SUMMARY OF THE PHD THESIS

Rural Employment
in the Context of European Integration.
Case study: Cluj County

(Ocuparea forţei de muncă în mediul rural în contextul integrării europene. Studiu de caz: judeţul Cluj)

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Keywords

Rural area  
Labour market  
Employment  
Employment policy  
Rural employment  
Rural entrepreneurship  
EU-accession of Romania  
Common Agricultural Policy  
Rural development  
Agricultural employment  
Non-agricultural employment  
Employment diversification  
New sources of rural employment
Introduction

Poverty has been a main concern of the international community since a long time and high employment level is considered essential for eradicating poverty, as having more people in employment is the best way of safeguarding the social and financial sustainability. Employment is widely seen as a way out of poverty. (ILO, 2004:160; ILO, 2008:39)

Low income is strongly related to the employment status of individuals and members of their household. Those who are unemployed, less educated, have serious health problems, live in rural areas or live as a single parent have, in general, lower income and are more likely to be in a vulnerable material and financial situation. (Eurofound, 2009:13)

After 1990 activity rates declined and long-term unemployment became a major feature in Central and Eastern Europe. Between 1990-2000 more than 8 million jobs were lost and huge number of people, primarily women, exited from the labour market (Vidovic, 2002:40-44)

There are several evidences that economic growth alone does not solve the problem of poverty. According to the “Global Employment Trends 2008” report (ILO, 2008:10) economic growth before 2008 had a rather low impact of growth on job creation, and did not reduce the levels of working poverty in the poor regions of the world. To make a long-term inroad into unemployment and working poverty, it is essential that periods of high growth are better used to generate more decent and productive jobs.

The importance of the employment goal has been recognized by the key economic organizations of the international system for a long time. The aims of the International Monetary Fund, established in 1944, include “to facilitate the expansion and balanced growth of international trade, and to contribute thereby to the promotion and maintenance of high levels of employment and real income”. (IMF, 1944)

The United Nations was mandated by Article 55 of the Charter of the United Nations (UN, 1945) to promote “higher standards of living, full employment, and conditions of economic and social progress and development”.

In 1994, the Agreement establishing the World Trade Organization (WTO, 1994) recognized that “relations in the field of trade and economic endeavour should be conducted with a view to raising standards of living, ensuring full employment and a large and steadily growing volume of real income and effective demand”.

The international community renewed its commitment towards full employment in 1995 at the World Summit for Social Development and agreed “to promote the goal of full employment as a basic priority of our economic and social policies, and to enable all men and women to attain secure and sustainable livelihoods through freely chosen productive employment and work.” (UN, 1995)

In September 2000, the United Nations’ Member States unanimously adopted the Millennium Declaration (UN, 2000). Recognizing that decent and productive work for all is central to addressing poverty and hunger, in 2006 a new target was introduced under MDG 1: Target 1B: Achieve full and productive employment and decent work for all, including women and young people. (ILO, 2009:12)

Because industry and services are concentrated in cities, and modern agriculture use less workers, the rural population have less employment opportunities outside ‘subsistence’ agriculture, and have to make bigger efforts to access jobs, than the urban population.
According to the ‘World Employment Report 2004/2005’ (ILO, 2004:136), “poverty is largely rural and rural employment is mainly in agriculture”, which lead to the migration of young people from rural to urban areas. This, on long term, has two negative consequences: depopulation of the rural area and overcrowding of the cities. Depopulation of the rural areas is undesirable, because the untidy landscape looks disappointing and settlements with very few inhabitants are not sustainable. Overcrowding of the cities have unforeseeable social costs and overburdens environment, which is again not sustainable on the long term. The solution seems to be to maintain rural population at a sustainable level, while ensuring that their quality of life is as good as of the urban population.

The ‘Lisbon Strategy’, set out in 2000 and renewed in 2005, has among its main aims to raise the EU employment rate to 70% by 2010. In 2008 the total employment rate in the EU27 was 65.9%, but in Romania it was only 59.9%, 11.0% below the Lisbon-target. (EC, 2009e:19) The global economic and financial crisis which emerged by the end of 2008 seriously hit all EU countries, with severe consequences to their labour market performance; thus the 2010 targets remain out of reach.

Romania has become an EU member country on the 1st of January 2007, but the process of European integration has not finished yet. The title of the PhD thesis is ‘Rural employment in the context of European integration’, because it analyses the specific problems of rural employment and the main factors (positive and negative) influencing rural employment with a special emphasis on pre EU-accession and post EU-accession periods. Some assumptions are also made regarding the possible evolution of rural employment until 2013, the last year of the present EU programming period.

In the context of the present thesis, ‘rural’ is defined according to the official definition used in Romania and by ‘rural employment’ it is meant the employment of rural inhabitants. Thus, commuting to urban workplaces and seasonal work abroad are also considered as possibilities for rural employment.

The developments of the past 20 years in Romania demonstrated a close link between economic growth and employment: in the period of economic decline the level of employment decreased, while in the period of economic growth the level it increased. It can also be noticed, that rural employment did not follow the same trends as urban employment.

The main problem is that rural employment in Romania is primarily and overwhelmingly agricultural. After 1990, agriculture played the role of an “employment buffer” when the performance of the economy was weak and there were no alternative employment opportunities for the rural population in the cities. (Chiţea, 2007:147; Dumitru et al., 2004:18-19; Râmniceanu, 2004:37; Toderoiu, 2006:125; Vincze, 2005:34) Workers made redundant after the closure or restructuring of big industrial state-owned companies and were forced to seek employment opportunities in rural area or simply to move from paid industrial activities to subsistence farming. (Dumitru et al., 2004:18-19; Istudor, 2006:265)

According to Pavelescu (2007:34-39), 1996-1999 was a period of “reagrarisation”. The share of agricultural employment in the rural area reached 74.5% in 2000, most of them being self-employed or contributing family workers (Kerekes, 2008b). Even though by 2008 the share of agricultural employment in the rural areas decreased to 60.2% (and to 28.8% in average), this is still much too high compared to the contribution of agriculture to the total GVA, which was 8.6%. (INS, 2009a:46)

The aim of the thesis is the theoretical and methodological underpinning of the research on rural employment. The detailed analysis of rural employment in Cluj County
enables the identification of alternatives for rural employment diversification as well as the formulation of concrete proposals for the improvement of the situation of rural employment.

The objectives of the thesis are:
1. To present the evolution of rural employment in the past 20 years, its current situation and its perspectives for the future;
2. To identity the factors influencing agricultural and non-agricultural employment;
3. To identify the barriers of employment diversification in the rural area;
4. To identify sources of employment diversification in the rural area;
5. To propose measures which can create favourable conditions for employment diversification in the rural area.

