

**EMPLOYMENT, UNEMPLOYMENT BENEFITS AND  
THE EUROPEAN SOCIAL POLICY****Dandea - Albert AUREL***University of Craiova, 720229, Romania  
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*The economic policy of the European Union affects a steady growth of the economy and the creation of new jobs. It addresses the challenges in the short term and the long run in areas such as public finance, macroeconomic imbalances and competitiveness, but also the impact of the long-term trends in the case of phenomena such as the aging population and globalization. In this respect, within the framework of this work we propose to analyze the problem of employment in proportion to the reduction of the phenomenon of unemployment benefits. Thus, we are interested to see how the job market can be regulated, in order to be able to exploit more effectively the opportunities as he saw in the future.*

**Key words:** *employment, jobs, unemployment, social policy*

**JEL Classification:** *A1, E2, F2*

**I. INTRODUCTION**

The market does not mean a place, but "a process, the manner in which, by buying and selling, by production and consumption, individuals contribute to the progress of society" (since Mises, 2004, p. 34). The labor market is the space in which meet, they face and freely negotiated the application for the labor force, represented by the employers and the tender, represented by the owners of the labor force.

Therefore, the customer from the labor market is the employer who has the places of employment, the supplier is the seeker of the place of work - the employee, which is the subject of the transactional represents the work force, and the price is completely salary, also known under the name of the individual fund salary. The labor force is offered on levels of qualification (authorities) and units of time (hours, days of employment, etc.).

In the assembly of the factors of production, one of the most important elements is the labor force. Therefore, the way in which the organization of the various activities should take into account (together with other components), the employment, the use of the workforce in a manner as efficient as it is highlighted as a dimension specific development.

The importance of this concept could be justified by reference to the time limit not, i.e. the serious underemployment, given the fact that if not used for labor force means not so much a component in addition to the statistical reports, especially social costs. Regardless of the economy, shall be calculated level of employment of the workforce by reference occupied population population/working x 100. A special attention is given and the allocation of resources, production, markets, trade and competition, factors of occupation.

**II. THE IDEA OF EMPLOYMENT**

The degree of employment in an economy, along with the level of underemployment and the unemployment, takes into account a number of circumstances. Some of them are made up of the following: the economy is determined by a system of its own organization, the economy which at a given moment has a limited number of places of employment, as it was in fact, the concept of required work, not being correlated with the existing supply in the field. The company has been and will remain, perhaps, stratified. Hence there is a matter of controversial: if the revenue is heterogeneous, this may have a negative impact on the level of employment of the workforce.

The labor market work requires certain requirements which, in the case in which are not complied with, may cause multiple malfunctions in all the economic activity: the information be transparent (access to work, various conditions of employment opportunities), labor mobility, achieving. There are also a number of factors which may cause in a direct way, although not always in proportion, the employment of labor, namely: the cultural level of technical progress, the increase in the population, the education system.

As a result of all these considerations, due to the inability to be used the entire fund available, we can speak of the notion of inutility or that of non-use of the work force. Therefore makes its presence felt and the phenomenon of employment incomplete (under), which is characteristic of the situations in which the offer exceeds the market demand. We have to do so, in such cases, with the time of unemployment benefits.

The unemployment rate is the term used in the case of lacking the paid occupation (work places) for the forces of suitable and qualified properly for work. Is defined as the percentage of individuals in the labor force (which is the sum of those who work or search for employment) which do not have a place of work (but seek one)" (Durlauf & a Judy, 2008). Unemployed persons means persons without a job, but which are available to work, looking for a place of employment and is in search of the active one.

