

INITIAL REPORT - PART TWO -

**Creating an Observatory for Raising
Awareness on the EU Social Inclusion
Policy in the SW Region of Romania**

Project 2004/VP005/10112



1. INTRODUCTORY DESCRIPTION OF THE OLTENIA REGION

Localization

The Oltenia Region is located in the southwestern part of Romania; a number of five counties comprises the region: Dolj, Olt, Valcea, Mehedinti and Gorj. Largely, it coincides with the ancient historical Oltenia region, in its natural boundaries: the Danube river to the South, the Olt river (the third in size in Romania) to the East, the Carpathian Mountains (the Alps of Transylvania) to the North and to the West. With a surface of 29,212 square km (the 7th place amongst the Romanian regions, 12.25% of the total country surface) and a population of 2,330,792 inhabitants (the 6th place, 10.75% of the total population), Oltenia forms an almost symmetric quadrilateral, on the axes North-South and East-West). The Jiu river crosses over the region from North to South.

Population

A relatively low density, a mainly rural population and in slight decrease. In accordance with the table below, and regarding the population density, Oltenia is below the country average and has a relatively high number of villages and small localities. Excepting the Dolj county, the other county have a population density lower the national average and a number of localities per square kilometer higher, or much higher. As a result, this contributes to isolation and underdevelopment.

That is why more substantial investments in infrastructure for each inhabitant are needed in order to reach the same level of

services as in the areas with a higher population density. Because of the importance of agriculture, the weight of rural population as compared to the total population is higher than the national average: 56.23 % as compared to 43.77% at a national level. After a seven-year period (1991-1997), the period when it slightly increased, beginning with the year 1998, the urban population began to decrease. On the other hand, the rural population decreased between 1991 and 1999, and has begun to slightly increase since 2000. It is too early for us to estimate if these tendencies will continue the current evolution. As far as rural population as a proportion of total population is concerned, Oltenia especially occupies the 3rd place amongst the Romanian regions, after Moldavia and Muntenia. The total population number has been decreasing since the beginning of the 90s due to migration as well as to population dynamics.

The South-West Region of Oltenia is one of the less developed Romanian regions: GDP (Gross Domestic Product) is with 9% below the national average, the unemployment rate value reaches the second place.

The region has the following **strengths**:

- A key transitory region between Banat and Muntenia (Bucharest);
- It is by far the greatest energy producer in Romania;
- It is a region rich in mineral products;
- The lumber industry and the transport services in the region are highly competitive;
- The University of Craiova is one of the most important university centers in the country

The Oltenia region- Population and rural structure

County	Surface Square kilometers	Population-inhabitants	Density Inhabitant per square kilometer	Number of localities	Localities/100 square kilometers
Dolj	7.414	734.231	99,03	479	6,41
Gorj	5.602	387.308	69,14	484	8,64
Mehedinti	4.933	306.732	62,18	408	8,27
Olt	5.498	489.274	88,99	479	8,71
Valcea	5.765	413.247	71,68	649	11,26
Oltenia	29.212	2.330.792	79,79	2.499	8,54
Romania	238.391	21.680.974	90,95	16.043	6,73

Source: *The Statistic Romanian Year-Book 2002, Population and Dwelling Census, 2002*

The strengths mentioned above are negatively compensated by the following **weaknesses**:

- A traditionally underdeveloped region, a 'boundary' region (at the boundary with Bulgaria and Serbia)
- A low population density distributed in great number in small villages
- A rural region mainly based on agriculture
- Serious problems raised by rural poverty, precarious social services.
- A region marked by forced industrialization in the 1960's
- The presence of mono-industrial areas
- Environmental problems affecting the water, the air, the earth.
- Digital divide, inclusively between the biggest cities
- Difficulties concerning the integration of numerous minorities of Roms (5 to 6% of the total population in the region, following the estimations of the Roma Ethnic Organizations)

Opportunities

- A great development potential for the service sector in the main cities
- The European Integration which will determine an increase in cross border commerce
- A major EU investment has been planned for the construction of a bridge over the Danube towards Bulgaria. The first bridge of this kind in the history of the region.
- The possibilities offered by the Danube river (the Pan-European Corridor VII) for the export of raw materials to Western Europe
- The extension of the Internet which could compensate the lack of communication specific to regional isolation

- A high potential for mountain, rural and ecumenical tourism

Threats

- Late industrial restructuring and privatization. There still are a great number of threatened jobs.
- Problems accumulated in the coal extractive industry are still difficult to solve
- Re-ruralization leading to poverty and to a low work productivity

Oltenia still confronts itself with specific environmental and infrastructural problems and with a number of structural difficulties to face the transition economy. On the one hand, during the period 1995-2000 there was registered a massive return to agriculture when half of the industrial and mining unemployed workers came back to agriculture. On the other hand, the high persistent degree of economic dependency upon the mono-industrial cities which have suffered severe industrial crises, together with the reduced capacity to attract direct foreign investments and a late development of the sector of small and medium enterprises and services have lead to the deepening of discrepancies between Oltenia and the more developed traditional regions in Romania: in many sectors, Oltenia and Moldavia are the regions with the lowest indicators of social-economic performances.

The agriculture of Oltenia is characterized by a low productivity and a reduced export capacity, due to the preponderance of agricultural products with low VAT.

A considerable discrepancy between urban and rural areas is to be also found in education.

The discrepancy urban-rural is also emphasized by other sectors: transport, environmental infrastructure, health and other social services which are slightly represented for rural communities.

The enterprise sector continues to be characterized by a powerful presence of big enterprises with reduced economic results. These are concentrated in the processing and mining sector. The occupation in big enterprises represents 35% of the total, that is it constitutes a significant risk for the regional economy. Between 1998-2001, the total number of employees reduced with almost 35,000 persons.

The business environment is insufficiently supported by the enterprise activities. The region suffers from the insufficiency of development of the network of professional associations in the region; the consulting services are still weak, the business infrastructure is in a primary state of development.

The labor market in Oltenia generally reflects the national tendencies. The high unemployment rate in the region reflects the existence of unemployment on a long term, especially with young people and regarding certain disfavoured groups (such as the Roms, even though specific data concerning the unemployment rate amongst the Roma population are unavailable to us). As a great number of industrial enterprises are yet to be privatized in the region, severe tensions on the labour market are expected in the following years.

The late industrial restructuring has been one of the major causes of the increase of unemployment in Oltenia, even though the impact has been partially balanced by the massive employment in agriculture. The different weight of these factors probably explains most of the differences between counties. The lack of development perspectives and the insufficient number of newly created workplaces affects the

entire region, but this appears as a serious problem especially in Valcea county, where the unemployment rate amongst young people is very high. There are very few clues as to the women being disadvantaged on the labour market, even if these could be especially affected by unemployment on a long term.

The Oltenia population who attends school represents almost 20% of the total regional population. The population involved at all educational levels registers decreasing tendencies. Professional schools and higher education institutes do not offer facilities and modern teaching means, even though they have good relations with the local enterprises and consequently, there would be a occupation potential for young graduates.

Women in Oltenia are in number of 1,217,986 representing 50.8% of the total population; 54.6% live in rural areas. Women register 45.7% of the total unemployment in the region, a percentage lower than that at the national level.

Poverty is a widely spread phenomenon in Oltenia: 32.4% of the population is estimated to live below the poverty threshold.

Social assistance can target a minor segment of poor persons. These register a low rate of participation to the education system and, especially in rural areas, they remain marginalized and isolated. Poverty and social exclusion are interconnected and there is a risk for certain groups of population, especially old people with low incomes, persons with special needs, mothers in difficulty, abandoned children. Roms are an ethnic minority and represent a vulnerable group. In Oltenia the census has registered over 60,000 Roma persons totalizing a percentage of 2.5% of the total population; in spite of this, one can estimate that this ethnic group is much larger and totalizes over 55 of the total population. There are no data available which might indicate a discrimination of the Roma population on the labour market.

Infra-Regional Disparities

There are no accentuated infra-regional disparities in Oltenia. The differences between counties are given by their geographical profile (three counties with mountain areas Mehedinti, Gorj and Valcea; two counties with plain areas, Dolj and Olt), by the size of the territory and by the population. From the point of view of sub-regional disparities, the infrastructure is a key-element. Mehedinti is the only Romanian county in which no locality is connected to the gas network. Dolj county occupies the last place in Romania, and implicitly, in Oltenia from the point of view of localities connected to the drinking water network, with only 2.09% of the total number of localities connected to the network. Another considerable difference is found in the educational infrastructure, since higher education is concentrated in the Dolj county, in Craiova University Centre.

The social-economic analysis identifies 10 types of polarization centers in the region:

- 1) urban centers with inter-regional influence;
- 2) urban centers with inter-county influence;
- 3) urban centers with limited inter-county influence;
- 4) municipalities and cities with county influence and use of qualified workforce;
- 5) municipalities and cities with county influence and use of workforce with level two qualification ;
- 6) towns with local influence and use of qualified workforce;
- 7) towns with local influence and use of qualified workforce and use of workforce with level two qualification ;
- 8) rural towns employing qualified workforce;
- 9) rural towns employing workforce with level two qualification;
- 10) communes.

SWOT Analysis

Strengths, weaknesses, opportunities and threats have been analyzed for the labour market, human resources and social services, such as follows:

1. LABOUR MARKET AND HUMAN RESOURCES

<p>Strengths</p> <ul style="list-style-type: none">▲ There are no major differences between the occupational tendencies for men and women▲ High culture of workforce mobility▲ Economic development based on competence; there are many professional schools▲ A growing interest for technical education (engineers, programmers)▲ Growth of interest regarding the setting up of professional formation centers▲ Lower tensions on the labour market due to the substitution index decrease	<p>Weaknesses</p> <ul style="list-style-type: none">▼ The rural workforce market concentrates more than half of the workforce▼ Weak entrepreneurial education▼ Work on the black market- a widely spread phenomenon▼ A powerful decline of industrial occupation▼ The increase of unemployment. Decrease of the occupation index▼ The existence of informational disparity in the region
<p>Opportunities</p> <ul style="list-style-type: none">▲ A low rate of employment in the service sector (twice lower than in EU) offers opportunities for the development of this sector▲ Setting up objectives in common and establishing a	<p>Threats</p> <ul style="list-style-type: none">▼ The increase of the dependency index (inactive and unoccupied population compared to 1,000 occupied persons)▼ Persons ready to emigrate to Bucharest and outside the

<p>partnership between the teaching institutions and the employers</p> <ul style="list-style-type: none"> ▲ Relatively high funds allocated by the EU for human resources development 	<p>country</p>
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2. SOCIAL SERVICES

<p>Strengths</p> <ul style="list-style-type: none"> ▲ The increase of life expectancy (as compared to the national level) ▲ The existence of a special young human potential ▲ The inexistence of gender disparities as far as the access to education is concerned ▲ Generalization of the open and distance education objective ▲ The existence of at least one higher education institution in each county residence. ▲ The increase/improvement of help services for abandoned children and preparation of personnel in the domain of child protection ▲ Diversification of education and preparation forms in the domain of social services. 	<p>Weaknesses</p> <ul style="list-style-type: none"> ▼ Insufficient educational infrastructure unadapted to the modern economic standards in the urban area and severely deteriorated in the rural area ▼ Insufficient transport utilities is still a serious obstacle for many children who go to school ▼ Difficulties of participation to secondary education forms for pupils from the rural area ▼ A gap between the formation offered by school and the requirements of the labour market. ▼ Reduced access of the Roma population to higher education (0.007 index as compared to 0.12 for the Romanians) ▼ A precarious health infrastructure, insufficiency
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	<p>of medicines and medical devices- an acute problem in the rural area.</p> <ul style="list-style-type: none"> ▼ Insufficient medical personnel in the rural area. ▼ Deficitary ER, prevention and ambulatory services ▼ The highest maternal mortality rate in Romania (way over the country average) ▼ A low degree of societal integration for handicapped people. ▼ The increase in the number of abandoned children ▼ Poverty has effects on the possibilities of access to education and health conditions
<p>Opportunities</p> <ul style="list-style-type: none"> ▲ Interest increase for university education ▲ The existence of structural funds for social services 	<p>Threats</p> <ul style="list-style-type: none"> ▼ The increase of the educational disparity between the urban and the rural areas ▼ The accentuation of educational polarization (increase of participation to higher education, parallel with the increase of school abandon). ▼ Low wages in the health and education systems leading to a crisis of preparation in the primary

	and pre-university education domain, respectively the insufficiency of medical personnel.
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For a clear image of the regional labour market we will present the situation at the level of each county:

DOLJ

From the analysis done at the level of Dolj county on the persons in search of a workplace depending on qualification, age, unemployment duration or type of registration, the following data have resulted:

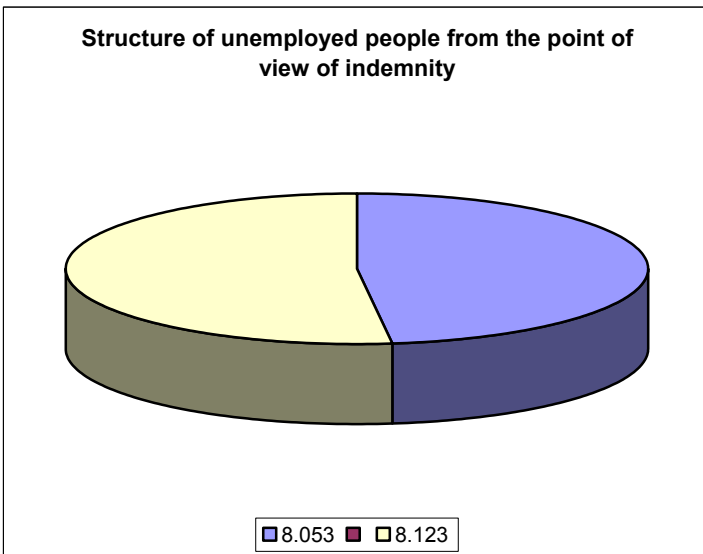
-Number of persons in search of a workplace: 16,176 persons

