THE RESULTS OF APPLYING THE EUROPEAN STRATEGY OF LABOR EMPLOYMENT IN ROMANIA

REZULTATELE IMPLEMENTARII STRATEGIEI EUROPEANE DE OCUPARE A FORTEI DE MUNCA IN ROMANIA

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Abstract: *The strategy of promoting the economic growth of the European Union on long term was adopted 10 years ago in Portugal's capital, and was meant to turn European economy into „the most dynamic and complex economy based on knowledge until 2010". The results of applying this strategy were under expectations. The strategy was drawn up when the heterogeneity between the EU members was lower compared to the situation after the extents of 2004 and 2007. Lisbon Agenda and its objectives have been in effect even after 2010, strengthening the role assumed by the European Commission in drawing up the future 2020 EU strategy.*

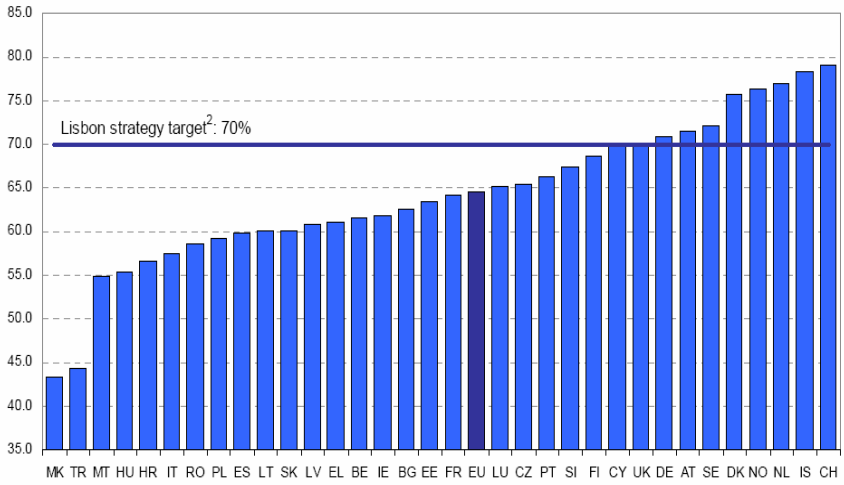
Key words*: employment, strategy, economic crisis*

INTRODUCTION

The world economic crisis troubled the labor market in the European Union, resulting in over 23 million unemployed persons with few hope of finding jobs within next months.

- 4.3 jobs were lost during the last one and a half year, meaning 1.9% of total labor of the European Union. Therefore the unemployment rate is forecasted to reach 10% in the community block until 2011.
- In case of employment in the European Union in the period 2000-2009, the employment rate increased from 62.2% in 2000 to 62.6% in 2001, it decreased slowly with 4% and then increased gradually to 65.9% until 2008; the economic crisis resulted in a decrease down to 64.6% in 2009.

Fig.1.Employment rate in UE countries in 2009



Source: Eurostat

- Achieving the target of Lisbon strategy 2000, namely an employment rate of 70% in the European Union until 2010, is easy for countries as Denmark, Germany, the Netherlands, the United Kingdom of Great Britain, Sweden, Finland, Austria, Cyprus, that reached and exceeded the employment rate of 70% in 2009. Another group of countries exceeds an employment rate of 65%, namely Slovenia, Portugal, Czech Republic, Luxemburg; these countries prove that the impact of policy within the European Union is favorable for economic and social development. Even though the employment rate increased compared to 2000, the threshold of 60% could not be reached in 2009 in some countries as Italy, Spain, Hungary, Poland, Romania, and Malta.

MATERIALS AND METHODS

This paper intends to present the results of applying Lisbon strategy 2000 on EU's and Romania's labor market. The method used was the interpretation of the statistical data regarding the labor market of

the EU and Romania provided by the National Institute of Statistics and the references mentioned below.

RESULTS AND DISCUTIONS

The labor market of Romania lost about 2 million persons during the last years; these people chose to work abroad and formed sizable communities in Spain and Italy. At the same time, more and more young people are tempted to work for the European institutions in Brussels.

Romania agreed with the European Strategy for Development and Employment - the Reviewed Lisbon Strategy (2005). The national policy in the field of labor employment was in accordance with the integrated directions (2008-2010) of the reviewed European Strategy for Employment and included within the National Reform Program for the period 2007-2010.

