

THE SITUATION OF THE WORKFORCE MARKET IN THE SOUTHERN PART OF THE ROMANIAN – HUNGARIAN BORDER

E. NAGY¹

ABSTRACT. – **The Situation of the Workforce Market in the Southern Part of the Romanian-Hungarian Border.** This paper is a concise presentation of the present workforce market on the southern part of the Hungarian-Romanian border region, focusing on four neighboring counties: Timiș and Arad on the Romanian side, respectively Békés and Csongrád on the Hungarian side. As far as the activity and unemployment rate is concerned, there is a rampant difference between the Romanian and Hungarian side in favor of Romanian one, due to its relative high competitiveness, the industrial culture and thus the higher ability to attract investments. In the same time the Hungarian side preserved a more pronounced agricultural feature with a lower grade of reindustrialization. In this case the positional periphery, namely the border strip, overlaps with the disadvantageous conditions regarding the workforce market, emphasizing even more its social periphery status. According to the economic expectations, in the future is very likely to occur a commuting of the Hungarian workforce and job seekers toward the neighboring Romanian regions, as a consequence of the asymmetric development tendencies of the job-market on the two sides of the border.

Keywords: *activity rate, employment rate, unemployment, Romanian-Hungarian border region, workforce market*

1. INTRODUCTION

The present study analyzes the processes taking place in the workforce market in the neighboring counties in the southern part of the border region, counties that have daily and intensive contacts with each other. The studied counties are Timiș and Arad on the Romanian side of the border and Békés and Csongrád on the Hungarian side. All this represents an underlying study which points out the social background of the relations/ contacts along the border and it also studies how much the current social-economical circumstances and their possible changes would contribute to the establishing of a (re)integrated border region in the future and how much this would facilitate the territorial cohesion on European level.

As far as the workforce market is concerned, we can ascertain that from the neighboring counties the Romanian ones have more favorable data about workforce and employment and generally speaking, the workforce market of Timiș and Arad counties is more active than that of Békés and Csongrád counties. This is mainly due to the rapid economic growth of the first decade of the new millennium as a result of the re-industrialization of the traditionally industrial region of Banat and due to the services concentrated around this industrialization.

¹ Babeș-Bolyai University, Faculty of Geography, 400006, Cluj-Napoca, Romania,
e-mail: enagy@geografie.ubbcluj.ro

2. ECONOMICAL ACTIVITY RATE AND EMPLOYMENT RATE

When taking into account the employment rate in the studied counties we found that the Romanian ones have a more favorable situation because the age group is narrower, in Romania it is the 15-64 years old group, while in Hungary it is the 15-74 years old group. However, these figures do not influence the real situation very much as we can speak of a much reduced activity above 64 years.

The situation of the workforce market in Békés county is not very advantageous as its demographic indicators are unfavorable – among the neighboring counties it has always had the lowest values since the turn of the century. Both Hungarian counties' indicators show values below the national average, while the values shown by the indicators of the Romanian counties are above the national average.