Indicator	Unemployed people on the 31st of December, 2004 Number of persons	%
Total of unemployed people	16.176	100
Unemployed people who receive indemnity	8.053	48
Unemployed people who don't receive indemnity	8.123	52
Urban area	10.497	64
Rural area	5.679	36
Women	6.923	42
Men	9.253	58

In the county, the number of registered unpaid unemployed people has increased especially due to the application of Law 416 concerning the guaranteed minimum income along with the decrease in the number of unpaid unemployed people registered on the 31st of December, 2004, the situation of unemployed people registered in Dolj county being such as follows:

- paid unemployed people 8,053
- unpaid unemployed people 8,123
- TOTAL on DOLJ county 16, 176

From the analysis done at the level of Dolj county on the persons in search of a workplace depending on qualification, age, unemployment duration or type of registration, the following data have resulted:



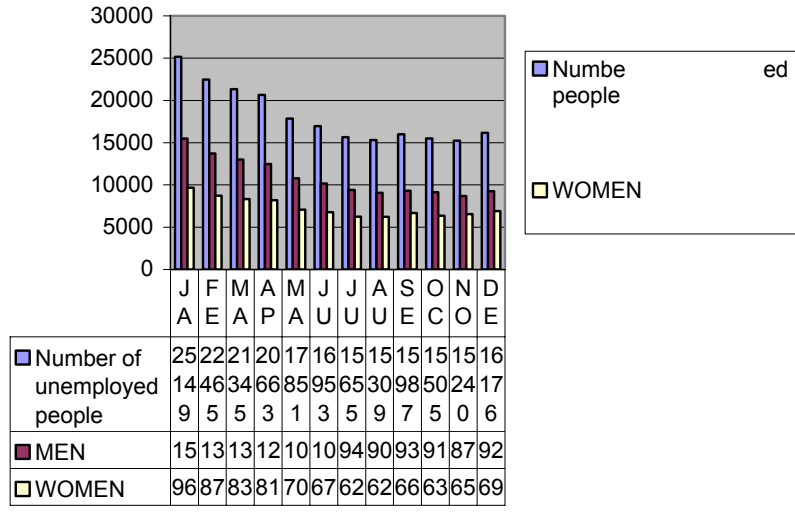
In the period 1st of January-31st of December, 2004 the dynamic and the structure of unemployment is presented as follows:

**The monthly evolution of unemployment
(total and on genders)**

Year 2004	Jan.	Febr.	Mar.	Apr	May	Jun	Jul.	Aug	Sept	Oct	Nov	Dec
No. of Unempl. people	25149	22465	21345	20663	17851	16953	15655	15309	15987	15505	15240	16176
Men	15479	13726	13005	12472	10780	10173	9412	9070	9311	9139	8700	9253
Women	9670	8739	8340	8191	7071	6780	6243	6239	6676	6366	6540	6923

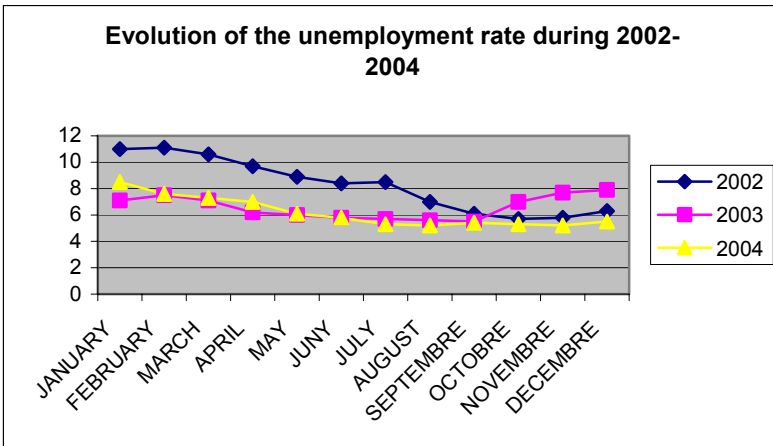
The evolution of unemployment during the year 2004 was influenced the same as every year by the temporary interruption of activities in the construction industry, agriculture, transports, by the activity resumption during spring, summer and autumn, but also by the organization of several activities by AJOFM Dolj, which aim to increase the degree of active workforce occupation.

Situation of unemployed people in the year 2004



-The monthly evolution of the unemployment rate during the period 2002-2003-2004 in Dolj county reads such as follows:

	2002	2003	2004
January	11	7.1	8.5
February	11.1	7.5	7.6
March	10.6	7.1	7.3
April	9.7	6.2	7
May	8.9	6	6.1
June	8.4	5.8	5.8
July	8.5	5.7	5.3
August	7	5.6	5.2
September	6.1	5.5	5.4
October	5.7	7	5.3
November	5.8	7.7	5.2
December	6.3	7.9	5.5



In the first four months of the year 2002 the unemployment rate increased due to the application of Law no 416/2001 regarding the guaranteed minimum income and as a

result of taking into consideration the applicants for the guaranteed minimum income as unpaid unemployed people.

The explanations for the oscillating evolution of the unemployment rate in the county are such as follows:

- the county active population decreased from 330,800 persons on the 1st of January, 2002 to 294,000 persons on the 1st of January, 2004;
- collective dismissals of a great number of persons have taken place, and the number of paid unemployed people is almost equal to the number of unpaid unemployed people. The registered unpaid unemployed people with residence in the rural area are beneficiaries of the guaranteed minimum income, and their access to vacant workplaces is made difficult by the fact that most vacant workplaces are in Craiova city.
- The dynamic of workforce occupation depending on qualification is presented in the table below.

One can notice a concentration of beneficiaries of unemployment indemnity on the following occupation categories : unqualified workers in road, highroad, bridge and dam maintenance, building-workers and metallic structure fitters, agricultors and qualified workers in the field cultures and in vegetable growing, specialists in car and industrial car services, sellers in shops and market places, accountants and warehouse men.

The late industrial restructuring represented one of the major causes of the increase of unemployment in Dolj county, even if the impact has been partially balanced by the massive employment in agriculture. That is why in counties with large agricultural surfaces the livelihood level has decreased. The lack of development perspectives and the insufficient number of newly created workplaces affects the entire county.

The dynamic of workforce occupation depending on qualification

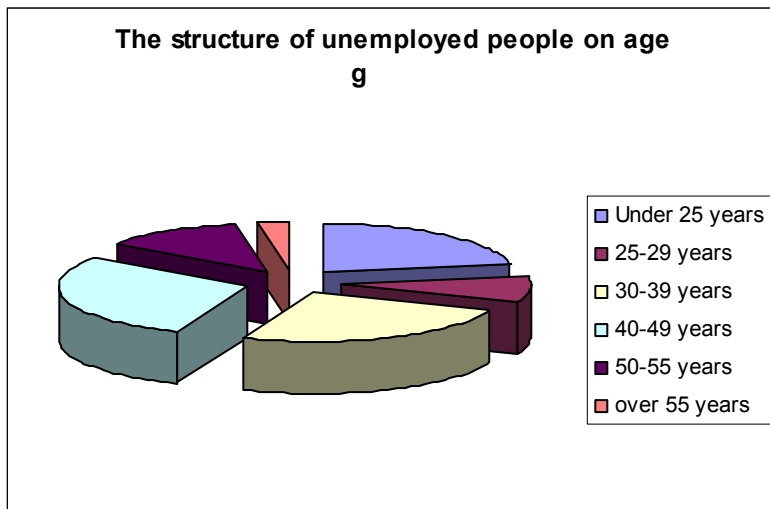
Code	Unemployed people beneficiaries of the provisions of Law 1/1991, Law 76/2002 and article 45	Total	Age groups					
			under 25 y.o	25-29 years old	30-39 y.o	40-49 y.o	50-55 y.o	over 55 y.o
	OUG 98/1999, on the main occupations							
	technicians and mechanic foremen	112	46	1	9	16	25	15
	accountants	116	16	12	27	34	26	1
	warehouse men	129	3	5	35	60	22	4
	sellers in shops and market places	388	29	49	177	111	22	0
	agricultors and qualified workers in the field cultures and in vegetable growing	320	37	35	121	103	21	3
	welders and autogenously welders	165	7	4	48	69	33	4
	building-workers and	639	25	16	169	292	112	25

	metallic structure fitters							
	grinder workers	242	14	4	61	101	51	11
	mechanics, autovehicle body builders and specialists in car services	313	155	11	62	64	18	3
	mechanics, agricultural and industrial car builders and specialists in car services	296	68	21	82	65	45	15
	high-tonnage car drivers	121	4	3	32	56	23	3
	janitors, guards and assimilated persons	161	1	12	55	55	28	10
	unqualified agricultural workers	152	68	16	36	28	4	0
	unqualified workers in road, highroad, bridge and dam maintenance	662	200	68	169	160	50	15

**The structure of unemployed people who beneficiate from rights in accordance with
Law 1/1999, Law 76/2002
- levels of instruction and age groups -**

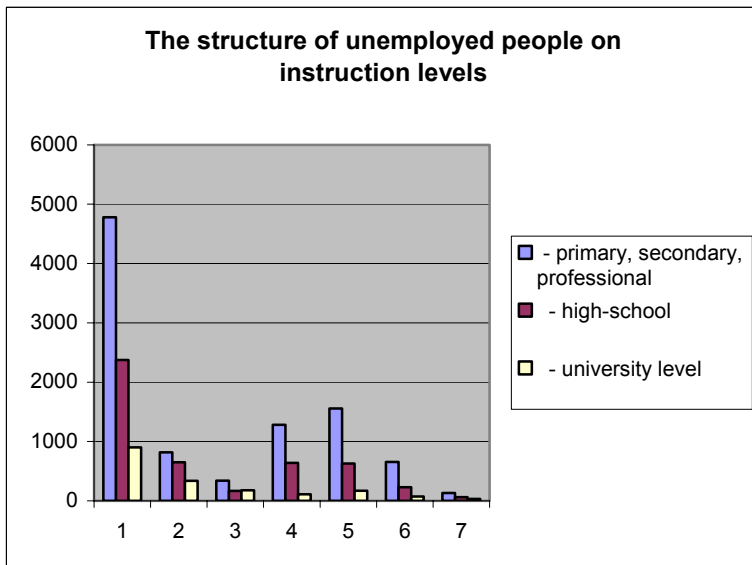
DISTRIBUTION OF PAID UNEMPLOYED PEOPLE ON AGE GROUPS	Age groups:						
	Total	under 25 y.o	25- 29 y.o	30- 39 y.o	40- 49 y.o	50- 55 y.o	over 55 y.o
0	1	2	3	4	5	6	7
1. Total of which:	8053	1802	683	2030	2354	956	228
-women	3427	812	338	950	1056	256	15
- with a primary, professional instruction level of which:	4778	816	340	1279	1556	654	133
- beneficiaries of support allocation	2	0	0	0	1	1	0
-women	1	0	0	0	1	0	0
-beneficiaries of unemployment indemnity (75%)	4463	542	309	1272	1554	653	133
-women	1385	81	101	471	589	133	10
- beneficiaries of unemployment indemnity (50%)	313	274	31	7	1	0	0

-women	248	224	16	7	1	0	0
- with a high school and post-secondary instruction level, of which	2374	650	166	640	627	229	62
- beneficiaries of unemployment indemnity (75%)	1739	54	140	627	627	229	62
-women	941	24	77	384	358	95	3
-beneficiaries of unemployment indemnity (50%)	635	596	26	13	0	0	0
-women	292	255	25	12	0	0	0
- with a university instruction level, of which:	901	336	177	111	171	73	33
-beneficiaries of unemployment indemnity (75%)	433	10	46	102	169	73	33
-women	242	7	30	70	105	28	2
- beneficiaries of unemployment indemnity (50%)	468	326	131	9	2	0	0
-women	318	221	89	6	2	0	0



One can thus notice a concentration of the number of unemployed people in the intervals 30-39 years old (25% of the total) and 40-49 years old (29% of the total) and amongst persons under 25 years old (22% of the total). This is a natural structure, taking especially into account the differences between the structure of workforce offer-request; most of the demands for registration to requalification courses are comprised in these age categories.

A major present and future concern is that of increasing the instruction level of the workforce of all age groups by school education - a high percentage, of 75% is represented by the non-registered unemployed people with a primary, gymnasium and professional instruction level - , by courses of adult professional formation organized by AJOFM together with economic agents and depending on the labor market evolutions.