The following research questions were formulated:
1. Which are the specific problems of rural employment (as opposed to urban employment) in Romania and Cluj County?
2. Which are the main factors influencing rural employment?
3. What career plans the rural young people have?
4. Which will be the main economic sectors providing rural employment on short and middle term in Romania?
5. What is the impact of EU-accession on rural employment in Romania and Cluj County?

These questions were answered based on existing scientific literature, completed by the own analysis of collected data, using both quantitative and qualitative tools.

The thesis is structured in seven chapters, and each of them are sub-divided into sub-chapters and sections.
Research methodology

A complex problem as rural employment can not be fully explored using only one research method.

Literature review made possible to define the conceptual and theoretical framework of the research and to describe the ‘state of the art’ as regards research of rural employment worldwide and in Romania. An important number of relevant studies published on the internet sites of international institutions, books, articles published in scientific journals, and research reports were reviewed.

In order to identify the development directions set by European and national policies, several policy documents impacting on rural employment for the period 2000-2013 were collected and analysed.

Analysis of statistical data from official sources is another method largely used in the present thesis. Data were collected from the publications and the web site of the National Institute of Statistics, the National Employment Agency and their county-level offices, as well as the web sites of different governmental departments. These data were completed with local data obtained from the Mayor Offices, County Council, and the Chamber of Commerce and Industry. The national, regional, county-level and commune-level development strategies were also useful sources of information.

The conclusions of the present thesis are based on several field studies carried out over a period of five years, which implemented a large variety of research methods from those identified in the literature review, as presented in Table 1.4.

| Table 1.4 Overview of the field research carried out for the purpose of the thesis |
|-------------------------------|-----------------------------------|-----------------|-------------------------------------------------|
| Period                        | Research method                   | Target group    | Research topic                                  |
| July-August 2005 and January-February 2009 | Structured interviews             | farmers and experts in agriculture | the impact of the EU integration of Romania on agriculture and rural employment |
| February-June 2007            | Questionnaires                    | pupils from the rural area finishing secondary school | occupational choices of rural youth and the factors influencing those choices |
| February-June 2007            | Questionnaires                    | adults from the rural area | employment patterns in the rural areas and factors influencing employment |
| February-August 2009          | Case study (data from Mayor’s office, interviews and direct observation) | Mociu commune, Cluj County | main sectors of employment patterns, factors influencing employment and new sources of employment in Mociu commune, Cluj County |
| March 2009                    | Questionnaire                     | participants at the ‘RuralJobs’ conference organised in Cluj-Napoca | Opportunities and obstacles for the creation of new jobs in the rural area of Cluj County |
| April 2009                    | Questionnaire                     | Formal and informal leaders from Cătina and Mociu communes | |
| May and June 2009             | Focus groups                      | academics, researchers, experts | |
| 2005-2009                     | interviews and direct observation | rural settlements in Cluj County | |
The collected primary and secondary data were analysed in various ways, depending in the type of the data (Table 1.5).

**Table 1.5 Overview of methods of data analysis used in the thesis**

<table>
<thead>
<tr>
<th>Quantitative data analysis</th>
<th>to characterise a situation</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>to illustrate the evolution of the labour market indicators</td>
</tr>
<tr>
<td></td>
<td>to compare indicators at different territorial levels (national, regional, county/level and local)</td>
</tr>
<tr>
<td></td>
<td>to make a demographic projection</td>
</tr>
<tr>
<td></td>
<td>to test statistically the relationship between different variables (using crosstabulation)</td>
</tr>
<tr>
<td></td>
<td>an econometric model has been built for the factors influencing school orientation of pupils and the factors influencing the employment status of the adult population from Mociu</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Qualitative data analysis</th>
<th>to formulate hypothesis</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>to complete the picture offered by the quantitative data analysis</td>
</tr>
</tbody>
</table>

The process of data collection and the instruments (questionnaires, interview and focus group guides) used and the methods for data analysis are presented in detail in the sections were the respective research results are discussed.
Synthesis of the main chapters of the thesis

1. Theories and methods in the study of rural employment

2. The characteristics of Romanian rural areas – literature review

3. Synthesis of employment policies in the European Union and Romania

4. The evolution of the labour market in Romania, in the North-West Region and in Cluj County in the period of transition

5. Rural employment in Cluj County before and after EU accession

6. The future of the rural labour force: occupational choices of rural youth

7. Rural employment at the limit of remoteness. Mociu case study
Chapter 1. Theories and methods in the study of rural employment

In this thesis the situation of rural employment in Romania was analysed, with a special emphasis on the pre EU-accession and post EU-accession period. The specific problems of rural employment and the main factors influencing rural employment were identified and assumptions were made on the evolution prospects of rural employment.

The conceptual and theoretical framework has been set in Chapter 1, where the main concepts of the thesis, ‘employment’ and ‘rural’, are presented and the specificities of ‘rural employment’ are discussed, based on the review of relevant scientific literature and policy documents.

The main concepts of the labour market are presented in section 1.1. The labour market is a space where labour demand interacts with labour supply and employment is the cross-section between the two. Labour supply has many dimensions: the size and demographic composition of the population; the activity rate; the number of hours worked per week or year; the quality of the labour force (abilities and skills), attitude to work and risk and location. Scientific literature identifies several factors which influence an individual’s decision to supply labour, such as the wage rates, non-wage incomes, preferences for work versus leisure, non-wage aspects of the job, employment policies, the tax-benefit system. Etc. The determinants of labour demand are product demand, productivity, prices of other resources, the number of employers, the cost of labour, and labour market regulations.

From the overview given in section 1.2, it can be seen that there is a variety of definitions of the term ‘rural’, which makes international comparisons difficult, if not impossible, therefore several attempts were made to find a commonly accepted definition. The only definition of rural areas internationally recognised is the OECD definition, which is based on a two-step approach. First, local communities are identified as rural if their population density is below 150 inhabitants/km² (500 in the case of Japan), then regions (e.g. NUTS3 or NUTS 2), are classified as: ‘Predominantly Rural Regions (PR)’ if more than 50% of the population of the region is living in rural local units, ‘Intermediate Region (IR)’ if 15% to 50% of the population of the region is living in rural local units and ‘Predominantly Urban region (PU)’ if less than 15% of the population of the region is living in rural local units.

So far the EU does not have a harmonized definition, but in its recent documents, the European Commission has consistently used the OECD methodology to define ‘rural’.

In the context of the present thesis, ‘rural’ is defined according to the official definition used in Romania.

Section 1.3 presents four of the over 60 existing typologies of rural areas, which used classification criteria relevant for rural employment.

