

GENERAL CONSIDERATIONS ON UNEMPLOYMENT

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Abstract

Unemployment is considered to be a negative element of economic development that affects all market-economy countries in varying proportions. There are various ways of estimating unemployment and implicitly different ways of quantifying it.

In general terms, unemployment is the negative state of the economy that affects a part of the available active population by not finding jobs. Thus, unemployment can be defined as a surplus of labor supply compared to the level of labor demand, and the unemployed can be considered as working people, who are not able to work, which is a surplus labor force.

This paper attempts to briefly present elements relating to fluctuations in the labor market and unemployment, unemployment insurance, the functioning of the labor market, the notion of the unemployed, the forms of unemployment and the natural rate of unemployment.

Keywords: *the labor market, unemployment, forms of unemployment, the causes of unemployment, the consequences of unemployment, the fight against unemployment*

INTRODUCTORY CONSIDERATIONS ON THE LABOR MARKET AND UNEMPLOYMENT

The labor market is the virtual space where labor relations are organized and carried out, that is, those of the holders and buyers of labor. The good trade on this market is the labor force.

The labor market is the place where the supply and demand of products meet. It has two components: the demand for labor and the supply of labor.

Demand and supply of labor are the effects of the relationship between economic agents and employees, the negotiation of the labor price is done through the nominal and real salary, as well as other mechanisms.

Unlike the other markets, which deal with different categories of material goods or certain values, the labor market is at the center of man as a bearer of physical and intellectual skills, which are components of his work potential. He is, above all, a social being, not just a factor of production, who, besides his needs of existence, has a certain value and personality, is aware of his role in family and society, passionate about his profession or his profession. [1, 219]

The labor market is balanced when supply and demand for work are equal, full employment, but also imbalance when sub-employment occurs (labor supply is lower than demand) or over-employment (demand exceeds demand).

The labor market is by definition inelastic. In the sense that neither the demand for labor does not change in the same way as the change in the nominal or real salary, nor does the supply of labor force not always evolve in terms of price and cost. Some specialists explain this feature because demand and supply depend on many factors other than economic ones. [2, 519]

The emergence of unemployment is represented by the situation where the job offer exceeds the demand.

In the field of employment there are several processes:

- reducing the number and share of the employed population in the public sector;
- the emergence of new forms of employment and diversification of the occupational structure of the population: employers and entrepreneurs, self-employed workers, members of agricultural companies;
- employees continue to remain the main component of the employed population, although they are continuously decreasing;
- increasing employment in the primary sector does not often mean the efficient use of labor resources;
- lack of active employment strategies and policies, as well as realistic programs for creating new jobs and absorbing unemployment at the national level;
- lack of correlation between job offer, qualification, and re-qualification of the unemployed;
- The low interest of economic agents in investing in human capital, especially those in the public sector, is also due to the departure of the most skilled people in the private sector, where they are better paid.

Continuously on the labor market people:

- leave their jobs to find other jobs;
- looking for new jobs as a result of the loss of the current job;
- enters the workforce to look for work for the first time;
- return to work after periods of absence.

At the same time, employers:

- looking for workers to replace those who left, retired;
- makes certain employees available in the hope of finding more capable employees;
- looking for new workers to take up jobs created by expanding their businesses.

Processes that occur in the labor market are influenced by a range of socio-economic, demographic and social factors, both internal and external. The most important are: technical progression, labor productivity, emigration-immigration processes, demographic developments, cultural and behavioral characteristics, working time, procreation, capital, qualification level of the workforce, etc.

THE NOTION OF UNEMPLOYMENT

Unemployment is an economic phenomenon caused by economic crises or recessions, which consists in the fact that part of the employees remains without work as a result of the gap between labor supply and demand; the situation of one who can not engage because of the impossibility of finding a job.

