

FLEXICURITY - A SOLUTION FOR THE EUROPEAN UNION FINANCIAL CRISIS?

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ABSTRACT:

IN THE CONTEXT OF THE GLOBAL FINANCIAL CRISIS, CREATING NEW JOBS BECOMES EXTREMELY IMPORTANT FOR EVERY COUNTRY. IN THE MEMBER STATES OF THE EUROPEAN UNION THE PROBLEM OF EMPLOYMENT IS MORE AND MORE SIGNIFICANT, AS WE FACE CONSIDERABLE CHALLENGES REGARDING THE AGING POPULATION, THE CONTINUOUS MIGRATION OF LABOR FORCE, THE DECLINE IN HOUSEHOLD CONSUMPTION AND THE GLOBAL FINANCIAL CRISIS.

THE EXISTING POLICIES IN THE AREA OF EMPLOYMENT ARE DESIGNED TO COUNTERACT THE UNDESIRE EFFECTS OF THE ACTUAL EVENTS AND FOCUS MAINLY ON THE CURRENT SITUATION WITHOUT TAKING INTO CONSIDERATION THE POSSIBILITY OF DEVELOPING A LONG-TERM STRATEGY. INSPIRED BY THE EXPERIENCE OF THE NORDIC COUNTRIES (NETHERLANDS AND DENMARK), THE EUROPEAN UNION INSISTENTLY SUGGESTED THE CONCEPT OF FLEXICURITY AS A VIABLE SOLUTION FOR SOLVING THE ISSUES CREATED BY GLOBALIZATION, AND ALSO AS A RECOVERY MEASURE OF THE EFFECTS ISSUED BY THE FINANCIAL CRISIS.

KEY WORDS: LABOR MARKET, FLEXICURITY, UNEMPLOYMENT SECURITY, DANISH MODEL

INTRODUCTION

In a metaphorical sense, the condition in which Romania is at the moment can be described as a state of „awakening and numbness“: the country achieved the objective of signing and entering into force of the Treaty of Accession, whereupon intervened the state of relaxation which established a total chaos in the public programs and policies that should have provided with dynamism and stability, including the adjustment to new risks, „*Without leaving this condition, governance will be precarious, the economic growth and the institutional change will be postponed, and the chances for development increasingly undermined*”²

Throughout its existence, the European Union focused on building a strong system of employment and, by default, a system of social protection for its citizens. This contributed substantially to the economic and social advances of the European Community space, having

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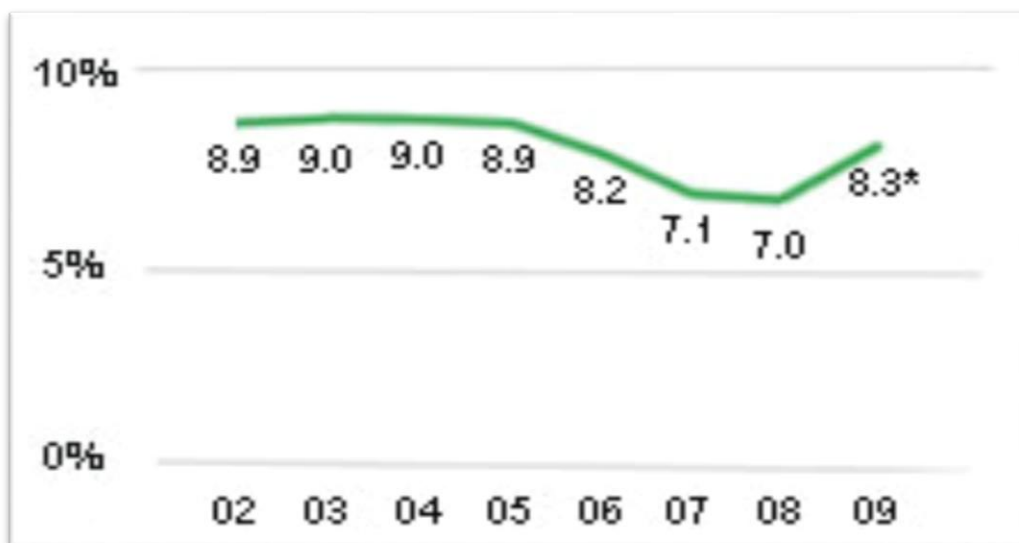
² Vlăsceanu, Lazăr, “*Policy and development. Where is Romania heading?*”, (Three Publishing House, Bucharest, 2000), 118.

