

**ON A MIX OF PUBLIC POLICIES ADDRESSING THE
ADJUSTMENT OF LABOUR MARKET**

Monica Florica DUTCAȘ¹

Romanian Academy – Victor Slăvescu, Bucharest, Romania

Abstract

Because the multiple determinations of the individual as labour force, a single public policy is not sufficient to peer the labour market. In such a context, much more public policies must be used, in an inter-correlated way, in order to satisfy all these determinations (moral, cultural, social, even political). My proposal has as ambition to identify the public policies which are adequate to form a specific mix of public policies able to address the complex personality of the individual involved on the labour market, like: fiscal policy, monetary policy, incomes policy, social policy and so on. The main problem here seems to be the interrelationships among the mentions policies, so avoid the redundancies, the contradictory oppositions, or the un-convergence within the set of the mixed policies. So, the project will develop logical analyses, and institutional designing.

Keywords: labour market, labour force, public policies, adjustment, policy mix

JEL classification: J08, J21, J38, E52, E62

1. Introduction

We can say that labour is an important factor of production, different, distinct from any other factor of production. A system of values and expectations specific to people determines individual decisions. We can not say about work itself that it is a commodity like everything else because human's labour supply depends on factors such as age, health, psychology, space mobility, training, skills, and especially motivation. Man is formed as a bidder on the labour market within a time horizon, reaching the legal age for work, and enters to a certain level that influences how the employer's demand for certain jobs is satisfied. Adapting the individual, organizations, governments and

¹ *Scientific researcher Centre for Financial and Monetary Research of the Romanian Academy – Victor Slăvescu, PhD(c) SCOSSAR, Bucharest, Romania, monica.dutcas@finders.ro*

economies to the information revolution requires special attention to the opportunities created by the new activities and jobs of the future, as well as a great capacity to manage change. New social issues: social exclusion of vulnerable groups, inclusion of people with disabilities, young people, women, decent employment opportunities, poverty eradication and proper social cohesion are all challenges for labor market policies. Globalization has created an economic context marked by many uncertainties. In order to achieve the Sustainable Development Goals (SDG), global economic growth is essential and requires that all monetary, budgetary and structural policies/ instruments to be used to drive job creation. Against the backdrop of the increase in both employment and unemployment, in fact the slowdown in global economic growth, a number of controversies have arisen in the literature on both the meaning of full employment and unemployment and how to achieve the objectives sustainable labour market specific development.

Combating unemployment, promoting employment, social protection, improving working conditions, life implications, dialogue between management and employees, education and vocational training are described by the provisions of Articles 149-166 of the Treaty on the Functioning of the European Union as found in the consolidated version published on 26.10.2012 Official Journal of the European Union C 326/121. The prolonged shock of the crisis has created dysfunctions in the "normal labor markets", so that a growing proportion of the working-age population has become dependent on social protection systems, and they are overstretched, so it requires major state intervention. Programs of both active and passive measures to reduce unemployment have been designed, and the exceptional situations with regard to the volume and structure of unemployment, as well as the rebound in new jobs, have led to the implementation at totally different conditions from the initial ones, imposing additional support measures for those in difficulty, without the possibility of analyzing the long-term effects. Labour market policies must respond to the need to link cyclical employment policies with structural policies, and there is a need to build a framework to reconcile labour market dynamics with adequate income security, illustrated by increased volatility and fluctuations in work incomes. As a result of strict action in the implementation of employment policies, there is a growing risk of increasing the duality of the labour market, and there is a need to support reforms in this respect by increasing the efficiency of cooperation between different social actors, coupled with reducing inconsistencies in implementation processes. Many of the social policy measures (incomes, minimum wages, social benefits,

social protection in general) directly aimed at influencing the labor market. It is also known that much of the fiscal and budgetary policy measures concern the labor market. Inherently, the measures provided by the various public policies can become contradictory or mutually neutralized if they are not coordinated by a common public policy. Consequently, it is of interest to reflect on designing a mix-type public policy aimed at maximizing the synergy of sectoral public policies that directly or indirectly affect the labour market.

