

## **EDUCATION AND LABOUR MARKET PERFORMANCE IN ROMANIA. AN EMPIRICAL ANALYSIS OF THE URBAN-RURAL GAP**

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### **Abstract**

As education is the foundation of a prosperous and sustainable society and given the increasingly visible gap between urban and rural, the aim of the research undertaken in this paper is to present the level of education and labour market integration in Romania, in a comparative urban-rural approach. The dataset compiled for Romania is organized in two sub-panels, urban and rural, including indicators of the education system, but also fundamental credentials of the labour market, for the period 2000-2020. The research methodology is based on the application of two advanced econometric models, namely spatial models (lag and error) and Gaussian graphical models (GGMs). The results highlight the coordinates of the Romanian education system in the two areas of residence, urban-rural, but also the link between education and the labour market outcomes. Based on our findings, we propose adequate strategies to mitigate the gap between rural and urban and enhance the labour market performance.

### **Keywords**

education; labour market; urban-rural; econometric modelling.

### **JEL Classification**

C30; I25; I31; J21; R12.

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