

ACTIVE AGEING AND ELDERLY POPULATION ACTIVITY ON ROMANIA'S LABOUR MARKET

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Abstract

During the period of economic and social transition to the market economy, from the demographic viewpoint Romania was aligned to the overall European population ageing trend. The demographic ageing process, which presupposes also an increase of life expectancy at advanced ages, is the reality that made necessary, but also possible, initiating the promotion of "active ageing" in Romania as well. From the viewpoint of the "active ageing" concept's understanding, we evaluate the existing situation on the labour market, by characterising the employment and unemployment phenomena as these are/were manifest among elderly on labour market (55 – 64 years of age) in comparison to other age segments active on the labour market.

Keywords: *active ageing, life expectancy, dependency rates, employment, unemployment.*

JEL Classification: J08; J11; J13; J14

1. INTRODUCTION

Population ageing is an already well installed phenomenon both at European and world level which has future complex consequences for the economic and social life.

The economic and social transition period to the market economy underwent by Romania is characterised at demographic level by our country's alignment to the general European trend of demographic ageing; the phenomenon of demographic decline, characteristic to a large part of the Central and Eastern European countries. To this trend is added the transition from the extended family with several generations to the prevalence in the society of the core family.

If in the past elderly were sheltered and cared for by the multigenerational family, nowadays very often they may be lacking affection and be subjected to isolation, abandon and institutionalisation.

These important changes in the population's structure but also the size and structure of the family to which is added the increasingly ascertained fact that citizens' live longer and healthier lives led to imposing the concept and policy initiative of promoting "active ageing" also in Romania in the context of the same initiative promoted at European and world level.

2. AGEING POPULATION PROCESS AT NATIONAL LEVEL

The developments at demographic level within modern societies were framed in the process of demographic transition succinctly characterised by the transition from a traditional regime of demographic balance with high fertility and mortality rates to a balanced regime characterised by low levels for both fertility and mortality.

The two trends with major impact on the ageing process of the population are: decrease of fertility and births rates and, respectively the decrease of the mortality rates among elderly leading to an increased life expectancy at advanced ages and increasing longevity.

Romanian fertility was always at young ages, but after 2000 is found a shift of the fertility

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rates' curve from the early maturity model to one which is equivalent to an "intermediary stage towards the late maturity model, specific to West European countries" (NIS, 2012, Evolution of births and fertility in Romania, p. 5).

. The fertility transition was realised in a first stage by postponing the marriage and an increase in the weight of final celibacy and in the second stage by limiting fertility within married couples.

These changes in the fertility model must be compulsory correlated with the changes regarding the woman's condition in society: extending the schooling period which triggers an increase in the marriage age, and her employment into a remunerated economic activity which presupposes also economic independence but also increased responsibilities.

We consider that the change in the reproductive model of couples in Romania occurred also as result of the changes in the economic and social environment, but in particular under the influence of the reproductive model shaped in West European countries in the 1970s and which is characterised, in essence, by the option of a small number of children and which are brought into life at a more mature age.

The evolution during the transition period of the main indicators characterising the reproductive behaviour of the couples (including some estimates about the indicators' evolution in the last three decades of the old regime) leads to following observations:

The coercive demographic measures adopted by the old regime had impact only in the immediately following years (1967, 1968) on the crude births' and fertility rates as these underwent subsequently a decreasing trend. With the debut of the transition period and the abrogation of the decree prohibiting abortions, the indicators' trend was of marked decrease.

The second trend with major impact on population ageing is the mortality decrease of elderly for all age groups and accordingly, an increase of life expectancy in old age.

These trends had as outcome swifter demographic ageing which presupposes essential changes in the structure on ages of the population: a continuing and marked decrease of the weight of young population (from 23.7% to 15.0% between 1990-2012) and, correspondingly, a significant increase of the weight in population of individuals aged 65 years and over (from 10.3% to 15.0%). "For the first time in the last four decades, on 1 January 2012 the weight of the young population is equal to the weight of the elderly (15.0%) (NIS, 2012, Romania's Population Ageing, p. 18).