The paper aims to draw attention to the need to identify the mix of appropriate public policies to balance the labour market. The starting point is the reality determined by the economic growth, the sustainable development with its dimensions and strategies, at the level of Romania and the European Union, correlated with the dimensions of the labour market and its equilibrium strategies. The content of the paper is structured in two major parts, the first setting the context of current labor market policies outlined in the strategies of Europe and Romania, the second proposing a logical approach to the design of the public labor market mix (which we call MPPPM) the logic on which it can rely, and the institutional aspects involved. Finally, the conclusions are presented.

1.1. Literature

The literature in this matter does not have abstract theoretical and conceptual approaches, but only local and factual empirical approaches. EU strategies, implementation modalities at Member State level were among the most varied according to the complexity of their own realities. The strategic elements, dialogues and coordination, the legislative and financial instruments, the methods of analysis and control have been transposed into a wide range of distinct approaches. Romania can not come out of the sphere of influence of the EU institutions, and its strategies and own management have built up under the impact of those assumed as a Member State.

After a historical review of the common EU and Romanian labour market challenges and regulatory policy instruments, our work aspires to achieve noncontextual expression.

2. About the vocation of current public labor market policies

2.1. Empirical observations in the EU and Romania

Agenda 21 (1992) and the Johannesburg Implementation Plan (2002) provide that sustainable development (SD) must be tackled strategically in terms of social and economic dimensions; conservation and management of

development resources; enhancing the role of major social groups; means of implementation. Social and economic dimensions include:

- international cooperation, having as a priority the reduction of economic and social disparities, the growth of "welfare for all", the promotion of convergence;
- combating local, regional and national poverty;
- changing the consumption structure in order to save environmental resources, increase the share of organic consumption, clean, reduce waste and increase waste recovery.

The strategic framework at EU level is outlined in the document "EUROPA 2020 - A European strategy for smart, sustainable and inclusive growth", a guideline for an integrated approach to economic and social reforms.

It focuses on 3 representative priorities corresponding to some types of economies:

- Smart growth reflects knowledge and innovation-based economies.
- Sustainable growth corresponds to more efficient, greener and more competitive economies.
- Inclusive growth because it leads to healthy economies with high employment of labour force in order to ensure social and territorial cohesion.

Under the 2020 Strategy, the following five priority objectives have been set:

- employment rate at the level of 75% of the population aged 20-64;
- public and private investment in research and development of 3% of EU GDP;
- Achieving the "20/20/20" objective in the field of energy and climate change;
- a maximum of 10% of the school leaving rate and a minimum of 40% of the tertiary education graduation rate among young people aged between 30 and 34;
- reducing the number of European citizens threatened by poverty and social exclusion by 20 million.

There can be permanent intersections of Europe's concerns with sustainable development and the issues involved. They will be highlighted in paper, especially after 2014.

In 2015 the European Parliament presents the State of the Union and announces the European social pillar,

- the theme "a European pillar of social rights" is being launched in public debate
- focus on the euro area, but remains open to the rest of the states;
- the balance sheet of the EU social acquis;
- systems of activity and social protection;
- Equity of the monetary system;
- rating "AAA socially"
- the consultation was concluded in December 2016.

President Juncker said in his speech: "We need to step up our efforts to establish a fair and truly pan-European labor market. (...) As part of these efforts, I want to draw up a European social rights pillar, taking into account the evolving realities of societies in Europe and the professional environment, and which can be considered a benchmark for convergence renewed within the euro area. The European Social Rights Pillar should complement what we have already gained together with regard to the protection of workers in the EU. I expect the social partners to play a central role in this process. I think it is appropriate to start this initiative within the eurozone, while allowing other EU Member States to participate if they so wish." (Juncker, State of Union Statement, 2015)

In 2016, the European Social Rights Pillar is structured into three components:

- opportunities and equal access to the labour market,
- fair working conditions,
- Access to adequate and sustainable social protection.

In 2017 the White Paper on the future of economic and monetary union of Europe appears

In 2018, the EUROPEAN LABOUR AUTHORITY notified - body for the inspection and enforcement of European labor mobility rules.

The EU strategy aims at combating unemployment at EU level and a role of mapping and coordinating Community priorities in this direction, priorities that are clearly addressed to Romania. The strategy on which the strategy was based was initiated from the first Employment Strategy and defined as the "open method of coordination".