- The structure of paid unemployed people following the unemployment duration

Paid unemployed people	Unempl. duration between				
	total	1 day and 3 months	3-6 months	6-9 months	9-12 months
TOTAL of which	8049	3570	2561	1013	905
-women	3424	1438	1166	447	373
-men	4625	2132	1395	566	532
1. Under 25 years old	1802	700	1072	30	0
-women	812	295	495	22	0
-men	990	405	577	8	0

2. 25-29 years old	683	414	224	43	2
-women	338	194	124	20	0
-men	345	220	100	23	2
3. 30-39 years old	2030	952	433	353	292
-women	950	420	211	175	144
-men	1080	532	222	178	148
4. 40-49 years old	2352	946	599	362	445
-women	1054	422	271	174	187
-men	1298	524	328	188	258
5. 50-55 years old	954	446	175	198	135
-women	255	100	63	54	38
-men	699	346	112	144	97
6. Over 55 years old	228	112	58	27	31
-women	15	7	2	2	4
-men	213	105	56	25	27

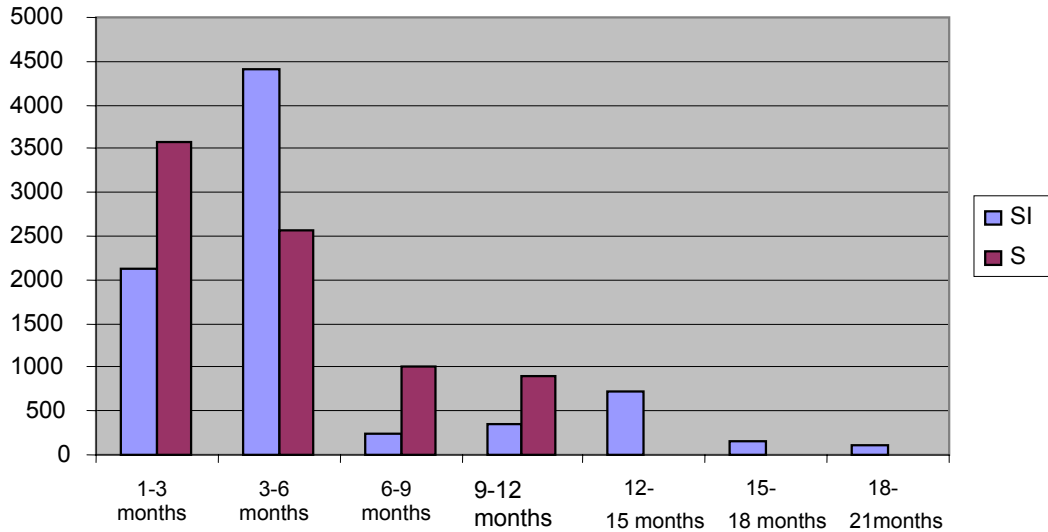
A high percentage is represented by the category 1 day to three months (3,570 persons), and amongst these persons men are numerically more representative (2,132 persons). At the same time, inside this category one can easily notice that a high percentage is represented by graduates.

The structure of unpaid unemployed people following the unemployment duration

Unpaid unemployed people	TOTAL	1day-3months	3-6 months	6-9 months	9-12 months	12-15 months	15-18 months	18-21 months
0	1	2	3	4	5	6	7	8
TOTAL of which	8123	2134	4415	242	349	728	150	105
-women	3496	887	1691	168	166	433	95	56
-men	4627	1247	2724	74	183	295	55	49
1. Under 25 years old	1785	530	1233	6	6	2	7	1
-women	828	251	566	4	4	2	1	0
-men	957	279	667	2	2	0	6	1
2. 25-29 years old	840	304	513	10	7	2	4	0
-women	292	118	169	1	3	1	0	0
-men	548	186	344	9	4	1	4	0
3. 30-39	1644	489	899	12	13	211	19	1

years old								
-women	682	213	344	5	8	105	6	1
-men	962	276	555	7	5	106	13	0
4. 40-49 years old	3146	672	1214	208	323	511	117	101
-women	1393	265	357	154	151	324	88	54
-men	1753	407	857	54	172	187	29	47
5. 50-55 years old	530	106	415	5	0	2	2	0
-women	255	35	215	4	0	1	0	0
-men	275	71	200	1	0	1	2	0
6. Over 55 years old	178	33	141	1	0	0	1	2
-women	46	5	40	0	0	0	0	1
-men	132	28	101	1	0	0	1	1

The structure of unemployment



It comes out that there is a high level of registered unpaid unemployed people comprised in the category from 3 to 6 months, especially by the application of Law 416 regarding the guaranteed minimum income, a high ratio being represented by persons between 40 and 49 years old.

Some of the priority directions of action in Dolj county which are necessary with view to the increase of the degree of workforce occupation are:

- ensuring a sustained economic development with a direct impact on the increase in the number of workplaces, based on the development of the sector represented by small and medium enterprises;
- the stimulation of the improvement in agriculture and in the connected industrial sectors;
- substantial encouraging of the incomes obtained from work;
- the elaboration of special programs addressed to target groups which have difficulties of integration on the labour market (young people, handicapped persons, Roma persons, persons who have undergone detention and so on);
- attenuating the discrepancies between the offer and the demand of workforce by adapting the initial and continuous formation systems to the medium and long term tendencies of the occupational environment;
- the necessity to accelerate the rhythm of the activity of continuous professional formation;
- the legislative stability in order to attract investments and create new workplaces.

The main industrial branches in Dolj county are:

- timber processing;
- fabrication of railway means of transport;

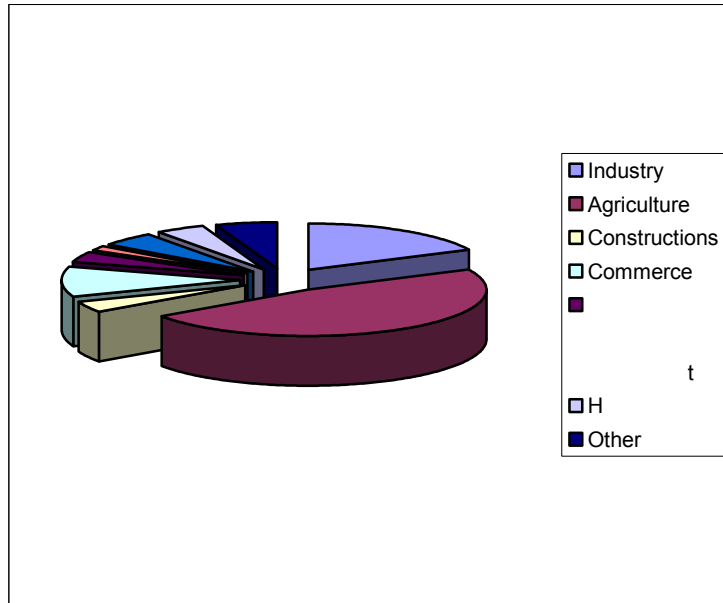
- the textile industry;
- the chemical industry;
- the car building industry;
- the construction material industry;
- the food industry.

The structure of occupied population following the main activity sectors:

	Occupied population	%
Industry	48,000	17.7
Agriculture	128,700	47.5
Constructions	10,200	3.7
Commerce	28,700	10.6
Transports	10,100	3.7
Public administration	4,300	1.5
Education	13,800	5.0
Health	11,600	4.2
Other	15,200	5.6
TOTAL occupied civil population	270,600	100

One can notice that agriculture is a main economic branch of Dolj county and, from the balance of workforce on the 1st of January, 2003 it comes out that the percentage of occupied population in agriculture in the total of civil occupied population is of 47.5%.

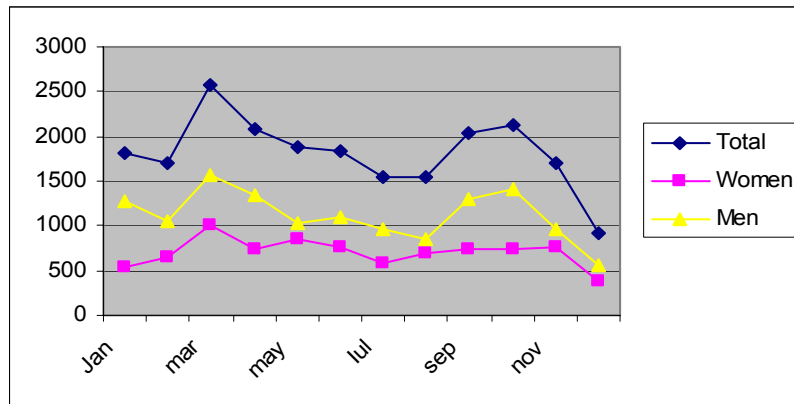
The structure of occupied population following the main activity sectors



From the point of view of occupation in Dolj county the situation is the following:

No. crt.	Jan.	Febr.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Total	1807	1703	2567	2082	1878	1840	1546	1541	2043	2137	1705	923
Women	531	656	1009	749	840	752	588	686	744	729	753	371
Men	1276	1047	1558	1333	1038	1088	958	855	1299	1408	952	552

The structure of occupied persons on gender

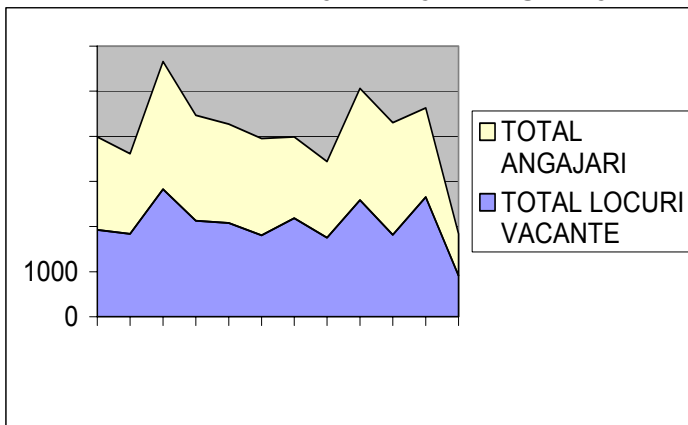


Of the total of 21,772 employed people, 8,408 are women, that is 38% and 13,364 are men, that is 62%. In February and March, most of the employments are represented by men, because of the activity resumption, in constructions especially, while in April employment of women dominates, the highest ratio being represented by employments in the light industry, clothes manufacturers especially, followed by the food industry, especially bakers, pastry manufacturers, confectioners, followed in its turn by commerce, while in November and December most of the employed people are represented by men, especially in works of public interest for local communities.

From the point of view of vacant workplaces and distribution the situation reads as follows:

No. crt.	Jan.	Febr.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Total of employments	1924	1840	2827	2127	2079	1809	2186	1750	2586	1820	2656	912
Total of vacancies workplaces	2065	1775	2831	2340	2195	2143	1802	1693	2475	2484	1973	927

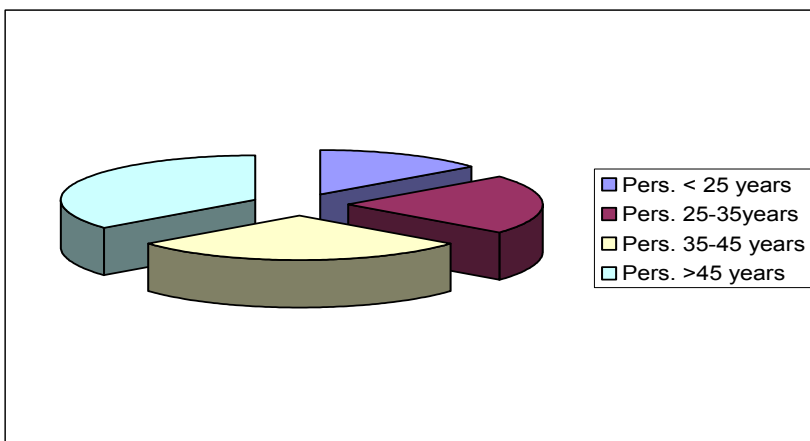
Vacant workplaces in Dolj county during the year 2004



The distribution of occupied persons from the point of view of age is presented below.

No. crt.	General total	Persons under 25 years old	Persons between 25-35 years old	Persons between 35-45 years old	Persons over 45 years old
0	1	2	3	4	5
	21772	4756	6704	5734	4578

The occupation situation on age groups



It comes out that there is a relatively uniform distribution of employed persons; there are no discrepancies from this point of view.

In Dolj county, 13 suppliers of professional formation have been authorized by now, in the following job categories: "introduction operator, validation operator, data processing operator", "commerce worker", "carpenter, parquet layer", "confectioner", "bodyguard", "merchant/shopkeeper-seller of food products", "shopkeeper-seller of non-food products", "hairdresser", "baby-sitter", housing administrator, beautician,

barber, clothes manufacturer- textile assembler, communication in English, landscape painter-floriculture worker and broker- insurance some of them being found in the professional formation program for the year 2004.

MEHEDINTI

From the analysis done at the level of Dolj county on the persons in search of a workplace depending on qualification, age, unemployment duration or type of registration the following data have resulted:

-The number of persons in search of a workplace: 12,567 persons

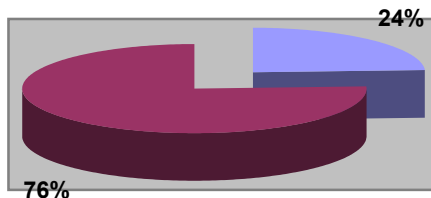
Indicator	Unemployed people on the 31 st of December, 2004	
	Number of persons	%
Unemployed people-total	12.567	100.0
Unemployed people with indemnity	3037	24%
Unemployed people with unpaid unemployment	9530	76%
Urban area	4218	34%
Rural area	8349	66%
Women	4866	39%
Men	7701	61%

The number of registered unpaid unemployed people has grown in the county especially due to the application of Law 416 regarding the guaranteed minimum income along with the

decrease in the number of registered unemployed people who received paid unemployment indemnity on the 31st of December, 2004.

We can also notice a high level of unemployed people from the rural area with a ratio of 66% as compared to that from the urban area which is of 34%.

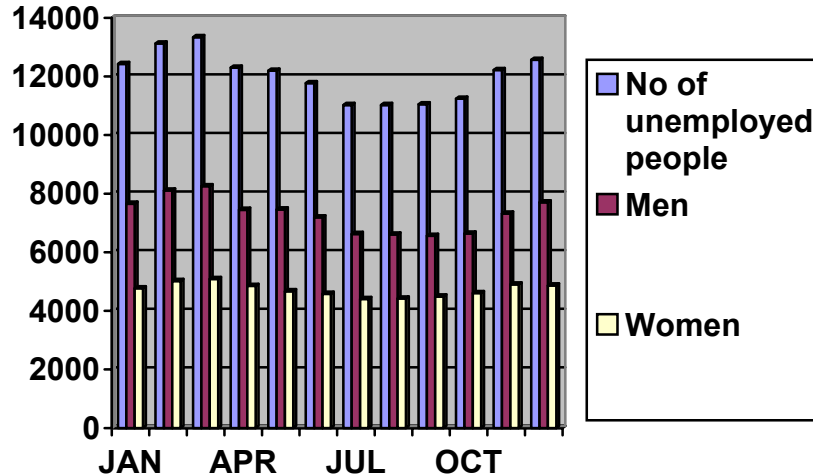
The structure of unemployed people from the point of view of indemnity



In the period 1st of January- 2004-31st of December, 2004 the dynamic and the structure of unemployment is presented in next graphs.

