

# EMPLOYMENT PATTERNS AND WORKFORCE STRUCTURE IN ROMANIA. EVIDENCE FROM EUROPEAN LABOUR MARKET DATA

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**Abstract:** *Understanding the framework and trends of national labour markets is essential for designing effective employment policies and supporting sustainable economic development. This study examines the labour market in Romania using secondary data provided by the European Employment Services (EURES). The research focuses on key labour market indicators, including labour force participation, sectoral employment distribution and wage developments. The analysis highlights several important structural characteristics of the Romanian labour market. Available data indicate that Romania's employment rate remains below the average of the European Union, revealing certain structural challenges in labour market participation. Moreover, significant disparities can be observed between genders men and women, as well as among different age groups, particularly in relation to youth employment and the participation of older workers. The sectoral structure of employment shows that manufacturing, wholesale and retail trade, construction and transport represent the main areas of economic activity that absorb the majority of the workforce. Another relevant characteristic of the Romanian labour market is the considerable share of employees working in large enterprises, even though micro-enterprises constitute the largest proportion of companies in the national economy. This apparent imbalance highlights structural particularities in the organization of labour and production. The findings emphasize several ongoing challenges, including workforce mobility, shortages of skilled labour, demographic pressures and regional disparities in employment opportunities. Overall, this study enhances understanding of the structural characteristics of Romania's labour market and provides insights that could inform the design of more effective labour and employment policies.*

**Key words:** *Labour market structure, workforce, employment patterns, sectoral employment, labour market dynamics, EURES, Romania.*

**JEL classification:** J21, J24, J60, J62, O15

## 1. INTRODUCTION

The labour market is a central pillar of economic development, reflecting both the productive capacity of a country and the well-being of its population. As noted by Vogel (2003), the labour market is one of the most complex markets within the economy, as it constitutes the economic space in which labour is traded and represents the primary arena where individual living conditions are shaped. Within the European Union, employment patterns and workforce structures have become increasingly important for policy debate because of deepening economic integration, demographic change and accelerating technological transformation. Romania, as an EU Member State, has gone through substantial structural shifts over the past three decades, shaped by the post-1989 transition, large-scale emigration and successive reforms of the labour code, taxation and social protection systems (Dumitrescu, 2024; Ciriță, 2025). The relevance of the Romanian case extends beyond its national borders. Romania is one of the largest sources of intra-EU labour mobility, and its workforce dynamics feed directly into the discussion on regional convergence, social cohesion and the sustainability of EU labour policies (Grecu et al., 2024; OECD, 2025). At the same time, the country is a useful test bed for questions about how emerging EU economies adapt to digitalisation, the green transition and post-pandemic recovery issues that bear directly on the resilience of European labour markets (Peña-Casas et al., 2025; Salvati & Tridico, 2025).

Despite steady GDP growth over the past decade, Romania continues to face persistent labour market challenges. The employment rate remains noticeably below the EU-27 average, and structural imbalances are visible across regions, sectors and demographic groups. Youth unemployment, an ageing working-age population and a wide gender gap in participation further complicate these dynamics and justify a closer empirical investigation.

The aim of this paper is to analyse employment patterns and workforce structure in Romania using data provided by the European Employment Services (EURES). Three specific objectives are pursued: (1) identify key trends in labour force participation, including gender and age disparities; (2) examine the sectoral distribution of employment and of enterprises; and (3) assess wage developments, including the pace of convergence with the EU-27 and the dispersion across economic activities. Comparative evidence from other Central and Eastern European economies (CEE): Bulgaria, Czechia, Hungary and Poland are used to situate Romania within its regional peer group.

The contribution of the paper is twofold. First, it adds to the literature on CEE labour markets by offering an integrated analysis that combines participation, sectoral and wage dimensions using harmonized EURES data, a source that remains underexploited in empirical studies on Romania. Second, the findings are intended to inform policymakers, employers and social partners about the structural features and vulnerabilities of the Romanian workforce, supporting the design of more effective employment, education and regional development policies.

