



FROM LEARNING TO PRODUCTIVE ACTIVE LIFE IN ROMANIA AND EUROPEAN UNION

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Abstract

In a context of economic globalization and increased competition, European countries are increasingly concerned about the consequences of non-enrollment, temporarily or permanently, in the labor market of a growing number of young people, and about the difficulties that university graduates face in finding suitable jobs. In many countries, the transition from school to work represents a central point in the lives of individuals and a key policy topic. In Romania, as in most of Europe, increasing the education period has become a long-term phenomenon. In recent decades, rising unemployment and increasing global competition have emphasized the need to improve the general level of education of the labor force. This paper presents a brief comparative analysis of the youth labor market in Romania and the EU-28 countries and of the dynamics of labour market mobility by analyzing the speed of the transition of young people from school to work.

Key words:

Young, youth employment, youth unemployment, NEET rate

JEL Codes:

C13, C52, J21, J62, J64

Introduction

In Romania, as in the majority of the European countries, the extension of the schooling period turned into a phenomenon on long term. As result of the dynamics of economic growth during the period 1950-1975, the demand for skilled labour force with higher education levels increased as well. During the last decades, the increase in the unemployment rate, but also of the competition at world level highlighted the need to improve the general education level of the labour force in Europe.

The knowledge-based economy which characterises already many European countries requires that individuals renew their competences continuously, based on lifelong learning, so as to ensure the employability of labour force on long time and to participate and integrate better into a changing society.

The transition from education to labour force employment is a significant process for the youths. This process can vary significantly among the different countries and the national systems depending on the duration and nature of the transition process, on the level and persistence of unemployment among youths, on the types of jobs and contracts obtained by the youths.

The analysed populations of reference are the young individuals with ages between 15 and 24 years

of age. Despite the fact that young individuals today are less numerous and better educated than the previous generation, there are still difficulties in entering on the labour market. Many of those who already obtained a job often find that this job is not stable. There are several reasons for this, among which: competences gained during education and training are not matched to the demands on labour market, the general conditions on the labour market, etc.

Even if the issue of the social inclusion of the youths was always present on the political agendas still, during the last decades, to this issue was attributed significant importance.

Unemployment among youths is very high, reaching in the year 2014 24.0% in Romania, and 22.2% at EU-28 level. In this context, reaching the objective of a 75% labour force employment for the population aged between 20 and 64 years of age, according to the “Europe 2020” Strategy shall require the improvement of the transition measures/means of the youths towards the labour market.

In the year 2020, pupils and students of today shall be at the beginning of their career, having in front of them at least 30 years of professional life, some of them in professions that don't exist today, or in other professions that are, perhaps, on their way to extinction.

The issues that are faced by the youths on the labour market have significant consequences on their living standard level, on their families and on the national or international communities to which they are members. The most important effects of the youths' inactivity are: poverty risk, incapacity to play an active role in the development of societies.

The high level of unemployment among youths leads to diminished employment chances of the individuals, in general, but also to a decrease in the opportunities of economic development, both at national and at global level.

The paper presents a brief analysis of the participation degree of youths from Romania to formal and non-formal education as compared with other EU-28 countries. Also, a comparative analysis is made about the employment rate of youths in full-time or part-time system in Romania, within a European context, and of the unemployment rate for them.

1. Youths participation to the education system from Romania within the European context

The increase of life expectancy, of the number of years that a young individual spends within the formal education system is today, in average, of 17 years, much higher than during the last decades of the 20th century.

School-life expectancy depends on various factors, among which

- component elements of the structure for each educational system: i) the compulsory schooling period; ii) access and models of pre-school learning; iii) various types of upper secondary education (vocational or general); iv) means by which students are oriented towards various types of education; v) the type of admission and the variety of tertiary education;

- parents' attitude who can regard investments in the education of their children as an opportunity for ensuring a certain social status, and a decent income for the future, as well as a protection against unemployment.

In Romania, compulsory education concludes at the age of 16 years of age, and in the majority of European countries compulsory education concludes at ages between 14 and 17 years of age and, thereafter, youths can opt at any time to continue their education or to enter the labour market.

Romanian statistics, but also European ones show that the majority of youths choose to continue their study after the conclusion of compulsory education, some opting for alternative ways.