The evolution of unemployment during the year 2004 was influenced the same as every year by the temporary interruption of activities in the construction industry, agriculture, transports, by the activity resumption during spring, summer and autumn, but also by organizing of several activities by AJOFM Mehedinti, which aim to increase the degree of active workforce occupation.

	Jan.	Febr.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
No. unempl. people	12425	13126	13340	12301	12197	11770	11026	11024	11050	11242	12219	12567
Men	7656	8107	8254	7449	7458	7188	6624	6604	6562	6638	7319	7701
Women	4769	5019	5086	4852	4669	4582	4402	4420	4488	4604	4900	4866

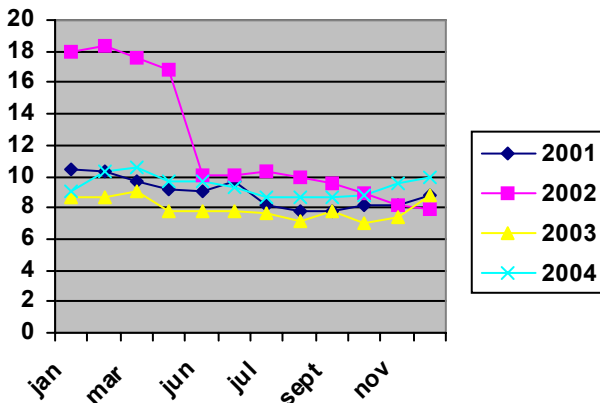


-The monthly evolution of the unemployment rate during the period 2001-2002-2003-2004 in Mehedinti county reads such as follows:

Year	Jan.	Febr.	Mar.	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
2001	10,4	10,3	9,7	9,2	9,0	8,7	8,1	7,8	7,8	8,1	8,2	8,8
2002	*17,9	*18,4	*17,6	*16,8	10,05	10,01	10,29	10,0	9,59	8,88	8,17	7,84
2003	8,6	8,7	9,02	7,80	7,83	7,83	7,68	7,11	7,8	7,01	7,43	8,84
2004	9,1	10,36	10,53	9,71	9,62	9,28	8,7	8,7	8,7	8,8	9,6	9,9

* in the first four months of the year 2002 the unemployment rate increased due to the application of the provisions of Law no 416/2001 concerning the guaranteed minimum income and as a result of taking into consideration the applicants for the guaranteed minimum income as unpaid unemployed.

THE EVOLUTION OF UNEMPLOYMENT BETWEEN 2001-2004



The explanations for the oscillating evolution of the unemployment rate in the county are the following:

- the county active population decreased from 141,800 persons on the 1st of January, 2002 to 126,700 persons on the 1st of January, 2003 and even though the number of registered unemployed people maintained itself between 12,500-13,000 persons, by the decrease of the active population with approximately 15,100 persons, the calculated unemployment rate increased during that period;
- there have been no collective dismissals of a great number of persons, and the number of paid unemployed is constantly decreasing; on the other hand, there has been an increase in the number of unpaid unemployed people who request the necessary certificates which allow them to be granted the guaranteed minimum income according to Law no. 416/2001.
- The registered unpaid unemployed people with residence in the rural area (64%) are beneficiaries of the guaranteed minimum income, and their access to vacant workplaces is made difficult by the fact that most vacant workplaces are in Drobeta Turnu Severin city and they have no housing and commutation conditions. We have to mention that most of them are agricultors.

The dynamic of workforce occupation depending on qualification:

Code	Paid unemployed people	Total	Age groups					
			under 25 y.o	25-29 y.o.	30-39	40-49	50-55	over 55
5220	OGU 98/1999, on the main occupations sellers in shops and market places	140	11	8	47	50	24	0
6141	building-workers and metallic structure fitters	290	149	17	44	54	26	0
7214	mechanics, auto vehicle body builders and specialists in car services	226	30	6	64	85	41	0
7231	timber workers	195	125	4	31	27	8	0

From the table above one can notice a concentration of beneficiaries of unemployment indemnity on the following occupation categories: sellers in shops and market places, timber workers.

The late industrial restructuring represented one of the major causes of the increase of unemployment in Mehedinti county, even if the impact has been partially balanced by the massive employment in agriculture. That is why in counties with large agricultural surfaces the livelihood level has decreased. The lack of development perspectives and the insufficient number of newly created workplaces affects the entire county.

The structure of unemployed people who beneficiate of rights according to Law 1/1999, Law 76/2002 on instruction levels and age groups:

Distribution of unpaid unemployed people on instruction levels and age groups	Age groups:						
	Total	under 25	25-29	30-39	40-49	50-55	over 55
0	1	2	3	4	5	6	7
1. Total of which:	9530	1416	1154	2813	2197	1251	699
-women	3654	497	300	1002	947	614	294
- with a primary, gymnasium, professional instruction level	8574	1169	1011	2552	2004	1180	658
-women	3199	372	238	872	843	587	287
- with a high-school and post-secondary instruction level	857	217	105	251	182	65	37
-women	407	107	42	125	99	27	7
- with a university instruction level	99	30	38	10	11	6	4
-women	48	18	20	5	5	0	0

Distribution of paid unemployed people on instruction levels and age groups	Age groups:						
	Total	under 25 y.o	25-29 y.o.	30-39 y.o	40-49 y.o	50-55 y.o	over 55 y.o.
0	1	2	3	4	5	6	7
1. Total of which:	3037	895	197	739	788	341	77
-women	1212	380	83	315	317	112	5
- with a primary, gymnasium, professional instruction level of which:	1472	342	55	353	472	201	49
-beneficiaries of unemployment indemnity (75%)	1176	47	55	352	472	201	49
-women	336	4	9	98	167	54	4
- beneficiaries of unemployment indemnity (50%)	296	295	0	1	0	0	0
-women	89	88	0	1	0	0	0
- with a high-school and post-secondary instruction level, of which	1310	444	85	350	279	126	26
- beneficiaries of unemployment indemnity (75%)	885	41	77	337	278	126	26
-women	407	7	28	182	135	54	1

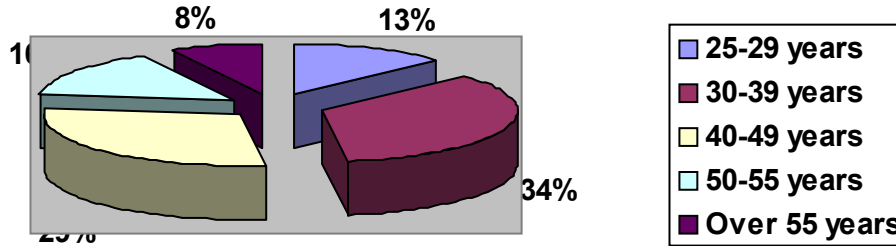
-beneficiaries of unemployment indemnity (50%)	425	403	8	13	1	0	0
-women	231	212	7	11	1	0	0
- with a university instruction level, of which:	255	109	57	36	37	14	2
-beneficiaries of unemployment indemnity (75%)	95	4	16	22	37	14	2
-women	44	3	10	13	14	4	0
- beneficiaries of unemployment indemnity (50%)	160	105	41	14	0	0	0
-women	105	66	29	10	0	0	0

The distribution of unemployed people on instruction levels and age groups:

Distribution of unemployed people	Age groups						
	TOTAL	Under 25 y.o.	25-29 y.o.	30-39 y.o.	40-49 y.o.	50-55 y.o.	Over 55 y.o.
0	1	2	3	4	5	6	7
TOTAL of which:	12567	2311	1351	3552	2985	1592	776
-women	4866	877	383	1317	1264	726	299

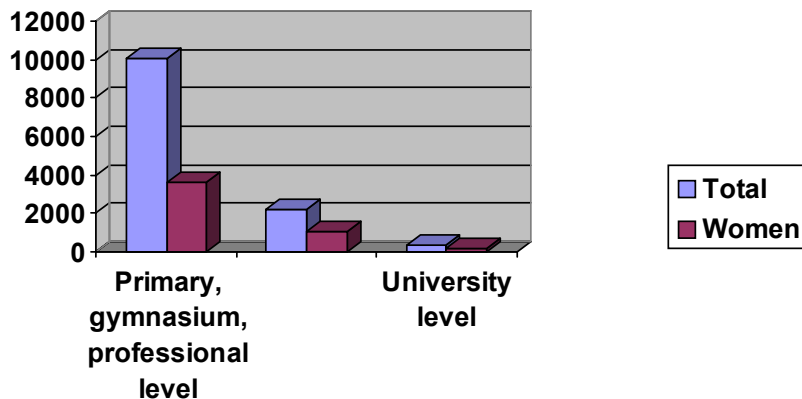
- with a primary, gymnasium, professional instruction level	10046	1511	1066	2905	2051	1381	707
-women	3624	464	0	971	1010	641	291
- with a high-school and post-secondary instruction level	2167	661	190	601	461	191	63
-women	1045	326	77	318	235	81	8
- with a university instruction level	354	139	95	46	48	20	6
-women	197	87	59	28	19	4	0

THE STRUCTURE OF THE UNEMPLOYED (PEOPLE) ON AGE GROUPS



It comes out that there is a concentration of the number of unemployed people in the intervals 30-39 years old (34% of the total) and 40-49 years old (29% of the total).

DISTRIBUTION OF THE NUMBER OF UNEMPLOYED PEOPLE DEPENDING ON THE GRADUATED STUDIES



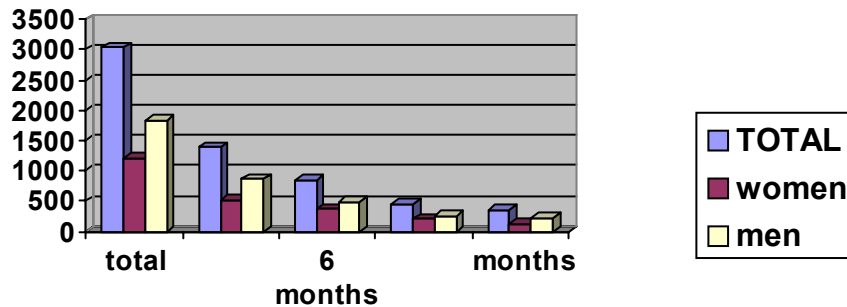
A major present and future concern is that of increasing the instruction level of the workforce of all age groups by school education - a high percentage, of 80% is represented by the non-registered unemployed people with a primary, gymnasium and professional instruction level - , by courses of adult professional formation organized by AJOFM together with economic agents and depending on the labour market evolutions.

The structure of unemployed people following the unemployment duration

Paid unemployed people (PU)	Unemployment duration between				
	TOTAL	1 day and 3 months	3-6 months	6-9 months	9-12 months
TOTAL of which	3037	1387	856	451	343
-women	1212	526	367	201	118
-men	1825	861	489	250	225
1. Under 25 years old	895	487	408	0	0
-women	380	212	168	0	0
-men	515	275	240	0	0
2. 25-29 years old	197	137	60	0	0
-women	83	61	22	0	0
-men	114	76	38	0	0
3. 30-39 years old	739	317	180	151	91
-women	315	129	94	65	27
-men	424	188	86	86	64
4. 40-49 years old	788	268	128	198	194

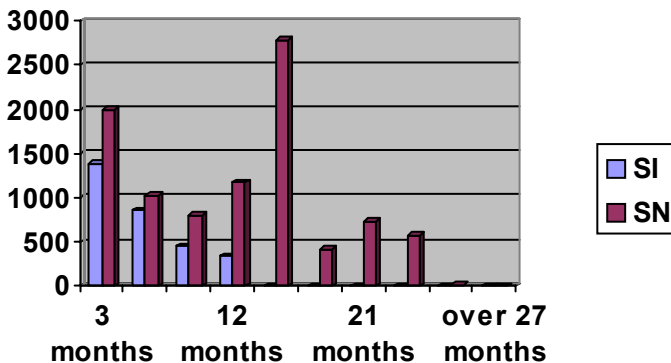
-women	317	89	56	91	81
-men					
	471	179	72	107	113
5. 50-55 years old	341	124	57	102	58
-women	112	35	22	45	10
-men					
	229	89	35	57	48
6. Over 55 years old	77	54	23	0	0
-women	5	0	5	0	0
-men					
	72	54	18	0	0

THE STRUCTURE OF PAID UNEMPLOYED DEPENDING ON GENDER AND UNEMPLOYMENT DURATION



A high percentage is represented by the category 1 day to three months, and amongst these persons men are numerically more representative. At the same time, inside this category one can easily notice that 58% is represented by graduates. The high percentage is due to a consultative partnership and not to a objective and durable one, starting from the mutual and independent interests of teachers, employers, and employees, which should be based on a reality as simple as important: today's pupils are the workers of tomorrow. These figures decrease, as we can easily notice, due to active measures- mediation, counseling, professional formation, consulting and assistance for starting an independent activity or for initiating a business as well as passive measures of social protection of unemployed people.