## **2. LITERATURE REVIEW**

### **2.1. THEORETICAL FRAMEWORK**

The study of labour markets has long been central in economic and social research, with particular emphasis on employment structures, labour mobility and workforce participation. The economic literature shows a strong and sustained interest in understanding the role of human capital in economic activity, including several notable contributions (Minică, 2005). Four theoretical strands are especially relevant for the present analysis.

First, classical and neoclassical labour market theory, rooted in the work of Smith (1776) and later formalised by Marshall (1890), treats labour as a factor of production whose allocation and price are set by the interaction of supply and demand in competitive markets. This tradition

provides the baseline framework for interpreting aggregate participation and wage dynamics.

Second, human capital theory, developed by Schultz (1961), Becker (1964) and Mincer (1974), extends the classical view by treating education, training and experience as investments that raise worker productivity and, consequently, earnings. This framework is particularly pertinent for Romania, where skill mismatches and differences in educational attainment shape both participation rates and sectoral allocation.

Third, labour market segmentation theory, introduced by Doeringer and Piore (1971) and further developed by Reich et al., (1973), challenges the neoclassical view that wages and employment outcomes reflect only differences in human capital.

The theory argues that the labour market is divided into a primary segment characterized by higher wages, stable employment and career mobility and a secondary segment marked by low wages, poor working conditions and limited advancement. This perspective is useful for interpreting persistent regional, sectoral and gender disparities in the Romanian labour market.

Fourth, structural transformation theory, associated with Lewis (1954), Kuznets (1966) and, more recently, Herrendorf et al., (2014), describes the reallocation of labour from agriculture to industry and services during economic development. This lens is directly relevant for Romania, whose sectoral employment structure has evolved only partially along the canonical pattern.

### **2.2. EMPIRICAL LITERATURE ON EUROPEAN AND ROMANIAN LABOUR MARKETS**

Studies on European labour markets point to an increasing complexity of employment patterns, driven by globalisation, technological change and demographic shifts (Khonde & Suresh, 2024; Salvati & Tridico, 2025; Peña-Casas et al., 2025). Within this broader context, empirical work on Central and Eastern Europe highlights the persistence of structural asymmetries, particularly in post-transition economies such as Romania.

According to the OECD (2025), Romania has made significant labour market and social progress in recent years, but employment remains low by OECD standards, especially for women, and the rapidly declining and ageing population will have major implications for the labour market and the economy over the next decades.

The evolution of the Romanian labour market has been approached from several angles. Scholars have identified wage stagnation, pronounced

regional inequalities and rural–urban divides as recurring structural features, all amplified by large-scale external migration (Marcu et al., 2015; Grecu et al., 2024; Dumitrescu, 2024; Ciriță, 2025; Simionescu, 2022). The OECD (2025) notes that large-scale emigration higher than in any OECD country has contributed to a contraction of the working-age population, with almost one in five working-age Romanian-born persons residing abroad and has generated labour shortages across a range of sectors. Wages are still about one-third lower than the OECD average, earnings inequality is high and regional disparities are very large, with the ratio of employment to the working-age population varying from 41% to 95% across regions in 2022.

Post-pandemic analyses show that CEE labour markets rebounded unevenly after 2020. Bulgaria, Poland and Czechia recorded rapid employment recovery supported by short-term work schemes and labour hoarding, while Romania experienced a more pronounced decline that it has not yet fully reversed (Zamfir & Mocanu, 2021; Chiriac & Neagu, 2023; European Commission, 2024). Recent work also emphasises the growing role of digitalisation and automation. In Romania, high-skill specialised roles are expected to remain resilient or to grow, while routine occupations including entry-level tech positions, call-centre jobs and administrative tasks are facing stagnation or decline, producing a "barbell" labour market with growth concentrated at both ends of the skill distribution (Popescu & Bădulescu, 2023; Nistor & Toader, 2025).

