5.6%
3	101	6.7%
4	49	3.3%
5	158	10.5%
6	75	5.0%
7	99	6.6%
8	116	7.7%
9	109	7.3%
We need larger income differences as incentives for individual effort	403	26.8%
No answer	8	0.5%
Don't know	41	2.7%
(N)	(1,503)	100%

Source: [15]

265 of the respondents believe that there should be difference in remuneration for individual incentives.

Many things are desirable, but not all are essential for democracy. Please tell me for each of the following, how important do you consider them to be as characteristics of democracy. Use this scale where 1 means "Not an essential characteristic of democracy" and 10 means "It is an essential characteristic of democracy".

Are men better at business than women?

Table no. 10

Are men better at business than women

	Number of cases	%/Total
Agree strongly	196	13.0%
Agree	358	23.8%
Disagree	447	29.7%
Strongly disagree	412	27.4%
No answer	8	0.5%
Don't know	82	5.5%
(N)	(1,503)	100%

Source:[15]

57% of the respondents disagree with this. The value of the most important indicators of inequality is the following [10]:

Inequality-adjusted HDI (IHDI) 0.702
Coefficient of human inequality 10.4
Inequality in life expectancy (%) 8.8
Inequality-adjusted life expectancy index 0.755

Inequality in education (%) 5.03
Inequality-adjusted education index 0.71
Inequality in income (%) 17.3
Inequality-adjusted income index 0.645
Quintile ratio 4.09
Palma ratio 0.95
Gini coefficient 27.42

The UNDP report analyses the human development examining the progress in health, education and income since 1970, as measured by the HDI (Human Development Index – Human Development Index), for the 135 countries for which comparable data is available. Romania ranks at 50 [17].

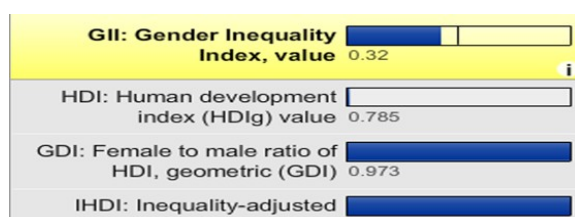


Figure no. 2 Human Development Indicators
2013 Source: [18]

The index value of inequality of genders in Romania in 2013 reaches 0.32.

5. Conclusions

The EU has taken numerous steps to reduce inequality between genders in the labor market. Even if there are stringent laws in this regard the most vulnerable are young people and women. Although Romanians are tolerant and raised with a democratic mindset they're campaigning for equal rights, but consider that there must be a difference in pay between women and men. In our country a feature of democracy is that men and women are equal in rights, the first hypothesis does verify, and this is supported by the result of the survey done by the World Values Survey. There is differential pay in Romania based on gender, the hypothesis number two does not verify, and this is supported by the European statistics. Romanians think that women can be successful entrepreneurs, hypothesis number three does not verify, and this is supported by the survey results (57 % of those who participated in the research). The findings indicate that there are vulnerable groups in the labor market and European statistics and surveys support this statement.

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