DISTRIBUTION OF THE UNEMPLOYED PEOPLE FOLLOWING THE UNEMPLOYMENT DURATION



Unemployment duration between								
Unpaid unemployed people	TOTAL	1 day-3 months	3-6 months	6-9 months	9-12 months	12-15 months	15-18 months	18-21 months
0	1	2	3	4	5	6	7	8
TOTAL of which	9530	1999	1022	802	1177	2777	416	731
-women	3654	760	488	286	418	1017	183	307
-men	5876	1239	534	516	759	1760	233	424
1. Under 25 years old	1416	408	317	122	118	306	32	44
-women	497	145	142	39	36	96	8	11
-men	919	263	175	83	82	210	24	33
2. 25-29 years old	1154	283	129	80	167	319	38	69
-women	300	100	58	20	44	43	9	16
-men	854	183	71	60	123	276	29	53
3. 30-39 years old	2813	543	242	253	390	830	146	217

-women	1002	221	119	95	129	231	61	95
-men	1811	322	123	158	261	599	85	122
4. 40-49 years old	2197	393	188	194	238	725	101	209
-women	947	147	90	76	101	325	49	104
-men	1250	246	98	118	137	400	52	105
5. 50-55 years old	1251	234	100	93	168	393	61	123
-women	614	107	55	37	76	215	35	48
-men	637	127	45	56	92	178	26	75
6. Over 55 years old	699	138	46	60	96	204	38	69
-women	294	40	24	19	32	107	21	33
-men	405	98	22	41	64	97	17	36

It comes out that there is a high level of registered unpaid unemployed people comprised in the category 12-15 months, especially by the application of Law 416 regarding the guaranteed minimum income, a high percentage being represented by persons between 40-49 years old and also by persons without professional experience, in general, persons comprised in the category 1 day to three months.

Some of the priority directions of action in Mehedinti county which are necessary with view to the increase of the degree of workforce occupation are:

- ensuring a sustained economic development with a direct impact on the increase in the number of workplaces, based on the development of the sector represented by small and medium enterprises;
- the stimulation of tourism development;
- the stimulation of the improvement in agriculture and in the connected industrial sectors;
- substantial encouraging of the incomes obtained from work;
- the elaboration of special program addressed to target groups which have difficulties of integration on the labour market (young people, handicapped persons, Roma persons, persons who have undergone detention and so on);
- attenuating the discrepancies between the offer and the demand of workforce by adapting the initial and continuous formation systems to the medium and long term tendencies of the occupational environment;
- the necessity to accelerate the rhythm of the activity of continuous professional formation;
- the necessity of a profound analysis of the labour market at a regional level, the emphatization of the principal phenomena which accentuate it and the adoption of measures which can render the process of local economic integration into the European macro-economy

as smooth as possible, without major shocks on the labour market;

- the legislative stability in order to attract investments and create new workplaces.

The main industrial branches of Mehedinti county are:

-electric power energy production by the two hydro-power stations, Iron Gates I and II and the thermo-power station Halinga;

-fabrication of basic inorganic chemical products (hard water) by the Autonomous Administration of Nuclear Activities;

-cellulose and paper fabrication;

- coal extraction;

-timber processing;

-fabrication of the means of naval and railway transport;

- the textile industry.

The structure of occupied population following the main activity sectors:

	Occupied population	%
Industry	22000	19
Agriculture	59900	51,8
Constructions	4500	4
Commerce	6800	5,9
Transports	6800	2,7
Public administration	2800	2,4
Education	4500	3,9
Health	4200	3,6
Other	7800	6,7
TOTAL occupied civil population	115600	100

One can notice that agriculture is a main economic branch of Mehedinti county and, from the balance of workforce on the 1st of January, 2003 it comes out that the percentage of occupied population in agriculture in the total of civil occupied population is of 51.8%, way over the country average and the average on the region of South-East Oltenia.

The structure of occupied population following the main activity sectors

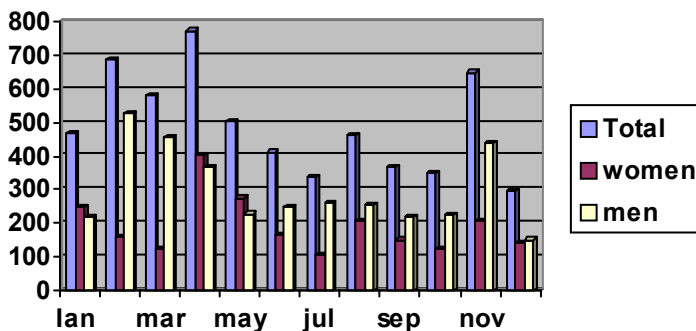


- Industry
 - Construction
 - Transportation
 - Research
 - Other
- Agriculture
 - Commerce
 - Public administration
 - Health

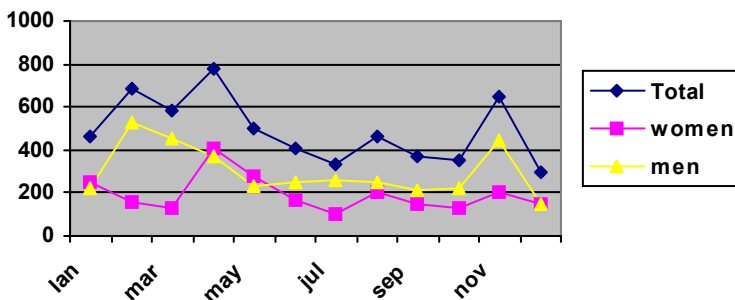
From the point of view of monthly occupation in Mehedinti county the situation is the following:

No. crt.	Jan.	Febr.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
Total	467	687	583	774	503	412	336	460	368	351	649	295
Women	247	161	126	405	275	165	104	207	151	126	208	144
Men	220	526	457	369	228	247	262	253	217	225	441	151

The structure of occupied persons on gender



The structure of occupied persons on gender

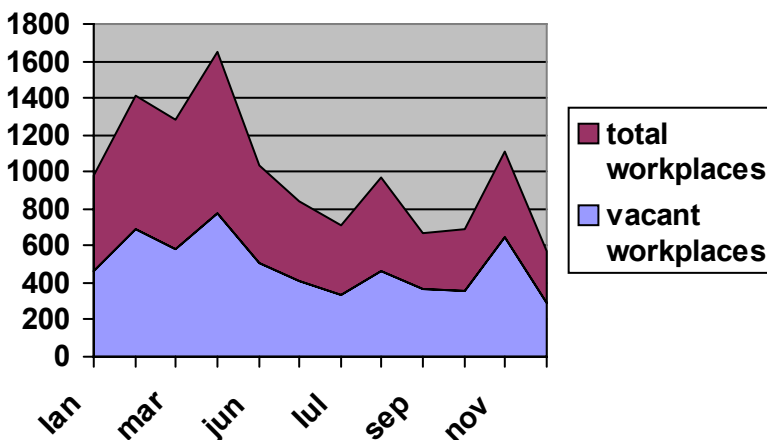


Of the total of employments of 5,915 persons, 2,319 are women, that is 40% and 3,596 are men, that is 60%. In

February and March, most of the employments are represented by men, because of the activity resumption, in constructions especially, while in April employment of women dominates, the highest ratio being represented by employments in the light industry, clothes manufacturers especially, followed by the food industry, especially bakers, pastry manufacturers, confectioners, followed in its turn by commerce, while in November and December most of the employed people are represented by men, especially in works of public interest for local communities.

From the point of view of vacant workplaces registered by AJOFM and the occupation rate we have the following distribution:

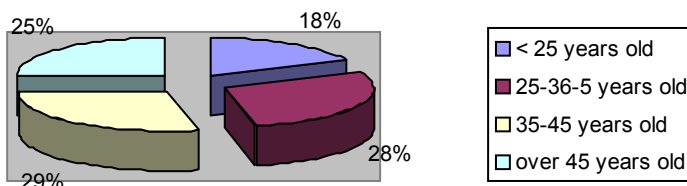
No. crt.	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sep.	Oct.	Nov.	Dec
Total employments	467	687	583	774	503	412	336	460	368	351	649	295
Total vacancies	511	720	699	871	528	430	379	515	302	340	463	276



The distribution of occupied persons from the point of view of age:

No. crt.	General total	Persons under 25 years old	Persons between 25-35 years old	Persons between 35-45 years old	Persons over 45 years old
0	1	2	3	4	5
	5915	1081	1685	1698	1451

THE STRUCTURE OF OCCUPIED PEOPLE ON AGE GROUPS



It comes out that there is a relatively uniform distribution of employed persons; there are no discrepancies from this point of view.

In Mehedinti county, 11 folders have been authorized by now by the Authorizing Commission, in the following job categories: “introduction operator, validation operator, data processing operator”, “commerce worker”, “carpenter, parquet layer”, “industrial assembler operator”, “bodyguard”, “seller of food products”, “seller of non-food products”, “hairdresser”, “baby-sitter”, some of them being realized by the direct implication of the Regional Centre of Adult Professional Formation –Dolj.

The number of small and medium enterprises and their distribution:

The distribution of the number of economic agents depending on the organization form and property on the 31st of December, 2004,-the source being the Commerce Register-, is conveyed in the table below:

1	Companies/multinational societies	3
2	Autonomous Administrations of national interest	12
3	Commercial Societies with state capital	23
4	Commercial Societies with mixed capital	7105
5	Corporative organizations	70
6	Family associations	1594
7	Independent Physical Persons	2086
8	Branches without juridical personality	158
Total		10,981

The number of small and medium enterprises is of 7,670, all of them with private capital. We have to mention the fact (from the same source) that from the total of 7,670 registered small and medium enterprises, most of them have commerce as their main objective.

GORJ

The structural disequilibriums as well as the disequilibriums regarding the ratio of workforce offer-demand, provoked by the process of reorganization in the Romanian economy, have lead in Gorj county to a new dimension of the workforce adoption to the market requests.

Thus, the occupied civil population, at the end of 2003, decreased with approximately 70,000 persons as compared to the year 1990, many of these persons becoming unemployed people at the end.

Beginning with 1997, the labour market in Gorj county, has maintained itself in a tensed mood, as a result of the application of restructuring program. At the administrations and the commercial societies with state capital from the economic sector of the county – mining, oil extraction, energy and unities carrying out services- over 44,500 people were collectively dismissed between 1997-2004.

The unemployment phenomenon, typical to the market economy, and difficult to control during the transition period and the period of economic restructuring, has been especially felt in this period, so that the unemployment rate increased from 2.3% at the end of 1996 to 9.8% at the end of 1997, and to 14% at the end of 1999, and then began to decrease, reaching 7.8% at the end of 2004, as a result of the application of the work force occupation programs, as well as a result of the expiration of the period of paid unemployment; the unemployed people did not go to the Agencies for the workforce occupation/investment in order to be put on the list.

The evolution of unemployment in Gorj county in the period 1991-2004 presents itself such as follows:

Year	31 st of Dec. 1991	31 st of Dec. 1992	31 st of Dec. 1993	31 st of Dec. 1994	31 st of Dec. 1995	31 st of Dec. 1996	31 st of Dec. 1997	31 st of Dec. 1998	31 st of Dec. 1999	31 st of Dec. 2000	31 st of Dec. 2001	31 st of Dec. 2002	31 st of Dec. 2003
No. of unemployed people	2253	5767	8673	6497	8031	4708	18714	24798	25307	22859	17967	17533	15365
Women	2099	4060	7080	4591	5816	2974	9142	11888	12434	11474	8707	8591	7915
Unemployment rate	1.2	2.7	4.1	3.1	3.8	2.3	9.8	13.2	14	12.9	10.1	10.1	8.5

Presentation of the number of unemployed people and of the structure of unemployment in Gorj county on the 31st of December, 2004

Total of the unemployed, of which:	12,419
Women	5,251
Men	7,168

The distribution of the unemployed people is the following:

Code	Job	Number
4131	warehouse men	147
5220	Sellers in shops and market places	169
7111	Miners and quarry workers	111
7231	Mechanics, car assemblers and specialists in car services	103
7245	Electricians assembling and repairing air and underground electrical networks	184
8322	Car drivers	113
8324	High-tonnage car drivers	134
9211	Unqualified agricultural workers	448
9311	Unqualified mining and quarry workers	381
9312	Unqualified workers in road, highroad, bridge and dam maintenance	163
9320	Unqualified workers in the processing industry	224

From the table above we can notice a concentration of the beneficiaries of paid unemployment on the following categories: unqualified agricultural and mining workers.

