

ECONOMIC AND SOCIAL CHANGE AND EUROPEAN SOCIAL FUND

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Abstract:

The purpose of paper is to present the need of social and economic change in policy of the European Union.

Subject of the paper is the European Social Fund and the industry as a source of social and economic change for the community with its fields of activity.

The present paper has the following structure:

a. Introduction

b. Nature of change. Change - the need and the reasons of change in EU policy

c. Initiation of economic and social change in Europe and support of the European Social Fund

d. Presentation of the spheres of activity of the European Social Fund, including: Workers and new skills, Enterprises in the process of change, Access to employment and social inclusion, Change fostered through education and training, Women and jobs, Fighting discrimination, Working in partnership, Better public services, European Social Fund and the "Europe 2020"

e. Conclusion

The results and impact of presentation of the article can be found in the theoretical synthesis of the presented information on the problem, adopting the idea of linking the activities of the European Social Fund and the need for change, finding the need for social and economic transformation and presentation of measures taken by EU in this direction.

Keywords: social and economic change, European Social Fund

JEL Classification: O₁, O₁₈

1. Introduction

"What Europe do we want for ourselves and for future generations? We want a dynamic Europe, a leader in science and technology. We produce a Europe where everyone has to work jointly, Europe that cares for the sick, elderly and disabled, Europe, committed to justice, rejected

any discrimination, where everyone has equal right to work and education, pollution-free Europe, concerned about the environment and actively participate in solving major world issues, Europe, plead for shared and protected from all values. This is desired by Europe and I know that Europe is achievable for us". (Excerpt from speech by EU Commissioner Danuta Hübner in Warsaw, October 17, 2006).

2. Change - the need and reasons

The problem of change in the systems particularly relevant in the dynamic environment of our time is quite complicated. This complexity stems from the fact that major changes occur in all processes (social, economic, political, personal and interpersonal) directly and indirectly affecting the external and internal environment of the system. These changes lead to new expectations, demands, and requirements relating to the overall activity of the system.

Change is everywhere – in organization, society, in each system.

Why change the EU policy?

First. Because of the need to eliminate economic and social inequalities.

Second. Due to the need to show solidarity and remain competitive.

Third. To reduce to the minimum poverty and unemployment.

Fourth. To realize growth in production and GDP in the community.

Fifth. To overcome the problem of discrimination against people of different sex, race, religion, age, occupation and social experience and status, children and adults with physical and mental disabilities.

Sixth. To solve successfully the problem of the dying traditional industries in the states members of EU.

Seventh. To successfully solve the problem of labour migration from regions with low economic development to provide such a good professional and personal fulfilment, better jobs, better incomes, better living standards.

Eighth. To solve the problem of labour migration from the rest of the world to Europe.

Ninth. To solve the problem of finding new ways to green production and consumption.

Tenth. To achieve harmonize and combining the area's economy, ecology and social activities in order to realize the concept of "sustainable development".

Eleventh. To consume and produce, and taking into account the needs of future generations.

Twelfth. To successfully realize the concept of Europe "Lifelong Learning", with the aim of improving knowledge and skills not only in education but also in working environment (Dimitrova, S., Petrova, E., 2011, p. 265).

Thirteenth. To encourage new small and medium enterprises to achieve higher levels of competitiveness.

Fourteenth. To encourage innovative thinking.

Fifteenth. To create a functioning public administration, adequate, fast, accurate work with citizens and business.

Sixteenth. Because of the need to respond to challenges of XXI century.

Seventeenth. To promoting the idea of creating a new supranational European identity based on conscious social partnership between nations and regions of the European Union (Petrova, E., 2011, p. 127).

European Regional Development Fund (ERDF), European Social Fund (ESF) and Cohesion Fund contribute to three objectives: "Convergence", "Regional competitiveness and employment" and "European territorial cooperation" (www.europa.eu).

The "convergence" is aimed at improving the conditions of growth and the factors leading to real convergence of Member States and least developed regions.

