

SOCIAL IMPLICATIONS OF UNEMPLOYMENT AT THE EUROPEAN LEVEL

COSMIN SICREA *

ABSTRACT: *The article aims to analyse in a socio-economic context the concept of unemployment at the European level. Combating poverty and social exclusion must be an objective for every state. In this way, the legislative mechanisms necessary to be able to ensure the well-being of all citizens both in peacetime and in wartime are put into relation. At the European level, in order to deal with this aspect, numerous political and social protection measures on unemployment have been implemented in all Member States. European legislation on unemployment traces a direction to government decision-makers to facilitate the provision of financial assistance to eliminate the risk of marginalization, poverty and social exclusion. Even so, unemployment continues to generate social inequity in the vulnerable population compared to the general population. For many families in risk situation, the unemployment allowance is the only source of income that cannot cover the needs of the minimum daily basket, which can lead to dependence on other complementary social protection measures, or different forms of support. In the absence of alternatives on the labour market, people in risk groups turn to this form of support and to benefit from the minimum package of social insurance.*

KEY WORDS: *unemployment, family, marginalization, poverty, social policies, social integration, social insurance.*

JEL CLASSIFICATIONS: *A13, A14, J64, J65, J68.*

1. CONCEPTUAL DELIMITATIONS

1.1. Vulnerability and social exclusion

In recent decades, an increasing trend of people living alone can be observed among the population, especially in urban areas. Living "alone" is considered a psychosocial risk factor that in certain situations can even lead to the death of the single person (Kandler, 2007). Vulnerability can be defined as an internal risk factor of the subject who is exposed to a danger of physical, economic, political or social origin

* Ph.D., Petroșani, Romania, cosmin_sicrea2005@yahoo.com

(Singh & Eghdami, 2014). The correct approach to the concept of social vulnerability can contribute both to the reduction of human suffering and economic losses related to the provision of social services and public assistance (Flanagal, et al., 2011). The concept itself is based on a series of connections with poverty, discrimination and marginalization. Social exclusion may also be seen as a process that involves a series of factors with economic implications, which inevitably produce inequality in the possession of goods and income, as well as in the reduction of employment opportunities (United Nations Development Programme). The concept of social exclusion implies "a downward spiral" in which exclusion from the labour market leads to poverty and social isolation, which in turn increase the risk of long-term unemployment (Gallie, et al., 2003, p.2). When we refer to the unemployed, we are primarily talking about a disadvantaged category. In our country, according to GEO no. 137/2000 on the prevention and sanctioning of all forms of discrimination, the disadvantaged category is defined as "*the category of people who are either in a position of inequality in relation to the majority of citizens due to identity differences with the majority, or face a behaviour of rejection and marginalization*". Furthermore, in Romania, Law 116 of 2002 meant to combat social marginalization defines the marginalized person as *the individual who is in a position of social isolation with limited access to political-economic and educational resources and manifested through the lack of minimum living conditions* (Law 116/2002, art.3). The term "social exclusion" appeared in Europe around the 1970s, in France, and refers to people who are not protected by social security and are subject to the risk of permanent separation from society. The term has appeared increasingly often in Europe since the 1980s when unemployment rates were at a very high level and threatened national models of social integration. Losing a job leads to exclusion from the labour market and the lack of opportunity to satisfy the needs usually associated with an employment relationship (Pohlan, 2019, p.275).

1.2 Unemployment from a social perspective

Not infrequently when faced with unemployment, most people are stigmatized as a consequence of stereotypical perceptions of the unemployed. This is justified by the wrongly created social image of the unemployed becoming unmotivated and lazy in job searching. Thus, these stereotypes may generate feelings of inferiority and embarrassment with a negative impact on social interactions, a fact that can lead to social isolation (Danckert, 2017). Even if in certain situations the wrong perceptions about unemployment and the unemployed lead to changes in economic attitudes and political people, the actual unemployment rates, however, are not directly related to these changes (Kunovich, 2012).

Most empirical research on the psychosocial consequences of unemployment has been concerned with demonstrating through a cross-sectional analysis the differences in self-esteem and psychological distress between employed and unemployed people. So, most of the time unemployment is associated with an exacerbation of the psychological suffering of the affected person (Sheeran & McCarthy, 1992, p.117). Unemployment is a stressful life event for most people.