The late industrial restructuring has been one of the major causes of the increase of unemployment in Mehedinti, even though the impact has been partially balanced by the massive employment in agriculture. That is why in counties with large agricultural surfaces the livelihood level has decreased. The lack of development perspectives and the insufficient number of newly created workplaces affects the entire county. The distribution of the unemployed people depending on the economic branches from which they have been dismissed:

Industry	1495
Constructions	538
Commerce, repairing and maintenance of auto vehicles and personal and household goods	48
Transport and depositing	182
Real estate transactions, rentals and services carried out for enterprises	25
Education	27
Other activities	1888

The distribution of the unemployed on age groups presented below:

	TOTAL	Under 25 y.o.	25-29	30-39	40-49	50-55	Over 55
0	1	2	3	4	5	6	7
TOTAL	12419	4284	1285	3042	2490	924	394
%	100	35	10	25	20	7	3
- of which women	5251	1862	484	1394	1066	346	99
- of which indemnity	5604	1476	647	1487	1411	491	92
- of which unpaid	6815	2808	638	1555	1079	433	3

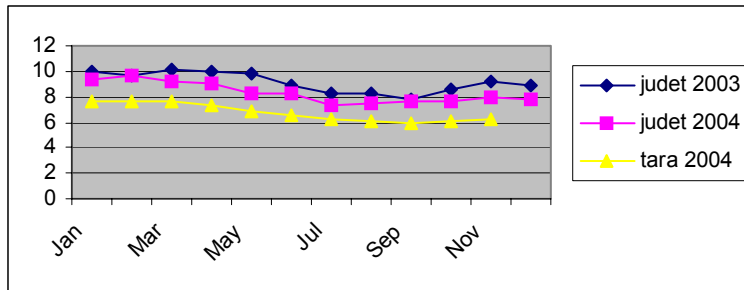
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The distribution of the unemployed people depending on their studies

	Superior studies	Of which women	Medium studies	Of which women	Workers	Of which women
Paid unemployed 50%	203	132	344	205	854	323
Paid unemployed 75%	131	51	1047	576	3025	1047
Unpaid unemployed	328	194	722	419	5765	2304
TOTAL	662	377	2113	1200	9644	3676

The evolution of the number of unemployed people and of the unemployment rate in the years 2003, 2004 and the comparison with the average unemployment country rate in the year 2004:

2003/2004	Jan.	Febr.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
No of unemployed people	17385	16799	17530	17386	17017	15408	14333	14105	13498	14730	14999	14550
Of which women	7822	8231	8589	8501	7566	7395	7023	6752	6461	6450	6642	6415
Ur % -2003	10.0	9.7	10.1	10.0	9.8	8.9	8.3	8.2	7.8	8.5	9.2	8.9
No of unemployed people 2004	15173	15865	14965	14730	13508	13405	11937	12180	12480	12516	12635	12419
of which women	6254	6517	6180	6020	5343	5251	4804	4914	5076	5250	5369	5251
Ur % 2004	9.3	9.7	9.2	9.0	8.3	8.2	7.3	7.5	7.7	7.7	7.9	7.8
Ur country 2004	7.6	7.7	7.7	7.3	6.8	6.5	6.2	6.1	6.0	6.1	6.2	



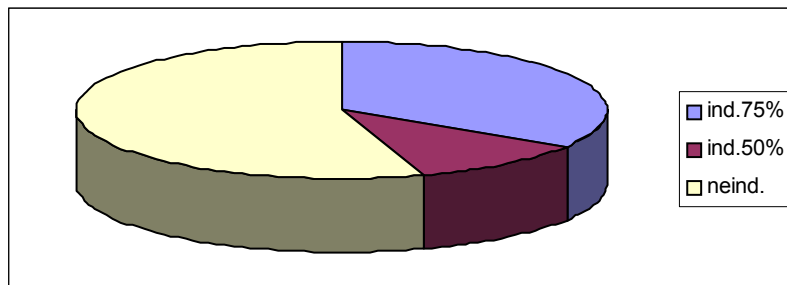
THE STRUCTURE OF THE UNEMPLOYED PEOPLE IN GORJ COUNTY

Specification	The 31st of December, 2003	The 31st of December, 2004	Year 2004-year 2003 (+/-)
Total of unemployed people	14550	12419	-2131
Unemployed people beneficiating of unemployment indemnity	4839	4203	-636
Unemployed people	1801	1401	-400

beneficiating of parental support indemnity			
Unpaid unemployed people	7910	6815	-1095
Paid registered unemployed people - total	6640	5604	-1036
Unemployment rate	8.9	7.8	-1.1

Compared to the year 2003, in the year 2004 there has been a reduction of the number of unemployed people as a result of the applications of active measures of unemployment alleviation.

The distribution of the unemployed people on the 31st of December, 2004



Gorj county reached in the past year an average unemployment rate beyond the country average.

This is due to the process of restructuring which took place in the past few years, especially in the mining domain, which owns an important ratio in the county economy.

The high unemployment rate in the region reflects the existence of a long term unemployment, especially amongst young people, as well as for disfavoured groups, such as the Roms, even if specific data concerning the unemployment amongst the Roma population are unavailable. In 2004, feminine unemployment represented 40%, and young people's unemployment is over 40%.

The long term unemployment tends to represent a serious problem not only for women but for men also. On personnel categories, the majority of the unemployed is represented by workers; in 2004, the unemployment among workers registered 9,644 persons (70%), due to the industrial decline, sector in which massive vacancies as a result of the restructuring program, while the unemployment among persons with higher education represented 662 persons (5.3%). The percentage of unemployed people who don't beneficiate of unemployment indemnity was of 55% at the end of 2004. We have no available data which may conclude the discrimination of disfavoured groups on the labour market, for example the Roma population or the persons with special needs.

As far as the number of the unemployed from the rural area is concerned, this is of 7,297 persons, that is 58% of the total number of unemployed people.

The temporary unemployment is specific to Gorj county, especially the unemployment into construction unions which dismiss every year, during winter approximately 1,500 persons.

A special category in our county is represented by unemployed people from the mining industry.

The lack of development perspectives and the insufficient number of newly created workplaces affects the entire region, but it appears as a serious problem especially in Gorj county, where the unemployment rate reaches a high level. There are a very few clues as to the women being disadvantaged on the labour market, even if these could be especially affected by unemployment on a long term.

The rural county population represents 51,2 % of the total stable population between 18-62 years old. We estimate that the tendency of increase in the rural population will continue, due to the high rate of old population in the rural area (caused by the migration of young people towards the urban areas), resulting in a high mortality rate as compared to the urban area and in a low livelihood level.

Because the law forces the employers to hire people who have the adequate qualification for the job they occupy, beginning with 2003, the employers have tried to hire on the vacant workplaces qualified personnel precisely on the job they will carry out. Though in many cases, the high-school and the professional school graduates are hired for a job but, carry out different jobs, usually below their qualification and even unqualified jobs.

An economy based on knowledge is one in which generating and exploiting knowledge has begun to play an important role in the creation of welfare. Not only the removal of knowledge boundaries and limits comes into question, but also the effective use and exploitation of all types of knowledge in all economic activities.

Along with the technological development the strengthening of workforce abilities is also necessary. The investment in abilities must be supported by the development of a culture at the work place, which should allow the exploitation of

knowledge, creativity and workforce engagement. The professional formation needs cannot be strictly connected to the labour market. The demand of work, respectively the demand of professional formation has as a starting point the need of service-work on behalf of its users. The work offer and demand are categories and measures dependent, on the one hand, on the social-economic development, on the scope of economic and social activities and, on the other hand, on the social-demographic phenomena and processes.

The unemployment among young people (the population with age groups between 16-25 years old) represents a major source of unemployment supply (over 35%). This rate has been maintained relatively constant in the past few years. The young population under 25 years old represents the most numerous group of affected population. Another age group highly affected by unemployment is the age group 40-49 years old, which constitutes the main population category aimed at by industrial restructuring.

Among the main causes of young people's unemployment the most important is maybe the non-connection between the educational system and the that of qualifications produced by education, with the labour market requests.

The long term unemployment remains relatively high in spite of the decrease of the general level of unemployment (most of it not being anymore registered on our lists).

In 2004, almost 13% of the unemployed were on long term unemployment. Over half of this percentage was represented by unemployed people who had worked for more than 2 years. There have been implemented many programs which had as a main objective the integration of unemployed people from the collective dismissals in the mining industry.

OLT COUNTY

POPULATION: Total number of inhabitants in the county-
490,067

Total number of inhabitants in the rural area-290,759
 Total number of inhabitants in the urban area-199,308

On age groups, the structure of population in Olt county compared to the country average presents itself such as follows:

Age groups	Olt county			Romania		
	total	urban	rural	total	urban	rural
0-14 years old	18,1	18,5	18,1	18	16,7	19,7
15-29 years old	23,0	26,3	20,7	24,1	25,3	22,6
30-44 years old	20,0	26,1	15,8	21,2	24,4	17,1
45-59 years old	17,8	18,6	17,4	17,9	19,3	16,2
60 years old and over 60 years old	21,1	10,5	28,0	18,8	14,3	24,4

Analyzing the data from the table above it comes out that a more intense process of demographic ageing is concentrated in the rural area, where the proportion of old population of 60 years old and over 60 years old reached 28% as compared to 24.4% which is the country average. At the opposite side is situated the city and town population where young and adult

population under 44 years old reaches 70.9% and overpasses with 4.55 the county average.

On the 31st of December, 2004, 14,102 persons were in the records of the Agency, of which:

- 3,526 paid unemployed 75%
- Paid unemployed 50%
- 2 beneficiaries of the provisions of Article 45, OUG 98/1999
- Unpaid unemployed

The unemployment rate

	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
%	11	12.2	12.3	12.08	11.06	10.33	6.9	6.7	6.5	6.5	6.7	7.2

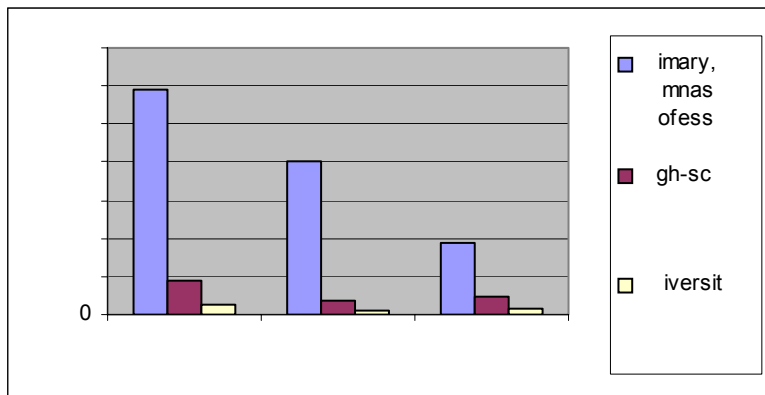
The number of unemployed people, men and women

TOTAL UNEMPLOYED PEOPLE	MEN	WOMEN
14,102	9,114	4,988

The number of unemployed people depending on the qualification structure

QUALIFICATION STRUCTURE	TOTAL UNEMPLOYED	MEN	WOMEN
- with a primary, gymnasium, professional instruction level	11785	8074	3711
- with a high-school and post-secondary instruction level	1745	779	966
- with a university instruction level	572	261	311

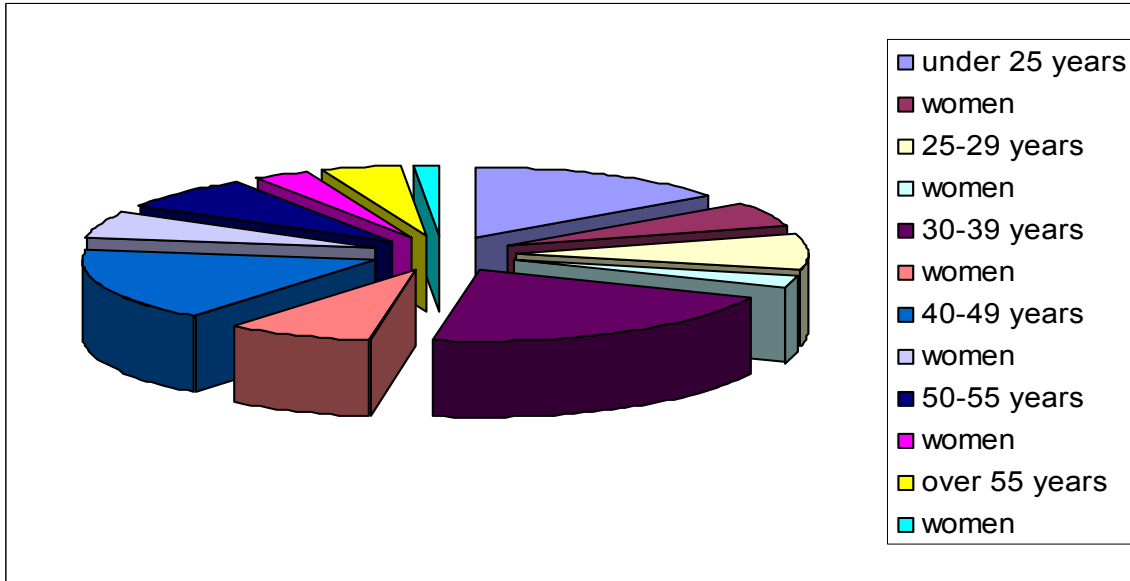
THE STRUCTURE OF THE UNEMPLOYED FROM THE POINT OF VIEW OF THE INSTRUCTION LEVEL



The number of unemployed people on age groups

Total of unemployed people	Under 25 y.o.	women	25-29 y.o.	women	30-39 y.o.	women	40-49 y.o.	women	50-55 y.o.	women	Over 55 y.o.	w.
14102	2827	1057	1580	452	4129	1489	3197	1191	1482	556	887	243

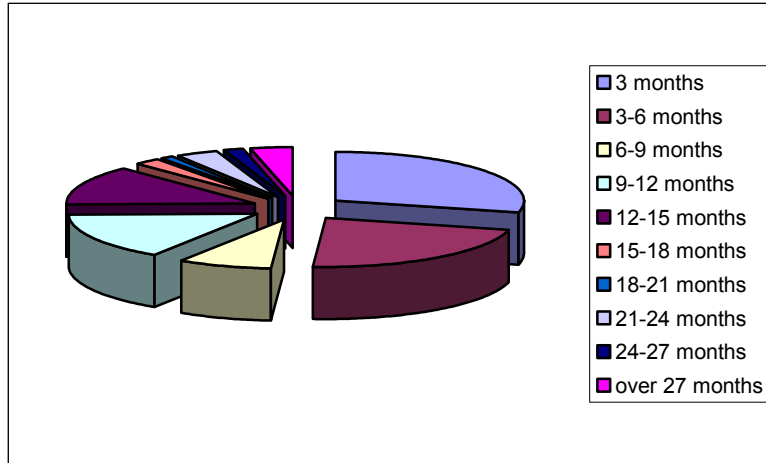
The structure of unemployment depending on the main age groups



The structure of unemployment depending on the unemployment duration

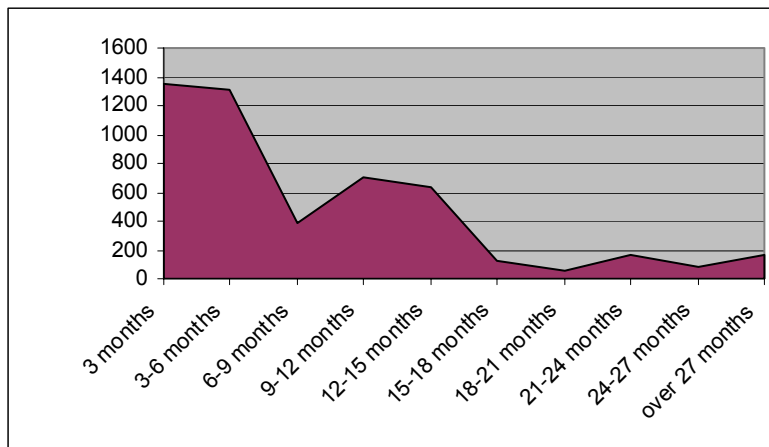
Total of unemployed people	1d-3m	3-6 months	6-9 months	9-12 months	12-15 months	15-18 months	18-21 months	21-24 months	24-27 months	Over 27 months
14102	4083	3133	1129	2185	1839	324	154	504	245	506

The structure of the unemployed depending on the unemployment duration



Total women unemployed	1day-3 months	3-6 months	6-9 months	9-12 months	12-15 months	15-18 months	18-21 months	21-24 months	24-27 months	>27 months
4988	1357	1309	387	702	638	123	61	161	88	162

The structure of unemployed women depending on the unemployment duration



It comes out that there is a high percentage of unemployed people, 83.575, among people with a low instruction level, that is primary, gymnasium and professional instruction level. The workforce market being in continuous change, in order to occupy a workplace one needs:

- a high instruction level and a great availability for the qualification/requalification in the new jobs which have appeared as a result of the labour market evolution;
- large access to formation and education services;
- adult education and continuous formation;
- extending of the formation activity to an assemblage of educational institutions (the school and the university, but also mass-media, the family, the communities, the institutions, the commercial societies, NGOs and so on);
- the formation depending on abilities and on structural economic changes.

