

SUMMARY

The thesis with the title “The functioning and regulation of the labor market within the frame of the integration in the European Union” focuses on the critical study of the organization, functioning and evolutions noted for the labor market in Romania and the South-Western Oltenia Region of development, influenced by the process of integration of our country in the European Union.

Although the concept of labor market has a long existence and a fundamental role in the functioning of the economy on the whole, there is no unitary outlook yet, at the level of the economic theory, neither on itself, nor on the measures that can contribute to an efficient functioning of the labor market.

The motivation for this situation was entailed by the importance of the human factor in the economy, which represents a component part of the national wealth with a great influence on the lasting development of the economy. The specialized literature broaches the labor market based on two different views on labor, respectively the first view, considering the analysis of labor as certain goods, and a second view considering labor as a specifically human conscious, physical and/or intellectual activity, aiming at the achievement of economic goods, intended for human necessities.

In consideration of the object of transaction, the evolution and the particular impact of the labor market on the economy as a whole, as well as the comparison with the other types of markets, we can identify the main characteristics of the labor market:

- **it is the most rigid market with the higher level of regulation** because, in addition to the mechanisms and institutions ensuring the functioning of the labor market, there are also a series of norms, rules, moral standards and values concerning the development of working relations;

- **it is a sensible market, with a frail balance**, because its activity is entailed not only by factors of economic nature, but also by factors of social, demographic, political etc. nature, the labor market being conditioned by the balance of all other markets and at the same time conditioning the stability and the socio-political balance;

- **it is a stratified, segmented and discriminating market**; depending on specific criteria, a structuring of the labor can be achieved, based on such criteria as: age, sex, ethnic affiliation, residence areas, professional categories, levels of qualification, geographical regions etc. As a consequence, at the level of national economy there are a multitude of

labor markets, structured according to regional, wage, professional, branch criteria;

- **it is a market with a contractual character**, as a consequence of the fact that the relations between economic agents and the offerers of labor are materialized by contracts corresponding to the legal provisions;

- **it is a market with extensive possibilities for negotiation** given the fact that the institution of collective negotiation has become the basis and framework for the organization, regulation and development of the collective working relations on the whole, at any level, company, branch, profession or at national level.

The component parts of the labor market are represented by the labor demand and the labor supply.

The multitude of activities that are carried out as part of the economy to achieve goods and services for the market, as well as for self-consumption generate the need for labor. This represents the total volume of work necessary for the activities in a country (area/region) over a given period, which takes the form of labor demand as the wage condition is being fulfilled. The labor demand thus represents the need for wage labor which is created at a given time in a market economy.

Satisfying the need (demand) for labor at micro and macro-social level is based on the amount of work that the active population, available for work is willing to put at different levels of wage.

The labor supply represents the labor resources available for the society (region) at a certain moment, which are defined based on the following criteria: pay wages (remuneration), having the physical and intellectual skills necessary for carrying out a certain trade, the constant seeking of a job, as well as the availability of a person to immediately occupy a position, that is, to carry out a service. In essence, the suppliers of labor in a society are mainly the followers: the wage employees, members of family associations, freelancers, the unemployed.

In contemporary circumstances, the wages represent the most frequent form of income and its level represents the instrument of regulation for the labor market.

The balance between the need for labor (“the labor demand”) and the available resources (“the labor supply”) at certain levels of wages, between the employment and the increase of labor productivity thus represents the result of an efficient functioning of the labor market.

The changes occurring for the need of labor and the labor resources, during the development, lead to a dynamic nature of the process of achieving a balance between the labor demand and the labor supply, which is

continuously influenced by the action of different factors respectively conditions enforced by the law, the influence of the specific activity of social partners (association of employers, trade-unions), the relations between them considered for their signification and intensity. Consequently, what essentially determines the extent of employment is the level of the actual demand; its deficiency in consumption, as well as investment results in unemployment.

By the alarming amplitude, by the complex structures, but especially by the evolutions changing their rate and direction, the unemployment has become a macroeconomic problem which has formed and still forms the object of complex theoretical, methodological and political-ideological debates.

The labor market is, because of its specific character, the most regulated of all markets.

