UNEMPLOYMENT AND MITIGATION MEASURES
FOR THIS ECONOMIC PHENOMENON

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Abstract:
Unemployment is part of the working population due to inconsistencies quantitative, structural and quality of supply and labor demand resulting reduction in global demand for goods, thus affecting other categories of income. Unemployment is a permanent companion of a market economy and it is a natural consequence of the development of a competitive economy. But in a growing and changing economy, with people who want to change jobs for various reasons, it is not impossible nor desirable to reduce unemployment to zero.

Keywords: unemployment, measures, economic phenomenon, politics, employees, unemployment worker, job etc.

Thus, in specialized literature, unemployment is a surplus of labor supply to labor demand. Another approach to the period of unemployment means that unemployment is a part of the active population vacancy due to quantitative, qualitative and structural inconsistencies between supply and demand of labor.

In our country, the law on unemployment insurance and professional reintegration of the unemployed, namely Law no. 1/1991, republished by changes introduced by Law No. 86/1992 states that are considered able-bodied unemployed persons, registered at employment offices, which can not be employed because of lack of adequate preparation for their seats.

As regards the significance term unemployed, the most commonly used definition is that put forward by the International Labour Office, the organization of a system that develops specialized studies and analysis based on statistics provided by member countries. According to this definition, the unemployed person is any person who

• Be able to work;
• Does not have a job;
• Available for a paid work;
• Is looking for a job.

Among the major economic events that have occurred in recent years in our country we can include unemployment as well. This is a consequence of the great economic crisis that affected the whole world.

Unemployment is a particularly complex and high importance, which leaves its mark on all structures of society.

Although the unemployment phenomenon manifested for centuries, defining this process has been and remains a controversial issue in economic literature.
Unemployment may be manifested in several forms, depending on the direct causes for it; Otherwise:

- **term or cyclical unemployment**, which occurs during periods of economic recession or other crisis due to particular circumstances, as unemployment that currently exist in our country.

- **structural unemployment**, due to changes occurring in the economy, especially under the influence of technology and science, etc..

- **technological unemployment**, formed on the basis of changes that occur by replacing old technologies with new ones, through the centralization of capital and reorganization of enterprises, accompanied by processes like employment restriction

- **seasonal unemployment** caused by the interruption of activities heavily dependent on natural factors, such as those in agriculture, construction etc.

- **frictional unemployment (intermittent)** that corresponds to the time taken to move from one job to another or to search for their first job.

In Romania, unemployment has been disguised as before 1989 and takes different forms: partial reduction of employees required performance of the holidays or performance of the unpaid holidays

**Measures for reducing unemployment:**

Unemployment is now a phenomenon that affects all countries and especially our country, but in different proportions. In some cases, the level and its duration is greater than ever.

Therefore, measures to reduce unemployment would be a general concern.

Measures to reduce unemployment are divided into three main categories:

a) measures directly affecting the unemployed
b) measures relating to employment
c) other measures

The first category includes measures for the organization of training and qualifications of those seeking work to meet new techniques and technologies. Also, this method involves state support for creating new jobs in the public sector by creating new enterprises that can supplement the number of jobs and the cancellation of those unemployed to have a period equal pension rights with period for which indemnity is granted unemployment.

Measures that refers to the active population aim, on the one hand, to prevent unemployment through training and continuous training, and secondly, to reduce unemployment by creating more employment opportunities.

The last category includes all those measures which may result in short term or longer, to accept by those looking for a job the version of a reduced program.

Such measures are among the claims of all trade union organizations and enjoys the support of many socio-professional groups. Action programs include trade unions, however, other objectives relating to employment, including: securing jobs, salary increases and holidays, removing discrepancies in pay for men and women, etc. But as to work less without diminishing the salary is economically unrealistic in today's society, because of reduced working hours while maintaining unchanged remuneration means to substantially increase production costs and, consequently, to lose our competitiveness on foreign markets and domestic ones too.

Thus, to significantly reduce unemployment in our country should consider other policy against unemployment.

The most important policies against unemployment:

- a) employment policies of the labor force
- b) passive policies
- c) active policies
- d) income policies
- e) reduction of working hours and an early retirement

a) full employment of labor assumes an occupancy rate of 95% - 98%, which ensures a minimum of 2% - 5% unemployment, unemployment which is considered by most a "bad" required for market economy.

Keynes's solution involves reducing cyclical fluctuations in the economy through tax reduction measures on the one hand and measures to increase government spending, on the other side.