The twin digital and green transitions are adding a further layer of complexity, with implications for skill demand, occupational mobility and regional cohesion across CEE (Cedefop, 2023; European Commission, 2024; Peña-Casas et al., 2025). Evidence on the distributional effects of these transitions in Romania remains scarce, which motivates the integrated empirical approach adopted in this paper.

### 2.3. KEY DIMENSIONS OF ANALYSIS

Building on this literature, three interrelated dimensions guide the empirical analysis.

*Labour force participation* refers to the share of the working-age population that is either employed or actively seeking employment. It is widely regarded as a more comprehensive indicator of labour market engagement than the unemployment rate because it also captures inactivity and discouragement effects (ILO, 2023; Eurostat, 2024). For Romania, participation is below the EU average, particularly among women, youth and older workers.

*Sectoral employment distribution* describes the allocation of employment across economic activities. While structural transformation theory predicts a gradual shift from agriculture to industry and services, Romania's trajectory has been heterogeneous: agriculture continues to employ a disproportionate share of the workforce, while manufacturing and construction retain a larger weight than in most EU economies (Eurostat, 2024; ILO, 2023).

*Wages* encompass all forms of monetary compensation paid to employees for work performed, including basic pay, allowances, bonuses and other earnings-related components (ILO, 2008). Wage developments reflect productivity, institutional arrangements such as minimum wage policy and collective bargaining, and the broader macroeconomic environment.

In synthesis, the existing literature indicates that Romania's labour market reflects a complex interplay between internal structural constraints demographic decline, skill mismatches, regional disparities and external macroeconomic pressures, including EU integration, migration and technological change. However, empirical work that jointly examines participation, sectoral distribution and wage dynamics using harmonised EURES data remains scarce. The present study addresses this gap and seeks to provide evidence that can support calibrated policy interventions aimed at improving labour market efficiency and fostering social inclusion.

### 3. METHODOLOGY

This study adopts a quantitative research approach based on secondary data analysis, following an exploratory–descriptive design. The choice of a descriptive framework is justified by the nature of the research objective, which is to identify and characterise structural patterns of employment and workforce composition in Romania relative to the EU-27 and CEE peers, rather than to test causal relationships. Descriptive research is particularly suited to mapping the dimensions and evolution of a phenomenon before more advanced inferential analysis is undertaken (Creswell & Creswell, 2018; Saunders et al., 2019).

The primary data source is the EURES database, selected because it provides comprehensive, harmonised and comparable labour market information across EU Member States, including indicators on employment, labour mobility, wages and sectoral composition. EURES data are complemented by Eurostat, OECD (2025) and the Romanian National Institute of Statistics (INS). The use of standardised European datasets follows the EU statistical methodology (Eurostat, 2024) and ensures a high degree of reliability, cross-

country comparability and alignment with internationally accepted definitions (e.g. ILO conventions on labour force statistics).

The data cover the period 2019–2023, with particular emphasis on 2019–2023 for the employment rate series. For the CEE benchmark, data points refer to 2023, the most recent year with full comparability across all five countries considered (Bulgaria, Czechia, Hungary, Poland and Romania). The empirical analysis relies on four complementary descriptive statistical techniques. First, standard descriptive statistics means, shares, and percentage distributions are computed in order to characterise the level and composition of each indicator. Second, a comparative analysis is performed, benchmarking Romanian values against the EU-27 average and a set of selected Central and Eastern European peers, with the aim of identifying convergence gaps and structural asymmetries. Third, trend analysis is applied to examine the evolution of each indicator over the reference period; year-on-year variation and compound annual growth rates (CAGR) are used to detect structural shifts and assess the pace of change. Finally, cross-sectional disaggregation is employed to break down aggregate indicators by age, gender, sector, and enterprise size, thereby revealing within-country heterogeneity that would otherwise be obscured by national averages.

Together, these four techniques allow the study to capture simultaneously the level, the comparative position, the dynamics, and the internal composition of the Romanian labour market, providing a coherent empirical basis for the subsequent discussion. Results are presented through tables and composition measures to facilitate interpretation of structural patterns and temporal dynamics.

