

The importance of educating and training human resources in times of economic crisis in Romania

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A*bstract: In Romania, employment is a priority, significant efforts being made to adapt the Romanian system to the European Employment Strategy for labor force distribution.*

In this respect, in order to harmonize several aspects of employment in Romania with those from the EU, the Romanian Government has launched a series of programs designed to improve the labor market in this period of economic crisis. These programs aim to promote and increase access of human resources to education and to quality initial and continuous professional training, seeking thus to develop a knowledge-based economy.

Keywords: human resources, education, professional training, labor market, crisis

JEL Classification: I25, M53, O15, O16

Introduction

In Romania, in recent decades, the transition from manufacturing to services has led to a decline in employment, mostly of people originally working in industry or agriculture, which has led to the need of retraining and employment in other areas, especially in these times of economic crisis [Scarlat (2010)]. Thus, transformations in occupational structure have proved to be important and significant; on the one hand, *new jobs* have appeared, and, on the other hand,

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the content of many *has changed*. In certain branches of activity, some jobs have become priority, while others have become obsolete and disappeared.

In this new context, one course of action in order to ensure the necessary skilled labor force, and, to ensure competences for the Romanian companies, respectively, is to develop a system of continuous professional education and training that meets the needs of the labor market and a knowledge-based economy, which requires relevant information on the evolution of trades and professions, on labor market trends, on competencies and skills needed by companies, the degree of correlation between labor force demand and supply of workforce and identification of lacks, offering training programs by professional training providers and adapting them to the needs of the applicants.

The development of the system of continuous education and professional training cannot be conceived without some partnerships built with the contribution of all factors that can influence the evolution of the system, especially of the social partners, but also of the state and of its regulatory authorities, of the professional associations, of the training suppliers, of the civil society, etc. There should be thus an increasing the involvement of the social partners in determining the necessary skills for the labor force market, so that the economy has timely adequate qualified human resources [Blaga & Tripon (2011)].

In this respect, it is necessary to adjust public politics to ensure the mobilization of all resources necessary for continuous professional training at all levels. They must encourage social dialogue of all stakeholders, at national, regional, local, and sectoral level, to develop a system of continuous, flexible and transparent professional training, which ensures everybody's equal access and socio-professional integration.

The Importance of Education and Professional Training

The transition to a knowledge-based economy and society entails, as an objective necessity, the development of a system of continuous education and professional training, transparent and flexible, and it must ensure increased employability, adaptability and mobility of the workforce, which satisfies the demands of qualified labor force companies.

Investing in education and professional training is important. Economic transformations in recent times and the new opportunities require an effort from everyone to adapt and to build own skills based on the new knowledge gained and different situations. Continuous professional training is important to support

labor force transformation, being the main instrument through which it can adapt to new demands, thus facilitating the mobility between different sectors. The accumulation of knowledge and abilities can improve position on the labor market, while at the same time it increases productivity. Investing in education brings benefits to both the individual and the society as a whole.

Aimed at adapting to the labor market demands in a knowledge-based society, the development of human resources means encouraging the employees to acquire new skills and to accept the occupational mobility [Tripon & Blaga (2010a)]. The aim is hence to change mentality in terms of professional training, to increase awareness about the importance of continuous learning, the degree of motivation to broaden knowledge and develop individual skills. In this context, the development and implementation of some adequate permanent labor force training programs will help prevent shortages of qualified working force/skills in some areas and related jobs. The projects in education and professional training will promote the sustainable development [Tripon & Blaga (2010b)], contributing essentially to the main objectives of the EU strategy. The implementation of sustainable development principle will provide the young generation with the opportunity to integrate the cultural content with the social and ethical values.

Romania will contribute to making Europe more competitive by supporting the actions for promoting the entrepreneurial spirit and for improving public services. The consolidation of culture and the entrepreneurial spirit will be supported so that the entrepreneurship become a career option for each individual, an important solution for counterbalancing the negative effects of the structural adjustments and of the industrial restructuring process, thereby creating new economic and social alternatives and benefiting from the opportunities created by the economic development.

