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ROMANIAN RURAL YOUTH – SOCIO-ECONOMIC RESILIENCE FACTOR

ABSTRACT

The age structure of the active rural population constantly deteriorated in the last decade, with significant influences on the innovating capacity of the labour recruitment pool. The analysis of the interest in education by rural population's age groups reveals a contradictory evolution in the case of the rural young generation. Unfortunately, the young people (under 35 years) are becoming less and less interested in graduating secondary and higher education levels than older generations. In the period 1996-2012, the number of rural people aged 25-34 years who graduated a low educational level practically doubled, the share of this educational category in total rural population from the above-mentioned age group reaching 42%. In this way, the young population risks to endanger its access opportunities and active involvement in the labour market. In these conditions, the chance for the Romanian rural youth to become a factor for building the socio-economic resilience at the level of rural areas is problematic.

Key words: resilience, human capital, young population, rural, Romania.

JEL Classification: O15, J21, J63, I25.

1. INTRODUCTION

The socio-economic resilience is defined in current literature as *the ability of an individual, of a household, community, region or country to resist, to adapt, and to fast recover after a crisis, shock or change* (Gallopín, 2006).

One way to approach the resilience is:

- to **identify the resources** needed to implement it, and
- to focus on the **key attributes** of those resources.

In the classic economic theory, the development process was largely dependent on tangible physical assets such as land, factories and equipment. Labor was a necessary component, but increases in the value of the business came from investment in capital equipment. Modern economists seem to concur that education and health care are the key to improving human capital and ultimately increasing the economic outputs of the nation (Becker, 1993). According to Romer (1990), the human capital directly influences productivity by determining the capacity of nations to innovate in the field of new technologies suited to domestic production.

In this theoretical paradigm, the **human capital** is perceived as one of the main resource of rural socio-economic system. Most economists agree that it is the human resources of nation, not its capital nor its material resources, that ultimately determine the character and pace of its economic and social development. Human resources constitute the ultimate basis of the wealth of nations (Almendarez, 2010). Therefore, the human capital stocks decisively affecting the speed of technological catch-up of the top-leaders countries in the technological level (Nelson & Phelps, 1966), through that generate the income levels growth. In this respect, the personal distribution of earnings is partly determined by the distribution of, and the returns from human capital.

Combining the resilience and human capital theoretical perspectives, our paper draws the attention upon the future development of the rural system that is closely dependent on the rural young generations availability and capabilities to adapt to internal and external changes, most of them related to the technological progress.

Research question

Could the young generation be an factor for improving the rural resilience in Romania ?

2. MATERIALS AND METHODS

The analytical approach proposed in the present study targets the evaluation of structural changes of rural human capital, with a special focus on young generations. The human capital characteristics that enable us to evaluate the capacity of rural young generations to become a resilient factor for the future socio-economic development are the following:

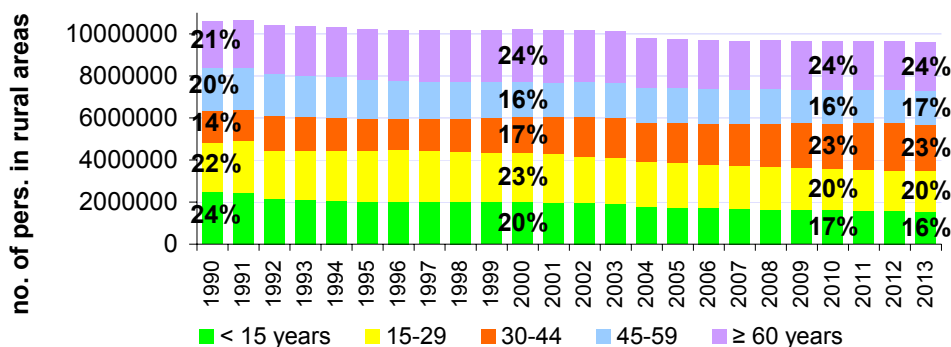
– ***The age structure of rural population*** and its evolution in time reflects the demographic regeneration potential at the rural level and exposure to the risks of population ageing and its negative consequences upon the innovative capacity of labour force.

– ***The educational structure of the rural young labour force.*** The implementation of economic activities that require a higher training level can be facilitated when the persons with a higher educational level prevail in the rural labour force; on the contrary, it can be constrained when the educational level of available labour is low, as the low educational level is associated to the risk of being reluctant to innovation in the occupational behaviour. Education has been recognized to contribute to enhanced levels of resilience for community. Empirical research also demonstrated the transformative role of education in resilience promotion (Krasny *et al.*, 2010).