To measure the scale of this phenomenon, the governments of the states of the European Union shall take into account the number of individuals who require benefits or any other benefits made available by the member in connection with the unemployment rate, although this way of the measurement may be incorrect or misleading information since the conditions on which the unemployed must fulfill in order the granting of benefits can be changed himself by the government which commences the counts and claim benefits can be transformed into a difficult process in the abusive manner by the government to reduce unemployment benefits

Thus, in order to ensure that the margin of error of measurements is as below, the European Union has adopted, together with the Organization for Economic Cooperation and Development (OECD), the definition and the proposed method of the International Labor Organization (ILO), one of the major organizations providing statistics of labor, statistics after which the Member States shall monitor their own progress. This approach involves the classification of persons aged between 16 and 65 years of age to one of three classes:

Employees - those who submitted at least one hour of paid work per week, they work without payment for the business of the family is located in the area of training programs financed by the state, or is not at the places of temporary employment (being in holiday, for example).

The unemployed - those who are in the situation to be without a place of work, but have sought work in the last four weeks, or have found one place of work to which will start activity in two weeks.

Inactive from the economic point of view - those who is not in the first two categories which contain the scope of the economic activity. The advantage of this method consists in the fact that the measurement is made on the basis of those who declare themselves as unemployed, and not of those who require the benefits of unemployment benefits. The data is accumulated in following of questionnaires monthly or annual, known as the Labor Force Survey (LFS), to which the persons who want to find a job, but are currently not engaged. Data reported by the bodies of statistics of the press, are rarely able to inform the public about the full size of phenomenon, but the margin for error relative remains low. Methods of defining the reported unemployment, differ considerably from one nation to another and from a block of political and economic to another.

The causes of unemployment shall draw from both the economic situation of the weather conditions in which it is to be booked, as well as from their own considerations persons in the situation of unemployment benefits. The three main types of unemployment benefits are often distinguished: cyclic unemployment, unemployment frictional and structural unemployment, the two latter represent "unemployment balance" (Lipsey & Chrystal, 2015). The unemployment rate is voluntary that type of unemployment benefit which describe the situation in which the persons capable of employment do not wish to work in the overwhelming majority of situations, because it can have sufficient resources materials; these persons still part of the labor force and seek opportunities for certain places of work, but refuse to accept to work in conditions that are being offered. The level of unemployment on a voluntary basis in an economy depends on many factors, the internal and external factors, such as the value of the real wages, the level of organization and the trade union power, productivity or other additional benefits.

Involuntary unemployment (forced) describe the situation in which the fit persons work as they wish to undertake, but I do not find jobs available, situation resulting from the lack of demand on the market in an economy, which directly influences the number of existing jobs. This type of unemployment is the one which raises the social problems, being the only form acceptable for the payment of the quantum of unemployment benefit in accordance with the law 76/2002 on the system of the unemployment insurance and the stimulation of employment. Involuntary unemployment is a side effect of the negative labor law, which creates barriers to entry on the labor market demand for labor force (employment), which has as a consequence the occurrence of an artificial surplus to the supply of labor force (involuntary unemployment).

Fluctuations in unemployment, after long observations, "varies with the production cycles of the business, and itself with economic cycles, increasing during their declines and decreasing during for" (Lipsey & Chrystal, 2015, p. 568).

The consequences of the unemployment rate are the same regardless of the State in which they are found the cycles referred to above, because it causes injury to both the economy as a whole, by the loss of economic potential of those who are in the situation of unemployment, who are valuable resources what is being wasted and individuals that are in charge of the unemployed. The unemployment rate is characterized by the fact that a part of the population is in the search for a job. This situation is in proportions appear serious economic problems within the region or the State concerned by increasing the social costs of maintenance of the unemployed, by increasing the poverty and crime.

The phenomenon of unemployment reached its climax during the crisis and recessions, so that in the period 2007-2010, period of crisis acute world, unemployment has reached new heights, being brought to life only by the numbers recorded during the Great Depression Illustrious (1929-1939).

