



Romania: Forecast highlights

Between now and 2025:

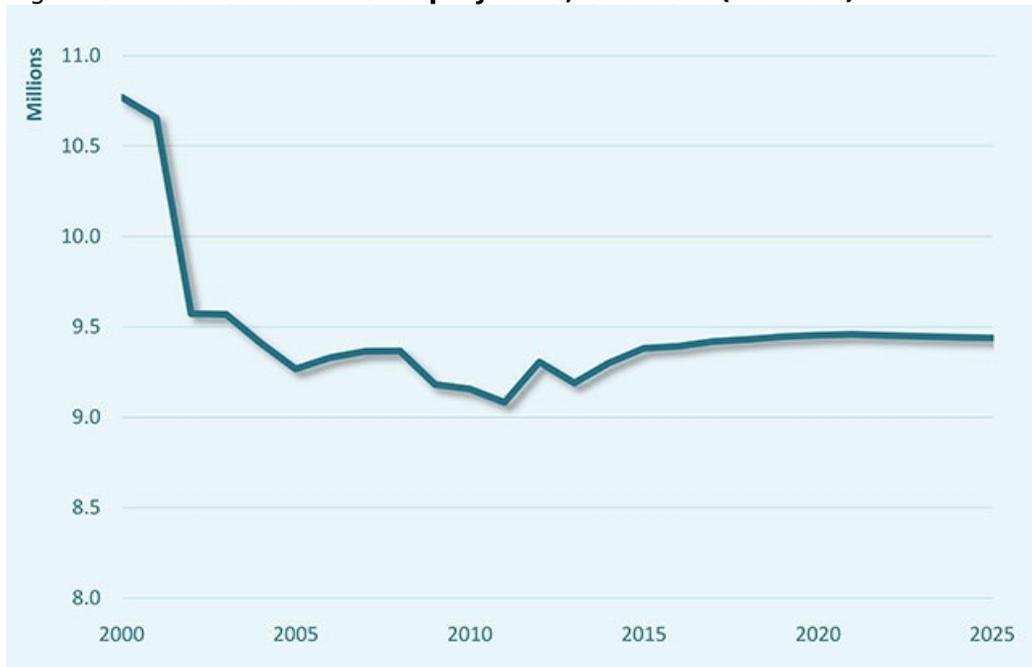
- Employment is forecast to increase slightly, but remain below its 2008 pre-crisis level.
- Most employment growth will be in the distribution and transport sector.
- Most job opportunities, around 47%, will be for skilled agricultural, forestry and fisheries workers.
- Around 39% of the labour force will have high-level qualifications compared to 26.6% in 2013.

Following the economic crisis in 2008, Romania's GDP started to recover in 2010. In 2013, Romania's unemployment rate was 7.3%, below the European Union (EU) average of 11%. The European Commission forecasts GDP growth for Romania of 2.4% in 2015 and 2.8% in 2016.

Employment outlook

According to Cedefop's skill supply and demand forecasts ([see scenario assumptions](#)), economic growth will have only a limited effect on job growth in Romania and employment is not expected to reach its pre-crisis level by 2025 (Figure 1). This is slower than forecast employment growth for the EU as a whole, where average employment is expected to reach its pre-crisis level in 2020.

