

ABSTRACT

Theme: "**INCIDENTS ROMANIAN ECONOMIC INTEGRATION IN THE EUROPEAN UNION ON EMPLOYMENT AND SOCIAL POLICY**", the subject of reflection and research topic in the thesis, is the result of observation and analysis of changes in the Romanian labor market, as following the integration of the Romanian economy in the European Union, the impact of this process on employment and social policy.

Although the labor market experienced a long existence and has the primary role in the functioning of the whole economy, not a unitary still stands on the economic theory in the measures taken for the efficient functioning of the labor market. The motivation for this is based on the importance of the human factor in the economy, factor-which is one of the components of national wealth and has a serious influence on the sustainable development of the economy.

After a transition period of 24 years, the significant changes and reconstruction of economic and socio-political system, the issue of labor market continues to be a sensitive area of political practice. The labor market remains one of the main components of a market economy, with goods and capital market. Changes in economic and social life have influenced labor market, changes implemented as a result of the transition to market economy, the period of integration into the European Union and, not least, the effects of the global economic crisis.

The labor market has been influenced by a number of factors such as gross domestic product development or growth of industrial production, agricultural production and services; increase in commercial transactions, monetary circulation and credit; reorganization of the national economy and the emergence of new fields of activity due to technical and scientific progress; productivity gains, etc., to which were added a number of economic and non-economic, such as the involvement of the state and distribution policies of development funds; education system and the ability / inability to secure skilled labor according to market requirements; existing legislation; social actors and the degree of involvement in labor market issues etc.

The influence of these factors resulted in labor market dynamics (reduction of the active population, worsening long-term unemployment), while producing changes in various economic sectors, regions, industries, employment status etc.

The thesis that we give you for analysis is based on theoretical connections with the analytical characterization of the labor market status and employment, identify training factors of supply and demand and to ensure their balance; the thesis addresses issues that come to complete aspects of labor market trends and employment in Romania and the European Union lately.

By developing this thesis I aimed to achieve a multidisciplinary approach, focusing on both theoretical and practical aspects of labor market, employment and social policy, identifying solutions to reduce unemployment, increase labor efficiency resources available to achieve an effective framework achievement of social policy in the current context.

In developing this thesis using a plain language, explaining every topic discussed and bibliographic materials were varied and useful in achieving objectives.

Develop thesis followed:

- *Theoretical aspects* related to the labor market, employment, unemployment and social policy in Romania and the European Union;
- *Different analyzes, comparisons of labor market developments and unemployment in Romania and the European Union labor market and employment strategies in Romania generated by the European Employment Strategy labor, labor market vulnerabilities found, inter-conditionings between economic development and the employment of labor resources;*
- Creation of a case study: *“Influence integration of Romania into the European Union on employment and social policy in the South - West Oltenia Region”* to analyze how the state and those involved in decision making, responded by social security policies instituted crisis situation in this area, as in all areas of the country, following the integration process of our country into European structures, and finding solutions to improve the efficiency of the available labor resources and increasing employment of labour.

Divided into **six chapters**, with an introduction argument, and final conclusions, the thesis addresses a wide range of phenomena, starting from the theoretical aspects related to labor and employment, continuing with the quantitative, qualitative and institutional refer labor market and employment in Romania and the other Member States of the European Union developments and characteristics of unemployment in Romania, the European Union Eurozone developments and characteristics of social policy in Romania and the European Union to the analysis of social security and find solutions for increasing the employment of labor in South - West Oltenia Region.

The thesis starts with a theoretical approach to the main coordinates of the labor market, employment and social policy: supply and demand for labor, allowing subsequent interweaving theoretical coordinates concrete situations encountered in the labor market, theoretical coordinates found in the first chapter entitled **“Theoretical coordinates of the market labor, employment and social policy”**.

We analysed the components, characteristics and functions of the labor market, highlighting also the determinants of internal labor market, namely: the evolution of gross domestic product or industrial production growth, agricultural production and services; increase in commercial transactions, monetary circulation and credit; reorganization of the national economy and the emergence of new fields of activity due to technical and scientific progress; productivity gains etc.

Also in the first chapter, I found it necessary to highlight the factors influencing labor supply globally: population size of a country, the working age population in the total population and the number of hours worked by each person. Next, we explain the concepts of: total population, active population available for work, employment or actual active working population unemployed (unemployed), showing the form of a scheme, the components of the total population according to participation in getting the job offer. I found it necessary to explain these concepts because most times when referring to the labor market only paid labor is brought into focus, ignoring the potential supply, remaining outside the labor market.