Outside the regions covered by objective "convergence" objective "regional competitiveness and employment" aims to strengthen the competitiveness and attractiveness of regions and employment, thanks to a dual approach. It consists first in making development programs to help regions to anticipate and facilitate economic change, encouraging innovation, knowledge society, entrepreneurship, environmental protection and improvement of accessibility, then the economic increase and to create better jobs by adapting the workforce and investment in human resources.

Objective "European territorial cooperation" is aimed at strengthening cross-border cooperation through joint local and regional initiatives, strengthening transnational cooperation through actions conducive to integrated territorial development and promotion of interregional cooperation and exchange of experience. More than 181 million people (or 37, 5% of the total EU population) live in border areas. All regions and EU citizens are included in one of thirteen areas of transnational cooperation.

In the twenty-first century - the century of rapid development, adaptation to change and adoption of innovation is tantamount to survival of the system and its development. Any system to survive must be adaptive, i.e. be able to change and to meet changes in the environment.

Therefore, the change is not only one of the most important processes in one system, but now it is the only option to survive. To achieve success, change must engage and change perceptions and behaviour of staff and leaders of organization. The long list of failed programs of change and quality is testament to the general neglect of the human side of these initiatives.

In general, the change has taken three main forms: evolutionary, cyclical and dialectical. Evolutionary change is an objective process. New features and new behaviour become applicable when they become useful and necessary functions. Cycling is a historical process and is usually predictable. An example of such change is the economic cycle. Dialectical change is revolutionary process. In this kind of change the situation changes completely because of emergence of a new system.

As main types of change can also be considered: 1) Structural change. The structural changes include changes in the nature of work. They can be as a result of new working methods and the introduction of new equipment, changes in the nature of work change and relationships between groups of employees. It generates new forms of interconnections and relationships and coordination of activities as a whole. 2) Behavioural change. Methods of performing this type of change aimed at raising the level of staff's motivation are important following major factors: job satisfaction, staff relationships, technical condition, etc. 3) Technological change. This type of change involves the use of new ways to transform resources into products and services. This concerns the human-machine interaction. The degree and extent of any change in behaviour and structure depend on the degree of technological change.

Each system is open, dynamic and complex. The main tool for its survival and sustainability is the maintenance of dynamic equilibrium (homeostasis) between it and its environment. Equilibrium is that condition in which the system characteristics and features of the environment are such that it leads to an equivalent exchange between them, i.e. condition in which there are interests of both countries. Each system is constantly changing and dynamic.

There are many factors that cause and require changes in systems. Among them are:

- challenges of growth, especially in a global aspect;
- change in the economic situation;
- strategic change;
- changes in technology;
- pressures of competition;
- pressure from customers;
- pressure from society;

- introducing new skills and organizational behavior;
- government regulations, laws, etc.

The European Union is also a system in need of constant change and which is characterized by flexibility and dynamism. Prosperous systems never "stop" and are in continuous development. By change, despite its successes, they retain their leading positions. Implementation of change is inevitable. It is therefore necessary to seek effective ways of managing change.

3. Initiation of economic and social change in Europe and support of the European Social Fund

European Social Fund (ESF) is one of the EU Structural Funds, designed to reduce differences in prosperity and living standards across countries, states and regions, and thus promote economic and social cohesion. It provides support in five key areas for action across the European Union under the convergence objective and the regional competitiveness and employment (www.europa.eu).

- Increasing adaptability of workers and enterprises;
- Improving access to employment and participation in the labor market;
- Strengthening social inclusion by combating discrimination and facilitating access to employment for disadvantaged people;
- Promoting partnership for reform in the field of employment and inclusion;
- Expand and improve investment in human capital and in particular by improving education and training.

In less developed regions that fall under the convergence objective, the European Social Fund provides support for:

- Strengthening efforts to expand and improve investment in human capital and in particular by improving education and training;
- Activities aimed at developing institutional capacity and efficiency of public administrations at national, regional and local level. European Social Fund is dedicated to promoting employment in the European Union. It supports the workforce and companies in member states to better tackle the new global challenges.