The dimension of the ageing population's implications both at demographic level but also in the economic and social life shall be reflected by: changes at the level of the various sub-populations (school population, the fertile age population, working-age population), the development of the dependency rates and of the ageing index which provides for an important dimension of social pressure exercised by the demographic ageing process. The total dependency rate decreases continuously from about 50% (49.7%) in 1990 down to 43.0% in 2012, thus synthetically reflecting the opposite evolution trends in the same period of the other two dependency rates of the elderly and the young. Thus, the dependency rate of the elderly increased from 15.6% in 1990 to 21.5% in 2012, while the dependency rate of the young diminished significantly from 36.0% in 1990 down to 21.5% in 2012 (Table 1). The diminishment of the total dependency rate was realised firstly due to the decrease in the numbers of young population.

These opposite evolution trends of the elderly and, respectively of the young population are mirrored synthetically in the development of the values for the ageing index: from 433 elderly to 1000 young individuals (1990) to 998 (2012), the numbers for elderly and young reached parity in this way.

	Total dependency rate¹⁾	Elderly dependency rate²⁾	Young dependency rate³⁾
1990	49.7	15.6	36.0
1991	49.7	15.9	35.2
1992	49.5	16.6	34.3
1993	49.5	16.9	33.1
1994	49.3	17.3	32.0
1995	48.5	17.6	30.9
1996	47.8	18.0	29.8
1997	47.1	18.2	28.9
1998	47.0	18.7	28.3
1999	46.8	19.0	27.8
2000	46.4	19.3	27.1
2001	46.0	19.6	26.3
2002	46.0	20.4	25.8
2003	45.4	20.6	24.8
2004	44.6	20.9	23.8
2005	43.9	21.1	22.8
2006	43.6	21.2	22.3
2007	43.4	21.3	22.1
2008	43.1	21.3	21.8
2009	43.0	21.3	21.7
2010	43.0	21.4	21.7
2011	42.9(p)	21.3(p)	21.6(p)
2012	43.0(p)	21.5(p)	21.5(p)

Note: ¹⁾ Population aged 0-14 years and 65 years and over, related to the population aged 15-64 years.

²⁾ Population aged 65 years and over related to population aged 15-64 years.

³⁾ Population aged de 0-14 years related to population aged 15-64 years.

P=provisory data

Source: Eurostat. Structure indicators. online data code: demo_pjanind

Data revised on 21.11.2012; Data extracted on:22.01.2013

Table 1. Evolution of dependency rates

3. MEANING OF THE “ACTIVE AGEING” CONCEPT AND THE POLICY INITIATIVE OF PROMOTING THIS PROCESS AT NATIONAL LEVEL

The meaning of the “active ageing” concept in Romania is naturally similar to the understanding given at EU level but, in our opinion, it has even to larger extent similarities to the understanding given by the World Health Organisation in the framework of the efforts of promoting “active ageing” under the aegis of the United Nations.

In accordance with this last meaning, “active ageing” is the “process of optimising health opportunities, participation and security, for increasing the quality of life as the population ages” (World Health Organisation, 2002, p. 12).

These facets of “active ageing” are found also in the understanding given to the concept by the Romanian authorities (as found on the site of the Ministry of Labour), according to which it represents “ progressing in age under optimum health conditions, playing an active role within society, professional fulfilment along with daily life autonomy and involvement in civil actions”. Proper notice is given to these sides of the concept, but its brief characterisation could have been better structured.

The initiative of promoting “active ageing” in Romania was circumscribed to the context provided for by the European Year of Active Ageing and Solidarity between Generations”. The beginning was marked by the National Conference of Launching the European Year 2012, which reunited representatives of the academic environment, of the public sector, of NGOs and of the National Council of Elderly, etc.

The academic demographic research presented by means of a communication (Ghetau, 2012) shows both the European and the Romanian context of demographic ageing from the perspective of the most relevant indicators.

Also, noticeable as importance was the communication of the Caritas Confederation “Ageing is not a disease” by which was suggested the change of perception on ageing.

During the entire year 2012, at national level, were developed several actions circumscribed to the framework of this initiative presupposing the participation of local authorities, NGOs, and of some different generations: elderly, youth and children.

The event marking the conclusion at national level of the European Year 2012 was the International Conference “Active Ageing and Services for Seniors”.