#### 4. DISCUSSION AND RESULTS

The empirical analysis reveals several structural features of the Romanian labour market relative to the EU-27 average and to regional peers. The findings are organised around three analytical dimensions: labour force participation (Section 4.1), sectoral employment distribution (Section 4.2) and wages (Section 4.3).

##### 4.1. LABOUR FORCE PARTICIPATION

In 2023, more than 8.2 million people were active on the Romanian labour market. The employment rate for the working-age population (15–64) stood at 63.0%, which is 7.4 pp below the EU-27 average of 70.4% and 1.1 pp below the 2019 level of 64.1% (EURES, 2025). Over the 2019–2023 period, the gap relative to the EU-27 widened: the EU-27 employment rate rose by 2.9 pp, from 67.5% in 2019 to 70.4% in 2023, driven by a rapid

post-pandemic recovery, while the Romanian rate followed an opposite trajectory and declined by 1.1 pp (Table 1). This divergent pattern expansion at the EU level coupled with contraction at the national level suggests a structural, rather than cyclical, underutilisation of the national workforce (OECD, 2025).

**Table 1.** Employment rate in Romania and the EU-27 (% , aged 15–64)

Profile		2019	2020	2021	2022	2023
Total	RO	65.8	65.6	61.9	63.1	63.0
	EU-27	68.4	67.5	68.3	69.8	70.4
Male	RO	74.6	74.4	71.1	71.5	71.7
	EU-27	73.8	72.8	73.3	74.7	75.1
Female	RO	56.8	56.5	52.5	54.4	54.3
	EU-27	63.1	62.2	63.3	64.9	65.7
Youth (15–24)	RO	24.7	24.6	21.2	19.7	18.7
	EU-27	33.4	31.4	32.7	34.7	35.2

*Source: Author's own processing based on EURES (2025) and Eurostat (2024).*

The data in Table 1 point to three interrelated patterns. First, the post-pandemic recovery has been highly asymmetric. Between 2020 and 2023, the EU-27 employment rate rose by 2.9 percentage points (pp), while the Romanian rate declined by 2.6 pp. As a result, the gap between Romania and the EU-27 widened from 1.9 pp in 2020 to 7.4 pp in 2023, a nearly fourfold increase in three years.

Second, gender disparities are pronounced. In 2023, the male-female employment gap in Romania stood at 17.4 pp (71.7% versus 54.3%), compared with 9.4 pp in the EU-27 (75.1% versus 65.7%). The Romanian gender gap is therefore approximately 1.85 times larger than the EU-27 benchmark and is driven almost entirely by lower female participation, as male employment in Romania is only 3.4 pp below the EU-27 average, while female employment is 11.4 pp below. This finding is consistent with OECD (2025) and with empirical studies that identify the combination of care responsibilities, limited access to childcare services and persistent informal labour in rural areas as key barriers to female participation (Ciucă & Stănilă, 2022; Simionescu, 2022).

Third, youth employment (15–24) has deteriorated sharply. The Romanian youth employment rate fell from 24.7% in 2019 to 18.7% in 2023, a drop of

6.0 pp, while the EU-27 rate increased by 1.8 pp over the same period. The resulting gap of 16.5 pp is the largest among the three groups analysed and is consistent with the high share of young people not in employment, education or training (NEET) reported for Romanian NUTS-2 regions (Eurostat, 2024).

**Table 2.** Employment rate (15–64) in Romania and selected CEE peers, 2023 (%)

Country	Total	Female	Gender gap (pp)	Youth (15–24)
Czechia	75.5	68.8	13.4	27.8
Hungary	74.5	68.9	11.2	29.4
Poland	71.9	65.7	12.4	28.5
Bulgaria	70.6	66.1	9.0	24.0
Romania	63.0	54.3	17.4	18.7
EU-27	70.4	65.7	9.4	35.2

Source: Author's own processing based on Eurostat (2024), EURES (2025).