Literature review in section 1.4 lists the specific problems of rural employment. Even though some authors consider that in the late modernity there are no essential differences between urban and rural areas, in the biggest part of the world (and also in Romania) rural regions face a number of common challenges that contribute to weaker economic performance and lower level of employment in non-agricultural activities. The cited literature identified a series of problems specific to the rural areas, which lead to the necessity of tackling separately rural employment from urban employment.
Section 1.5 presents the main types of economic activities providing employment opportunities for the rural population. Especially in developing countries, agriculture is still the main employer in the rural areas and even in those rural regions, where the share of agricultural employment is lower, agriculture continues to have an important influence on the economy through its linkages with rural upstream and downstream industries, provision of public and semi-public goods, environmental protection, etc.

Diversification of rural economy to other areas than agriculture is making progress in Europe, but there is little information on the type of activity, except that it is often a salaried activity. Commuting to urban workplaces is an alternative option for rural employment, but residents in remote areas may not have many out-commuting opportunities for jobs in nearby areas.

Factors influencing rural employment, as identified in the studied literature, are presented in section 1.6. The main factors are: infrastructure, size, age and gender structure, health status, and education level of the population, as well as land ownership.

Section 1.7 presents in more details the methodology and the main conclusions of 22 studies connected to rural employment, while section 1.8 presents an overview of research methods, extracted partly from section 1.7 and completed with methods used by 96 national and EU-funded projects (identified by the research team of the ‘RuralJobs’ EU FP7 project, in which I am also taking part). Section 1.9 presents the methods selected for the purpose of the thesis and gives an overview of the field research carried out.
Chapter 2. The characteristics of Romanian rural areas – literature review

Some of the specific problems of rural employment described in Chapter 1 can also be identified in Romania, as revealed by literature review from Chapter 2. Furthermore, the problems are more severe compared to other EU member states.

Romania has significant agricultural potential; the share of agriculture in total GVA in Romania is high compared to the EU average. In Romania, unlike in the other CEE countries, after 1990 and over the whole transition period, agriculture became an alternative to unemployment, an “occupational buffer” and had absorbed an important share of labour made redundant by urban industries. Most people engaged in agriculture are self-employed. Land restitution lead to a fragmented structure of agricultural holdings, which is considered by the main obstacle to viable farming and to the increase of the competitiveness of Romanian agriculture.

Romanian rural areas are characterized by unsatisfactory living conditions caused by the low development of physical infrastructure (roads, water, and sewerage) as well as social infrastructure (health, educational and cultural services).

The main demographical tendencies in Romanian rural areas are the decrease and aging of the population, combined with a selective feminization (in age groups over 40). The most intense migration of population from the rural area (to the urban areas and abroad) is among young persons aged up to 35 years, caused by the low level of rural incomes, few employment opportunities and low living conditions.

The low level of education of the rural population has been highlighted as a serious problem by several studies and it is repeatedly confirmed by statistical data.

The Romanian rural economy is poorly diversified; it depends upon agriculture dominated by semi-subsistence farms, which mainly produce for own consumption and only marginally supply to the market.

The development of rural tourism and agro-tourism is limited by bad infrastructure, poor accommodation, lack of education, poor foreign language knowledge, and unresolved safety issues.

Rural women have lower activity rates than urban women and are mostly employed in public administration, health, social work, education and trade, where salaries are lower but jobs are more secure.

Rural incomes are relatively low and the gap with urban areas is widening. Rural residents have more than double the probability of being poor than urban resident, poverty incidence is significantly higher in rural areas. Main income source of rural households is agricultural production; a large part of the rural population practice self-subsistence farming; most of the farming income is actually self-consumption, which is widespread also among those rural inhabitants who practice agriculture as a second activity.
Chapter 3. Synthesis of employment policies in the European Union and Romania

The analysis of the employment policies in Chapter 3 reveal that employment is in the focus of European policies since the Amsterdam European Council from 1997, which declared employment a matter of common concern and called Member States to develop a coordinated employment strategy at EU level.

In March 2000, the European Council in Lisbon set out a ten-year strategy (known as the ‘Lisbon Strategy’), which set concrete aims in the field of employment: to raise the EU employment rate to 70%, to increase the share of employed women to more than 60% and of the labour force aged 55-64 to more than 55% by 2010. In February 2005, the communication ‘Working together for growth and jobs: A new start for the Lisbon strategy’ launched a partnership to focus efforts around two principal tasks: delivering stronger, lasting growth and creating more and better jobs.

As Romania started effective negotiations with the European Union in 2000, in chapter 3 policy documents from the period 2000-2013 were examined, which have direct impact on the rural labour market. Altogether 22 policy documents (development strategies, programmes and action plans) were reviewed, out of which 17 of national interest and five elaborated for the North-West Region.

Table 3.3 EU, national and regional strategies and programmes for the period 2000-2013

<table>
<thead>
<tr>
<th>EU</th>
<th>Romania</th>
<th>North-West Region</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>7. National Reform Programme 2007-2010</td>
<td></td>
</tr>
<tr>
<td></td>
<td>12. Joint Assessment of Employment Priorities in Romania</td>
<td></td>
</tr>
<tr>
<td></td>
<td>17. Sectoral Operational Programme Human Resources Development 2007-2013</td>
<td></td>
</tr>
</tbody>
</table>

Source: own research
The main conclusion of Chapter 3 is that national and regional level strategies and programmes for the period 2000-2013 are rooted in and are strongly influenced by European policy documents. Romania has consciously followed the directions and guidelines set by the EU, in order to develop an EU compatible legislative and institutional framework and to align to the Lisbon and Gothenburg objectives. All the analysed documents build on EU policies and use them as a general framework for defining national and regional targets. An important part of the funding for these policies is also expected to come from the EU.

The studied policy documents acknowledge the discrepancies existing between the urban and rural areas, especially as regards the development of physical and social infrastructure, access to education and life-long training, availability and diversity of employment opportunities. Several policy measures are targeted to decrease the development gap, keeping in mind the importance of sustainable rural development. Preservation of the natural capital and cultural heritage, maintenance of the young population in the rural areas, development of rural infrastructure, diversification of the rural economy, improvement of living standards, education level and professional qualification of the rural population, decrease the share of agricultural employment, enhancing employability and adaptability of the rural workforce, promoting entrepreneurship, fighting social exclusion and discrimination are the ambitious (and sometimes contradictory) objectives which can be found in all of the analysed documents.
Chapter 4. The evolution of the labour market in Romania, in the North-West Region and in Cluj County in the period of transition

The evolution of the labour market in Romania, in the North-West Region and in Cluj County in the period 1990-2008 has been analysed in Chapter 4. The secondary analysis of available statistical data complemented by the results of scientific literature reveal the main labour market trends in the period of transition.

The period 1990-2000 has been marked by a severe macroeconomic recession, excepting a short period of recovery from 1993/1994 to 1996. Since 2000 until the emergence of the global financial and economic crisis, economic growth has been impressive in Romania.