To achieve SDG, the following initiatives have been developed:

- Innovative Union;
- Mobile youth;
- A Digital Agenda for Europe;
- A Europe that uses resources efficiently;

- An industrial policy in the age of globalization;
- An Agenda for New Skills and Jobs;
- A European platform against poverty;
- The European Social Pillar.

Before to integration, Romania had a structured approach and completed the National Accession Program to the EU that started in 1999. The Ministry of Labor has the strategic coordination role for this area of the labor market (including employment, unemployment) and wage policies, with the following strategic objectives, all aimed at the *acquis communautaire*:

- alignment with the *acquis* in the field of labor law, including the elaboration of the Labour Code;
- the transposition of the *acquis* in the field of gender equality, the adoption of legislation;
- on maternity, family and child;
- health, safety at work;
- implementation of the NAP;
- Development of the administrative capacity of ANOFM to promote active employment programs and measures, especially at local and regional level, as well as its preparation for the implementation of projects through the FSE;
- promoting social dialogue;
- development of monitoring and control systems in the field of social assistance and completion
- the legislation on the National Social Assistance Scheme (Framework Law, No 705/2001);
- implementing the Anti-Poverty and Social Inclusion Strategy and clarifying the appropriate institutional framework for implementation.

All these aspects are also identified in the "Roadmap for Romania and Bulgaria", systematized in medium-term priorities and long-term priorities. The strategic document of this area, the NAPO was adopted in 2002. Corresponding to the pillars of the European Employment Strategy are the four pillars:

- employability (following the positive evolution of employment capacity);
- entrepreneurship (entrepreneurial spirit is equivalent to the creation of new jobs);
- adaptability (with reference to improving the adaptability of businesses and their employees);
- ensuring equal opportunities for women and men (equal opportunities).

Analysis of statistical data shows a concentration of unemployment on certain categories of disadvantaged and disadvantaged occupations and groups in the labor market: young people (15-24 years old), people able to work over 45 years, groups at risk of marginalization, people with disabilities. Also, in contradiction with GDP growth, small fluctuations in the employment rate may indicate a stagnation in production, basic economic activities, those that can provide new jobs. It is easy to see an increase in the rate of periodic unemployment caused by the entry of new graduate promotions into the labor market in the autumn of September and October. The job offer seems to exist, but it has a structure that no longer corresponds to skills (competencies developed on the basis of training and experience) for those who are looking for a job. Also, there are not enough job offers for rewards and do not meet the expectations of those looking for a job. It is noted that labor market tensions have determined, in recent years, the disappearance of traditional jobs at an increasing rate, of standard positions and positions in organizational structures in the classical fields of national economies. The phenomenon is not balanced by the creation of the equivalent number of new jobs in other newly emerged or developed areas. A clear evidence of this phenomenon is that the aging of the population and the exit from the economic - active life of a significant number of people do not adequately vacate jobs to be filled by young people. Young people acquire skills in school that do not provides access to the labor market. There is a need for a level of qualification and a minimum experience that can be gained through apprenticeships offered by employers who are aware of the impact of generational replacement. The current situation is not conjunctural. Faced with these realities, the state through public policies and public institutions must identify and make full use of employment opportunities by properly preparing those who are actively seeking a job so that they can access new job offers and can take up the jobs created. These people are at the same time required to meet the employer's requirements. The lack of jobs, measures in absolute and real indicators, will keep up the labour market tensions until the current mechanisms are replaced by new growth of another type, driven by the achievement of SDG. In Romania, SDG have been mobilizing instruments for economic and social development. From the perspective of Romania, the idea of implementing the new social agenda is supported by institutions that support inclusion and are effective in creating policies that are based on the needs of citizens. Inclusive societies, health, education, poverty eradication are issues that go beyond MDGs. Romania has undertaken to review the NDS for the integration and implementation of SDG. In the elaboration of the National

Employment Strategy 2014-2020, the Ministry of Labour and Social Justice carried out an assessment of the current situation by analyzing in detail all the positive and negative aspects impacting on the field and formulated Romania's next vision for 2020: "The Romanian labour market will be a dynamic, dynamic and flexible market in which at least 70% of the 20-64 year olds will have access to a quality job, according to their capacity and competence and income to provide them with a decent living. " The National Employment Strategy 2014-2020 has as its general objective "Achieving sustainable employment sustained by economic competitiveness, social cohesion and sustainable development".