Etymologically, the notion of unemployment comes from the word "chomage" in French, in turn, taken from the Greek language "cauma", which means "great heat", due to which any activity was interrupted. Originally, the notion of unemployment was the interruption of work due to high temperatures. [3, 307]

Unemployment is today one of the least accepted phenomena that affect the economies of all countries.

By the worrying extent, through the complex structures, but especially by the dynamics that change its rhythms and meanings, unemployment has become a macro-social problem that is the subject of a theoretical, methodological and politico-ideological dispute.

In some university treaties, unemployment is analyzed as the aggregate amount of all those persons who are officially unemployed. The most commonly used definition of unemployed economists is the following: the person seeking a paid job, and who does not have such a place on a regular basis.

Unemployed are those people in the available active population who want to work and seek a paid job because they do not have such a place on a regular basis. Among the unemployed people are people who lost their job and new jobseekers who can not find a place to work.

The International Labor Office (UN organization) defines the unemployed person as fulfilling the following conditions:

- is over 15 years of age;
- is fit to work;
- does not work;
- it is available for wage or non-salary work.

In accordance with our legislation [4, article 5, point IV], consistent with that of the International Labor Organization, the unemployed person understands the person who satisfies the following conditions cumulatively:

- is looking for a job from the age of 16 and up to the retirement age;
- health and physical and mental abilities make it fit for work;
- does not work, does not earn any income or performs, under activities authorized under the law, incomes lower than the social reference indicator of unemployment insurance and employment stimulation in force;
- it is available to start working in the immediate future if a job is found. [5, 325]

The International Labor Office (BIT) considers that the unemployed person can be defined as the person who: is unemployed, is fit for work, seeks paid employment and is ready to start work immediately (within 15 days).

More often than not, the contemporary unemployment phenomenon is approached and analyzed as an imbalance in the labor market at its national level: as a meeting place and a confrontation between global demand and global labor supply. [2, 567]

From the employment point of view, three ways of combining this factor can result:

- supply and demand for work are equal, in which case equilibrium equals the full one;
- labor supply is lower than demand, where imbalances take the form of work-related shortages, full employment requiring either additional labor resources or a stronger increase in labor productivity;

- Labor supply exceeds demand, part of the labor force remaining out of work.

As a result, the balance of the labor market can be approached from several points of view:

- as a functional balance;
- as a structural balance;
- as an internal balance between work needs and labor resources.

CHARACTERISTICS

Unemployment can be characterized as a negative state of the economy that affects a part of the active population available through job insecurity. Unemployed are all able to work but who can not find work and who can be employed, partially or wholly, only in certain moments of economic development. They represent a surplus labor force in relation to the number of employees, in conditions of profitability imposed by the market economy.

Unemployment can be characterized by the size that expresses both in number and relative as a rate (number of unemployed/active population or number of unemployed/occupied population), intensity, duration, and structure. [6, 456]

Unemployment rates are estimated in two ways:

- absolutely by the number of unoccupied population;
- Relatively, through the unemployment rate.

The level of unemployment reflects the number of people who do not work in relation to the number of people working

The unemployment level is determined by two indicators: the unemployed and the unemployed.

The mass of the unemployed consists of the number of people who at one time meet the conditions to be included in the unemployed category. That is, it consists of the active population available and that of the unoccupied workforce. [2, 519]

The unemployment rate is calculated as a percentage ratio between the average number of the unemployed and the active population, the available active population, the workforce, the employed population, and the employed population.

The most conclusive report on the expression of the unemployment rate is the one in which either the labor force or the available active population are used as the denominator.

Unemployment rate makes it possible to highlight the desire to fit into the work of the population and on the other hand the ability of the economy to meet this desire. The unemployment rate serves to assess the extent to which a society is able to support citizens' right and freedom to work.

Unemployment intensity is another characteristic of the unemployment phenomenon. Depending on this, one can distinguish: total unemployment, which involves loss of employment and total cessation of activity; the partial unemployment, which consists in diminishing the activity of a person, in particular by reducing the working week's duration to the legal one, while lowering the remuneration; disguised unemployment, especially for underdeveloped countries where many people have a low productivity activity. [2, 520]

Duration or period of unemployment is another feature of unemployment. This is the time that elapses from the loss of work to the resumption of work.

