SOCIAL PROTECTION FOR THE UNEMPLOYED BY PASSIVE INDEMNITY POLICY FROM PUBLIC RESOURCES

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Abstract

The phenomenon of unemployment is a result of imbalances in the labour market, caused by several factoring and has profound implications on a large number of persons. The consequences being mainly economic and social, it requires for the states to take certain policies to counterwork unemployment effects. By seeking to, the author intends to approach the issue of social protection for the unemployed by the passive indemnity policy of public resources for Romania. At the same time, references are made to the European framework in the matter, given that Romania intends to lower the level of the phenomenon in question, circumscribing the formula according to the Europe 2020 strategy to combat unemployment, all policies and strategies developed and implemented or are under implementation.

Keywords:

Unemployed; unemployment indicators; unemployment benefits; criteria / conditions of payment; amount of payment; period.

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1. INTRODUCTION

Economic characteristic, political and social aspects have changed fundamentally Romania in the past quarter century, resulting in a new context legislative, institutional, organizational and informational. The changes occurred gradually, we are noticing that the whole economy and society have been affected, but the most affected by new mechanisms to functioning of the economy has been the labour market.

The explanation comes from the fact that this type of market environment restrictions relies heavily on economic and social behaviour, in its diversity, as evidenced by several researchers work in the economy (i.e. Burloiu 1993, 2003; Bostan, 1999).

In the Romanian economy and the economies of other countries, the phenomenon of unemployment is actually the effect of imbalances in the labour market, its dynamics, characterized by discontinuities complex is directly influenced by economic developments and the regulatory framework.

Unprecedented levels of unemployment were found in the EU-28, where after in 2003-2008, unemployment fell more than 2% as a result of the crisis, between 2008 and 2013, the unemployment rate in the EU-28 It increased from 7.1% to 10.9% (EC, 2011).

To counter the phenomenon, the Commission has developed "employment package" (Government of Romania, 2013), aimed at supporting the creation of new jobs, restore the dynamics of labour markets and strengthening the governance of employment policy.

As pathways considered in this respect were established following: the efficient use of subsidies for employment potential and sectors - key (green economy, ICT and healthcare), supporting workers who want to change jobs or to reintegrate the labour market, investment in skills, based on better anticipation and monitoring of market needs, the pursuit workers - EU institutions and Member States to ensure that social issues and those related to employment receive the same attention as economic ones.

2. COMMENTS THEORETICAL AND LEGISLATIVE

A person of working age can learn at some point in relation to the labour market in one of the following situations: employed
unemployed or working part-time, temporary, seasonal or are in stages of qualification and retraining.

The existence of unemployment derives from the fact that the balance between supply and demand for labour cannot be achieved only at the very coincidence between the two components there are different ratios depending on the potential population of working age and the economic capacity of the harness.

Thus, there are three distinct situations (Mocanu, 2007): (i) if the supply of labour is greater than demand, unemployment appears; (ii) if the demand and supply of labour are approximately equal, the market reaching a state of equilibrium, which implies the absence of unemployment, but a level thereof, within limits 'natural', a fundamental prerequisite for normal operation and relatively stable the labour market; (iii) if the demand for labour exceeded the offer, a situation characteristic of centrally planned economies, the labour market is bureaucratically constrained and that its functions are taken over by other mechanisms extra economic, it is felt hidden unemployment and hidden over occupancy and it requires labour underutilization.

Clearly, unemployment as a socio-economic phenomenon, is cause and effect of the difficulties of economic and social development, resulted in the existence of people out of work and seeking employment effectively in this direction, interesting permanently investors, managers, state, workers or the unemployed themselves (Creţoiu et al., 2008; Oroian, 2008; Burciu, 2008; Bostan, 2005, 2010).

Until now know three important criteria for the classification of the phenomenon of unemployment and new types of unemployment as follows (Mocanu, 2007): depending on supply-demand ratio of labour can identify the following types of unemployment: unemployment classic keynesian and unemployment; depending on the causes of unemployment can be identified: term unemployment, frictional unemployment, structural unemployment, technical unemployment, short-time work; relative vulnerability to the risk of unemployment, literature lists: unemployment and unemployment repetitive conversion.