The Action Plan targets the following objectives:

- O1. Increasing employment among young people and prolonging the active life of older people
- O2. Improving the occupational structure and labour market participation of women and vulnerable groups
- O3. Developing human resources with a high level of skills and competencies adapted to the requirements of the labour market.
- O4. Improved mechanisms for substantiating, implementing, monitoring and evaluating policies impacting on the labour market.

Thus, the following observations are made:

- Large disparities between supply and demand lead to disequilibriums in the labour market that attract the need for state intervention through public policies.
- Awareness of the issue of youth employment, communication / stakeholder dialogue are absolute priorities at every country level and are analyzed in all EU countries.
- The need for new jobs will sustain labour market tensions, and these tensions will continue to manifest, with varying intensities, for a long time, until another type of economic growth will replace the current mechanisms.
- The labour market raises a number of practical difficulties, the balance being an objective dependent on the integrated context of national and European policies.
- In this moment, it is necessary and relevant to reflect on the design of a public policy that regarding and targets the labour market in its entirety and completely.

2.2. Map of existing public policies and possible links to the labor market

It starts from the idea of a mix-type policy aimed at maximizing the synergy of sectoral public policies that directly or indirectly affect the labour market.

"Public Policies" is a term that suggests a lot of options on a given issue, and emphasizes that it refers directly to areas of public interest. Generally Accepted Definitions:

- "public policies are what government structures decide to do or not do" (Dye 1998);
- "a certain direction of action followed by an actor or group of actors in solving a problem or task" (Anderson, 1994)

FISCAL POLICY is a public policy that include the set of rules, institutions, procedures to manage from the perspective of public authority the macroeconomic equilibrium in the real economy by controlling the tax rates and the government expenditures. It has four main instruments, namely taxes, fees, other mandatory levies, government expenditures. Through tax policy, tax incentives or inhibits economic subjects. They also have an important role in redistributing income in society, thus influencing social security policy. BUDGETARY POLICY defines that public policy on budget revenues, ways and means of using them on certain destinations, serving stability and economic development. In practice, he uses financial laws, setting out all resources and expenditures, authorizing the use of revenues only for the intended purposes. There may be regulations specific to the financial year. Budgetary and fiscal policies work in interdependence.

There is a policy relationship with labor market mechanisms because budget revenues also include taxes on wages, and budget expenditures also cover education, social security, health insurance. Budget policies are geared towards economic growth, achieving a high level of employment, diminishing inflation and other macroeconomic imbalances. The state can interfere directly through this type of policy on human well-being by financing social spending. Social security is one of the factors of well-being.

Independently, MONETARY POLICY, which represents the entire state's actions on the monetary mass and the financial assets, pursues the economic growth, the price stability, the full employment of the labor force. Monetary policy measures clearly have a direct and relevant impact on the labour market.

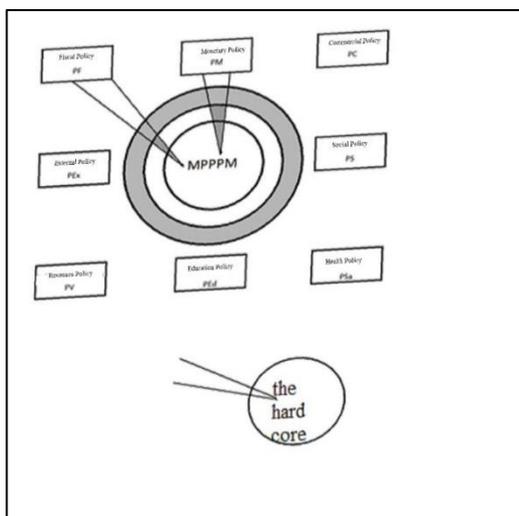
EXTERNAL POLICY has a major role to play in enhancing respect for human rights and fundamental freedoms, including the right to decent living, work and free movement. Education is also a component of international relations with influence in the development of skills required by the labour

market. The EU's foreign and security policy allows each Member State to express itself and to have a greater influence at a global level. With regard to the labour market, the external relations, development policy and migration that the EU has integrated in a comprehensive way in the concept of the Global Approach to Migration have an important role to play.

