

## The Population and the Labor Force Market

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**Abstract.** *This paper analyzes the recent evolution of the population and labor resources in Romania. The occupied population, according to the SEC methodology, is the sole entity that indicates the human potential of the occupied labor force that can be used to determine the social productivity of labor as a ratio between the GDP and the occupied population.*

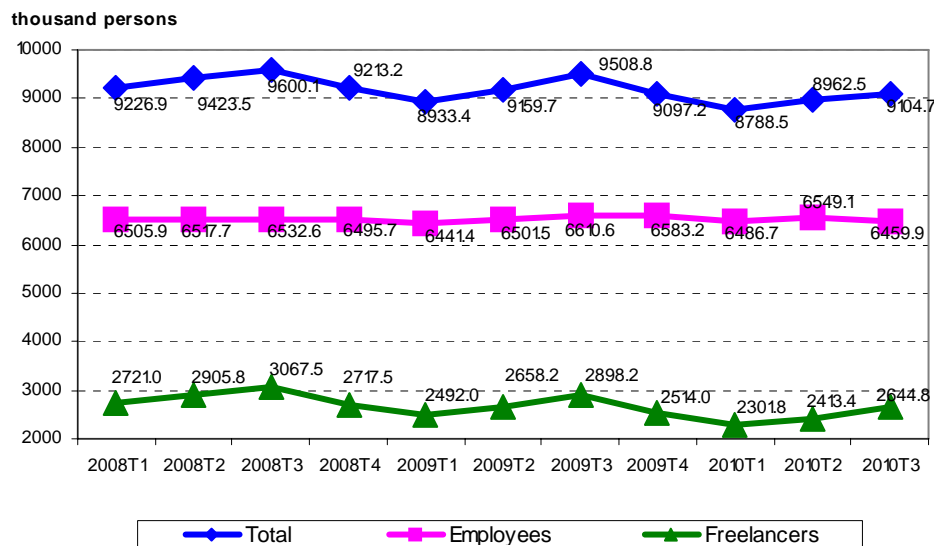
**Keywords:** population; labor; productivity; resources; outputs.

**JEL Code:** J21.

**REL Codes:** 12G, 12I.

The occupied population includes all persons – both employees and freelancers – who develop a productive activity within the production limits of the European Accounts System.

The curve of the following chart shows the number of occupied population, by trimesters, in 2008-2010. The occupied population oscillated around 9 million people, with high values in quarter 3 2008 (9.6 million), respectively quarter III 2009 (9.5 million), to reach 9.1 million persons in trimester III 2010.



Source: National Institute of Statistics.

#### Occupied population according to the methodology of the European Accounts System, 1995

Employees represent all the persons working mainly on the basis of a formal or informal contract, for other resident institutional entity, in exchange for wages or some equivalent pay. The number of employees, the second curve, shows a level oscillating between 6.4 million in quarter II 2009 and 6.6 million in trimester III 2009, thus reaching 6.5 million in trimester III 2010.

This number differs significantly from the one of employees that are currently operated with. It includes the number of employees determined in compliance with the accounts, that take into consideration both data sources used to determine the cost of labor force occupation, such as the Survey on labor force in households (AMIGO), the Inquiry regarding the cost of labor

force (S3); Annual structural survey in enterprises (ASA), and also administrative data sources (information provided by the Ministry of Foreign Affairs, Ministry of Labor, Family and Equality of Chances, Ministry of Interior and Administrative Reform etc.), accounting situations of commercial companies.

I state that the number of employees includes those working in the hidden economy, established according the computation methodology.

Another category is represented by the independent workers (freelancers), they being the sole owners or co-owners of the entities without judicial personality they work in. In this category, there can also be included: family workers, non-paid and home workers that manufacture for market; workers that exert, both individually and collectively, productive activities regarding exclusively the final consumption or formation of capital on their own account. Their number oscillated between 2.5 millions in 2009 and 3.1 millions in 2008, to reach 2.4 millions in 2010 and 2.6 millions in 2011.

The evolution of the productivity of labor is, within the series, fluctuant enough, from positive elevated levels, such as in quarter III 2008, of 10.7%, to constant decreases starting quarter I 2009 until quarter I 2010, to record a comeback to a positive trend, of 1.6% in quarter II 2010 against the previous year and of 1.9% in quarter III 2010 against quarter III 2009.

Real hourly productivity marks, in principle, the same evolution as the real productivity per occupied person.

In the analysis of the occupied population, it can be observed the percent evolution of the structure occupied regarding the great employees categories and individual entrepreneurs.

In this context, according to the European Account System edition 1995 also, the employees hold a weight of some 70% out of the occupied population.

On activity branches, the greatest weight is held by agriculture, with 27.6%, followed by industry, with 22.5%, and transports, with 21%.

The indicator occupied population of Romania compared to other countries proves a concerning discrepancy in negative way and where I think the attention of decisional factors must be focused.

In 2010, Romania, with a rate of occupation of 60.1%, was among the countries with values below EU-27 average (for which the value of the indicator was 64.3%).

The greatest values of the occupation ratio in 2010 were recorded in: Netherlands (76.3%), Denmark (74.1%), Sweden (72.9%), Austria (71.4%) and Germany (71.0%).

In most EU-27 member states, the occupation ratio in 2010 was increasing against the previous quarter, excepting four member states, in which

case slight declines were observed (between 0.1 and 0.4 percent points): Portugal, Lithuania, Luxembourg and Belgium. At the level of EU-27 the increase against the previous quarter was 0.7 pp.

Against the same period of 2009 the occupation ratio was in decline in most European states. At the level of EU-27 the decrease was 0.5 pp. The exceptions are six member states, for which the occupation ratio remained at the same level or increased slightly (at most 1.0 pp) – among these, Romania. In the case of Romania, the increase of 0.9 pp recorded in 2010 against 2009 was produced on the background of occupation characteristics of our country, where the agricultural sector continues to hold a significant weight.

In Europe, the most significant declines in 2010 against 2009 were recorded in: Estonia (4.3 pp), Lithuania (3.6 pp), Bulgaria (3.1 pp) and Latvia (2.5 pp).

