

Regional disparities of unemployment in the European Union and in Romania

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Abstract

The regional issues include a variety of events that reflect the persistence of imbalances/ disparities in the development of a country's regions (the trend of regional divergence).

The major problem faced by all European regions is the high level of long-term unemployment, interregional disparities in this respect being obvious. The many (negative) effects that unemployment generates - both for society and for individuals - fully justify the concerns of the world governments regarding both this reality and the continuous concern for finding solutions on employment at the highest level possible.

These are the reasons why, this paper analyzes the issue of regional disparities of unemployment, in the EU countries, focusing on Romanian regions, using statistical data relevant for this purpose.

Keywords: regional policy, regional disparities, macroeconomic indexes, unemployment

Introduction

Regional policy includes all activities that have a significant word to say in the development of a region. Regional policy covers a large number of manifestations that reflect the persistence of unbalances/disparities in developing certain regions of a country (the tendency for the regions' divergence).

Regional disparities represent inequities or inequities. One of the most important consequences of disfunctionalities occurs on territorial level in the shape of regional imbalances.

The specialized literature in the field, which analyses the disparities between regions, is extremely vast and does not suggest that the existence of such differences would be caused by a single factor. There is a large variety of factors that contribute to the economic development and generates different levels of regional efficiency. Generally, regional disparities are generated by the precedent economic growth (the past economic growth) and the current conditions (i.e. income level, access for the masses to education and healthcare, workforce occupancy).

The first cause – the historic one – has a great role in the regional economic development. For example, in our country's case, the typical models for regional development of western countries, which have always had a prosperous economy, can not be implemented in the regional development of Romania, since they can not generate the same results. To find clear ways to resolve regional disparities in every EU state, it is necessary to build up a regional analysis of the territories from this geographic area. [14]

If the economic literature has managed to explain the causes of inequalities regarding the economic development of different EU regions, this problem managed to become an economic policy priority in the EU in the last two decades, especially after Greece, Spain, Portugal and lately Bulgaria and Romania joined the EU, countries which are characterised by a lower level of development compared to the EU countries, and also being marked by significant regional imbalances. [6]

The serious conditions of the problems that the regional development is facing, makes it easy to identify the determinant factors, but it also involves consuming some massive efforts and a large amount of time, in order to repair the noticed imbalances. [12]

In such circumstances, it becomes obvious the need of government interference in the purpose of eliminating/reducing regional disparities, through a regional policy.

Unemployment – macroeconomic indicator for regional disparities

Disparities can be assessed by using macroeconomic indicators, adapted to regional level. The deviation of regional indicators from the country average, as well as the differences regarding the indicators at an interregional scale, sums up – along the level of economic development of all regions – the scale of regional discrepancies. For the very same purpose calculated are the differences between income and the level of labor productivity, the structure of the work force, [17]; the disparities in the availability and accessibility of natural and cultural resources and the asymmetry of infrastructure density. [12]

For a regional evaluation that would provide solid information regarding the existing differences in an area, various indicators can be used. Among these, two are of an overwhelming importance: the monthly average of the real net income of an inhabitant and the sectorial distribution of the employed work force.

The first indicator is one that best suggests the level of financial and material wealth of a country's population. This thing suggests that a growth in individual wealth is directly transposed in the quantity and quality of goods and services which can be acquired by a person. Even more, wealth and a high standard of living are supposed to direct expenses towards acquiring luxury goods or services to which only extremely high-income families gain access to.

The second indicator is also very significant, since in the developed countries, the structure of the economy is considered to be a basic condition which has to be taken into consideration in the process of economic development. [5]

Together with these two indicators, in order to assess the level of regional growth, we can make use of the following values: the regional demographic profile, the regional gross product, the unemployment level, investment level, the indicators that reflect the human wealth (child mortality, health and educational expenses etc). These variables can contribute to an understanding of the differences regarding development in a region better than comparing the level of real income does. [4]

Unemployment is an indicator not to be ignored, useful when evaluating regional disparities. The analysis of the current unemployment confirms the highly complex character of this phenomenon, but in the very same time it imposes taking into consideration more particularities which show up, even in short time spans.