as an objective within the Strategy "Europe 2020 – A European strategy for smart, ecological and inclusive growth" that 75% of population aged between 20 and 64 to have a job in 2020.³

1. FLEXICURITY – INTRODUCTORY PRELIMINARIES

With the establishment of the financial crisis in 2008 in the United States of America, the European Community's employment system began to deteriorate (the situation gets worse in 2009), becoming the period with the highest rate of unemployment. Prior to the outbreak of the economic crisis, the number of unemployed in the European Union was declining, as it can be observed in the chart below:

CHART1. THE NUMBER OF UNEMPLOYED IN THE EUROPEAN UNION BEFORE THE OUTBREAK OF THE 2009 CRISIS



Source: European Commission, Unemployment rate in UE 27

The European Union reached the unemployment rate of 9.5%, its highest level from the last ten years, millions of people losing their jobs, as the President of the European Commission said in a speech: „*Many years from now we will have to bear the burden of debt crisis, as it made new pressures on our social cohesion. The crisis also revealed certain basic facts regarding the challenges that the European economy is facing. Meanwhile, the global economy evolves, and our future will hang on how Europe responds*”⁴.

Hence, the concern of implementing new solutions and maintain the employment system more active.

Inspired by the experience of the Nordic countries (Netherlands and Denmark), the European Union insistently suggested the concept of *flexicurity* as a viable solution for solving the issues created by globalization, and also as a recovery measure of the effects issued by the financial crisis. "Security provides a balance between the rights and responsibilities of companies and workers, as well as those of the public authorities: all factors have a duty to contribute to employment, the development of society and sustainable growth. Flexicurity does not mean a reduction of the security level of a specific group in favor of increased security to another group, but rather creates positive interactions between

³ Europe Strategy 2020- "A European strategy for smart, ecological and inclusive growth"

⁴ European Commissioner speech Jose Manuel Barroso, Com (2010) 2020 - Europe 2020 A strategy for smart, sustainable and inclusive growth [COM(2010) 2020 final", (Bruxelles, March 3, 2010) .

flexibility and security. Currently, positive factors are needed in order to work together towards ensuring the success of this principle for all workers and European economies."⁵

Flexicurity, although present in the structure of the employment policies in certain countries, lead to further efforts of the European Commission, which focus on establishing a set of principles to be applied and approved by national governments depending on their needs, starting from the principle that these can achieve precise analysis of the present, as well as the fact that they are aware of what is best and which are their needs in the field of employment.

*"Flexicurity provides a balance between the rights and responsibilities of companies and workers, as well as those of the public authorities: all factors have a duty to contribute to employment, the development of society and sustainable growth. Flexicurity does not mean a reduction of the security level of a specific group in favor of increased security to another group, but rather creates positive interactions between flexibility and security. Currently, positive factors are needed in order to work together towards ensuring the success of this principle for all workers and European economies."*⁶

In terms of keeping a high level of employment and social welfare, the European Commission proposed a number of strategies, such as "EU 2020", which replaces the Lisbon Strategy and reforms the European Employment Strategy. It introduces new concepts designed to help the recovery and maintaining the segment occupied at the highest level.

The main effects of the crisis, besides that it affects the individuals psychologically, has contributed to social division and lead to inactivity, which has affected and diminished the essential role of the European space in terms of economic and social cohesion.

Less than two years after Romania joined the European Community space, the financial crisis set up, a fact that did not allow the country to continue on stabilizing the European principles in a planned and coherent way as it was stipulated in the Accession Treaty signed in 2005 and entered into force in 2007.

Many of the European principles remain in the time frame 2008-2011 in the state of reflection, attempting to apply them not in a logical and well defined cycle, but in a partially and collateral way.

2. FLEXICURITY - A SOLUTION FOR THE EUROPEAN UNION FINANCIAL CRISIS?

2.1 Definition of flexicurity

The not so varied literature mentions a wide range of definitions for this concept, based on its common characteristics. Although, a universally accepted and well defined definition for flexicurity does not exist. The reason is that it manifests differently within different fields of a society. It is often perceived as a phenomenon, an ideology, a strategy, or all of these accounted. For this reason, I am going to present a brief selection of the most representative of the definitions used, considering the approach I propose in this paper.

