

**IMPLICATIONS OF THE RURAL-URBAN MIGRATION ON REGIONAL
EMPLOYMENT AND DEVELOPMENT TRENDS IN ROMANIA**

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Biographical Notes

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Abstract

Traditionally the rural areas have been less developed than urban areas, while the interaction reflected rather a complementary relationship. The distinction between compact urban settlements and their rural hinterlands has diminished over time in many developed countries, due to technological, economic and institutional factors. In Romania, the high share of rural population and the development gap between the urban and rural areas have shaped the development path of the country. The paper focuses on the main urban-rural interactions in Romania in terms of demographic and employment trends. The analysis reveals that the migration has contributed to the divergent inter-regional development.

Keywords: rural-urban typology, rural-urban linkages, migration, regional employment, development gap

JEL Classification: J11, J61, O18

1. Introduction

In accordance with the operationalization efforts of the concept of regional and local sustainable development, the European Union has introduced new norms for the territorial development of the rural localities and for the improving of the inhabitants' living conditions. In 2010, Eurostat adopted a revised typology of urban / rural areas, which identifies three categories of regions:

- a) predominantly rural regions with a rural population of over 50%;
- b) intermediate regions with a rural population of 20-50% and
- c) predominantly urban areas with a rural population below 20% (European Union, 2016).

The rural area is defined by areas with a relatively low population density and preponderance of agricultural activities (Dijkstra and Poelman, 2014). Because it is not a homogeneous ensemble, there can be observed some characteristics, in contrast to the urban space. Thus, the rural space:

- is suitable for agricultural activities;
- does not show large population agglomerations;
- within the rural area, the agglomerations are limited to the size of the village.

The complexity of the development process requires the clarification of the regional and territorial development concepts in the rural areas. Researchers targeting the rural areas tend to include the territorial dimension, as the distinction between "rural" and "urban" begins to fade, with the accentuation of peri-urbanization, by recognizing the eco-systemic services and the multifunctional agriculture (Wallet and Torre, 2011).

Rural-urban interactions are being investigated in the context of long-term phenomena, such as structural adjustments, globalization and decentralization. Changing the paradigm of regional and local development was imposed by the need to control the excessive growth of urban agglomerations and rural-urban migration, but also to change the role of the small towns in connecting the rural areas to national and international markets (Tacoli, 1998). Small towns with the status of intermediate urban centers have an important role as they can provide access to public services for rural population and also opportunities for civil and political rights expression (Ratajczak, 2013).

Rural development is increasingly seen as a result of the urban-rural partnership, built on the territorial relations change in the last decades. The OECD classifies the rural-urban relations in the following categories (OECD, 2013):

- demographic linkages;
- economic transactions and innovation activities;
- providing public services;
- exchange of facilities and environmental goods;
- interactions in multi-level governance.

The complexity of urban-rural linkages in Romania has been analysed in order to ensure the grounding of Romania's Territorial Development Strategy and to highlight the role of Local Action Groups (LAGs) for a rural development path (Agora Est Consulting SRL, Quattro Design SRL - Associate Architects and Urban Planners, 2014).

The diversification of flows linking rural and urban areas in Romania and the growth of these flows have resulted in a trend of improvement in income level in both areas, as well as in access to services, but data show a tendency to increase the economic divergences. Thus, the dynamics of predominantly urban areas is clearly superior to the one in intermediate and rural areas, indicating a failure to achieve the objectives of increasing economic and social cohesion (Tudor and Roşu, 2017).

This paper aims at identifying characteristics of the rural-urban linkages in Romania and the extent to which they play a role in achieving regional convergence. From the diversity of these relations, the paper focuses on demographic and employment connections that have emerged between urban and rural in Romania after 1990, which have marked the trends of regional development.

