

The Employment Policy in European Union

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Abstract:

An important component of the approach that we have initiated is the study on employment and labor relations in the European Union through the chapter " Employment Policy in the European Union". The crystallization of the European efforts in the field of employment was due to social policy crisis that has manifested especially in the mid- '90s, when unemployment reached over 10 % in the European Union, with a significant impact on social policy. The modernization of the economies and the manufacturing technology has led to the emergence of surplus labor which has necessitated the development of new strategies to boost employment in the EU, the involvement of local authorities in the creation of new jobs, but simultaneously with the establishment of a financing instrument for this process: the European Social Fund, the issues presented throughout this paper.

Keywords: the Employment Policy, Strategies of the European Union, the legitimate and economic behaviour of company, social policy, disproof of unemployment,

1. Introduction

The employment Policy U. E. is an integral part of the assembly of additional policies which evolved continuously once with the models of socio-economic development. European Social Fund is the first one that aims to provide support for the carrying out of the social and employment strategy. European efforts Crystallisation in the field of employment attracts around three decisive meeting heads of states and governments of the Member States: the Maastricht Treaty 1992, the Treaty of Amsterdam 1997 and summit in Luxembourg in November 1997. The European employment strategy has been outlined as a result of the crisis of the social which prevailed in particular in mid ' 90s, when the level of unemployment had reached more than 10% at European Union level, which generate a significant impact on social policy.

2. Developments in European strategy for employment

Economic reality reveals aspects of a social nature in the conditions in which it is intended to materialize a methodology specific to the meanings of particular economic scope. It is about a pragmatic approach in which are not obvious strategies for financing the financial activities, strategies which, as a matter of fact, shall be geared as a function of the methodology applied in economic environment (Barr, 1988: 133). In fact, as a result of significant transformations at the

level of society, the financial analysis on the activities which fall within the banking system must constitute the image of some performance management strategies.

The belief we had in mind was one through which methodological approach on the idea of European strategy for employment exploits characteristic information of financial and banking market oriented, in fact, toward the main actors of socio-economic environment. This situation involves assumption of strategies for action at European Union level, based on requirements and needs which can be found at social level (Bibere, 1999: 45). In this way, the features of social and economic nature which reveals the idea for the development of European strategy for employment send to assumption and fulfilment of fundamental objectives which have, in fact, at the European level a significant size.

The behavior of society reveals a causal development in accordance with the phenomena of economic nature (O' Connor, 1973: 21). Legitimacy of this type of conduct is dependent upon the manner in which economic reality is understood and explained by reference to strategies assumed by social actors. In this respect, the development of individual and collective behaviors "forces" in the new knowledge-based society to assuming an attitude resulting from the relationship prudence, balance and economic performance. In other words, in this context, the process of understanding and further elaboration of the reality cannot be separated from economic interpretations and incurred strategies in respect of the conduct in which concepts of risk, prudent and performance may be in conjunction with pragmatic level (Păun, 1999, 65).

A mid-term evaluation of European strategy for employment took place in the year 2000 and was also aimed at a first estimate of the effectiveness of new concept, that of the new approaches. At the end of the five-year period it has been decided to carry out a comprehensive evaluation of the effectiveness. Final results of this assessment have been made available to the public in 2002 and have been the basis of discussions on the future European strategy for employment. On the basis of the available results from evaluation of the efficiency to the European Employment Strategy, in his meeting at European level in Barcelona, the European Council concluded that the strategy and has been effectively demonstrated. Still it was requested a strengthening of this strategy to develop within the framework of the results obtained and to be given in full with the objectives set out in Lisbon.

In this context it was pointed out three main objectives:

- Full employment in the elderly population of work
- Increase the quality and labor productivity
- Improving the quality of work is interdependent with progress in building a competitive, knowledge-based and should be monitored through the combined efforts of all actors, a potentated in particular through social dialog (Deacon, 1993: 23-43).

The concept of quality in the multidimensional work is one that is addressed to the particular characteristics of the job as well as labor market in a broad sense. This concept includes intrinsic quality of employment, skills, lifelong learning and career development, gender equality, health and safety at work, flexibility and security, inclusion and access to the labor market, work organization and a balance between work and private life, social dialog and worker involvement, diversity and

elimination of discrimination, as well as overall performance of work. The increasing employment rates must be carried out in close liaison with overall growth of labor productivity. Quality at work can help to increase labor productivity, and the join between these two aspects should be evaluated in maximum. This represents a specific challenge for social dialog.