The etymology of "flexicurity" comes from English and resulted by combining two terms "*reflecting the fundamental needs of labor market, namely flexibility and security*"⁷

⁵ Communication of the European Commission IP/07/919, "*Flexicurity: appropriate jobs for more people*", (Bruxelles, June 27, 2007).

⁶ Communication of the European Commission IP/07/919, "*Flexicurity: appropriate jobs for more people*", (Bruxelles, June 27, 2007).

⁷ Vasilica Ciuca, Daniela Pasnicu, "*Defining flexicurity from the strategic perspective of the European Union and the harmonization with the views of social partners*" (Agora Publishing House), 2.

Therefore, flexicurity can be defined as “*an integrated strategy to simultaneously enhance flexibility and security on the labor market*”⁸.

On one hand, flexibility reflects the changes („transitions”) of achievements throughout the life: from school to the workplace, from one job to another, between unemployment or inactivity and the job, or from work to retirement. This does not limit to a greater freedom of the society to employ or dismiss and does not involve the inefficiency of the open-ended contracts. It must highlight the progress of workers to better jobs, towards an upward mobility. Although, it must contribute to an optimum development of workers’ latent professional capabilities and to emphasize their potential.⁹

Flexibility refers to the flexible organization of work, capable to answer quickly and efficiently to the new productivity requirements and competences and to facilitate the reconciliation of professional life with the private life’s responsibilities.

On the other hand, security represents more than keeping a job: it refers to the mediation of the competences that allow the progress in the professional life and the support in finding a new job, and receiving proper unemployment benefits when workers are subject to transitions. Another important element which is facilitated by flexicurity is represented by the opportunities of professional training for all workers, especially for those with low level of qualification and for aging workers belonging to vulnerable groups.¹⁰

The Organization for Economic Co-operation and Development characterizes flexicurity globally, as follows:

- „*moderate legislation in protecting the workplaces*
- *high level of participation in long term learning*
- *increased spending for policies in the employment field (active and passive)*
- *generous unemployment benefit systems that balance the rights and obligations*
- *broad coverage of social security systems; large coverage area of trade unions*”¹¹.

Professor Ton Wilthagen defined flexicurity as follows:

”*Flexicurity represents a level of security concerning work, employment, income, a mix of these and other factors that facilitates the carrier and professional development of participants with relatively unfavorable position in the labor market, and that allows a lasting participation and with a high quality level, while simultaneously achieving social inclusion, providing at the same time a high level of functional flexibility of wages (both internal and external) that allows appropriate and desirable adjustment of labor markets (*

⁸ Commission Communication to the Council, European Parliament, Economic and Social Committee and the Committee of Regions COM(2007) 359 final Towards Common Principles of Flexicurity More and better jobs through flexibility and security, adopted on June 27, 2007, Bruxelles, 27.06.2007

⁹ Commission Communication to the Council, European Parliament, Economic and Social Committee and the Committee of Regions COM(2007) 359 final Towards Common Principles of Flexicurity More and better jobs through flexibility and security, adopted on June 27, 2007, Bruxelles, 27.06.2007

¹⁰ Commission Communication to the Council, European Parliament, Economic and Social Committee and the Committee of Regions COM(2007) 359 final Towards Common Principles of Flexicurity More and better jobs through flexibility and security, adopted on June 27, 2007, Bruxelles, 27.06.2007

¹¹ Commission Communication to the Council, European Parliament, Economic and Social Committee and the Committee of Regions COM(2007) 359 final Towards Common Principles of Flexicurity More and better jobs through flexibility and security, adopted on June 27, 2007, Bruxelles, 27.06.2007

and individual companies) during constantly changing conditions which they must cope with in order to increase their productivity and enhance competitiveness.”¹²

2.2 HISTORICAL EVOLUTION OF THE TERM “FLEXICURITY”

The term flexicurity appeared during the last decade of the twentieth century, in the context of searching for solutions to improve the functioning of labor market, its promotion being reflected in the need of defending the values of the European Union, and also to protect the European social model from the impacts generated by the economic downturn.¹³

The term “flexicurity” is frequently used for describing the reforms related to the labor market, within the European Union and other countries or groups of countries (USA, Japan or states from Latin America). Even if most of the times it is related to the Danish model of labor market (which will be described afterwards), the term “flexicurity” does not originate from Danish. It was used for the first time in Netherlands, in 1995 by Hans Adriaansens, sociologist and member of the Scientific Committee for Governmental Policy.

