

## SUMMARY OF PHD THESIS

### ”Interrelation between economic development and labor market in Romania”

Thesis on the theme “*Interrelation between economic development and labor market in Romania*”, author Mădălina Elena Boncea (Bălănescu) and scientific coordinator professor Marin Băbeanu is divided into five chapters, as follows:

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## **b) Keywords**

- Labor market
- Labor
- Demand for labor
- Labor supply
- Employment
- Unemployed
- Economic Development
- Gross Domestic Product
- Income population
- Long-term unemployment
- Employment policies
- Population migration
- Salary
- Social dialogue
- Unions
- Employers
- Standard of living
- SMEs
- Foreign investment
- Labor productivity
- Foreign Trade
- The costs Unemployment

## **c) SUMMARY OF MAIN PARTS OF THE THESIS**

Thesis on “*Interrelation between economic growth and employment in Romania*” aims to capture the phenomena and dynamic labor market in Romania and South Muntenia Region, to study the processes, disequilibrium adjustment mechanism malfunctions and supply and demand workforce to develop management strategies and policies of the human factor so as to achieve an optimal labor employment and reduce unemployment.

Chapter I, “*Theoretical labor market*” is a theoretical approach that highlights the links between the theoretical and actual situation of the labor market. First chapter presents theories of labor market, as they were developed by representatives of the main current of economic thought. Also, the paper defined the two forces faced in the labor market (supply and demand of labor) and whose employment or underemployment resulting meeting labor, but wages, the most important element in the labor market. Its special importance, is given by the size of the basic

income depends on wealth, poverty, level of culture and civilization, perpetuating the human species, the readiness of the workforce in a given country. Also, on the labor market, an important role trade unions and employers. Their confrontation is done by balancing the interests of employees with the employers, resulting in favorable conditions for both sides.

As is known, the labor market imbalance is a market located in a market equilibrium that would mean full employment, so difficult in any country of the world. The subchapter "Balance and imbalance in the labor market. Employment and unemployment", present the theoretical aspects of employment and unemployment as the fundamental imbalance in the labor market today. I paid particular attention aimed at the theoretical aspects on the one hand economic growth and development as employment support, and secondly the influence that employment has on economic growth and development. Labor market efficiency is a basic requirement, essential to economic growth and development. Economic efficiency of the labor market is determined by utilization of labor, the labor productivity. The labor market is efficient if not only fosters economic development through the consumption but also by creating availability of investment resources, the only significantly improves productivity, employment, labor efficient, economic progress and social progress. The labor market is the only market to record two-way flows of economic growth and development, having an active role in determining market economic system. Proper functioning of this market is essential to avoid imbalances, leading to unemployment and the establishment of a state of pessimism among the people affected or not unemployment, lower domestic production and national income, to increase state budget expenditures, and financial burden on taxpayers and press contributions to the development of disadvantaged social groups. Population is one aspect (the internal side, intrinsic) economic development (economic growth), a factor which, in turn, is determined by economic processes. Double position of the population (labor) - as main production factor and as recipient of the goods produced - is a strong argument for assessing endogenous variable factor as job growth and economic development. Correlations between two variables are different and very difficult to quantify. It is known that the demographic impact on the economic effects is felt many years after the occurrence of the economic phenomenon. Moreover, economic growth and development are based on human capital, creativity and innovation.

In the second chapter of the thesis entitled "*Impact of economic development on the labor market in Romania*" I tried to capture both the development of Romanian economy in the period 1990-2008, and relationships were established between the labor market and development economic. Analysis of economic realities in Romania in terms of economic activity in key sectors (agriculture, industry and services), the importance of SMEs in supporting economic growth and the essential role of investment, technical progress and innovation - have highlighted the difficult period transition (1990-2000) and the upward trend of the Romanian economy in the period 2001-2008. I put particular emphasis on analyzing the efficiency with which resources are used for work and determining their role in economic development. The main indicator by which to examine economic development is Gross Domestic Product. Following GDP growth in Romania during 1990-2008, it is clear that it is part of a growing trend with different gains from year to year. Economic environment in Romania is under the influence of competition from increasingly grown as a result of globalization and Romania's EU accession. Under these conditions, along with improved quality and product diversification, increased labor productivity is necessary as a determinant of competitiveness. Labor productivity growth is an important factor for intensive economic growth and development, based on labor quality growth, efficiency of resource allocation, increased accumulation of capital goods and technological changes. I also highlighted the position of Romania within the EU regarding economic development, appearing as large differences between Romania and the developed countries of Europe in terms of: Gross Domestic