COMMERCIAL POLICIES represent all the regulations adopted by a state and refer to its international economic relations through instruments such as customs policies or trade incentive measures for exports, all of which have an influence on the real economy, the microeconomic business environment and implicitly in the creation or dissolution jobs.

Methodologically, a checklist of all public policy measures and policies related to the labor market or one of its actors can be used. The list may be appropriate for prioritizing and ordering problems, and then by inductive logic by generalizing reasoning to MPPPM. However, in order to link the actions of each policy to the effects and to better assess the impact of each policy on the labor market, a matrix approach is considered more appropriate. Figure 1 represents our MPPPM.

Figure 1. Public policy mix



Source: Author's processing

Based on the role and functions of each policy type, the matrix of importance will be constructed that will select the hard core of MPPPM, as reflected in Figure no. 2. A way of deciding the importance of each policy and of the measure that may be part of the hard core of MPPPM is the expert opinion.

Figure 2. Matrix of Importance of Public Policies

	P₁	P₂	...	P_m
P₁		2	...	1
P₂	1		...	2
...				
P_n	0	1	...	2

Source: Author's processing

The logical formulation of experts' opinions on the importance of each public policy in relation to the labor market can be expressed by the following expressions / propositions:

E(1): $P_1 < P_2 \rightarrow (P_1, P_2): 1$

E(2): $P_1 > P_2 \rightarrow (P_1, P_2): 2$

E(3): $P_1 = P_2 \rightarrow (P_1, P_2): 0$

where:

„ $x > y$ ” means: *x is more important / significant / relevant than y*

„ $x < y$ ” means *x is less important / significant / relevant than y*

„ $x = y$ ” means: *x is as important / significant / relevant as y*

The objectives envisaged in the MPPPM design are criteria for assessing each type of policy. Better formulation of the issues and priorities that MPPPM will respond to. Identifying for each policy of alternatives that lead to similar results, so MPPPM can be thought of as the only alternative to making decisions with a significant impact on the labor market. It is very important to identify the direct and indirect impact on the labour market through a series of indicators related to the likelihood of occurrence of effects in an economic cycle as well as the possibility of evaluating all the effects of MPPPM concurrently with their expression in monetary terms.

3. A logical approach to project the MPPPM

A first attempt at non-textual expression in a logical approach to the action of policies impacting the labour market has led to a logical scheme of MPPPM design, as the figure no 3 below, shows.

3.1. Logical scheme of logical approach to project the MPPPM

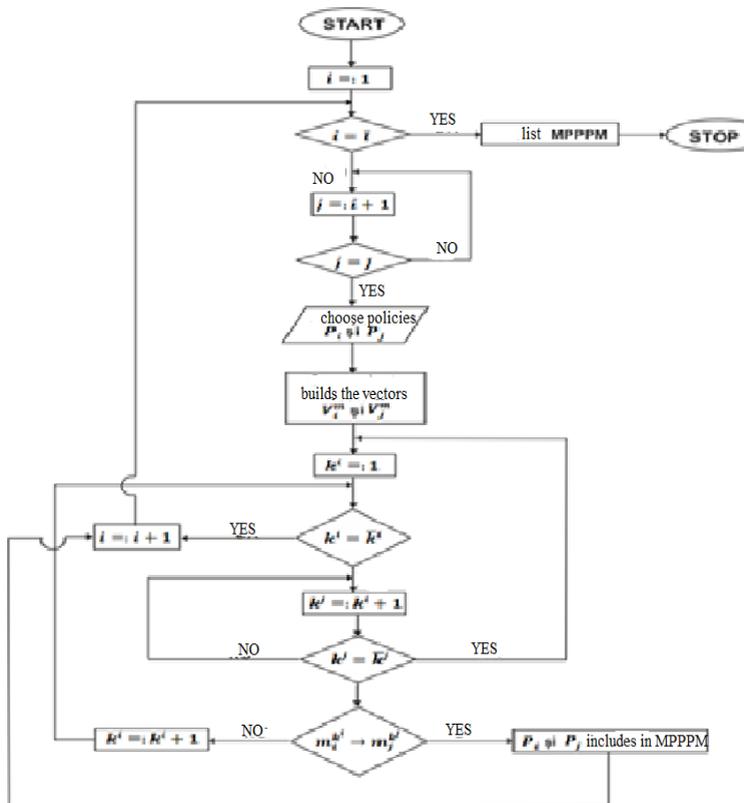
Useful logical operations will be the classification / division of measures or policies, the comparison of measures and policies regarding the denoted / referent (in this case the labour market), abstraction and generalization to the MPPPM sense. In the logical semantics, MPPPM says that its meaning is composed of the denote (the referent), ie the object to which it refers, namely the "labour market" and the meaning, ie the way it refers, respectively the "hard core" given by the totality of the functions of the measures of public policies included in the hard, logically equivalent nucleus.