The high number of (negative) effects brought forth by unemployment – both for society and for the individuals – fully justifies the world governments' concerns facing this reality and the perpetual concern towards finding solutions for the work force at the highest level possible. These are only a few of the causes why in this paper we analyse the issue of regional disparities of unemployment at a EU-country level and in Romania, by using relevant statistical data.

Regional disparities of unemployment in the European Union

The statistical research on work force disparities in the European Union, transposed to the regions in Romania, is meant to be considered as an information source with a huge number of structuring possibilities, depending on various demo-social-economic characteristics, under international comparable conditions. The statistical indicators pointed out in this paper are: the unemployment rate, the number of unemployed by gender and the age groups.

Nowadays, there are a large number of characteristics of the labor market in the contemporary European Union: creating an increasingly smaller number of jobs from one year to another; the constant drop of the work force in the vast majority of the UE countries, unemployment increase in the long run, a cyclical growth that corresponds to different spans of the work force variation depending on the economic activity fluctuation; rigidity and disparity between national labor markets; different rules when speaking about the amount of the employers and about providing or not their compensation; the regional disparities of the European unemployment; unemployment, which affects unequally different population categories, for example, women more than men.

The economic analysis of unemployment and of their policies needs to underline the causes of unemployment, which can be synthesized as follows: the incompatibility between the qualifications available on the labor market and the ones requested by the companies, which generates structural unemployment; the differences between the

social cost and the private cost of the work force, as well as the different degrees of taxing; the institutional factors and the population movement, which explain the persistence of strong differences between the European unemployment rates; the significant degrading of the situation and of the jobs, which can be explained by the restrictive economic policies operating throughout Europe.

Strong regional disparities can be met when concerning unemployment rates. Some studies completed at the beginning of the 90's proved the deepening of regional differences from the point of view of the unemployment rate, which vary in the 4.6% limits (in the first 25 regions with the lowest unemployment rate) – 22.5% (in the case of 25 regions with the highest unemployment rate of the work force, such as: Spain, Southern Italy and Greece). [1]

The major problem which all regions were facing was the one of high unemployment rate on long term, interregional discrepancies being obvious this way as well: long term unemployment was reaching 60% in the first 25 regions with the highest rate of unemployment, unlike 30% in the first 25 regions with the lowest rate of employment.

The regions most affected by unemployment were in Spain, Southern Italy and the Mediterranean regions in France, while the least affected by unemployment were the ones in Finland, Eastern Germany and the north-east of France.

Disparities continue to exist and are being underlined especially between the urban regions and the rural ones: the most obvious performances are on the economic development lines and for eliminating discrepancies have been observed in the regions with a high degree of urbanization (Lisbon or Dublin). [7]

It is likely that the tendency of regional divergence to be maintained onwards. One of the basic reasons of the persistence of regional disparities in the EU results from the reduced mobility of the work force in the European Union, which poses a threat to unemployment reduction in the poor counties, like: Muenster (Germany) or Asturias (Spain).

Regional disparities of unemployment in European Union Countries

Tabel no 1. Unemployment by sex groups (in thousand people)