The evolution of employment indicators reflects that the periods of economic recessions and recovery had greatly influenced the evolution of the Romanian labour market, as well as the changes of land and enterprise ownership.

The size of the labour resources increased between 1990 and 2008, and the education level increased between the two Censuses from 1992 and 2002, which are positive developments. Despite the improvements, educational level of the labour force in Romania remained low compared to EU averages and future perspectives are not very optimistic either, because the rate of early school leaving continues to be high and participation on lifelong learning low.

The activity rate of labour resources declined (female activity rate has been in average 2% lower than the average), because the number of pensioners increased and young people stay longer in education. Employment rate decreased from 1991 until 2004, when a slow increase started. In the period 2001-2007 labour demand increased and became higher than supply, due to the economic growth and foreign migration.
Registered unemployment rate peaked around 1992-2002 and 1999, and followed a decreasing trend from 1999 until the global economic crisis reached Romania, which put unemployment rate on a rising trend. (Figure 4.4)

The structure of employment by economic sectors had also changed dramatically. Industry lost ground after 1990 and especially after 1997, when privatization gained momentum. The service sector started to play a more important role in the economy and
since 2004 it has been the economic sector employing the highest share of labour force. The evolution of agricultural employment in the period 1990-2008 illustrates that agriculture is absorbing the labour force made redundant by other sectors in the period of economic recession and releasing labour force when the economy is growing (Figure 4.9).

The differences between urban and rural employment are put into evidence in section 4.4, based on the Household Labour Force Surveys data for the period 2002-2008 (because in the survey slightly different registration criteria have been used for the categories employed, unemployed and inactive, so the periods before and after 2002 are not comparable).

Table 4.2 Population over 15 years, by economic activity and area, in 2002 and 2008

<table>
<thead>
<tr>
<th>Area / Period</th>
<th>Economically active persons</th>
<th>Inactive persons</th>
<th>Activity rate</th>
<th>Employment rate</th>
<th>ILO unemployment rate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total</td>
<td>Employed</td>
<td>ILO unemployed</td>
<td>thou pers.</td>
<td>thou pers.</td>
</tr>
<tr>
<td>Romania (%)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>urban</td>
<td>2002</td>
<td>5188</td>
<td>4607</td>
<td>581</td>
<td>4557</td>
</tr>
<tr>
<td></td>
<td>2008</td>
<td>5471</td>
<td>5101</td>
<td>370</td>
<td>4753</td>
</tr>
<tr>
<td>rural</td>
<td>2002</td>
<td>4891</td>
<td>4627</td>
<td>264</td>
<td>3360</td>
</tr>
<tr>
<td></td>
<td>2008</td>
<td>4473</td>
<td>4268</td>
<td>205</td>
<td>3547</td>
</tr>
<tr>
<td>North-West Region (%)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>urban</td>
<td>2002</td>
<td>628</td>
<td>562</td>
<td>66</td>
<td>540</td>
</tr>
<tr>
<td></td>
<td>2008</td>
<td>658</td>
<td>630</td>
<td>28</td>
<td>576</td>
</tr>
<tr>
<td>rural</td>
<td>2002</td>
<td>632</td>
<td>602</td>
<td>30</td>
<td>461</td>
</tr>
<tr>
<td></td>
<td>2008</td>
<td>514</td>
<td>497</td>
<td>17</td>
<td>543</td>
</tr>
</tbody>
</table>

Sources: INS 2003, INS 2009b

The urban and rural labour markets had a different evolution in the favourable macroeconomic environment from the period 2002-2008: activity and employment rates have increased in the urban areas and have decreased in the rural areas. The education level in the rural area is lower than in the urban area and it will remain low in the near future, because an important share of the 15-19 years’ old are not attending school. Another specificity of rural employment is the unfavourable distribution of labour force by economic activities: in 2008 at national level 60.2% of the rural labour force was employed in agriculture (the sector with the lowest level of labour productivity), while in the urban area most of the employment (57.5%) was in the services sector.

Section 4.5 presents labour market evolutions in Cluj County between 1990 and 2008; unfortunately few labour market indicators are available separately for the urban and rural areas at county level. The activity rate of the labour resources has decreased in Cluj County, registered unemployment rate increased from 1991 to 1999, then it decreased until November 2008. The evolution of the employment structure by economic activity in Cluj County followed the national trends: the share of services in employment grew substantially (in 2008 was 14.4% higher than in 1992 and 9.6% higher than in 2002), and the share of industry in employment decreased (with 13% compared to 1992). The share of employment in construction grew with 3.9% (compared to 1992), this growth mostly occurred in the period 2002-2008. Agricultural employment peaked in 2000, than it decreased, due to the growth of the economy and increasing labour demand in other sectors.
In 2008, 47.6% of the employed population of Cluj County worked in services, 22.1% in industry, 21.6% in agriculture and 8.7% in construction.

![Employment Structure Graph](image)

Source: TEMPO_FOM103A_12_2_2010

**Figure 4.20 The evolution of employment structure by economic activities in Cluj County, 1992-2008**

Net wages in Cluj County decreased in the period 1991-2000 in real value, then started to grow after 2000, when economic growth begun. The highest wages are in the financial intermediation sector, followed by public administration and defence.

Data regarding the economic activity and employment rates of the working age (15-64 years old) population in the rural area of Cluj County are only available from the censuses. Both in 1992 and 2002 rural economic activity and employment rates were lower and rural unemployment rates were higher than in the urban area. Between 1992 and 2002 the rural activity rate decreased with 14.1%, which reflects the share of discouraged workers who retreated from unemployment to inactivity.

In Cluj County, the number of rural employees in 2000 was only 37.7% of the 1990 value and, after a period of growth, in 2008 reached 74.1% of the 1990 value. The evolution of the share of registered unemployed within the 18-62 years old population (an indicator calculated from commune-level data provided by the Cluj County Employment Agency) in the rural area shows seasonality: it decreases over the summer and it increases over the winter. The same data also show that unemployment rate is higher in the rural area than in the urban area of Cluj County; this is the only information contradicting national and regional-level statistics (Household Labour Force Survey data).

Commuting from rural settlements towards the cities has always been an option for the rural inhabitants of Cluj County. After 1990 commuting decreased, but it never ceased totally. According to Census data, in 2002 in Cluj County 85.3% of the employed lived and worked in the same place, further 11.6% of employed worked within its county of residence and only 1.3% had its workplace in a different county. Women are less mobile than men and rural residents commute in a much higher share than urban residents.
The economic crisis had a negative impact on employment both in the urban and in the rural area; since the end of 2008 many of the companies reduced the number of their staff. Labour demand prospects reveal that employers will require better qualified workers and the demand for unskilled workers will continue to decrease, thus participation in lifelong learning becomes vital.
Chapter 5. Rural employment in Cluj County before and after EU accession

Chapter 5 analysed the main characteristics of rural employment in Cluj County, comparing the pre EU-accession and post-EU accession periods.