Whereas the world economy works as a whole, the problems across the Atlantic have come to be felt and on the European continent. Thus, from II half of 2008, the markets to work in the EU have begun to record gradually imbalances, maintained during the whole of 2009. Up at the start of the financial crisis, the European market had an improvement, if we take into account that in 2007, the employment rate was 68 % (approaching the target of the Lisbon Strategy - 70%), and the unemployment rate dropped to 7 %. But with the second quarter of 2009, the effects of the crisis have felt deeply: the unemployment rate has increased by 2.2% (according to reach up to 11 % in 2010), and the rate of employment has dropped by 2.5% . If, during the period 2006-2008, have been created approximately 9.5 million jobs at EU level until the end of the year 2010 is the forecast they would lose their place of work approximately 8.5 million persons (given in the report of the economic crisis in Europe: Causes, consequences and Solutions). According to data published by Eurostat, in November 2009, the unemployment rate in 22 EU states, increased to 9.5%, the number of unemployed people widening, overall, with almost 5 million compared to the same period in 2008, giving a total of 22,9 million unemployed (from 17,5 million).

Employment has dropped to 233 million people up in the third quarter of 2009, the rate of decline being 2 % (4.7 million) compared with the previous year, the most powerful drop having taken place in the buildings sector and the industry. Year after year, employment has turned into a decrease in almost all the Member States (with the exception of Poland and Luxembourg). The most serious rate of unemployment benefits were registered in Spain and Latvia, both exceeding 20 %, those being followed by Lithuania, Estonia, Slovakia and Ireland which were between 19 %, the rest of the EU states keeping the values of up to 10 %, and for comparison, during the Quarter III 2009, level in the USA was 10.2% , and in Japan from 5.1% (data extracted from the press release from Eurostat, no.1, December 2009. The lowest unemployment rates were recorded in July 2009, in the Netherlands (3.4 percent), Austria (4.4%) and Cyprus (5.5%), and the higher in Estonia (18.5%), Latvia (17.4%) and Lithuania (16.7%), and during the same period of the year 2010, the lowest unemployment rates were recorded in Austria (3.9%) and the Netherlands (4.4%), at the opposite pole should be Spain (20%), Latvia (20 %) and Estonia (19%). Most of the prepossessed unemployment are women and young people, so if in the '70s women do not represent 30 % of the European labor market, in 2008 their turnover has reached 43%, and in the year 2014 to 59,6 %. Among young people, the unemployment rate is much higher, 20.5% of the citizens of the European Union between the ages of 15 and 24 years still have not found a place of work (August 2011). The situation of the unemployment rate in the European Union has been recovered during the period 2011-2016 - although not yet at an optimal level - as a result of the uniform of the efforts of the European Union and of each member in the party in respect of social policy.

The reduction of the unemployment rate and its implications has been one of the objectives of the major economic of the Governments of the member of the European Union in the past, and continues in the present.

Measures such as a reduction in the rate of interest in order to encourage loans and expenditure, cutting taxes direct to encourage the spendings by companies and households, increasing expenditure by the government, all these total an attempt of governments to stimulate the artificial aggregate demand on the market and to create employment opportunities for those who are in the situation of involuntary unemployment, in the context in which they possess the necessary skills and want to work, but the lack of work places was forced to unemployment benefits.

Regarding those being in the situation of unemployment voluntary, "the government could finance training programs to develop skills necessary for persons in order to engage in other industries, could reduce the fiscal tax or could alter the benefits of unemployment benefits and the tax system to discourage unemployment volunteer" (Gillespie, 2014, p. 445), but such measures would hurt more than they fix, not recommended, because the "even while the economy is in a balance in the long term, full employment, unemployment voluntarily continues to exist, this level being the natural rate of unemployment, representing the level of unemployment benefits when all those who are able and willing to work hard-working, so the unemployed does not have the intention to work at this time."

### III. THE IDEA OF SOCIAL POLICY AND COHESION AT EUROPEAN UNION LEVEL

The experience of the last decades suggests that the social policies may refer to a series of moral values (Posteuca, 2015, 79-88) promoted in specific systems (Esi, 2010, 140-146), which can fulfill a number of essential functions in the framework of the modern society, such as those for the development of the economic-social, integration and social inclusion, support for the categories of the population in less-favored areas, the improvement of living and on a plan more generally, the quality of life of the population (Radelet, Sachs, Cooper, Bosworth who stars, 1998, 1-90).