The duration of unemployment can be very different, from a few days to months and even years. Therefore, in the assessment of unemployment, it is necessary to determine the average duration of unemployment. The average duration of unemployment is calculated according to two factors:

- the number of unemployed;
- a rhythm of entering and leaving unemployment.

There is no duration of unemployment defined by law, but in many countries, there are regulations of the period for which the unemployment allowance is paid. This period tends to grow, reaching up to 18-24 months.

Unemployment affects to a greater extent female respondents in the age group of 50 years and over (due to the slower process of retraining and reintegration of the elderly population in general and feminine in particular) and to a certain extent those in the aged 20-25 (due to difficulties in hiring young graduates).

The existence of unemployment increases the state's expenditures for the operation of the placement offices, the payment of unemployment benefits, other social expenses related to qualification-re-qualification, and the health care of the unemployed.

CAUSES

The rise and accentuation of unemployment have a number of objectives but also subjective causes. Given the high labor productivity, the pace of economic growth is no longer capable of creating new jobs so as to ensure full employment on the labor market, the gap between labor demand and labor supply being in favor of the latter. Also, economic reversals, the entry of new job seekers into the labor market, and the hesitation of companies from hiring are often quoted.

Technical progress - in the short term, generates unemployment in a higher or lower proportion, depending on countries' financial capacity to assimilate scientific research. Long-term technical progress generates new needs, which are covered by products resulting from new job-generating activities.

The economic crisis - characterized by decreases or stagnation of economic activity, increases the number of unemployed, their integration being at a low level. Absorption of as many unemployed depends on the real possibilities of each country to stimulate economic agents to increase their capital investments.

Economic developments require major job reconversions and higher mobility of workers. Production techniques need to be adapted to the new energy price, have to face the competition of countries that pay low wages and adapt to new techniques.

There are also subjective causes, which are related to the retained behavior of economic agents in hiring young people either because of their lack of experience or that they do not fall into the labor discipline. Among young people, unemployment also occurs as a result of the tendency to look for paid jobs with a higher salary, which delays their active integration.

Generally, if there is unemployment is because businesses no longer want to hire. Staff is expensive because of wages and related tasks.

The deep cause of unemployment is not the lack of work but the blocking of the initiative.

As a global macro-social flow, unemployment is generated by causes related to the economic situation of users, on the one hand, and by the social status of job-seekers, on the other.

Firstly, as a result of an unfavorable social-economic activity or as a result of the substitution of labor through the capital, job loss occurs by part of the employed population.

Secondly, the additional work demands of new generations reaching the legal age of work cannot be met by work users. The young generation faces difficulties in finding jobs for many objective or subjective reasons.

Thirdly, unemployment is on the rise as a result of job demands from second-time workers who decide to offer their work on the market. [2, 521]

In order to deepen the causes of unemployment, such as demo-economic, economic, technical-scientific processes, such as:

- the evolution of the active population;
- the dynamics of national production;
- economic growth rate and change of its meaning;
- internal and international conjuncture, etc.

According to some authors, they all put their mark on labor and on the labor market. The labor market reflects such aspects, directly or indirectly, in the short or long term.

Another cause of unemployment is the strong migration of the labor force. Expanding the eurozone without a well-correlated strategy for adopting the single currency in the candidate countries can generate a strong increase in labor migration, economic experts warn.

The rise or fall of the emigration phenomenon, according to experts, will be correlated with capital inflows, which could reduce unemployment by creating new jobs or increase salaries through productivity gains.

CONSEQUENCES

Unemployment is one of the negative phenomena that occur with great intensity during the transition period. It is an inherent phenomenon encountered in any economy.

