

UNEMPLOYMENT IN HUNEDOARA COUNTY

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ABSTRACT: *Unemployment highlights a state of imbalance on the labour market which is characterized by a surplus of workforce in relation to job vacancies. This imbalance has been more apparent in Hunedoara County than in other counties, due to the fact that there are 3 mono-industrial areas that have been restructured over the past two decades. The effects are presented in this paper in the form of a complex statistical analysis. Thus, based on the evolution of the number of unemployed individuals in 1995, one can observe the periods of significant adverse effects upon the degree of employment. Moreover, one can make correlations with periods of international financial crisis and with the number of employees in the County in order to determine significant variables of the unemployment phenomenon. The content of this paper is significant and represents the analysis of the number of unemployed in the Jiu Valley, scattered across towns. As a form of financial protection, the unemployment benefit represents a financial instrument in the cases determined by this negative phenomenon, which is why in conclusion we make a comparison of the ways this aid is granted throughout several years and in various forms.*

KEY WORDS: *unemployment, labour market, financial protection.*

JELL CLASIFICATION: *J21, J24, J42.*

1. INTRODUCTION

Unemployment highlights a state of imbalance on the labour market which is characterized by a surplus of labour supply in relation to the demand for work **and it represents** the term used for the lack of paid jobs.

The New Palgrave Dictionary of Economics defines unemployment as “the percentage of active individuals (working individuals or individuals looking for work) that does not have a job (but is seeking employment).” Neither of the definitions of unemployment in Britannica or in Americana refer to the need of individuals to have "appropriate qualifications" in order to be considered unemployed.

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In our country, unemployment and inflation had a similar evolution, reaching high percentages, in some periods, especially prior to the accession of Romania to the European Union. However, these high values are gradually reduced for two reasons: immigration of workforce and the extension of the period for granting unemployment allowance, thus being deleted from the records of the County Employment Agencies.

2. STATISTICAL ANALYSIS OF UNEMPLOYMENT IN HUNEDOARA COUNTY

The evolution of the number of unemployed in Hunedoara County is closely related to specific mining activities and metallurgy, which represent the basic activities for Hunedoara inhabitants.

Thus, in the table below reveals a great number of unemployed registered during 2000-2001, after closing down some mines and the Integrated Iron and Steel Plants in Călan and Hunedoara and the.

Another period with a significant unemployment rate for our County was registered during 2009 and 2010, when the effects of the international financial crisis could be felt in Hunedoara County as well.

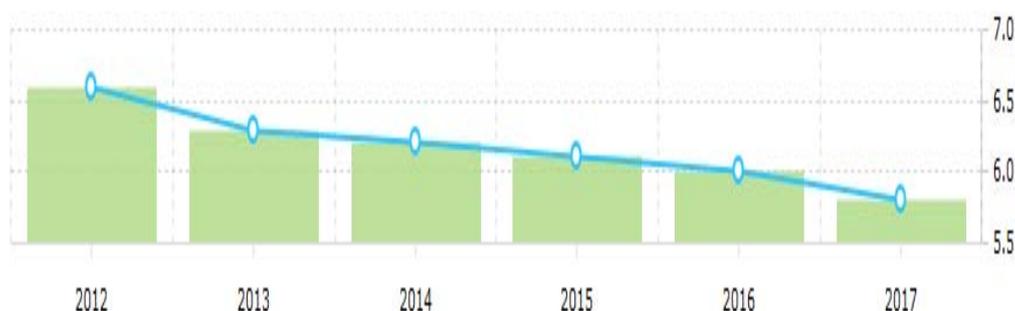
Table 1. Status of unemployed individuals in Hunedoara County in the period 1995-2013

| Years | The unemployed registered with the Employment Agencies (number of individuals) | Out of which: Women (number of persons) | Unemployment rate - total (%) | Unemployment rate - women (%) |
|-------|--|---|-------------------------------|-------------------------------|
| 1995 | 34223 | 23327 | 12,0 | 17,5 |
| 2000 | 39163 | 19169 | 16,4 | 17,5 |
| 2001 | 34516 | 16582 | 15,3 | 16,0 |
| 2002 | 21265 | 10357 | 9,8 | 10,5 |
| 2003 | 26616 | 11314 | 12,5 | 11,7 |
| 2004 | 23253 | 10091 | 10,8 | 10,4 |
| 2005 | 20150 | 9418 | 9,4 | 9,7 |
| 2006 | 13896 | 6243 | 6,7 | 6,5 |
| 2007 | 10087 | 5351 | 4,8 | 5,6 |
| 2008 | 13826 | 7348 | 6,7 | 7,8 |
| 2009 | 21819 | 10312 | 10,7 | 11,0 |
| 2010 | 16462 | 7460 | 8,5 | 8,1 |
| 2011 | 11155 | 5152 | 6,0 | 5,6 |
| 2012 | 12879 | 6107 | 6,6 | 6,7 |
| 2013 | 14476 | 6831 | 7,5 | 7,8 |