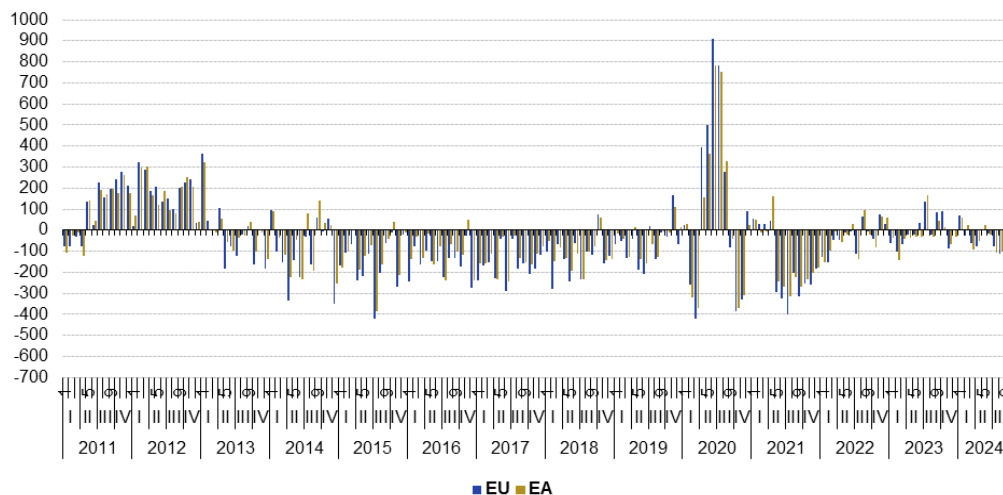
Losing a job, for example, ranks in the top quartile for stress compared to other major life changes. Negative attitudes towards the unemployed can be identified in certain periods of history, at least through the distinction made by the Labor Ordinance of 1349 between beggars able to work and those who could not work due to infirmities of body or mind, or to age (Mcfadyen, 1998). Now the legitimate question arises "To what extent did social protection policies contribute to the well-being of citizens when they could not perform paid work?". However, if we look at the question from a structural point of view, unemployment becomes a problem even in the most advanced economies. Moreover, the forms of unemployment and even the profile of the unemployed have changed due to constraints given by the limits imposed by society as a whole (Guimarães, 2005). For instance, in England in 1601, an economic decline characterized by "unemployment" and famine was felt among the population. Queen Elizabeth I ends up proclaiming a set of laws designed to maintain social order and contribute to the general good of the kingdom by enacting the English Poor Laws. These laws produce effects for a period of over 250 years. In essence, the laws distinguished three major categories of vulnerable people: the street people, the unemployed due to their involuntary causes and the helpless due to physical disabilities. The law provided the framework and means to assist each category of dependents. The most important aspect of the law was that of the administrative legitimacy of the parishes to manage and supervise the poor in the community and the application of the law, and consequently of the forms of support (socialwelfare.library). If we move closer to contemporary European history starting from 1958, a legal basis is introduced directed towards legislation in the field of managing the concept of social security. Now enshrined in Article 48 of the Treaty on the Functioning of the European Union, this legal basis obliges the legislators, the Council and the European Parliament to take measures to ensure social security and protection (Cornelissen & Wispelaere, 2019, p.143).

2. CURRENT UNEMPLOYMENT TRENDS AT THE EUROPEAN LEVEL

When we talk about a person's social status, it depends primarily on the individual's participation in the economic production systems of society and unemployment may significantly contribute to the loss of status and feelings of failure, especially if it lasts for a longer period of time (Gallie & Paugam, 2000, p.1). The existence of socio-economic inequalities raises a series of dilemmas that make them difficult to approach, being considered sensitive subjects of public opinion (Sen, 1997). At the beginning of the 1980s, there were several social security systems in Europe, but they had to be rethought and adapted to economic conditions dependent on economic crises, the price of oil, but also pressure on the status of social welfare (Clasen, & Van Oorschot, 2002). The European integration of social security represents the necessary premise for the cross-border social security rights of the member states and which was considered an absolutely necessary condition both for integration in labour and for free movement (Martinsen, 2005, p.1029). However, there is a tendency that in countries with higher social expenses, citizens feel a fear in relation to the possibility of having access to social security services (Baute et. al,