Based on Census data from 1948 to 2002, in section 5.1 the evolution of the population in Cluj County is presented (Figure 5.1).

![Figure 5.1 Evolution of the population of Cluj County by area, in 1948-2002](image)

Source: DRSC, 2005:13

Figure 5.1 Evolution of the population of Cluj County by area, in 1948-2002

Using commune-level data from the 2002 Census, the socio-demographic characteristics of the rural population of Cluj County are analysed. In rural area the age-dependency indicator was 58.8%, compared to 33.3% in the urban area, especially due to the high elderly dependency rate.

![Figure 5.5 The genealogic tree of the rural population from Cluj County in 2013](image)

Figure 5.5 The genealogic tree of the rural population from Cluj County in 2013
The demographic projection from section 5.2 enables some estimation regarding the structure of the working-age rural population of Cluj County in 2013, the last year of the current programming period of the EU, which can be considered as a base year for the upcoming, 2014-2020 programming period. The demographic projection predicts that the rural population of Cluj County will decrease with almost 10%.

Table 5.8 Age dependency rates in the rural area of Cluj County in 2002 and 2013

<table>
<thead>
<tr>
<th>Age dependency rates</th>
<th>2002</th>
<th>2013*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rd_c (0-14 years)</td>
<td>26.17%</td>
<td>22.09%</td>
</tr>
<tr>
<td>Rd_e (65 years and over)</td>
<td>32.68%</td>
<td>33.16%</td>
</tr>
<tr>
<td>Rd (general)</td>
<td>58.84%</td>
<td>55.25%</td>
</tr>
</tbody>
</table>

Source: Census 2002 and * demographic projection

Table 5.9 Demographic pressure on the labour market in Cluj County rural area, in 2002 and 2013

<table>
<thead>
<tr>
<th>Indicator</th>
<th>2002</th>
<th>2013*</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of people entering the labour market</td>
<td>23831</td>
<td>21424</td>
</tr>
<tr>
<td>Number of people leaving the labour market</td>
<td>20055</td>
<td>15318</td>
</tr>
<tr>
<td>Demographic pressure on the labour market</td>
<td>1.2</td>
<td>1.4</td>
</tr>
</tbody>
</table>

Source: Census 2002 and * demographic projection

The conclusion is that for the next few years the demographic situation in the rural area of Cluj County will be satisfactory, with an increasing share of working-age population, however, the long-term perspectives are more pessimistic. Until 2013 we can expect an increasing pressure on the labour market from the side of the younger age groups, thus it is of utmost importance to create employment opportunities in the rural area.

Section 5.3 offers a classification of the communes from Cluj County according to their stage of development. A synthetic indicator (the Complex Development Coefficient – CDC) was constructed using a methodology proposed by Sarudi and Molnár (2004).

\[
CDC_j = \frac{1}{n} \times \sum \frac{(d_{ij} - d_{imin})}{(d_{imax} - d_{imin})} \quad (5.17)
\]

Table 5.10 Indicators used for the calculation of CDC

<table>
<thead>
<tr>
<th>Indicator</th>
<th>Formula</th>
</tr>
</thead>
<tbody>
<tr>
<td>population density</td>
<td>number of inhabitants / total surface x 100</td>
</tr>
<tr>
<td>age “independency” ratio</td>
<td>population aged 15-59 / (population aged 0-14 + population over 60)</td>
</tr>
<tr>
<td>average living space</td>
<td>surface of the living space / total population</td>
</tr>
<tr>
<td>infrastructure</td>
<td>length of (water pipes + sewerage pipes + natural gas conducts)</td>
</tr>
<tr>
<td>public income per capita</td>
<td>public income / total population (thousand lei per capita)</td>
</tr>
<tr>
<td>employees’ ratio</td>
<td>number of local employees / total population x 1000</td>
</tr>
<tr>
<td>average newborn-rate</td>
<td>(age group 0-4 years / 5) / total population x 1000</td>
</tr>
<tr>
<td>natural increase ratio</td>
<td>(number of birth – number of deaths) / total population x 1000</td>
</tr>
<tr>
<td>migration ratio</td>
<td>(number of settled in – number of moved out) / total population x 1000</td>
</tr>
<tr>
<td>health and social employees’ ratio</td>
<td>number of local employees in health and social field / total population x 1000</td>
</tr>
<tr>
<td>pupils ratio</td>
<td>number of children in school and kindergarten / total population x 1000</td>
</tr>
<tr>
<td>pupils / teachers ratio</td>
<td>number of children in school / number of teachers in school</td>
</tr>
</tbody>
</table>
CDC can take values between 0 and 1; the most developed commune has the highest value of the complex development coefficient. The CDCs of the majority of the communes from Cluj County are between 0.2 and 0.5, which shows a general low level of development. The most developed communes are situated in the neighbourhood of Cluj-Napoca and Turda.

Section 5.4 presents the results of a field research carried out in 13 communes from Cluj County in February-June 2007, to identify the barriers of rural SMEs development and the factors facilitating rural wage employment and entrepreneurship. Interviews were conducted with people who are searching for a job, farmers, employed people and entrepreneurs.

The following factors which increase the probability of being an employee were identified: education, professional qualification, former work experience and driving license.

Factors increasing the occurrence of entrepreneurship include: education, professional qualification, willingness for re-qualification, work experience (both in-country and abroad), the capacity to speak foreign languages and to drive a car, the ownership of a car and of a mobile phone. Practising agriculture in the family also has a positive influence, but this factor mainly differentiates those with some property (and a certain level of wealth and capital) from the very poor landless village people. Those with employed status are also more willing to start-up a business on their own, which again proves the importance of financial security.

Reasons given by those who don’t want to start up a business are: lack of money, bureaucracy, lack of business idea, high level of responsibility implied, age, and that there would be no one to continue the business as their children moved out from the village. Most of these reasons are consistent with the conclusions of previous research, as it was shown by literature review.

The impact of EU-accession on farming and agricultural employment has been studied through a field research carried out in two phases, presented in section 5.5. In July-August 2005 eleven farmers and four experts and in January-February 2009 43 farmers and five experts from Cluj County were interviewed. EU-accession was considered a threat for
semi-subsistence farms in 2005 as well as in 2009, as these farms will not be able to survive and to meet the requirements of the EC. On the other hand, EU-accession was seen as an opportunity for commercial farms.

The overall number of agricultural workers in Cluj County was expected to decrease, because many semi-subsistence farmers quit agriculture and the big exploitations replace labour-intensive activities with machinery. Part-time workers were expected to continue working in agriculture to complement the income of the family (in-kind income). Seasonal employment was considered not to be influenced by the CAP because elderly farmers and urban land owners will continue to use them anyway. The number of young people employed in agriculture is expected to decrease, because the level of income in agriculture is low and one also needs passion and a strong family background (land, equipments) to build up a farm.