If they fall within the limits considered normal, its negative consequences affect a small number of people.

Unemployment is the opposite of occupation, reflecting man's inability to use his ability to produce economic goods. Through unemployment, work suffers a process of degradation, and cannot be preserved. By its existence, unemployment causes the loss of part of the potential output of society.

Another negative consequence of unemployment is that unemployment benefit, being borne by society's income, causes a reduction in the income of those who work. Unemployment worsens the living conditions of the population, primarily the unemployed, causing the decline in consumption of economic goods. It feeds antisocial acts, many of which are made by those who do not work.

A bad consequence of the "unemployed" status with future implications is the tendency of young people to hesitate to start their families. As a result of this trend, natality decreases.

Another consequence of unemployment is that it causes the desire to learn the future generation to be reduced; the thought of becoming unemployed is likely to diminish the aspiration towards the book, towards school.

Unemployment appears as a phenomenon that generates various physical and mental disorders. These depressive states can also be the causes of job loss at some point.

The consequences of long-term unemployment are even more painful for the individual; if a person remains in long-term unemployment, his competence and experience are further degraded, which diminishes the interest of potential employers towards that person.

Unemployment has very different negative consequences, including tense family ties, social isolation, the inability to keep up with issues of professional competence, low morale, lack of self-confidence.

Through its negative consequences, unemployment has become one of the global problems of mankind. If thousands of people, especially young people, find themselves unemployed and confused by permanent inactivity, they will be condemned to a state of frustration.

The immense costs of direct or indirect unemployment imply that this phenomenon is a waste of human and financial resources generated by the incomplete use of production funds with implications for social costs.

Direct costs are highlighted in the form of financial payments to the fund for the social protection of the unemployed, which is mainly used to pay unemployment benefit, support allowance, qualification and re-qualification of the unemployed, as well as costs, as a rule, are taken into account at estimation of unemployment expenditures as a major social risk factor; they are an essential element in estimating social costs.

Indirect costs are generated by the overall decline in production and incomes that the entire population could benefit from. They take the form of production losses caused by the neutralization of capacities and technical equipment, which implies the reduction of budget revenue generation resources, the deterioration of qualifications and the capacity to work, the discouragement of staff on a professional, social and human level.

Unemployment occurs as a result of unfavorable social and economic developments, due to the additional labor demands of the new generations or because of the job demands of the second-aged persons.

FORMS OF UNEMPLOYMENT

Nowadays, as dominant forms of unemployment, we find: conversion unemployment, repeat unemployment and exclusion unemployment.

Conversion unemployment is a phenomenon that affects employees who have stable jobs up to licensing, with no longer working lives.

Repeated unemployment includes those who know a succession of periods of activity and unemployment, and those with poor qualifications are affected.

Exclusion unemployment brings together the active population, which includes older, less qualified or long-term unemployed, regardless of whether or not they receive the unemployment allowance.

We can distinguish several forms of unemployment:

- cyclical unemployment is generated by the evolution of the economic cycle;
- conjunctural unemployment is the effect of economic activity constraint under the impact of economic, political, social, domestic and international conjuncture factors.

- structural unemployment results from the reconversion of some economic activities;
- technological unemployment is the effect of introducing new technologies;
- disguised unemployment includes persons declared and registered at the Employment Office in the unemployed category, but who are in fact on the gray labor market. They work without a contract of employment but enjoy all the rights provided by the law on the unemployed.
- intermittent unemployment due to reduced mobility of the labor force;
- seasonal unemployment is linked to the decline in economic activity in certain seasons of the year;
- frictional unemployment that corresponds to the period of time required to move from one job to another or to search for the first job
- total unemployment means job loss and total cessation of activity (bankruptcies, restructuring of the company profile, closure of unprofitable units).
- The partial unemployment consists in reducing the working time below the statutory level with the corresponding reduction of the salary (the incomplete week or lower working day).