The conclusions of this article are based on the analysis of secondary statistical information (national and European database statistics) on the quantitative and qualitative demo-educational characteristics of the young rural population.

3. DISCUSSIONS

According to the data of the Romanian National Institute of Statistics, the stable population in the Romanian rural area amounts to 9.21 million people, with an activity rate of 54.7%; this index experienced a permanent descending trend after the collapse of communism due to the rural demographic processes in the last twenty years: birth rate decrease, rural population (demographic) ageing, internal and external migration flows (Tudor, 2015). The labour force recruitment pool in the rural area has permanently narrowed. The volume of the population of active age (15-64 years) in the Romanian rural area decreased from 6.9 million people in 1992, to 6.4 million people in 2012 and its qualitative structure was deteriorated in terms of age and education structures. We assist not only to an aging process at the level of total rural population, but at the same time, this process has characterized the potential labour force from the Romanian rural area.



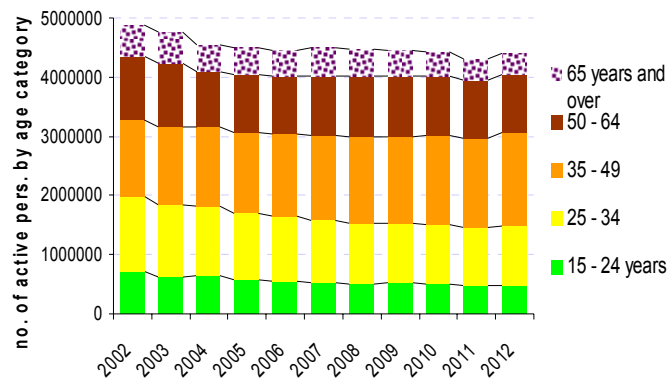
Source: own calculations based on NIS data – TEMPO on-line database.

Figure 1. Age structure of rural population in rural Romania and its evolution after the collapse of communism.

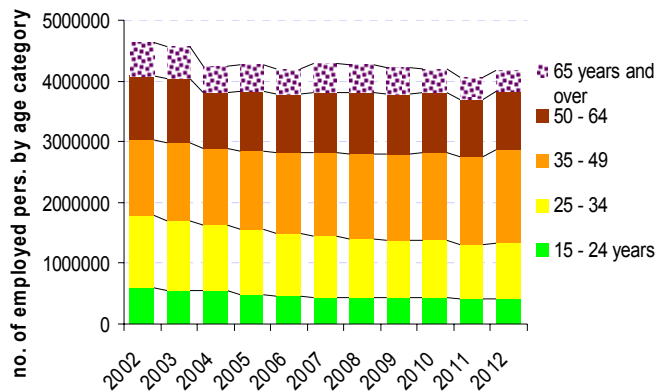
Therefore, the labour renewal experienced an accelerated decreasing trend and, after the year 2008, the share of the rural population from the age group 15-29 years became lower than that from the age group 30-44 years. This evolution will determine an accelerated ageing of labour force itself, as the young people will have an increasingly lower share in the age structure of the active population, while the share of the mature and old population will increase. *In the future, Romania is likely to face a significant shortage of manpower in rural areas.*

Labour force ageing is accompanied by the decrease of the labour force innovating capacity, occupational mobility and of the capacity to assume the risk of occupational status change. *All these represent vulnerabilities from the perspective of human capital availability that could be interpreted as major risks for the implementation of new entrepreneurial initiatives in the rural area.*

The age structure of the active rural population constantly deteriorated in the last decade, with significant influences on the innovating capacity of the labour recruitment pool. Thus, while the rural active population volume was down by 10% in the period 2002-2012, the number of active young persons (15-24 years) decreased by one-third in the same period (Figure 2a). Thus, we reached the present situation in which one in three active rural persons is more than 50 years old, while this ratio is only one in five people in the urban area.



(a)



(b)

Source: own calculations based on NIS data – TEMPO on-line database.

Figure 2. Evolution of active (a) and employed (b) rural population by age category in the last ten years.