- Strengthening of cohesion and social inclusion

Employment is vital for ensuring social inclusion. Employment policies should facilitate participation in employment through: promoting access to quality employment for all persons (women and men) fit to work, combating discrimination on the labor market, preventing marginalization of persons on the labor market.

- Increasing adaptability of workers and firms by:
- Promote flexibility combined with security on the labor market;
- Facilitation of business development;

In respect of employment, the European Union and each Member State focuses on three fundamental priorities of action (Zamfir, 1995: 65). Attracting and retaining as many people in the labor market, increasing employment and the modernisation of social protection systems. At the moment it is vital to reach the target of total employment and reducing unemployment and inactivity, by an increase in supply and demand in the labor market. This purpose must be conjugate with increase of the attractiveness of transfer and of that quality and productivity at work, improving adaptability of workers and firms, increasing the volume investments in human capital through education and vocational development. (Williams, 1995: 67).

The fixed objectives in Lisbon and following accepted objectives for education and training are more valid than ever. They have been laid down by the Member States for themselves. Primary responsibility for the implementation of the accepted objectives returns by the authorities responsible for education and training in the Member States today and in the future. The increase in investment in human capital by better education and training systems.

This priority of the Lisbon strategy includes: increase and improve the return on investment in human resources and development, facilitating, absorption ICT and sustainable use of these resources. Also, knowledge and innovation, bring the addition to the development of a strong European industrial base.Changes in employment policy work at European level and unemployment control

Unemployment is a contemporary phenomenon , affecting in proportions and with different effects in all countries in the world. The phenomenon “unemployment” is the subject of some sustained theoretical and practical concerns, with a view to its spring, of the causes that support it, but the attention is concentrated, as a matter of priority, in the direction of establishing actions and measures which may help to attenuate it. . Unemployment is an economic phenomenon that takes birth of economic crises or recessions. Unemployment gap occurs between the supply and demand on the employment market materialized in the impossibility of finding a job paid by persons qualified for our job in question. On unemployment theme some representatives of classical school and neo-classical headed, but with contrast Keynes (followed by his followers). The latest Analyzes on unemployment are as numerous as far as contradictory. Therefore, the unemployment

rate is a complex phenomenon, comprehensive, which includes in its scope economic aspects, in the main, but also elements of social, political, mentally impaired, moral.

Unemployment is first of all, the loss of income, which directly affects the standard of living of concerned persons. The phenomenon is not just about this, but to lose confidence in itself, erosion relations with the community and the sense of alienation and exclusion from normal life, facts that cause tension and threaten social stability. The unemployment phenomenon occurs unevenly across countries, areas, time periods, and does not reach in equal measure all categories of age, sex, professional qualification. . As a result, nor its consequences are not as difficult to be borne by all categories of unemployed people. Ultimately, most of the times, young men and women, the unemployment rate becomes a threat to relations between generations and sexes (unemployment youthful and female), and the lengthening of the time increases risk of degradation professional competence;e and the difficulties of reintegration. If unemployment consists in the disuse of a part of the labor force employed, determining the cause is equivalent to its disclosure causes under-employment and development or the imbalance between the supply of, and demand for labor. Unemployment explanation can be carried out in classical , keynesiei or neo -classical terms. In classical analysis, a balance of the labor, the labor supply, with the application, shall be carried out at a certain level of real wages that provides full use of the labor force, in purposes that all those who want to work in real wages find a job.

Unemployment is only for those who want to get a job, but with a higher salary than that established in the labor market. The classical Analysis accepts unemployment, but it's only on a voluntary basis. It follows that in classic design, the unemployment rate has been caused real wages rigidity decrease. The inacceptability of adjustment in bottom of real wages and the inability of entrepreneurs to transfer wage increased loads on the selling prices claim voluntary unemployment. In latest analyzes on unemployment, it is considered that voluntary unemployment would result from the fact that a part of unemployed persons accept voluntary commitment to remain in this situation for a shorter or longer periods of time. It was due to their willingness to have more information about the places of employment that are being offered.

Considering insufficient information provided in the labor market, they prefer to examine themselves all the opportunities on the basis of some calculations of type cost/benefit (the cost being represented by no employment, and the advantage of a job better). It is considered, however, that the high unemployment benefits for workers reduces cost suitability and maintains voluntary unemployment. In what concerns, Keynes opinion, labor market balance may not be carried out in accordance with the conditions laid down by traditional analysis. For Keynes, an under-employment of the duration is not only possible, but also likely to happen, if the state does not intervene through an active policy of support for the economy. In classic design is sufficient stiffness of the decrease real wages to appear unemployment. Keynes detaches from classical analysis from several points of view:

The analysis made by Keynes is based on workers' behavior in contemporary economy, which negotiate nominal salary and not the real one: Facts of life shows us there's no doubt that the

situations when workmen shall formulate their applications in terms of their nominal wage and not the real one, far from being a mere possibility, constitute the rule (Keynes, 1970: 46).