2018). The year 2019 marks 60 years since the European coordination of social security systems through the regulations of the Council of the European Communities of 1958 which provided for the right to social security of workers and their families (Cornelissen & De Wispelaere, 2020, p.144). Between the end of the Second World War and the end of the 1960s, European unemployment registered a decline that was maintained until the 1970s when it began to rise progressively alternating with small plateau periods. Thus unemployment ends up being felt more and more by the European inhabitants in the last 30 years (Blanchard, 2006, pp.6-7). The financial crisis of 2007-2008 and the recession had a negative impact on the labour market at the European level, through the massive reduction of jobs, the increase in effective working time, which not infrequently generated dissatisfaction among employees and consequently led to an increase in the unemployment rate (Marelli, et al., 2012, p.155). Although the level and rate of unemployment move in a cyclical fashion, they are largely related to the general economic cycle. However, other factors, such as labour market policies and demographic developments, can also influence the medium and long-term evolution of the unemployment phenomenon.

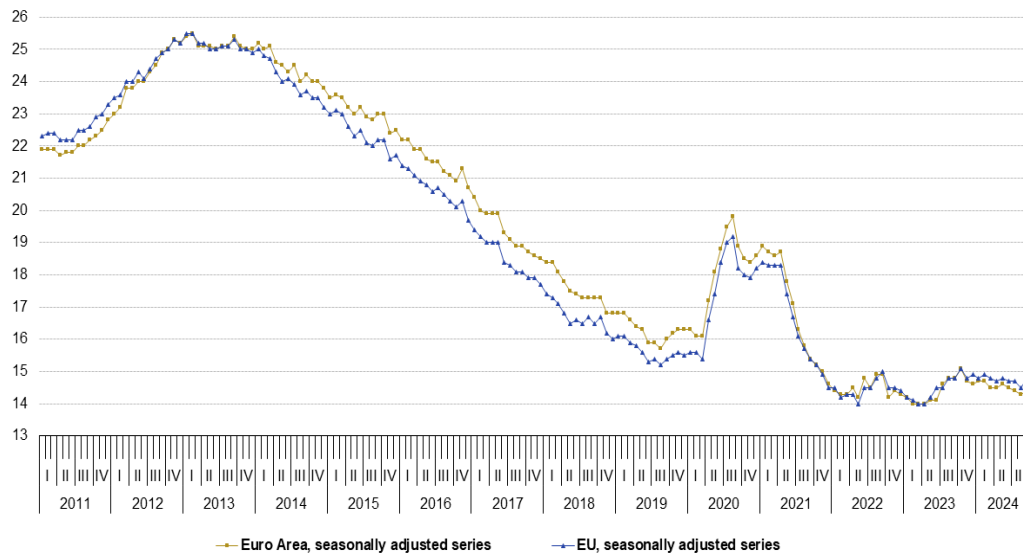
Eurostat data estimate that currently more than 13 million people in the European Union had the status of unemployed in September 2024. Compared to August 2024, unemployment increased by 61,000 people in the European Union and by 13,000 in the euro area. However, according to the existing data, compared to September 2023, unemployment registered a drop of 226,000 people in the European Union and 330,000 in the euro area. We show in figure no. 1 the trends of the unemployment phenomenon evolution in the period 2011-2024 by quarters or years.



Source: Eurostat, online data_code https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Unemployment_statistics)

Figure 1. Change in the number of unemployed persons (compared to the previous month, in thousands), seasonally adjusted, January 2011 - September 2024

In September 2024, the seasonally adjusted unemployment rate in the euro area was 6.3%, holding steady compared to August 2024 and down from 6.6% in September 2023. The EU unemployment rate was 5.9% in September 2024, also flat from August 2024 and down from 6.1% in September 2023.