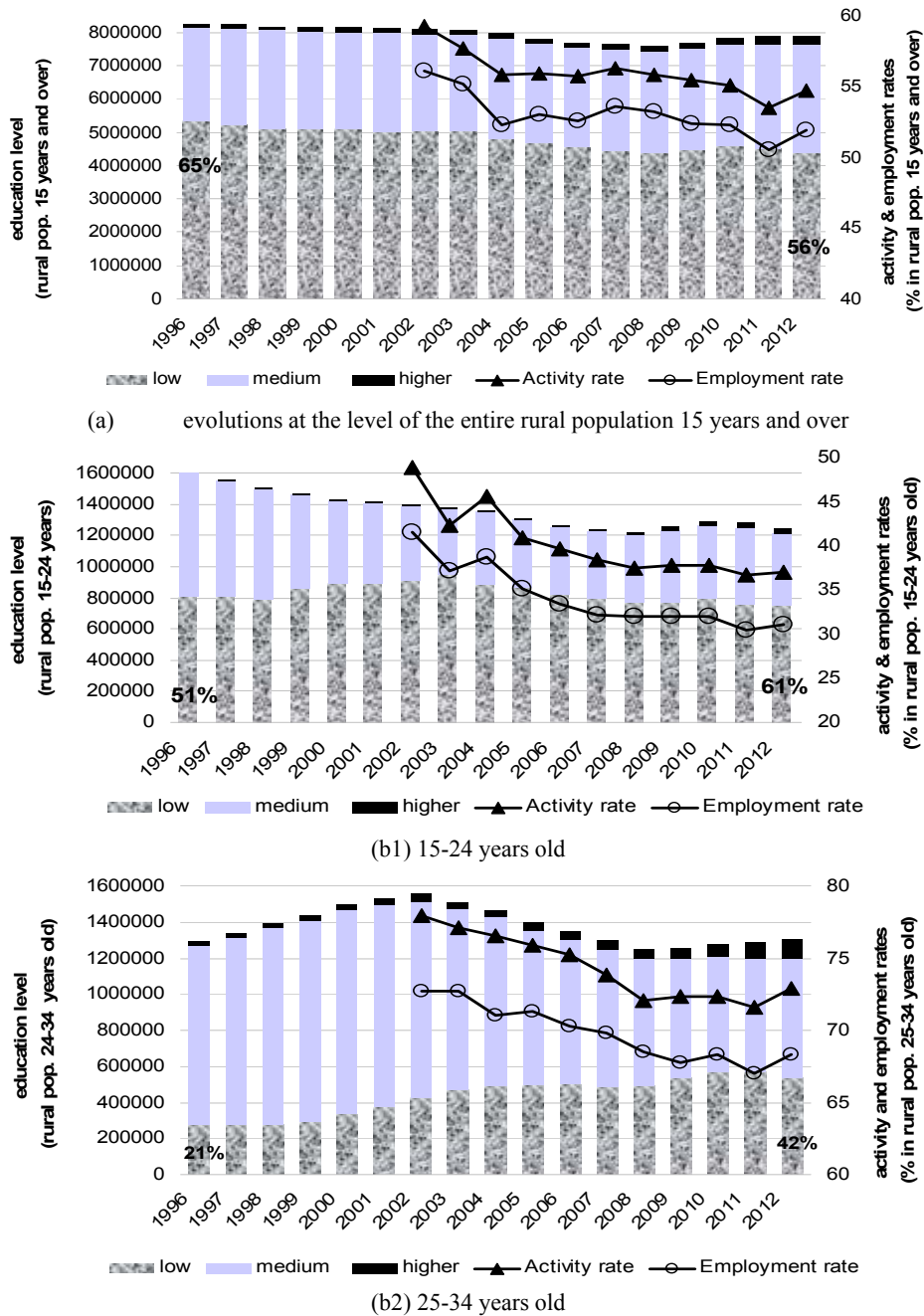
The analysis of the demographic aspects of the access and participation to the rural labour market reveals *a negative correlation between the age of the rural active population and its opportunity to get a job. The employment rates of the young generations are low, following an accelerated descending trend* in the ten years under investigation. In other words, the possibility to get a job for the active population aged 15-24 years is under permanent decline. At the same time, the *opportunities to get a job increase as the active population's age increases*. The explanations for this situation can be found, according to the human capital theory, in the vocational training level and the compatibility between the labour skills, on one hand, and the labour market requirements, on the other hand.

