The labor market in the Blue Economy

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Abstract. The main objective of the “blue economy” is to ensure environmental sustainability while promoting social inclusion, economic growth and preservation or improvement of livelihoods (UNCTAD 2014, UNDESA 2014). According to the World Bank in Europe, the Blue Economy represents nearly 5.4 million jobs and generates a gross added value of approximately €500 billion per year. Through this paper we emphasized the impact of the blue economy on the labor market.

1. Introduction

All over the world there are many countries from which the coastal, marine and maritime sectors represent a foundation for sustainable development. In order to achieve the Sustainable Development Goals and to deliver inclusive and smart growth, these countries need to expand their economy beyond land-based activities.

The main objective of the “blue economy” is to ensure environmental sustainability while promoting social inclusion, economic growth and preservation or improvement of livelihoods (UNCTAD 2014, UNDESA 2014). According to the World Bank in Europe, the Blue Economy represents nearly 5.4 million jobs and generates a gross added value of approximately €500 billion per year.

Taking into consideration the importance of the blue economy for the growth of the welfare of the European area, there was implemented the MENTOR Project (Blue Career Centre of Eastern Mediterranean and Black Sea) with a duration of 2 years and partners from Cyprus, Romania, Bulgaria and Greece. The proposed Blue Career Centre seeks to provide prospects for young jobseekers to support businesses in finding the right staff with proper qualifications.

One of the main objectives of the MENOR Project is to attract young people and experienced workers in order to increase employability in four key Blue sectors of the region (the Eastern Mediterranean Sea and Black Sea): maritime transport, cruise tourism, aquaculture and offshore oil and gas. The objective is to fill the existing skills' gaps that are within the blue sectors.

Through this project we seek to identify people who can be used and trained in blue sectors, due to the fact that according to recent studies, Romania's "blue economy" could generate more than 100,000 jobs per year and an added value of over one billion Euros.
2. Labor market
The economic growth at EU level are estimated\(^1\) at 2.1% in 2018 and 2% in 2019, a pace that can be accelerated by improving labor market conditions, increasing confidence in economic growth, diminishing the indebtedness of the population and policy favorable currency.

![Estimated employment by sector](image1)

As highlight by Eurostat, at the end of the first semester of 2018 at the European level, the unemployment rate reached the minimum (7.6%) from December 2008, over 17 million people not having an occupation in June 2018.

![Unemployment Rate](image2)

The economic growth in Romania reached the 6.9% threshold based on the increase in private consumption following the expansionary fiscal policy. The unemployment rate in Romania at the end of first semester of 2018 reached the minimum threshold of the past twenty years of 4.5%, for the year 2019 an unemployment rate of 4.4% is projected. There is also a considerable increase in salaries received by employees amid a rise in the minimum wage in the last two years and in the context of considerable increases in salaries in the budgetary sector.

At Constanta County level, in April 2018, a 2.3% unemployment rate were recorded well below the country average of 3.6%, and a percentage point lower than in the same period last year (as revealed by National Institute of Statistics).

\(^1\) According to Eurostat
At European, regional and national level, the most important priorities concern: increasing the employment rate, improving mobility, quality of working conditions, and reducing poverty and social exclusion for the EU social consolidation and globalization, promoting and encouraging decent work conditions.

The employment rate of the population shows an upward trend since 2016 being above the European average, with the lowest rates registered among young people and over 55 years of age and especially among women. The retirement age is expected to change, but to be effective, it should be correlated with lifelong learning, incentives for continuing work, and improving working conditions.

As stated by Eurostat, at the EU level, the employment rate in the year 2017 was 59.2%, but considering trends, it is estimated to increase to 75% for 2020, but to achieve this goal, it will be necessary to supplement the labor force, future demand being focused on a highly skilled human resource. This can be achieved through active labor market policies coupled with lifelong learning strategies and wider integration policies.
As a result of the national forecasts by 2020 it is estimated that the employed population will increase by 1% reaching 8,752,500 persons, while in the South-East region of the country the increase will be 2%. In the agriculture, forestry and fishing sectors, the drop is down by 1%, industry 1.4%, while in the construction sectors there will be an increase of 7% and trade, transportation, storage, hotels and restaurant 2.9%.