Two years after accession farmers have already faced some of the challenges of the EU-accession. Many farms did not qualify for SAPS because of the farm size and structure, or because ownership of land could not be demonstrated. Constraints and strict rules introduced as the result of EU accession are perceived negatively by the farmers, as well as the centralization of the procedures (they would prefer local administration to save travel time and cost), and the excessive bureaucracy and administrative burden on project implementation. The first two years caused many disappointments because of inconsistencies in procedures, lack of professionalism of agency staff and delays of payments.

Section 5.6 presents an empirical research centred on the identification of rural employment problems, on the factors which can help or hinder rural employment and the economic activities which could contribute to rural job creation in Cluj County. Questionnaires were completed by 33 persons of very different background (academics, researchers, representatives of public institutions, village mayors, entrepreneurs and farmers), and two focus group meetings were organised, targeting university professors, lecturers and researchers (economists, statisticians, demographers and sociologists).

Respondents identified a wide range of economic activities, which could contribute to rural job creation in Cluj County. The economic activities considered as “traditionally rural” were mentioned in combination of activities with a higher value added, which are currently not sufficiently developed, such as the processing of the agricultural products, bee-keeping, cultivation of medicinal plants, fishery and processing fish products and ecological agriculture. In the mountain area forestry combined with wood processing and the collection and processing of forest fruits were considered suitable activities for job creation.

Manufacturing industry can be established only in rural areas with a more developed infrastructure.

The services sector was largely considered to have the potential to create employment opportunities in the rural area. Activities, which can create more jobs in the rural areas, are: agricultural consultancy, services for the local population and tourism. An idea, which can be considered innovative for the rural area of Cluj County, is to establish training centres.

The measures which can have a positive influence on rural employment are mostly oriented towards the removal of the problems and barriers identified: investment in rural education at all levels, modernization of the villages, support for the modernization of agriculture, support for the development of non-agricultural businesses and facilities offered to rural businesses, reduction of bureaucracy at all levels, and a coherent, articulated and stable national policy of rural development is necessary, which help people plan their investment strategies.
Chapter 6. The future of the rural labour force: occupational choices of rural youth

The field research carried out among rural 8th form pupils from Cluj County, presented in Chapter 6 gives valuable information and enables us to draw some conclusions about career choices of rural young people. The field research was carried out in 27 secondary schools from 19 communes (25.33% of the total number of communes from Cluj County. The communes were selected using criteria such as: geographical location, distance from Cluj-Napoca, accessibility (by road and railway), population size, age structure, and level of development (CDC). Thus it was ensured that different types of communes are represented in the sample. All 8th form pupils being present at the school filled up the questionnaires individually, supervised by the operator (the author in most cases). A total of 339 pupils filled in the questionnaires, out of them 170 were girls and 169 boys.

Most 8th form pupils feel encouraged by their parents to continue education. 59.6% would like to continue education in high schools and 21.2% in vocational schools, 8.6% plan to quit school, 7.1% were not decided and 3.5% did not answer. More than half of the respondents (61.9%) aspire for university studies, even though many of them have a very vague idea about universities in general. The main factors of influence regarding continuing education are:

- Gender: girls are opting in a greater share for higher level education (high school and university) than boys;
- School results: those with better results are more likely to continue education and prefer high school education;
- Parents’ attitude towards education;
- Parents’ education: the children of better educated parents aim for more education.

Most young people want to work in the services sector. Car repairing is the most popular profession, followed by occupations connected to restaurants and hotels (waiter, cook, and barman) and to education (teacher).

Only three respondents choose to work in agriculture. This is a very low share compared to the present situation, when 77.9% of the families practice agriculture and in 29.5% households one or both of the parents are mainly employed in agriculture. This result supports the expectations of farmers and experts presented in section 5.5, that the number of young workers in agriculture will decrease.

There is a clear gender divide among professions; only a few professions are chosen by pupils of both genders (waiter, cook, barman, and doctor).

More than half of the respondents would like to work in Cluj-Napoca, one fifth is looking for a job abroad and only 6.2% want to work in their village. There is no significant difference between the choice of female and male respondents, except that more boys than girls would like to work in their locality of origin and abroad and more girls than boys would like to work in Cluj-Napoca and Bucharest.

As regards the question whether young people would stay in their village or not, we can conclude the following: around 44.0% could remain in their village and commute to the chosen workplace; 44.5% would most probably move. For the remaining part the answer is not foreseeable: distances are quite long, but with good roads and transport facilities (which is not the case at present) it would still be possible for them to stay in their village and commute daily to work.
Chapter 7. Rural employment at the limit of remoteness. Mociu case study

Mociu, the commune analysed in more detail in Chapter 7, is an interesting case for rural employment because of several reasons. First of all, it is a commune with a low level of development, as proved by the CDC calculated in section 5.3. Physical infrastructure is not well developed, except the main roads, which were recently modernised. There is no railway, neither natural gas, two factors which are considered preconditions for industrial development. Secondly, Mociu is situated at the limit of ‘remoteness’; Cluj-Napoca (the closest city of over 50,000 inhabitants) can be reached in around 40-60 minutes travel by car, as it is situated 35 km far away from the closest village belonging to Mociu commune and 52 km far away from the most distant one. Thirdly, Mociu is also interesting because of its recent history. In the middle of the 20th Century, Mociu was an important centre, which provided economic and social functions for the population of a wider area, with good chances to become a town. In time, traditional crafts died out, its population decreased by 39% and many institutions moved away. But, as a heritage of the past there are still more services present in Mociu, than in other communes of similar size. By the end of the field research carried out in February-August 2009 it became clear, that in Mociu there are no ‘special’ resources on which an employment diversification strategy could be built, thus any solution which works for Mociu would be applicable in other rural areas in Romania as well. And this makes Mociu even more interesting.

The statistical analysis of data collected from a representative sample of 141 households from Mociu commune revealed that agriculture is widely practiced, and it is the main source of income for the majority of the population; still, only around 9.6% of the working age persons included in the survey sample are “farmers”, who practice agriculture more or less professionally. Retired people make up around one third of the population and they are all practicing agriculture; once these generation will “disappear”, the number of those involved in agriculture will decline. Around 19.2% of the working-age population are working as employees, and only 35.5% of the employees work locally. This means, that commuting is seen as an employment opportunity, even though the cost in time and money of commuting to Cluj-Napoca is considerable. Factors positively influencing the ‘employee’ status are the level of education and, in a smaller degree, the number of persons in the household. Gender influence is negative, meaning that women are less likely to work as employees. Education level is also positively influencing commuting and gender appears as a factor of influence, underlying that women are rare among commuters.

