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1 December 2009

Online at <https://mpra.ub.uni-muenchen.de/19983/>

MPRA Paper No. 19983, posted 16 Jan 2010 20:44 UTC

Employment and Social Cohesion

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Abstract

The EU is striving to create growth and jobs through a multilateral approach. In particular, measures improving the competitiveness of our economies, stimulating innovation and productivity and strengthening the marginal incentives to work are considered. At the same time, EU energy policies are a sustainable way of creating jobs and enhancing growth and are hence a part of the solution to the current economic crisis. However, it is to be stressed, the longer-term goal remains the building of Europe's future prosperity on the basis of a knowledge (cognition) economy.

Key words: *knowledge based society; social cohesion; employment; quality of life, European Social Fund (ESF).*

JEL Classification: J 15, J 61, J 62

European regional policy is, therefore, designed to bring about concrete results, furthering economic and social cohesion to reduce the gap between the development levels of the various regions. From a scientific approach, regional policy brings added value to actions on the ground. The policy helps to finance concrete projects for regions, towns and their inhabitants. The idea is to create potential so that the regions can fully contribute to achieving greater growth and competitiveness and, at the same time, to exchange ideas and best practices. This is the main purpose of the new initiative *Regions for economic change*. The whole regional policy is in line with the priorities set by the EU for growth and jobs.

In order to assist in the creation of policies aimed at achieving greater social cohesion, the European Commission continually assesses demographic and social developments and evaluates the quality of life enjoyed by the citizens of Europe.

Therefore, the EU regional policy is as tangible as possible and its results can be easily perceived by the citizens of the member countries, who are directly the beneficiaries of the assistance, through different ways: support for finding new jobs, and mainly training for adapting to a continuously changing market.

The European job market is changing rapidly due to new technology, globalization, the ageing population and the transition to a low-carbon economy. It continues to shift from agriculture and traditional manufacturing towards services and knowledge-based jobs. Employees' ability to adapt is critical to growth and social harmony.

So, the strategy for growth and jobs is the main EU strategy for ensuring the prosperity and well-being of Europe and Europeans, today and tomorrow. In this context, the European Employment Strategy brings together the 27 Member States to work at increasing Europe's capacity to create more good jobs and to provide people with the skills to fill them. It guides the European Social Fund which spends European money on achieving these goals.

The European Social Fund (ESF) is one of the EU's Structural Funds, set up to reduce differences in prosperity and living standards across EU Member States and regions, and therefore promoting economic and social cohesion.

The ESF is devoted to promote employment in the EU. It helps Member States make Europe's workforce and companies better equipped to face new, global challenges. In short:

- Funding is spread across the Member States and regions, in particular those where economic development is less advanced.
- It is a key element of the EU's strategy for Growth and Jobs targeted at improving the lives of EU citizens by giving them better skills and better job prospects.
- Over the period 2007-2013 some €75 billion will be distributed to the EU Member States and regions to achieve its goals.

In this context, the Romanian „*Human Resources Development*” (HRD) Program is giving an outstanding example. This program sets the priorities and the major directions of the Romanian government actions in the H R field, in order to implement the European Union financial assistance through ESF, part of *CONVERGENCE OBJECTIVE*, for 2007 - 2013 planning period.

Drawn up within National Development Plan for 2007-2013 and in accordance with The Priorities of the National Strategic Frame, HRD is an important instrument for supporting economic growth and structural changes. Moreover, investment in human capital will complete and sustain the long term productivity increase. A high qualified labor force, continuously adapted to the new technologies and to the changing market requirements is an essential need for a dynamic and competitive economy.

Romania will promote an active policy in the labor market, towards increasing the adaptability and flexibility of the labor force, obtaining a high level of activism in the labor force, as pavement of a competitive economy, based on knowledge (cognition).

ESF funds *allotted* for HRD amount to 3.476 billion euro, representing 85% of Program total value. Romania contribution is estimated around 613 billion euro.

The priority domains settled for HR development in Romania are supported by financial allocations, in accordance with the importance paid by ESF to the three directions of intervention:

- Learning during all life duration & labor force and companies adaptability *promotion* represents 38,37%;
- Active measures for employment, mainly addressed to persons occupied in subsistence agriculture, young and long term unemployed & integration on labor market and social inclusion of vulnerable groups *promotion*, representing 34,21%;
- Education and professional formation in the view of sustaining economic growth and the development of cognition based society, representing 23,55%.

The yearly allocation of E U fund is shown in the following table: [1]

- Billions Euro -

Period	2007	2008	2009	2010	2011	2012	2013	2007 - 2013
<i>ESF</i> Contribution	221,9	330,1	452,5	538,4	595,5	666,5	679,8	3.476,1

The whole financial allocation for priority domains is as follows below: [2]

- Billions Euro; % -

	EU contribution	Romania contribution	Total financing	Rate of EU co-financing
Priority domain 1	797,8	193,9	991,7	80,44%
Priority domain 2	911,7	79,6	991,3	91,97%
Priority domain 3	450,1	69,4	519,6	86,63%
Priority domain 4	176,6	58,8	235,5	75,00%
Priority domain 5	476,4	66,9	543,3	87,68%
Priority domain 6	540,6	103,3	644,0	83,94%
Priority domain 7	122,7	40,9	163,6	75,00%
Total	3.476,1	613,1	4.137,2	85,00%

Priority domains of HRD focusing are:

- *Education and professional formation in the view of sustaining economic growth and the development of knowledge (cognition) based society.* General objective of this domain is clear: flexible routes development for learning all the life duration and increasing access to education and formation by delivering a high quality research and academic tuition.
- *Liaison between learning during all life duration and labor force.* The main objective of this domain consists of facilitating the education access, growing employment and level of education, all life duration. There were identified more specific objectives, in order to fulfill this target:
 - A better transition from tuition to active life;
 - Educational programs as „the second chance” and the prevention of early giving up at tuition, mainly addressed to vulnerable groups;
 - Companies action toward improvement of the employees training;

- Increasing the employees' expertise.
- *Employees and companies adaptability growing.* General objective of this field is to promote entrepreneurial culture, flexibility and adaptability of labor force. To rich this scope, there were identified the following specific objectives:
 - Developing entrepreneurship by supporting, individuals to start businesses;
 - Improving the quality of specialists in labor organization and management.

A small comment is required: companies are in the middle of a revolutionary change. Competition, as it was known within industrial era is transforming into specific competition to informational era. During the industrial era (approximately from 1850 to around 1975), companies were successful according to the degree they could turn to account the benefits stemming from industry peculiarity and from the scale economy. Technology had itself importance, but at last, those companies succeeding in including new technology in tangible assets able to generate the efficient, mass output of standardized products, were successful.

The emergence of informational era, in the last decades of XX century, put many fundamental conditions of competition within industrial era, in a cone of shadow. Therefore, companies were no longer able to gain a steady advantage only from rapid implementation of new technologies in fixed assets and from an excellent management of financial assets and liabilities. Informational era surroundings in which act, both economic entities from production and from services area, as well, urge the necessity of other capacities in order to get the competitiveness success. A company's ability to mobilize and to operate its intangible or invisible assets has become much more important than investment in fixed, tangible assets and their management, as well. The intangible assets allow a company to:

- develop PR with the customers in order to maintain the existing customers` loyalty and to permit the efficient and effective service of a new segments of customers and market areas, as well;
- introduce innovative products and services required by target segments of customers;
- create individualized, high quality products and services with less costs and time;
- mobilize the employees' abilities and motivation to continuously improve the capacities, their quality and responding time within the business processes;
- use technology, data bases and IT systems.

- *Modernization of public services related to employment.* General objective of this main domain is to promote increasing the quality, efficiency and transparency of employment services offered by Public Service of Employment (PSE).

There were identified more *specific objectives*, in order to fulfill this target:

- The increment of services as “self service” promoted by employment agencies;
 - Increasing the management quality of PSE;
 - Improving the competencies of ESP employees regarding the services offered to customers;
 - Increasing active measures for employment, especially of professional formation for unemployed.
- *Promoting active measures for employment.* General objective of this priority field is to facilitate young unemployed and long term unemployed integration on the labor market.
To this end, a set of *specific objectives* has to be achieved:
 - Increasing participation of long term unemployed to integration programs;
 - Increasing participation of persons involved in subsistence agriculture to these programs;
 - Improving participations to integration programs of persons living in rural zones.
- *Social inclusion promotion.* General objective of this main domain is to facilitate access of the vulnerable groups on the labor market and to promote an inclusive and cohesive society, in order to assure welfare for all citizens. It is very important to stress the cohesion policy guides and fosters growth across Europe; promotes investments that would not have been undertaken otherwise; supports competitiveness in the most vulnerable regions; enhances social progress and solidarity; upgrades physical, social and human capital as drivers of growth, innovation potential, administrative capacity and modernization of the administration; encourages multi-annual strategic and financial management; promotes transfers of know-how and best practices between regions and Member States; and fosters an evaluation and monitoring culture.
- *Technical assistance.*

So, we can say the main objective of cohesion policy is the reduction of economic and social disparities between the levels of development of European regions. Lagging regions must thus remain the focus of the policy.

This policy should cover the whole territory of the EU, considering that cohesion policy is not a simple mechanism of solidarity, but also aims at fostering the endogenous development potential of European regions. Territorial cooperation is an essential part of cohesion policy and it is now a “fully-fledged” objective. Territorial cooperation is one of the best examples of the added value of this policy and, for this reason, should be strengthened.

The European Commission has recently announced the results of a public consultation on its cohesion policy, confirming strong support for even more ambitious post-2013 plans. The consensus was the policy should focus on innovation, education, support for small and medium enterprises, EU-wide infrastructure and the fight against climate change

We can say in the final, the economists are facing with great troubles. "Why can't you tell how long will last this period of crisis? Why don't you put together on what should be done?" There are only two of the concentric fire missiles' they have to cope with.

Cause of the human and social behavior's complexity, macroeconomics can not pretend the precision assigned to the exact sciences, this is the answer. We can not carry out the controlled experiments of the chemist or the biologist, which once formalized they get a general applicability. The same as the astronomer, the economist has mainly to confine himself to observe. But the economic phenomena and statistic data have, unfortunately, on neither side, the accuracy of the heavenly bodies' trajectory.

But if the just direction of the economic “events” causes and events (possible, happily to be determined) is perceived, this is a huge step forward.

One of the most important macroeconomics concept there is *the economic growth*, whose anatomy and evolution are indispensable for understanding and influencing of unemployment, inflation, final product (materialized, usually, from more recurrent elements point of view, in GDP), a nation welfare, in a single word.

All these above mentioned affect the day by day life, respectively the easiness/difficulty to be employed, to change the actual job with a better one, to be promoted or the degree to which the buying power of the incomes achieved by the economic effectors is eroded by the prices growth, in other words.

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