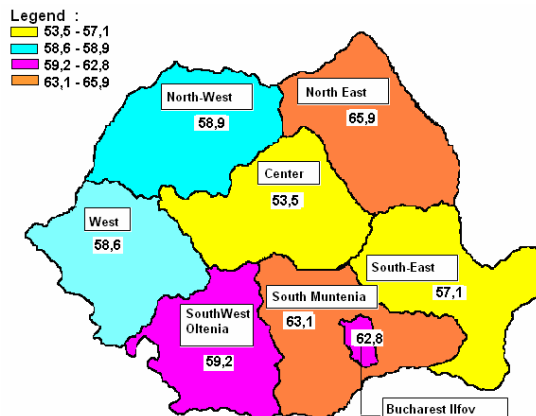
In 2010, in Romania, the weight of employees in total occupied working age population was 67.4% – one of the most reduced in Europe (the next-to-the-last place, after Greece); with 16.5 pp under the EU-27 average (83.9%). In the same time, the weight of non-employees in agriculture (mainly employees on their own and family non-paid workers) was 26.8% – the greatest in Europe; with 23.3 pp above the EU-27 average (3.5%).

The increase of occupation in 2010 against the previous periods occurred on the background of transition towards agriculture, phenomenon visible from:

- Reduction of employees weight (by 2.5 pp smaller in 2010 both against 2009 and against 2008);
- The increase of the weight of non-employees in agriculture (mainly workers on their own and family workers): by 3.1 pp against 2008 and by 2.0 pp against 2009.

According to the provisional results of the Survey on Labor Force (AMIGO), in 2010, the occupation ratio of the working-age population was 60.2%; increasing by 0.1 pp against the end of 2009, but decreases by 0.2 pp against the middle of 2009, this being based on the seasonal character. Regarded through the prism of distribution by development regions, the smallest occupation ratio was recorded in the Center region (53.5%) and the greatest in the North East region (65.9%).

Occupation rates greater than the national average (60.2%) were recorded only in two regions where the agricultural sector is significant – North-East (65.9%) and South (63.1%), and also in Bucharest-Ilfov (62.8%), where labor force is drawn into the services sector. The highest growths, established by chain indexes, were recorded in the North-East region (2.0 pp) and South (1.5 pp), and the highest decreases were emphasized in Bucharest-Ilfov (2.3 pp) and South-West Oltenia (1.9 pp).



Source: National Institute of Statistics.

#### Territorial disparities of the occupation ratio (%)

Information regarding the “budget sector” must be carefully analyzed, because the data refer to the statistics from economic activities (aggregated on homogenous activity) according to CAEN Rev.2.: public administration, education, respectively health and social assistance (including private education – some 3%, respectively some 5% for health and social assistance), excluding the armed forces and assimilated personnel (MAPN, SRI, MAI etc.).

These statistics do not take into account the financing form, their purpose being to provide information on economic activities, according to CAEN Rev.2.

The budgetary sector was characterized, during the period 2009-2011, by continuous decreases of the number of employees. The most pregnant declines were recorded in 2010 and during the first nine months of 2011. The same tendency will continue in the next period.

The effective of employees at the end of 2010, belonging to the budget sector, reached almost 950 thousand persons, continuing the decreasing tendency. Thus, in the public administration there were 207 thousand persons, in education 377.4 thousands and in health and social assistance 365.5 thousands.

Comparatively to the end of 2009, the effective of employees decreased by 57 thousand persons. Out of these, some 40% came from the public administration and 60%, in almost equal proportions, from education, respectively health and social assistance.

Also, declines in the effective of employees recorded in the public administration units can be found in the secondary activities developed by these entities: cultural, sport, and recreational activities, landscape design and services for buildings, agriculture, water supply, sanitation, waste management, de-contamination, constructions, transport and storage, production and supply

of electrical and thermal energy, gases, hot water and air conditioning, lease and sub-lease of real estate goods etc.

As for the evolution of average monthly salary gains during the period 2009-2010, they were characterized, mainly, by declines from one month to another, excepting the months when annual and occasional premiums were granted, according to the national law (only in 2009 and the first half of 2010), sums from other funds (including for previous periods).

Following the application of legal provisions (Law no. 118/2010 regarding some measures for the recovery of budgetary equilibrium), of reduction by 25% of salary gains for the personnel in the budgetary sector, in trimester III 2010 the lowest values of the net average salary gain for the last years were recorded, that is: public administration 1,404 lei, education 1,063 lei and health and social assistance 1,036 lei.

In October 2010, in all the activities of the budget sector, salary gains were recorded, due to the payments of occasional premiums (including holiday wages), of sums from other funds (including the previous periods), of cumulating functions for teachers, also for payments of supplementary hours worked in some medical facilities. Also, the increase of salary gain was influenced by the firing of personnel with small wages from the sector.

However, compared to June 2010 (the month that preceded the application of Law no. 118/2010), the net average salary gains from October were 18% – 21% below the level for June.

Compared to previous October, net average nominal salary gains from October 2010 was 24% lower in education, 22% lower in health and social assistance and 20% lower in public administration. In 2011, the salaries held at these levels, as we expect their block in 2012, or even their reduction, if the effects of the crisis will impose.

The effect of economic crisis was felt in the demand for labor force in the budgetary sector. In 2010, the lowest values of the vacant work places ratio was recorded, since 2005 until present, in public administration, respectively health and social assistance.

Compared to the previous year, in 2010, the vacant work places ratio decreased in health and social assistance (by 0.25 pp), public administration (by 0.12 pp), and in education it increased (by 0.14 pp).

The evolution of the vacant work places ratio was more accentuated in health and social assistance (by 2.53 pp), followed by public administration (0.67 pp), and for education the ratio kept unchanged.

In 2010, little more than 10% of the total vacant work places were recorded in each of the activities: public administration (2.7 thousand vacant places), respectively health and social assistance (2.4 thousand vacant places), while in education the demand for work places was of some one thousand.

Comparatively against the previous periods, in health and social assistance, the most significant decrease of number of vacant places recorded: by 7.8 thousand vacant places, representing more than two-thirds (67.5%) of the number of vacant places that diminished within a year in the whole economy, respectively with 0.8 thousand vacant places against the previous trimester.