In terms of quantified in material phenomena to which we refer, it must be revealed that (FA, 2012) is necessary to take into account the size, structure, intensity and duration, in a certain time, the indicators in question is (i) quantity and (ii) structural - quality.
The first category (i) expresses the absolute size of unemployment, i.e. the existing total number of unemployed at some point in the national economy in a geographic area or in certain industries or professions.

The unemployment rate expresses the percentage size of unemployment (1):

\[
Rs = \frac{S}{Pa} \times 100 \tag{1}
\]

(Representing in fact the percentage ratio between the number of unemployed and the working population).

The second category (ii) structural indicators for the structural component of unemployment by level of qualifications, specialties, crafts, sex, age or race.

When referring to the intensity and unemployment, it is calculated by determining when or partial cessation of activity and a corresponding decrease in salary or total loss of job.

3. Recent parameters of unemployment in Romania

Employment model in Romania experienced large-scale changes, the implications arising generating considerable tension throughout the period of transition to a market economy. Mainly causes link realities derived from privatization and restructuring of the economy, leading to layoffs, amplifying the phenomenon of unemployment in many fields, particularly in industry.

Moreover, and in other EU countries this phenomenon is found in some of these indicator that rate was even higher (Figure 1).
Following a period of continuous growth, recorded over the period 2005-2007 (Andrei, 2016), since 2008 employment started decreasing so that the lowest value was recorded in 2011 (8528 thousand persons). In 2015, the number of employed people was 8535 thousand persons, decreasing as against previous year (8614 thousand persons). Of those employed in 2015, 56.8 % were men. Until 2002, most of the employed population was in rural area. Since 2003, the largest part of employment resides in urban area (54.6 % in 2015) (Figure 2).
Referring to the structure and recent employment, by professional status, taking into consideration including members of cooperatives agricultural or non-agricultural societies, it knows configuration found in Figure 3. The Employees' category is prevalent in employment (71.0% in 2015).

![Employment structure, by employment status (2015)](image)

**Figure 3.** Employment structure, by employment status (2015)


As can be seen, the employees' category is prevalent in employment (71.0% in 2015).

### 4. SOCIAL PROTECTION FOR THE UNEMPLOYED BY GRANTING COMPENSATION FROM THE STATE BUDGET

Under the Law on the unemployment insurance system and stimulation of employment (Act no. 76 of 2002), a person who fulfills the following conditions shall be considered and treated as unemployed: a) is looking for a job since the age of less than 16 years and until the conditions for retirement; b) health and physical and mental capabilities make it fit for work; c) has no job, no income or realized in legal activities, lower incomes than the value of the social reference indicator of unemployment insurance and employment stimulation, in force; d) it is available to start work in the near future, if they would find a job.

The number of unemployed people 624 WAS A thousand people in 2015 to Decrease compared to 2014 (-0.8%). In 2015, the number of out of the total unemployed, 23.8% was (Andrew, 2016). Among other...
measures taken by the Romanian state towards achieving social protection for the unemployed referring here to provide free money unemployed in a bid to ensure their financial cover a minimum living needs.

Benefits paid to unemployed fall into the passive policies of the State (FA, 2012), targeting those measures and actions to ensure a certain income involuntary unemployed (obviously lower than salary) for a decent living / subsistence. Income paid to unemployed (which comes from budgetary resources, both in the case of Romania, and the other Member States (Bostan, 2010, 2007, 2014) is called compensation / unemployment benefits, and is granted for a period of time.

The basic condition for obtaining compensation is the minimum contribution period (12 months during the 24 months preceding the filing that it is not necessary for graduates of educational institutions) it paying only if applicants meet, cumulatively, a number of conditions.

Other conditions imposed on persons requesting unemployment benefits (Law no. 76 of 2002): (i) not to realize revenues or achieving the legal activities, lower incomes than the ISR (reference social indicator, which is set 500 lei - FA, 2016) - the basis for calculating salaries, benefits and social security benefits); (ii) does not meet the conditions for retirement; (iii) to be registered with employment agencies in whose jurisdiction the domicile / residence, where they had their last job or produced income in that locality.