Thus, the economic and social cohesion was located between the priority topics of the European agenda. By promoting the cohesion, the Union encourages the harmonious and durable development, the increase in employment and investment in human resources and reduce the unemployment rate to a minimum natural. To this end, the European Union has created the structural instruments through which to achieve the implementation of cohesion policies, instruments of which we mention: the European Social Fund (ESF), the European Development Regional Fund (ERDF) and the Cohesion Fund. The European Social Fund is the main financial instrument of the European Union which financed the employment policies of the Member States promoting the economic and social cohesion. Created in 1957 as a result of the founding treaty in Rome, is the oldest of the structural funds of the European Union. Along the time it was claimed the job creation and the providing of professional opportunities more balanced for all the citizens of the European Union. The Fund operates by investments in human capital of Europe: employees, young people and all the people in the search for a job. With a budget of ten billion euro per year (approximately 10 % of the total budget of the Union), the ESF financed local, national and regional projects which is aimed at the improvement of the employment prospects of the millions of Europeans, priority having those who have difficulties in finding a job, increasing the adaptability of the labor force and the undertakings, a fall in the unemployment rate, the promotion of social inclusion, extension and improvement of the investments in human capital (education and training professional) and strengthening the institutional capacity and the efficiency of the administrations and the public service provision at the local level, national and regional level.

The ESF is managed through cycles of programming on a period of seven, strategy and the budget being freely negotiated by the Member States and the European Parliament and the European Commission. The strategy defines the objectives of the funding under the cohesion policy, namely:

- convergence - is located in the center of the Community policy on the cohesion fund, aims to assist the least developed states and regions of the European Union
- regional competitiveness and employment lens - sent to all the Member States, financed by the ERDF and the ESF
- territorial cooperation at European level - the aim being to the financing of cooperation on issues of Community importance, aimed at the key priority of the Union.

In partnership, the European Commission and the EU countries setting priorities of the ESF and how the allocation of resources.

One of the priorities is the adaptability of employees, through the formation of new skills and of undertakings, through the adoption of new methods of work. Other priorities are focused on becoming even more access to places of work: helping young people in transition from school to the labor market or giving them training those who are in search of a place of employment, in order to improve the prospects of employment.

The formation of vocational training and lifelong learning throughout the life cycle for the acquisition of new skills constitute a significant part of numerous projects ESF. Even if the definition of the strategy takes place at Community level (strategy that outlines the priorities set by the Lisbon Agenda), the responsibility for the implementation of financing and carrying out of projects it is for the Member States and regions in part. Thus, in its operation, the ESF shall be guided by a set of principles:

- Complementarity, coherence, conformity - the funds will ensure a complementary support to actions local and national requirements, integrating them into the priorities of the European Union
- Programming - attainment of the objectives pursued by the allocation of the structural funds will be pursued by means of the multi-annual programming process
- The partnership - the attainment of the objectives shall be carried out in the framework of a close cooperation between the European Commission and each Member State
- Gender Equality and non-discrimination - ensure the promotion of equality between men and women and for the integration of the equality principle of opportunity in all areas
- Sustainable development - the objectives of the Funds shall be pursued within the framework of sustainable development and the promotion of the protection and improvement of the environment
- The intervention of the proportional valve - the financial resources and administrative provisions used by the Commission and the Member States for the implementation of the Funds shall be proportionate to the total amount of expenditure relating to an operational program

In the programming period 2007-2013, at the level of the Union, approximately 75 billion Euro were allocated for projects intended for the development of human capital and the growth of participation on the labor market, program carried out under "investment in people" motto. Thus in addition to the direct support by the groups who have specific difficulties in finding a job such as women, older workers, migrants and persons with disabilities, the financing of the ESF is also for undertakings and workers in order to adapt to the change.