To ensure coverage of a greater degree of thematic area and to facilitate comparison with the labor market in Romania continued research with subsection **“Imbalances in the labor market and the effects on the employment process”** where I highlighted issues about the labor market between balance and imbalance from the

undeniable truth that the labor market is a market in balance, balance designating full employment of labor, a situation difficult to achieve any state of the world. The balance of the two components, supply and demand for labor is rather hypothetical, although social policy system of any state tends towards this target.

However, we found it necessary to highlight the phenomenon of **“unemployment”** as a form of imbalance in the labor market, given that it is a macroeconomic problem, given the time and place of the event, which is the subject of fierce dispute theoretical, methodological and politico-ideological, the scale of concern and requires multiple solutions to economic, political, social.

Next, we treated issues related to the concept of social policy, the set of public policies aimed at achieving social protection and welfare; objectives and priorities, and the content of social policy system.

Of particular importance, we considered the presence of social policy areas of interest, namely: administrative practices and policies relating to social services, social security, education, employment and training, community services; social problems related to crime, disability, unemployment, mental health, old age; discrimination issues of race, ethnicity, gender, poverty and economic inequality. Weight accurate classification of the object of social policy as part of public policies related to cultural and political traditions different from the continent, but take into account the growth that has met the social over the years.

Social policy history records a turning point with Lord Beveridge Report of 1942 of Great Britain, which promotes the idea of defeat deprivation, disease, ignorance, poverty and inactivity, and it is recommended to initiate certain measures, namely benefits programs family; affordable healthcare systems with wide coverage; state intervention in the labor market in order to achieve the objective of full employment of labor (zero unemployment); universal and compulsory insurance schemes (pension and health). Underlying social concerns of various state political systems need to solve social problems and answers helped the problems were under the influence of the type of society (traditional or modern), the degree of economic and social development and technological and value system, customs, religious beliefs prevalent.

Solutions came to these problems have been individualized through the efforts of various companies to meet certain needs, social problems, correction of injustice or improving quality of life. Efforts have been developed in the work of groups and institutions based on religious values and modern pin through a social device created by groups or states. ***Inability economic system to meet all social needs determined the need to ensure social services by the state, service-oriented goals that go beyond those primarily economic.***

In modern states, social policy development was based on the submission of economic and social motivation in important international documents, namely the Universal Declaration of Human Rights adopted by the United Nations on 10 December 1948 which proclaimed a series of political, social, inherent economic and cultural human person recommending Member States to implement them in practice with other rights contained in the documents of the Council of Europe.

Chapter II: **“The labor market and employment in the European Union”** I paid special attention to study general identifying characteristics of the labor market

and employment policy in the EU labor to achieve, then a meaningful comparison with the labor market and employment in Romania.

The analysis of labor market and employment in the EU phenomenon was concluded that employment is a serious problem that confronts all Member States, irrespective of the degree of development of these countries, because the structures and efficiency of employment shall economic performance and also value the ability of the economic system of valuing and capitalizing on available resources and on the other hand work is the only measure of the contribution of the individual to productive activities on the basis that it found its role and status in the society.

In the labor market there is a slow stabilization of employment, with unemployment still high. In these circumstances it is estimated that in 2014, the employment rate of the labor force will have an upward trend, slowly, and the unemployment rate will fall to 10.4% in the EU and to 11.7% in the euro area in 2015, the differences between countries continues to remain very high.

The European Commission adopted a Green Paper entitled Modernising labor law to meet the challenges of the XXI century in the labor market. Lisbon Treaty (December 13, 2007) amends and establishes a series of measures on social policy and employment in the EU in the current stage. Starting from the fact that nation states promote national policies on employment, the Treaty shall regard promoting employment as a matter of common interest, which will be coordinated by the EU Council. Union shall encourage cooperation between Member States and complement Member, when necessary, fully respecting Member States' competences in this field.

Although economic and financial crisis has affected the labor market, employment labor force experienced a significant improvement in many EU countries, due largely upward trend of employment of the workers and older women (aged 55-64 years). Thus there is an increase in occupancy EU-28, from the second quarter of 2008 until the second quarter of 2013, the population aged 15-64 years, up 1.2 percentage points from 70.7% to 71.9%.

Due to the fact that the unemployed are growing and there is an increasing level of their long-term and less efficient correlation of demand and supply of labor, *required serious measures in the EU-28 for the removal of these phenomena, active policy aimed at labor market and public employment services of the labor market*. Some states have reacted efficiently with increased funding these policies and active service, others have reacted diminishing funds, all measures aimed at fiscal consolidation and improving the efficiency of public services on employment.