The persons over 40 years old represent 39.46% of the unemployed people; these persons are difficult to reintegrate on the labour market. A possible explanation for this fact might be that most of these persons have jobs which are no longer sought on the workforce market and they are also reserved as to the requalification in a new job, which is more sought on the labour market. Young people under 25 years old also represent a rather high percentage among the unemployed people, that is 20% of the total. This is due to the discrepancy between the school preparation and the requests of the workforce market, these young people need requalifications, specializations or special trainings in order to be work integrated.

Even if women represent a lower percentage 26.3% as compared to men 73.7%, they have lower chances of work reintegration because most of the workplaces for women are in the textile industry, while in the other activity sectors the workplaces are limited. Another problem concerning the

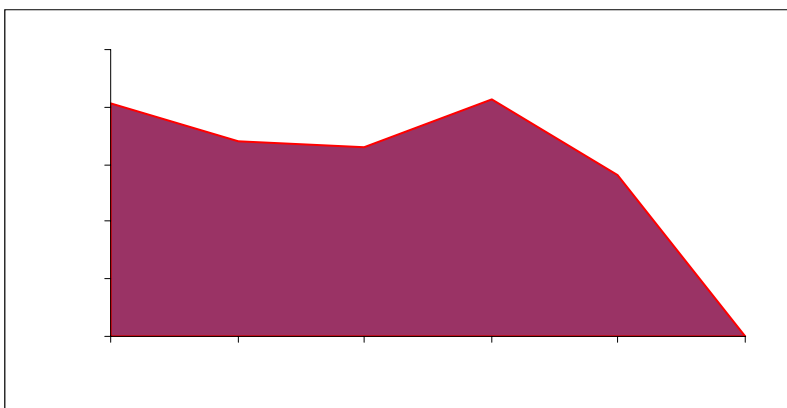
women reintegration on the workforce market is represented by the rather inflexible timetable, which does not allow women who have children to take care of their children. That is why most women manage to reintegrate themselves on the labour market only after the age of 30 when children have grown up and they no longer need special care.

Of the total of unemployed people only 5,039 benefit of unemployment indemnities, the other 9,063 persons do not benefit of unemployment indemnities. The unemployment indemnity is a fixed amount of money, which represents 75% of the brut minimum salary for persons who come from work, respectively 50% of the brut minimum salary for young people who haven't worked. There are no gender differences as far as indemnities are concerned. Persons who benefit of the unemployment indemnity are harder to be persuaded to reintegrate into work, because of the small difference between the brut minimum salary which is obtained along with the employment and the unemployment indemnity. These persons are attracted to job with high wages, at renowned enterprises, and they are reserved as far as going to enterprises from the private sector is concerned. That is why the number of persons who do not reintegrate into work in the period in which they receive the unemployment indemnity increases the number of long term unemployed. The longer the unemployment period is, the more difficult the persons reintegrate into work.

The unemployment rate at a county level is of 7.2%, which can be compared to the national unemployment level. From this point of view, Olt county did not resort to massive personnel vacancies during 2004; even the agricultural and construction units supplied fewer unemployed people on the workforce market. This results from making the difference between the number of unemployed people in 2004 as compared to the number of unemployed people in 2003:

Year	Total number of unemployed people
2000	20298
2001	17075
2002	16450
2003	20677
2004	14102

The evolution of the number of unemployed people in the period 2000-2004



From this data we can conclude that there are target groups with a special action need: women, persons over 40 years old, young people under 25 years old.

These groups need:

- occupation facilitation and access of all people to resources, rights, goods and services;
- prevention of the risk of exclusion;
- help the most vulnerable;
- mobilization of all relevant institutions.

The work force structure

The structure of the occupied population on national economic branches at the level of Olt county reads such as follows:

Activity branches	No. of persons	No. of women	% Olt county	% SW Region	% Romania
TOTAL	190300	92.593	100,0	100,0	100,0
Agriculture	110.000	57.200	57,9	49,1	41,8
Forestry and hunting economy	300	0	0,1	0,5	0,5
Industry	33.000	13.800	17,3	20,1	24,4
- extractive industry	2.000	200			
- processing industry	28.600	13.000			
- electrical and thermal power energy	2.400	600			
Constructions	6.800	750	3,6	4,2	4,0
Commerce	10.000	5700	5,3	8,2	9,0
Hotels and restaurants	1.100	650	0,6	1,3	1,1
Transport and depositing	4.300	817	2,2	3,1	3,6
Mail and telecommunications	1.500	285	0,8	0,9	1,1
Financial, banking and insurance activities	1.000	600	0,5	0,6	0,8
Real estate transactions and other services	3.000	1565	1,6	2,1	2,8
P.A.	3.400	1496	1,8	1,6	1,6
Education	8.100	4476	4,3	4,4	5,0
Health and social assistance	5.200	4108	2,7	2,6	3,2
Other activities	2.500	1146	1,3	1,3	1,6

It comes out that in Olt county there is a high proportion of occupied population in agriculture and inferior in the service sector.

The percentage of occupied men is of 51.4% as compared to women ratio which is of 48.65; there are no major differences between the two gender groups. Women occupy a higher percentage in certain activity domains such as: agriculture, the processing industry (especially the textile industry), commerce, education, health and social assistance.

Priorities:

- significant absorption of the poverty of active persons by the occupation increase and the improvement of primary incomes, which derive from economic activities, by:
 - creating new workplaces by economic re-launch as well as by investments in infrastructure;
 - the support for economic activities on one's own account, which can generate welfare;
 - the re-launch of agricultural activities and non-agricultural activities from the rural environment;

the reduction of the social impact resulted from the economic restructuring, with a special focus on the development of occupational opportunities;

Occupation: increase the proportion in financing active workforce occupation programs and improve their efficiency.

VALCEA COUNTY

On the 31st of December, 2004, Valcea county registers a number of 13,290 persons of which 5,823 women, 4,777 paid unemployed, 8,653 unpaid unemployed people, 9,821 of them came from the private sector.

Depending on qualification structures and on branches, the workforce offer reads such as follows:

-Constructions:

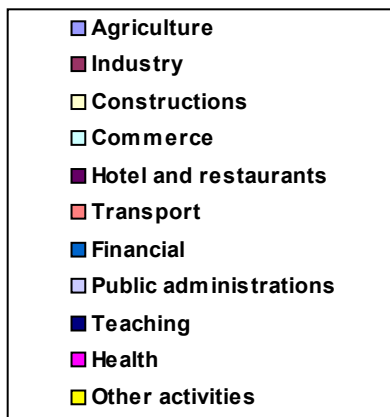
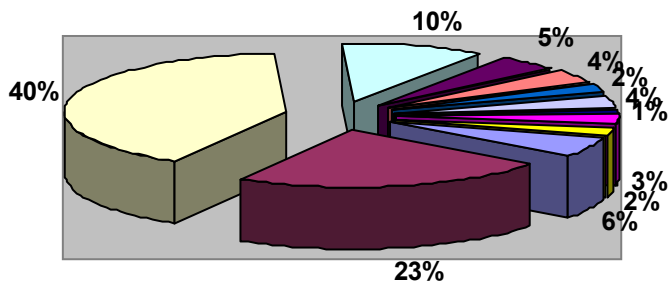
- Unqualified 930
- masons 150
- ironsmiths and concreters 40
- carpenters 80
- faience and mosaic workers 30
- plumber 20
- house painters 15
- welders 50
- joiners 200
- drivers 250

-Industry:

- mechanic locksmiths 200
- turners 23
- electricians 50
- tailors 65
- leather workers 50

-Services:

- Commercial agents 40
- Sellers 300
- Accountants 40
- Social assistants 80
- Administrators 50
- Cashiers 17
- Cooks 14
- Bar-tenders 24
- Waiters 27
- Car mechanics 77
- Agricultural mechanics 50
- Guards 60



Agriculture	Industry	Constructions	Commerce	Hotels	Transport
5.5	23.1	40.9	10.3	4.6	3.8

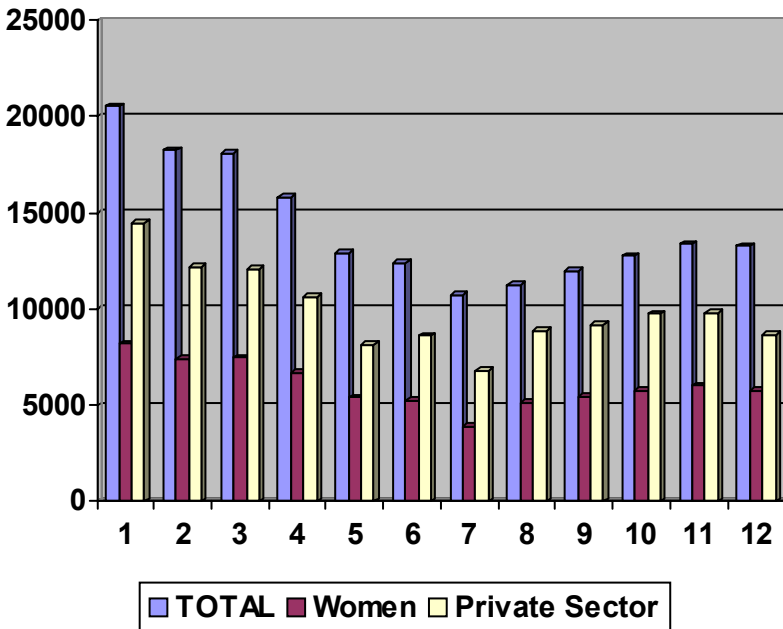
Financial	P.A.	Teaching	Health	Other activities
2.1	3.6	1.2	2.8	2.1

The workforce structure in Valcea county is the following:

-Number of registered unemployed people at the end of each month of the year 2004

	1	2	3	4	5	6
Total	20546	18232	18121	15847	12907	12371
Payment	7197	7430	6539	5585	4767	4217
No-payment	13349	10802	11582	10262	8140	8154

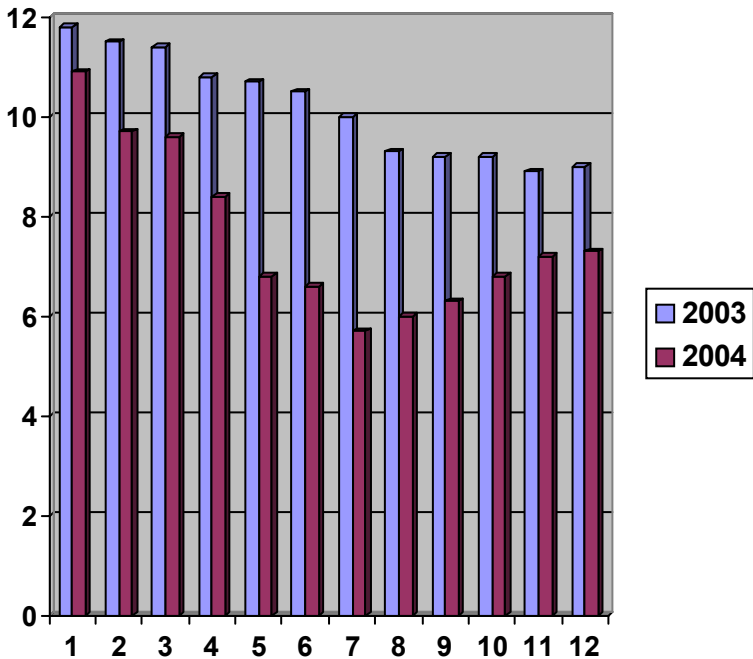
	7	8	9	10	11	12
Total	10714	11290	11979	12763	13380	13290
Payment	3886	3660	3980	4101	4306	4777
No-payment	6828	7630	7999	8662	9074	8513



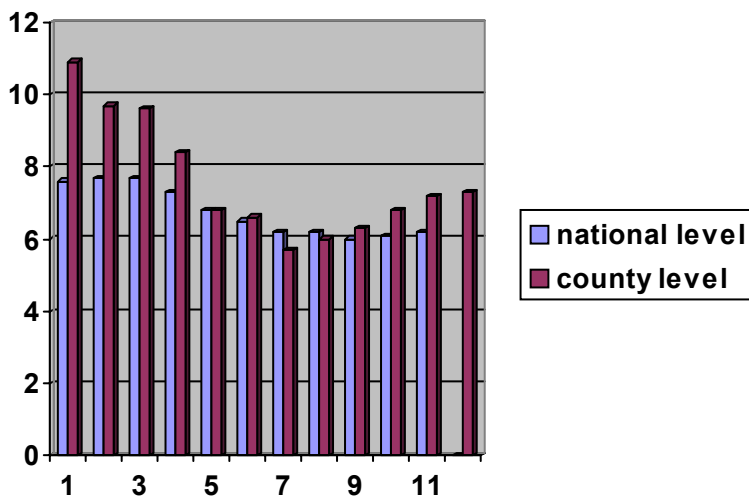
The evolution of the unemployment rate in Valcea county