This is possible by supporting innovation at the place of work, to learn throughout their lives and mobility of workers. While the economic crisis and the period of the recession has been an obstacle in the optimal deployment of the program, it was in large part a success, to be continued and improved in the period 2013 to 2020.

Experiența ultimelor decenii sugerează că politicile sociale se pot raporta la o serie de valori morale (Posteucă, 2015, 79-88) promovate în sisteme specifice (Eși, 2010, 140-146), care pot îndeplini o serie de funcții esențiale în cadrul societății moderne, cum ar fi cele de dezvoltare economic-socială, integrare și incluziune socială, suport pentru categoriile de populație defavorizate, îmbunătățirea condițiilor de viață, și, pe un plan mai general, a calității vieții populației (Radelet, Sachs, Cooper, Bosworth, 1998, 1-90). Astfel, coeziunea economică și socială s-a situat între subiectele prioritare ale agendei europene. Prin promovarea coeziunii, Uniunea încurajează dezvoltarea armonioasă și durabilă, majorarea ocupării forței de muncă și investițiilor în resursele umane, cât și diminuarea ratei șomajului spre un minim natural. În acest scop, Uniunea Europeană a creat instrumente structurale prin intermediul cărora să se realizeze implementarea politicilor de coeziune, instrumente dintre care amintim: Fondul Social European (FSE), Fondul European de Dezvoltare Regională (FEDR) și Fondul de Coeziune.

Fondul Social European este principalul instrument financiar al Uniunii Europene care finanțează ocuparea forței de muncă din statele membre și promovează coeziunea economică și socială. Creat în 1957 în urma Tratatului fondator de la Roma, este cel mai vechi dintre fondurile structurale ale Uniunii. De-a lungul timpului a susținut crearea locurilor de muncă și asigură oportunități profesionale mai echilibrate pentru toți cetățenii UE. Fondul operează prin investiții în capitalul uman al Europei: angajații, tinerii și toți cei aflați în căutarea unui loc de muncă.

Cu un buget de zece miliarde euro pe an (aproximativ 10% din bugetul total al Uniunii), FSE finanțează proiecte locale, naționale și regionale prin care se urmărește îmbunătățirea perspectivelor de angajare pentru milioane de europeni, prioritate având cei care întâmpină dificultăți în găsirea unui loc de muncă, creșterea adaptabilității forței de muncă și a întreprinderilor, scăderea ratei șomajului, promovarea incluziunii sociale, extinderea și îmbunătățirea investițiilor în capitalul uman (educație și formare profesionale), cât și întărirea capacităților instituționale și a eficienței administrațiilor și serviciilor publice la nivel local, național și regional.

FSE este administrat prin cicluri de programare pe o perioadă de șapte, strategia și bugetul fiind negociate de statele membre, Parlamentul European și Comisia Europeană. Strategia definește obiectivele finanțării în cadrul politicii de coeziune, și anume:

- Convergența – se află în centrul politicii comunitare de coeziune, urmărește asistarea celor mai puțin dezvoltate state și regiuni ale Uniunii.
- Competitivitatea regională și ocuparea forței de muncă – obiectiv adresat tuturor statelor membre, finanțat de FEDR și FSE.
- Cooperarea teritorială la nivel European – scopul fiind finanțarea cooperării pe probleme de importanță comunitară, care urmăresc priorități cheie ale Uniunii.