Source: <http://www.ajofmhd.ro/>

If one can make an analysis of the structure of the unemployed individuals, it can be observed that during the entire period subject to analysis, the share of the unemployed is in favour of women, only in two years in 2010 and 2011 respectively, this share being smaller as compared to that of men.

The phenomenon of unemployment in Hunedoara County should be correlated with the number of employees, as well. From the point of view of their number, the years between 2008-2013 registered a decrease by over 22,000, which means more than 20%. Obviously this decrease is determined by several factors, one of them being the migration phenomenon to other countries, especially to England and Germany.



Source: <http://www.ajofmhd.ro/>

Figure 1.

Table 2. Status of employees in Hunedoara County between 2008 and 2013, according to fields of activity

| | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|--------|--------|--------|--------|--------|--------|
| Total | 128927 | 118140 | 108851 | 106870 | 108047 | 106384 |
| Agriculture, forestry and fishing | 3065 | 2568 | 2275 | 2236 | 2356 | 2303 |
| Industry | 51622 | 43753 | 42967 | 41812 | 4275 | 42254 |
| Out of which: mining industry | 123131 | 11228 | 9543 | 8880 | 8109 | 7826 |
| Processing industry | 32669 | 26239 | 26156 | 26263 | 27925 | 27781 |
| Electricity, thermal energy, gas and hot water | 3287 | 3046 | 3585 | 3231 | 3090 | 2994 |
| Water distribution, sanitation and decontamination services | 3353 | 3240 | 3683 | 3438 | 3631 | 3655 |
| Constructions | 12405 | 9810 | 7491 | 8195 | 9775 | 8410 |

| | | | | | | |
|---|-------|-------|-------|-------|-------|-------|
| Wholesale and retail sale, motor vehicles and motorcycles repairs | 23210 | 22124 | 19914 | 20524 | 19740 | 19553 |
| Transportation and storage/warehousing | 5307 | 5563 | 4970 | 4949 | 4798 | 4112 |
| Hotels and restaurants | 2645 | 2477 | 2222 | 2145 | 2071 | 2533 |
| Information and communication | 819 | 904 | 768 | 777 | 730 | 771 |
| Business mediation and insurances | 1616 | 1591 | 1438 | 1301 | 1270 | 1882 |
| Real estate | 400 | 313 | 321 | 271 | 297 | 344 |
| Professional, scientific and technical activities | 1908 | 1791 | 1681 | 1738 | 1751 | 1654 |
| Administrative services and support activities | 3676 | 3819 | 3122 | 2643 | 3095 | 3426 |
| Public administration and defense; public social insurances | 5161 | 5009 | 4444 | 3891 | 3726 | 3821 |
| Education | 7482 | 7886 | 7626 | 7186 | 6783 | 7112 |
| Health and social assistance | 8395 | 9083 | 8280 | 7861 | 7563 | 7453 |
| Cultural, sports and leisure activities | 379 | 617 | 563 | 626 | 707 | 736 |
| Other activities within the national economy | 837 | 832 | 769 | 715 | 630 | 701 |

Source: <http://www.ajofmhd.ro/>

If you make an analysis of the changes in the number of employees per economic activities, one can observe a more or less decrease in the number of employees, with minor exceptions, such as Active. The greatest reduction is apparent in the mining industry where the number of 12,313 employees in 2008, was reduced by over 25%, reaching 7,826 employees in 2013.

According to AJOFM (County Agency for Employment) statistics from July 2014, the rate of unemployment in Hunedoara County increased by 0.09 percentage points, reaching the level of 5.43% by late august. However, as compared to the unemployment rate recorded at the end of August 2013, it has produced a decrease by 1.09%.

During August 2014, the County Agency for Employment in Hunedoara registered 2,078 unemployed individuals, out of which 218 come from current layoffs. At the end of the same month, the total number of unemployed in Hunedoara County was of 10,541, out of which 4,251 received unemployment benefits, while 6,290 did not receive any benefits. At the same time, during August 2014, 1,881 individuals were removed from the records of the Hunedoara County Agency for Employment.