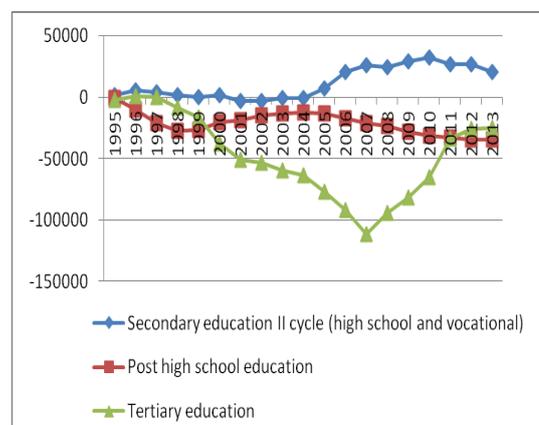
During the last years, young women stay within the educational system more than young men.

Thus, the analyses indicate that as of secondary education also gender differences show: in countries like Denmark, Estonia, Slovakia, Finland, Sweden and the United Kingdom of Great Britain, Greece, Spain, Germany and Italy the number of girls exceeds the number of boys (in 2014).

Tertiary education is the final stage of formal education. Education, research and innovation (known as the triangle of knowledge) play a key-role in facing the challenges of globalisation and in developing the knowledge-based society. The development of new knowledge and its inclusion in the education of students represents the backbone for continuing innovation, creativity and their contribution to the future prosperity of the society. In the year 2014 there were in Romania, according to the statistics of the National Institute of Statistics (data-base TEMPO-online), 433234 students, which represents less than half from the total number of students from the year 2007, a phenomenon recorded also in other former communist member-states.

With respect to the gender difference, in higher education, this increased in time. Thus, at EU-28 level, if in the year 2009 there were almost 124.6 women to each 100 men within higher education, in the year 2012 this ratio decreased to 121.6. The data provided by the National Institute of Statistics, indicate the fact that the "feminisation" of higher education and post-upper-secondary education is stronger than in the second cycle of secondary education (upper-secondary and vocational) in 2005 (Figure 1). Even if after the year 2007 for higher education gender differences registered a descending trend, it should be noticed that the "feminisation" of post-upper secondary education is stronger after 2005 (Figure 1).

Figure 1. Evolution of the difference between young men and women on educational levels in Romania



Source: data-base TEMPO-online

This fact is related, probably, to the fact that the majority of women participate to general programmes

that train them for continuing studies at a superior level, rather than to vocational programmes.

For Romania, in the year 2007, there were approximately 128 women for each 100 men, and in the year 2013 this ratio decreased to 112. In fact, 52.9% from total students in Romania in the year 2013 were women.

In most cases, students are inactive from the economic viewpoint, and thus they are dependent (integrally or partially) on the financial support of their parents and/or on the public support systems. Thus, the distribution on age groups of day-students can provide some indications about the age at which youths are still not active from the economic viewpoint. The differing educational systems, with different ages of beginning tertiary education (due to the different length of secondary education), the varying duration of the higher-education programmes, as well as the types of financial support for the students are but a few of the factors that generate a wide variety of the distribution on ages for the students in Europe.

Also, the compulsiveness of military service, as well as the public policies intended to encourage lifelong learning at tertiary level, lead to increasing the average age of a student in higher education.

In Romania, the analysis of the statistics about the number of students, and age groups, highlights a significant dynamics during the last decade in the number of students aged 30 to 34 years and 35 to 39 years of age. If in the year 2001 in the higher-education were enlisted 12556 individuals of the age group 35 to 39 years of age, in the year 2013 their number reached 65541.

At the level of the European Union there are various programmes that support the mobility for educational purposes for the youths from the entire Europe. An example, the Programme “Youth in Action”, as successor of the programme YOUTH supports the EU mobility and non-formal education of youths, in particular of those with low opportunities: each year 100000 youths are involved in more than 6000 projects.

The highest percentage of foreign students in the student population of the host-country is in Cyprus, Austria, Luxemburg and the United Kingdom. The weight of foreign students in total number of students in Romania is the lowest from all EU member-states for which data are available. From Romania, in the year 2012, 38321 students participated to the university courses in countries from Europe, and 73 in Japan. Their distribution on countries of destination is presented in Table 1.

