

THE EFFECTS OF PUBLIC SERVICES IN THE CONTEXT OF BLOCKING JOB POSITIONS AS A RECESSION MEASURE

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Abstract: The measure of blocking jobs in public administration assumed after the agreement with the International Monetary Fund has determined major negative effects felt by the beneficiaries. On one side, the review of the Public Service of Occupation has revealed a poor quality in applying the active measures after the low number of employees and their overload, and on the other side the current review of the absorption of funds allocated through POSDRU has consolidated the image of „extreme vulnerability” of the monitoring mechanism of the projects, the low number of employees remained in the system being incapable to supply the services according to the requirements and contractual obligations.

JEL classification: H12, J21, L38

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1. INTRODUCTION

In a worldwide social-economic period marked by powerful recession that subsequently generates alterations on the labour market, Romania is characterised by occupational unpredictability on short or medium term. In order to redress from an economic point of view, several austerity measures were imposed and these measures had a great impact on the public services.

The job blocking measure in public administration, taken as a result of the agreement concluded with the International Monetary Fund, has brought about major negative effects felt by the beneficiaries. In the context of the current changes on the labour market, the constant organisational modifications and the continuous replanning of the services and of the methods of services provision have important implications on the efficiency of the public services.

Taking into consideration the pressures and the risks determined by the internal and external economic evolution, the necessity to support the economic growth and to reduce inflation, as well as to primarily provide the money for financing infrastructure

projects and for co-financing the projects financed with European funds and the Romanian contribution to the communitarian budget – but also taking into account the opinions and recommendations of the European Commission and of other rating agencies on the occasion of the periodic evaluation – it was concluded that in order to avoid known risks, we should adopt a policy so that to reduce budgetary expenses. Since all these aspects affect the general public interest and represent emergency and extraordinary situations, it was issued the Government Emergency Ordinance no. 34/2009 regarding the budgetary correction for 2009 and the regulation of some fiscal-financial measures.

Starting from the date when this government emergency ordinance entered into force, all the exams and competitions that are part of a job application process have been suspended in all public institutions and administration. The job positions for which the job application process was already started at the effective date of the herein government ordinance, as well as those for which the allocation was approved by the Government in a memorandum, may be assigned in accordance with the legislation.

The legal act stipulates that the assignment of vacant job positions in all the institutions and authorities of the central administration, regardless of the financing method, may only be approved by the Government in a memorandum. However, this could be done within the limit of maximum 15% of the total number of vacant job positions, namely by employing one person out of seven vacancies.

So that to occupy the vacant job position according to the principle of one employee for every seven vacancies, the leading credit accountants of the central authorities and public institutions have the obligation to report to the Ministry of Finance until the 15th of each month, for the previous month, the total number of job positions that have recently became vacant and haven't been assigned yet.

The application for occupying the vacant job positions shall be processed by the leading credit accountants in a centralised manner, for their own personnel and for the subordinate institutions, at most on a monthly basis.

According to the Government's estimation, blocking the job positions would lead to a reduction of personnel expenses, but also to a reduction of the collected income to the budget, which is made up of all the income taxes paid by the employees.

2. PUBLIC SERVICES - BETWEEN EFFICACY AND INEFFICACY

As a primary dynamic element in any economic competition, the public services have had a positive ascension in the last two decades, being conceived based on European functional models and adapted to the national particularity.

The approach of public services from an organic perspective, through which specific activities, necessary for the social development, straightforwardly unfold, aims at a direct and individual satisfaction of the citizens.

The profitability of the public services is imposed by the sustainability of the state budget expenses. Thus, the administration has to find the optimal ratio between the efforts involved and the effects obtained, namely between the quantity and the quality of the services provided for the citizens. This was, in fact, the principle on which the administration was centred in the elaboration phases of the budget expense chapters, necessary for financing the active human resources employed in public services.

The most important method to maintain the efficacy of the public services in the context of blocking job positions is represented by the absorption rate of the funds allocated through structural funds. The current analysis of such funds consolidated the image of 'extreme vulnerability' that the monitoring mechanism of assessing the projects

has created. The very few employees still involved in the system do not provide services according to the requirements and contractual obligations. The aim of the European funds is to boost the economic growth, so their allocation is done according to the actual competence at the level of the local community. But in order to access them, the human resource is needed.

The experts involved in accessing the European funds claim that Axe 4 „Modernising the Public Employment Services” was not tendered for in the first years after the launch of the European Social Fund in Romania. Few projects were presented, such that the absorption was minor and the funds were allocated to other axes and major intervention domains. One of the problems observed by these experts refers to the procedures of the management authorities and of the intermediate institutions that are excessively bureaucratic, even in comparison with those of the European commission, well known for their bureaucracy. Nevertheless, there is a justification for this problem, namely avoiding irregularities and fraud, since the direct consequence is overloading the funds access and decreasing the absorption.