The new urban-rural typology allows a more sophisticated approach to the subject of the research, but data are available only for a short period. Therefore, the paper presents the analysis based both on the new data and on time series from the National Institute of Statistics elaborated

on the rural-urban classification. The regional analysis at NUTS2 and NUTS3 level was necessary in order to reveal the complexity of the rural-urban linkages.

2. Urban-rural typology

Although it is a member of the European Union, together with the developed countries of Europe, Romania continues to have the characteristics of a predominantly rural country. Using both the distribution of the population and the land area occupied (table 1), we observe significant deviations from the EU28 average. In 2011 Romania had only 12.9% of the population living in predominantly urban regions, while 32,7% lived in intermediate regions and 54.4% in predominantly rural areas, which is an outstanding situation in the European Union.

The countries similar to Romania in terms of urban-rural typology are Slovenia, Portugal, Greece, but also Finland and Austria. The issue of development is not strictly related to reaching a certain level of urbanization measured statistically, but to the achievement of a comparable living standard between urban and rural environments, which have their own characteristics.

Table 1. Population and land area in Romania, by urban-rural typology, in 2011

	Degree of urbanization			Urban-rural typology		
	Cities	Towns and suburbs	Rural areas	Predominantly urban regions	Intermediate regions	Predominantly rural regions
Share of population (%)						
EU28	41.0	34.9	24.1	44.3	36.1	19.5
Romania	33.5	25.1	41.4	12.9	32.7	54.4
Share of land area (%)						
EU28	4.0	19.6	76.4	11.8	44.2	44.0
Romania	1.5	13.2	85.2	2.8	29.4	67.8

Note: Based on 2011 population grid, LAU 2014 delineation and NUTS 2013

Source: Own representation based on Eurostat, n.d.

Over the period 2011-2016 the population living in predominantly rural areas in Romania decreased by 10%, while this population in EU28 decreased in average by only 1.2%. This demographic shock in Romania under the impact of significant migration results in the convergence process of demographic rural-urban structures within the EU.

3. Urban-rural flows

From all categories of urban-rural linkages, the most obvious are the demographic ones, shaped mainly by peoples' search for jobs, by the aspiration for a better life, as well as by options for

sustainable living costs especially in the case of elderly people. This paper focuses on aspects of rural-urban migration in Romania, in connection to regional changes in employment.

3.1. Migration of the population

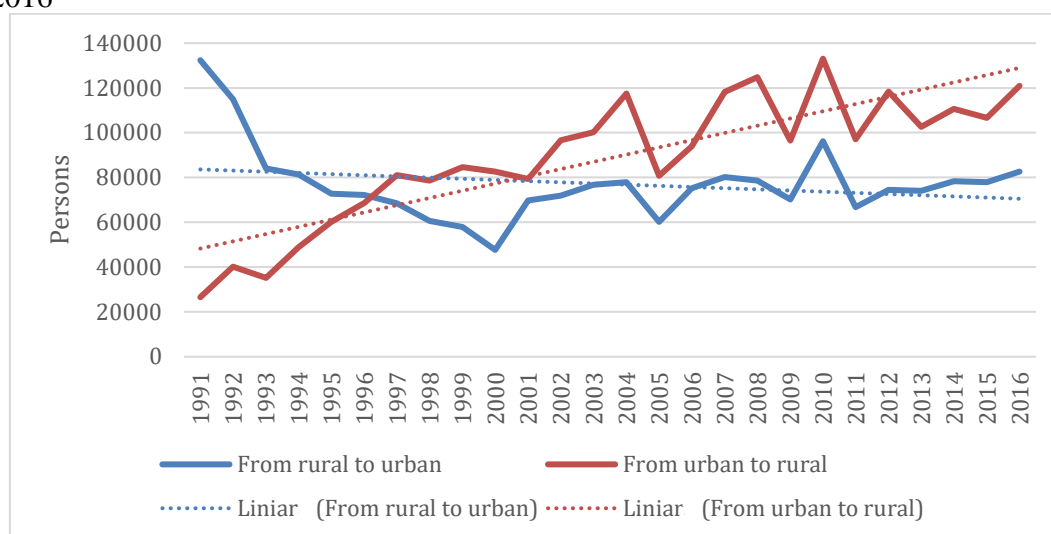
In Romania, in the early '90s, most internal migrants have changed their residence from cities to villages due to the initial shock generated by the collapse of the communist system, which was worse in the cities than in the villages. In a very short period, major changes have taken place, such as economic restructuring, privatization, closure or liquidation of large factories, deindustrialization, real estate market formation. These systemic changes have significantly affected the urbanization process. The country was facing a new stage of urbanization and urban network development, like the other post-socialist states (Kovács and Kaksuk, 2002).