Product per total and per capita gross value added by a worker labor productivity, number of hours worked per week and cost of work time.

Structure and purpose of the third chapter of the thesis, entitled "*Developments in the labor market in Romania*" is to capture and analyze current and future issues in the field of employment and unemployment. To highlight the current state of employment in Romania is using the main indicators of employment and thus captured the important changes that occurred in the structure and characteristics of the process of filling jobs in a market economy. In this subchapter are considered size and age structure of population occupied and unoccupied offering clues about long-term pressure on the economy and employment structure by gender, average, professional status and activities of national economy. The analysis of unemployment as the fundamental imbalance of contemporary labor market, unemployment is captured evolution in number of unemployed and the unemployment rate but also the structure of unemployed persons by age, educational level and gender. Also, I paid particular attention to analysis of long-term unemployment, which is the most harmful type of unemployment. Labor migration and its impact on employment and unemployment is discussed in subsection three of this chapter, is seen as the internal movement of labor, but departures for work abroad. Although internal migration of labor has economic implications, it is more important to know the impact of the foreign migration on the labor market. Knowing the economic, demographic and psychological emigration for work abroad, it is important to adopt a series of measures to mitigate the phenomenon. Effort during the third chapter of the thesis, to analyze and understand the nature, causes and consequences of increasing unemployment and reducing occupancy rates in Romania in the period 1991-2008 was aimed at finally finding the best solutions possibilities and means of boosting future. Also, throughout the chapter I have consider aspects of employment and unemployment in Romania comparative with the European Union so that I can objectively assess the level where we are compared to other EU countries.

"*Regional structure of the labor market*" is the forth chapter of the thesis and has to present and analyze issues relating to regional development in Romania. In this chapter, indicators of economic development, employment and unemployment are analyzed separately for each of the eight development regions of Romania. Thus, significant differences were captured in developing regions, due to natural and environmental conditions, the proximity of developed EU countries, the degree of industrialization, the attractive regional markets for Romanian and foreign investors, all having significant influence on the degree Employment and unemployment in each region.

In Chapter V of thesis entitled "*The labor market in South Muntenia Development Region*" I aim to highlight the evolution and current state of economic development, coupled with the structure of employment in this region and to identify a number of solutions for development of the region in coming years. South Muntenia Region is the second pole of poverty in Romania, consisting of the counties of Teleorman, Calarasi, Giurgiu, Ialomita and activity in these counties as basic agriculture. Northern counties (Arges, Dambovita and Prahova), more developed and predominantly industrial, managed to register positive economic indicators, partially offsetting lower values obtained for counties in southern region and the whole region is located on the first four places in Romania. In the chapter, it occupies a special place in the region demographic analysis, population one of the most important contributor to economic and social development, both through employment they offer, and through its consumer. In the third chapter I made an analysis of regional economic profile, focusing on the extent to which economic sectors in the region have contributed to regional gross domestic product, but also on development work in these sectors. Knowing that a functioning market economy is the driving force behind small businesses, I considered it appropriate to consider the development work of these units. Workforce Development Region South Muntenia is analyzed in terms of employment and the

structure by level of education, professional status and activities of national economy in which they operate. Also in this chapter are highlighted problems facing the labor market in the region, namely unemployment above the national average. SWOT analysis of economic development and employment in the region, is the basis for measures to increase employment and reduce unemployment in South Muntenia Development Region.