In public administration, in 2010, the number of vacant work places decreased by 0.5 thousand, and against 2009, by 2.2 thousand.

In education, a slight increase of the demand for work places recorded, as against the previous year, following the start of the new school year.

In 2010, the weight of employees in public administration, defense and social security in the public system was 8.0%, decreasing by 0.1 pp from 2009. At the level of EU, the indicator had the value of 8.6%.

The greatest weight values of employees in public administration were recorded in Greece (13.1%), Luxembourg (12.5%), France (11.4%), Belgium (10.4%) and the lowest in Finland (5.4%), Denmark (6.4%), Sweden (6.8%).

Among the European countries, the evolutions against 2009 are divergent: as the decrease trend is observed in 12 countries, increase in 12 while in three countries the weight of administration employees remained constant against the same period of the previous year.

In 2010, with only 6.3% of the employees working in the field of health and social assistance, Romania was placing among the last four countries in Europe. Lower weights were recorded only in Cyprus (4.4%), Latvia (5.4%) and Bulgaria (5.6%).

Amongst the European countries, the highest weight was recorded in Denmark (20.2%). At the level of EU-27, the value of the indicator was 11.2%.

Against the previous year, in almost all European countries the increase trend can be observed; five countries make exception: Cyprus, Belgium, Sweden, Finland and Luxembourg. In Romania the increase was by 0.2 pp.

Regarding the weight of the employees in education in total employees, the value recorded in 2010 was 6.3%. This value, even in slight increase (0,3 pp) against the previous year, is the smallest in Europe.

The highest values of the indicator were recorded in: Lithuania (12.5%), Sweden (12.0%), United Kingdom and Latvia (in both countries 11.8%) and the smallest (apart from Romania) in: Germany (6.6%), Bulgaria (6.8%).

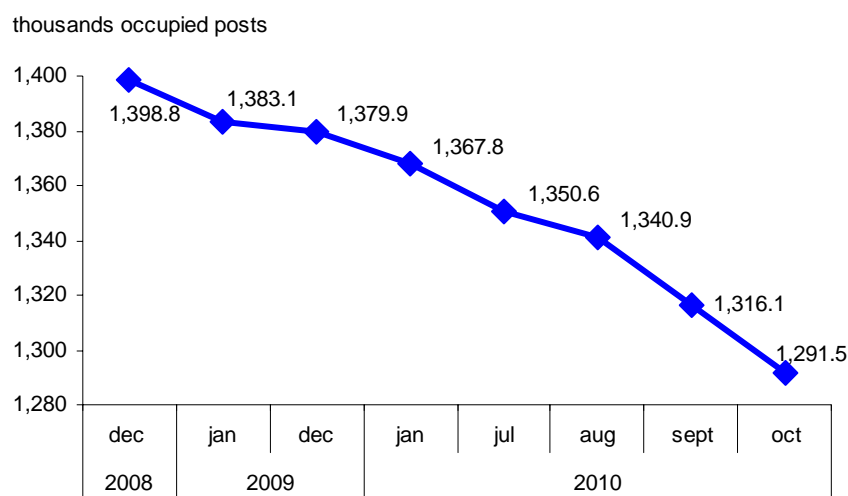
The increasing trend against the same period of the previous year can be observed in almost all European countries (excepting four countries).

The information corresponding to the financing form are managed by the Ministry of Finance, according to the provisions of OUG no. 48/2005, with subsequent completions and modifications. In the basis of this ordinance, the main credit orders for the public institutions financed from the state budget, social security budget, special funds budget and of the autonomous public

institutions integrally financed from own revenues submit, monthly, to the Ministry of Public Finances, for the previous month, situations regarding the monitor of the number of posts and personnel expenses, for their own apparatus and for public institutions in their subordination, co-ordination or authority, regardless the financing mode.

The number of posts occupied in the budgetary sector, according to the MPF, was in December 2010 of 1,291.5 thousands, decreasing against the previous periods: by some 25 thousands occupied posts against September 2010, by some 88 thousand posts occupied against December 2009, respectively by some 107 thousand posts occupied against December 2008.

Also, as an effect of OUG no. 48/2010 for the modification and completion of some normative in the health domain, for de-centralization, starting August 2010, some hospitals in the own network of the Ministry of Health passed to the sanitary network of the public administration authorities, causing a transfer of occupied posts from central public administration to the local one.



Source: National Institute of Statistics.

#### Evolution of the number of occupied posts in the budgetary sector during the period December 2008 – October 2010

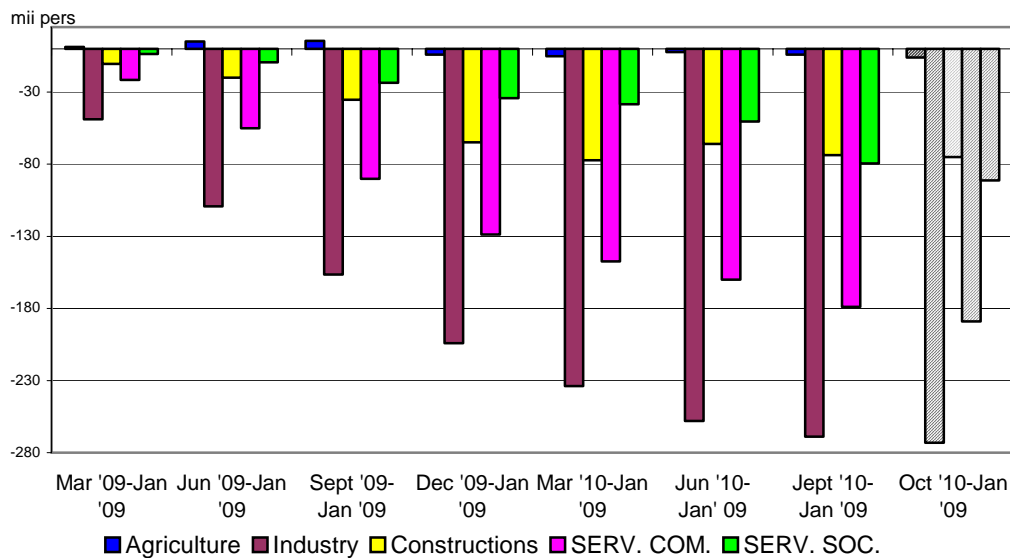
A direct effect of the economic crisis, the phenomenon of decline for the number of employees was accentuated during 2009, first ten months of 2010, from 4.81 millions in January 2009 to 4.16 millions in October 2010. Also, during the period until October 2011, even it slowed down, the reduction of the number of employees continued.