The rural population's participation to the labour market features significant disparities by age groups and the educational level also acts as an important predictor (Figure 2b). The activity rates of the rural population under 34 years old had a statistically significant decreasing trend in the last ten years. In the population aged over 35 years, the participation in the rural labour market, expressed under the form of the activity and employment rate trends, has variations linked to the economic cyclicality, but the general trend is quite stable.

The importance of the younger generations (15-34 years old) in the active labor force is declining in Romanian rural areas with major negative consequences upon the future labour force disponibility.

The analysis of the statistical data series for the period 1996-2012 reveals that the educational level of the rural population tends to improve (the share of the rural population category with low educational level – who graduated less than 8 schooling years – decreased from 65% to 56% in the investigated period). At the same time, the share of rural population with a high educational level (short and long time higher education, including master's degree and PhD) doubled in relative figures, from 1.3% in 1996 to 3.1% in the year 2012 (Figure 3a). Unfortunately, the improvement of the population's educational level over 15 years of age (that represents the labour recruitment pool) is not a direct consequence of the improvement of the young rural population's schooling years.

In the Romanian rural area, the young people are becoming less and less interested in graduating secondary and higher education levels compared to the older generations. In the period 1996-2012, the number of rural people aged 15-24 years who graduated a low educational level increased from 51% to 61% and for the age group 25-34 years this share practically doubled (from 21% to 42%) (Figure 3b). As consequences, the young population risks to endanger its access opportunities and active involvement in the labour market. Besides this, in the ten investigated years, i.e. 2002-2012, we could notice an accelerated decreasing tendency of the younger generation access and participation to the labour market, much more accelerated trends than in the other EU member states. In rural Romania, these decreasing trends are positively correlated with the decrease of the young generations' educational level (aged under 35 years) and are also conditioned by the rural labour market development level.

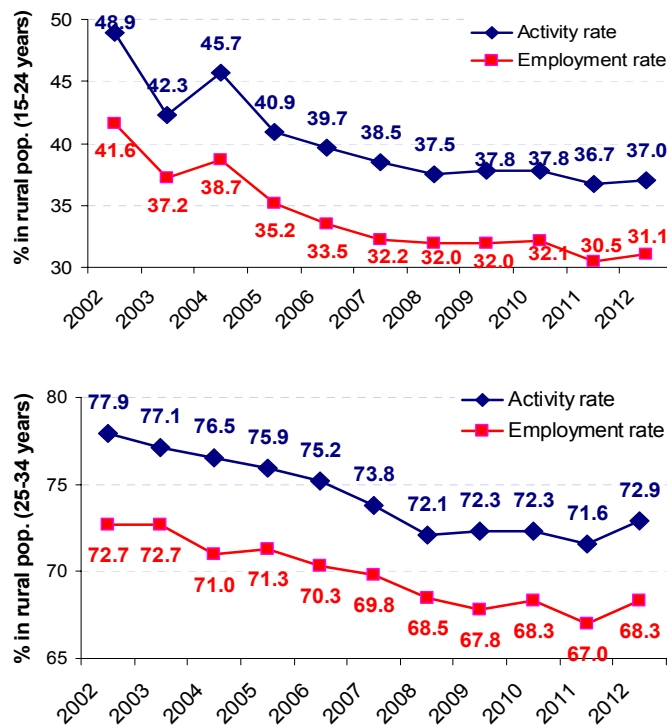


Source: NIS data – TEMPO on-line database.

Figure 3. The education level and labour market participation of rural population for (a) total rural population 15 years and over and (b) the younger generation.

4. CONCLUSIONS

Labor market involvement of rural population differs by age groups and the educational level is an important predictor for the labour market participation. The activity and employment rates of rural population younger than 34 years had a statistically significant decreasing trend in the last ten years (Figure 4).



Source: NIS data – TEMPO on-line database.

Figure 4. Evolution of activity and employment rates of rural population by age category in the last ten years.

- Young people, between **15 and 24 years**, have the lowest activity rate and the trend is decreasing. They also have the smallest chances of finding a job; the unemployment rate among them is around 15%.
- We are witnessing a decrease in the activity and employment rates of rural population between **25 and 34 years**. We believe that this can be explained by short-time migration for work abroad of this category of active rural population (Tudor, Voicilas, 2014).
- Lower education level of the age group **25-34 years** compared to the older generations also causes higher levels of unemployment for this age group.

For the Romanian rural area, the younger generation is more a risk and less a factor of rural resilience due to the fact that the young population has a decreasing trend and, is less educated than the older generations.

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