Workers know the wage or salary with which they are paid, but they are no longer so clear on real wages for the simple fact that the movement of prices of consumer goods they feel it less. This situation, which may have seemed plausible in the time of Keynes, is no longer valid in decades after the 1960s. Keynes estimated that a reduction in the nominal wages lead to a reduction in the labor supply, workers think it too low. On the other hand, the effect of a reduction in real wages is not sure. If a drop in real wages takes place as a result of a price increase, nominal wages are constant, Keynes considers that this does not give rise to an automatic reduction in labor supply.

This phenomenon, as he says, tests the fact that the workers, as a rule, drag a reduction of nominal wages, but shall bear a decrease in real wages. Therefore nominal wages are rigid in reducing, but not as the real ones, and this is so that, reiterates Keynes, does not fall within his habit of workers to reduce their work with each upward in the price of the goods entering their consumption. Against to classical design, analysis made by Keynes rests on the reality that real wages are not proportional to nominal, neither the nominal wage not changes in proportion to the level of prices. The two forms of salary do not change parallel, whereas the factors that they determine movement are different. If the classical analysis is carried out only for voluntary unemployment, because workers ask for a real wage higher than that that established by labor market, it can be concluded that a reduction in it increases the demand for labor.

Keynes claims, on the contrary, that salary declines do not favor increases in the workforce attracted in activity, whereas nominal wage is independent of employment. What's more, the workers claimed Keynes, should oppose to salary reduction, because they would reduce revenue and, further, it would reflect on the demand for consumption, thereby causing a decline in all the ways up to that level that would require a restriction of production and, after a small or big period of time, a reduction in the rate of employment. Keynes recognizes that there is a type of unemployment which he calls it "involuntary". He defined the involuntary unemployment: Involuntary unemployment exists if, in the case of an increase in light, in relation to nominal wages, in the price of the goods workers consume, both total offer labor willing to work at current nominal wages, as well as total demand by workers at that salary would be higher than existing amount of employment (*Ibidem*, 52). We notice that unemployment has close links with labor market, understood as a component of the system of markets, comprising all the transactions relating to the commitment, the use and the remuneration of employees. . In modern economy, labor market has acquired a nation-wide development, as a result of decreases in the system considered as a part of increasing of the labor force. The system of employment has been generalized once with the passage to the organization employers' group of the economic activity and the development of laws which guarantee freedom of movement of workers.

3. Labor market

Labor market is characterised by competitive roping of certain elements (which, with all the restrictive limits, cannot be canceled) with some monopoly, oligopolistic monopsonistic actions have become either from the employers, or the trade union organizations, which may be described in a series of events which specific particularize and delimit the labor market to the other markets,

so that one can talk about the existence of several labor markets. This is an expression of the segmentation process emphasizing of the labor market. There are new criteria segmentation which are strengthening the non-competitive character of the different categories of employees.

Variation in demand does not occur in equal shares and simultaneously in all of the branches. In addition, there are products that have a higher consumption elasticity of employment, as are others which react poorly on the consumption of work. Demand elasticity are distinguished from products and from the point of view of practical operation with which a tender can adapt to changes in consumer demand. If the companies cannot respond quickly to generate a demand for their products, for a variety of reasons (lack of raw materials, energy, difficulty in designing new products), the request will be less. On the other hand, labor market balance is performed when total demand by each category of labor corresponds to wage offer for that category. But it does not require full employment, full employment available. For this reason, one can talk about the balance within the under conditions, i.e. the balance of supply and demand for work on categories of employment, to existing wages, parallel to a certain sub – utility of labor resources.

4. Conclusions

Transactions that take place on the labor market concern only paid labor. Whereas the vast majority of occupied population in countries with market developed economy work in wage system, developments in the labor market have a major significance in making use of the most important components of the state heritage-human-factor. Paid labor is represented by the workers who break temporarily their power of self-employment, in exchange for wage. They have the status of salaried workers who work in private enterprise, by the state or joint ventures, as well as in the capacity of employees in the service of individuals and small groups of people, by applying secretary functions, service, housekeepers or other personal services.

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