To be remarked the fact that the monthly data regarding the number of employees and net or gross average salary gains are aggregated on the homogenous activity of the units; it means that for the units that developed more activities (secondary) apart from the principal one, secondary activities are included, each one of them, to the economic activities according to proper CAEN Rev.2.

Unlike industry and services, activity sectors that recorded decreases of the number of employees in the last month of each quarter compared to the corresponding month of the previous quarter, in agriculture and constructions, slight increases occurred, due to the seasonal character of these activities. Until trimester II 2010, the most significant decreases in the number of employees occurred in the sectors with preponderant number at the level of national economy, that is, industry and commercial services. In September against June 2010, the effective of employees in social services, respectively commercial ones, known the greatest declines (by 29.0 thousand persons, respectively by 18.7 thousand persons).

Comparative to January 2009, the effective of employees decreased continuously in all activity sectors, excepting some slight increases recorded in agriculture in March, June and September 2009 (with seasonal character).



Source: National Institute of Statistics.

**Differences in number of employees against January 2009, on activity sectors**

In October 2010, as against the previous month, the decline trend of the number of employees continued in all sectors. Significant are the decreases of the effective of employees in the social services sector (11.9 thousand persons), respectively commercial services (10.2 thousand persons). These declines have represented 70% of the total decrease of the number of employees compared to the previous months (by 31.6 thousand persons).

For an extended presentation of the infra-annual statistic indicators, they were estimated monthly, on property forms: public property includes the entities with full or partial state ownership; private property includes the entities with major private ownership, full private and integral foreign (co-operative and community entities were excluded) and the public ownership of national and local interest.

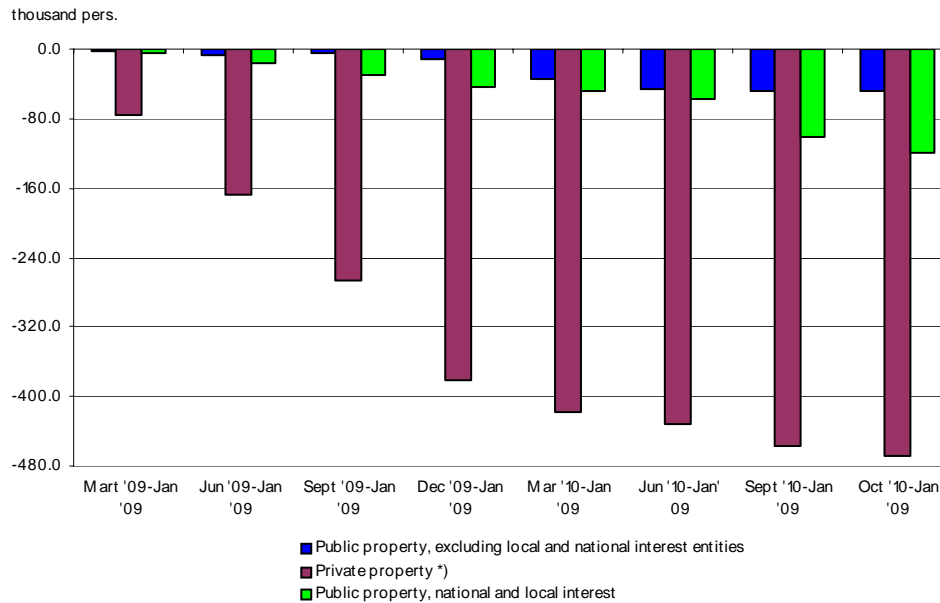
During 2009, the number of employees fell by some 440, mainly inside units with private property (381 thousand persons, meaning 87% of the total decline per economy). Meanwhile, the private sector has, as number of employees, the major weight in economy, some 65%.

In the private sector, in 2009, the most accentuated decrease of the number of employees was recorded (116).

In 2010, the decrease of the effective of employees had a slower rhythm compared to the previous year, but moved from the private sector towards the public one. So, In September 2010 against June 2010, in public administration units of national and local interest, the number of employees had the most accentuated fall (by some 43 thousand persons). As number of employees, these units hold a quarter of the total number of employees in economy. The decrease of the number of employees in the public administration entities of local and national interest, represented 43% out of the total decrease (by 75 thousand persons).

Regarding the whole public sector (public property + public property of national and local interest), which holds some 34% of the number of employees, the decrease was by 88 thousand persons in October 2010 against January 2010, surpassing by some 8 thousand persons, the decrease belonging to the private sector.

Compared to January 2009, in October 2010, the decrease by 645 thousand persons is distributed on ownership forms like this: some 470 thousand persons in the private sectors (that represented 73% of the total decline), some 119 thousand persons in the units with public ownership, of local and national interest and some 49 thousand persons in public ownership entities.



<sup>c)</sup> estimate monthly data;

<sup>\*)</sup> excluding co-operative and community ownership.

**Source:** NIS, Survey on salary gains.

#### Differences in number of employees against January 2009, on ownership forms<sup>c)</sup>

The number of insurants includes the insurants with full or part time contracts that are in the declaration regarding nominal situation of insurants provided by employers. The insurants who, during the month, had only unemployment support or compensating payments, are not included, even if they are present in the nominal declaration received from employers. Only those insurants are included who had been declared with a number of worked days equal to the month's number of work days, who had not benefited from medical allowances. The age groups are calculated for the respective reference month.

To allocate on groups of gross salaries realized, the incomes were cumulated for the insurants with more contracts.

The number of insurants with contract presented continuous decreases, both as total and as age groups. So, only during the period June-September 2010, the number of employees fell by 110 thousands, while against 2008 it diminished by some 822 thousand employees.

Regarding the repartition of employees on age groups, along the entire analyzed period, the major weight is held by the employees within the 30 – 44 years group (slightly below 50% of the total number of employees).