For each policy (P) or each measure (M) of each policy, three logical descriptions, status descriptions, change descriptions, and action descriptions will be made.

The logic of MPPPM's action is based on the logic of changing / transforming the state of the labor market system. For each logical variable (M or P) a logical transformation calculation will be made to determine the action and set the norm. In this logic, MPPPM is the action agent that can only have two action attitudes: active attitude and passive attitude. An active attitude is an enforceable attitude to do, and a passive attitude is an attitude of abstention (not to do).

The logical approach to the MPPPM's filtering and decision making process is shown in Figure no. 3.

Figure 3. Logical Scheme of MPPPM



Source: Author's processing

Each Policy P contains a number of M measures with an impact on the labor market. In MPPPM we will take a measure vector M1, M2, ... Mn for each policy P1, P2, ... Up to the moment "i" of the impact assessment. Any measure evaluated at time "i" could have a positive "k" effect and a negative "k" effect, i.e. an augmenting effect and a diminishing effect, at a time "k". Each policy may also contain measures with neutral effect, but it should not enter the hard core of MPPPM. It means that at the time "i + 1" the M2, M3, ... Mi + 1n, belonging to MPPPM, will be taken, which maintain their orientation (augmentation or diminution). Mathematically, effects ceilings and stability periods could be set. Ex. M1 is affecting unemployment. They take it even if unemployment increases in order to reduce inflation. The augmentation effect

should be maintained with the inflation downward trend. This is true for any mix policy. Mathematically, periods of stability and effects ceilings could be mathematically determined.

Because the functions of the public policy measures included in MPPPM are norms, the logic of MPPPM's action can be tackled from a deontic point of view and is operated with the "mandatory" and "permit" core functors. Functors "forbidden" and "indifferent" can be written as logical expressions of obligation and permission by negation. It is possible to write for the MPPPM various logical formalisations, any logical expression of the action being put in the form of a logical expression of the deontic logic. It will be:

- the obligation: the obligation to do or the obligation not to do
- the permission: the permission to do or permission not to do
- the forbidden: the prohibition to make or the prohibition not to do (by negation of permission)
- the indifference: the indifference to do or the indifference to not doing (by negation of obligation and prohibition, or by negation of obligation and permission).

However, the logical formulas and formalizations are not the subject of the present paper, the focus being at this stage of designing a mix-type policy, based on logic principles, as a methodological filter used in the selection of public policy measures included in the mix.

Only the measures that will cross the gray membrane represented in Figure 2 will be extracted from the policy as a whole, using as a methodological filter the logical principles underpinning MPPPM design. Through the filter of logic which will be checked by measures MPPPM candidates are: the principle of sufficient reason, the principle of identity, the principle of non-contradiction, law of noncontradiction, redundancy principle, the principle of Ockham's razor.

- The principle of sufficient reasoning that any sentence has to be accepted or rejected on the basis of arguments, checks whether for each measure there are sufficient arguments to be retained in the preliminary or final list of measures. Ensures the effectiveness of public policy measures included in MPPPM.
- The principle of identity is a fundamental condition for the correct judgment of MPPPM. The logical-signatory wording of this principle is that "any public policy measure at the same time and under the same ratio is equivalent to itself." If we have several variables as inputs to each measure, the identity principle requires that, in case of substitution, all entries be replaced by the same value.