The regulation of the labor market is based on the provisions of the Constitution and comprises normative acts concerning the field of working relations, the field of health and social security, the field of employment, the field of working conditions and the field of social protection.

The consolidation and the improvement in the functioning of the labor market in Romania can not be designed outside a proper legal frame and a flexible institutional frame.

The institutions of the labor market are economic and social structures for organization and intervention on the labor market, which establish rules and supervise the use of labor.

The mechanism of organization and functioning of the labor market in Romania is achieved in a tripartite manner by the state, by employers' associations and by wage earners (through trade-unions) and it aims at a continuous regulation and improvement of the market in agreement with the principle of rationality and maximum economic efficiency in allotting and using resources of labor.

The proper functioning of the labor market is based on the interdependence of using negotiation on the labor market, of the mechanism of settling work conflicts, with the act of control focused on the conditions of development of the activity and working schedule.

The Romanian integration in the European Union entailed a constant adjustment of social policies and of policies of employment, according to the elements of communication.

At the European level, the elements of social policy and of the employment policy have evolved and have been consolidated in time and the importance of social and employment problems within the policies of the

European Union have significantly increased since the first steps of establishing the Single Market (Convention in Rome) until the present moment.

As for the social policy, it is promoted by the European Union as superstate institution, but also by each state member of the European Union, the competences in this field being shared, for the purpose of efficiently achieving the main goal, respectively meeting the minimal needs of every citizen.

In contrast with other fields, the problems of employment is not the focus of certain rules of the Norm type, which must be taken by the national legislation, but it is left to “all communautaire members”, who are responsible for taking all necessary measures in order to achieve the goals set at the communautaire level.

With regard to the employment policy, the key-objectives concerning the functioning of the labor market at the level of the European Union have been structured in the following manner:

- maintaining the level of employment, creating posts of employment and promoting mobility;
- improving the skills and meeting the needs of the labor market;
- improving the access to the labor market.

The strategy of the European Union presented in Lisbon emphasized the connection between creating posts of employment on one hand, and the active policies in the labor field (a robust macroeconomic frame, investments intended for developing skills, research and the infrastructure), a better regulation and the promotion of entrepreneurship and innovation on the other hand. The workers and the companies must have the necessary means in order to successfully adapt to these changing realities: to maintain stable positions, to improve the skills at all levels, to reinstate the persons in the workforce and to support the setting up of new posts of employment.

In Romania, the National Reform Plan includes several objectives with immediate consequence on the labor market:

- the increase of employment and of the rate of activity by transforming undeclared labor into employment, especially by increasing efforts to reduce non-wage costs on the labor market;
- the improvement of the access on the labor market for the vulnerable groups;
- the increase of employment and of the rate of activity by developing skills, training and by improving the labor market.

The achievement of these objectives of crucial importance entails turning to operational of certain measures suiting the intended purpose, respectively attracting and maintaining more persons on the labor market, improving the adaptability of industries and of workers, as well as the increase of investments in the human capital for the improvement of its quality.

Although the objectives of the social policy and of the policy of employment aim at the functioning of the labor market with maximum efficiency, the occurrence of a certain unbalance at the level of the other markets can require taking measures to shift the focus on one objective or the other.

Thus, during 2009, the world economic crisis has put an unprecedented pressure on Europe. This situation imperiously requires agreed actions of the countries of the European Union in order to reduce, if not cancel the immediate and longterm effects of this crisis. The labor markets in Europe will radically change following the recession affecting most of the state members of the European Union and as consequence, we consider that specific measures are necessary in order to limit the difficulties at individual level and to avoid losing valuable competences. At the same time, measures must be taken in order to maintain employment positions during the crisis and creative solutions must be sought to maintain the objective of developing highly trained work force.

“The ecological employment positions” have the potential of becoming an essential element in the development of labor markets in the European Union: at present, over 20 million jobs can already be considered “ecological” (10% of the total of positions), and recent studies indicate that, for example, the number of employment positions in the field of renewable energy has the potential to double until 2020, amounting to 2.8 million positions.

Therefore, the main objectives of the European Union as a whole, but also of Romania, in part, should be directed mainly towards: avoiding high rates of unemployment, spurring the setting up of new employment positions and the setting up of the conditions for economic revival, recovery and lasting development.