Month/year	1	2	3	4	5	6
2003	11.8	11.5	11.4	10.8	10.7	10.5
2004	10.9	9.7	9.6	8.4	6.8	6.6

Month/year	7	8	9	10	11	12
2003	10	9.3	9.2	9.2	8.9	9
2004	5.7	6	6.3	6.8	7.2	7.3



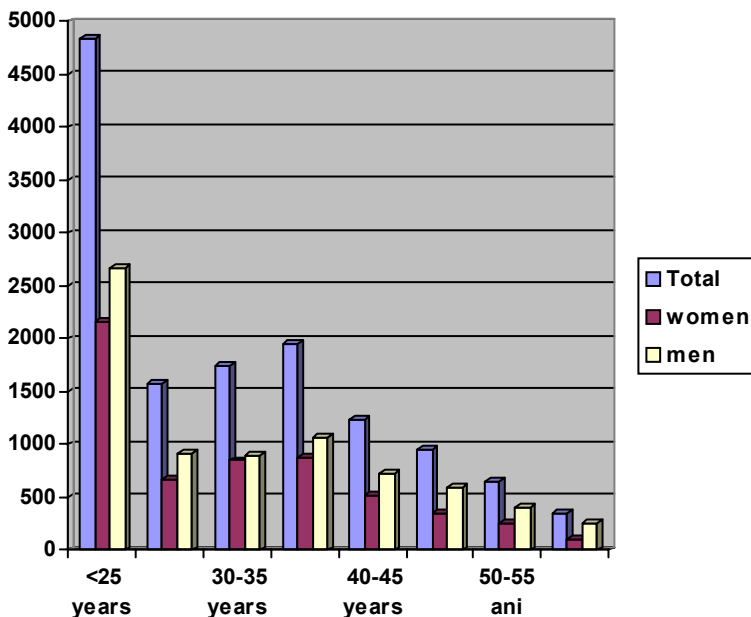
The evolution of the unemployment rate in 2004 as compared to the situation at the national level



Month/ unemployment rate	1	2	3	4	5	6
National level	7.6	7.7	7.7	7.3	6.8	6.5
County level	10.9	9.7	9.6	8.4	6.8	6.6

Month/ unemployment rate	7	8	9	10	11	12
National level	6.2	6.2	6	6.1	6.2	0
County level	5.7	6	6.3	6.8	7.2	7.3

The structure of the unemployed by age groups on the 31st of December, 2004



As far as the professional formation in 2004 is concerned, in Valcea county there were 71 courses with 1,322 attendants.

The most important domains were:

-Constructions:

-stone masons

-carpenter jointer parquet layers

-Public food industry

-merchant seller

-cook

-pastry confectioner

-pastry baker

-Informatics

- introduction operator, validation operator, data processing operator

- Industry:

- Car industry

- car mechanics

- car electricians

- Textile industry

- tailor

- Services

- bodyguard

- masseur

- beautician

- stoker

- hairstylist, manicurist, pedicurist

- receptionist

- Agriculture

- wine grower

- horticulturist

The number of persons who attended courses is taken into account especially those whose have attended professional formation courses in the rural environment where the population qualification level is lower than in the urban areas.

Over the past few years Valcea county has confronted itself with a series of collective dismissals/disponibilizations which have affected not only the unemployment rate but also the workforce market in the region.

There have been disponibilizations in the defense industry domain (The Mechanic Plants Dragasani and Babeni) in which the dismissed persons were mature and with a low qualification level. This fact has rendered more difficult the process of workforce integration and professional reconversion.

The disponibilizations in the region Berbesti-Horezu, in the mining industry, have led to a decrease of the livelihood level in those specific areas by the reduction of the buying power and due to the lack of alternatives in the creation of viable workplaces.

The Brezoi region, the mono-industrial area has also been affected by the restructuring of the timber processing sector.

In Valcea county on the 31st of December 2004 there were 4,777 paid unemployed people. The structure of the paid unemployed people resembles the structure of the unemployed in general.

Valcea county also confronts itself with a high unemployment rate among young people, especially graduates who after finishing university or high-school studies do not find a workplace because of the discrepancies on the labour market and because of the non-connection of the labour market requests with the education system.

The unemployment indemnity level has increased along with the increase of the minimum salary on the 31st of December, 2003 from 1,875,000 lei to 2,100,000 lei, and from the 31st of December 2004 from 2,100,000 lei to 2,325,000 lei for persons from the work environment and from 1,400,000 lei to 1,550,000 lei for unemployed people among the graduates and household people.

From the analysis of the workforce structure we can notice that during winter the workforce offer comes from the construction sector, the workforce being almost completely absorbed in spring. We can as well conclude that most of the workforce offer comes from the service domain where many jobs have a seasonal character or are temporary depending on contracts and commands.

The unemployment rate is higher with 4-5 percents during winter than in summer.

As far as the gender representations are concerned, we can say that in Valcea county the number of unemployed women

is lower than the number of unemployed men, the proportion being of 43.4% women to 56.6% men.

Women come especially from the light industry sectors and from the service sector, and men come from the heavy industry sectors, constructions and services.

In an analysis of the unemployment duration on gender categories we can notice that men find jobs much easier in the first three months from the beginning of the unemployment period and that men as well as women find jobs much more difficult as they grow older (when they are over 45 years old).

There is a special concern over the level of unemployment among young people under 25 years old which reaches an alarming ratio of 36.5% in Valcea county.

By comparison with the national unemployment rate it comes out that the unemployment level in Valcea county is higher than that at a national level during summer reaching comparable quotas and differentiating itself more and more during winter.

The economic structure and situation of Valcea county

In the table below, we present the structure and the evolution of the average number of employees national economic activities:

County years	Total economy	Agriculture, Hunting, forestry	Industry	Of which		
				Extractive industry	Process industry	Electrical and thermal power
Valcea						
1991	129684	9020	60256	8156	48865	3235
1995	111998	5331	48376	6934	36515	4927
2000	82959	2472	30901	3459	22876	4566
2001	78831	1573	30974	3522	22861	4591
2002	77750	1281	30109	3360	22352	4397

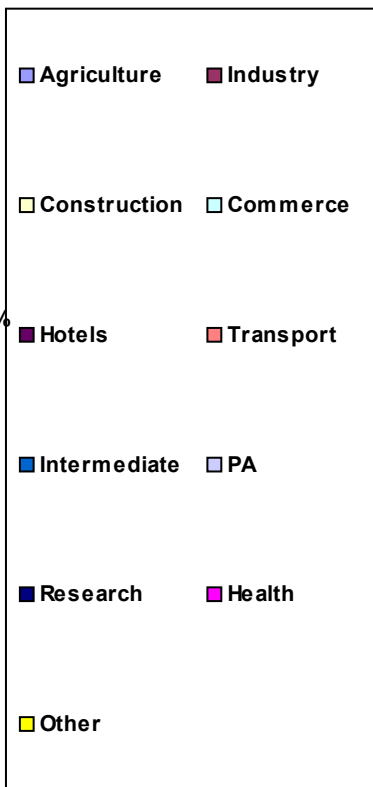
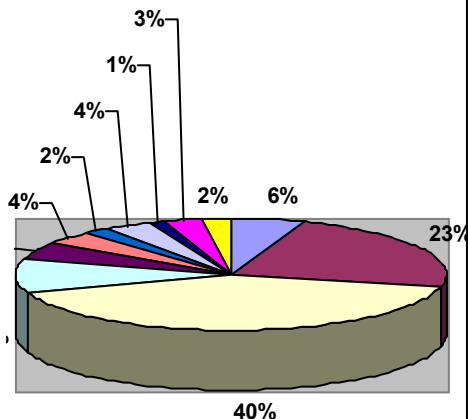
County years	Constructions	Commerce	Hotels	Transport	Financial	Other
Valcea						
1991	11680	7528	5029	11800	798	2990
1995	11825	10625	4571	8717	1097	1702
2000	10559	9573	3023	5893	970	2119
2001	7158	9998	2904	5253	1064	1906
2002	6929	10618	2297	5332	820	2793

County years	Public administration and defense	Education	Health and social assistance	Other economic activities
Valcea				
1991	2219	7554	6295	4515
1995	2643	7505	7425	2181
2000	3160	6892	6030	1367
2001	3137	6866	6476	1622
2002	3185	6780	6204	1402

The structure of occupied civil population, national economic activities, and its evolution in Valcea county:

County years	Total	Agriculture	Industry	Of which		
				Extractive industry	Processing industry	Electrical, thermal, power energy
Valcea						
1991	209.9	84.4	58.3	8.4	45.7	4.2
1995	193.3	73.2	49.8	6.8	38.1	4.9
2000	179.1	85.9	32.3	3.4	24.3	4.6
2001	172.4	83.4	33.0	3.5	24.9	4.6
2002	166.7	70.7	35.0	3.2	27.8	4.0

County/ years	Constr.	Commerce	Hotels	Transport	Financial	Real estate transactions and other services
Valcea						
1991	11.4	10.4	4.5	11.4	1.3	5.5
1995	12.5	15.7	4.9	10.2	1.1	5.1
2000	11.4	15.1	3.2	7.4	1.0	3.9
2001	7.4	14.7	2.9	6.2	1.1	3.9
2002	8.1	18.7	2.3	6.6	0.8	5.0



County/ years	Public administration and defense	Education	Health and social assistance	Other economic activities
Valcea				
1991	2.6	7.1	5.4	4.6
1995	2.7	7.6	7.7	2.8
2000	3.2	7.0	6.7	2.0
2001	3.1	6.9	7.2	2.6
2002	3.2	6.9	6.7	2.7

The monthly net medium income, on national economic activities in Valcea county and its evolution:

County years	Total economy	Agriculture, Hunting, forestry	Industry	Of which		
				Extractive industry	Processing industry	Electrical and thermal power energy, gas and water
Valcea						
2000	2002497	1860698	2365739	3740258	1882136	3742060
2001	2918037	2804637	3357172	5199919	2707540	5172282
2002	3563134	3195745	4123889	6532782	3304449	6441860

County years	Constr.	Commerce	Hotels	Transport	Financial	Real estate transactions and other services
Valcea						
2000	1604634	1120692	1151971	2327148	4272898	1672376
2001	2420351	1514724	1961759	3421861	5290946	2198058
2002	3015820	2030192	2368606	4447338	7968452	2775283

County years	Public administration and defense	Education	Health and social assistance	Other economic activities
Valcea				
2000	2849718	1931560	1931876	1428179
2001	4078048	3232812	2717481	1946158
2002	4785667	3655269	3116939	2485205

The business figure, on national economic activities, in 2002 for Valcea county:

County Activities	Business figure (billion lei)
TOTAL	42312
Extractive industry	1749
Processing industry	14800
Electrical and thermal power	6678

energy, gas and water	
Constructions	2781
Commerce by detail, car, personal and household goods repairing and maintenance	11724
Hotels and restaurants	707
Transport, depositing and communications	2814
Real estate transactions, rentals and service activities carried out for enterprises	778
Education	3
Health and social assistance	12
Other activities of personal, collective, social services	266

On national economic branches, the industrial production from the point of view of the proportion of industrial sectors:

No.	Branch name	Proportion/ratio
	Total county	100
1.	Coal extraction and processing	6.2
2.	Other extractive activities	1.3
3.	Beverages food industry	9.8
4.	Textile industry	0.9
5.	Textile and leather industry	0.4
6.	Leather and shoe industry	2.4
7.	Timber processing industry	5.1
8.	Cellulose, paper and cardboard industry	0.4
9.	Chemical industry	53.7
10.	plastic processing industry	0.2
11.	Fabrication of construction	0.06

	material and of other non-metallic products	
12.	Metallic products and constructions	5.3
13.	Car industry and car equipment industry	1.2
14.	Industry of the means of public transport	0.9
15.	Furniture industry	0.2
16.	Recycling industry	0.4
17.	The production, transport and distribution of electrical and thermal energy, gas and water	10.1
18.	Catching, treatment and water distribution	0.4

The economic objectives and priorities for Valcea county are comprised in the list of those presented in the program of regional development for region IV South-West Oltenia, that is:

Agriculture:

- investments in agricultural companies
- helping young farmers to develop a business
- investment in professional formation
- improvement in the processing and commercialization of agricultural products
- providing assistance and agricultural management services
- improvement of the commercialization of high-quality agricultural products

Forestry:

- improvement in the cultivation, processing and commercialization of forestry products

- promotion of new sale markets for the use and commercialization of forestry products
- setting up Forest Owners' Associations
- restoration of the productive forestry potential
- improvement/maintenance of the forest ecological stability

Tourism

- physical investment (information centers, housing, meal, other facilities)
- investment in the improvement and development of tourism services (creation of pleasure, sport and cultural tourism bases)
- services in common for the tourism industry
- (promotional activities, networks, conferences and commercial fairs)
- professional formation of the tourism personnel
- development of agro-tourism

Constructions:

- improvement of the infrastructure in telecommunications, agriculture, tourism, energy and transport

Industry

- the development for the sector of small and medium enterprises
- investments in physical capital (plants and equipment)
- business consulting services
- business incubators
- professional formation
- financing research activities in universities in research institutes
- improvement of the transfer of innovation and technology, setting up networks and

partnerships between enterprises and research institutes.

Taking into account the economic instability and the absence of coherent strategies of economic development, on a national and local level, the identification of the present and future workforce needs is a difficult to realize process, but not impossible, if the we have in mind the alignment to the European Union standards.