The Analysis of the Public Employment Services revealed a deficit in the quality of the active measure application caused by the reduced number of employees and their overloading.

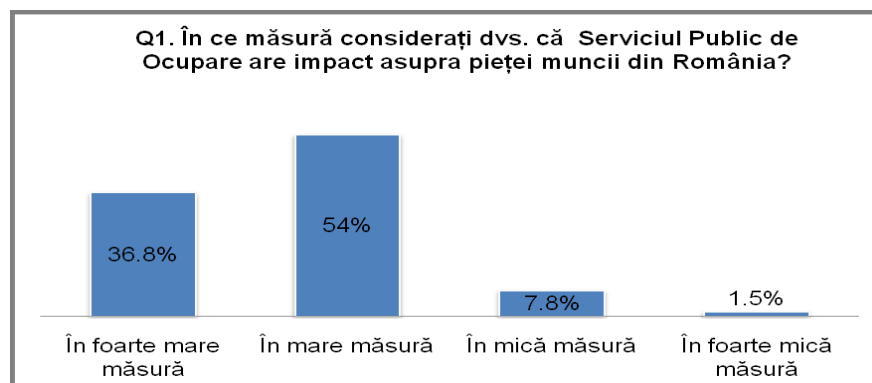
The Public Employment Services, likewise all the public services, has a specific role on the labour market, namely to provide services for the unemployed, for the persons who wish to change their work place, as well as for the employees. Its main objective is not only to obtain a good balance between the request and the offer on the labour market, but also to contribute to the improvement of transparency on the labour market. Although the workload has increased along with the number of unemployed people, major reconstructions were being made in the agencies, thus affecting the quality of the services.

In a continuously changing environment, the Public Employment Services has to face challenges on several grounds. A globalised economy, which is based on free commerce and cash flows and on fast technological breakthrough, is significantly challenged in the case of the economies, societies and labour markets. The continuously increasing competition on the products market can create dynamism and stimulate the demand of labour force. The international competition can also prove profitable for the internal market since there will be some new competence developed, a productivity improvement and a competitive growth. Globalisation brings challenges, but at the same time creates opportunities and new markets.

Satisfying the clients’ needs, facing the pressure and collaborating with an increasingly larger number of services providers determine the continuous development of the efficacy and quality of the services. The active measures of services and the clients’ satisfaction on the labour market should be evaluated regularly in order to assure the fulfilment of the clients’ needs.

3. USE CASE

According to the study entitled „Efficient communication, the key to institutional performance” realised in the project MRB Performant System – Implementation in SPO of an effective management system of relationships with beneficiaries, co-financed by the European Social Fund in the Sectoral Operational Programme for the Human Resources Development, more than half of the employees from the county agencies of job allocation in the regions of South-West Oltenia, South Muntenia and West consider that the Public Service of Job Allocation has a major impact on the labour force market.



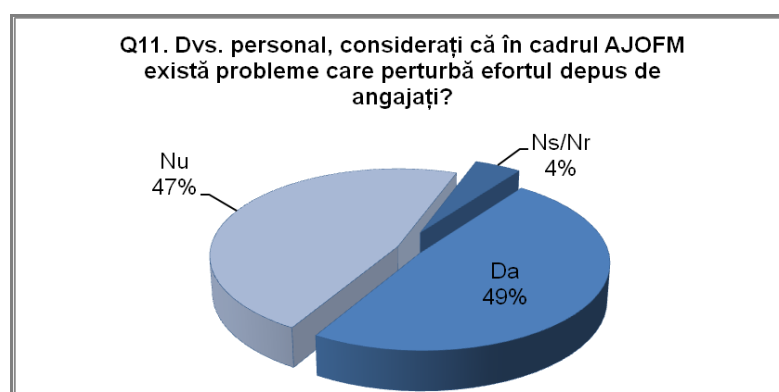
Source: From "Efficient communication, the key to institutional performance", page 27

Figure no. 1

Since both the offer and the demand for labour force are continually changing, especially in the recent period, the activity of the County Agencies for Job Allocation in Romania is essential in monitoring the development of domains that are part both of the offer/demand and of the job allocation structure. The impact on the Romanian market is obvious if we take into consideration the attributions which are assumed by the Agencies of Job allocation nowadays.

In order to achieve its objectives it is necessary that the employees should be efficient from a professional point of view. Nonetheless, the performance efficacy at work place has been greatly influenced by the economic flows.