Against 2008, a little increase of the weight is observed, for the employees in age groups 30 – 44 years (by 2.6 pp), respectively 55 years and above (by 0.9 pp), while decreases of the employees' weight have been ascertained for the groups 15 – 24 years (by 1.8 pp) 25 - 29 years (by 0.9 pp), respectively 45 – 54 years (by 0.8 pp).

Under the aspect of employees' repartition on intervals of gross realized salary gains, in June 2008, those making gross gains less or at most equal to 600 lei represented 22% of total, while 66% made gross salary gains between 601 and 3,000 lei. To be noted that in June 2008 the average gross salary per economy was 500 lei.

During the period June 2009 – September 2010, the weight of employees that realized gross gains less or equal than 600 lei fell, reaching some 10-12%. Meanwhile, the weight of employees that made gross salary gains between 601 and 3,000 lei went little over three quarters of the total employees.

As for the weight of employees with gross gains realized above 8,001 lei, it remains constant across the period analyzed and represented some 1.5%.

The report between the number of vacant workplaces for 1,000 unemployed BIM, it had a descending evolution from 2008 until present, both in Romania, and in the other states member of the European Union.

In 2010 the most vacant workplaces at 1.000 unemployed BIM were in Netherlands (falling by almost 30%). At the opposite pole, we find Latvia, with only eight vacant workplaces for 1,000 unemployed BIM.

**Report between number of vacant workplaces for 1,000 unemployed BIM \***  
(no. vacancies/1,000 unemployed BIM)

	RO	BG	CZ	DE	EE	LV	LT	LU	HU	NL	PT	SI	SK	SE
T2 2008	171	...	682	...	573	167	329	...	...	...	...	196	90	...
T2 2009	64	78	149	...	44	11	27	118	...	476	24	91	59	80
T2 2010	35	46	90	336	41	8	20	182	58	340	...	69	33	122

Sources: NIS calculation on Eurostat data; \* According to BIM criteria.

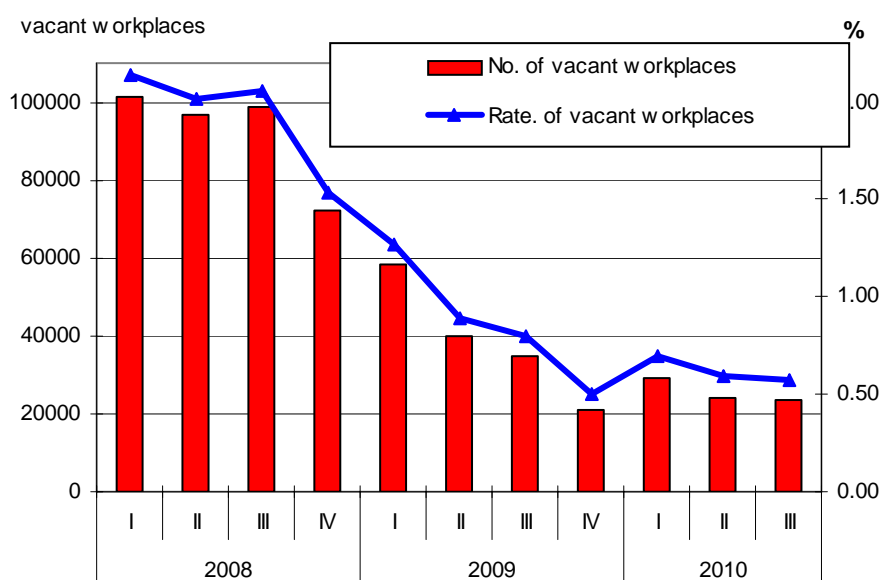
In Romania, in 2010, there were 35 vacant workplaces for 1,000 unemployed BIM, in continuous and significant decline against 2009 (by almost 45%), respectively 2008 (by almost 80%). The decline trend continued in 2011, when the number of vacant workplaces decreased by some 6% (reaching 33 vacant workplaces for 1,000 unemployed BIM).

From 2008 until present, the number of available workplaces was in continuous decrease (excepting quarter I 2010, when the effects of OUG

no. 223/2008 ceased, that is the suspension of occupation of vacant workplaces in the budgetary system).

The least vacant workplaces, respectively the lowest values of vacant work places, were recorded in quarter IV 2009, and quarter III 2010.

The distribution of the vacant workplaces differs from one development region to another. So, in 2010, the most vacant workplaces were in Bucharest-Ilfov (21.0% of the total number of vacant workplaces), respectively North-East (19.6% from the total number of vacant workplaces). Also, the Bucharest-Ilfov region has the major weight of occupied workplaces (20.8%).



Source: National Institute of Statistics.

#### Number of vacant workplaces and the rate of vacant workplaces by quarters 2008 - 2010

The smallest number of vacant workplaces were in the regions South – West (5.9% from the total vacant workplaces), respectively South-East (7.1% from the total vacant workplaces). Also, the region South-West has the smallest weight of the number of occupied posts (8.6%).

As for the vacant workplaces rates by development regions, they had a decreasing trend, recording the lowest values in 2010 compared to 2008 și 2009.

The region that mostly diminished the demand for labor force was Bucharest-Ilfov, the vacant workplaces ratio decreasing in 2010 by 0.46 pp against the same quarter of the previous year, that is, by 1.95 pp against 2008.

Romania holds an acceptable position, with a relatively reduced value of the unemployment rate (2.4 pp below EU-27 average – of 9.3%).

Comparatively to the previous periods, in 2011 the unemployment rate had a small growth, both as against 2010 and 2009.

Comparing the data in 2010 with those for EU-27, we observe that the rate of unemployment decreased by 0.2 pp the same decrease being observed in the majority of Member States.