Internal migration has been also marked by the flow of urban people (figure 1), especially pensioners, moving to villages. Thus, instead of urbanization, Romania has followed a slight tendency of ruralization after 1996, which was only partially due to the phenomenon of sub-urbanization.

Since 1997, the balance of domestic residence changes has been permanently negative in urban areas and positive in rural areas, while the total population has decreased. The relatively low level of urbanization for more than two decades has only accentuated the development gap between Romania and the European Union.

Another reason for internal migration to rural areas was the economic crisis started in 2008. In 2010, there were a record number of people who moved from cities to villages. Part of the people who previously migrated to the cities for jobs have used the alternative solution to return to the villages, either for unemployment reasons or under the pressure of the high costs of urban life. The highest domestic *net-flow* of changes in permanent residence from urban to rural was about 46 thousand people in 2008.

Figure 1. Internal urban-rural migration flows determined by change of permanent residence, 1991-2016



Source: Own representation based on National Institute of Statistics (NIS) database

A specific phenomenon of the last decades in Romania is the external emigration of the population, while the country is still one of origin and transit. People from both urban and rural area emigrated abroad and the total population decreased. Since 2010, a significant part of the labour force migrating from the countryside has moved abroad, primarily because of economic reasons. Many migrants from rural areas preferred to maximize their chances by leaving the country rather than migrating to a city in Romania. This decreased the potential of internal rural-urban migration. Lagging areas are the origin for the highest share of migrants within and outside Romania (World Bank Group, Guvernul României, 2013)

In contrast with the general trend of population decline, at the regional NUTS3 level, some counties gained population in the period 2007-2016 due to large cities included in their territory, which are growth poles and so-called *magnet* cities: Bucharest, Cluj, Iași, Constanța, Timișoara, Brașov and Craiova. There are also other counties that have increased their residence population, for example Alba, Arad, Bihor, Mureș, Harghita, Prahova, which include smaller urban agglomerations, but economically attractive. These are *county magnets* and important commuter hubs (Cristea, et al., 2017). It is worth mentioning that the rural areas adjacent to large cities have lost population every year until 2015. However, in 2016 some rural areas have gained more population in the counties Ilfov, Bihor, Cluj, Dolj, Timis, Arad, as a result of migration from large cities to suburbs.

Bucharest is an attraction pole for adjacent counties. Except Ilfov, all the counties near Bucharest registered a population decline as a large part of it migrated to Bucharest. The trend of population growth in Ilfov could be explained by the fact that it counts the most commuters,

since one employee out of two works in another locality (mostly in Bucharest). In 2017, approximately 35,000 Romanians moved to Bucharest. In fact, they are more because not everyone has changed the residence. Of those who officially moved to Bucharest in 2017, the majority came from Ilfov (more than 3000 people), followed by Prahova and Dâmbovița counties (about 2000 people) and then by Arges and Giurgiu (each with 1500 people).