Time span	Total			Women			Men		
	2007	2008	2009	2007	2008	2009	2007	2008	2009
EU 27	16750,8	16548,5	21201,4	8266,2	7989,2	9542,9	8484,6	8559,3	11658,4
Belgium	352,6	333,0	379,4	178,6	163,1	175,6	174,0	169,8	203,7
Bulgaria	239,1	198,5	236,7	119,3	95,1	107,4	119,8	103,3	129,3
Czech Republic	275,8	229,3	351,7	152,6	127,0	176,6	123,2	102,2	175,2
Denmark	109,6	97,7	176,5	56,7	51,0	74,6	52,9	46,7	101,9
Germany	3595,3	3135,1	3220,7	1660,4	1449,3	1390,6	1935,0	1685,8	1830,1
Estonia	31,9	37,9	94,3	13,1	17,7	35,8	18,7	20,1	58,5
Ireland	100,8	134,5	254,5	39,6	44,5	75,5	61,2	90,0	179,0
Greece	405,9	377,2	470,4	255,5	229,9	270,9	150,4	147,2	199,5
Spain	1831,8	2586,6	4145,1	1017,7	1277,0	1855,9	814,1	1309,6	2289,3
France	2218,0	2063,5	2564,9	1128,8	1049,8	1257,3	1089,3	1013,7	1307,6
Italy	1503,5	1685,6	1940,9	782,7	868,9	942,5	720,8	816,7	998,4
Cyprus	15,4	14,5	21,3	8,1	7,6	9,9	7,3	7,0	11,4
Latvia	70,3	90,2	202,2	31,6	40,8	81,2	38,7	49,4	121,0
Lithuania	69,0	93,4	224,3	34,3	44,4	85,1	34,6	49,0	139,3
Luxemburg	8,6	10,8	11,7	4,4	5,6	6,0	4,2	5,2	5,7
Hungary	311,7	328,8	420,3	147,7	154,6	186,8	164,1	174,2	233,5
Malta	10,8	10,3	12,1	4,1	3,9	4,4	6,7	6,4	7,6
Netherlands	276,7	236,6	298,8	144,1	119,4	138,7	132,6	117,2	160,0
Austria	185,3	162,1	204,1	95,7	80,4	90,1	89,6	81,7	114,0
Poland	1613,8	1207,2	1409,2	785,9	610,4	676,4	827,9	596,7	732,8
Portugal	447,9	426,6	527,5	251,7	232,7	266,8	196,1	193,9	260,6
Romania	640,2	575,2	680,5	242,2	206,2	256,9	398,0	368,9	423,6
Slovenia	49,9	45,5	61,0	27,6	23,0	27,7	22,3	22,6	33,3
Slovakia	295,5	255,5	323,3	150,3	131,3	153,0	145,2	124,3	170,3
Finland	183,3	171,8	220,8	93,1	87,1	98,5	90,1	84,7	122,3
Sweden	296,6	303,3	407,3	147,8	151,6	185,1	148,8	151,7	222,2
United Kingdom	1611,5	1738,1	2341,9	692,7	716,9	913,5	918,8	1021,2	1428,4

Source: EUROSTAT, <http://epp.eurostat.ec.europa.eu>, Accessed on 11th.04.2011

In 2009, the number of unemployed at the level of the European Union was of 21204,4 thousand people, an increase of 4450,6 thousand people, compared to 2007. The evolution in terms of gender was linear, meaning that the number of female unemployed as well as the number of male unemployed increased by 1276,7 thousand people, and 3173,8 thousand respectively.

As in the previous years, unemployment occurs the strongest for males, their percent in total being approximately 55%. In Ireland we find the highest rate of men unemployment, with a percentage of 70.33%, and in Greece, the jobless women represent a 57,59% of the total number of the unemployed.

The largest increase in the number of unemployed is to be found in Spain, of 2.3 million people, of which 838.000 are women and 1.47 million are men. Data shows the massive degradation of the labor market after the real estate market collapsed and the activity in the field of constructions dropped.

In opposition we find Germany, which has a drop in the number of unemployed by 374.600 people, of which 269.800 are women and 104.900 are men.

By distributing the unemployed on age groups (Table no 2), we observe that the 25-64 years group has the largest share, 75.7% of the total unemployed. These increased by 3.4 million unemployed from 2007 to 2009. Compared to this category we have the youngsters (15 – 24 y.o.) which have a share of 24.3% among all unemployed and increased in number since 2007 with 1 million (the tendency of these categories can be observed in the graph below).

The unemployment rate among youngsters is 18.5% in the Euro zone and 18.9% in the European Union, twice higher than the European average. Countries that have the highest share of unemployed youngsters are: Great Britain with 38.09% and Sweden with 38.6%, and on the other side we have Germany, which has the largest share of unemployed adults: 83.34%. Youngsters under 25 come across the most difficulties when looking for a job, as far as Eurostat data can tell. Spain and Latvia are the countries with the most unemployed under the age of 25, with 36.2%, and 29.2% respectively. Unemployment registering over 20% among the youngsters is recorded in Sweden (25.9%), Slovakia (25.2%), Hungary (24.5%), Ireland (24%) and France (22%). Unemployment among the youngsters represent without a doubt a huge risk for the future of human capital, the victims of this social

phenomenon being noticeable for a long time given this debut of their professional career.