Figure 1 **Past and forecast employment, Romania (millions)**

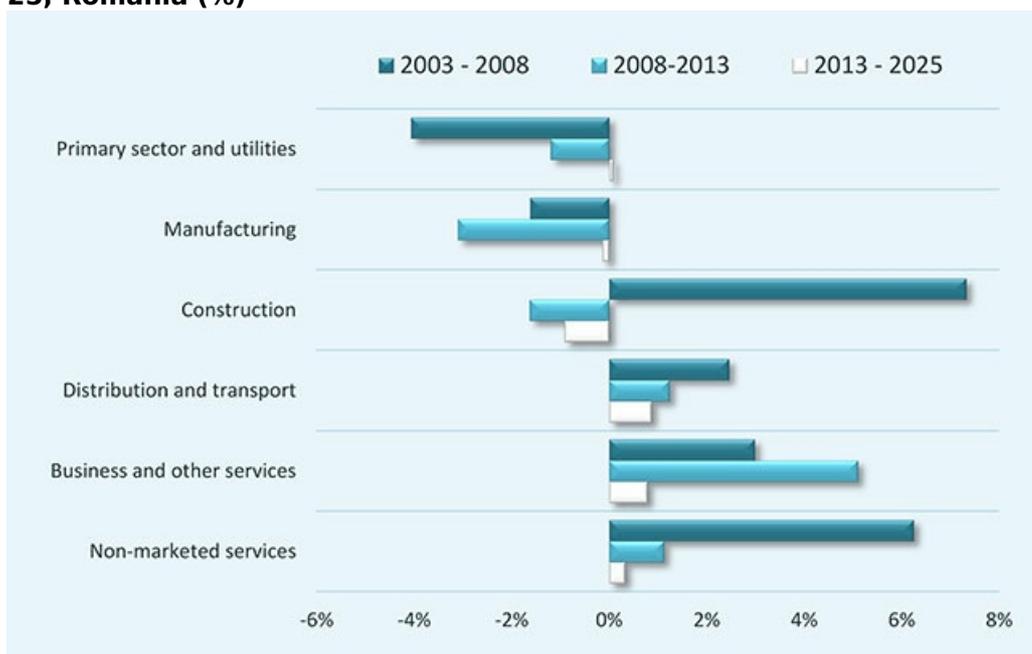


Source: Cedefop skills forecasts (2015)

Sector developments

The economic crisis reduced employment in the primary, construction and manufacturing sectors between 2008 and 2013 (Figure 2). However, employment, particularly in business and other services, but also in distribution and transport as well as non-marketed (mainly public sector) services, continued to grow over the same period. Future employment growth in Romania up to 2025 is forecast to be in these same sectors, but at a slower rate than the period immediately following the economic crisis. Employment in the primary sector is forecast to be broadly stable.

Figure 2 **Employment trends by sector, average annual growth rate, 2003-25, Romania (%)**



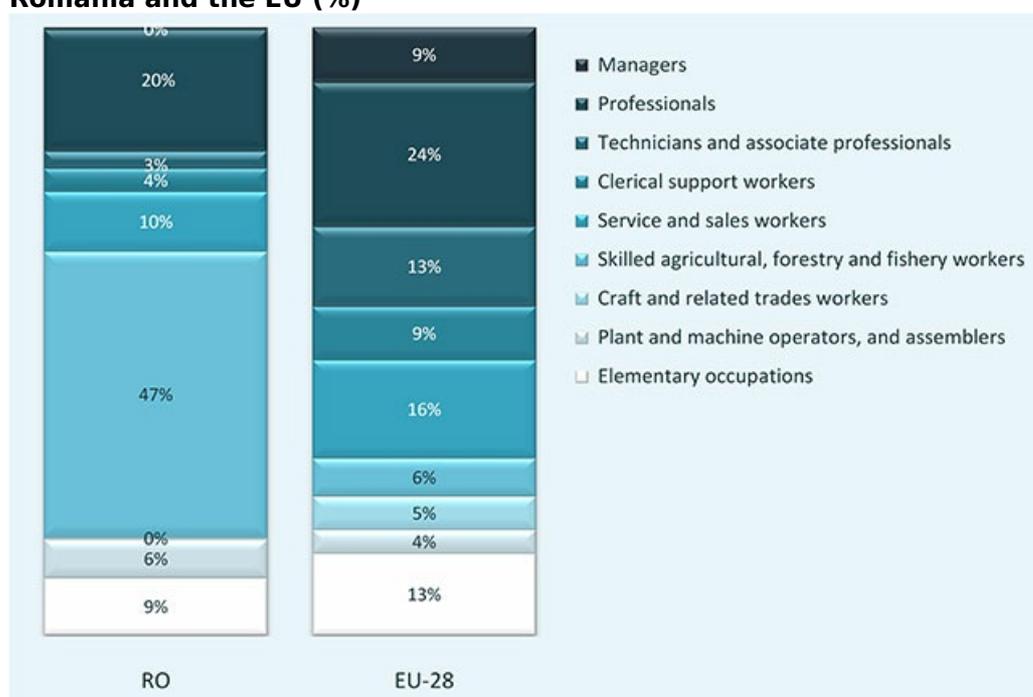
Source: Cedefop skills forecasts (2015)