The CEE comparison in Table 2 places Romania clearly at the bottom of the regional peer group. Romania's total employment rate is 7.6 to 12.5 pp below its neighbours, and the gap is even wider for female employment (10.4 to 14.6 pp). The Romanian gender gap of 17.4 pp is also the largest among the five countries, and almost twice that of Bulgaria. Youth employment displays the same pattern, with Romania standing 5.3 to 10.7 pp below its peers. These comparisons show that the participation gap is not a common CEE feature but a specifically Romanian one, which reinforces the case for country-specific explanatory factors rather than a generic post-transition narrative.

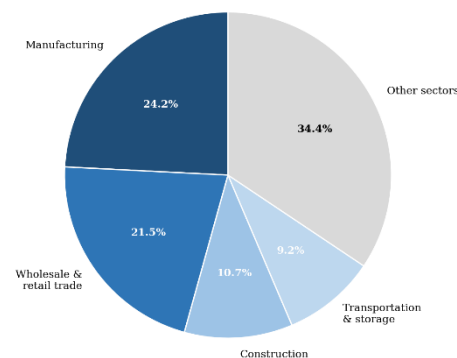
A closer look at the structural drivers helps explain why this gap is country-specific. A simple decomposition of the 7.4 pp aggregate gap relative to the EU-27 in 2023 shows that the female employment shortfall accounts for approximately 5.7 pp (11.4 pp gap weighted by the female working-age share), the youth shortfall for around 4.1 pp (16.5 pp gap weighted by the 15–24 share), and male underperformance for only about 1.7 pp. Four interrelated drivers underpin this configuration. First, large-scale external emigration has removed roughly one in five working-age Romanian-born persons from the domestic labour pool, with the largest cohorts concentrated precisely in the 25–44 age band that elsewhere in the EU drives prime-age participation (OECD, 2025; Grecu et al., 2024). Second, accelerated population ageing and one of the steepest demographic declines in the EU compress

the labour supply base further: the working-age population contracted by more than 6% between 2014 and 2023, against an EU-27 average of –1.5% (Eurostat, 2024). Third, the structural female participation deficit reflects the persistence of an unequal distribution of unpaid care work, limited and unevenly distributed formal childcare and long-term care services, and a sizeable rural workforce engaged in informal or subsistence agricultural activities that are statistically counted as inactive (Ciucă & Stănilă, 2022; Simionescu, 2022; OECD, 2025). Fourth, the collapse of youth employment between 2019 and 2023 is closely tied to early school leaving rates that remain among the highest in the EU (around 16% in 2023, against an EU-27 average of 9.5%) and to the high incidence of NEETs in less-developed NUTS-2 regions (Eurostat, 2024; European Commission, 2024). These four drivers operate jointly: emigration thins the prime-age core, demographic decline shrinks the base, female inactivity restricts the latent reserve, and weak school-to-work transitions block entry, producing a participation gap that is structural in nature and unlikely to close without coordinated policy action on care services, vocational education, and active labour market measures.

#### 4.2. Sectoral distribution of employment

The sectoral analysis shows a concentration of employment in a limited number of activities. According to EURES (2025), in 2023 most employees in Romania worked in manufacturing (24.2%), followed by wholesale and retail trade, including the repair of motor vehicles and motorcycles (21.5%), construction (10.7%) and transportation and storage (9.2%) and other sectors 34.4% (Chart 1).

**Chart 1.** Sectoral distribution of employment in Romania



Source: Author's own processing based on EURES (2025).

Taken together, these four sections accounted for approximately two-thirds (65.6%) of total paid employment, which is noticeably higher

concentration than the EU-27 average (around 55%) and signals an employment base that is still more industrial than services-oriented.