Mociu has active local leaders, who are busy to attract funds. Mociu is a founding member of Asociaţia Microregională Câmpia Transilvaniei, a non-governmental association formed on the legal basis of Government Ordinance 26/2000 in 2007, composed of nine communes: Căianu, Câmâraşu, Cătina, Cojocna, Geaca, Mociu, Palatca, Suatu, and Țaga. The same communes have received support at the end of 209 for constituting a LAG. In 2008-2009, the Mociu Local Council was partner in two projects for vocational training, one project for ensuring identity and property documents for the Roma population, and one project for creating mental health services, all of them being initiated by specialised NGOs. In July 2009, Mociu commune presented an individual proposal for an integrated project (extension of the sewerage system, and of the drinking water network, modernization of a road and refurbishing the cultural centre) for the EARDF - Measure 322. Mociu commune
entered in several public partnerships with the neighbouring communes, aiming mostly infrastructural development (in combination with social and cultural activities), but these are still waiting for future funding opportunities. This is a very positive aspect, as an improved infrastructure can create the premises to economic diversification and the social and cultural activities are making the commune more attractive for its residents.

Economic activities which could create jobs in the opinion of local people are: animal breeding, beekeeping, fishery, professional agriculture (in associations), retail, bakery, banks, notary office, tailors, handicrafts, small workshops, food processing, and clothing industry. But many of these, especially the ones which need big investments, are expected to be done by companies coming from the outside.
Conclusions

In this thesis the situation of rural employment in Romania was analysed, with a special emphasis on the pre EU-accession and post EU-accession period. The specific problems of rural employment and the main factors influencing rural employment were identified and assumptions were made on the evolution prospects of rural employment.

Based on the theoretical and empirical research presented in the thesis and summarised above, we can answer the research questions formulated at the beginning.

1. Which are the specific problems of rural employment (as opposed to urban employment) in Romania and Cluj County?

Answer: Literature review in section 1.4 lists the specific problems of rural employment as seen by a wide range of authors worldwide. Chapter 2 shows that some of the problems listed in international literature can also be identified in Romania, but many of them are more severe in Romania. Field research in Chapter 5 reveals the problems of rural employment in Cluj County. From the outcomes of both literature review and field research, we can summarise the main problems of rural employment in Romania and Cluj County:

- lower level of education and more difficult access to education in the rural area than in the urban area;
- a limited range of job opportunities outside agriculture;
- the relative importance of self-employment and small businesses;
- lower activity rate of the working age population in the rural areas of Cluj County (Census 1992 and 2002);
- greater prevalence of part-time work;
- lower incomes in the rural areas than in urban areas (lower incentives to work);
- lower level of entrepreneurship;
- inadequate physical infrastructure: roads, water, draining, telephone, internet;
- the development of services is lower;
- out-migration and commuting of the young people from rural to urban areas and in-migration of elderly and poor people into the rural area.

2. Which are the main factors influencing rural employment?

Answer: Location factors, population size and demographic structure, education and skills level, infrastructure and land ownership are the main factors which influence rural employment.

The influence of all four factors was verified in several ways.

Location factors: From the overview of typologies of rural areas from Chapters 1 and 2 it becomes clear that different types of rural areas faced different employment problems. In the integrated, peri-urban rural areas the share of employment in the secondary and tertiary sectors are much higher, and commuting to the city is the rule. Remote rural areas are less connected to the urban economy and agricultural employment is the norm. Geographical differences mean different resources and potential for development, which have a clear impact on the investment strategies of the population and on rural employment.
The classification of the communes from Cluj County (Chapter 5) helps us to understand the territorial patterns of development. Field research and focus group discussions also demonstrate the importance of the location factor.

**Age and gender:** literature review from Chapters 1 and 2 reveal that age and gender are important factors of employment. Statistical data presented in section 4.4 demonstrate that the 35-54 years old population has the highest activity and employment rates and the lowest ILO unemployment rates in the rural area in Romania and in the North-West Region as well. From Chapter 5 it can be seen that age and gender influence the employment status of the rural population from Cluj County.

Probit regression from Chapter 7 shows that gender has an influence on the ‘employee’ and ‘commuting’ status in Mociu (10% significance level), meaning that women are less likely to work as employees and less likely to commute to work than men.

**Education and skills:** as it came out from literature review in Chapter 1, education is one of the most important components of employability of the rural population. In rural regions with a higher education level of the population, activity rates tend to be higher than in other rural regions. Schooling is positively and significantly associated with participation in rural non-agricultural wage employment. People with a low level of education face more difficulties in finding a job and when employed, earn less, and the probability for them of becoming poor is much higher than for the better educated ones. Employment policies (Chapter 3) recognise the importance of education and skills: the third employment priority of the revised Lisbon Strategy is “to increase investment in human capital through better education and skills”. Romanian employment policies also give a special attention to education and professional training. From the econometric analysis of data collected through field research in Cluj County in 2007 (Chapter 6) and in Mociu in 2009 (Chapter 7) resulted that education significantly influences the employment situation of the rural population.

**Infrastructure:** according to literature review from Chapter 1, researchers admit that the lack of infrastructure is a barrier for employment growth; however, infrastructural development alone is not enough to increase the level of employment of the rural population. Infrastructure potentially can influence rural economic performance in many ways: expanding the use of existing resources (labour, capital, etc.), attracting additional resources to rural places, making rural economies more productive, bringing urban markets closer and facilitating commuting to urban workplaces. The low development of rural infrastructure was identified by field research (Chapter 5) as a major barrier of rural wage employment. In Mociu (Chapter 7), the lack of infrastructure is considered a barrier to job creation, as it stops investors to settle in the commune.

**Land ownership:** literature review reveals that households with more land and animals are less likely to have a non-farm enterprise, because better-endowed farms generate more income, which would lessen the need to seek additional nonfarm income. The lack of land pushes households into wage employment. The land restitution in Romania also contributed, besides the economic recession, to the fact that in the 1990’s agriculture became an occupational buffer.

The influence of land ownership on wage employment and entrepreneurship was also tested by field research in Chapter 5 and 6, the results strongly suggest that land ownership increase the willingness to start up a business (as property of land is seen as a risk-alleviating factor), but no relationship between wage employment and land ownership could be demonstrated statistically.
3. **What career plans the rural young people have?**

**Answer:** Career plans of the rural young people are oriented towards jobs in the services sector from the urban area.

Literature review (Chapter 1 and Chapter 2) as well as statistical data (Chapter 4) suggest that rural young people move out from the rural areas and that agriculture is mainly practiced by older persons. The field research in Cluj County (Chapters 5 and 6) and the case study from Mociu (Chapter 7) also revealed that rural young people have a strong preference for living and working in the urban area.

