

## **YOUNGSTERS - DISADVANTAGED GROUP ON THE LABOUR MARKET - ALTERNATIVE EMPLOYMENT**

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**ABSTRACT:** *Young people are confronted not only with a high risk of not finding a job, but also with a higher risk of becoming unemployed, as compared with other occupational groups on the labour market as well as with other issues related employment, professional training inconsistent with the labour market requirements, indecent wages, unattractive job opportunities, international mass labour migration. These are the reasons why young people are considered a vulnerable social group on the labour market that requires additional measures for social protection.*

**KEY WORDS:** *young people; disadvantaged group; labour market; employment; unemployment.*

**JEL CLASSIFICATION:** *I24; J15; J21; J71.*

### **1. INTRODUCTION**

Young people are the "factors" directly affected by the process of globalization. Globalization can promote economic growth and job creation, but, as demonstrated by the world economic crisis, it can also generate challenges specific to vulnerable workers, such as young people. Even if the economic crisis represents a factor that hindered the access of young Europeans to the labour market, many specialists believe that the main heads of the vulnerability of young people on the labour market is the lack of skills and/or professional training, and the lack of experience in searching for a job or the skills acquired during education unadapted to labour market requirements.

The paper strives to surprise some of the causes, specific issues and how to manage the problems of youth on the labour market at European Union level and Romanian level, as a State member of this community, so that the statements should be

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supported by statistical data. For example, why are the figures on the unemployment rate among the population up to 25 years important? The ability to create new jobs is reflected best in the employment of young people. Youngsters are the cheapest labour force on the market, which is why any newly created position should be occupied mainly by them. Unfortunately statistics show something else.

Despite the difficulties, young people represent a resource for the present and the future of any country. Therefore, countries should qualify any kind of support given to young people as an investment because communities that cannot treat youngsters as a resource reduce considerably their chances to compete within the global economy.

## 2. SHORT SUMMARY OF THE SITUATION OF YOUNG PEOPLE ON THE LABOUR MARKET IN THE EUROPEAN UNION

The realities on the labour market show that an impairment of employment indicators brings about further deterioration of the situation of youngsters on the labour market, i.e. a decrease of the share of employed youngsters from the total of people employed, disturbing percentages of unemployment among youngsters, etc. The number of young people (as defined by the International Labour Organization, a young person is someone aged between 15 and 24 years old) who are looking for a job has increased from 4 to 5.5 million since the financial crisis, the unemployment among young people currently reaching almost 21% at EU level (<http://ec.europa.eu>).

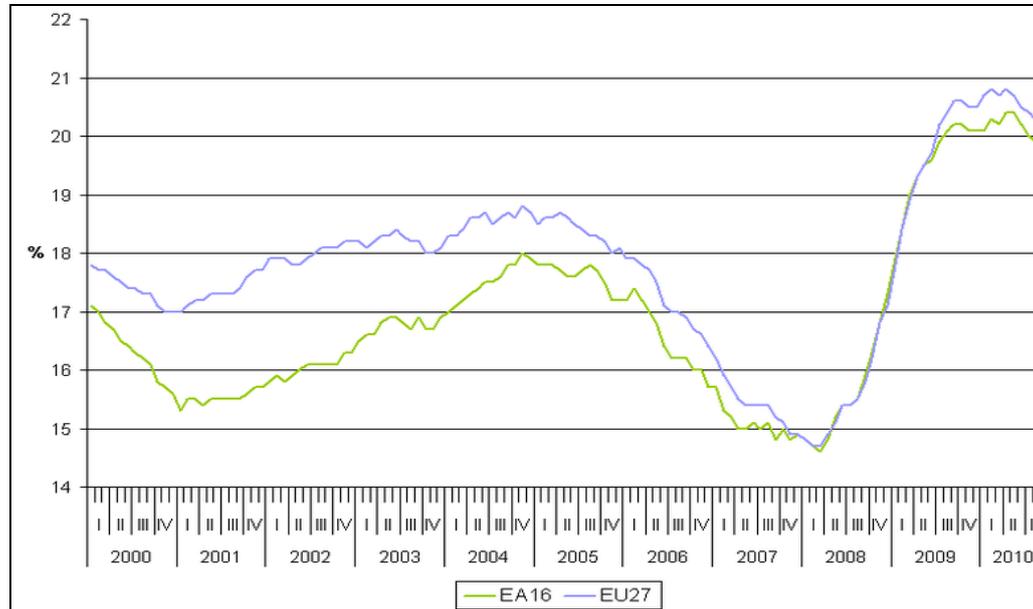
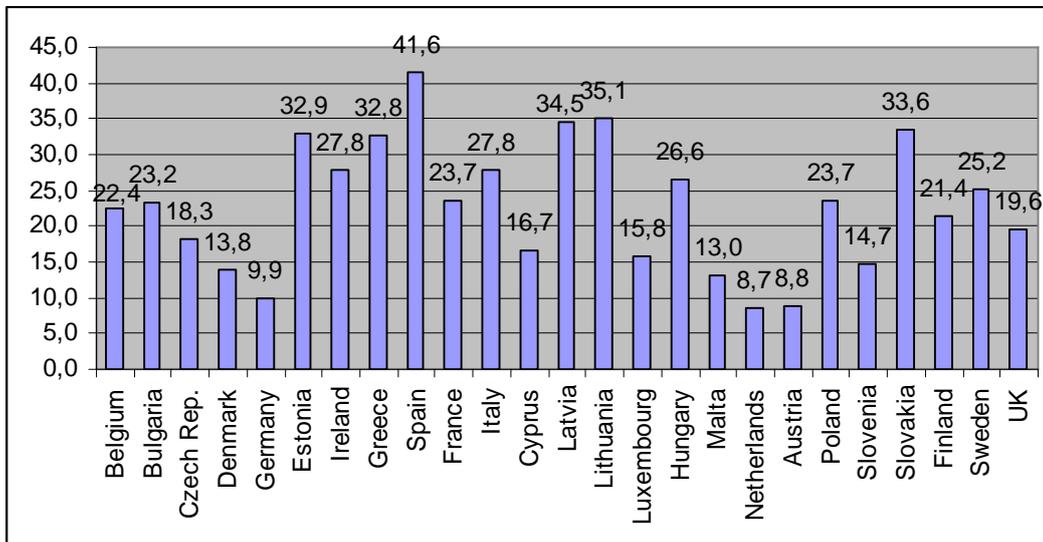