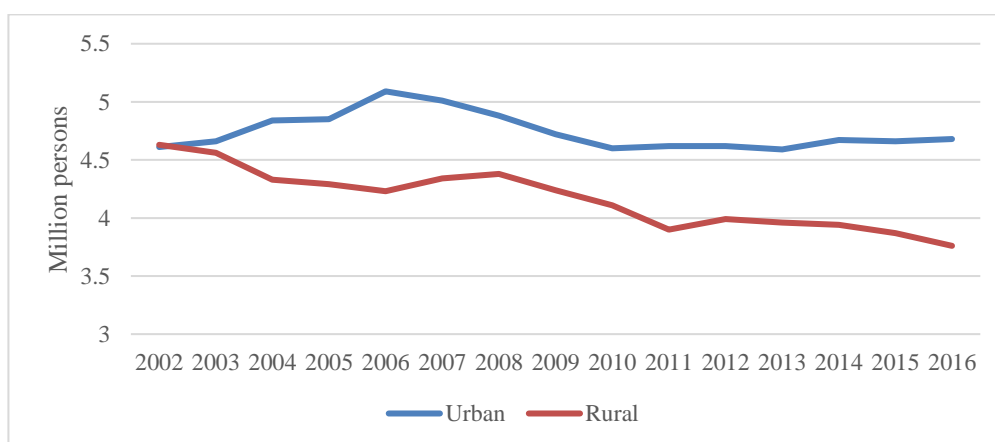
Just like the capital city, Cluj Napoca attracts a large part of the population from nearby counties (not necessarily from rural areas). The National Institute of Statistics confirms that in 2017, approximately 10,000 people moved to Cluj, the main reasons being the quality of life. In addition, Cluj is one of the few bigger cities that have a positive natural population increase.

3.2. Employment in rural and urban areas

External migration and urban-rural flows of the population have changed the level and the structure of the employed population, especially in the context of economic fluctuations after 2000. In this paper, the analysis of the data on employed population is carried out for the period 2002-2016, given that in 2002 the household labour force survey (HLFS) revisited the definitions of the indicators, so that the data after 2002 are not comparable to the previous ones.

Figure 2 shows a decreasing trend of the employed population in both residential areas, with a more pronounced decline in the rural areas after Romania's accession to the European Union and after the acute manifestation of the crisis. In rural areas, this situation is partly explained by the fact that a significant part of the employed population left the subsistence agricultural activities, which has been traditionally the main activity, and emigrated or became inactive. The urban population has resumed the growth of the employed population since 2013.

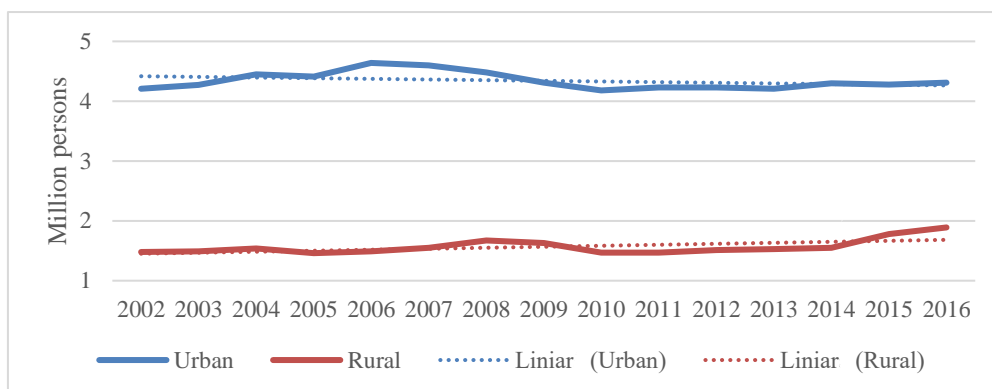
Figure 2. Employment, by residence area, 2002-2016



Source: Own representation based on NIS database

Noteworthy is that the number of people working for salary in rural area is low. But after the recovery from the economic crisis, the number of rural employees started to increase slightly (figure 3), which may be a positive signal given by the diversification of the rural activities and / or by organizing farming activity on a commercial basis.