To achieve the objective of employment by 2020 are needed progress in the actions taken to restore economic growth and create new jobs. Given the current financial and economic situation and expectations of mild employment rate employment for the coming years, Europe 2020 target can not be reached, the employment rate would have to rise to 71.8% in 2020 and to achieve this goal should be that 16 million people in the EU still have a job.

Chapter III: **“The labor market and employment in Romania”** I treated issues related to: active population, employment, unemployment in Romania; inter-conditionings between economic development and the employment of labor resources, and strategies on labor market and employment in Romania generated by European employment strategy work.

The labor market has undergone significant changes during the transition to a market economy, an important feature was the one, and is also currently employed population decrease. Studying labor market problems in our country, we have seen the plight in which the imbalances and dysfunctions legacy is not entirely due to this critical situation, this being due to the wrong way of implementing economic reforms and ignoring sector issues employment.

Implementation arrangements for knitting labor market policies with macroeconomic restructuring, privatization and education-training, the application of forms of dialogue and social partners, represented by state actions to encourage labor market. Following the restructuring of enterprises have lost many jobs without being offset by the creation of other jobs, and supporting, encouraging and strengthening the competitive business environment while simplifying regulations and administrative procedures, reducing bureaucracy and corruption, are elements that depend largely on the government proper assessment of the impact of reform measures implemented to determine the current situation.

Transition period 1990-1997 brought a series of transformations of the labor market, labor resources labor market amounted to 13.5 million. Persons, period of unemployment followed by an explosion in 1994 (10.9% unemployment rate representing period analyzed), burst loss due to investment in industry and construction. Following the massive redundancy of labor in the construction industry and the share of employment in agriculture has been a blast. Parallel to these changes taking place, and the creation and development of underground economy (estimated at 20-30% of GDP) and black market labor.

Actual transition period, 1998-2000, debuted on the labor market with some measure of legal regulation of labor inspection and enforcement of labor law. National Governance Plan 2001-2004 included economic restructuring and privatization measures of the labor market, thus achieving massive staff layoffs, though the unemployment rate has not increased significantly, contrary registering a decrease as a result of social protection measures. As a result of measures to stimulate the employment of labor market imbalances recorded significant growth with a significant contribution in this regard, strengthening the existing jobs and new ones appearing.

Many investment opportunities are missed due to devote by the government of our country has a significant budget to achieve a country branding strategy that is geared to the business. With the missed business opportunities, our country lost several jobs in the labor market.

Late start in the race of globalization is an issue facing the country now ours. Living in space communist economy directed and controlled by the state, Romania was among the last countries in which the revolution of transport, communications, labor productivity, and information. Products expensive, inefficient economy, hyperinflation, Western competition, poor legislation, all cornered Romanian economy, making it vulnerable. All this has left deep scars, leading to 2 million unemployed, 5.5 million pensioners and the poor majority of the population (85% of the population).

Working population of our country has seen a significant decline in recent decades due to demographic decline, the rate of labor force participation increased in the period 1990-1992 from 70% to 75% decline installing it after 1992, following

declining employment and increased unemployment, as a warning to economic activity in our country, in general, due to the increasing number of retirees.

Analyzing *the period after 1989* we see that *employment declined massive employment rate of people aged between 20 and 64 years increased in 2005-2008, from 59.7% to 64.4% in 2008, followed in 2009, a slight decrease, reaching 63.5%*. Active population decreased in the period 2007-2009, from 9,994,000 people in 2007 to 9,924,000 people in 2009, then follows a slight increase in 2010, with 41,000 persons compared to 2009 and 3000 people in 2011 compared to 2010, and then to decrease again in 2012 with 4000 to 2011 people. *Believe that improving the situation might perform on the rise in the birth rate, while growth and maintaining it for a period long time, by increasing the attraction of potential labor resources and social and economic activities, not least by increasing productivity employment, which determines the actual creation of goods and services necessary for human development.*

The structure of the active population by gender, although female population exceeds the male population in Romania, *it appears that the male population is economically active than the female population*, so in 2007 a number of 5.515 million males were active on the labor market and only 4.479 million females were classified as active people. This inactivity in women can be explained by the maternal role of women in family and society, but also because the statutory retirement age, lower in women than in men.

If we analyze residential areas , we see that the population is more active urban, urban peak of the year 5,563,000 people in 2011, while the minimum in 2008 to 5.471 million people in 2007-2012.