Nevertheless, it must be outlined that during August this year 1,153 persons managed to get a job, out of which 263 with permanent labour contracts and 890 with

limited time work contracts. As far the region is concerned, Hunedoara, Deva, Petrosani and Orastie municipalities, as well as Hateg have the greatest number of unemployed individuals, over 1,200 in each of these towns.

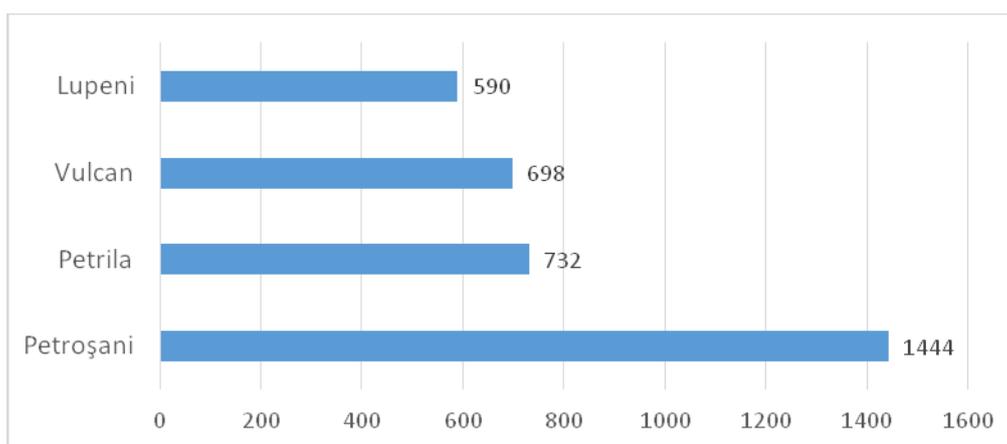
According to official data, in comparison with February 2015, the unemployment rate in Hunedoara County has decreased to 6.45% by the end of March 2015. Comparing the unemployment rate recorded at the end of March 2014 with the one in February 2015 one can find that they are identical.

In March, the County Agency for Employment from Hunedoara registered 2,532 unemployed persons, of which 348 resulted from current layoffs. The total number of unemployed in Hunedoara County in March 2015, was of 12,518, out of which 3,822 received unemployment benefits and 8,696 did not receive any benefits. Among the total, there are 6,144 women.

Considering their scattering across the Jiu Valley, we find that there are: 1,484 in Petrosani (352 of them get unemployment benefits), 620 in Lupeni (112 of them get unemployment benefits), 726 in Vulcan (162 of them get unemployment benefits) and 786 in Petrila (182 of them get unemployment benefits). In Brad one can find the highest number of unemployed persons, namely 1909.

The unemployment rate in Hunedoara County has decreased, reaching 6.01% by the end of April 2015. In April 2010, the records of Hunedoara County Employment Agency (AJOFM) registered 2,301 unemployed individuals, of which 307 come from current staff layoffs. At the end of April 2015, the total number of unemployed in Hunedoara County was 11,652, 3,577 of which got unemployment benefits while 8,075 did not receive any benefits. The total number of unemployed persons in Hunedoara County includes 5,598 women by the end of April 2015.

In the Jiu Valley, the number of unemployed represents, just like before, about 30 % of the total of 11,652 unemployed individuals from Hunedoara. According to the Agencies for employment, 1,444 unemployed can be found in Petroșani, 590 in Lupeni (the smallest number in the Jiu Valley), 698 in Vulcan and 732 in Petrila.



Source: <http://www.ajofmhd.ro/>

Figure 2. The situation of unemployed individuals in towns from the Jiu Valley in 2015

At the same time, throughout April 2015, 3,167 persons have been removed from the records of the Hunedoara County Employment Agency. During the same month 1,555 individuals managed to get a job, 464 of which signed limited time contracts and 1,091 signed permanent contracts.

3. FINANCIAL INSTRUMENTS FOR THE PROTECTION OF THE UNEMPLOYED

Financial instruments for the protection of the unemployed can be multiple, the most important being the following: the unemployment benefit or aid, the aid for vocational integration, the allowances for graduates, compensatory payments etc. According to the budget of each County Agency for Employment, these financial instruments are granted to all applicants and they represent a form of social protection.