Planning and Development Trends in Labor Force

In Romania, employment has been regarded as a priority objective, efforts being made to adapt the Romanian system in order to apply the European strategy for labor employment.

Between 2007-2013 a growth in active working age population of approximately 520,000 is estimated. The working age employment will increase by 610,000 people mainly due to the increase in foreign investments and in competitiveness.

At the same time it is important to note the fact that the necessary human resources will be limited to the opportunities provided by the working age

population. It is the fact that, although the degree of inactivity will be reduced, still the proportion of those who for various reasons do not want to work on the labor market remains high. It should also be noted the fact that the inactive working age population represents an important category in various forms of professional training (especially pupils and students).

In terms of supporting employment through vocational training measures the conclusion has been that the acquisition of skills required on the labor market leads to higher employment rate and life quality, as well as greater social cohesion. It is therefore necessary in these times of crisis to give greater importance to developing training that requires the promotion of partnership between public authorities, social partners and other partners at central and local levels, involving a growing number of employers in facilitating access to continuous vocational training, by also providing training resources, increasing investments in training, improving access to training in rural areas, extending the training of adults, increasing the number of people seeking work, which will be included in training programs.

According to the National Institute of Statistics analyses can highlight that in this time of crisis there is a slight decrease in the number of persons included in vocational training courses (Table 1), a situation generally caused by negative values of natural growth, combined with those of the external migration balance, causing a steady decline in recent years of the population and hence of active population.

**Table 1. Number of persons enrolled
in continuing training courses**

	2007	2008	2009
Total persons, of which:	64093	59703	44347
Unemployed	53651	50622	41306
<i>Persons who accomplished their training in organized courses:</i>	45731	44490	36586
Unemployed who attended courses financed from unemployment insurance budget	25601	25241	24910
Unemployed attending courses organized from another funds	1432	2258	911
Persons who benefit of free vocational training services financed from unemployment insurance budget	3531	3504	659
Persons beginning the training in the previous year	11942	11643	9035
At the request of individual persons	2016	1513	960

	2007	2008	2009
At the request of institutions	209	331	111
<i>Persons currently attending training (on going courses)</i>	<i>12910</i>	<i>9912</i>	<i>4533</i>
<i>Persons who interrupted the training</i>	<i>3508</i>	<i>3681</i>	<i>2301</i>

Source: Romanian Statistical Yearbook, 2010, National Institute of Statistics.

The sustained economic growth and the workers' exodus towards Western Europe that caused a shortage of manpower in several sectors of the Romanian economy is the principal conclusion of a study of a company audit and of a Euromonitor market research. The current crisis of labour force is the combined result of the economic growth over the last six years and of the workers' exodus registered in the same period. Many Romanians have opted to live and work in Western Europe or USA where the life standard is higher.

The result of the crisis on the labor market may have a negative impact on the direct foreign investments, but also an economic downturn can take place [Rusu (2007)]. In some areas it has become very difficult to find qualified work force that is to increase working force costs. Taking into account current forecasts it is evident that our country must be increasingly concerned about the development of macroeconomic models designed to increase the work force market and especially about their use.

Workforce Development Programs in Romania

In order to harmonize some aspects regarding the workforce in Romania and the European Union, the Romanian government has launched either with the EU or on its own a number of programs meant to improve labor market situation at the moment. The following issues should be considered:

- improving labor market so as to ensure that labor supply effectively meets domestic demand;
- implementation of policies and measures necessary to prepare the working age population, unspecialized or specialized improperly for a market economy;
- readiness of employment policy structures and derived systems to ensure implementation of Employment Work Strategy.