The job offer considerably diminished due to the general decline of the production, the reduction of the investments and other essential processes, such as the diminution of the actual salary, the excessive consumption of certain categories of goods. Restructuring the job allocation, caused by these economic dysfunctionality in the national economy, represents the main barrier for the normal function of the Agencies for Job allocation. In the context of the current economic crises, the sudden increase in the unemployment rate, the reduced number and the unequal distribution of the specialized services providers for job allocation and professional training were considered factors that led to an increased number of the persons applying at the agencies. This is a fact that hinders the process of services provision within the Agencies.



Source: From "Efficient communication, the key to institutional performance", page 59

Figure no. 2

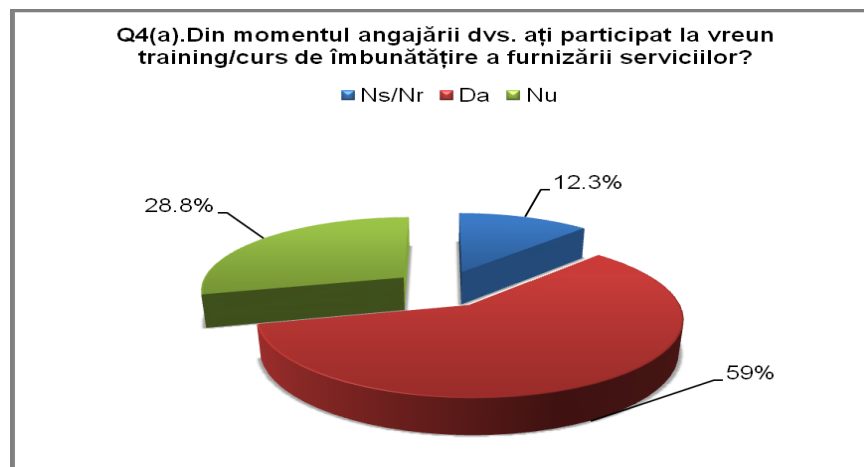
The employees who answered in the study that there are disturbing problems with their activities pointed, as a first option, at the bureaucratic system, at the lack of professional training for them as employees and inefficient management. As a result of correlating the indicators the bureaucratic system is the one that influences the most the efficiency of the employees and the one that makes them to redirect the resources rather to the procedural regularity than to maintaining a high level of applicants' satisfaction.

It is this opinion that is shared by the employees, 35% of those who answered consider that the efficacy of the activity at the work place has been 'very much' affected during the economic flows. At the same time, half of the interviewed people consider that the efficacy of the employees has been 'very much' affected in the current economic environment.

An efficient system of the Job Allocation Services represents in the first place a system in which the personnel of this institution is very well prepared. The training courses and further professional specialisation for the personnel of the National Agency of Job Allocation become a decisive element for the qualitative improvement of this institution. For that purpose, it is necessary to correlate the training programmes and the activities, as well as to develop a coherent relation between the training activities and the innovations adopted at the organisational and management level.

Moreover, the shortage of personnel training and the individual training necessities of the employees can be remedied by including them in a development program which might offer the specific training, necessary for a job promotion at a superior level.

The learning opportunity offered to the employees through training sessions that take place within the county agencies of job allocation under study herein, brings about improvements in the quality of the services types provided by the employees for the beneficiaries, but also a decrease in the services quality, subsequently turning back to their initial state. This quality regress is influenced by the short period that most of the training last, which could lead to no results in a long term basis of the learning activities.



Source: From "Efficient communication, the key to institutional performance", page 36

Figure no. 3

In the context of continuous changes on the labour market, the constant organisational modifications and the permanent replanning of the services and of the methods in which these services must be provided, have important effects on the basic competence of the personnel. Therefore, there must be a continuous and personalised

training so that to provide the knowledge and the necessary abilities and skills needed in direct correlation with the provision of the job allocation services.

4. CONCLUSIONS

In conclusion, the measures taken at the national level, namely blocking the job allocation and restructuring the job positions in public administration, have had a negative impact on the quality of the services provided. For a qualitative improvement, the system must be better organised and the management must be based on an evaluation of the human resource performances and not on the idea that the „political protégées” must be kept in the system.

The performance assessment is the process that evaluates the professional development level of the employees of a company, having a profound influence on the economic-social activity and on the organisational environment within an institution. Furthermore, it has direct consequences on the efficacy growth and productivity.

If the human labour force of a company, more precisely the human resources, is correctly assessed and evaluated on the basis of valuable judgements regarding their performance, then this organisation will be able to obtain results that would positively influence the social life and lead to a social progress.

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