The priorities of the European Union in the field of labor legislation are aiming at defining the minimum requirements of labor and not at the harmonization of the legislation. To the greatest extent, the improvement of the working conditions comes within the competence of the member states, through national legislations.

We consider that flexicurity, a concept which is concerned with ensuring the balance between flexibility and security on the labor market, for the purpose of making sure that all the citizens of the European Union can benefit from a high level of security for employment positions, remains the suitable approach for the modernization and sustenance of the adaptability of labor markets to the present conditions.

The labor resources are directly dependent on the total number of the population, in general and on the number of the active population, in particular.

In the last decades, most of the European countries were confronted with a disquieting demographic phenomenon, having as main characteristics the reduction of birth rate and the ageing of the population.

With a causality which varies from one country to another, depending on the actual economic-social conditions, this disturbing phenomenon, especially because of its consequences on average and long term, was approached with special consideration by the national authorities, especially among the states members of the European Union, which have drawn up their own social policies in the field of population, based on complex multidisciplinary analyses.

In this context, it's worth emphasizing the fact that Romania is no exception from the evolutions noted at European level, the last decades being marked by a continuous and significant decrease of the Romanian population. A concise analysis of the demographic indicators emphasizes this situation which is not reassuring at all, reflecting a distinct downtrend of the population, brought about by the impairment of the structures of three component parts of the population evolution – birth rate, death rate and outside migration in addition to the increase in life expectancy.

Beyond the statistic data regarding the migration of the work force in our country, a more detailed analysis of the phenomenon should tackle on a series of aspects with consequences of social, financial-investment, demographic, political etc. nature, in order to be able to substantiate possible policies of control over the migration, especially in the context of the integration and in order to be able to preserve the benefits of labor circulation.

In the present context and considering the previous demographic evolutions, a series of urgent measures are required in our opinion, to contribute to a re-balancing of the population pyramid, which must be corroborated with measures particularly focusing on the process of education and professional training, the length of the active working life, the working conditions.

The analysis of the evolution of the structure of the population employed by branches and macro-sectors of activity points out to a series of changes, which, in comparison with the situation existing at the end of year 1990, can not be considered positive, but on the contrary.

In 2008, the employed population in the agricultural field represented 28,8% (approximately 0,2 percentage points inferior to the level of 1990), the employed population in industry and constructions represented 31,4% as opposed to the level of 43,4% in 1990, and the employed population in services represented 39,8% as opposed to 27,6 in 1990%.

It is thus a matter of maintaining a high share of employed population in the private sector, from the point of view of the structures of employment, trends which contravene to those noted in the developed countries from an economic point of view.

On the other hand, the employed population in the underground economy presented absolute and relative growth during 1996-1999, and after that it presented a decrease until 2004, and starting with 2008, once the economic crisis has started, we have been witnessing a new increase in the employed population in the underground economy. From this we can ascertain that in Romania there is a black labor market which is developed simultaneously with the official market, and the actual labor market is larger than the one which is officially recorded. According to the analysis "Risks and social inequities in Romania" carried out by the presidential administration in 2008, in Romania, approximately 1.4-1.7 million people were working under the table and for approximately 10% of the wage earners in Romania, the cashed wage was not noted in the Employment Record Book also. According to the same report, the highest share of the informal sector, the total of employed population is noted among young persons with ages between 15 to 24 years, which is 19% as opposed to 9-13% of the employed population from the other age groups, under 65.

If until the meeting in Lisbon European strategy for occupancy was based on measures taken at national and community level, together with the publishing of guiding lines for year 2000 labour force occupancy gains a regional dimension, as at regional level can be developed strategies that can take into considerations the local characteristics and the competitive advantages offered by these characteristics.

From the perspective of functioning of labour market, the region represents the basic segment, the place of meeting and adequacy of the demand with the offer of labour force, the declared purpose of regions being that of stimulation and diversification of economic activities, stimulation of

investments in private sector, decrease of unemployment and therefore an increase in living standard.

Due to these reasons and taking into consideration the fact that any approach relating to effective functioning analyses of labour force market must be at the basis of an exact knowledge of economic potential both at general level and at regional level, we made an ample analyses of labour market both in the South-West Oltenia Region and at the level of the most representative county of the region, Dolj county.