A different picture emerges when the analysis is shifted from the number of employees to the number of firms. Wholesale and retail trade remains the largest component (29.1% of enterprises), followed by professional, scientific and technical activities (12.1%) and construction (10.7%). Manufacturing, which absorbs the largest share of employees, represents only around 7% of firms, meaning that manufacturing employees are distributed across a relatively small number of larger enterprises, while trade and professional services are populated by many small units. This gap between the employee structure and the enterprise structure is a specific feature of the Romanian economy and reflects the coexistence of a highly concentrated industrial core with a very fragmented small-business tail (INS, 2024).

This sectoral structure mirrors Romania's industrial specialisation in automotive components, textiles, light industry and food processing, together with the weight of trade and logistics linked to regional value chains.

The comparatively small share of information and communication and of professional services in total paid employment confirms that the transition towards high-value-added services remains partial outside the Bucharest-Ilfov and Cluj metropolitan areas (Nistor & Toader, 2025; European Commission, 2024). Recent evidence on automation and AI adoption suggests that this sectoral profile exposes Romania to asymmetric transition risks: manufacturing and retail concentrate employment in activities with high exposure to routine-task automation, while the thinner base of knowledge-intensive services limits opportunities for workers to move up the skills ladder (Popescu & Bădulescu, 2023; Cedefop, 2023).

The structural drivers behind this configuration help clarify why the Romanian sectoral profile diverges from comparable economies. First, the post-1989 industrial trajectory was reshaped by foreign direct investment that flowed predominantly into mid-tech manufacturing — automotive components, electrical equipment, textiles and food processing — tied to regional supply chains anchored in Germany and Italy (Marcu et al., 2015; European Commission, 2024). This pattern produced a relatively narrow industrial specialisation, in which a small number of large foreign-owned plants concentrate employment, while the indigenous business population is dominated by micro-units in trade and basic services. The ratio between the share of

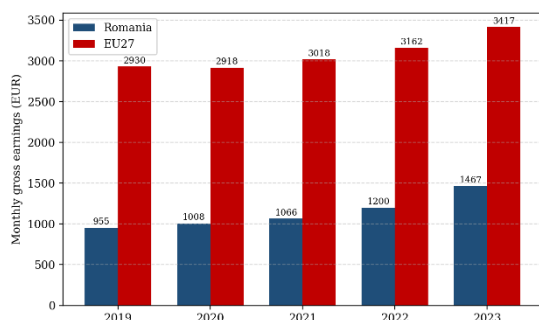
manufacturing in paid employment (24.2%) and in the firm population (~7%) yields an average plant size roughly 3.5 times higher than in trade or professional services, a structural marker of this dual organisation (INS, 2024). Second, knowledge-intensive activities — information and communication, professional services, research and development — remain heavily concentrated in two metropolitan areas (Bucharest-Ilfov and Cluj), reflecting agglomeration effects, the localisation of higher education and the limited diffusion of broadband and digital skills into less-developed NUTS-2 regions (Nistor & Toader, 2025; Cedefop, 2023). Third, the persistent weight of agriculture in total employment (around 20%, compared with roughly 4% in the EU-27) is a direct legacy of incomplete land consolidation and the prevalence of subsistence farming, which absorbs labour that would otherwise transition to services in line with the canonical structural transformation pattern (Herrendorf et al., 2014; Eurostat, 2024). Fourth, the comparatively underdeveloped tradable services sector reflects both a thin domestic demand for high-value-added services and a skills supply still oriented towards general rather than specialised tertiary education (OECD, 2025; Popescu & Bădulescu, 2023). Taken together, these drivers indicate that the gap between Romania's sectoral structure and the EU-27 average is not the residual of an unfinished transition but the joint outcome of FDI specialisation, spatial concentration of knowledge activities, agricultural persistence and a misaligned skills pipeline.

### 4.3. WAGES

Wage levels in Romania remain significantly below the EU-27 average, although convergence has accelerated over the past five years. According to EURES (2025) and Eurostat (2024), in 2023 the gross average earnings of a single person reached EUR 1,467 in Romania, compared with EUR 3,417 in the EU-27.