Table 3. Situation of benefits granted to the unemployed from Hunedoara County between the years 1995 - 2013

| Years | Total | Un-employment benefit | Professional integration aid | Support allowance | Graduate allowance | Qualification and retraining of the unemployed | Compensatory payments | Other expenditure |
|-------|--------|-----------------------|------------------------------|-------------------|--------------------|--|-----------------------|-------------------|
| 1995 | 9505 | 3456 | 844 | 2502 | 234 | 39 | - | 2430 |
| 2000 | 275281 | 69580 | 10456 | 57781 | 1210 | 727 | 111817 | 23700 |
| 2001 | 236805 | 94129 | 10864 | 41570 | 1706 | 730 | 23486 | 64350 |
| 2002 | 270231 | 130320 | 11908 | 32707 | 3586 | 1178 | 5025 | 35527 |
| 2003 | 467990 | 259513 | 10805 | 7643 | 6146 | 1380 | 4264 | 178249 |
| 2004 | 842983 | 571089 | 15849 | 918 | 9129 | 2709 | 5383 | 237926 |
| 2005 | 87913 | 61132 | 1616 | - | 1269 | - | 910 | 22987 |
| 2006 | 86456 | 57389 | 876 | - | 1276 | - | 521 | 26344 |
| 2007 | 69801 | 43581 | 687 | - | 1005 | - | 571 | 23971 |
| 2008 | 53453 | 28303 | 711 | - | 1170 | - | 1701 | 21548 |
| 2009 | 103867 | 67277 | 704 | - | 670 | - | 1298 | 25087 |
| 2010 | 148417 | 98900 | 748 | - | 669 | - | 1617 | 45482 |
| 2011 | 81176 | 55501 | 528 | - | 604 | - | - | 34543 |
| 2012 | 63713 | 38509 | 504 | - | 614 | - | - | 24544 |
| 2013 | 61336 | 36177 | 533 | - | 725 | - | - | 23901 |

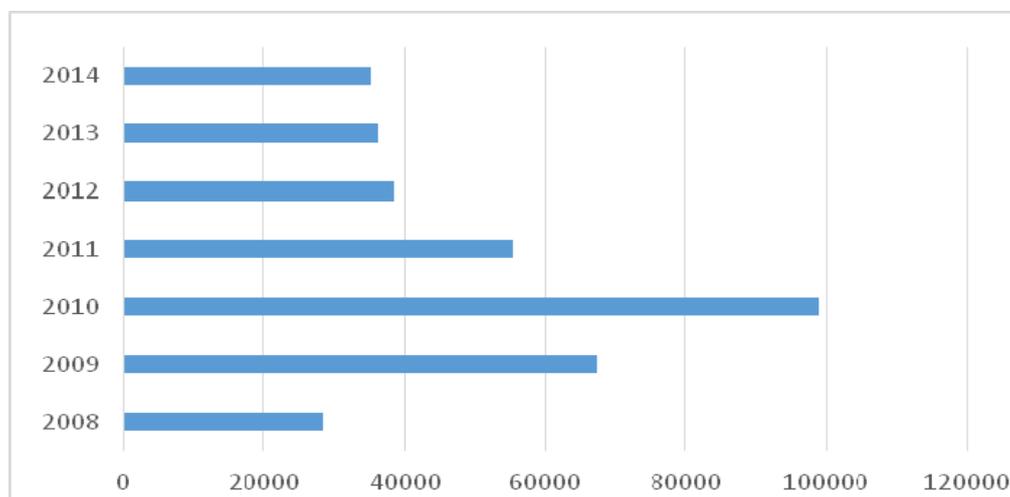
Source: <http://www.ajofmhd.ro/>

If we take into consideration the unemployment aid or benefit that was granted since 2008 to 2014, one can observe that after an average annual increase of nearly 50%, they amounted to 98900 thousand lei, continuing to decrease to 27% by 2014.

4. CONCLUSIONS

Employment in economic and social activities and unemployment reveal how the labour market works. Unemployment is considered an economic phenomenon with adverse effect on the working population who cannot find jobs. So far unemployment

is considered the lack of work demand. In Hunedoara County this phenomenon had negative effects which became more obvious in certain periods.



Source: <http://www.ajofmhd.ro/>

Figure 3. Changes in the sums granted as unemployment benefits in the period 2008-2014

In general, in our county unemployment was more striking than in other counties, because of the fact that there are 3 mono-industrial areas that have been restructured over the past two decades, namely the Jiu Valley famous for exploiting coal, Hunedoara-Călan area known for its steel industry and Brad - the mining exploitation of precious metals, particularly gold.

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