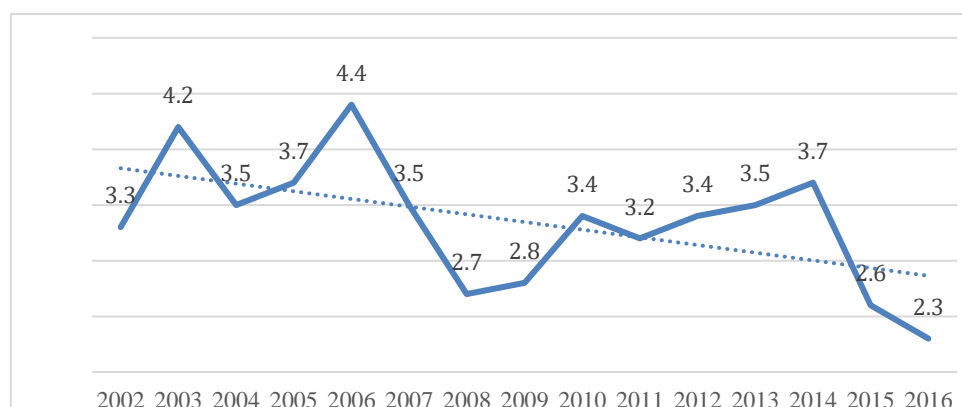
Figure 3. Employees, by residence area, 2002-2016



Source: Own representation based on NIS database

Entrepreneurial activity has always been more dynamic in the urban area, but more recently there is a tendency to reduce urban-rural disparity, measured by the number of employers in urban areas compared to rural ones (figure 4). While in 2006 (just before Romania's accession to the EU) the average number of employers in urban areas was 4.4 to one employer in rural areas, there was a general trend of decrease afterwards.

Figure 4. The ratio of the number of employers in urban and rural areas, 2002-2016

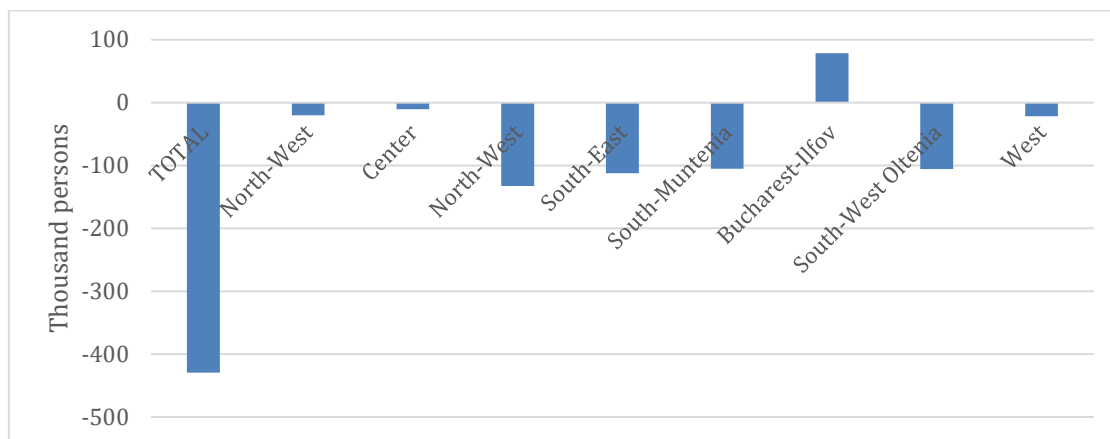


Source: Own representation based on NIS database

The decline of the number of employed persons is one of the current major problems in Romania, as there is a qualitative, but also quantitative shortage of labour. Between 2008 (on

the verge of the crisis) and 2016, employment decreased by over 400,000 people in Romania. In this period, the only region with increased employment was Bucharest-Ilfov. (Figure 5)