Source : https://ec.europa.eu/eurostat/statistics-explained/index.php?title=File:Unemployment_rates,_EU_and_EA,_seasonally_adjusted,_January_2011_-_September_2024_02-10-2023_v2.png

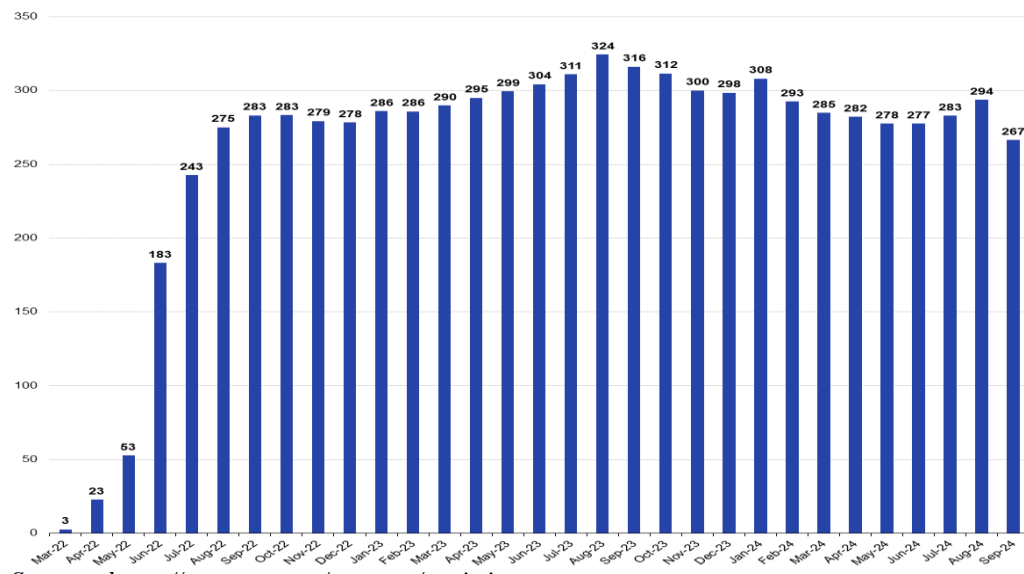
Figure 2. unemployment rates, EU and EA, seasonally adjusted, January 2011 - September 2024 02-10-2023

In September 2024, the unemployment rate for women was 6.1% in the EU, stable from the previous month, and the unemployment rate for men was 5.8%, up from 5.7% in August 2024. In the area euro, the unemployment rate for women was 6.5%, stable compared to the previous month, and the unemployment rate for men was 6.1%, also stable from August 2024.

The International Labor Organization's definition of the unemployment rate is the most widely used labour market indicator due to its international comparability and relative timely availability. In addition to the unemployment rate, indicators such as employment and job vacancies also provide useful insights into labour market developments.

Unemployment time series are used by the European Commission, other public institutions and the media as an economic indicator; banks can use the data for business cycle analysis. Finally, the general public may also be interested in changes in unemployment. The unemployment rate is an important indicator with both social and economic dimensions. Rising unemployment results in a loss of income for individuals, increased pressure on government spending on social benefits and a reduction in tax revenues. From an economic point of view, unemployment can be seen as "unutilized labour capacity". However, the unemployment rate is considered to be a

lagging indicator when there is an economic downturn. It usually lags a few months before the unemployment rate starts to rise. Once the economy begins to recover, employers typically remain cautious about hiring new staff, and it may take several months for unemployment rates to begin to decline. When we talk about the emerging changes taking place in society, it is inherently necessary to remember the phrase "society and war". This is a complex theme that explores how armed conflicts influence and are influenced by the social, economic and political structures of a nation. Wars, regardless of nature, whether international, civil or ideological, have a profound impact on society, changing the relationships between individuals, institutions and governments. War has a devastating impact on economic infrastructure. Cities are destroyed and industries are affected, resulting in huge economic losses. This can lead to economic crises, increased unemployment and stagnant development. As a result of conflicts, population groups may be forced to take shelter in other areas, causing internal or external migration, which leads to the formation of new communities and the creation of social tensions between groups. War, while essentially a violent conflict, profoundly influences the structure of a society. Its effects on the economy, culture, politics and collective psychology can be felt decades or even centuries after the conflict ends. In a globalized world, where modern wars often involve foreign fronts, the impact on a society can transcend national borders, having global effects.