Although the European trend regarding unemployment is upward, some countries recorded a drop. For example, Poland and Germany have an unemployment drop among youngsters by 39.200 people, and 47.400 respectively from the age group of 25-64 years old; put apart, the drop is about 165.400 people in Poland and 327.200 in Germany. Bulgaria as well recorded an adult unemployment rate drop, by 4.200 people. Of course, this is a very small drop, but it has to be mentioned, since it is out of the European pattern.

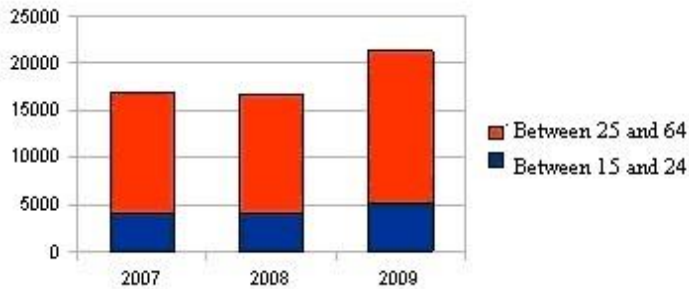
Table no. 2. **Unemployment on age groups** (thousand people)

Age	between 15 and 24			between 25 and 64		
	2007	2008	2009	2007	2008	2009
UE 27	4135,6	4148,1	5150,9	12615,2	12400,4	16050,5
Belgium	82,0	77,9	93,1	270,6	255,1	286,3
Bulgaria	44,5	38,3	46,2	194,6	160,2	190,4
Czech Republic	46,0	41,3	70,6	229,8	188,0	281,1
Denmark	34,2	35,0	52,8	75,4	62,7	123,8
Germany	583,9	518,3	536,5	3011,4	2616,8	2684,2
Estonia	7,9	10,0	21,3	24,0	27,9	73,1
Ireland	31,9	41,3	66,0	68,9	93,2	188,5
Greece	83,7	76,6	89,3	322,3	300,6	381,1
Spain	442,7	593,0	841,5	1389,1	1993,6	3303,6
France	553,2	540,1	686,0	1664,8	1523,4	1878,8
Italy	379,8	399,0	449,9	1123,7	1286,6	1491,0
Cyprus	4,0	3,5	5,2	11,5	11,0	16,0
Latvia	16,5	19,9	47,8	53,8	70,3	154,4
Lithuania	12,0	22,1	46,7	57,0	71,3	177,7
Luxemburg	2,2	2,8	3,1	6,4	8,0	8,5
Hungary	57,6	61,0	79,2	254,1	267,8	341,1
Malta	4,3	3,7	4,3	6,6	6,6	7,8
Netherlands	84,8	76,2	95,9	191,9	160,4	202,9
Austria	52,2	48,5	59,8	133,1	113,6	144,3
Poland	402,3	309,0	363,1	1211,5	898,2	1046,1

Age	between 15 and 24			between 25 and 64		
	2007	2008	2009	2007	2008	2009
UE 27	4135,6	4148,1	5150,9	12615,2	12400,4	16050,5
Portugal	85,9	83,5	93,4	362,0	343,1	434,0
Romania	196,7	177,3	196,9	443,6	397,9	483,6
Slovenia	10,8	11,4	13,7	39,1	34,1	47,3
Slovakia	59,8	51,5	69,8	235,7	204,1	253,5
Finland	56,3	56,1	69,4	127,0	115,7	151,4
Sweden	118,3	128,8	157,2	178,2	174,5	250,0
Great Britain	682,4	722,2	892,0	929,1	1015,9	1449,9

Source:EUROSTAT, <http://epp.eurostat.ec.europa.eu> Accessed on 11th.04.2011

Graph no. 1. Unemployment tendency on age groups in EU



Source: Interpretation after table no.2

In 2009 at European Union level, the number of unemployed between 15 and 24 years old was of 5150,9 thousand people, an increase by 1 million youngsters compared to 2007. The second group – unemployed between 25 years and over – recorded a value of 16 million people, an increase of 3.4 million since 2007.