4. ELDERLY POPULATION PRESENCE ON ROMANIA’S LABOUR MARKET

The evaluation of the existing situation on the labour force market for elderly (for the age groups 55-64 years of age and 65 years of age and over) as regarded comparatively to other age segments, the characterising employment and unemployment phenomena as these are manifested among elderly on labour market were realised based on the information provided by the Labour Force Survey on Households (AMIGO)².

A first important and necessary remark is the progressing ageing of the labour force as “old’ groups within the working age population shall become more numerous creating in time imbalances on labour market” (NIS, 2011, Demographic Profile of Working Age Population, p 15). In the context of this general trend is underway a “more marked process of labour force ageing in the rural area” (NIS, 2011, Social Trends, p. 66).

The employment rates among elderly (49.2% for those aged 55-59 years, 29.0% for those aged 60-64 years and only 12.2% for those aged 65 years and over) are net inferior to the average employment rate (50.3%), and much inferior to the employment rate registered for those in the peak period of active life, individuals aged between 35-39 years recording an employment rate of 78.1% (Table 2).

The comparative analysis on genders indicates that for all analysed age groups the employment rates for women are net inferior to the ones registered for males. If we analyse, comparatively, on genders the unemployment phenomenon, the sense of the ratio reverses, as it is in favour of women, save for the age group 20 to 24 years of age (when the unemployment rate was of 22.3% for men and, respectively, 22.9% for women).

On areas of residence, the average employment rates are comparable, but for almost all analysed age segments (save for the individuals aged 35 to 39 years of age) the rural area has employment rates net superior to the ones recorded in the urban area. The same beneficial trend is maintained for the rural regarding the comparison on residence areas, if the analysed indicator is the unemployment rate.

² The Labour Force Survey on Households (AMIGO): is realised on a quarterly basis as of 1996 and in 2002 the questionnaires of the survey were redesigned with the purpose of harmonising them with the EU principles and methodologies. Consequently, as of the 1st quarter 2002, the definitions of the main indicators for employment and unemployment were revised in accordance with the new European regulations.

	Active population		Rates of: (%)	
	Total -persons-	From which:	Employment	Unemployment
		Employed (%)		
Total	9867953	92.6	50.3	7.4
20-24 years	750540	77.4	34.9	22.6
35-39 years	1387805	93.9	78.1	6.1
55-59 years	746630	95.4	49.2	4.6
60-64 years	357627	98.2	29.0	1.8
65+	387954	99.9	12.2	0.1
Men	5457471	92.1	57.4	7.9
20-24 years	435962	77.7	40.0	22.3
35-39 years	769963	93.8	84.7	6.2
55-59 years	433386	93.5	59.3	6.5
60-64 years	206878	97.2	36.1	2.8
65+	177019	99.9	13.8	0.1
Women	4410481	93.2	43.7	6.8
20-24 years	314578	77.1	29.7	22.9
35-39 years	617842	94.1	71.1	5.9
55-59 years	313244	98.0	40.2	2.0
60-64 years	150749	99.7	23.0	0.3
65+	210935	100.0	11.1	-
Urban	5563128	91.2	50.2	8.8
20-24 years	364333	71.0	27.5	29.0
35-39 years	820384	93.2	82.2	6.8
55-59 years	423582	94.0	44.5	6.0
60-64 years	93755	95.3	13.4	4.7
65+	18776	99.4	1.3	0.6
Rural	4304825	94.5	50.5	5.5
20-24 years	386207	83.5	44.7	16.5
35-39 years	567421	95.0	72.9	5.0
55-59 years	323048	97.3	56.9	2.7
60-64 years	263873	99.3	48.2	0.7
65+	369178	100.0	20.9	-

Source: NIS, 2012. Labour Force in Romania. Employment and Unemployment in 2011. ISSN: 1842-3124.