Occupations and qualifications prospects

Cedefop's forecasts give insights on job opportunities between now and 2025 (Figure 3). Total job opportunities are the sum of newly created jobs (expansion demand) and job opportunities arising because of the need to replace people who either go on to other jobs or leave the labour market, for example due to retirement (replacement demand). Often, replacement demand provides more job opportunities than expansion demand, which means that there will still be job opportunities even if the overall level of employment falls. Slow employment growth and an ageing workforce means that between now and 2025, replacement demand in Romania is forecast to provide almost all job opportunities.

In Romania, owing to high replacement demand, most job opportunities, around 47% will be for skilled agricultural, forestry and fisheries workers, nearly eight times higher than the 6% forecast for this occupation for the EU as a whole (Figure 3). In contrast, the proportion of job opportunities for craft and related trades workers, in Romania, around 0%, is significantly below the 5% forecast for the EU as a whole.

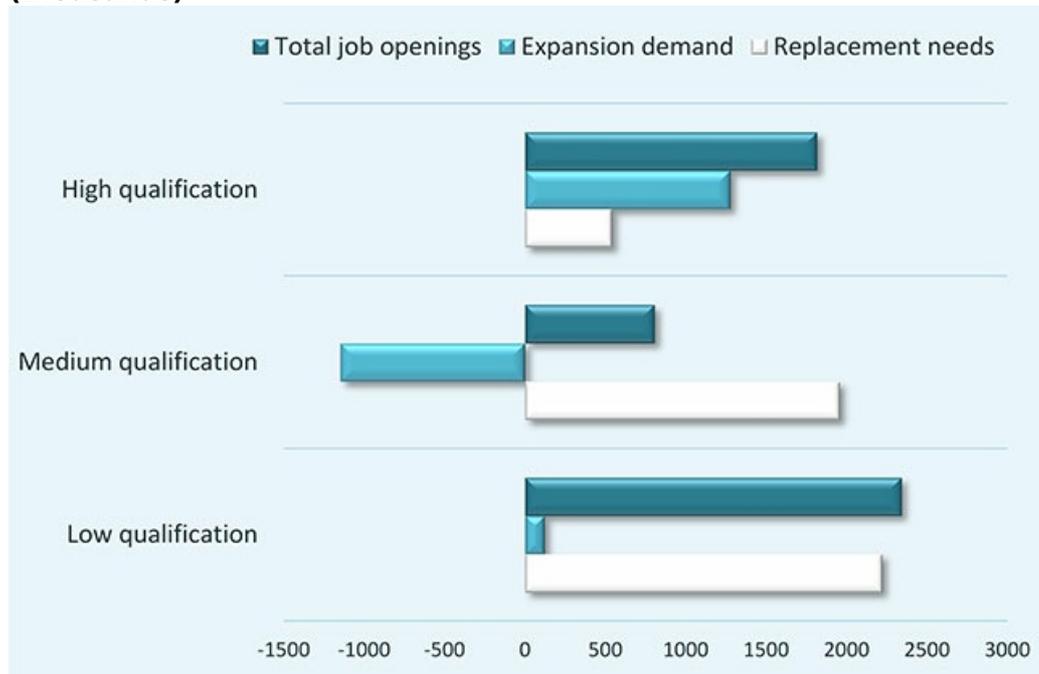
Figure 3 **Distribution of total job opportunities by occupation, 2013-25, Romania and the EU (%)**



Source: Cedefop skills forecasts (2015)

Most job opportunities in Romania will require low-level qualifications (ISCED 97 levels 1 and 2) (Figure 4). However, there will also be significant numbers of job opportunities requiring high-level qualifications (ISCED 97 levels 5 and 6).