- The principle of non-contradiction implies that, at the same time and under the same report, it is impossible for an object, namely a public policy measure, to have and not have a property (the relation with the labour market). That is, if the property (measure) has a certain property in the premises, it also has a conclusion.
- The principle of the excluded logic, which states that at the same time and under the same report a statement is true or not, the third possibility is excluded, it can be considered here that it is correlated with the principle of non-contradiction.
- The redundancy principle considers that each measure is reliable, ie it operates according to the prescribed parameters for a period of time. Redundancy is ensured by structurally duplicating some of the components of the system concerned by way of alternative mode and automatic mode.
- The principle of Ockham's razor is to minimize the number of MPPPM components. Ensures the MPPPM economy.

Four logical principles have been identified that need to be verified by MPPPM and each mix policy, in order to substantiate the mix: the principle of consistency, the principle of maximizing synergy, the principle of sustainability, the principle of discretionary public intervention.

- The principle of consistency implies that the measures taken by MPPPM are not contradictory between them, two by two.
- The principle of maximizing synergy means that a certain measure of MPPPM is convergent with another in the mix, ie, by combining the two measures a positive synergy effect is obtained
- The principle of sustainability is most important because once implemented, MPPPM ensures structural self-replication (and therefore, functional self-replication).
- The principle of minimizing discretionary public intervention has as reason to avoid political determination of measures, which implies the introduction of automatic stabilizers in all public policies (eg unemployment benefit, personal income tax).

We redefine the concept of public policies on the labour market through the set of characteristics thought about the labour market. These features are included in the MPPPM definition.

Thus, MPPPM is labour market policy in its generality, which:

- It is manifested as a reaction to real needs or problems of the current problems on society regarding labour market;

- Has a scope that is pursued by a coherent set of labour market objectives;
- It is justified / argued by statements;
- It includes strategies and action lines made up of several decisions / measures / actions;
- Involves decisions made (politically) to do or not to do something;
- Produces effects that have a direct or indirect impact on the labour market.
- It may produce direct or indirect effects on other areas
- It is triggered by a procedure determined by an algorithm that can describe the cause-effect relationships (inputs-outputs) and captures the effects
- It is instrumental (projected, implemented, monitored) by a public institution authorized by law;
- It is the action of the public institution that has the legislative, political and financial authority to accomplish them;
- Operates permanently and continuously.

Thus, MPPPM defines a direct and explicit public policy as the set of rules, institutions and procedures designed to manage the macroeconomic equilibrium in the real economy, the balance of the labor market, control of the unemployment and employment trajectories with all relevant implications from the perspective of the public authority both macroeconomic and macro-social.

3.2. Institutional aspects to project the MPPPM

At both national and EU level, there are many structures that represent the workforce, employees, those who create and offer jobs - employers, self-service providers, those working in the liberal professions or other social partners involved in the dialogue socially obligatory in formulating public policies. Institutions and representative bodies in the EU are: the European Parliament, the Council of the European Union, the European Commission, the European Economic and Social Committee, the European Investment Bank. The Commission for Employment and Social Affairs is functioning within the European Parliament. The tasks related to Employment, Social Policy, Health and Consumer Affairs rest with the Council of the European Union. The European Commission has attributions relating to employment, social affairs and inclusion. The European Commission also manages funding programs (ESF). The European Economic and Social Committee focuses on employment, social affairs and citizenship issues. Other relevant institutions are: the

Committee of Regions with ECON, the Economic Policy Committee, the European Investment Bank with the European Investment Bank and the European Investment Fund.

Besides these, the EU Agencies do not make sense and it would not be possible to formulate strategies or implement them:

- European Foundation for the Improvement of Living and Working Conditions;
- European Center for the Development of Vocational Training;
- European Agency for Safety and Health at Work;
- European Training Foundation;
- The European Mobility Portal for Employment (An Equitable Mobility Initiative is the European Social Insurance Number);
- The European Platform against undeclared work;
- The European Labor Authority was also announced for the end of 2018 to strengthen cooperation between labor market authorities at all levels. It aims, through this authority, to better manage cross-border situations.

In Romania, a regulatory role regarding the labor market policies has the following: Parliament, the Government through the Ministry of Labor and Social Justice, in particular, but also other ministries interfere, especially with the Ministry of Public Finance.