Table 2. Elderly population and other age segments after the participation to economic activity

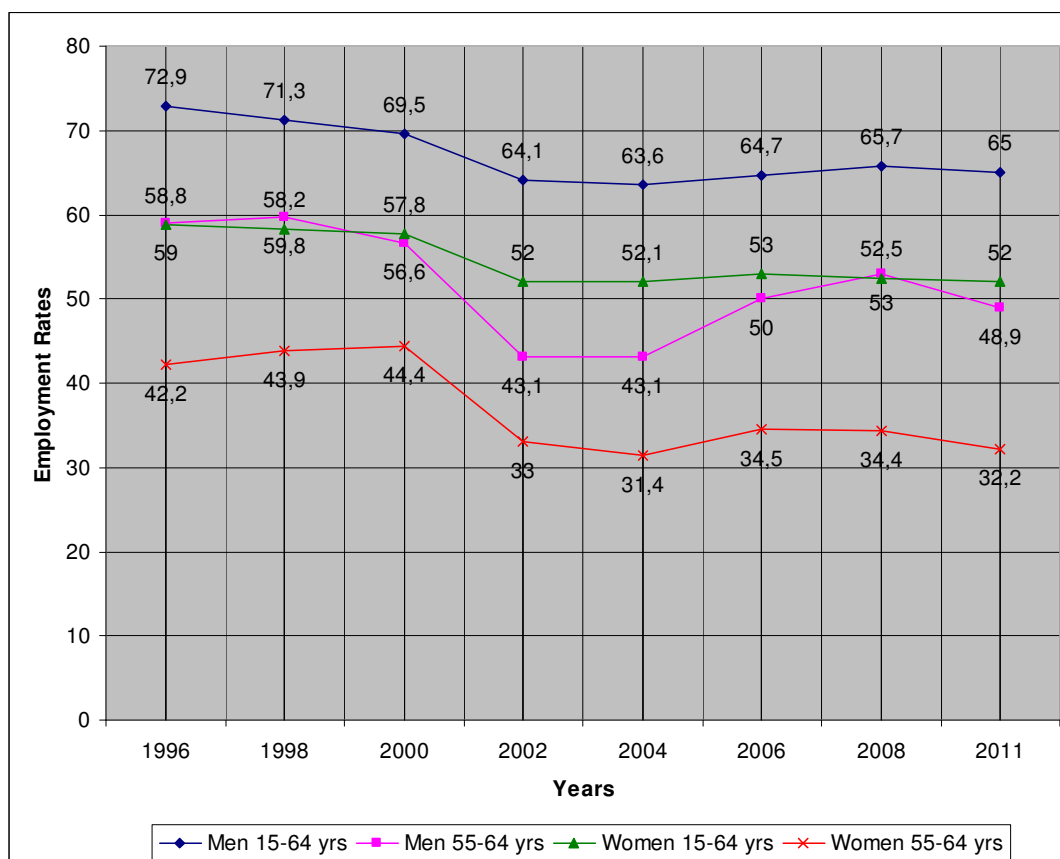
From the temporal viewpoint, the evolution in the period 1996-2011 of the employment rates analysed comparatively for elderly and working age population, on men and, respectively, on women indicates also some significant/revealing outcomes (Figure 1).

The employment rates registered for the elderly women (55-64 years of age) were considerably and consistently inferior for the entire period to ones registered for elderly males. The evolution of the employment rates was descendent for both genders.

Another important remark is that both elderly women and men have registered

employment rates considerably and systematically smaller than the working age population.

The differences on genders regarding employment are well reflected in the fact that the employment rates of the women working age population were approximately comparable with the ones of the elderly male population for almost the entire period: an exception are the years 2002 and 2004 when the values of the indicator were much smaller for the elderly male population.



Source: NIS.,2012. Labour Force in Romania. Employment and Unemployment in 2011. ISSN: 1842-3124

Figure 1. Evolution of the employment rates for elderly and working age population, on genders

5. CONCLUSIONS

At demographic level, Romania is aligned to the general European trend of population ageing, so that for the first time in the last four decades on 1 January 2012 the weight of young population was equal to the weight of elderly (15.0%).

This reality legitimised imposing the concept and initiative of promoting “active ageing” also in Romania in the context of the same initiative promoted at European and even world level.

Extending active life by increasing employment rates among elderly is an important facet of the “active ageing” concept as it can be a desiderate also in the case of Romania, considering that both women and men elderly population have registered employment rates considerably and systematically smaller than the working age population for the analysed period, 1996-2012. Also, the consideration imposes itself, that during this period the employment rates of the elderly had a descending evolution for both genders.

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