![Resident population and Employment by sector](chart.png)

Against the backdrop of the negative natural growth and the manifestation of the external migration phenomenon that can easily see, from the previous chart, a continuous decrease of the population at the level of Romania and of Constanta county. Estimates at the demographic level are still pessimistic, the degree of dependence of the elderly reaching 20.8% to 47.8%\(^2\), which will lead to the impact of the medium and long-term growth, the employment rate being hampered by the low activity rate.

The imbalance in the labor market is at a low level and tends to diminish continuously on the background of constantly low activity rates. For the year 2017, more than 17,000 people is expected to be made redundant, but after the revision of the restructuring programs, the economic agents have halved the number of redundancies so it can be highlighted the low predictability of the economic environment that characterizes Romania in recent years. The number of jobs in the country has registered a 10% increase in the last year especially for people without higher education.

\(^2\) According to National Institute of Statistics
At the level of the EU member states, according to Eurostat, the highest shares of the number of employees in agriculture were registered in Romania (24%), Bulgaria (19%), Greece (11%) and Poland (10%), and in industry Czech Republic (36%), Poland and Slovakia (31%), Romania (30%).

According to the data obtained from the National Institute of Statistics, at Constanta County, the number of employees at the end of April 2018 was nearly 200 thousand people up 3.6% over the same period last year, and the average net earning was about 2400 lei, rising 5.6% compared to the same period last year amid a change in the contributions that were to be paid by the employer until the end of 2017 and passed to the employee in 2018.
From the point of view of the labor force employed in the aquaculture sector, both at the level of the European Union and at the level of Romania, it is easy to observe a rising trend for the last years.

As highlight by CLIA in 2018 more than 27 million passengers are expected to opt for the cruise tourism sector growing over the past 10 years, over 50%, generating more than 1 million jobs and over 120 billion dollars.
More than 3 quarters of the direct economic impact is provided by the manufacturing sector including the shipbuilding industry, direct jobs and employee compensation. Approximately 40% of the direct jobs of the cruise industry are represented by European cruise liners, whose compensation amounted to more than 30% of the total expenditure, almost a quarter was allocated to the Transport and Utilities sector.

According to the data obtain from Eurostat, Travel and Tourism supports over 12 million direct jobs and over 36 million direct, indirect and induced jobs, which were projected to grow for the next 10 years with 2% annual rates. At European level, the Travel and Tourism sector owns over 70% of the retail sector, with more than 20% of jobs being created over the past 10 years. Total sector contributions reached 12% of the labor market and expected to grow by 1.8% in 2018 and 1.1% annually by 2028.
In terms of usage, European countries can be classified into three main categories: labor supply sources: Slovakia, the Czech Republic, Lithuania, Poland, Hungary, Bulgaria and Romania; passenger sources: Switzerland, Austria, Luxembourg and markets destinations: Slovenia, Cyprus, Ireland, Belgium, Iceland, Estonia Latvia and Ireland.

More than 200,000 people (approximately 2.5%) were employed in the Travel and Tourism in Romania sector, predicting that by 2028 it will advance at rates of 0.2% annually. From the labor market point of view, total contributions amounted to 6.3% (over 500,000 jobs), expecting 0.5% growth in 2018 and growth rates of 0.1% per year by 2028 (Eurostat).

Romania owns over one third of the number of employees in this sector, with a significant decline in production due to the depletion of current reserves.

3. Conclusion
The employment rate of the population had an upward trend both in Romania and in the EU, trend that could be achieved through active labor market policies coupled with lifelong learning strategies.
As emphasized within this paper the blue economy plays an important role on the labor market, due to the fact that only in Romania it could generate over 100,000 jobs per year, with an added value of more than one billion Euros. The four key Blue sectors (maritime transport, cruise tourism, aquaculture and offshore oil and gas) support million of direct and indirect jobs, reaching an important share of the labour market.

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