### Harmonized unemployment ratio

	RO	EU 27	NL	AT	LU	MT	DE	CY	CZ	SI	DK	FI	SE	BE	PL	BG	FR	HU	PT	IE	SK	EE	LT	ES	GR	IT	LV	UK	(%)
2010Q3*	6,9	9,3	4,3	4,3	4,8	6,1	6,5	6,7	6,9	7,1	7,3	7,3	7,8	8,8	9,0	9,5	9,8	10,8	11,1	14,1	14,3	15,5	17,8	19,8	:	:	:	:	:
2010Q2	6,8	9,5	4,5	4,4	4,7	6,6	6,8	6,5	7,1	7,1	7,3	9,6	9,3	8,1	9,5	10,0	9,4	11,1	10,8	13,7	14,4	18,6	18,3	20,1	11,9	8,4	19,4	7,7	
2010Q1	8,1	10,1	4,8	4,7	5,1	7,3	7,8	7,3	8,1	7,1	7,8	9,3	9,1	8,6	10,6	10,2	10,2	11,8	10,8	12,9	15,2	19,8	18,1	20,1	11,7	9,1	20,4	8,0	
2009Q3	6,8	9,0	3,7	5,1	4,8	7,1	7,6	5,4	7,3	6,2	6,1	7,5	8,0	8,2	8,1	6,7	9,4	10,3	10,0	12,7	12,5	14,6	13,8	17,9	9,3	7,3	18,4	8,0	
2009Q2	6,3	8,8	3,6	4,7	5,0	6,9	7,5	4,9	6,3	5,6	6,0	9,6	9,1	7,5	7,9	6,3	9,2	9,6	9,2	12,0	11,3	13,5	13,6	17,9	8,9	7,3	16,7	7,6	
2009Q1	6,9	8,7	3,5	4,7	5,6	6,8	7,8	5,0	5,8	5,3	5,2	7,6	7,9	7,9	8,3	6,4	9,3	9,7	9,0	10,2	10,4	11,4	11,9	17,4	9,4	8,0	13,9	7,0	
2008Q3	5,4	6,8	2,8	3,7	4,9	5,7	7,0	3,4	4,3	4,1	3,4	5,6	5,6	7,7	6,6	5,1	7,6	7,7	7,8	7,1	8,9	6,2	6,0	11,3	7,2	6,1	7,2	6,1	
2008Q2	5,6	6,8	3,1	3,4	4,5	5,7	7,5	3,2	4,2	4,1	3,1	7,3	6,7	6,3	7,1	5,8	7,4	7,6	7,4	5,7	10,0	4,0	4,5	10,4	7,2	6,7	6,3	5,2	
2008Q1	6,3	7,1	3,5	4,2	4,8	6,1	8,0	4,3	4,7	5,1	3,3	6,6	6,3	7,1	8,1	6,5	7,8	8,0	7,7	4,9	10,5	4,2	4,9	9,6	8,3	7,0	6,5	5,1	

Source: National Institute of Statistics.

In 2010, the BIM unemployment rate decreased from the previous year in four regions (North West, South-East, South Muntenia and West). Increases from the same period were recorded in Center, North-East, Bucharest-Ilfov and South-West Oltenia.

The BIM unemployment rate had, in 2010, the lowest value (4.7%) in Bucharest, and the greatest in the region Center (10.7%). Values lower than the national average (6.9%) were recorded in four regions: Bucharest-Ilfov (4.7%), North-East (5.5%), West and North-West (both by 5.8%).

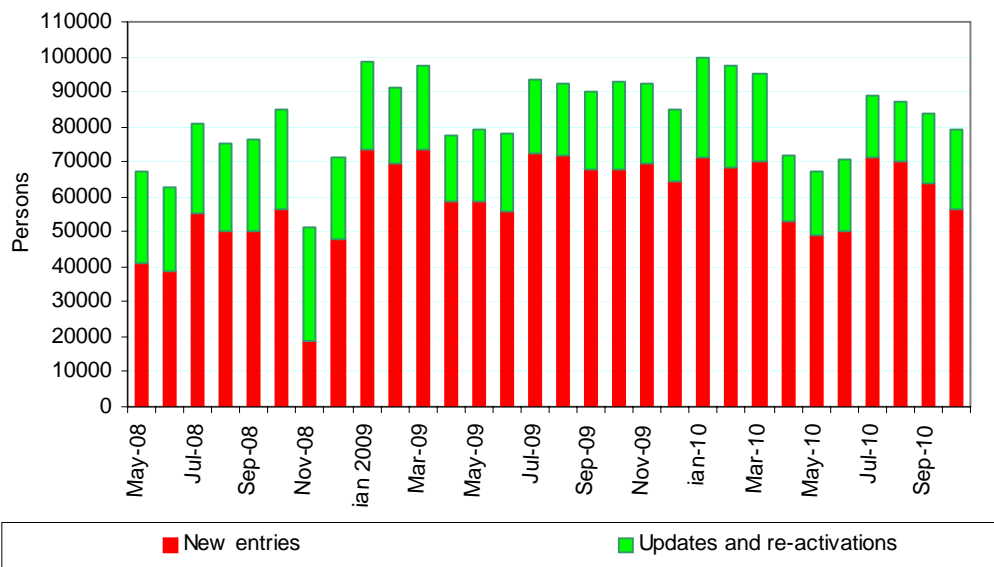
After reaching a minimum value in May, June, July 2008 of 37%, the unemployment rate knew an increasing trend until March 2010 (8.4%). Since April 2010, the unemployment rate decreased, reaching 7.1 % in October and slightly lower in the following periods.

In territorial analysis, disparities are significant. So, in 2010, the unemployment rates recorded the greatest values in the departments: Vaslui (11.6%), Mehedinți (11.0%), Teleorman (10.6%) and the lowest values in the departments: Bucharest (2.7%), Ilfov (2.8%), Timiș (4.2%).

From the minimum point of the unemployment rate (3.7% in May 2008), the monthly entries in unemployment were preponderantly (71.6% in October 2010) from new records, excepting November 2008, when the new entries in

unemployment was surpassed by the number of updated work demands and re-activation of money rights (62.9% of total entries).

The evolution of unemployment entries was oscillating, recording a minimum point in November 2008 (51,242 persons) and a maximum in January 2010 (99,816 persons).



Source: ANOFM (National Agency for Labor Force Occupation).