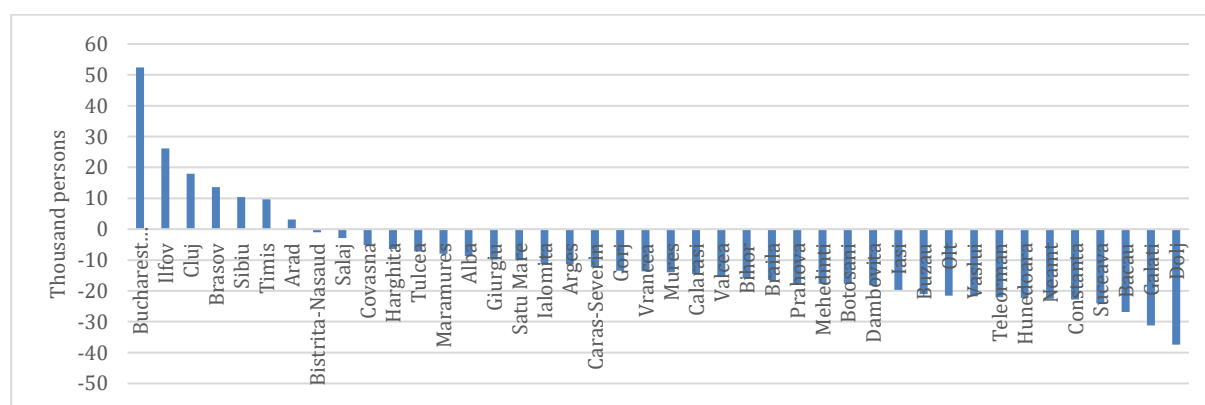
Figure 5. Change of civil employment, 2016 to 2008, by development regions



Source: Own representation based on NIS database

The analysis at NUTS 3 level shows that only Bucharest and six counties (Ilfov, Cluj, Brasov, Sibiu, Timis and Arad) registered an increase in employed population (figure 6). They are located in the regions Bucharest-Ilfov, North-West, Center and West of the country and coincide largely with counties that have gained population from internal migration.

Figure 6. Change of civil employment, 2016 to 2008, by counties

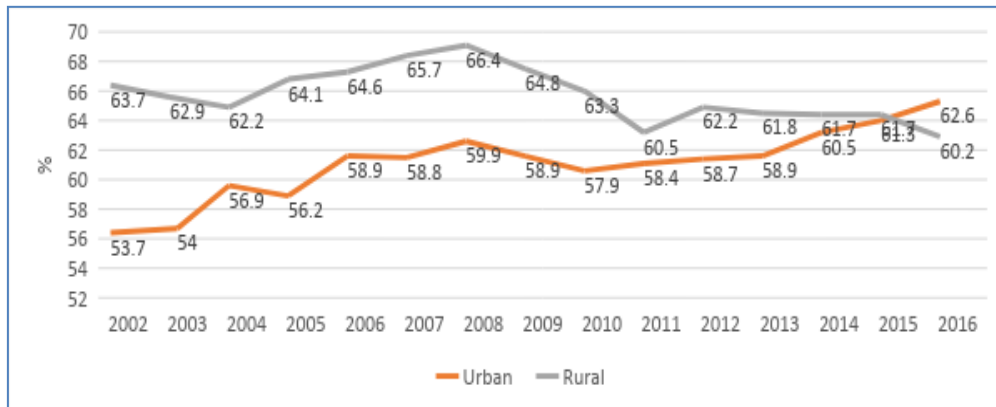


Source: Own representation based on NIS database

The employment rates in urban and rural areas have approximately reached the same level in 2015, about 61.7% to 61.4% for working age population 15-64 years (figure 7). In the rural area, the employment rate continues to decrease. Employment rates in both areas are low comparing to the European standards.

The low rate of employment is a problem for the economic development. The traditional higher employment rate in rural areas was a result of a long-term employment of the labour force in activities with low productivity, mainly agriculture, therefore the decline was a natural process in accordance with the reduction of the over-employment.