The aid is granted to unemployed period determined differently depending on the contribution period, as follows (Law no. 76 of 2002): (i) six months for people who have contributed for at least one year; (ii) nine months for people who have contributed for at least five years; (iii) 12 months for people who have a contribution of more than ten years. According to the law mentioned, the amount of the monthly allowance is set differently (excluding graduates of educational institutions and special schools for which unemployment benefit is in the amount of 250 lei per month, giving a period of six months) according to the same criterion of length of service, as follows: (i) 75% of the ISR for people who have contributed for at least one year; (ii) 75% of the ISR plus an amount calculated by applying - the average basic wage for profit in the last 12 months contribution period - a percentage to vary according to length of employment: 3% for people with an internship contribution of at least three years; 5% for persons with a period of at least five years;
7% for individuals having less than ten years; 10% for people with a period of minimum 20 years.

The level and evolution amounts to support unemployed (2012-2015), with reference both to unemployment benefits paid to unemployed persons as a result of losing their jobs, and the unemployment benefits paid to graduates of educational institutions (Law no. 76 of 2002), shown in Table 1.

**Table 1.** Unemployment benefits (2012-2015) (Romania in figures, 2016)

<table>
<thead>
<tr>
<th>Monthly average (lei / person)</th>
<th>2012</th>
<th>2013</th>
<th>2014</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unemployment benefit (unemployed with work experience)</td>
<td>421</td>
<td>426</td>
<td>424</td>
<td>427</td>
</tr>
<tr>
<td>Unemployment benefit (unemployed without work experience)</td>
<td>230</td>
<td>229</td>
<td>226</td>
<td>219</td>
</tr>
</tbody>
</table>

In percentage as against the gross minimum salary in the economy

| Unemployment benefit (unemployed with work experience) | 60.1 | 55.3 | 48.5 | 42.2 |
| Unemployment benefit (unemployed without work experience) | 32.9 | 29.7 | 25.8 | 21.6 |

1) The unemployment benefit granted to the persons who are unemployed as a result of losing their jobs, in accordance with Article 39 of Law No 76/2002.

2) The unemployment benefit granted to graduates from educational institutions, in accordance with Article 40 of Law No 76/2002.

In 2015, the monthly average unemployment benefit was 427 lei, 1.4% more than in 2012, and amounted to 42.2% of the minimum gross national salary (Andrei, 2016); the unemployment benefit for graduates from educational institutions (219 lei) amounted to 21.6% of the minimum gross national salary in 2015 as compared to 32.9% in 2012. In 2015 (Figure 4), the highest share in the total expenditure on the social protection of the unemployed was that of the unemployment benefit.
It notes that "unemployment benefit" refers to Law No 76/2002. According to payments regarding the unemployment insurance system and employment stimulation, and "Other Expenditure" I suppose. Including incentives for the unemployed Who has employed in Which Before the period expires this allowance is Granted; Labour Force for stimulating mobility, for stimulating the Who Employers hire people from the underprivileged categories That is unemployed, for the qualification and requalification of the unemployed, for stimulating Graduates, marginalisation for Combating social.

Obviously, Romania intends to lower the unemployment rate, circumscribing the European framework (EC, 2011), through the policies and strategies developed.

National employment target set is 70% (employment rate) in 2020 for the age group 20-64 years), assumed as a result of the overall objectives set out in the Europe 2020 strategy.

For this, its targets include (Government of Romania, 2013) better functioning labour market (through reform of legislation on labour relations and social dialogue, combating undeclared work and longer working lives) and facilitating transitions from unemployment or inactivity to employment (through changing the legal framework for stimulating employment, active employment measures, institutional capacity of the Public employment Service - at national, regional and local).
It is also envisaged and improving professional skills and will to focus on reform of the legal framework on labour training and continuous training of workers.

5. CONCLUSIONS

After I did due clarifications theoretical and legislative on the phenomenon approached us in this work, we stopped on the parameters recent of unemployment in Romania, under the current model of employment, which has undergone changes of far-reaching implications that generated considerable tension.

If we found that in terms of unemployment we are in an intermediate position among EU states, however, in Romania, causes link realities derived from the privatization and restructuring of the economy, leading to layoffs, amplifying the phenomenon of unemployment in several areas, particularly in industry.

I've also noticed that the Romanian system that measures to counteract the phenomenon are more than passive order. Therefore, we studied the level and evolution amounts to support unemployed (2012-2015), with reference both to unemployment benefits paid to unemployed persons as a result of losing their jobs, and the unemployment benefits paid to graduates of educational institutions.

After your opinion, both the amount and the period during which unemployment benefits are reduced (for example if we compare allowance monthly minimum wage, not to mention the needs for a decent life), and the future should the state authority to It has fully considered active anti-unemployment policies.

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