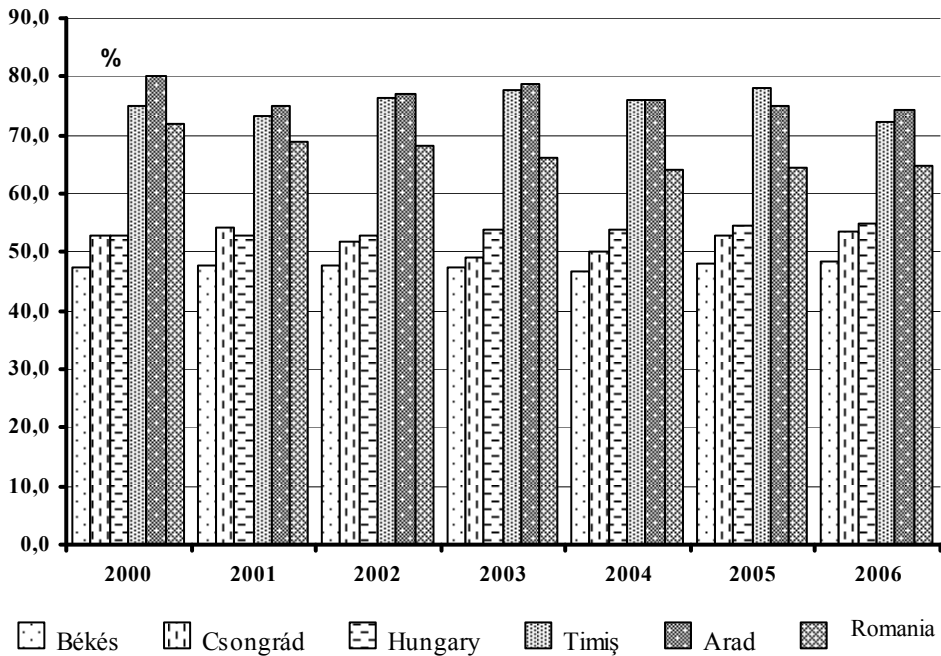


Fig. 1. The activity rate of the counties in the studied region.

Source: INS, KSH (National Institutes of Statistics in Romania and Hungary respectively).

Among the active population the number of employed people is proportionally smaller and it maps the regional sequence according to the proportion of the active population. In both countries, in Romania and in Hungary as well, the underemployment of the 15-64 age group is

an acute problem; these values in 2010 were much below the EU27 average, according to Eurostat. Thus, in Hungary this value was 55.4%, in Romania it was 58.8% and in the EU27 it was 64.2%. A significant problem is the fact that more and more people choose to live on social assistance; the number of active people is decreasing and there are people who illegally benefit from social assistance. Due to the budgetary restrictions caused by the global economic crisis in both countries the entire social assistance system will be looked over and those people who benefit from social assistance based on health issues will be checked individually. In addition to all these there is the increasing unemployment, another effect of the global economic crisis; authorities are trying to fight this off by supporting enterprises (creating and preserving workplaces), re-training of the workforce and by offering public and university education in accordance with the real demand of the workforce market.

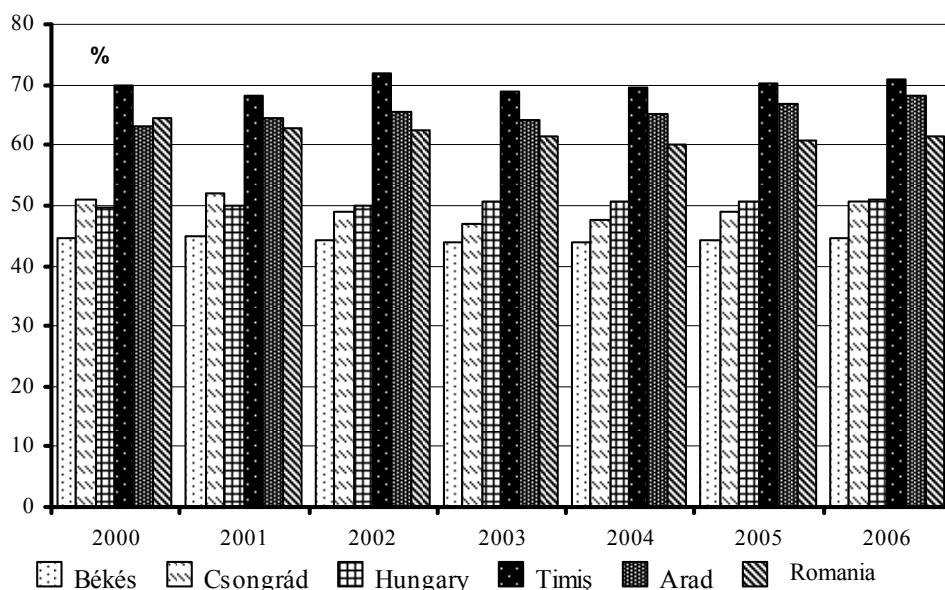


Fig. 2. The employment rate in the studied regions.

Source: INS, KSH.

The breakdown of employees by activity of the national economy in 2008.

Table 1

Breakdown by sectors of economy	Békés	Csongrád	Hungary	Timiș	Arad	Romania
Primary	8,2	4,9	3,1	2,8	3	2,31
Secondary	29,8	28,1	31,5	45,9	48,4	40,1
Tertiary	62	67	65,4	51,3	48,6	57,59

Source: INS, KSH

As far as the structural features of the workforce market are concerned we can state that in nearly all studied public administration units there has been a certain kind of professional re-stratification which is in accordance with the basic requirements of modernization. In other words, the primary sector of the economy has shrunk considerably after the fall of the communist regime the secondary sector has also undergone a slight change while the tertiary sector has seen a real boom. However, as a result of the industrial culture and following the reindustrialization after the turn of the century the number of people employed in the primary sector is still larger in the two Romanian counties and the growth of the percentage of the tertiary sector has slowed down.