In the same approach with the increasing of the unemployment rate among the youngsters, more and more older employers (55-60 years old) are excluded from the labor market. In France and Germany, the activity rate of this category dropped because of pre-retirement in the 80's, in an extent to reduce the declared unemployment. The restructuring operation then determined laying out elderly employees first, since they could be considered pre-retireable. As a consequence,

the unemployment rates among the elderly employees recorded the largest growth in these two countries: France and Germany.

Regional disparities of unemployment in Romania

The issue of unemployment and disparities – as realities of the modern world – can be felt in Romania as well, just like in other European countries, there being multiple efforts to decrease them.

The regional development made it necessary implementing in Romania a statistical system of NUTS II level in the EUROSTAT catalogue, for the analysis and monitoring of disparities in regional development. In each of the eight Regions of Development there have been set up an equal number of General Directions of Regional Statistics, to ease up the process of regional development analysis.

Nowadays, the statistical data system at regional level is relatively limited. Within the program “Support for regional social-economic analysis for the National Development Plan” it was managed to create the first database which has to be developed such as to meet the needs of a Structural Funds’ plan analysis.

Statistical data shows that Romania entered the process of transition by having a relatively low level of local disparities, compared to other member states or candidates. These disparities increased rapidly and distinctively between Bucharest and the rest of the country.

Inter-regional disparities in absolute terms are relatively small compared to the European Union. In relative terms however, these reached levels compared to those in Portugal and The Netherlands.

A comparison of the regional disparities in Romania with the situation of other European countries shows that here too, as well as in Great Britain, France, Belgium, the Czech Republic, Austria, Portugal, Sweden, the best developed region is the capital, and the least developed are the border areas, similar to Western Europe, where the areas of the border near ex-socialist countries (Austria and Germany) are lagging behind other areas.

Except for Bucharest, which has a completely special economic situation, the economic development followed a west-east direction, the proximity of western markets spreading economic growth.

Although the statistical data present some time oscillations due to local factors, we can observe how the economic development had a significant geographical component, the underdeveloped areas being

concentrated in the North-East area, at the border with Moldavia, and in the South, along the Danube. Underdevelopment shows up as being related to unemployment and to major rural activities, like the lack of ability to attract foreign direct investments.

The North-East area is marked as being dependent on agriculture, but also by the proximity with Moldavia and the Ukraine. The same is valid, in a way or another, for the South-Muntenia area, dependent as well on agriculture, the place where the Danube acts like a barrier to between-borders commerce. The Western and Central parts of the country have the advantage of their position, being closer to western markets, and by their reduced dependence of the primary sector.

In Romania, in 2009 were 673.300 people unemployed, with 32.500 more than in 2007, 257.000 women, with 14.700 more than in 2007, and 423.800 men, with an increase of 25.300.

Table no. 3. **The number of unemployed, by gender** (thousands people)

Timespan	Total			Women			Men		
	2007	2008	2009	2007	2008	2009	2007	2008	2009
Romania	640,8	575,5	673,3	242,3	208,8	257,0	398,5	369,3	423,8
North-West	51,1	44,6	55,2	19,7	15,2	21,5	31,4	29,5	34,6
Center	93,8	95,5	97,9	33,3	34,8	35,1	60,5	62,1	63,7
North-East	89,2	79,3	93,3	33,3	28,5	35,1	55,6	50,8	58,8
South-East	107,4	90,0	111,5	43,0	31,1	44,8	64,5	59,0	67,7
Southern Muntenia	131,6	108,1	135,7	50,5	45,9	52,3	81,1	63,1	84,3
Bucharest - Ilfov	43,1	35,9	47,2	16,6	12,5	18,4	26,6	23,4	29,8
South-West Oltenia	75,1	72,4	79,2	26,9	23,0	28,7	48,2	49,5	51,4
West	49,5	49,7	53,6	19,0	17,8	20,8	30,6	31,9	33,8