Occupational choices of rural youth are extensively studied in Chapter 6, based on a representative survey carried out in Cluj County in 2007 among rural pupils from the 8th form. The results of the survey fully support the answer given above. Most young people (61.9% of the respondents) want to work in the services sector (and only three respondents choose to work in agriculture. Car repairing is the most popular profession, followed by occupations connected to restaurants and hotels (waiter, cook, and barman) and education (teacher). Only 6.2% of the respondents plan to work in the village they live and 58.1% would like to work in Cluj-Napoca (further 1.5% opted for both alternatives); 11.8% choose other urban locations in Romania and 20.1% plan to go abroad.

4. **Which will be the main economic sectors providing rural employment on short and middle term in Romania?**

**Answer:** Agriculture and connected sectors (processing of agricultural products and agricultural services) will remain the main sources of rural employment on short and middle term in Romania. Services to the population also have the potential to develop and can offer alternative sources of employment in the rural area.

The answer has been already given by the literature review in Chapters 1 and 2. We could read in these chapters that rural employment is mainly in agriculture and that agricultural growth can stimulate other activities within the rural economy, such as domestic services, construction, education, food processing and sales, and manufacturing. Authors agree that in Romania agricultural employment has to be reduced in order to increase the productivity and competitiveness of agriculture. On the other hand, the same authors emphasise that, on middle term at least, agriculture will remain the main economic activity in the Romanian rural areas. Agriculture can not be a source of employment growth, but from crop production workforce could migrate towards stock breeding, food processing and other upstream and downstream activities linked to agriculture. (Dumitru et al., 2004; Davidovici and Davidovici, 2008; Dumbravă, 2007; Iștudor, 2006; Lazăr et al., 2007; Otiman, 2008; Zahiu et al., 2008) Summing up the findings of several authors we arrive to the following list of economics activities which could be successfully carried out in the rural area: agriculture (competitive commercial farms), farm inputs retail distribution, food processing, manufacturing (textile, clothing, footwear and wood processing), agro tourism, traditional handicrafts and forestry. Once rural people would have more money to spend, new services will be needed, such as car repairs, TV repairs, plumbers, hair-dressers, etc., which could be provided by rural micro enterprises.

Field research (Chapter 5) also identified several ways in which agriculture and connected activities might create new jobs in the Romanian rural area:
– establishment of producers groups in the field of crop production and animal breeding;
– processing of agricultural products;
– cultivation of medicinal plants;
– collection and processing of forest fruits (suitable for the mountain area);
– ecological agriculture;
– agricultural services (consultancy, input provision, marketing and sale of products).

The development of services is lower in the rural areas than in the urban areas. Service provision is a critical link between rural settlements and rural people; services support people and people support services. Services is seen as a sector where new rural jobs can be created by several Romanian authors (Chapter 2); currently basic services for the population in remote rural areas are missing, because of the low demand, or they only exist in the ‘informal economy’; with the increase of the demand these could become ‘legal’.

Statistical data presented in Chapter 4 show that the share of rural employment in the services sector in 2008 was in average 18.6%, much lower than in the urban area (57.5%). In the same time, the lack of rural services is signalled as a major problem by field research, because it makes the rural areas unattractive for the educated workforce (Chapter 5). Field research results reveal that, besides agriculture and connecting activities, the services sector was largely considered to have the potential to create employment opportunities in the rural area. Activities, which seem to be capable of creating more jobs in the rural areas, are:
– services for the local population (hairdresser, tailor, shoe-repair, etc.);
– tourism and agro tourism;
– restaurants offering traditional meals;
– banking and financial services;
– accounting;
– retail.

There were also some ideas expressed, which can be considered innovative for the rural area of Cluj County, such as call centres, research centres and training centres.

Results of Chapter 6 suggest that most of the rural young people would like to work in the services sector.

All these results demonstrate that the development of rural services is on one hand an urgent task to be accomplished in order to ensure the wellbeing of the rural population, and on the other hand it is an opportunity for rural job creation. The main conditions for services development are that income levels increase (which contribute to the increase of demand for services) and young people remain in the rural area.

5. What is the impact of EU-accession on rural employment in Romania and Cluj County?

Answer: EU-accession leads to the decrease of agricultural employment. However, the full absorption and efficient use of the EU Cohesion and Rural Development funds can create the premises for employment increase and diversification in the rural area.

Several studies analyse the expected impact of the EU funds on the development of Romanian rural areas, highlighting the positive aspects as well as the problems raised by the implementation of the European rural development policies (Chapter 2). Temporary jobs are expected to be created by rural infrastructure projects and the maintenance and management of the newly set up facilities will ensure permanent jobs. The absorption of EU funds is seen
as an opportunity for the development of agriculture and of the rural area, as it might contribute to the increase of output, income and employment.

Field research (Chapter 5) revealed that the overall number of agricultural workers decreases, because many semi-subsistence farmers quit agriculture (due to aging and to difficulties to meet requirements for EU support) and big exploitations replace labour-intensive activities with machinery. Both farmers and experts see that a direct consequence of EU-accession is consolidation of farms and modernisation of farming methods.

Survey results presented in Chapter 5 show that European funds are essential for the modernization of the rural area (physical infrastructure: roads, water, draining, telephone, internet; social and cultural infrastructure) and the modernization of agriculture (equipment, technology), all these being considered important factors for rural employment growth. In each community there should be people within the local administration, familiarised with the whole process (from accessing funds to project implementation and reporting) and who mainly deal with rural development projects.

In a permanently changing environment, with an ongoing economic crisis in the background, it is difficult to make any assumptions about the future development of rural employment. Some trends, which seem to be most likely to continue until 2013 (the last year of the current programming period) are:
- aging of the rural population will intensify, and it will be enforced by the increasing urban-rural migration of elderly;
- it is expected that the rural area will lose young population;
- young people from the rural area will migrate both towards the urban area and to abroad;
- agricultural employment would follow a decreasing trend; the effects of economic recession cannot make again from agriculture a “buffer for unemployment”, as it happened in the 1990’s;
- the global economic crisis can be an obstacle for the creation of non-agricultural jobs;
- commuting to urban workplaces is highly influenced by the lengths and severity of the economic crisis.

At the end it can be concluded that the research aim and objectives have been fully achieved and the author has brought important contribution to the study field of rural employment through:
- a comprehensive literature review (both Romanian and international scientific literature);
- a synthesis of employment policies in the EU and Romania;
- a detailed secondary analysis of employment indicators;
- a complex empirical research, which provided arguments for answering the most important research questions.

Further research in the field could be oriented towards:
- extending the empirical research related to the impact of EU-accession on agriculture on a much larger representative sample, to test statistically the conclusions drawn based on qualitative data analysis;
- characterising the employment situation and identifying specific employment opportunities for groups of communes, formed according to the values of their Complex Development Coefficients.
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