The context in which it arose was that of preparing the Dutch Treaty of Flexibility and Security and the Treaty regarding the allocation of workers with the help of intermediation agencies.

Adriaansens defined the concept as a passing from “security within a workplace” towards “the security of the individual’s capacity to get employed or keep his job”, basically from the protection of the job to the protection of the workers, making reference to a political reform of increasing the security of the flexible employee.

During the last decade of the twentieth century, an economic improvement was registered in the member countries of the European Union, but without a consistent process of creating new jobs, situation that caused keeping the unemployment rate at high levels. As a remedy of the increasing lack of balance between the labor demand and supply, was tested the implementation of the concept of “active labor market policies”.

In this sense, the best results were drawn in Denmark, where the rate of unemployment decreased from over 14% in the mid-90s, to 3,3% in 2008. In fact, the reform measures of labor in this country in 1994-1996 did not represent just a field of activity, but also a starting point in the theoretical definition and testing the concept of “flexicurity”, that starting with the mid-2000s the European Commission proposed by implement in the member states in order to achieve the objectives of the Lisbon Strategy and The European Strategy for Employment.¹⁴

2.3 FLEXICURITY MODELS IN THE EUROPEAN UNION

Perhaps in the European Union the Danish employment system is considered a model for the member states, if there exists, beyond the European social model, a large variety of models of approaching the labor market and, by default, an agreement that there must not be set a general model of flexicurity.

Next are going to be presented some of the most popular types or models of flexicurity.

¹² http://papers.ssrn.com/sol3/papers.cfm?abstract_id=1118725&rec=1&srcabs=1133932 accessed on 08.02.2014.

¹³ European Institute of Romanian, “Flexicurity and social dialogue in Romania -perspectives on the implementation of flexicurity principles in Romanian companies” (Bucharest, 2009), 15.

¹⁴ European Institute of Romanian, “Flexicurity and social dialogue in Romania -perspectives on the implementation of flexicurity principles in Romanian companies” (Bucharest, 2009), 15..

THE DANISH MODEL

The Danish model of flexicurity is known in the analysis of flexicurity as a result of remarkably positive macroeconomic evolutions, recorded at the end of the last century. In the 90's, unemployment in Denmark has shown a substantial reduction, from 12,4% in 1993 to 5,2% in 2001, being the lowest level since 1976. Previously, there has been a considerable increase in the employment rate, which reached 76,2% in 2002. In this respect, of the OECD countries, Denmark was exceeded only by Norway and Switzerland.

In recent years, the Danish employment system has been characterized by an improvement in employment, both in the private and public sectors. In addition, these results were achieved without a shortage in the balance of payments, without a significant increase in inflation induced by wage growth, and even without noticing clear changes in the distribution of income or wages.

The employment system that has gained popularity in recent years, took the form of the so-called "Danish golden triangle" that focuses on three elements of the Danish labor market:

- A flexible labor market with a high level of external numerical flexibility indicated by the high flow of workers into the system of employment and unemployment
- A generous support scheme for the unemployed;
- Active labor market policies meant to improve the knowledge of the unemployed which is not capable to return directly from unemployment to a work place.

The Danish model of flexicurity is described as a "golden triangle" because of the three elements capable of creating an employment system that is able to support rapid changes in the economy and labor market, as shown in the diagram below:

this kind of market is required larger investment to foster the development and professional transition of workers.

Austrian redundancy pay system is based on enhancing the dialogue and social partnership and a high level of flexibility of labor, with an average level of social benefits, while the system of severance pay has been modified.

The old system of redundancy provided that for fired persons, redundancy payments should depend on the period of activity, and for those who wanted to end the employment relationship, they lost their rights acquired to that point. The element of responsibility of workers within the Austrian system was represented by the obligation to open a savings account, where each worker should deposit a fixed sum of money per month, which they can use only at the time of redundancy.

Regarding the intervention of the tertiary sector, it makes its presence felt through foundations for employment which are considered successful examples in alleviating the consequences of redundancies, through the application of early interventions and negotiating with the involved participants, as they are considered transition agencies that serve to support workers in the event of mass redundancy.

The French model of flexicurity emphasizes the development of the professional training for workers and a deep modernization of the labor market. Public employment services have been reformed and adapted.