The corresponding net wage was EUR 925 in Romania and EUR 2,351 in the EU-27. Between 2019 and 2023, gross monthly earnings in Romania rose from EUR 955 to EUR 1,467, an increase of 53.6%, substantially outpacing the EU-27 average, which grew from EUR 2,930 to EUR 3,417 (+16.6%). Despite this faster growth, the absolute gap between Romania and the EU-27 average remained large, narrowing only marginally from EUR 1,975 in 2019 to EUR 1,950 in 2023. This pattern indicates a gradual but still limited wage convergence: Romanian earnings represented 32.6% of the EU-27 average in 2019 and 42.9% in 2023, reflecting relative progress rather than catch-up in absolute terms.

**Figure 1.** Monthly average gross earnings, Romania vs. EU27



Source: Author's own processing based on EURES (2025)

The divergence between nominal convergence (in relative terms) and the persistence of a sizeable absolute wage gap is consistent with the productivity and structural differentials highlighted earlier in the analysis.

Table 3 places this performance in the CEE context. Romania's wage growth is the highest in the peer group, ahead of Hungary (+17.0% in 2023) and Poland (+12.4%), reflecting a combination of nominal effects linked to inflation and genuine productivity and real-wage gains.

**Table 3.** Gross average earnings and hourly labour costs, 2023 (selected CEE countries)

Country	Gross avg. monthly earnings (EUR)	Hourly labour cost (EUR)	Annual change in labour cost (%)
EU-27	3,417	31.8	+5.3
Czechia	≈ 1,900	17.3	+8.2
Poland	≈ 1,760	16.1	+12.4
Hungary	≈ 1,420	12.8	+17.0
Romania	1,467	11.0	+16.5
Bulgaria	≈ 1,060	9.3	+14.0

Source: Author's own processing based on Eurostat (2024) labour cost statistics and EURES (2025).

A second salient feature is the scale of wage dispersion across economic activities within Romania. As of 1 January 2024, the statutory minimum gross wage was set at RON 3,700 (approximately EUR 663). For 2025, the minimum monthly gross salary was raised to RON 4,050 (approximately EUR 810), a nominal increase of roughly 9.5% in one year (Circă, 2025). In August 2024, the lowest net average wages were recorded in the manufacturing of wearing apparel (RON 4,863) and in accommodation and food service

activities (RON 5,300), while the highest wages were recorded in the manufacturing of coke and refined petroleum products (RON 16,822) and in computer programming, consultancy and related information service activities (RON 18,064). The ratio between the highest and the lowest sectoral averages exceeds 3.7:1, which points to persistent wage inequality across activities and underlines the strategic role of the IT sector in driving upward wage convergence.

Taken together, the Romanian wage story is one of rapid convergence from a low base coupled with strong within-country dispersion. This combination helps explain why aggregate wage growth coexists with persistent perceptions of low pay in low-productivity sectors and continued out-migration pressures (OECD, 2025; Grecu et al., 2024).

Four interrelated drivers account for this unusual configuration. First, the persistent productivity gap remains the binding constraint on absolute convergence: hourly labour productivity in Romania is around 60% of the EU-27 average (Eurostat, 2024), and labour costs of EUR 11.0 per hour against an EU-27 average of EUR 31.8 (Table 3) are broadly consistent with this productivity differential. Aggregate wage growth that exceeds productivity gains in low value-added sectors translates into compressed unit margins rather than convergence in real income levels. Second, the cross-sectoral dispersion ratio of 3.7:1 between the highest- and lowest-paid activities reflects the polarised structure already documented in Section 4.2: knowledge-intensive activities concentrated in two metropolitan areas pull the upper tail upward, while large segments of trade, accommodation, food services and light manufacturing remain anchored at or near the statutory minimum wage. The successive increases in the minimum wage (from RON 3,700 in 2024 to RON 4,050 in 2025) directly raise the lower bound and compress wage hierarchies in low-productivity sectors, contributing mechanically to the high aggregate growth rate without altering the sectoral structure of pay (Circă, 2025). Third, the emigration channel exerts a sustained upward pressure on wages in shortage sectors: with a sizeable share of the working-age population active abroad, domestic employers in construction, healthcare, hospitality and parts of manufacturing face recurrent recruitment frictions that translate into nominal wage premia, even where productivity has not improved correspondingly (OECD, 2025; Grecu et al., 2024). Fourth, the FDI-driven structure of the tradable sector concentrates wage formation in firms whose pay scales reference international benchmarks (notably in IT, automotive and pharmaceuticals), producing