The entire picture only becomes clear when we state that it is important the indicator we choose to present the phenomenon in question. The employed represent a smaller, more restricted group with permanent/stable contracts. In contrast to this, if we analyzed the proportion of employees in different economic fields, analysis that would include those employees without a permanent contract, then in the case of the Romanian counties the proportion of those working in the primary sector would be very high, several times the multiple of that in the Hungarian counties. The Romanian statistics includes in the active category those who work in agriculture but are self sufficient, thus the proportion of unemployed is decreased (Balcsók, I. 2009, Kerekes, K. 2009).

In my opinion, the apparent developmental advantage of the Hungarian counties, expressed by the higher proportion of those working in services, is only relative. In open, small economies, like the Romanian and the Hungarian ones the role of the industry is unquestionable, as the focus of the export is mainly on the capacity of the manufacturing industry. In the case of the Romanian counties the more significant representation of the industry is certain, it is more established and as far as the future is concerned it is a more sustainable transition towards a post-industrial society. This is mainly due to the fact that the industry leads the way to the apparition of the more value-added industrial and producer services and to the clustering processes in a region where the centers (county capitals) are larger cities than those in the Hungarian counties, thus creating better conditions for the economy of scales as well. The economical – cultural relations based on the former German inhabitants of Timiș county, who emigrated, the presence of the international airport at Timișoara and the presence of the prestigious Technical University in Timișoara, which produces the technical intellectuals, necessary for the industry represent great advantage for the Romanian counties as compared to the Hungarian ones. However the reindustrialization itself in the Hungarian side did not generated an increased value-added, because in Csongrád and Békés counties the FDI-s flowed especially in those economical sectors, which are based on simple assembling activities and wagework. It brought only an improvement in productivity and technological level.

3. UNEMPLOYMENT

As far as unemployment is concerned the Hungarian counties are in a much worse situation as they lag behind the rest of the region and the national average as well. Csongrád county appears to be in a better situation, so do the two Romanian counties. All these support the importance of the re-industrialization from the point of view of employment; it is the industry that keeps the economy of the Romanian counties alive, in a more significant way than in the rest of the country. In the same time there is a positive development appearing in all the administrative units of the border region as well as nationally; this development is slightly

broken in 2005 in Hungary. All these processes take a negative direction in 2009 following the outbreak of the 2008 global economic crisis.

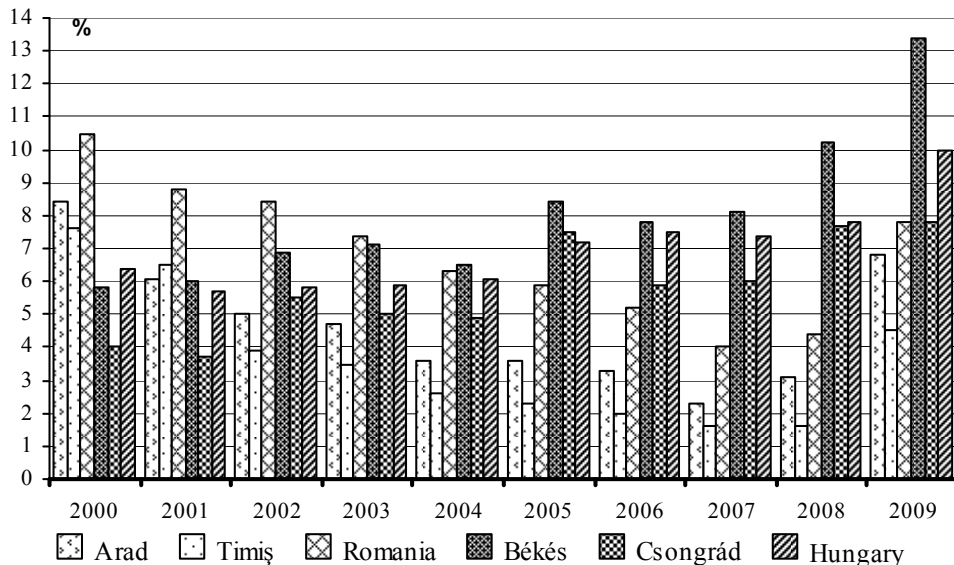


Fig. 3. The rate of unemployment in the studied counties.