Cyclical unemployment is dependent on cyclical fluctuations over the medium term, unfavorable conjuncture periods increasing its size, while in the favorable ones it resorts to a good extent. In the crisis, unemployment is rising as a result of contraction, falling production, economic activity and rising bankruptcies, especially small and medium-sized enterprises.

Structural unemployment is the consequence of the deepening of the division of labor, the specialization of the economic activity and of the structure of the labor market. Structural changes may occur at the national and regional level. As a result, there are discrepancies between the required qualifications and those available to the job seekers. The extent of structural unemployment depends on three factors: the rapidity with which changes in demand and supply of goods and services occur in the economy. The faster they are, the more structural unemployment will be; the degree of regional concentration of economic activity, or the lack of diversification of products and services; the characteristic of most of the jobseekers - immobility. [2, 522]

Technological unemployment is related to the replacement of old techniques and technologies with new ones. Such an operation is conditioned both by the transition from the propulsion branches of the old technical way of production to those of the new technical production mode as well as by the process of centralization of capital and concentration of production.

Involuntary unemployment corresponds to an "unoccupied" situation of an active, working-age person who does not have a job or vocational training to provide a job but wants to change his position in a job situation by asking enrollment at a specialized office assigned to work. [7, 6_7]

A particular category of unemployment is disguised unemployment. It includes those persons registered as unemployed but who actually work without a contract of employment while enjoying all the legal rights of an unemployed person.

Unemployment is caused by insufficient workforce mobility or discrepancies between available and required qualifications; it may also be the consequence of short-term employment contracts. Such contracts stem from business uncertainty as well as users' desire to put pressure on employees and unions. [2, 522]

Seasonal unemployment is specific to economic activities that are influenced by natural factors (agriculture, construction), which is also reflected in the demand for labor. It is, as a rule, relatively short lasting unemployment.

Frictional unemployment occurs when some people leave their service voluntarily or through redundancy and consequently for some time they are unemployed. It is possible to find another job very quickly (because these places exist), but the first job offered is not accepted for reasons on both sides. Those seeking work want a job with a higher salary, and those who offer the place, refrain from hiring the person for the reasons that led to her dismissal. It is also possible that this search and job placement will also last for lack of information.

COUNTERMEASURES

Policies and solutions to combat structural unemployment focus on encouraging job seekers elsewhere (areas of activity or regions) by differentiating in pay and

encouraging retraining. These measures are taken by firms. They can also be joined by the authorities (ie intervention solutions) that consist in granting financial benefits (tax cuts) to companies that invest in those regions where unemployment is high, or by funding programs for the required activities.

Another measure to tackle structural unemployment is to set flexible pay rates, through better collaboration between the unions and the management of companies, that tariffs be adjusted according to the rate of inflation.

In order to reduce the duration of frictional unemployment, it is advisable to provide more detailed information about job vacancies and vacancies through employment offices.

Another solution is to reduce the unemployment benefit, but it is strongly contested, which is why it can be considered a controversial solution.

The method of extending pupils' education and early retirement has long been a costly and ineffective measure. Another measure to reduce unemployment was to create services shorter than 8 hours in order for a job to be occupied by two employees. [2, 116]

Active policy measures to reduce unemployment are:

- The new employees are a probationary period, while they receive a lower pay, flexibility of working time, ease of work contract termination and flexible wage rates after the economic conjuncture
- training and training the unemployed in the way they have to look for a job
- the integration of those who live in the country and have a foreign citizenship in this process
- raising the level of qualification and training of schools

In many situations, the active measures have the effect of increasing the number and intensity of barriers in the labor market, accentuating unemployment.

The elimination of all labor market barriers (labor law specific rules) would have the effect of eliminating any form of involuntary unemployment, increasing competition among employees for the best jobs (wages and higher working conditions), increasing competition between employers for the best employees, the effects being the increase in labor productivity, the reduction of bureaucracy, the generalized increase of the real incomes of the population and the desire of people to train themselves.

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