# Romania [1]

The share of jobs amenable to teleworking varies significantly across Romania, from 23% in the West to 40% in Bucharest-Ilfov.	**All regions except the capital region of Bucharest-Ilfov of had lower unemployment rates in 2018 compared to 2008. In the capital region, the unemployment rate increased slightly.**	**All regions in Romania had decreasing shares of middle-skill jobs between 2000 and 2018. In half of regions, growth in the share of low-skill jobs outpaced growth in the share of high-skill jobs.**

The potential impacts of COVID-19 on local labour markets

Jobs in sectors most at risk and amenable to teleworking
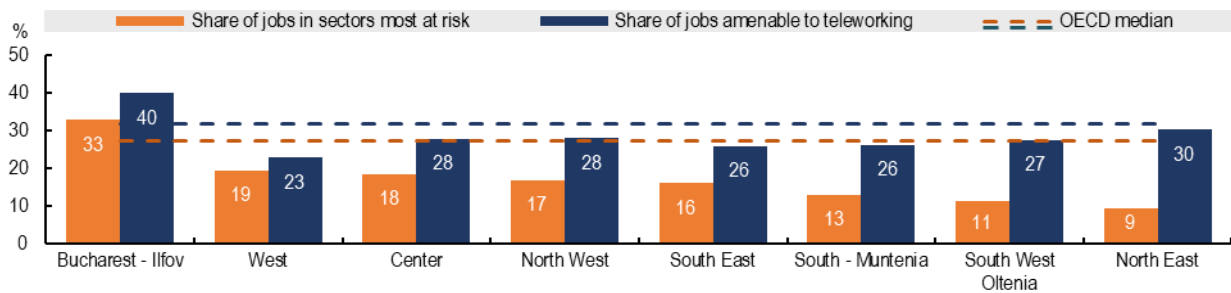
Note: Share of jobs at risk is based on estimates of sectors most impacted by strict containment measures, such as those that involve travelling and direct contact between consumers and service providers. The sectoral composition of the regional economy is based on data from 2017 or latest available year. Share of jobs amenable to teleworking is based on the types of tasks performed in different occupations, and the share of those occupations in regional labour markets. These figures do not account for gaps in access to IT infrastructure across regions, which could further restrict teleworking potential. The OECD median presented here is the median of OECD regions with available data for each indicator.
Source: OECD calculations on OECD (2020), "Regional economy", *OECD Regional Statistics (database),* https://doi.org/10.1787/6b288ab8-en; and OECD (2020), *OECD Regions and Cities at a Glance 2020,* https://doi.org/10.1787/959d5ba0-en.

COVID-19 has put unprecedented pressure on local labour markets and economies. The share of jobs in the sectors most at risk from containment measures (e.g. accommodation and food services, and wholesale and retail trade) varies from less than 15% to more than 35% across OECD and EU regions. In Romania, disparities between regions are relatively large: the share of jobs in sectors most at risk ranges from 9% in North East to 33% in Bucharest-Ilfov. All regions but the capital city, Bucharest-Ilfov, had a lower share of jobs at risk than the OECD median region.

While containment measures have restricted economic activity in some sectors, the rapid expansion of teleworking has helped maintain other jobs. Widespread teleworking is more feasible in some regions than others. The share of jobs amenable to teleworking varies roughly 17 percentage points across regions, from 23% in West to 40% in Bucharest-Ilfov. Only in the latter is the share of jobs amenable to teleworking higher than the OECD median region.
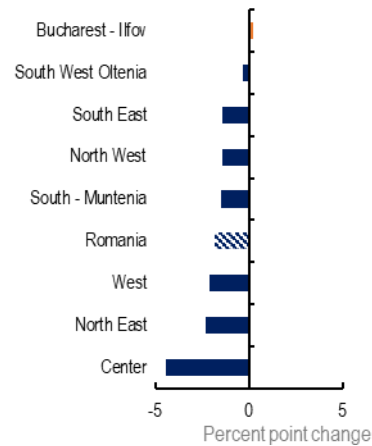
Local labour market performance prior to COVID-19

Unemployment rate, 2019
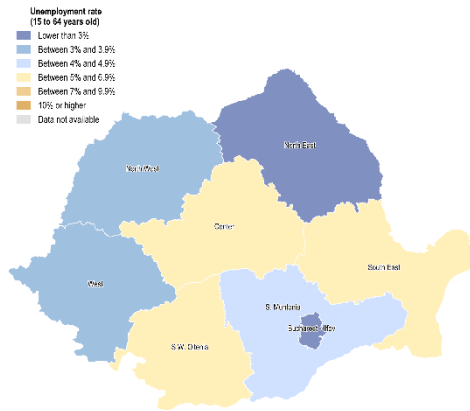

Change in unemployment rate, 2008-2018

Note: The unemployment rate is computed as the share of unemployed people over the labour force, for the age group 15-64.
Source: OECD (2020), "Regional labour markets", *OECD Regional Statistics (database),* https://doi.org/10.1787/f7445d96-en.

Prior to the COVID-19 pandemic, unemployment rates in Romania were generally low, but varied almost three-fold across regions. Rates varied from a low of 2.2% in North East to a high of 6.5% in South East. Looking at the decade following the 2008 crisis, almost all regions had unemployment rates lower in 2018 than in 2008. Only in the capital region, Bucharest-Ilfov, did the unemployment rate increase, although only slightly (from 3.5% to 3.7%). Regional gaps in unemployment also shrank over this period, thanks to relatively larger decreases in the regions with the highest rates in 2008. For example, the unemployment rate decreased by 4.4 percentage points in the Center region, which had the highest unemployment rate in 2008.

