

Labor markets

Business



Problems Facing E. U Labor Markets and Response from Member States
The European Union has had major challenges in its business environment since early 90's. The biggest trading block in the world has 27 member states and candidacy for membership is growing by day. It has a vibrant stock market, a skilled labor force and a burgeoning tourism industry. The labor industry is facing a continued shrinking that is threatening the otherwise growing market.

The major challenges include unemployment, demographic dynamics, global financial shakeups and others. This paper tries to expound on them and to analyze ways the member countries are coping with the challenge and also how the block as a whole has set policies to deal with it and the wider business response. The member states has a skilled labor force spread in different regions in the block. The highly learned and youthful populace however is grappling with the problem of lack of jobs. Having studied in Ivy League colleges they find it hard to get paid little and hence create a vacuum in some sectors and overpopulate others. The immigrants that go to the member countries in search of jobs are in most cases inexperienced, unskilled and cannot take up those jobs.

Member countries have individually come up with policies that favor the small jobs and encouraging the unemployed youths to create small businesses that are lowly taxed. The small and medium enterprises have helped cover the gap. The business community has come with policies to encourage take up of the small jobs. This includes better terms of employment and salaries. Demographic Dynamics The high life expectancy

rate in most E. U countries and the low birth rate has led to worries of a reduced working population in the near future.

Some couples are bearing no kids leading to a drastic population reduction since the 1990's. The immigrants in the country are growing in number than the native residents. This has prompted the individual governments to encourage people to bear at least two kids because it can foresee a situation where it is going to import the needed extra labor force in the future. The European Union itself has enacted policies to help governments to deal with the problem. This includes reduction of foreign illegal immigration and family incentives such as free maternity and guaranteed education for children. The business community is embracing better terms of work for married people.

It has come up with paternity leave for men and paid maternity leave for women. Global Financial Crunch In 2008 the whole world was subjected to a financial crisis that shook up markets especially in western nations. The E. U states labor market was greatly affected. Firstly there were immediate layoffs by companies to offset some cost. The labor uptake by most companies was halted and unemployment levels shot to historical high.

The member governments have injected financial packages to revamp the job market and the whole financial setup. The companies that were on the brink of collapse have been given new life so as to invigorate the system. The money is being used to create jobs through government projects for those that were laid off. This has really improved the situation according to a report by Labor Market Monitoring (Greg). The E.

U has encouraged the governments to improve their financial laws to curb such disgraceful laying off of workers. Businesses have also reduced some of the hefty allowances that were been given to its directors and senior employees to cut cost and hence employ more. Member countries of E. U have different laws that govern the labor sector although there is free movement of labor within the countries. This makes the workers to have to adjust to different environments when required to move to different countries to work there. It also makes some of the interested labor force to shy away from moving from their native countries to work elsewhere.

Those who move are basically motivated by better pay and hence some countries may lack in labor force while another one is busting at the seams (Dearden 37)The E. U and member state are in discussions to make their labor laws uniform so as not to disadvantage some members at the benefit of others. Once harmonized the problem of workers moving to certain countries due to favorable legal climate will be done away with. It is also encouraging member states to increase the minimum wages for workers so as to motivate them. A portion of the businesses have greatly improved their pay packages to employees to reduce massive outflows of critical employees such as accountants. They are also lobbying for harmonization of laws (Dearden 37)Since the 1990's there has being great technological advancement the world over.

The most common is the invention and immediate take up of the computer and the almost immediate advent of the internet. This has brought great impetus in the labor market that has made each aspect of work great and enjoyable. On the other hand, it has brought remorse in the job market since <https://assignbuster.com/labor-markets/>

it has taken up the human position in so many positions in the entire market. Advertising for a new product has enough channels to warrant any worry from manufacturers. Also certain jobs that were popular back then such as secretarial and clerical have been phased off the employers list.

Thus technology has created jobs in some sectors and killed others. People who have been unable to cope with the ever increasing need to embrace technology have seen their positions grabbed from them by the tech savvy ones (Dearden 38) The challenge has been monumental even to the governments of those countries. The people have been encouraged to embrace technology as that will always be there. The countries that are deemed to be lagging behind technologically have been financially helped by E. U and digital villages constructed in places where there is minimal technology (Dearden 36) Businesses have been offloaded some costs and others added to their overheads. The capital outlay to make technology a reality is huge and only big businesses have embraced the infrastructure.

The European market is growing and has grown in a monumental way. This growth has presented challenges to that trading blocks labor markets which has prompted the involved governments to come up with ways of dealing with the problem such as coming up with policies on the same and giving financial support to companies to salvage the markets. The business environment has responded with policies that favor employees and make them feel like they are part of the organization they work for.