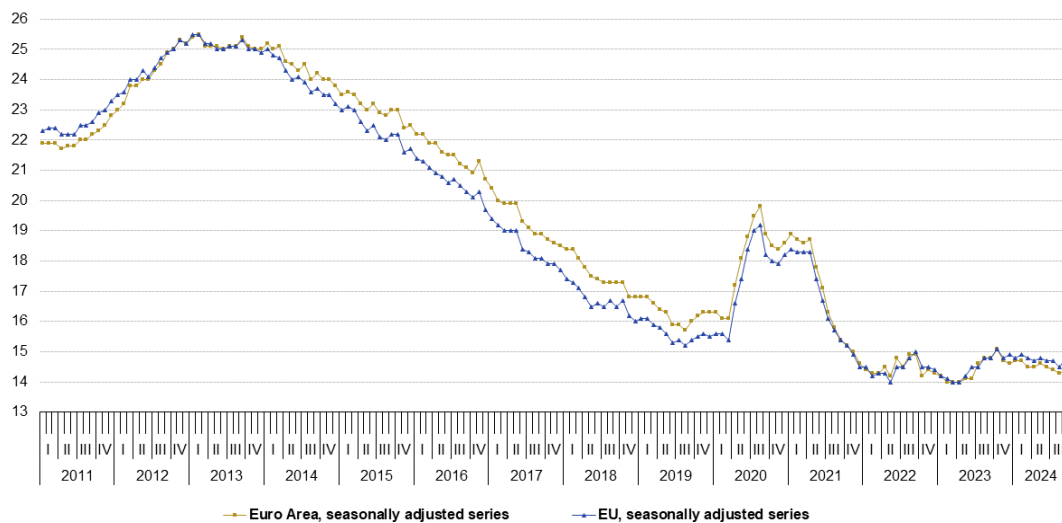


Source : [https://ec.europa.eu/eurostat/statistics-explained/index.php?title=File:Registered_unemployed_refugees_from_Ukraine_per_month_\(in_thousands\)-September.png](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=File:Registered_unemployed_refugees_from_Ukraine_per_month_(in_thousands)-September.png)

Figure 3. Registered unemployed refugees from Ukraine per month (in thousands)

The war in Ukraine, which began on February 24, 2022, has had a profound impact on Ukrainian society, but also on the entire region and the world in general. Socially, the conflict caused major changes in Ukraine's daily life, social structure, economy and international relations. Refugees have been granted temporary protection within the EU under the temporary protection scheme. Rights for scheme beneficiaries include access to employment, subject to the rules applicable to the profession and national labour market policies and general conditions of employment. The war led to a massive influx of Ukrainian refugees. More than 7 million Ukrainians had to leave the country and seek shelter in other European states, especially in Poland, Germany, Romania and other countries of the European Union. Many of these are women and children, as men are mobilized for military service.

In the Ukraine, daily life was severely affected. Major cities such as Kyiv, Kharkiv and Mariupol were bombed and largely destroyed. Thousands of families were separated and critical infrastructure was devastated. Many Ukrainians now live in survival and defence conditions, with limited access to health, education and other necessities. The Ukrainian government introduced general mobilization to support the war effort. Men between the ages of 18-60 are being called up to fight, and this has created a labour shortage, especially in certain industries. At the same time, many of those who remain in the country are redirecting their economic activities to support the war, working in factories producing military equipment or in the defence services.



Source: https://ec.europa.eu/eurostat/statistics-explained/images/6/62/Youth_unemployment_rates%2C_EU_and_EA%2C_seasonally_adjusted%2C_January_2011_-_September_2024_02-10-2023.png

Figure 4. Youth unemployment rates, EU and EA, seasonally adjusted, January 2011 - September 2024

In terms of international support, the European Union countries, the United States and other nations have provided financial, military and humanitarian aid to the

Ukraine. This support had a significant impact on the morale of the Ukrainian population, but also on the ability to resist the invasion.