Table 1. The number of Romanian students who pursued university courses abroad in 2012

BE	BG	CZ	DK
945	19	53	1968
GE	EE	IE	GR
3379	8	446	305
ES	FR	IT	CY
5762	4209	5713	55
LV	LT	HU	MT
12	5	2736	11
NL	AT	PL	PT
1086	1752	75	327
SI	SK	FI	SE
13	108	166	352
UK	IS	NO	CH
7852	7	183	743
CR	TR	JAP	
7	61	73	

Source: Eurostat statistics ([educ_momo_dst])

1.1. Youth participation to non-formal education

Another form of learning that gains ground among youths is represented by non-formal education, that knows a higher rate for more recent generations: 13.8% of the youths with ages between 15 and 19 years of age in EU-28, and 1.8% in Romania, against the more advanced age groups: only 9.9%, respectively 1.3% from the youths with ages between 25 and 29 years of age, in 2014. For the same year, in EU-28 the average participation rate to non-formal education and vocational training was of 11.9% for the age group 15 to 24 years of age, and in Romania of 1.5%. Nevertheless, in countries like Denmark, Sweden, Cyprus, Spain and the United Kingdom young individuals have a participation rate to non-formal education that is much higher than the EU-28 average, a rate that exceeds 20 pp. The participation rates show small differences, on age groups for the majority of countries, but in Spain, Greece, Cyprus, Sweden and the United Kingdom younger individuals tend to participate more in non-formal education activities than elderly. The development of alternative education in Romania was stimulated on one hand by the dissolution of trades and crafts’ schools, the decline of post-upper-secondary schools that allowed for an important segment of non-formal education – the one specialized in trades and crafts – to attract a lot more course participants and to develop.

Another favourable condition to the development of non-formal education entities was represented by the compulsiveness of apprenticeships for trades, in accordance with the regulations in the field. This allowed for setting-up fruitful partnerships between

educational entities and the employers where apprenticeship is developed, several participants being observed “live” by the employers and easier assimilated in employment.

Also the partnerships of the Ministry of Labour realized at European level, that allow today for the wide European acknowledgement of the professional competence certificates that are gained in a non-formal regime, have contributed to the development of non-formal education. To these “local” conditions is added also the global trend of the society towards the intellectualization of professional life, in general, where skill, professional education and innovation are regarded as essential conditions for the economic development, stimulating to a larger extent the interest of youths and adults in continuing training.

Not accidentally, in Romania during the last decade we assist to a spectacular increase in the number of entities with a non-formal profile that provide for educational services for adults and youths, either governmental institutions, school entities, non-profit organisations, trading companies or freelancers in the educational field, that is a social phenomenon reflected by a new legal and institutional framework in the field. Under these conditions, the educational value gained autonomy and detached increasingly from the public sphere, tending to be integrated into the mechanism of the free market and real life.

2. Transition from education to labour force market in Romania

The issue of the social inclusion of youths was always present on the political agendas, but only in the last two decades it has known particular amplitude. Within the European context, from 1988 up to date there were operational specific programmes such as “Youth for Europe”, yet the first strategic document dedicated to youths “The White Paper on Youth” was launched only in the year 2001. This paper proposes the collaboration of the member-states of the European Union towards prioritising some sectors, that is: participation, information, voluntary action, understanding and knowing youths.

For the period 2010-2018, the European directions of actions in the field of youths were reunited in the strategic document “EU Strategy for Youth – Investing and Empowering” – A renewed open method of coordination to address youth challenges and opportunities, which aims the policies related to youths in Europe with respect to education, labour force employment, social inclusion, civic participation, entrepreneurship etc.