**Monthly entries in unemployment**

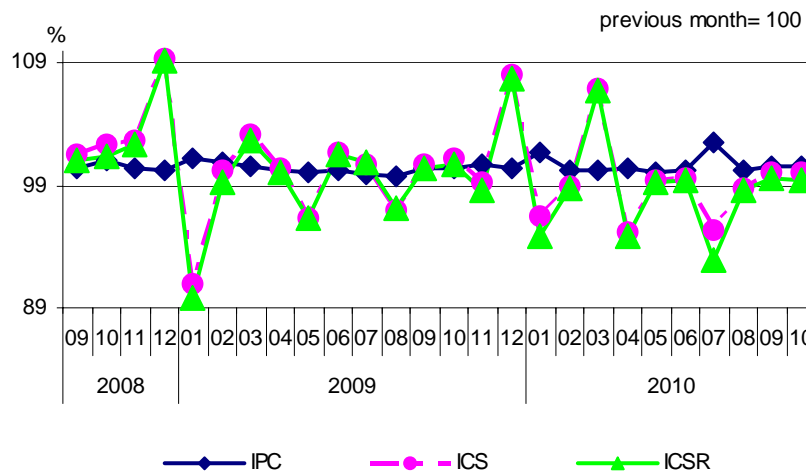
The index of real salary gains follows closely the evolution of the index for the average net nominal salary gain, as it results from the chart that emphasizes the trends recorded in the last two years. The phenomenon is explained by the decrease of the inflation growth rate, that is taken into consideration at the determination of the real salary gain.

During the year, fluctuations of the salary gain are recorded, mainly determined by the grant of occasional premiums (13<sup>th</sup> salary, holiday premiums, premiums in March/April, or December, for religious feasts). They influence the increases of decreases depending on the period in which they are granted, leading, eventually, to the blur of the fluctuations of the monthly salary gain at the level of the entire year.

The salary gain, both in nominal and real terms, was lower in most months in 2010, compared to the previous month (exception – March, when

premiums were granted for the Easter, leading to an increase of the nominal and real salary gains as against the previous month).

The most significant decreases of the index for the nominal salary gain, in 2010, were recorded in April (by 4.8%), respectively July (by 4.7%). As for the real salary gain, the most significant decrease was in July 2010 (by 7.1%).



Source: NIS, Survey on salary gains.

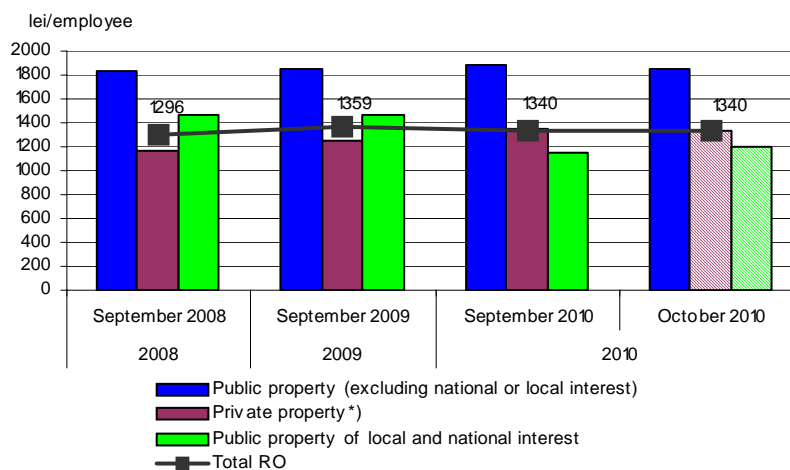
#### Evolution of the index for consumption prices, for the average nominal net salary gain and the real salary gain against the previous month(%)

On activities of the national economy, the maximum values of the net average salary gain are in the financial brokerage (with percentage between 115 – 146% above economy average). At the opposite pole, with the lowest net average salary gain, are placed the hotels and restaurants activities (with percentage between 41 – 43% below economy average). To be noted that both sections hold similar percentage as numbers of employees at the level of the national economy (some 2-3% each).

In 2010, compared to the previous year, the net average salary gain had a slightly decreasing trend, for most economic activities (excepting those pertaining to the budgetary, hotels and restaurants, real estate transactions and shows, cultural and recreational sectors).

As against 2008, the net average salary gains recorded in September 2010 were higher, excepting the activities in the budgetary, professional, scientific and technical activities, shows, cultural and recreational sectors.





Source: NIS, Survey on salary gains.

#### Nominal average salary gain, by ownership forms in the last month of Q3 2008-2010 and October 2010

In 2010, the average net salary gain realized on various activities of the national economy has recorded, both increases and decreases, in almost equal measure. So, in the economic sector, slight increases were recorded, the greatest being in the activity of production and supply of electrical and thermal energy, gases, hot water and air conditioning (1.8%). At the opposite pole, with the most significant decrease of the net average salary gain, was the extractive industry (18.9%, because of the premiums granted for “oilers’ day” in the previous month).

In the public property units (fully state-owned or state-owned majority), holding a weight of some 9% of the total number of employees, the average net salary gain has the highest values. The lowest average net salary gains are recorded in the privately-owned entities (privately-owned majority, fully private, fully foreign), that hold the majority weight of the number of employees (some 65%). Exception, since July 2010, following the application of the Law no. 118/2010, the lowest level of the average net salary gain was in the public entities of national and local interest.

In 2010, more than two-thirds (69.9%) of social security pensioners had pensions above 500 lei.

The number of pensioners with pensions above 1,000 lei represented, at the analyzed moment, just the fifth part (21.1%) of the total social security pensioners.

The average number of social security pensioners had a descending quarterly evolution, from 2002 until 2011.

Since quarter II 2010, the number of social security pensioners has followed an ascending trend, reaching 5,658 thousand persons at the end of the same year.

As for the state social security pensioners, after being on a continuous ascending trend, since quarter II 2007 (4,641 thousand persons), since quarter III 2010 it was recorded a decrease, to 4,759 thousand persons, in 2011 (September).

In 2010, comparative to the corresponding quarter of the previous year, the social security pensioners had the possibility to spend averagely with only 26 lei (3.6%) additional.

In 2010, the index of the real pension decreased as against the previous year (96.0% from 118.1%); subsequently, the purchasing power of the social security pension declined.