Figure 1. Trends in unemployment rates among young population



**Figure 2. The unemployment rate among young people up to 25 years**

According to an analysis of the development of the indicator that reveals the situation of unemployed persons under the age of 25 on the labour market within the EU one can observe that:

- the global crisis has seriously affected the unemployment rate among young people, which increased by almost 5 % in 2009 (from 15.7 % in 2008 to 20% in 2009), and it continued to grow in 2010 by 0.9% as compared to the previous year;
- along with the crisis, the increase in unemployment rates among young people occurred at the level of all European Union countries;
- the lowest rate of unemployment among the young population were recorded in Austria and Denmark, while the greatest values were registered in the Republic of Poland, the Slovak Republic and Bulgaria;
- in relation to the European average, Romania recorded higher values, except for the year 2009 when the pace of increase was below the European average (in Romania unemployment among young people increased from 18.6% in 2008 to 20,8% in 2009 as compared to the growth from 15.7% to 20% at the EU level).

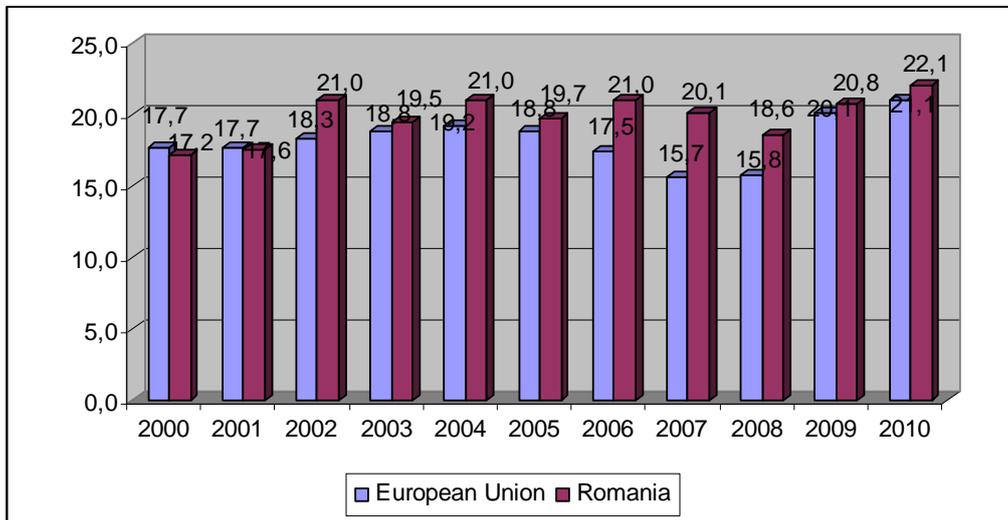
The dimension of unemployment rates for young people at European Union level is due to certain specific aspects, such as:

- the average period of time for searching for a job increased significantly over the past few years, thus discouraging young people in their search for a job;
- the discrepancies between the chances of hiring an educated young man and one without studies are also increasing, so that not only the time needed to search for a job for a young specialist is shorter as compared to a young man without education, but also the unemployment rate registers a considerable difference;
- the European Union is the region where unemployment is most closely related to the education of youngsters, and the chances of employment decrease in proportion to the fewer years of study. The highest values of unemployment among young

people can be observed in the case of high-school and vocational schools graduates;

- information services, counselling and guidance often fail to reach disadvantaged young people living in the periphery, who cannot be found and supported on the labour market at all times only through the information system.