wage islands disconnected from the domestic average and reinforcing the “barbell” distribution discussed earlier (Popescu & Bădulescu, 2023; Nistor & Toader, 2025). The interaction of these drivers explains why Romania can simultaneously record the fastest wage growth in the CEE peer group and one of its lowest absolute wage levels: nominal convergence is real but is built on structural foundations — productivity, sectoral composition, labour shortages and FDI dependence — that are themselves slow to change.

## 5. CONCLUSION AND LIMITATIONS OF THE STUDY

This paper has provided an integrated analysis of employment patterns and workforce structure in Romania, drawing on harmonised data from EURES and complementary sources from Eurostat, the Romanian National Institute of Statistics and the OECD. The empirical results point to a labour market shaped by three interrelated structural features. First, a persistent participation gap relative to the EU-27, widening after the pandemic and most pronounced among women, young people and older workers. Second, a heterogeneous sectoral composition in which manufacturing, trade, construction and transport continue to dominate employment, while knowledge-intensive services remain comparatively underdeveloped and geographically concentrated. Third, a compressed wage structure, marked by low average earnings, very rapid nominal growth, and substantial dispersion across activities and regions. These features coexist with pronounced demographic pressures, including a shrinking working-age population, accelerated ageing and sustained external emigration. The CEE benchmark reinforces the diagnosis: Romania combines one of the fastest wage growth rates in the region with one of the weakest employment performances, which is a rather unusual pair of outcomes and suggests that labour demand is expanding in value but not in volume a pattern compatible with shortages in specific occupations rather than with a generalised tightening of the labour market. The integrated reading of the three dimensions points to a common set of structural drivers behind Romania’s divergence from comparable economies: large-scale external emigration combined with accelerated demographic decline, an FDI-led industrial specialisation paired with a spatially concentrated knowledge-services sector, a residual agricultural base, persistent female and youth participation deficits rooted in unequal care provision and weak school-to-work transitions, and a productivity gap that constrains absolute wage convergence even as nominal growth accelerates. Recognising these

drivers as joint, rather than additive, is essential for the calibration of effective policy interventions.

Several limitations should be acknowledged when interpreting the findings. First, the study relies exclusively on secondary data; its conclusions are therefore contingent on the accuracy, coverage, and timeliness of the statistics reported by national authorities to EURES and Eurostat. Second, the reference period is constrained to 2019–2023, as data for 2024 and 2025 were not yet available in the EURES database at the time of analysis; the findings consequently capture the post-pandemic recovery phase but do not reflect more recent developments including the effects of fiscal consolidation, accelerating automation, and the early stages of AI adoption on the Romanian labour market all of which may have altered participation and sectoral patterns in 2024–2025. Third, despite the harmonisation effort embedded in European statistical standards, minor discrepancies across sources may persist, reflecting differences in definitions, reference periods, or sampling procedures between EURES, Eurostat, and the Romanian National Institute of Statistics. Fourth, the descriptive design does not allow for causal inference, which would require microdata-based econometric analysis an important avenue for follow-up work.

Further research should examine the labour market implications of the twin digital and green transitions, including the distributional effects of AI adoption and the reskilling needs associated with the transformation of occupational structures in Romania and, more broadly, across Central and Eastern Europe. A second promising direction concerns the interaction between wage convergence and emigration: understanding at what wage threshold and under what non-wage conditions return migration becomes likely would be particularly relevant for Romanian policy.

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