TYPE2: COUNTRIES WITH HIGH EMPLOYMENT RATES

This scenario can be applied to specific states such the United Kingdom and The Netherlands, where the employment rates are relatively high, but certain groups are excluded, which could turn into a situation where these groups receive permanent unemployment benefits. In these circumstances, upward mobility should be promoted, because workers do not have the necessary skills.

The greatest challenges faced by these countries are represented by investments in the development of the qualifications required on the market and the implementation of high performance working methods. For such labor markets is recommended to be taken measures for helping the less skilled workers stay in the labor market and thus, to increase productivity.

ANALYSIS GRID OF MODELS OF FLEXICURITY

A grid for analyzing the models of flexicurity above mentioned was created, starting from The European Commission Communication “Towards Common Principles of Flexicurity: More and better jobs through flexibility and security”, namely:

- Flexible and reliable contractual arrangements;
- Comprehensive strategies for lifelong learning;
- Active and efficient market policies;
- Modern social security systems
- A flexible labor market with a high level of external numerical flexibility indicated by the high flow of workers into the system of employment and unemployment

TABLE NO. 1 ANALYSIS GRID

Model	Flexible and reliable contractual arrangements	Comprehensive strategies for lifelong learning	Active and efficient market policies	Modern social security systems
Danish	A flexible labor market with a high level of external numerical flexibility indicated by the high flow of workers into the system of employment and unemployment	Strong system of adult professional training. Focused on the development of professional skills, through the job rotation system, so that the unemployed persons temporarily replace the inactive ones, while the latter can attend professional trainings to improve and develop new skills.	Active labor market policies meant to improve the knowledge of the unemployed which is not capable to return directly from unemployment to a work place.	Generous support scheme for the unemployed;
Based on market segmentation (Austria, France, Germany, Belgium)	Highly segregated labor market. Protects the workers in the labor market, but excludes those who are outside of the labor market Is desirable to facilitate the acces for newcomers	Civil society intervention in alleviating the consequences of redundancy, transition agencies that serve to support workers in the event of mass redundancy.	Example, Austria: for fired persons, payments should depend on the period of activity, and for those who wanted to end the employment relationship, they lost their rights acquired to that point.	Dialog intens între partenerii sociali pentru asigurarea compensațiilor de disponibilizare Strong dialogue between social partners in order to provide redundancy payment.
High employment rates (United Kingdom, Ireland, the Netherlands)	High employment rates	The need of upward mobility, because workers do not have the required skills. The need of investment for developing the required skills on the labor market.	Measures for helping the less skilled workers stay in the labor market and thus, to increase productivity.	The existence of groups excluded from the labor market, and the likelihood to permanently assist them socially
Major economic transitions (specific of new EU Member States)	No data available		The need for active employment policies	Substantial number of people receiving unemployment benefits, but of low value.

n	America	High numerical flexibility. Redundancy tax – through which collected amounts are used to cover at least some of the cost of unemployment insurance for fired persons.	Flexible stipulations for employment and resignation. To receive financial support, the unemployed should actively look for a job and accept the jobs offered.	All employees who worked for at least one year and have lost their jobs have the right to a maximum of 26 weeks of unemployment benefits.

THE CASE OF ROMANIA

From a European comparative perspective, in Romania, the concept of flexicurity is in its early stages, the actual field of study being established recently, more accurately, once with the entry of the European Social Fund. Currently, it is particularly important due to its ability of responding to the new needs that society as a whole faces in the field of employment.

Although the concept is considered relatively new, it is not fully appropriated by the Romanian society, and large part of the values and the impact that it should produce is diminished due to the incomplete legislation and the lack of appropriate mechanisms for applying it.

Social protection schemes are widely used and have not demonstrated long-term sustainability. Unemployment benefits provide insufficient social security for nuclear families with several children. The research known as *The efficiency of social security policies in Romania* coordinated by Prof. Liviu Voinea in collaboration with experts from the National Institute of Statistics conducted for the National Trade Union Bloc in 2011 revealed that Romania has the smallest social protection expenditures (in absolute values) per capita from EU, 339 Euro annually, 20 times less than the Euro area average. Despite the fact that in the time frame 2004-2011 these expenditures doubled, figures show that their level is still the lowest in Europe. Moreover, the research also provides information that compared to the Euro zone, Romania, in terms of the unemployment benefits spending, the share of total social protection spending is five times lower than the EU average.¹⁵

Regarding the active labor policies, the Romanian Government was shook by the financial crisis. “A consistent political framework should be evaluated not only by the reactions in good times, but rather depending on the resistance demonstrated in times of turbulence, both financially, economically and politically”¹⁶. Unemployment indicators since 2009 and until now proved the inefficiency of using these kind of active labor policies extensively. Another considerable element is their budget allocation, which was spent rather on passive social schemes, such as unemployment benefits.