Romania's problem is that we are the only community in the country where unemployment among young people is three times higher than the average for all categories of age. Therefore, in 2010, while the average rate of unemployment among young people in all 27 Member States is 20.9%, in Romania it reaches 22.1% (according to the 2010 report of the European Commission on labour force in Europe), taking into consideration that the unemployment rate of the total working population is 7.3% in Romania, two percentage points below the EU average which is 9.7% (according to data supplied by Eurostat).



**Figure 3. Average unemployment rate among young people (persons aged up to 25 years old)**

Worldwide, at the end of 2009, the number of young unemployed persons was estimated around 81 million persons, greater by 7.8 million than in 2007, when the international economic crisis caught fire. If over the course of ten years before the economic crisis (1997-2007) the number of young unemployed persons had been increasing by 192.000 annually, during the next two years (2007-2009), the economic crisis dismissed from work about 40 times more young people than in the 10 years until the crisis ([http://nataliabejan.treivoci.ro/wp-content/uploads/2011/02/Raport\\_CNSIEM\\_2010.pdf](http://nataliabejan.treivoci.ro/wp-content/uploads/2011/02/Raport_CNSIEM_2010.pdf)).

Records of high rates of unemployment in the European Union, resulted in not only a deterioration in the purchasing power of young people, but also in the need to find their own solutions to their problems, noting in this regard the fact that more young people were willing to continue their studies after a certain period of rest, being

discouraged by the unsuccessful job hunt however encouraged to obtain a degree that would probably increase their employment opportunities. This segment of young people together with those who not have interrupted their studies after graduating from high-school, are of particular interest to authorities because, on the one hand, if they didn't continue their studies they would join the unemployed people and on the other hand, higher education would guarantee highly qualified labour force, hence the opportunities to find a job are more numerous.

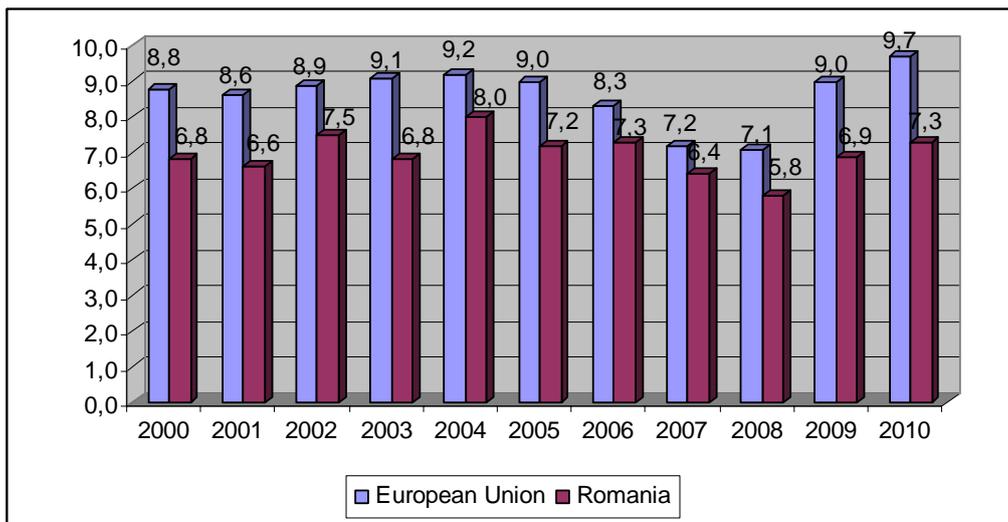
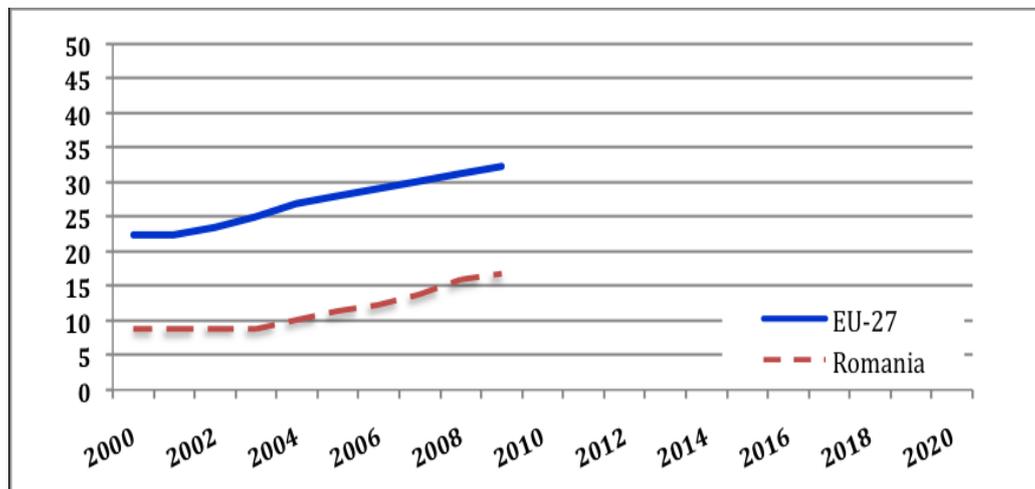


