



# **Flexibilization of Labor Relations in Romania - Kurzarbeit model**

Dan Top

It is obvious that active support measures are needed in Romania as well, to complement those that have created the possibility to grant support allowances to a significant number of people. One of these is the Kurzarbeit model, the juxtaposition of two German words, "kurz" meaning "short" and "arbeit" meaning "work", so a "reduced work", better said, adapts new economic conditions.

The possibility of the employer to reduce the activity for economic, technological, structural or similar reasons, for periods exceeding 30 working days is provided in the Romanian Labor Code (art. 53 para. 1) since 2011, without being provided in other normative acts regulating active measures to combat unemployment and stimulate employment.

The main feature of the model is the flexibility, or rather the flexibility of the employees' work schedule, given that their activity gradually returns, as they recover their other areas of the economy, on which the employing entities are dependent.

At the level of the European Union, the SURE program was approved, intended to reimburse the expenses incurred by the states for certain categories of active measures, but especially for Kurzarbeit type measures. The idea itself is not very complicated. If a company's sales have been reduced by a certain percentage, so as not to fire employees - with the appropriate percentage - it practically establishes a flexible work schedule for employees and the state pays the period of time that is not worked by employees, corresponding to the reduction.

In Romania, the implementation of this model involves the subsidy by the Government of a part of the salaries for those workers whose employers have changed their working hours from normal to part-time, due to the economic crisis. The state thus grants the value of labor for the days when they are no longer called to work by employers.

Government Emergency Ordinance no. 92/2020 for the establishment of active support measures for employees and employers in the context of the epidemiological situation caused by the spread of SARS-CoV-2 coronavirus, as well as for the amendment of some normative acts, provides that from 1 June 2020, employers whose employees benefited from the provisions of the Government Emergency Ordinance no. 30/2020 for amending and supplementing some normative acts, as well as for establishing measures in the field of social protection in the context of the epidemiological situation caused by the spread of SARS-CoV-2 coronavirus, benefits, for a period of three months, from the settlement of part of the salary, borne by the unemployment insurance budget, representing 41.5% of the gross basic salary corresponding to the job held, but not more than 41.5% of the average gross earnings.

The measure applies for a limited period, when a major market disturbance occurs, such as the economic crisis caused by the COVID epidemic. So, we will have to set a period of application and we will have to think very carefully about how we put this mechanism in place, so that on the one hand it is as easy to access as possible, without complicated bureaucratic procedures. On the other hand, to provide very clear, very precise criteria for granting aid to companies and employees, so that there are no major problems in interpreting how it is applied and to reduce as much as possible the possibility that some employers may to use this form of protection without the need or as an additional resource of income, provided that they, in theory, would not need this measure.

The Kurzarbeit model is something that a business environment that faces zero predictability, not through no fault of its own, needs. Unlike other fixed economic aid measures that apply to everyone, this model is a flexible measure that is applied individually per company, department, per employee and per day, which offers additional benefits.

***Dan Top***

President of the Association for the Study of Professional Employment Relations (ASRPM)