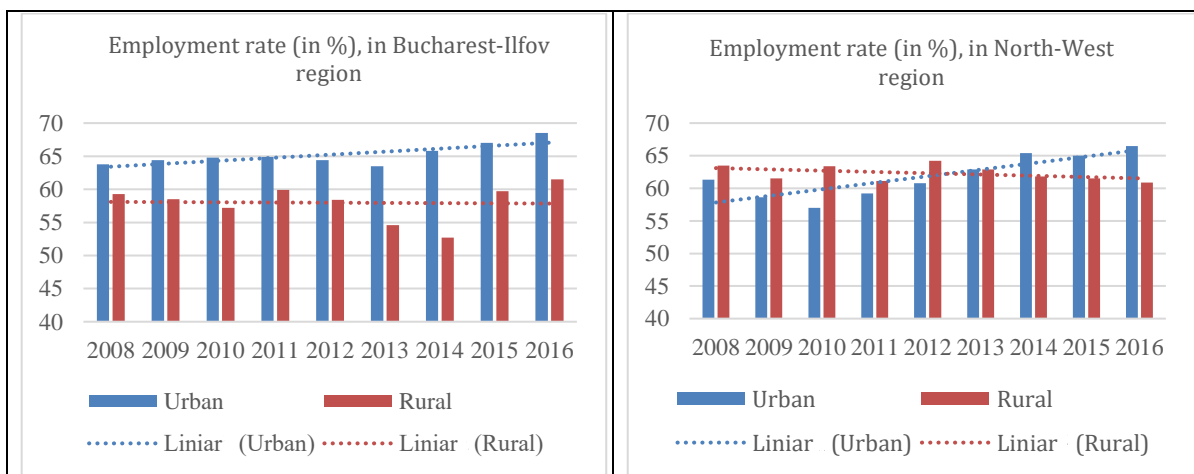
Figure 7. Employment rate for working age population 15-64 years, by residence area, 2002-2016

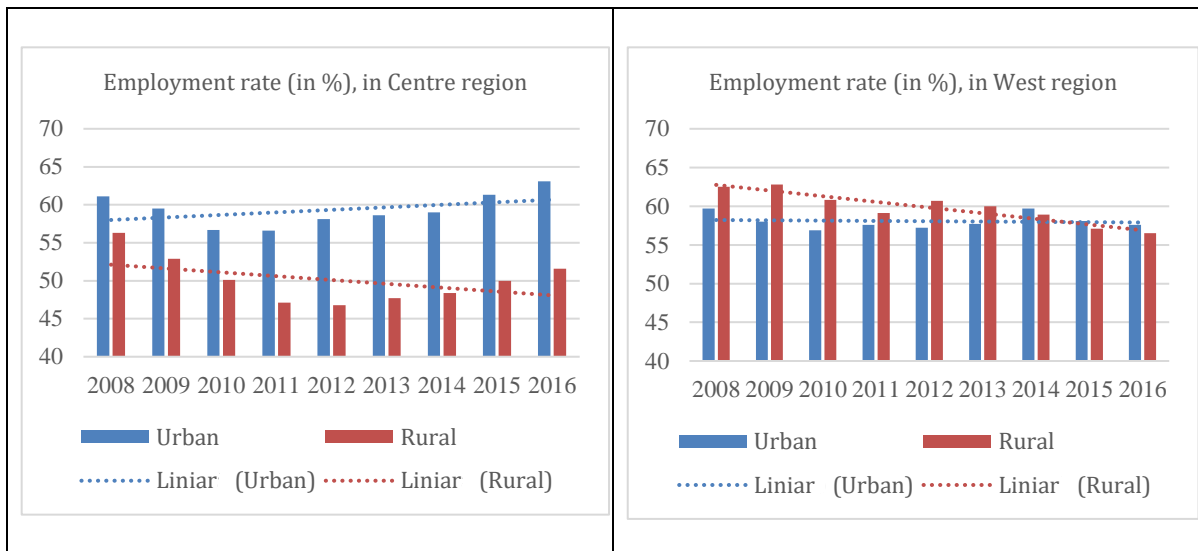


Source: Own representation based on NIS database

Considering the four NUTS 2 regions (Bucharest-Ilfov, North-West, Center and West) that include dynamic counties based on fast developing urban centres, the comparative analysis reveals that the counties of these regions are better positioned because they have reduced the employment in the rural area and increased it in urban areas (figure 8). However, their situations are very different.