Figure 4. The unemployment rate



Note: indicator calculated as a percentage of persons with higher education from the total population aged between 30 and 34 years

Figure 5. The rate of graduates from higher education

If one analyses the situation in Romania, it is noted that the percentage of graduates of higher education has grown steadily since 2004. The same increasing trend has been registered at European level as well, our country retaining a significant distance from the EU average (EU-27, 32.3%; RO-16.8%). In spite of the upward trend, it is unlikely for Romania to reach target of 40% higher education graduates in 2020.

Until they reach the phase when they are considered to have a proper education, young people realize that the period of time necessary to find a job tends to increase, and thus they are often discouraged; the lack of attractive choices along with the need to provide for themselves and the financial resources required by educational systems, make youngsters accept temporary, low-quality and poorly paid jobs.

### **3. EUROPEAN UNION CONCERNS REGARDING THE MANAGEMENT OF SPECIFIC PROBLEMS OF THE INSERTION OF YOUNG PEOPLE ON THE LABOUR MARKET**

Awareness of the importance of youngsters on the labour market and on the development of national economies characterizes the Union's concerns. Based on the specific characteristics of youth insertion on the labour market:

- the direct relationship between education and employment (the higher the education level, the lower the risk of unemployment); however a diploma no longer constitutes today an insurance against unemployment;
- the trend of "brain drain", particularly in the case of new Member States;
- uncertainty in the workplace, low wages and overtime represents an obstacle in finding a balance between work and personal/family life;
- the inefficiency of guidance and counselling services regarding career and the education system adapted to the requirements of the labour market, do not solve the problem of young people;
- insufficient exploitation of entrepreneurship among young people; etc.

There must be noted that at the EU level there exists a package of measures for Member States aiming mainly (COM(2009) 200 final):

- to ensure that the employment of young people remains a priority;
- to promote job opportunities and training for young people across national borders;
- to ensure that EU funds made available for encouraging the employment of young people, in particular the social European fund, are used effectively;
- to develop career guidance services and counselling;
- to lift the barriers to enable free movement of workers throughout the EU;
- to promote quality internships within education and training programmes and/or employment programmes;
- to improve childcare facilities, so as to contribute to the reconciliation of work with the private lives of young adults.

Obviously, the existence of such measures is more than welcome, but not sufficient. In order to be really successful it is necessary that the EU effort be doubled by that of Member States which, in turn, should consider the implementation of policies at national level. Furthermore, interbranch cooperation with local and regional

actors should be encouraged; it plays a key role for the implementation of policies for the youth.

Part of the problems young people have, is for them to solve, through a proactive attitude, through continuous information (with regard to the rights, obligations, opportunities, responsibilities, legislation), awareness of the role of the institutions; this should lead to a significant improvement of the situation facing them on the labour market.

The solutions for the needs of young people regarding their inclusion on the labour market are the responsibility of the authorities, from central/local level, and also depend on individual action and involvement.

#### 4. CONCLUSIONS

If we consider the initiatives related to the young people, either national or local, their presence cannot go by unnoticed; if we consider, however, the statistics on the situation of youth on the labour market, yet we cannot speak of effective policies or measures to support young people in an attempt to harmonize professional life, family life and personal life, so as to enable them to start a family and at the same time to participate fully in education and training activities as they desire.

Unfortunately, young people face a series of problems related to the integration onto the labour market, to harmoniously interweaving family life and professional life, to acquiring skills and competences through educational programmes so as to increase the chances to find a job according to expectations, to the lack of financial resources that enable the implementation of creativity and entrepreneurship.

The multiple challenges and opportunities facing young people today lead to their periodic evaluation and their rank in order of priority thus offering such a guarantee of a flexible approach, reflecting the needs of new generations.

Rules, strategies, policies and measures concerning youngsters aim, regardless of the level (national State or community space), the creation of a greater number of opportunities for young people in education and employment, encouraging the active contribution of young people in the construction of Europe, encouraging the spirit of initiative and enterprise, creativity and improving the quality of life of young people in Europe with the help of specific tools, also through better integration of issues regarding the youth in related policy areas, as well as through cross-coordination.

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