



**ACADEMIA DE STUDII ECONOMICE BUCUREȘTI
FACULTATEA DE ECONOMIE TEORETICĂ ȘI APLICATĂ
DEPARTAMENTUL DE ECONOMIE ȘI POLITICI ECONOMICE**

HABILITATION THESIS

**The new challenges of the Romanian labour market
in the European context**

ABSTRACT

Candidate: Associate Professor ȘERBAN Andreea Claudia

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The habilitation thesis *The new challenges of the Romanian labour market in the European context* present the main scientific and didactical achievements obtained after completion the doctoral studies and establish future directions for improvement.

The first part of the thesis presents the directions of scientific research followed after obtaining the title of Doctor of Economic Sciences. Thus, the habilitaion thesis is based on the research results during postdoctoral studies within the project developed by the Romanian Academy, project POSDRU/89/1.5/S/61755 „Post-Doctoral Studies in Economics: continuous training program of the elite researchers - SPODE" (2011-2013), as well on studies presented at conferences or published in specialized journals in the country or abroad.

In **the first chapter**, I synthesized the main developments of the Romanian labour market in the context of the transition to the market economy and of the economic crisis, under globalization and integration into the European Union. In this respect, I analyzed the implications on the labour market of the difficult start of the transition in Romania compared to other Central and Eastern European countries, the delayed start of the transfer of ownership and of the restructuring of inefficient activities. Subsequently, the shock in demand associated with the financial crisis and manifested by the decline in economic growth has inevitably reflected the labour market, where the reduction in labour demand has led to a reduction in the number of jobs. Changes that have affected the world's economies over the last decades, driven by increased competition generated by globalization and integration into the European Union, technological advances and the knowledge economy have brought a new challenge at the forefront of the labour market: to cope with rigidities that affect the proper functioning and allocation of resources.

The second chapter is devoted to labour market rigidity issues that determine slow adjustments to the changes in the global economy and to investment opportunities. This becomes critical under crisis conditions, as it is the case of the financial and economic crisis that has marked the last years, because the degree of labour market rigidity is very important for the ability of economies to absorb shocks. For Romania that is preparing to join the Monetary Union, the problem becomes more acute taking into consideration the fact that by ceding the monetary policy to the European Central Bank and setting the exchange rate by the euro it increases the need to know to what extent the current labour market rigidities may be obstacles to future shock absorption and the necessary measures to reduce them by increasing the degree of labour market flexibility.

Given these issues, I intended to identify the main causes of labour market rigidities in Romania, the extent to which institutions and public policies influence these rigidities as well as the effects on social inclusion in the general context of the new challenges imposed by the global economy and the current economic crisis.

The rigidity of the labour market in Romania was analysed according to four categories of factors: institutional factors, income rigidity, level of education and demographic factors in relation to the volume and age structure of the population, highlighting the most important effects on social inclusion generated by each of them.

I have evaluated the correlation between labour demand and labour supply by major groups of occupations, as a potential factor of labour market rigidity. The results show a pronounced gap between demand and supply of skills for certain major groups of occupations and the poor state intervention to reduce it (analysed by the synchronization between the skills given by the professional training courses and the structure of job vacancies). Under these circumstances, in **the third chapter**, I have highlighted the need to increase the level of education and qualification. I stressed the importance of focus on active labour market policies centred on vocational training and retraining and better synchronization between the qualifications of persons participating in vocational training courses and the structure of job vacancies. Given the trend of decreasing and aging population in Romania, attracting migrants to rebalance the population age structure represents a long-term recommendation.

The fourth chapter aims to analyze the importance of the renewable energy field and to assess the progress made by Romania compared to other countries in the European Union, in order to identify the potential for renewable energy development in rural areas. Both economic aspects, such as employment or reduction of import dependency on fossil fuel, and environmental issues such as greenhouse gas reductions, are evaluated. The high potential for development of the renewable energy sector in the rural areas is due to the local availability of the resources needed to produce this type of energy, but also to underemployment and low-income labour force. The need to reduce poverty is more obvious for rural areas than for urban areas, therefore creating jobs to ensure decent income and reducing discrimination among different population categories is a challenge for Romania. In this regard, I aimed to identify the unused potential of rural areas and the opportunities for developing the renewable energy sector on the basis of resources that can be exploited with increased efficiency, action that will generate positive effects both economically and socially.

The second part of the habilitation thesis includes the university career development plan that starts from my own achievements and sets goals for the next period. It is structured in three directions: didactic activity, scientific research activity and harmonization of the two directions.