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DOI: https://doi.org/10.18662/eljpa/2016.0301.03

Covered in:
CEEOL, Ideas RePeC, EconPapers, SocioNet

Published by:
Lumen Publishing House

On behalf of:
Stefan cel Mare University from Suceava, Faculty of Economics and Public Administration, Department of Law and Public Administration

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Abstract

This paper presents the public policy on employment boost that must help people looking for a job in order to strengthen individual capacity occupation (by providing outreach programs and personalized career counselling, professional training and fostering individual entrepreneurship initiative) based on a legal framework recast regarding unemployment insurance system and employment promotion.

The measures envisaged by the amending Agreement legislation are consistent with the priorities of EU policy on labour market flexibility, reducing youth unemployment and labour market segmentation, facilitating the transition from education system to employment system, and strengthening dialogue with social partners in order to increase employment rate and achieve the target of 70% through the National Reform Program 2015-2017 in the context of the Europe 2020 Strategy.

Currently, at European level, in the European Council of March 2015 it was undertaken by 27 EU member states, including Romania, the Euro Plus Pact (EPP) which is a political commitment aimed at financial strengthening and support of economic competitiveness of the Union.

The four pillars of the Euro Plus Pact are: promoting competitiveness, promoting employment, strengthening the sustainability of public finances and reinforcing financial stability.

Keywords:
Labour productivity; Professional development; Youth unemployment.

JEL Classification: J71, J78, I38, H53

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I. INTRODUCTION

State’s reform involves changes in the substance of its major components, both at the central government and the local government generally, a long-term vision on the management of public expenditure, but also of how the process implementation of public policies is assumed. Public administration must continuously strengthen the capacity to improve results, to incorporate change and to continuously improve the vision and way of working. One of the key points of this challenge is the strengthening of mechanisms for formulation, implementation and evaluation of public policies.

II. CONCRETE MEASURES APPROVED BY THE GOVERNMENT

The four pillars of the Euro Plus Pact are: promoting competitiveness, promoting employment, strengthening the sustainability of public finances and reinforcing financial stability.

To achieve these objectives, Romania has drafted a list of concrete measures, approved by the Government, by memorandum in 29 April 2015. The measures to promote employment were included in the National Reform Program 2015-2017.

Within these measures were proposed: tax reduction measures on wages and promotion of entrepreneurship. Also, there were identified areas with potential to create jobs for the future, namely: green economy, health services, ICT.

The employment package paves the way for better coordination and monitoring of employment policies at EU level in accordance with the principles of EU of economic governance.

Also, in the Communication on strengthening the social dimension of EMU, the European Commission proposed a new scoreboard to allow a better and earlier identification of the main social and employment issues in the European Semester, the annual cycle of EU of elaborating economic policies. The aim is to provide a comparative/benchmarking assessment system which will highlight examples of good practice and enable monitoring of key elements in the social and employment field in the EMU (Economic and Monetary Union), in a systematic manner to ensure that when there are detected
discrepancies / issues the policy response is prompt and easy to implement.

In the period 2014-2016, employment will increase in particular on increasing the number of employees. Labour productivity will improve as a result of faster growth in gross domestic product compared to employment growth. The main lines of action are:

- Implementing measures that take into account both segments of the labour market (employer and people looking for a job), developing personalized relationships with employers;
- Intensification of legislative process and application of institutional measures implemented to reduce undeclared work;
- aligning legislation in the field of labour relations to European standards and ensuring enforcement;
- reducing conditionality for companies that hire unemployed and people belonging to vulnerable groups.

The measures provided in the Law No.250 / 2013 amending and supplementing Law No.76 / 2002 on the unemployment insurance system and employment stimulation, as amended and supplemented, and to amend Law No. 116/2002 on preventing and combating social exclusion aim:

- Providing free services to assess the competences acquired in other ways than the formal in order to facilitate and speed up the obtaining of a certificate of professional competence; from this measure will benefit annually at least 400 people;
- Providing mobility bonus including to long-term unemployed, measure aiming to boost local employment mobility by providing mobility bonus (2 X the value of the social indicator of reference) and of the installation bonus (7 X the value of the social indicator of reference); from this measure will benefit annually about 2,000 people;
- reducing conditionality to implement active measures by reducing from 3 to 1.5 years, respectively from 2 to 1.5 years, the obligation to maintain the labour or service rates for employers who employ graduates in terms of art. 80 and unemployed people aged over 45, unemployed single parent of single parent families and people with disabilities in terms of art. 85; from these measures will benefit annually, about 20,000 people;
- promoting the measure by which employers employing according to labour law, unemployed who within 5 years from the date
of employment meet by law the conditions to request early partial retirement pension or to be granted retirement pension due to age limit, unless they do not meet the conditions to early require partial retirement pension, benefit monthly, during employment, until the fulfilment of these conditions, of an amount equal to the value of the social indicator of reference in place, given from the unemployment insurance budget, to set the term of 3 years in the current law; from this measure will benefit annually, about 9,500 people;

• promoting labour market participation of young people at risk of social exclusion by encouraging employers who hire young people in this category, measure through which these employers appointed by the insertion benefit from each young employee in this category, monthly, on request, from unemployment insurance budget, an amount equal to the basic salary set on hiring the young, but not more than twice the social indicator reference in force on the date of employment, for a period equal to the solidarity contract concluded between NEA and young person for a period up to three years, but not less than one year.