Source: Interpretation after EUROSTAT <http://epp.eurostat.ec.europa.eu> Accessed on 13th.04.2011

Table no. 4. **Unemployment rate by gender (%)**

Timespan	Total			Women			Men		
	2007	2008	2009	2007	2008	2009	2007	2008	2009
Romania	6,4	5,8	6,9	5,4	4,7	5,8	7,3	6,7	7,7
North-West	4,3	3,8	4,9	3,6	2,8	4,1	4,9	4,7	5,2
Center	8,5	8,5	8,9	7,0	7,0	7,4	9,7	9,7	9,8
North-East	5,0	4,5	5,3	3,8	3,5	4,2	6,2	5,4	6,7
South-East	8,5	7,2	9,1	8,2	6,1	8,4	8,8	8,0	9,2
Southern-Muntenia	8,2	6,8	8,5	7,3	6,5	7,7	9,4	7,0	9,7
Bucharest-Ilfov	4,1	3,4	4,7	3,4	2,5	3,8	4,7	4,1	5,2
South-West Oltenia	6,8	6,5	7,3	5,5	4,6	5,9	7,9	8,0	8,3
West	5,6	5,7	6,1	4,7	4,5	5,1	6,5	6,6	7,1

Source: Interpretation after EUROSTAT <http://epp.eurostat.ec.europa.eu> Accessed on 13th.04.2011

In 2007, the highest rate of unemployment was recorded in the South-East Region (8.5%) and Center Region (8.5%), but besides these, unemployment increased to almost the same level in the South-Muntenia Region (8.2%), because of the restructuring applied to mining and the existence of the steel industry, which affected most of the large companies in these regions. As such, in 2009 there is an unemployment rate being recorded of 9.1% in the South-East Region and 8.9% in the Center Region, of 0.6% higher.

At national level, unemployment rate increased by 0.5% during this time, from 6.4% in 2007, to 6.9% in 2009. The highest increase is being recorded in the North-West Region, the South-West Region and the Bucharest-Ilfov region, with 0.6%.

The unemployment rate for women increased to 5.8% in 2009, and to 7.7% for men.

The decrease in unemployment can be explained by a high number of retirements, by a large number of people leaving abroad for work, work in the underground economy, but also by the fact that most of the long-term unemployed are not registered at the work force offices.

In 2009, at national level, there was registered an unemployment rate of 20.4% among youngsters (18.7% for women

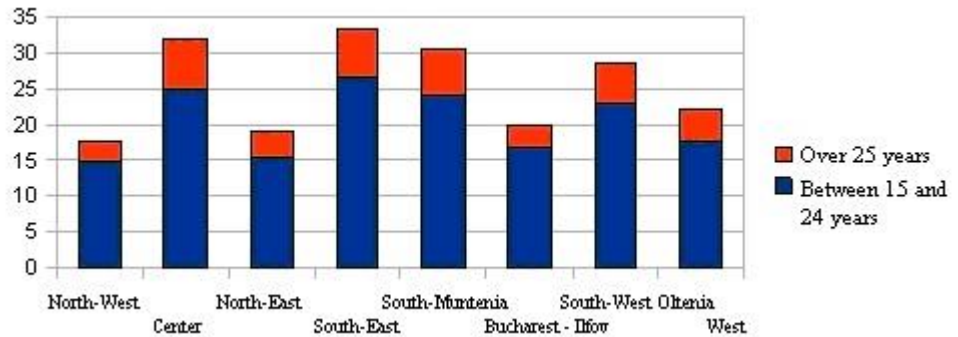
between 15 and 24 years old and 21.6% for men belonging to the same age group) and 5% for people over 25 years old (4.1% for women and 5.8% for men).