¹⁵ Voinea, Liviu, „Effectiveness of social security policies in Romania”, (BNS Publishing House, Bucharest, 2011).

¹⁶ Jean Pisani-Ferry, Director Bruegel Institute, 2008, during the presentation online "European Economic Recovery Plan or high risk of lack of coordination and reform in the EU", made by Ph.D. Professor. Gabriela Dragan, Director IER.

1.4 FLEXIBILITY VERSUS SECURITY COMPROMISE

The analysis of the concept of flexicurity, defined as *an integrated strategy to simultaneously enhance flexibility and security on the labor market*¹⁷, allows us to have a better understanding of the way the two components combine to generate various combinations on which governmental policy makers, unions or employers' organization or other players can take action on.

Wilthagen, Tros si Lieshout identified four types of security¹⁸:

- **Job security:** refers to sheltering the employers against redundancies and major changes occurring in the labor market;
- **Employment security:** relates to job security, which is not conditioned by getting employed for the same employer and providing equivalent jobs corresponding with the previously considered individual qualifications and working conditions;
- **Income security:** is related to the income insurance in the case of ceasing the remunerated employment relationship.
- **Combined Security:** is characterized by the reconciliation of professional life with the private life (balance between work time and free time, balance work and family, etc.).

Also, we can consider four types of flexibility in employment: external numerical flexibility, internal numerical flexibility, functional flexibility, flexibility of labor cost or of the employee.

Putting together the types of security and flexibility above, Wilthagen forms a matrix that reflects the different dimensions of flexibility and security, creating an overview of the flexicurity models that can be adopted.

TABLE NO 2 CONNECTION BETWEEN FLEXIBILITY AND SECURITY

Flexibility security	Job security	Employment security	Income security	Combined Security
External numerical flexibility	- Types of employment contracts - Employment protection legislation - Early retirement	- Employment services / active labor market policies - Vocational training / learning	- Unemployment benefits - Other social benefits - Minimum Wages	- Protection against redundancies
Internal numerical flexibility	- Reduced working weeks / part-time contracts	- Employment protection legislation	- Part-time Additional aid - Grants for education	- Different types of redundancy schemes

¹⁷ Commission Communication to the Council, European Parliament, Economic and Social Committee and the Committee of Regions, „*Towards Common Principles of Flexicurity More and better jobs through flexibility and security*”, adopted on June 27, 2007, Bruxelles, 27.06.2007

¹⁸ Vasilica Ciuca, Daniela Pasnicu, Definition of flexicurity from the EU perspective and the social partners, "Flexibility and Security", I.N.C.S.M.P.S., Communication session – 2008.

		- Vocational training / learning	- Disease-Aids	- Part-time pension
Functional flexibility	- Attractive jobs Professional Training - Labor leasing - Subcontracting- Outsourcing	- Training / learning - Rotation job system - Teamwork - Versatility	- Remuneration schemes based on performance	Agreements regarding volunteering activities
Flexibility of labor cost or of the employee.	- Adjustments of local labor costs Reduction / cut social security payments	- Changes in the system of social security payments - Subsidies for employment - Working rewards	- collective labor agreement - Reduced payments on reduced working week	The Agreements regarding volunteering activities on working week

Source: Wilthagen, Tros and Lieshout

Through this matrix certain types of relationships between flexibility and security in the structure of national models of the labor market formation can be identified. Certainly, the choices of different countries will be based on economic, political, historical and cultural factors, but also geographical and religious ones.

CONCLUSION

The concept of flexicurity is theoretically known by institutions involved in the development and implementation of labor laws, but it is considered that the case of Nordic countries cannot be applied and followed, the main cause being the current legislation and the understanding of Government.

The new amendments of legislation in the field of employment did not accomplish and materialize, which resulted in social discontent, one cause of that is due to the fact that in Romania did not exist dissemination and promotion regarding the benefits of applying the concept of flexicurity and basically, among the population was no debate and information regarding the applicability of the concept of flexicurity.