Friedman's solution insists on greater use of countercyclical monetary policy measures, namely the measures of money stock growth and interest rate cut

Mixed solution, stabilizing should propose an increase in potential output to maintain full employment of labor and therefore increase aggregate demand. Also, this policy must succeed to maintain a balance productivity-salary, meaning that salaries will not rise more than productivity.
b) Passive policies are those where the state directly support the standard of living of people whose employment opportunities have decreased significantly, by direct payment to the unemployed. These passive measures compensate for the loss of income of unemployed population by providing money as an adjustment to unemployment. These amounts are given for a certain period, the deficit and public debt is increased. The essential feature of these measures is that these measures are applied after a person became unemployed.

Unemployment help propose to record those without a job, unemployed respectively. The main problem is is finding a model of labor employment, to determine first companies not to dismiss workers, and secondly to ensure a decent minimum living standards for those who lose their job for various reasons.

There are statements which claim that unemployment benefit for unemployed leads to tend to live with this status than to engage. Thus, in countries with a tradition of record unemployment, it was found that approximately two thirds of the unemployed receive unemployment benefits, the remaining third being people who have problems with ensuring the existence of tomorrow

The main weakness of passive policies is that they are taken after a person became unemployed. The supporters of these policies motivates the need for unemployment aid through two arguments:

- Coverage of the social costs of unemployment which, ultimately, the unemployed are not guilty.
- Avoiding distortions that could be placed on the labor market through direct intervention of the state.

However, fewer countries, especially between the rich ones are willing to pay unemployment benefits easy.

c) Active consist of direct state intervention in the labor market through government agents to reduce unemployment to its natural rate.

There are many such policies:

- Efforts to facilitate contact between bidders and interested job through consistency, training, placement, career guidance, new jobs, and for those threatened with job loss.
- Creating jobs in the productive sector through grants (grants for businesses that employ young people).

These active measures may be:

- **short term** - unemployed should be anticipated. Anticipation has two core elements: information on labor market policies and industrial restructuring.
- **medium term**: focus on creating and improving the institutions that are necessary for the labor market. It regularly organizes job fairs, lately even occurred mediation agents, consulting. Opportunities to prevent **long-term** unemployment through active policies can take several forms: informing the unemployed, adult education, student recruitment, creating jobs in public sector, creation new jobs.

d) Income policies apply to short periods of time to achieve desired effects. These are policies which the Government exercises control over wages and other income earned by workers (by setting a nominal wage in the economy).

Tax policies acts on the tax that the employee pays and not on his salary. Policies are introduced in taxation systems and in the generalized taxes and are ineffective, fact that there created various systems of taxes flexible and regressive.

e) Reduction of working hours and an early retirement

Reducing the hours is the preferred policy. If one nation produces a certain amount of output, this means that there is a certain number of hours per week. If there are unemployed people who want to work, will be much better to reduce working time for each worker and to increase the number of workers. This leads to increased productivity and lower unemployment, so long as output is not affected.

An early retirement may be the solution to reduce unemployment if the output remains unchanged.

If there are individuals who do not want to retire while others, unemployed, seeking for a job, the imperatives of humanity require that the first to make room for those who want to work. When the output remains unchanged and the number of jobs increases, unemployment will fall and inflation will increase more than in other cases. Like the policy of reducing working hours, applying this policy will lead to increased inflationary pressure, which makes this policy is not easy to apply.

Also, in Romania there are laws, ordinances supporting employment, reducing unemployment respectively, such as:
- Emergency Ordinance no. 124 of 2 October 2002 amending and supplementing Law no. 76/2002 regarding the unemployment insurance system and employment stimulation
- Government Decision no. 174 of 20 February 2002 to approve rules for the application of Law no. 76, the unemployment insurance system and employment stimulation
- Government Decision no. 1089 of 2 October 2002 amending and supplementing the Norms for applying Law no. 76 unemployment insurance system and employment stimulation, approved by Government Decision no. 174/2002
- Order no. 85 of 22 February 2002 approving the procedure for receiving and processing requests for employment or unemployment allowance
- Order no. 111 of 25 February 2002 approving the Procedure for the granting of rights enjoyed by persons seeking a job during participation in a form of training.
- Order no. 280 of 218 in June 2002 to amend the procedure for granting rights enjoyed by persons seeking a job during participation in some form of training, approved by Ministry of Labour and Social Solidarity no. 111/2002.

**Conclusions:**

Unemployment is a major problem of our times and the bad news is that the reduction of equilibrium unemployment is expected to last many years. The good news is that persistence is not permanent.

In Romania, unemployment has been disguised as before 1989 and takes different forms: partial reduction of employees required to conduct or unpaid leaves.

But in a growing economy and changing, with people who want to change jobs for various reasons, it is not impossible nor desirable to reduce unemployment to zero. The most important is to avoid long-term unemployment.

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