Change in net employment, 2008-2018
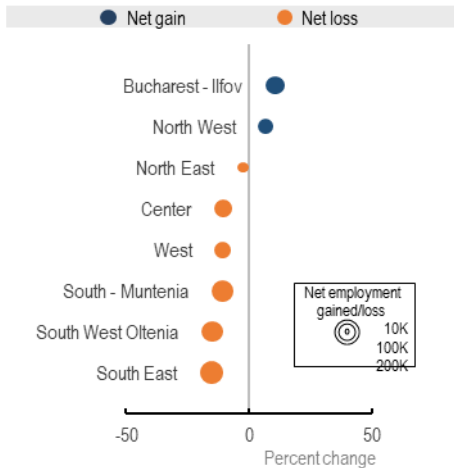

Employment by region and skill level, 2018
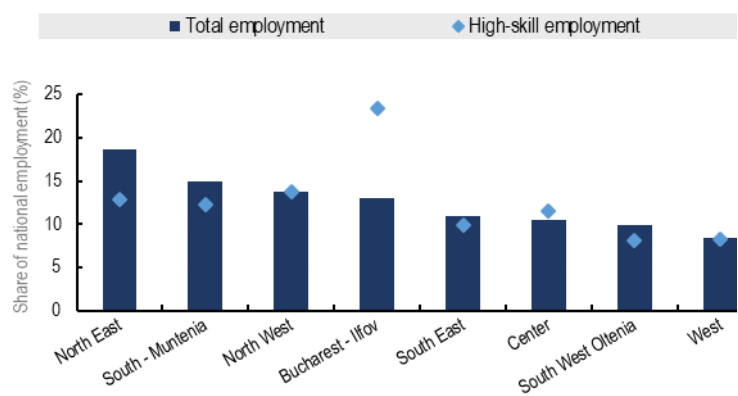
Source: OECD (2020), "Regional labour markets", *OECD Regional Statistics (database),* https://doi.org/10.1787/f7445d96-en and OECD calculations on EU Labour Force Survey.

In most regions, the number of people employed shrank between 2008 and 2018 – only in Bucharest-Ilfov and North West did the number of people employed grow over this period. While the North East accounted for 19% of total employment in Romania in 2018, Bucharest-Ilfov accounted for 23% of high-skill employment. Looking at a longer time period (2000-2018), the geographic concentration of jobs (as measured by the number of people employed) did not change significantly in Romania.

Local labour market transitions

Job polarisation, 2000-2018
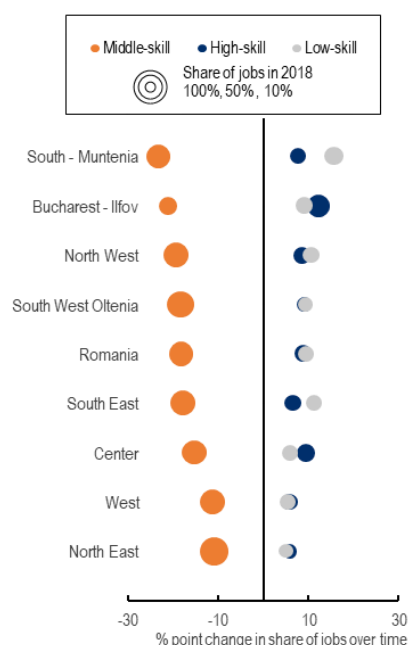
Following general patterns in OECD countries, in Romania, all regions saw the share of middle-skill jobs decrease between 2000 and 2018. The share of middle-skill jobs decreased by 20 percentage points or more in South – Muntenia and Bucharest - Ilfov, representing a net decrease of over 650 000 and 160 000 middle-skill jobs respectively. In half of regions, decreasing shares of middle-skill jobs were predominantly offset by increasing shares of low-skill jobs. For example, in South East, the share of low-skill jobs grew by 11 percentage points compared to 6.5 percentage points for high-skill employment.

Note: High-skill occupations include jobs classified under the ISCO-88 major groups 1, 2, and 3. That is, legislators, senior officials, and managers (group 1), professionals (group 2), and technicians and associate professionals (group 3). Middle-skill occupations include jobs classified under the ISCO-88 major groups 4, 6, 7, and 8. That is, clerks (group 4), skilled agricultural workers (group 6), craft and related trades workers (group 7), and plant and machine operators and assemblers (group 8); Low-skill occupations include jobs classified under the ISCO-88 major groups 5 and 9. That is, service workers and shop and market sales workers (group 5), and elementary occupations (group 9).
Source: OECD calculations based on EU Labour Force Survey.

Active labour market policies: institutional arrangements

Active labour market policies will be of growing importance as the COVID-19 response moves from emergency supports to facilitating labour market transitions. The institutional arrangements for these policies, and the role of subnational governments, varies significantly across countries.

X	**Centralised, including branch offices of national ministry / agency**	Active labour market policies in Romania are designed by the Ministry of Labour and Social Protection (MoLSP). The National Agency for Employment (NAE) works under the authority of the Ministry of Labour and Social Protection. NAE has 41 County Employment Agencies, and the Bucharest Municipal Agency, which are deconcentrated public services; 8 Regional Adult Training Centres; and 1 National Centre for Own Staff Training. Within the structure of NAE's County Agencies for Employment there are 70 Local Agencies for Employment and 159 working offices.
	Decentralised to subnational governments	
	Fully outsourced or delivered through network of public, private, and/or non-profit providers	
	Combined system with shared competences, or different systems for different target groups	

Source: OECD (forthcoming), "Local and regional variations in labour market and skills policies: A cross-country comparison", *OECD Local Economic and Employment Development (LEED) Papers.*

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Notes

[1] Data is presented at the TL2 level, which typically corresponds to the first administrative tier of subnational government. See Reader's Guide of the full report for more information on the methodologies behind the calculations.