Table no. 5. **Unemployment rate by gender and age groups (%)**

Age	Between 15 and 24 years								
Gender	Total			Women			Men		
Time span	2007	2008	2009	2007	2008	2009	2007	2008	2009
Romania	20,2	18,6	20,4	18,6	18,3	18,7	21,1	18,8	21,6
North-West	14,3	13,5	14,5	13,3	13,0	13,4	14,2	13,9	14,7
Center	24,7	22,4	24,9	21,5	20,2	22,6	26,6	24,0	26,8
North-East	14,9	13,6	15,1	11,7	13,5	11,8	16,8	14,3	17,0
South-East	26,5	21,5	26,7	27,1	25,3	26,3	25,9	19,7	26,2
South - Muntenia	23,9	19,4	24,1	24,5	22,2	22,3	23,5	17,7	24,1
Bucharest - Ilfov	16,6	17,4	16,8	15,1	16,8	17,0	18,3	18,1	18,7
South-West Oltenia	22,7	21,1	22,9	20,4	18,1	18,5	23,2	24,2	24,1
West	17,6	20,2	17,8	15,4	17,3	17,4	18,5	22,3	21,4
Age	Over 25 years								
Gender	Total			Women			Men		
Time span	2007	2008	2009	2007	2008	2009	2007	2008	2009
Romania	4,9	4,4	5	4,2	3,4	4,1	5,6	5,3	5,8
North-West	3,2	2,8	3,3	2,6	1,9	2,5	3,9	3,7	4,1
Center	6,7	6,9	6,8	5,5	5,6	5,4	7,6	7,9	7,8
North-East	3,9	3,5	4,0	3,1	2,4	3	4,6	4,4	4,8
South-East	6,4	5,6	6,5	6,2	4,2	6,1	6,5	6,6	6,7
South - Muntenia	6,3	5,2	6,4	5,4	4,9	5,3	7,0	5,5	7,2
Bucharest - Ilfov	3,1	2,3	3,2	2,8	1,6	2,8	3,5	2,9	3,7
South-West Oltenia	5,4	5,0	5,5	4,2	3,4	4,1	6,3	6,3	6,5
West	4,3	4,2	4,4	3,7	3,4	3,6	5,0	5,0	5,2

Source: Interpretation after EUROSTAT <http://epp.eurostat.ec.europa.eu> Accessed on 13th.04.2011

Graph no. 2. **Unemployment rate by age groups in 2009 at the development regions level**



Source: interpretation after Table no.5

After 2007, unemployment suddenly increased in all the regions of the country, but the highest unemployment rates were recorded in the areas having a fragile economy: Center, South-East and the smallest, Bucharest-Ilfov region and region West.

The unemployment map designed on regions visually explains the entrance of foreign capital, and the areas with the highest unemployment rate correspond to the areas in industrial downturn, with imbalanced economies, where the shock of losing competitiveness was not absorbed by satisfactory input of foreign or internal capital. Of course, an important role is played by the transportation and public utilities' infrastructure, but also by the improper qualification of the local work force which was not requalified as necessarily.

One of the effects of the economic crisis in 2009 consists of an unemployment increase, generalised at territorial level. Increase of unemployment in Romania was recorded in the Western area of the country (characterised, until the crisis started, by one of the lowest levels of general unemployment rate and even by a shortage of the work force), but also in the North-East and South-East regions („traditionally” areas with high unemployment).

With 7.2% unemployed, Romania is close to the European average of 7.1%, but does not report any progress compared to 2007. The unemployment rate in the European Union dropped by almost 1%, compared to last year, reaching a 7.1% in April 2008, compared to 8%, in April 2007. In the 27 member countries of the Union we are considering about a total of 16.7 million unemployed, compared to 18.7 million last year. The Netherlands has one of the lowest unemployment

levels, having an unemployment rate of only 3.3%, closely followed by Denmark with 3.4% and Ireland with 4%. The worst situations are being recorded in the Eastern Europe: Poland with an unemployment rate of 11% and Slovakia with 10.5%. Romania is part of the European average, with an unemployment rate of 7.2%, being the tenth country according to the number of unemployed. Also, Romania is the only one in the 27 European Union countries in which the rate stood the same as last year. In the 22 European member states this percentage dropped, but in four of them it increased. (Numbers quoted were made publicly available by EUROSTAT).