At Romania’s level, “The National Development Plan 2007-2013” (NDP) proposed by the Government

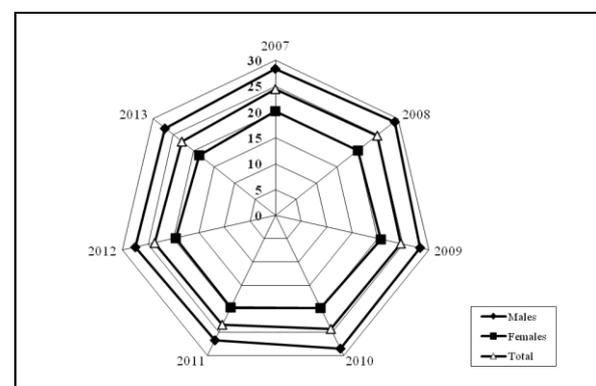
of Romania, and the National Youth Strategy Draft 2014-2020 set the issue of youths’ integration on the labour market as one of the priorities of action, as result of the increase in the unemployment rate among them. The governmental documents link youths’ integration in close correlation with the capacity of the educational system to provide relevant competences and skills adjusted to the demands on the labour market. In the context of an increasingly higher level of unemployment, the youths find it more hard to find a job, and many of them might decide to extend or take up studying again. This could represent an investment for the future provided that the suitable competences are gained. The employment rate among youths with ages between 15 and 24 years of age is much lower than the one for the segment 24 to 54 years of age, and 55 to 64 years of age in Romania.

The decision of the youths to enter on the labour market and to become thus active from the economic viewpoint, or to continue studying depends on very many factors, from among which: the motivation to continue studying, the available financial means, the cultural motivation, the socio-economic context, and the general situation on the labour market.

In the year 2013, only 22.9% from the young Romanians with ages between 15 and 24 years of age were active from the economic viewpoint, on decrease by 1.9 pp against the employment rate from the year 2008. The employment rate on genders shows the same trend as the European level: higher employment rates of men than of women. Thus, the employment rate among young men was in the year 2013 of 27% (by 7 pp less than in EU-28), and the one of young women of 20.4% (10 pp less than in EU-28).

The impact of the economic-financial crisis on the labour market from Romania was reflected also in the diminishment of the employment rate of youths (Figure 2).

Figure 2. Evolution of the employment rate for youths (15-24 years of age) in Romania for the period 2008-2013



Data source: data-base TEMPO-online,

The economic recession had as effect also the more marked diminishment of the employment rate for young women against the one of men of the same age. In Romania, this process was more marked than in other member-states of the EU, or against the EU-28 average. Thus, in the year 2014, the gap between the employment rate for women and the one of young men was of 8.6 pp. in Romania, against 3.89 pp. with the EU-28, with a diminishment trend in the period 2009-2013.

The analysis of the employment rate of youths on activities of the national economy highlights its diminishment for the majority of sectors.

With respect to employment according to the occupational structure, during 2002-2013 significant changes occurred, some of them being determined also by the recent economic recession. For instance, the number of technicians, foremen and assimilated diminished by 73.323 thousand individuals in the period 1996-2013 and by 29.223 thousands individuals in the period 2008-2013, and the number of specialists with intellectual and scientific occupations increased by 49%, respectively 16% in the same time intervals.

2.1. Temporary contracts

For many young individuals, who have a temporary job, or a part-time one, this period can be seen as an important stage towards permanent labour force employment. Nevertheless, temporary contracts limit the financial and personal autonomy of the youths.

In Romania, in the period 2007-2013, the weight of part-time employment for youths increased on various age groups in total employed persons, a trend registered also at the EU-28 level.

The distribution on genders and age groups of part-time employment of youths highlights that in Romania the weight of young women, on age groups, that are employed part-time, in total employed population is inferior to the weight of young men. These evolutions are opposed to those at EU-28 level, where the weight of young women in total employed population is higher than the one of men with part-time employment.

The employment of young labour force in full-time or part-time system is dependent on gender, but also on the highest attained educational level. For Romania, the statistics show that in part-time system are comprised youths with the educational level 0 to 2 (pre-school, primary and inferior secondary education).

2.2. Young entrepreneurs

The share of youths who have their own businesses is very low in Europe: 746.1 thousand youths in EU-28 with ages between 15 and 24 years of age, on decrease by approximately 13% against the year 2008.

As a general characteristic of all member-states, is the fact that the share of freelancers is higher for the age group 25 to 29 years of age, than for the age group 15 to 24 years of age.