At European level there is no such thing as a single model assumed for the application of the concept of flexicurity, so the European Commission chose to leave to the countries the identification of a flexicurity model that would be applied depending on their needs and the socioeconomic development.

One of the challenges of the Romanian labor market is the labor market segmentation which currently is segmented as well, by entering into force of new provisions in the new Labor Code that only target the employer.

The Romanian social security system is not prepared to support the transition of workers from one job to another or to support the application of the concept of flexicurity.

Romania sought to follow the directives of the European Commission through legislative amendments, but violated one of the principles of the “Towards Common Principles of Flexicurity: More and better jobs through flexibility and security”

Communication (which is intended to guide member countries to apply and identify a model of flexicurity). The model identified by flexicurity does not follow the principle of number 7 which states that the model of flexicurity “provides an environment of trust between public authorities and social partners, all being ready to take responsibility for changes and initiate balanced sets of policies.

The main syndicates and employers in Romania consider that the model taken up by flexibility does not hold the two components, namely flexibility and security. Through legislative amendments was addressed only the flexibility component which was not addressed in a constructive manner because it was not balanced and the amendments brought to the new Labor Code did not consider a series of elements that were related to the protection of workers.

Being well known that globalization reshapes all in its power, by its penetration in the components of the socioeconomic life takes shape the idea of profound transformations recorded globally, primarily due to people (workers, unemployed, parents, grandparents, youth), involved in one way or another, being more or less prepared to get through this globalization wave.

Coming down from the global level to the areas with strong common interest in the welfare of the individual is easy to identify the European Union entity, with strong social meanings and concerns of employment of the domestic workers (thus to help raising the standard of living). As the existence of the Strategy for Employment (in the European Union) and the presence of the European Social Fund (which serves to improve and facilitate the employment of labor and to reinforce the institutional structures of the state) are not sufficient, the problem of the individual to ensure a certain standard of living is of major importance in the reconciliation of professional and personal life.

In Romania also exist certain public entities with concerns in providing support to unemployed people looking for work- which however, do not comprise the entire range of factors that make up the set of services specific to the developed labor market and often they are unable to assimilate and apply new concepts designed to improve and support the labor market in times of turbulence.

In Romania there is no coherent and consistent policy adapted to the current needs of the labor market (it is in its early stages as well) - with the connection to key players in the register of employment.

Institutionally, in Romania there is no harmonization and unity in the actions undertaken to reach the same objective, for example:

National Observatory of Employment and Training (H. G 381/2007) is not institutionally correlated with the National Agency for Employment or County Agencies for Employment.

The National Agency for Employment is an institution that subordinates 42 county agencies, that does not have the capacity of ensuring a sustainable and valid system for all the key players on the labor market, with strong issues and difficult to support financially.

In Romania, the institutional ability to develop and implement public employment policies and also to develop a coherent model of the concept of flexicurity, is diminished, on the labor market, it amplifies risk factors, dissolves flexibility and security, by removing vital connection with employers’ representatives (unions or employers’ organization, that by their real behavior may successfully apply the concept of flexicurity)

RECOMMENDATIONS

1. At the level of the country should be created information and dissemination campaigns regarding the application of the concept of flexicurity
2. Creating protection and security systems for individuals linked with flexible types of work, by establishing international public entities as a response to the globalization and pronounced financial crisis which affects the individual deprived of the opportunity of defending in an unfair battle between the human and the system
3. It is absolutely necessary to adjust the policies for employment, adapted to the current situation, with consistent measures of promoting the active policies of formal, qualified and adapted employment, and also with a labor market capable to respond quickly to economic change.
4. The reforms of the concept of employment within the Ministry of Labor, Family and Equal Opportunities and introducing the concept of flexicurity as a basic philosophy in public policy development specific to the current labor market.
5. The concept of flexicurity must be the base of institutional development in terms of employment, such that each modern or restructured entity would develop the strategy and implement the specific plan based on the same values undertaken and agreed in the short, medium and long term, without allowing the economic turbulences to produce major changes, but only the adjustments / corrections, according to current reality.
6. Activate the Economic and Social Council, unions or national employers' organizations, such that the formal social meetings offer actual solutions to develop the philosophy of flexicurity, as well as proper feedback of the public policies that are centrally implemented with no connection with the contemporary reality.

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