The main programs that address human resources development in the national economy are [Blaga (2010)]:

- *The National Strategic Reference Framework 2007-2013* – national strategic document that links the national development priorities established in the National Development Plan 2007-2013 and the priorities at European level. This document harmonizes all the priorities in a coherent strategy that is suitable for Romania, which aims to: development of basic infrastructure to European standards, increase in long-term competitiveness of the Romanian economy, development and better use of human capital in Romania.
- *Human Resources Development Operational Program* – funded by the European Social Fund and the Romanian Government, which aims at investing in people, the most important resource of Romania. Its main objective is to develop human capital and increasing competitiveness, by linking lifelong education and labor market and providing increased opportunities for future participation of people on a modern, flexible and inclusive labor market. The specific objectives identified can be summarized as follows: promote quality education and initial and ongoing professional training, including higher education and research; promote entrepreneurial culture and improve quality and productivity at work; facilitate the inclusion of youth and long-term unemployed into the labor market; develop a modern, flexible, inclusive labor market; promote (re)insertion in the labor market of inactive people, including rural areas; improve public employment services; facilitate access to education and employment of vulnerable groups on the labor market too. The economic and social development program aims at: participation in education, lifelong learning, quality insurance and management, health and safety at work.
- *Government Program for Human Resources, Program PROGRESS* and others.

These programs promote employment, by improving education and training, the development of guidance and direction to search for a job, investing in the growth of companies and in workers' capacity to face new global challenges.

According to the strategy developed in accordance with the National Strategic Reference Framework 2007-2013 for the objective "Convergence" and the Government Program in Human Resources, the growth of economic competitiveness requires a more efficient use of human resources.

Human resources development will focus on increasing investments in education and professional training, attracting and retaining more people on the labor market, increasing job offer, improving adaptability of workers and enterprises, promoting social inclusion of vulnerable groups. For this purpose, six priority axes have been

set, designed to meet the identified needs of the labor market: education and professional training in support of economic growth and development of knowledge-based society, connecting lifelong learning and labor market, increasing adaptability of workers and enterprises, modernization of public employment services, promoting active employment measures, promoting social inclusion.

With the two great labor market problems, the lack of staff and the poor quality of work due to this lack of qualified staff, the Regional Operational Program for Human Resources Development supports organizations, enabling them to improve access to education and professional training, to promote employment and modernization measures in the public employment service [Blaga (2010)].

Romania has a budget of over four billion euros for human resources development in 2007-2013, of which about 3.5 billion euros come from EU, the European Social Fund, the rest being national co-financing (Table 2). Most of the sum, 39% will be used to promote lifelong learning and adaptability of the workforce, and the rest being designed to promote active employment measures and professional training modernization. A third of the amount will be allotted to promote active employment measures for the inactive population.

**Table 2. Sectoral Operational Programme
“Human Resources Development 2007-2013”**

Priority Axes	Financial plan, in EUR
<i>Priority Axis 1: Education and training in support for growth and development of knowledge-based society</i>	797 803 989
<i>Priority Axis 2: Linking lifelong learning and labour market</i>	911 775 778
<i>Priority Axis 3: Increasing adaptability of workers and enterprises</i>	450 189 271
<i>Priority Axis 4: Modernization of Public Employment Services (PES)</i>	176 656 289
<i>Priority Axis 5: Promoting active employment measures</i>	476 402 823
<i>Priority Axis 6: Promoting social inclusion</i>	540 608 927
<i>Priority Axis 7: Technical Assistance</i>	122 707 919
	Total: 3 476 144 996

This forecast provides the possibility to solve important problems of labor conditions under which, properly managed, these programs could lead to solving labor shortfalls by 2013.

Conclusions

After a slow and difficult transition period and in light of changes taking place nationally and internationally in terms of organization and use of workforce, human resources have become a valuable factor, the strategy for any economic sector. The importance of human factor in running a successful business is what human resources management does, a set of competences, skills and attitudes essential to all managers.

Reviving economic growth and improving labor market in Romania has become a priority for macroeconomic policies, starting from the importance of ensuring the necessary conditions to increase productivity and labor force efficiency, as well as increasing the living standard of employed people.

The current situation shows that Romania has made progress in restructuring the system of continuous professional training. One of the courses of action to ensure the necessary skilled workforce/skills for companies is making lifelong learning policies in conjunction with labor market developments through wide consultation of social partners, of business environment, and of the institutions/organizations involved in the system.

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