To achieve the objectives within the 2007-2013 between the Member States and regions will be allocated 75 billion euros. Funding the European Social Fund can be obtained from the

Member States and regions. Brussels does not directly fund projects under the ESF. Each Member State and regions with their own operational programs (i.e. not all of them), together with the European Commission have agreed on one or more operational programs for financing under the European Social Fund 2007-2013 operating programs. Beneficiaries of projects under the European Social Fund can be various, e.g. - public administrations, NGOs and social partners active in the field of employment and social inclusion (www.europa.eu).

4. Areas of activity of the European Social Fund [1-7]

1. Workers and new skills

As globalization makes the process of change in lifestyle, EU workers must become more adaptable and open to change. This also applies to companies which need to be more flexible to adapt to new circumstances. To promote workforce flexibility, the ESF supports projects in the Member States:

- train employees to prevent and provide unemployment;
- consultations in support of professional and personal development orientation that encourages individuals to actively manage their careers;
- support schemes for retraining and redeployment of staff, as well as mobility schemes for workers, promoting employment committed individuals to move between regions or within the EU, to places where their skills are in demand;
- improve access to education, particularly for low-skilled and older workers;
- facilitate the identification of future occupational requirements and those related skills.

2. Enterprises in the process of change

Within the programming period 2007-2013 European Social Fund provides support for activities related to anticipating and managing economic and structural changes to ensure more and better jobs in Europe. The main goal is to avoid "corporate restructuring" which involves the loss of jobs and ultimately a reaction to certain events, but instead to provide events and circumstances in ways that allow smooth and painless change, and retain a job places.

The utilization of methods of change management and support active employment policies requires action at many levels:

- businesses and sectors which are facing growing competition should be restructured in order to compete effectively and must learn to live in a developing environment that requires new and innovative ways of working;
- industrial sectors must understand the challenges they face today and in the future, and to seek innovative ways to deal with them;
- regions and cities must anticipate economic change through innovative employment initiatives to ensure that workers and the skills used at the right time and right place to be in support of economic growth;
- universities and training institutions must provide for the needs of the economy, based on knowledge, and should contribute to building knowledge and skills that will require future workers and enterprises;
- governments should ensure that investment strategies and employment strategies are appropriate for future needs;
- workers must gain the flexibility to adapt to change and actively take control of their career.

3. Access to employment and social inclusion

Certain groups may be subject to social exclusion, for various reasons: because they have a physical disability that causes others to doubt their abilities because they are immigrants who are considered skilled than others, or because have health problems that require daily care, minorities. All these groups may be disadvantaged and suffer social exclusion from mainstream society, including employment.

Promoting full integration and participation of groups of disadvantaged people is a key element of EU policy. Funding provided by ESF support sustainable integration of disadvantaged people and persons with disabilities in the labor market. Activities to achieve this goal include: advice and training, provide avenues for integration and job placement for disadvantaged and disabled people, support for entrepreneurship among the disadvantaged and disabled and organizing information campaigns to combat discrimination, change attitudes and promote diversity in the workplace.

4. Change fostered through education and training

To help achieve the objectives of the EU Strategy for Growth and Jobs, European workers to be among the best in the world: well-educated and trained with the necessary skills to meet the needs of the economy, based on knowledge and to bring forward. To achieve this, training should not stop at the threshold of the school; it must be a process continuing throughout life.

ESF priority to human capital for 2007-2013 covers all activities related to education and training. It not only aims to improve the quality and availability of education and training to help people find work, but also supports education as a process continuing throughout life, to support the workers keep their jobs, advancement to prepare for the changing workplace and to return to work if they lost their jobs. In this respect, the European Social Fund supports: development and introduction of reforms in education and training aimed at to lifelong learning for workers, networking between higher education institutions, research and technology centres, and businesses, reforms in education and training, increasing participation in lifelong learning by reducing the number of students leaving school before completing their secondary education, development of more researchers and innovators through support of graduate education and training of researchers, etc.

5. Women and jobs

Despite the growing participation of representatives of the female labour market in higher education, there are still differences of opinion between men and women in the labour market. European Social Fund has contributed significantly to improving the situation of women in the labour market. For example, the Fund has contributed to reduce the large gap in pay between women and men from 40% (in 60s of XX-th century) to less than 20% today. Although much progress, it is clear that these efforts must continue.