Unemployment is the direct expression of the economic growth rhythm (internal gross product), of work productivity and of the dynamics of employable people.

A relevant aspect by which unemployment acts is the fact that, releasing the work force due to the technological change implemented in different fields of the economy, while the process of creating new jobs stood still or had a very slow increase. This is in direct correlation with the regional and local economic development.

The technical progress offers the economic entities extraordinary opportunities by facilitating turnover. And, in the absence of a clear set of rules, uniformized and institutionalized at a social level, on the base of clear asymmetries, technological progress can be followed by some delays, turbulence and disorder.

In the current conditions, when technological and technical advance has an increased level, fiscality and keeping high interest rates equal with compromising existing material capital, by blocking the investment process which fuels the economic imbalances, mainly the unemployment.

Chances of considerable rehabilitation of the existent situation are not yet to be seen, but there are numerous efforts being carried out to reduce this rate of unemployment.

Conclusions

The present paper analyzes the regional disparities of the population, of the work force occupation and of unemployment, existent at the European Union level, and at the level of the regions of development in Romania, and underlines the role of these disparities within the regional policy of the European Union.

Development appears as being an imbalanced process, but in the same time hierarchized, in which a certain number of economic units

play an engineering role which places them in the spotlight, compared to others. The regional differences when talking about standards of living among nations are sometimes considerable. When nations unite into an economic union, regional disparities inside them are expected to be great. Even more, one of the consequences of the economic integration is causing a dislocation in the poorer areas – if politicians do not act to prevent this.

Disparities of unemployment in the European Union can be summed up this way:

In 2009, as well as in the previous years, unemployment is highly manifested among men, their percentage in the total of unemployed being almost 55%. In Ireland there is the highest percentage of unemployed men, of 70.33%, and in Greece, the joblesswomen sum up 57.59%.

The highest increase in the number of unemployed is in Spain, of 2.3 million people, of which 838.000 are women and 1.47 million are men. At the other end there is Germany, which recorded a drop in the number of unemployed by 374.600 people, of which 269.800 are women and 104.900 are men.

Although in European there is an upward trend regarding unemployment, some countries recorded a drop. For example, Poland and Germany recorded a drop in unemployment among youngsters of 39.200 people, 47.400 people respectively, and among those between 25-64 years old of 165.400 people in Poland and 327.200 people in Germany.

Regarding unemployment disparities in Romania, we can state the following:

In 2007, the highest unemployment rate was recorded in the South-East Region (8.5%) and in Region Center (8.5%), but besides these regions unemployment increased to almost the same level in the South Muntenia region (8.2%), due to the reorganization of the fields of mining and heavy industry, which affected the large companies in these regions. So, in 2009, there was a high unemployment rate of 9.1% in South East region and 8.9% in the Center region, of 0.6% higher. At national level, the unemployment rate increased by 0.5% in this period, from 6.4% in 2007, to 6.9% in 2009. The highest increase was recorded in the North West region, the South West region and Bucharest Ilfov region, of 0.6%. The unemployment rate in case of women rose to 5.8% in 2009, and to 7.7% in the case of men. A decrease of unemployment can be explained by the outsized retirements, leavings abroad for work

and also due to the work in the underground economy, but also to the fact that many of the long-term unemployed do not register at work force offices.

One of the effects of the economic crisis in 2009 consists of an increase in unemployment, generalised at territorial level. The increase of unemployment in Romania recorded both in Region West of the country (characterised until the crisis by the lowest rate of the general level of unemployment and even by a work force deficit), but also in the North East region and the South East region (areas “traditionally” considered as registering high unemployment).

A solution to overcome discrepancies on the labor market in Romania, compared to countries in the European Union, could be accomplished by improving the existent educational system and by increasing labor productivity by: increasing investments in human capital, in accordance with the Lisbon agenda; by creating some partnerships between companies, public authorities and universities; by adapting the educational and training system to the demands of the labor market.

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