**Grouping of the number of the social security pensioners on pensions interval  
(at end of quarter)**

Pension levels	QIII 2008	QIII 2009	QIII 2010
TOTAL – thousand pers	4674	4736	4776
	Of which, in %		
Below 171	3.2	1.8	1.3
Between 171-210	3.2	1.2	1.4
Between 211-250	4.2	2.4	2.2
Between 251-290	4.7	3.2	3.0
Between 291-350	8.8	5.4	5.1
Between 351-500	23.8	18.1	17.1
Between 501-1,000	44.3	49.0	48.8
Above 1,000	7.8	18.9	21.1

**Source:** National Institute of Statistics.

In the analyzed period, some 3/4 of the total departments have recorded a greater number of pensioners compared to the employees. In the top of this group there are Giurgiu and Teleorman counties, where the report pensioners/employees was almost 2 (1.9) pensioners for one employee.

The Bucharest municipality was at the opposite pole, recording the lowest value of the report (0.6).

The departments in which the ratio is 1 to 1 represents a tenth from the total.

According to the provisional results of the Survey on Family Budgets realized by NIS in 2010, the average monthly total revenues for a household were 2,231 lei, a value relatively constant during 2007-2010.

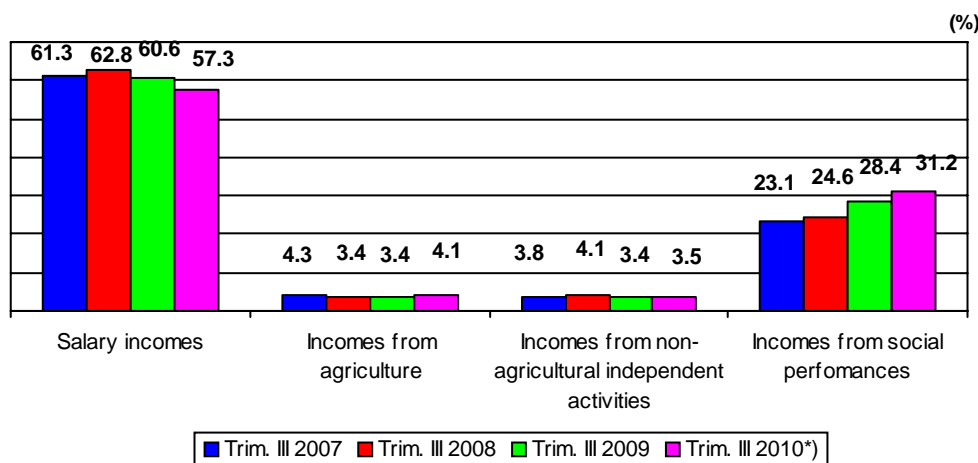
Both the weight of salary incomes, and of other incomes, decreased in 2010 against 2007-2009, by recording the lowest values (49.0% and, respectively, 14.4%).

On the other hand, the weight of income from social performances in the household revenues increased systematically from 19.3% in 2007 to 26.7% in 2010.

The structure of the money incomes of households reveals the same trend as the total revenues.

In 2010, the average total revenues for a urban household were by 32.3%, higher than rural households, decreasing by 37 pp from 2009.

The total (averagely) expenses of the population, in 2011, were some 2022 lei monthly per household, representing 90.6% of total revenues. Compared to quarter II 2010, they mark a decrease, influenced in great part by the decline of the household's average gains. As against 2008 and 2009, the expenses, on average, per households, increased mainly due to price growth.



\*) provisional data for quarter III 2010

Source: National Institute of Statistics.

#### Structure of the money incomes of population households\*)

The analysis of the structure of total expenses, in 2010, emphasizes the fact that the weight of money expenses decreases as against the previous years, in counterpart increasing the consumption from own resources. In 2010, as country average, from the total money expenses for food and alcohol purchase (170.7 lei per one person/months) the ones intended to acquiring bread and bakery products decreased as against 2008 and 2009 (from 16.1% in 2008 to 15.0% in 2010).

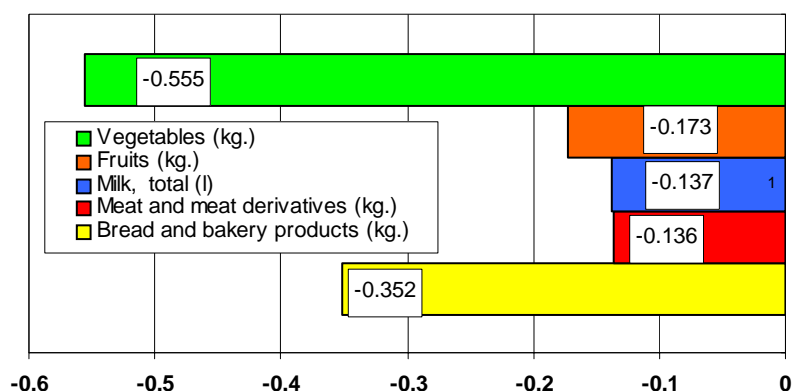
An important weight is corresponding to the expenses for purchasing meat and meat derivatives, that draw, together, for households as whole, in 2010, averagely, 22.9% of the expenses to purchase food and alcoholic drinks, decreasing by 1.5 pp from 2009.

Expenses for acquiring bread and bakery products, meat and meat derivatives, vegetables and canned vegetables gathered more than 50% of the expenses for acquiring food and alcoholic drinks (52.4%, decreasing by 0.3 pp from 2008).

The quantities acquired recorded decreases at all main product groups, excepting mineral water, other non-alcoholic drinks, and eggs. Higher quantitative decreases manifested for vegetables and canned vegetables (-0.533 kgs.), bread and baking products (-0.226 kgs.) and meat and meat derivatives (-0.156 kgs.).

The size and structure of the food consumption of households represents the cumulated result of market acquisitions and use of food products from proper resources. As we have seen, buying expenses decrease, subsequently, the alimentary consumption takes the same trend.

So, the consumption of alimentary products decreases in 2010, from 2008 and 2009, for the most basic products. If in 2008 a person consumed per month, averagely, 9.4 kg bread, in 2010 8.8 kg were consumed. For potatoes, the quantitative consumption fell from 3.5 kg, average per person, in 2008, to 3.3 kg in 2010.



Source: National Institute of Statistics.

#### Consumption of population households at some basic food products in 2009-2011

Compared to 2010, the decrease of the consumption of food products is as evident as in 2011. Inclusively, the average monthly consumption of alcoholic drinks per person decreases from 2.3 l in 2008 to 2.1 l in 2010.

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