Figure 4 **Total job opportunities by qualification, 2013-25, Romania (thousands)**



Source: Cedefop skills forecasts (2015)

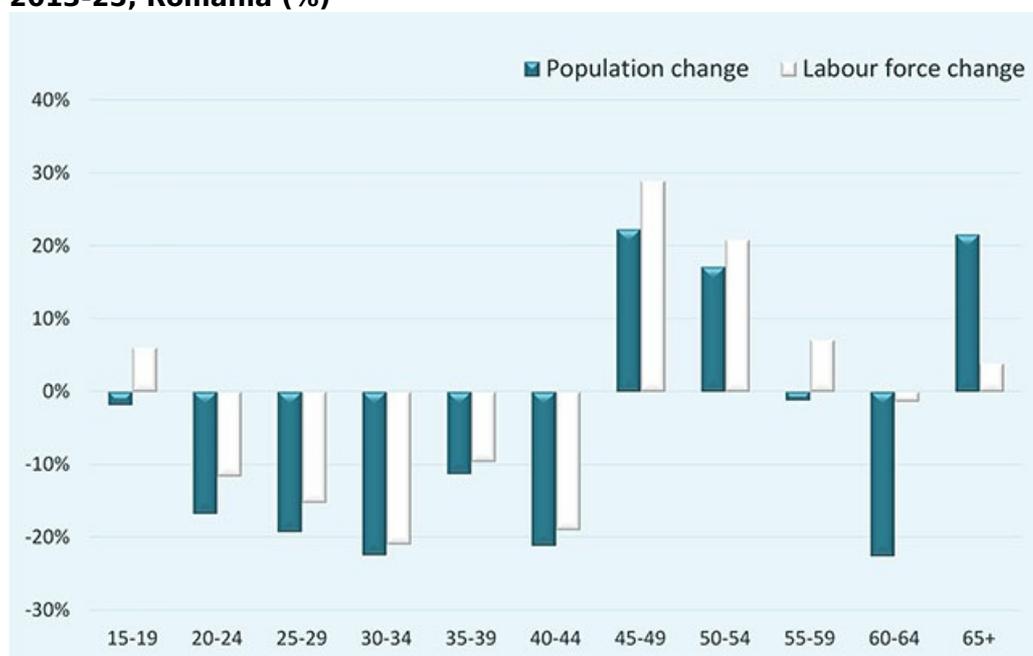
Labour force trends

Future labour supply trends depend mainly on demographics and the size of the working-age population (defined in the forecasts as people aged 15 and older), participation in the labour force (people in the working-age population either in or actively seeking work) and how quickly people acquire formal qualifications.

Eurostat's latest population forecast (Europop 2013) for Romania reflects the current trends in fertility rates and net migration flows. Romania's working-age population is projected to fall by about 2.7% between now and 2025. However, labour market participation is forecast to rise from 56.8% in 2013 to 58% in 2025, above the EU forecast average of 55.5%.

Following the EU demographic trend, the population in Romania is getting older (Figure 5). A significant decline in the population is projected for most age groups below 44 years old. The most significant increase in the population is among age groups aged between 45 and 54.

Figure 5 **Changes in working-age population and labour force by age, 2013-25, Romania (%)**