Sources: INS, KSH.

On a smaller territorial scale, at the level of the villages, we can uncover a more refined image of unemployment. We have to mention that these data in Hungary are concerning to the LAU2² level, while in Romania to the LAU1³ level. As the concrete unemployment rate at village level is only monitored during census, in both countries, and the number of active population is not monitored we calculated a so-called relative unemployment rate. In order to do this we had the absolute number of unemployed, and from the potentially active population we took into consideration the 15-59 age group, as this made the comparison between the two countries possible, taking into consideration the different age limit for retirement. The relative rate of unemployment is practicable as it is routinely used in other statistical analyses, and because its value is strongly correlated with the real rate of unemployment.

Upon analyzing the situation at village level it appears that on the whole the Romanian counties are in a better situation, although, as we have already mentioned, this situation is somewhat disadvantaged by the fact that in Romania there is a different way of keeping record of the employed.

² Local Administrativ Unit, second level - settlements

³ Local Administrativ Unit, first level - comunals

Higher rate of unemployment is related to peripheral situation on both sides of the border – firstly related to the position near the border, secondly, in the case of Arad and Timiș counties the more isolated hilly and mountainous areas must be considered. In this respect the same situation is specific to the northern sector of the Hungarian-Romania common border, as former analyzes have revealed already (Nagy, E, 2006).

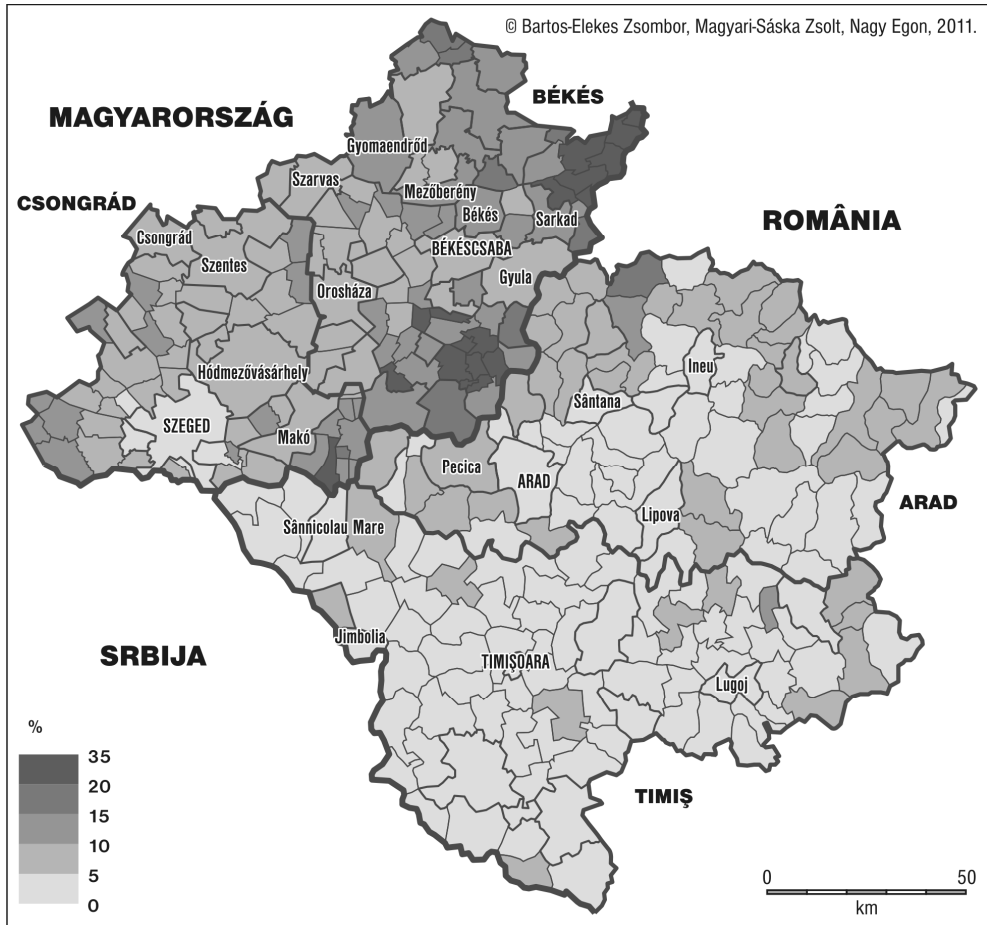


Fig. 4. The relative unemployment rate at village level in the neighboring Hungarian (2009) and Romanian (2010) counties.