Doing a review of the phenomenon of unemployment among women and men, *we find that after 1991 and until now tipped the unemployment proportion to the female population to male population*. The period 1991-1996 is characterized, in the distribution of unemployment by gender, the fact that women were the most numerous of the unemployed. After 1996, the situation changes, because collective redundancies started in 1997 had targeted construction activities, mining, metallurgy, ie branches where staff were mostly male

Currently, *the labor market in our country is deeply affected by the global economic crisis, plus the inability of persons entitled to formulate solutions against unemployment*. It is easy to see that there is an event with a high *intensity of structural unemployment, technology and the explosive unemployment diplomas*.

Employment in our country has been and is currently a priority in government policy, endeavoring relevant institutions and implementing measures to achieve this objective. *“Employment Program jobs”* prepared by the National Agency for Employment has as general objectives for 2014: to increase employment and promote social inclusion; increasing employment of young people and Roma; facilitate the transition from unemployment to employment; improve and strengthen the professional skills of persons seeking employment.

From the study of employment by sectors of the national economy shows a trend reagrarizare economy, *increasing employment in agriculture*, closely related to the phenomena of aging and feminization (agriculture and forestry in 1990 recorded a rate of 28 6% of total employment in 2000 this share had reached 41.3%, a trend that did

not materialize in the next decade, the year 2011 recorded a 29% share of the employed population of agriculture and Forestry), a trend de-industrialization as a result of reducing the number of employees by industry and construction, a maximum development of the service sector, absorbing about 50% of employment, sector recording the sustainable development.

I believe that it is necessary the development of policies and strategies in employment to take account of the characteristics of the occupational manifested atypical situations, according to trends in developed countries economically and developments and employment forecasts in our country.

The transition to a market economy has caused some labor remaining unemployed is transferred to informal forms of work, informal employment is in agriculture and in other sectors, such as construction, trade, services, health, etc.

Despite economic growth in the pre-accession and post-accession EU migration and informal employment have disappeared from Romania, these phenomena even widened during the economic crisis. Employment policy is part of our country's social policy, with pensions and other social security benefits, social welfare and family policies, labor relations, safety and health, health insurance policies in the sphere of housing and housing policies in education and other social policies.

Strategy and policies is necessary employment jobs have as a starting point fixing fundamental objectives, namely:

- Supporting economic growth by creating new productive units that will create new jobs, especially in key sectors of the economy;
- Increasing the number of jobs in the -inovare research and training, in parallel with increasing attention to staff these sectors (salaries, material and documentation requirements, etc.);
- Promoting technical progress units to ensure a competitive level comparable to that of developed countries;
- Creation of conditions necessary for the development of quality work in order to create sustainable motivation bidders employment available;
- Providing support in training to achieve managerial skills needed to run competitive businesses considering the tough requirements of the global economy;
- Taking measures necessary for creating and strengthening the middle class able to compete with large units;
- Promoting rural economic development, taking into account that rural human resources has an important unoccupied.

- In Chapter IV: **“Social policy of the European Union to achieve social cohesion condition”** I tried to capture the stages of development of social policy, instead of the EU political system and the need for social policy and funding. In this research occupied a special place in the social protection system caught between the social considerations and economic constraints.

Regarding social policy, despite the positive signs, we can not speak of achieving a global system of social protection of individuals, because you can not perform the full transfer of responsibility of international organizations and national governments of rich countries due to insufficient resources and lack framework appropriate policy and limited generosity of rich countries to poor, generosity often subject to political and unsupported by poor countries.

To this is added the difficult process of harmonization of social protection models even in developed countries, a process hindered by differences and national interests are often divergent and make it difficult to unify.

Each country in the EU, taking into account the level of economic development, and social policy designed their own national in accordance with the actual situation of development. Therefore, *social policy was and is at present the problem of each EU Member State.*

The EU social policy promoted lead a struggle against social exclusion. Social rejection and discrimination victims are the women, the elderly, people with disabilities, different ethnicities. Programs established by the European Union on combating poverty campaigned for integration of disadvantaged people. European Employment Strategy and the European Social Fund is the policy instruments used to achieve integration of people with disabilities. In the elderly, the labor market situation in the EU outlining their concerns and needs, looking for solutions through the implementation of projects designed to lead to a smooth transition from work to retirement.

Were made and are important steps by EU Member States on the line to achieve effective social protection systems. *Despite EU efforts to modernize social protection systems, the progress made by Member States are unequal social policies of the Member States failed to preventing poverty and social exclusion of certain groups of people.*

In the fifth chapter, “**Social Policy and Social Security in Romania**” have treated aspects of the social component of our country's integration into the European Union, but also aspects of the social protection system implemented to prevent, reduce or elimination of the consequences of social risks on the living conditions of the population.

Romania's integration into EU structures requires coordination of its social security system of the Member States.