Figure 8. Employment rate for working age population 15-64 years, by regions and by residence area, 2008-2016





Source: Own representation based on NIS database

Employment rates are the highest in Bucharest-Ilfov and the North-West region (which includes Cluj-Napoca, as the development pole), with an upward trend in urban employment, accompanied by a decline in rural employment. In the Center region, employment is significantly lower and the population has other behavioural patterns.

4. Rural-urban development gap in Romania

All the regions in Romania have improved their economic and social status after the accession to the European Union. However, the objective of regional cohesion has not been reached. On the contrary, at NUTS2 level the hierarchy in the development (measured here by PIB/capita) has not changed. The top four regions in 2007 were the same in 2015, but the differences to Bucharest-Ilfov region have increased.

In terms of urban-rural typology, the change in population density shows that predominantly urban regions have gained population from the other regions (table 2), knowing that immigration from foreign countries is rather insignificant.

Table 2. Demographic and economic indicators, by urban-rural typology, in Romania

	Predominantly urban regions	Intermediate regions	Predominantly rural regions
Population density (inhabitants/km²)			
2008	401	98	73
2013	417	96	70
Employment rate, 20-64 age group (%)			
2007	68.5	62.3	64.8
2015	70.2	59.7	69.0

GDP in PPS/capita			
2007	24000	12000	8000
2015	36000	17000	11000
PPS/ capita, EU28 = 100%			
2007	92	45	32
2015	124	58	39

Source: Own representation based on Eurostat, n.d.

The employment rate for the age group 20-64 years increased in the predominantly urban area up to 70.2% in 2015, reaching the national target of the Europa 2020 Strategy. The predominant rural areas were close to this target in 2015. At the same time, the intermediate regions have a decline of employment, connected to the rather difficult economic situation of small towns which are comparatively less attractive for investment other than retail. Therefore, these areas became origin of migration.

The economic results reveal progress at different speeds. The predominant urban regions increased the GDP per capita (PPS/capita) by 50% in the period 2007-2015 and has far exceeded the EU average. An important role in this remarkable advancement play the large urban development poles, especially the capital city. The migration of active population from their surrounding areas has contributed to this trend. The rural-urban interaction has influenced positively the economic results in the rural world. But it is obvious that predominantly rural regions are lagging areas, given that their PPS/capita reached only 39% of the EU average in 2015.

5. Conclusions

In Romania, the rural-urban relations have diversified in the last decade, but the most intense internal flows are the migration of population. In the general context of total population natural decline and outward migration, the rural-urban demographic structures have changed and converge gradually to the EU average. Particularly the rural active population is searching for better working places in town or abroad, while in the last decades a consistent flow of migrants from urban areas moved to suburbs or other rural areas.

The active population from rural areas and small towns is attracted to the development poles, which are larger cities benefitting from foreign direct investment and from higher employment possibilities. Four NUTS2 regions (Bucharest-Ilfov, North-West, Center and West) that include dynamic counties based on fast developing urban centres gained population, while their rural population decreased.

The increasing employment rate indicates the economic progress that shapes the development path. By losing part of their active population through migration, the intermediate regions and the predominantly rural regions experience the slow development and therefore Romania has an inter-regional economic divergence. This growing divergence is a systemic cause for the lack of the critical mass of cohesion necessary to launch the economy and society on a rapid development trajectory.

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