Source: INS, KSH.

In the case of Hungary in the border-stripe with high unemployment rate the disadvantaged situation of the Sarkad and Mezőkovácsháza micro-regions is striking. Only Szeged and its surroundings stands out, but its values are still below those of the villages on the Romanian side, which are in a more advantageous situation.

4. CONCLUSIONS

Taking into consideration the above analyses, it is clear that the Hungarian counties have a more disadvantageous situation than the Romanian ones as far as the workforce market is concerned. This state of facts is due to the so far unstoppable economical decline of East-Hungary. The increase of the unemployment rate in Békés and Csongrád counties, although at a slower pace started in 2005, before the outbreak of the global economical crisis, is due to the wrong economical policies. Békés county is in a multiply disadvantaged situation as far as both unemployment rate and activity rate are concerned.

The more favorable indicators and the more dynamic economical growth on the Romanian side of the border represent a real alternative for the Hungarian workforce to come and seek jobs at the workforce market of Arad and Timiș counties, contrary to the model, depending on the possibilities of commuting or moving.

In the same time, an important feature is that employment problems in the region are cumulating along the border and generally in the more peripheral, and quite inaccessible hilly and mountainous areas on the Romanian side.

REFERENCES

1. Balcsók I. (2009), *Társadalmi jellemzők a Dél-Alföldön. Foglalkoztatás és munkanélküliség a régióban*, in: Nagy, G. (coord.), *A Kárpát-medence régiói 10. Dél-Alföld*, MTA-RKK, Dialóg-Campus kiadó, Budapest-Pécs.
2. Kerekes K. (2009), *Humán erőforrások*, in: Horváth, Gy. (coord.), *A Kárpát-medence régiói 9. Dél-Erdély és Bánság*, MTA-RKK, Dialóg-Campus kiadó, Budapest-Pécs.
3. Nagy, E. (2006), *The Cross-Border Co-operation on the Hungarian-Romanian Border Region*, in: Surd, V. (coord.), *Rural Space and Local Development*, Cluj-Napoca.
4. Nagy, I. (coord.) (2004), *A Strategy for the Danube-Criș-Mureș-Tisa Euroregion*, Hungarian Academy of Science, Centre for Regional Studies, Alföld Institute, Békéscsaba.
5. Pál, Á. (2001), *Településalkotó szférák vizsgálata a Dél-Alföld országhatár mentén fekvő kisvárosaiban a határ két oldalán*, Földrajzi Konferencia, Szeged (p. 16).
6. Rusu, R. (2007), *Organizarea spațiului geografic în Banat*, Editura Mirton, Timișoara.
7. ***Anuarul Statistic al Județului Timiș pe anul 2009, Institutul Național de Statistică, Direcția Regională de Statistică Timiș, Timișoara.

E. NAGY

8. ***Azonosságok és különbségek a magyarországi Dél-alföldi és romániai Vest régiók között, Központi Statisztikai Hivatal Szegedi Igazgatósága, Institutul Național de Statistică, Direcția Regională de Statistică Timiș, Szeged 2010.
9. ***Központi Statisztikai Hivatal, Statisztikai tájékoztató, Békés megye, 2011/1 június, www.ksh.hu.
10. ***Központi Statisztikai Hivatal, Statisztikai tájékoztató, Csongrád megye, 2011/1 június, www.ksh.hu.
11. ***Foglalkoztatottság és munkanélküliség a Dél-Alföldön, Központi Statisztikai Hivatal, Szegedi Igazgatósága, 2007.
12. ***www.eurostat.eu.

Notă: Studiul de față a fost realizat cu sprijinul bursei de studii „Bolyai János” a Academiei Maghiare.