To help achieve these objectives, the European Social Fund supports actions in Member States to promote women's employment, including projects that:

- promote access to all levels of the labour market contribute to the dramatic reduction of the pay gap and promote financial independence of women;
- encourage women entrepreneurs and women in science and technology, particularly in managerial positions;
- take measures to combat gender stereotypes in choosing careers and professions;
- help for balancing work and private life and offer support for children's agencies and caregivers of dependents.

6. Fighting discrimination

Some groups face discrimination in finding work and the workplace. They include women, including mothers who seek employment after the birth of their children, older workers, minorities and immigrants in the EU. European Social Fund supports actions in Member States aimed at combating discrimination at the workplace, including projects that:

- create ways for reinstatement and reintegration for groups affected by discrimination;

- promote acceptance of diversity in the workplace;
- encourage support for active aging and reintegration of older workers;
- enhance the participation of immigrants in employment and strengthen their social integration.

7. Working in partnership

Experience shows that problems related to employment, social inclusion and learning are complex, complicated and cannot be resolved solely on one institution. This is why we need to take multi-level approach, open to the inclusion and based on partnerships including not only European and national institutions, but also regional and local authorities, NGOs, local agencies and social partners. European Social Fund promotes partnerships by following activities: promote networking of stakeholders including social partners and NGOs at EU level and at national, regional and local level in the field of employment and inclusion in the labour market and encourage the involvement of social partners and NGOs in ESF projects.

8. Better public (administrative) services

ESF Programme for 2007-2013 has been set aside funds for institutional and administrative capacity in the regions of convergence and the Member States which receive funding from the Cohesion Fund. Funding the European Social Fund is aimed at strengthening public institutions and establishments in the area of labor markets and their capacity to offer social strategy and the employment of high quality. Support to projects in the following areas:

- modernization and strengthening of institutions;
- improving education and training;
- encouraging the participation of all social partners in developing and implementing programs;
- encouraging the participation of NGOs in initiatives related to employment, social inclusion, gender equality and equal opportunities.

9. European Social Fund and the "Europe 2020"

The main objective of the strategy "Europe 2020" is to achieve smart, sustainable and inclusive growth. European Social Fund has a key role in support of the "Europe 2020", for example:

- Education for the Future: ESF programs improve educational systems and improve the teaching skills of teachers and help more than 2 million young people a year to finish school and become the workforce of the future;

- Overcoming barriers: European Social Fund helped over 1 million Europeans with disabilities annually to overcome barriers at work and to avoid exclusion and poverty;
- Promotion of new skills: The activities of the European Social Fund range from helping job seekers to qualify for work in eco-technology sectors to promote active aging among older workers in response to demographic challenges;
- Support for Entrepreneurship: The 2007 European Social Fund has helped launch over 10 000 small and medium enterprises.

5. Conclusion

The paper attempts to present a theoretical synthesis of the problem of the need for change in social and economic policy of the European Union, using spheres of activity and measures in this field which provides the European Social Fund.

The recent financial crisis has put issues such as unemployment, low GDP, low growth, dying out of traditional occupations and industries at the state members of European Union, labour migration from areas with low living standard regions to ensure better income, occupation, lifestyle and working their families. Other emerging from a distant past, unfortunately, are problems related to discrimination in labour, namely in relation to people with physical and mental disabilities, women (including mothers of children 2-3 years old, pregnant or recently gave birth mothers), pre-retirement age unemployed (those losing their jobs), youth (who have no experience and education) and others. All these reasons and factors are connected with the necessity of economic and social change.

Crisis and its impact on national economies have shown the importance to restore sustainable growth through investment in people - that is the purpose of the European Social Fund. It is believed that it will become the main instrument for achieving the objective of the strategy "Europe 2020" for smart, sustainable and inclusive growth. It demonstrates in practice the balance needed by future employment policies of the EU - actively promoting social inclusion along with economic growth.

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