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# Human Resources in European Market in the Past Decade- A Sociological overview

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**Abstract**

European market is known to pay particular importance to characteristics of human resources in the past decade. It is well known that these features such as unemployment rate caused deep economic and social crisis encountered in the EU member countries by the end of the last decade and continue today in most of them. The forecasts of the experts which state that crisis will last 5 to 7 years have been considered promising but still with distrust. That is why it is extremely important that policy-makers should not lose sight in making economic, social and political decisions where the balance is always fragile in terms of interdependence of the labor market. In most countries of central and Eastern Europe, people work more hours per week than in West European countries. In itself, this indicator is not relevant. In conjunction with security systems, less permissive than the Western ones and with much lower wages, it shows that Eastern workforce brings higher profits. The difference between the minimum wages in the economy of the old Member States and those of the new EU Member States constitutes a negative argument in favor of competitiveness of less-developed economies in the EU. Active policies in the area of human resources are the solution for the flexibility of the respective labor market. An active policy, which includes investments in training and improving human resources and development of skills, career advice, could bring incalculable benefits to the labor market.


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*Keywords:* European market, human resources, monthly salary, number of employees, purchasing power parity (PPP), relocation-outsourcing, unemployment rate

## 1. Introduction

A short retrospective on the labor market in EU countries in the past half-decade

The citizens of the new EU Member States are working more than those in the EU-15 to buy the same products: for example a Dutch works16-minute for a Big Mac, 9 minutes for a loaf of bread and also 9 minutes for a kilo of rice; To

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the Czech citizen it takes 40 minutes for a Big Mac, 17 minutes for the bread and 16 minutes for a kilo of rice; The Polish needs, 17, and a 15-minute work to buy these products; Romanians, prospective members, sit the worst. They work 76 minutes for a Big Mac, 22 minutes for a loaf of bread, while for a kilogram of rice, 20 minutes.

A Danish employee earns 50 times more than a citizen of the Republic of Moldova. Classified somewhere in the Middle, Maltese are paid five times worse than employees in Denmark; in terms of the hourly wage, Malta is on the third position among the 10 countries that joined the EU on the 1st May 2004, outrun in this regard only by Cyprus and Slovenia. Only the Portuguese are paid worse than the average," of those ten", indicate the statistics. For a single skill, for example, workers in Luxembourg, Germany, Sweden, Netherlands, Italy and the United Kingdom have average salaries three times higher than Maltese. Switzerland, Norway, Liechtenstein and Denmark are, according to the same polls, at the upper end in terms of hourly wages that they are paid, and the lowest remunerated workers are those in the Ukraine, Albania and the Republic of Moldova, who earn 50 times less than the top of the list.

In the EU member states who have invested in an active policy, job vacancies are occupied more quickly, and the wages are more responsive to market demand. It is also noted the greater flexibility of jobs, such as those of part-time or fixed-term positions. Vladimir Spidla, European Commissioner for employment and Social Affairs, emphasizes that, although its doubling has been achieved, the rate of employment of the unemployed in the EU, of 0.6 percent, ranks after that of the United States, which is 1.1 percent. Among European countries, The Netherlands, Ireland, Sweden, Denmark and Belgium are examples of successful implementation of active labor market policies.

However, the progress has not been uniform in all the EU member countries. The European integration process and the new strategies of firms to divide the labor markets have led to a change in the industrials relations at the national level. The regulatory framework for EU markets is a factor in creating competition and erosion of national territorial boundaries. For example, if Spain managed to reduce disparities, in Poland they were stressed. According to Eurostat, in 2005, the regional unemployment rate in the EU lies between 1.5 and 20.4 percent. Eurostat statistics show that between 1995 and 2004, the largest decline in the structural unemployment was registered in the United Kingdom (3 percent), and then in Greece, Spain, France, Italy and Finland (2 percent). Unemployment rates in major EU member countries were, in increasing order of these rates: a) 4.4 percent (in April 2005)- in Japan: the lowest level of unemployment in this country, registered in the last six years; analysts foreseeing to keep the unemployment rate at 4.5 percent. The unemployment rate for women has increased from 4.2 to 4.3 percent and decreased for men, from 4.7 to 4.5 percent. The number of unemployed in Japan reached 3.1 million in April 2005, with 250,000 less than in 2004, while the number of employees remained stable- 63.520.000 people. The number of workers who left their job voluntarily in hopes of finding a better commitment has increased compared to 2004, with 50,000 individuals, reaching 1.11 million people. This increase in the number of employees, seeking the best opportunities for career development, slows the unemployment decline; b) 5.2 percent in the United States (April 2005) and 5.1 percent in May 2005; 7.5 percent in Portugal; c) 10.2 percent in France (in May 2005), the third largest economy in Europe; It represented the highest rate of unemployment in the Hexagon in the last 6 years; in March 2005, the French Parliament passed a controversial reform of the labor code, which allows increasing the number of hours of work, submitted by each employee on a weekly basis, from 35 to 48 hours, the maximum permitted under EU rules; d) 12 percent in Germany (in March 2005), the first of Europe's economy; It was the highest registered unemployment rate after the second world war, the slight drop in the following months; in June 2005 there was an unemployment rate of 11.7 percent, which means about 5 million Germans out of work. The main causes of the high unemployment rates are: the decrease for many years of the economic growth, and the delocalization-outsourcing (moving of some departments of production of several companies in Asia and in South-Eastern Europe, where labor cost is low).

Between 1997 and 2004, the unemployment rate in the EU-10 has risen to 5.5 percent, reaching even to the "performance" of 8.5 percent in Lithuania, Poland and Slovakia. Between 1997 and 2004, unemployment fell by 2 percent in Spain, Ireland, Italy, Latvia, Hungary and Finland. Implemented active policies have resulted in improving the labor market in Denmark, Spain, Netherlands, United Kingdom and Hungary, where the unemployment rate has fallen, and the vacant jobs have been occupied more quickly. In 2004, more than 92 million Europeans were inactive, and 19 million were unemployed. Of the 92 million, 14 percent were able and willing to work. Inactive people are generally between ages 15 and 64, do not work, are not registered as unemployed and are outside of the labor market due to improper preparation requirements, education, family responsibilities or impaired abilities. Due to these factors,