Eurostat appealed to EU countries to provide data on people fleeing the war in the Ukraine on their labour market situation. In particular, monthly data were collected on refugees who are registered as unemployed in national public employment services. The data only cover people registered with national public employment services and not necessarily all people looking for a job at a given time. The Ukraine war brought new economic and social challenges to Europe. The invasion has led to rising energy prices, high inflation and destabilization of the economies of the most affected regions, which could contribute to an increase in unemployment in some economic sectors. Moreover, the migration of large numbers of Ukrainian refugees to many European countries may put pressure on local labour markets, especially in fields facing labour shortages, but also on social systems (Eurostat).

Male unemployment, youth unemployment and long-term unemployment appear to be more susceptible to cyclical economic changes than overall unemployment. Indeed, social decision-makers are often faced with the challenge of remedying these situations by devising ways to increase employment opportunities for different groups in society, those working in certain economic activities or those living in certain regions. The EU is committed to implementing the Sustainable Development Goals (SDGs) and monitors progress towards them together with EU priorities, including EU employment targets. (Youth) unemployment rates are targeted through a range of policies, including proposals to target vocational education and training institutions or measures to create a (work) environment conducive to higher activity rates and higher labour productivity work. There are also initiatives aimed at improving the entry rate of young people into the labour market. One of the biggest challenges of the European labour market is youth unemployment. In 2024, the youth unemployment rate (under 25) in the European Union is significantly higher than the overall average, reaching around 14%. In countries such as Spain and Italy, this rate exceeds the 14% average. Young people are affected both by a lack of professional experience and by a labour market that cannot offer them enough employment opportunities. There is also a discrepancy between the demands of the labour market and the skills offered by the education system. Curriculum adaptation to the labour market is a crucial topic in the context of the rapid evolution of the global economy, emerging technologies and the increasingly diversified demands of the labour market. It is essential that educational systems respond to economic and social needs and challenges in order to prepare young people and future employees to be competitive and able to adapt to a constantly changing professional environment. This adaptation involves a continuous adjustment of the educational curriculum to respond to the demands of the labour market, but also to support the development of the skills necessary for long-term professional success precisely to prevent the risk of unemployment.

3. CONCLUSIONS

The unemployment trend in Europe has been influenced by several economic, political and social factors in recent decades. These factors include economic crises, technological changes, pandemics, migration and demographic changes, war. Overall, recent trends show a decline in the unemployment rate in many European countries, but there are still large differences between European Union (EU) member states and geographic areas within them. Overall, the unemployment trend in Europe is downward, but there are still significant challenges, especially among young people, people from less developed regions and those affected by technological change and migration. Next, it is essential that educational, economic and social policies respond to these challenges in order to enhance an inclusive and dynamic labour market. In the European Union, the average unemployment rate is below 6% and in the Eurozone it can reach approximately 7%. However, it is important to note that these figures vary significantly between Member States. In essence, both unemployment and social protection are two interconnected concepts, aimed at ensuring a decent living for people who are unable to find a job. Social protection plays a key role in supporting those facing unemployment, offering them not only temporary financial help, but also training services, professional retraining and integration into the labour market. Unemployment can significantly reduce a community's social capital, i.e. the network of relationships, norms and trust between individuals. This risk to lead to social isolation of unemployed people, who no longer actively participate in community life. In the long term, this may lead to a decrease in trust in state institutions and social protection systems.

REFERENCES:

- [1]. Baute, S., Meuleman, B., Abts, K., Swyngedouw, M. (2018) *European integration as a threat to social security: Another source of Euroscepticism?* European Union Politics, 19(2), pp. 209-232
- [2]. Blanchard, O. (2006) *European unemployment: the evolution of facts and ideas*, Economic Policy, 21(45), pp. 6-59
- [3]. Clasen, J., Van Oorschot, W. (2002) *Changing Principles in European Social Security*, European Journal of Social Security, 4(2), pp. 89-115
- [4]. Cornelissen, R., Wispelaere, F. (2019) *Social policy in the European Union 1999-2019: the long and winding road*, https://www.etui.org/sites/default/files/Chapter%207_13.pdf [online, accessed on 19 November 2024]
- [5]. Cornelissen, R., De Wispelaere, F. (2020) *Sixty years of European social security coordination: achievements, controversies and challenges*, <https://lirias.kuleuven.be/retrieve/569906> [online, accessed on 22 November 2024]
- [6]. Danckert, B. (2017) *Facing Unemployment: Personal and Vicarious Unemployment Experiences Generate Favourable Perceptions of Unemployed People*, European Sociological Review, 33(6), 779-790. doi:10.1093/esr/jcx076
- [7]. Flanagan, B.E., Gregory, E.W., Hallisey, E.J., Heitgerd, J.L., Lewis, B. (2011) *A Social Vulnerability Index for Disaster Management*, Journal of Homeland Security and Emergency Management, 8(1)

-
- [8]. Gallie, D., Paugam, S. (2000) *The experience of unemployment in Europe: The debate*, Age, 15(24)
 - [9]. Gallie, D., Paugam, S., Jacobs, S. (2003) *Unemployment, poverty and social isolation: Is there a vicious circle of social exclusion?* European Societies, 5(1), pp. 1-32
 - [10]. Guimarães, N.A. (2005) *Towards a sociology of unemployment*, Revista Brasileira de Ciências Sociais, 1(SE), 0-0. http://socialsciences.scielo.org/scielo.php?pid=s0102-69092005000100006&script=sci_arttext [online, accessed on 19 November 2024]
 - [11]. Kandler, U., Meisinger, C., Baumert, J. (2007) *Living alone is a risk factor for mortality in men but not women from the general population: a prospective cohort study*, BMC Public Health, 7, 335
 - [12]. Kunovich, R.M. (2012) *Perceived Unemployment*, International Journal of Sociology, 42(4), pp. 100-123
 - [13]. Marelli, E., Patuelli, R., Signorelli, M. (2012) *Regional unemployment in the EU before and after the global crisis*, Post-Communist Economies, 24(2), pp. 155-175
 - [14]. Martinsen, D.S. (2005) *The Europeanization of Welfare - The Domestic Impact of Intra-European Social Security*, JCMS: Journal of Common Market Studies, 43(5), pp. 1027-1054
 - [15]. Mcfadyen, R.G. (1998) *Human Relations*, 51(2), pp. 179-199
 - [16]. Pohlan, L. (2019) *Unemployment and social exclusion. Journal of Economic Behavior & Organization*, 164, pp. 273-299
 - [17]. Sen, A. (1997) *Inequality, unemployment and contemporary Europe*, Int'l Lab. Rev., 136, 155
 - [18]. Sheeran, P., McCarthy, E. (1992) *Social Structure, Self-Conception and Well-Being: An Examination of Four Models with Unemployed People*, Journal of Applied Social Psychology, 22(2), pp. 117-133
 - [19]. Singh, S.R., Eghdami, M.R., Singh, S. (2014) *The concept of social vulnerability: A review from disasters perspectives*, International Journal of Interdisciplinary and Multidisciplinary Studies, 1(6), pp. 71-82
 - [20]. **Social Welfare History Project**, *English Poor Laws: Historical Precedents of Tax-Supported Relief for the Poor*, <https://socialwelfare.library.vcu.edu/programs/poor-laws/> [online, accessed on 19 November 2024]
 - [21]. Eurostat, *Unemployment in the EU and the Euro area*, https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Unemployment_statistics [online, accessed on 25 November 2024]
 - [22]. **United Nations Development Programme**, *Taxonomy and possible implications of decentralisation policies on vulnerable groups in Moldova*, <https://www.undp.org/sites/g/files/zskgke326/files/migration/md/taxonomia-ro.pdf>, [online, accessed on 18 November 2024]
 - [23]. Ordinance no.137 of 31 August 2000 (republished) on preventing and sanctioning all forms of discrimination) [Accessed on 18 November 2024] <https://legislatie.just.ro/Public/DetaliiDocument/24129>
 - [24]. Law no. 116 of 15 March 2002 on preventing and combating social marginalisation <https://legislatie.just.ro/Public/DetaliiDocument/34645> [Accessed on 19 November 2024]