In Romania, the last 24 years were adopted certain provisions of social policy, the market economy and added existing components related social insurance (eg, introduction of unemployment benefit and minimum wage), and other existing social protection (such as the minimum wage, various social benefits for families, disabled persons, etc.), and yet not enough yet to constitute the social policies aimed at economic development social and to a high quality of life, specific states of Western Europe.

In the current Romania is looking for a model of social policy to meet the social needs of citizens.

As for Romania, I consider it necessary measures in the near future to combine priorities of domestic issues, major social problems ignored for years turn disastrous solved with integrating progressive priorities in the new European space under scope of other rules and regulations that need to adapt. Internally, I believe strongly redistributive social policies, universalist not viable for our country, due to the fact that resources are scarce.

Add to this the massive transition costs negatively affecting their fingerprint still put on large segments of the population segments that are the responsibility of social protection policies to ensure a minimum level of subsistence through efficient use of

available resources our country. *It required a change in government culture of poverty, based on sick and inefficient economy to one based on wellness and work.*

Remain necessary measures to adapt the system external social policy directions and logic of Europeanization and globalization, namely:

- Continuing struggle to achieve greater efficiency and giving the time to the objective of reducing social inequality;
- Ensuring labor welfare in order to reduce budget costs and also the tax rates, ie labor costs, and thereby increase the competitiveness of Romanian companies;
- Ensuring a rapid privatization of state companies and foreign investments for successful integration of the Romanian economy in the global structures.

In Romania, *although action has been taken to reform the old social system, social policies have not achieved only partial role, and so relatively small, the eradication of poverty, due to the fact that the social system has not developed to the extent new requirements and resources allocated were insufficient.* High social costs (inflation, unemployment) in the population burden caused social polarization, marginalization and social exclusion, by generating diverse anti-social behavior.

Social policy in the current economic and social crisis, can contribute to economic recovery, social and political life.

Making this difficult mission can only be based on a program of social policy toward the central objective, namely: promoting a good society, as defined by the EU, that is an active community, cohesion and, not least, socially balanced.

In Chapter VI: „**Influence integration of Romania into the European Union on employment and social policy in the South – West Oltenia Region**” we aimed to analyze the way in which the state and the decision makers have responded by security policies at social crisis situation in this area.

Analysis of the labor market in South - West Oltenia Region determined to identify major disruptions caused by the mismatch between supply and demand jobs, as follows:

- Demographic decline;
- Concentration of supply of jobs, mainly in urban areas, rural unemployed having a small area of employment, occupations and industries (agriculture);
- Massive decline of employment in the industry;
- Scale labor “black”;
- Lack of medium and long-term forecasts, businesses are unable to send information to anticipate trends in the development of economic sectors, and thus without the possibility of optimal labor market analysis.

The main measures that are to be taken *Region South – West Oltenia*, in our opinion, in employment and unemployment should include, inter alia:

- *create the conditions necessary to support the resumption of sustainable economic growth. Industrial parks are considered, in this respect, true engines of growth at regional and local level but also at the center of urban growth poles. Making public investments in small and medium cities of the region will allow our country to maintain and develop the network of urban centers and also to promote and support their development centers mainly consumer (many of them arguing resources outside: farms, jobs abroad, etc.) capable centers to develop and sustain viable manufacturing and service sectors.*

• focus should be on development of small and medium enterprises, ensuring absorb redundant labor in large enterprises and graduates entering the labor market for the first time. It is necessary in this regard, improving the infrastructure for basic education system, continuous training and providing the necessary support social protection programs, employed and unemployed long-term unemployed.

• completing tasks decentralization of public institutions in human resource management;

• implementation of local public-private partnerships to maintain a high level of employment;

• promotion of employment forms compatible with local applications;

• development of projects and programs already underway and no delay or abandon them;

• involvement of local authorities and their greater flexibility to attract investment, especially foreign ones in this area.

These measures should be accompanied by others to support and welfare of disadvantaged, vulnerable, but above all it is necessary to provide improved access to the labor market, given that the only real social protection is the bringer work allocation of income and no money.

As a conclusion, we can say that regional development has a strong impact on employment and of tehe unemployment, both locally, regionally, and across the country, and at the same time is one of the conditions of Romania's full integration in European Union. It is therefore necessary, to develop South-West Oltenia Region, focuss on human capital, capital which have to be exploited and enhanced by attracting and stimulating foreign investment in the area.

As a conclusion of the thesis can say that the „**economic integration**” includes an agreement between a common economic space and a free movement of production factors, given the existence of a „**common market**”, the use of human and material resources with maximum economic and social efficiency, completing the customs union, as well as a common policy on economic, monetary, financial, and, not least, social.