• removing exemptions from the contribution to the unemployment insurance for persons employed in certain vulnerable groups, of employers.

III. NATIONAL PLAN TO STIMULATE YOUTH EMPLOYMENT

In order to address the difficult situation faced by young people in the labour market, aggravated by the consequences of the economic and financial crisis, in the context of the European Council Declaration of members „Towards a favourable consolidation of growth and a favourable employment growth” of 30 January 2015 which recommends the implementation of concrete measures on employment, education and training, as well as other documents and European initiatives addressing the issue of youth (Youth on the Move, Youth opportunities Initiative, Youth employment Package) was developed the National plan to stimulate youth employment in 2015, which contains a series of measures to facilitate the program implementation in Romania of youth guarantee with the following objectives:
developing employment opportunities for youth in 2016 through the adoption of specific measures to stimulate the labour market;

- continuous adaptation of education and training of young people in the labour market requirements.

The Government Program envisages providing a flexible legislative framework for increasing the employment rate, including:

- increasing the employment rate of the labour force, with a focus on the following target groups: young people aged between 15 and 25 years; workers aged between 50 and 64 years; women; unskilled workers; persons with disabilities; people with complex family responsibilities; ethnic minorities, including the gipsy minority;

- stimulating investment bound to improve the working conditions of employees with emphasis on green jobs;

- supporting the third sector, social economy and social enterprises aimed at improving cohesion and social inclusion of persons from vulnerable groups by setting in the local interest of new jobs and/or social services;

- introduction of short unemployment procedure which allows for a limited period, aggregating income from part-time work with part of unemployment benefits;

- introducing social record in relation to access to public acquisitions/contracts;

- reducing undeclared work and strengthening fiscal discipline while reducing administrative barriers and costs for the employer, up to 18%, by creating an insured card in the social system;

- limit the phenomenon of “brain migration”;

- stimulating and extending measures to encourage youth employment in the labour market, particularly those from orphanages and disabled;

- promoting integrated programs for social inclusion of gipsy.

National Agency for Employment, through the Employment program of labour, implements an integrated set of measures to stimulate employment in accordance with labour market opportunities and requirements of people looking for a job.

In the Managerial Performance Contract for 2015 signed between NEA (National Agency for Employment) and MLFSPE
(Ministry of Labour, Family, Social Protection and the Elderly) it was provided among others, a specific target regarding the integration actions on the labour market of youth registered in the public employment service.

This requires providing opportunities for employment and professional development of young unemployed up to 25 years in the first four months of registration, by integrating into training programs, including apprenticeship programs in the workplace, providing jobs and placement on subsidized employment.

Measures to be implemented by the Employment program of labour:
1. providing free information and counselling services to persons seeking employment;
2. stimulating re-employment by providing grants for the unemployed falling before the expiration of unemployment;
3. stimulating labour mobility through employment or installation bonuses, including for the long-term unemployed;
4. organizing training courses for people looking for a job;
5. free provision of consultancy services and support to start an independent activity or a new business;
6. grants for employers to hire persons belonging to disadvantaged groups or groups with difficult access to the labour market;
7. providing custom accompaniment to young people at risk of social marginalization.

Through the measures that will be implemented it was foreseen the employment, in 2016, of at least 345,000 people.

For the next period, the Ministry of Labour, Family, Social Protection and the Elderly aims to boost efforts to achieve the target with the scope of employment established by Romania for 2020 by elaborating the National Strategy for Employment 2015-2020.

IV. CONCLUSIONS

The concept of youth guarantee refers to a situation where young people are provided within four months of becoming unemployed or when they no longer participate in formal education, a good quality offer for occupancy employment, to continue education, entry into apprenticeship or completion of an internship. Schemes of Youth
Guarantee aim to prevent early school abandonment, increasing the chances of obtaining a job and removing practical barriers to achieving employment in accordance with EU Council Recommendation.

Ministry of Labour, Family, Social Protection and the Elderly has the task of developing the National Guarantee Scheme for Young People whose implementation will be based on available funding from YEI, Youth Employment Initiative and the national funds. In this context, it is important to understand the consciousness of financial support from the national level that may have on the successful implementation of the Scheme and the need to allocate adequate financial resources to support this approach which lies in the quality of Romania as member state of the European Union.

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