The Ministry of Labor and Social Justice has in its structure:

- subordinate institutions (Labor Inspection, National Agency for Payments and Social Inspection, Agency for Equal Opportunities for Women and Men, National Authority for Persons with Disabilities, State Aid for Training Assistance Unit (UMAS)),
- institutions under authority (National Agency for Employment (ANOFM)),
- coordinated institutions (National Institute for Scientific Research in the Field of Labor and Social Protection (INCSMPS)).

The EU has a supportive role in helping Member States to improve the situation of labor market imbalances in two ways:

- by analyzing national policies and performance, highlighting priorities from the EU perspective and proposing lines of action based on good practice,
- by financially supporting national and cross-border actions, in line with agreed priorities. The observation is that there are many national or EU public institutions all involved in labor market issues but have

distinct responsibilities, some have decision-making or implementation roles, others have consultative roles, information or information gathering and dissemination.

The proposal, at this moment, for Romania is to create a new inter-ministerial organization, which, however, in the institutional hierarchy will have the place in Parliament. Thus, coordination will be sought between all hierarchical levels of governance (vertical political integration) and across all areas / sectors (horizontal political integration). Its role is essential in the design stage of public employment policy, the MPPPM previously proposed and in the full analysis of the outcome of public policies on the labor market. The reasoning for each measure, the implementation and the assessment of the macroeconomic and macro-social effects of the implementation of the public policy measures regarding the labor market will be distributed appropriately to the problems identified in the labor market in the other structures, but the political decision and, implicitly, the assumption of responsibility lies with the new institution. Of course, there may be objections to institutional inflation, centralization of power, or state intervention in free market mechanisms. The risks and costs associated with the institutionalization of labor market regulation authority, in its generality and completeness, remain a subject of reflection and research development, along with the continuation of the MPPPM research.

4. Conclusions

Observing realities in the current context and analyzing economic reality allow the following conclusions:

- The lack of absolute and real employment (or lack of the required skills) will sustain labour market tensions until the current mechanisms are replaced by new economic growth of another type, driven by the achievement of sustainable development goals.
- a public policy map is needed and the emphasis on labour market balance
- It is necessary to conceptualize the labour market policy that will capture all the structure, design, institutionalization, implementation, impact of labour market policies

The paper proposes a new approach and a conceptual solution using the deontic logic of the action. An essential first step is the choice of public policy measures included in the mix called MPPPM through the methodological filter of logic principles to underpin MPPPM design. MPPPM refers to the adjustment of the internal macroeconomic imbalance and to a country / union / region. It

has been found that achieving the labour market equilibrium is conditioned by the quality, the degree of sustainability and the efficiency of the measures implemented by each government. The multitude of institutions and related roles at both national and EU level can be reorganized, and a proposal for Romania would be a new inter-ministerial organization.

Finally, the paper proposes to continue in the direction of the scientific research on public policies aimed at the labor market in terms of modeling of MPPPM mix policy, the adequacy of the instruments of this type of policy, the finding of useful automatic stabilizers, institutionalization and government regulation.

5. References

- Anderson, James E., „*Public Policy Making: An Introduction*”, Princeton, 1996
- Communication from the Commission to the Council and to the European Parliament: Roadmaps for Bulgaria and Romania – COM(2002)624 final - <http://ec.europa.eu/transparency/regdoc/rep/1/2002/EN/1-2002-624-EN-F1-1.Pdf>
- Consolidated version on the Treaty of European Union, 2002 (O.J. C 325/5)
- Dye, Thomas R., „*Understanding Public Policy*”, Prentice-Hall, 1998
- European Commission (1997), Partnership for a new organization of work, Green Paper, Supplement 4/97
- European Commission (2010), Europa 2020, A European Strategy for Smart, Green and Inclusive Growth, Bruxelles, <http://eur-lex.europa.eu/ro/index.html>
- European Commission (2010) - Council Decision of 21 October 2010 on Guidelines for the Employment Policies of the Member States, JO L 191, 23.7.2010, <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2010:308:0046:0051:RO:PDF>
- European Commission (2011), Labour Market Development in Europe, 2011, Bruxelles, http://ec.europa.eu/economy_finance/publications/european_economy/2011/ee2_en.htm
- Junker, Jean Claude taking over from the State of the Union speech, backed in September 2015 by the European Parliament and released by the press agency Mediafax <http://www.mediafax.ro/externe - 14705594>.