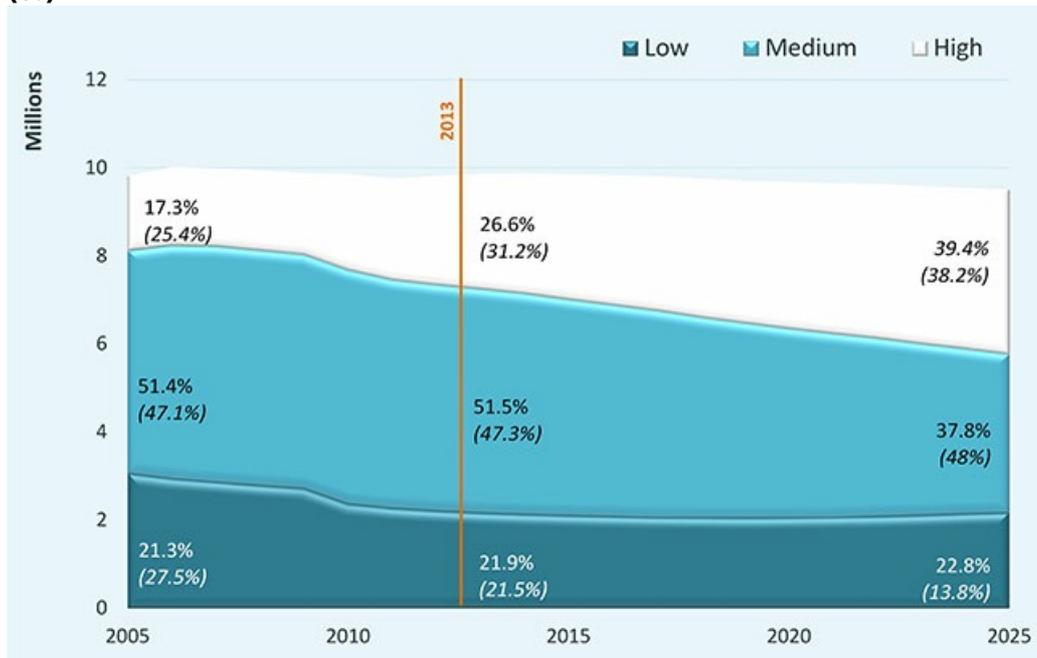


Source: Cedefop skills forecasts (2015)

Although older, Romania's labour force is becoming more highly qualified (Figure 6). This is explained by older less-qualified people leaving and younger more highly-educated people entering the labour market. By 2025, the share of Romania's labour force with high-level qualifications should rise to 39.4% compared to 26.6% in 2013 and 17.3% in 2005. People with medium-level qualifications in 2025 will account for 37.8% of the labour force compared to 51.5% in 2013. The share with low-level or no qualifications is forecast to remain at around 22% in 2025.

According to Cedefop's forecasts, by 2020, in Romania, around 50% of 30 to 34 year olds will have high level qualifications, above the EU's educational attainment benchmark of 40% by 2020. On current trends around 60% of 30 to 34 year olds in Romania will have high-level qualifications by 2025.

Figure 6 **Labour force trends by qualifications, 2005-25, Romania (and EU)** (%)



Source: Cedefop skills forecasts (2015)

In 2013, in Romania, 17.3% of young people left the education and training system with a low-level qualification, above the national target of reducing this to less than 11.3% by 2020. In the EU, the average, in 2013, was 11.9%, still higher than its benchmark of less than 10 % of young people leaving the education and training system with low-level qualifications by 2020.

Experts' view

*Cedefop's forecasts and their assumptions are regularly discussed with national experts. **Dr. Catalin Ghinararu, Scientific Secretary at the National Labour Research Institute (INCSMPS)** considers the forecasts' underlying assumptions and results plausible.*

However, he adds that he sees the Europop 2013 population projections slightly overestimating emigration from Romania compared to national forecasts. The European Commission's macroeconomic forecast also underestimates job growth. National forecasts expect measures to revive domestic demand to stimulate economic growth and job generation. However, here these differences between the forecasts are not regarded as significant.

Cedefop skills supply and demand forecasts' scenario

Cedefop skills supply and demand forecasts take account of global economic developments up to October 2014. Despite significant differences between countries, the forecasts generally assume that a modest economic recovery will slowly increase confidence in the EU, increasing investment, consumer spending and exports. Inflation stays in target range and interest rates low, while higher tax revenues help governments reduce debt.

The assumptions reflect the latest Eurostat population forecast (Europop 2013, published in spring 2014) and the short-term macroeconomic forecast produced by the European Commission in November 2014.

Cedefop's forecasts use harmonised data and methodology for all countries covered to allow cross-country comparisons. They do not substitute national forecasts. Total employment data correspond to those reported in national accounts.

Cedefop's latest skills demand and supply forecasts up to 2025 cover 28 EU Member States plus Iceland, Norway and Switzerland. Results are regularly updated and together with key assumptions and methodological developments are reviewed by national experts.

For the latest update and more detailed skills forecast data visit: www.cedefop.europa.eu/forecast

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