During the whole analyzed period of time it can be noticed the existence, on the one hand, of a process of decrease with about 8% of the total population of South-West Oltenia Region, and on the other hand, the increase of the phenomenon of ageing of the population. If the active population is dependent on the evolution of demographic body, defined by the group of age, the degree of occupancy of the active population is determined by the functioning of the economic system of the region and by the effectiveness of the national or local strategies for occupancy.

The decrease of occupied population at regional level followed the same evolution as that registered at national level, but, if at the national level was registered a decrease of the occupied population with 10,84% in 2008 as compared to 2000, at the level of South-West Oltenia Region the civil occupied population decreased with 18,88%.

As for the structure of the regional civil occupied population on sectors of economy it is emphasized the fact that the regional civil occupied population in agriculture had in 2008 a share of 38 %, a net percent bigger than the national mean of 28,21%, while for the other sectors it may be noticed a distribution on sectors comparable with that existent at the level of national economy. As a consequence of this evolution of components of labour market, the level of unemployment registered in South-West Oltenia Region during the whole analyzed period registered levels with at least 2-3 percent points over the level of unemployment registered at national level.

Materialization of labour market analyses in South-West Oltenia Region as well as in Dolj county led to the identification of some major breakdowns, caused by the inconsistency between demand and offer of jobs as follows: :

- demographic decline,
- offer of jobs is focused preponderantly in urban environment, the unemployed persons within rural environment having at their disposal a broad area of jobs, trades and fields of activity (agricultural sector),
- strong decline of hiring in industry,
- “moonlighting” work - widespread phenomenon,

- expansion of migration phenomenon, especially among persons with higher education,
- demand of labour force presents sometimes a series of specific inconveniences, offering in many cases: incomes and forms of employment not attractive, instable work places or inappropriate work conditions,
- lack of a long and medium term prognosis, economic agents not being able to anticipate the development tendencies of different economic sectors, so there is no possibility of an optimal analyses of labour market,
- ignorance in the field of "information technology" for a great part of labour force in rural environment excludes the possibility which that part benefited from the potential opportunities of occupancy of some posts that need this technology.

Eliminating the disadvantages registered in local labour market implies operationalization of some occupancy strategies that start from the specific of South-West Oltenia Region and that be fundamental for the next measures:

- Immediate termination of the process of decentralization of public institutions duties in the field of human management,
- Carrying out of local public-private partnerships in order to maintain the occupancy level,
- Promotion of some forms of occupancy compatible with local requirements,
- Set-up of strategies for disfavoured areas from the point of view of developing and occupying labour force,
- Development of an adequate informational system of regional labour market,
- Development of professional training and reemployment programs adapted to the specific of the region.

By way of conclusion, regional development has a great impact over labour force occupancy and unemployment, both at local, regional level and at national level, representing a way but a condition too to full integration of Romania in European Union.

Integration of Romania in European Union represented the main global provocation that determined new frames of evolution in our society. As in the main areas of social life, labour market in Romania suffered essential modification in this period. Analyses of labour resources in Romania and European Union emphasized an amplification of ageing phenomenon of population in both analyzed areas, but with totally different reasons, based on a continuous deterioration of natural growth in Romania, while in European Union this phenomenon appeared as a decrease of birth

rate concomitantly with the increase of life expectation. The structure of occupied population on sectors of national economy as compared with environments registered in European Union emphasizes (through the percent of occupied population in agriculture which is 7 times bigger in Romania as compared to European Union, which is 27) the fact that labour market in Romania did not succeed to pass beyond the pre-industrial level.

The relatively high level of unemployment on long term and especially of that registered at the level of group of age between 16-25 years in Romania as compared with the mean registered in European Union is also among the identified issues. .

The conclusion of our approach is that for Romania the main issue that needs to be solved is to find some urgent solutions to protect the jobs threatened by the decrease of production lacking resources concomitantly with professional reemployment of unemployed persons and only after would be stopped the decrease of production and economic activity would gain its equilibrium we consider that the increase of number and percent of occupied population could represent one of the main coordinates of strategy for labour force occupancy.