În parteneriat, Comisia Europeană și țările UE stabilesc prioritățile FSE și modul de alocare a resurselor acestuia. Una dintre priorități o reprezintă adaptabilitatea angajaților, prin formarea de competențe noi, și a întreprinderilor, prin adoptarea unor metode noi de lucru. Alte priorități se concentrează asupra sporirii accesului la locuri de muncă: ajutând tinerii în tranziția de la școală pe piața muncii sau asigurându-le formare profesională celor aflați în căutarea unui loc de muncă, pentru a le îmbunătăți perspectivele de angajare. Formarea vocațională și învățarea pe tot parcursul vieții în vederea dobândirii de noi competențe constituie o parte semnificativă a numeroase proiecte FSE. Chiar dacă definirea strategiei are loc la nivel comunitar (strategie ce conturează prioritățile stabilite de Agenda de la Lisabona), responsabilitatea pentru implementarea finanțării și ducerea la îndeplinire a proiectelor le revine statelor membre și regiunilor în parte. Astfel, în funcționarea sa, FSE se ghidează după un set de principii:

1. Complementaritate, coerență, conformitate – fondurile vor asigura o asistență complementară acțiunilor locale și naționale, integrându-le în prioritățile Uniunii.
2. Programarea – atingerea obiectivelor urmărite prin alocarea fondurilor structural va fi urmărită prin intermediul procesului de programare multi-anuală.
3. Parteneriatul – atingerea obiectivelor se face în cadrul unei strânse colaborări dintre Comisia Europeană și fiecare stat membru.
4. Egalitatea de gen și nediscriminarea – asigurarea promovării egalității dintre bărbați și femei și integrarea principiului de egalitate de șansă în toate domeniile.
5. Dezvoltarea durabilă – obiectivele fondurilor sunt urmărite în cadrul dezvoltării durabile și a promovării protejării și îmbunătățirii mediului înconjurător.
6. Intervenția proporțională – resursele financiare și administrative utilizate de Comisie și statele membre pentru aplicarea fondurilor sunt proporționale cu suma totală a cheltuielilor aferente unui program operațional.

În perioada de programare 2007–2013, la nivelul întregii Uniuni, s-au alocat aproximativ 75 miliarde euro pentru proiecte destinate dezvoltării capitalului uman și creșterii participării pe piața muncii, program derulat sub mottoul “investiții în oameni”. Astfel, pe lângă direcționarea sprijinului către grupurile care întâmpină dificultăți specifice în găsirea unui loc de muncă, precum femeile, tinerii, lucrătorii mai în vârstă, migrații și persoanele cu dizabilități, finanțările FSE sprijină, de asemenea, întreprinderile și lucrătorii în vederea adaptării la schimbare. Acest lucru este posibil prin susținerea inovației la locul de muncă, a învățării de-a lungul vieții și a mobilității

lucrătorilor. Deși criza economică și perioada de recesiune a constituit un obstacol în desfășurarea optimă a programului, acesta a fost în mare parte un success, urmând să fie continuat și îmbunătățit în perioada 2013–2020.

#### **IV. CONCLUSIONS**

ESF should not be confused with an agency of employment - he does advertise of work places. In exchange, the Fund shall finance tens of thousands of projects local, regional and national from the entire territory of Europe on the theme of employment (Pirvu, 2012): from small projects conducted by the charitable organizations in the neighborhood to help local people with disabilities to find a job as appropriate, up to the large-scale national projects, which promotes vocational training among the entire population. The European Union has taken the responsibility to create new jobs to foster employment in a higher degree of those already existing, the reduction of the rate of unemployment among young people and persons on the middle age, all these working toward the completion of a company in favor of social inclusion. They are the central objectives of the strategy the "Europe 2020" to generate an increase intelligence, durable and favorable to the inclusion of both the economical and social committee. Esf played an important role in the achievement of the objectives of the proposed by the union until the present, and continue to do so and in the near future.

The social dimension of European integration, was strengthened during the process of integration and social aspects of the policies of the Union have experienced with the appearance of the single market, after the decision of the creation of economic and monetary union. Such an analysis of the economic ideas, which I may be able to refer to the very idea of the system of the science of education (Eși, 2013, differences are) determines us to believe that this is exactly why in the Union have not wanted a unique pattern of social policy, leaving the at the disposal of the Member States to organize the strategies of social policy in accordance with the needs of the citizens.

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