In order to respect the **European Strategy for Employment** and to implement the Community Memorandum for Social Inclusion, Romania assumed the followings:

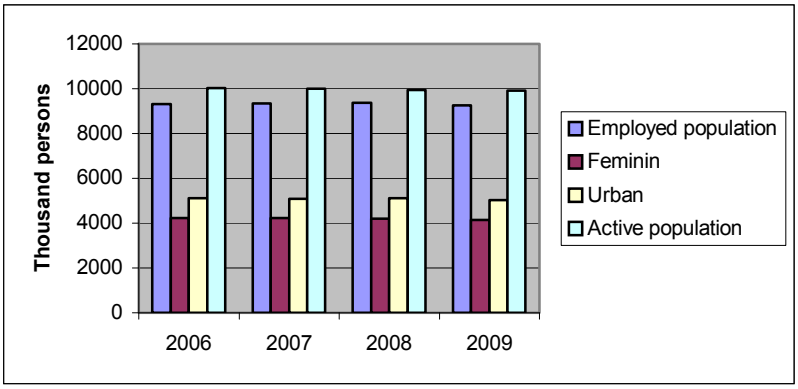
- The National Plan for Development and the Reference Strategic National Frame 2007-2013 – The Operational Sector Program "Human Resource Development" (OSPHRD);
- The Strategic Plan regarding Social Inclusion and the Strategic National Report for Social Protection and Social Inclusion;
- The National Strategy for Labor Employment 2004-2010;
- The National Action Plan for Employment 2006.

The activity and employment rates for population of work age (15-64 years old) recorded sinuous trends, reaching 62.4% activity rate and 57.7% employment rate in 2005, values lower than the EU's average with 7.8%, respectively 6.1%. Economic restructure and privatization determined a migration of urban population toward the rural areas. Agriculture became the last employer, while the rural employment rate exceeded the urban one.

The active population of 2009 was almost 10 million persons, out of which 95.6% work age persons (15-64 years old). The employed population increased continuously in the period 2006-2008, then decreased to 9.2 million persons in 2010; during the third quarter, the employed population recorded minimum of the last 5 years, respectively 9.1 million persons. The fluctuant evolutions of employment in the period 2008-2010 were mainly the result of the economic and financial crisis that influenced the labor market and changed significantly the economic indicators

The activity rate of work age population (15-64 years old) recorded 63.1% in 2009, with higher values for men (70.9% compared with 55.4% for women) and rural population (64.6% compared with 62.1% for urban population). The employment rate of 20-64 years old population registered 63.5%, a value lower with 11.5% than the target of 75% proposed by Europe Strategy Project 2020.

Fig. 2. Employment evolution in Romania between 2006-2009



Source:Results adapted from National Institute of Statistics

Most employed population was rural until 2002. Since 2003, most employed population was urban, respectively 54.4% in 2009. The employees are dominant within the employed population, respectively 67.2% in 2009.

Employment rate analysis in 2010 compared with the EU's countries

There is a negative discrepancy between the employment rate in Romania compared to other countries and the decisional factors should focus there.

In the second quarter of 2010, Romania with a 60.1% employment rate (respectively 60.2% for the third quarter of 2010 – estimated data) was one of the countries with values under the EU27 average (64.3%).

The highest values of employment rate for the second quarter of 2010 were recorded by the Netherlands (76.3%), Denmark (74.1%), Swede (72.9%), and Germany (71.0%).

The European Union adopted Europe Strategy 2020 in order to go on applying the employment strategy. The major objective of Europe Strategy

2020 is to increase the number of jobs in the member countries up to 75% until 2020. The performances on labor market are also connected with the social models promoted by each EU member state.

Europe Strategy 2020 proposes a new vision for Europe's market social economy for the next decade, a strategy meant to help the Union to get out of the economic and financial crisis and to establish an intelligent and sustainable economy, favorable to inclusion, with high levels of employment, productivity and social cohesion.

The European Union has to define the direction of evolution until 2020. Therefore, the Commission proposes the following main objectives for the European Union:

- 75% of the population aged between 20 and 64 years should have a job;
- 3% of EU's GDP should be invested in research and development (R-D);
- the objectives „20/20/20" regarding climate/ energy should be accomplished (including a 30% reduction of emissions, if possible);
- the rate of elementary school abandonment should be reduced under 10% and at least 40% of young generation should have university degrees;
- the number of poor people should be reduced with 20 millions.

Romania established the value targets for all the objectives stipulated by Europe Strategy 2020.

Two of the five targets of Europe Strategy 2020 refer to the social domain, employment and social inclusion/ poverty reduction. This is not only an acknowledgement of their crucial importance within the processes of sustainable development and social progress, but also a way to strengthen the social dimension of the European Union for the next ten years. In order to establish and prove the reference value nationally for these two targets, Romania's specific situation was considered, namely:

- a lower level of employment compared to the European average;
- an insufficient correspondence between the professional abilities and the new economic requirements;
- a high level of emigration of the Romanian workers;

- the specifics of Romanian rural environment where labor employment is dominant in an agriculture characterized by low competitiveness and informal working relationships.

CONCLUSIONS

In order to continue the employment strategy application, one should consider that the context is different from the one existing 10 years ago. The excessive budgetary deficits, with an average above the maximum level required by Maastricht criteria, lessen the handle range of governments for the next decade.

The unemployment rate has increased and the population has aged. The European Union becomes more and more dependent on energy imports, the immigration tests domestic labor markets, the natural resources are more difficult to access, and some emergent and more competitive economies take new market territories from the world market. The world needs global financial regulations to stipulate and supervise the markets, while the commercial protectionism threatens with narrowing markets.

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