In Romania, in the period 2008-2014 was registered a diminishment in the number of self-employed from 89.4 thousand persons in 2008 to 55.1 thousand persons in the year 2014. The available data, on activities of the national economy show that to their vast majority these individuals were active in the year 2014 in "Agriculture" (26.1 thousand persons), and in "Constructions" (14.8 thousand persons). The variation in the numbers of self-employed for these sectors of activity was influenced both by the economic recession, but also by the concrete conditions in the country.

Just like the majority of the EU-28 member-states, also in Romania men represented the majority of those developing independent activities. In the year 2008, the gap between men and women developing independent activities was of 58,8 thousand persons, and in the year 2014 this gap diminished to 31.1 thousand persons as result of the significant decrease in the numbers of youths with independent activities and to a slight increase in the numbers of women on this segment of the professional structure.

Young entrepreneurs have graduated various educational levels. In the majority of member-states, the entrepreneurial spirit seems much wider spread among youths with upper-secondary education and post-secondary non-tertiary education (levels 3 and 4). In Romania, 51.5% from total young entrepreneurs were in 2014 graduates of the levels 3 and 4, and 44.8% were graduates of the levels 0 to 2.

Among the most important motivations in starting-up a business were wage gains and the wish for new challenges, avoiding unemployment, etc.

2.3. Inactive youths and NEET

At the EU-28 level, in the year 2014, were over 17844.5 thousand inactive youths with ages between 15 and 24 years of age, and in Romania 1593.9 thousand persons. Among the inactive youths can be distinguished two categories: those who do not wish to work and those who would wish to work but cannot take a job for specific reasons: own sickness or disability, education or vocational training, family responsibilities, etc. Approximately 80% from among the inactive youths with ages between 15 and 24 years of age are not searching for a job, several of them being still within the formal education system.

If in many member-states more than 60% from among the inactive youths are men, while in Romania the weight of inactive women in this age group segment is of approximately 53%. In addition, young inactive

individuals searching for a job are more spread among graduates of inferior secondary education, and their number decreases together with the educational level.

Because inactivity is partially represented by the increasing share of youths who tend to remain within the education system beyond the compulsory education age, the new NEET indicator was considered that would refer to young individuals who are neither employed on the labour market, nor in education or training. This indicator corresponds to the share of population of a certain age group and gender and that is not employed, not involved in continuing vocational training.

At European level, 12.4%, young individuals with ages between 15 to 24 years of age were NEET in the year 2014. The EU-28 average hides sometimes wide differences between the member-states. Indeed, this share reached more than 22.1% for Italy and 5.9% for Netherlands.

In Romania, 17% from the young individuals with ages between 15 and 24 years of age are comprised in the NEET category, so that our country is much under the EU-28 average for this indicator.

3. Conclusions

Because Europeans have an increasingly higher life-expectancy and take the decision of having children at a more advanced age, there are less youths. It is estimated that in 2050, the population with ages between 15 to 200 years of age shall represent 15.3% from the European population, as compared with 19.3% currently. These demographic changes reflect on families, on the solidarity among generation and on economic growth.

An ample, Europe-wide consultation process has identified as ranking at the top of the list of concerns of the youths the following specific challenges: education, obtaining a job, social inclusion and health.

The difficulties faced in education, taking a job, inclusion and health, combined with the financial issues, in matters of housing and transportation, hinder them to become independent, to benefit of enough resources and opportunities to manage their own lives, to fully participate to society and take independent decisions.

Cooperation in the field of youths is a well-structured and developed policy field of the EU. EU applies youths' programmes as of the year 1988.

Unemployment and the unemployment rate of youths are related strongly to the participation to the labour force market of the latter. The transition from school to work, the average ages at which youths enter on the labour market depend on the skills and national systems of general interest and/or on education and

vocational training. The extension of the education in a certain country has as consequence in time the increase of the average age of the newly entered on the labour market.

From the perspective of participation in the labour market, the amplitude and dynamics of unemployment among youths changed in the European countries during the last decades.

Non-formal learning can also contribute to solving the issue of unemployment among youths.

The analysis of the evolution of the indicators that reveal the situation of youths on the labour market from Romania within an European context leads to a series of conclusions, from among which:

- the average period of seeking for a job in the period 2008-2014 increased significantly, contributing even more to discouraging young individuals in searching for a job;

- the discrepancies between the employment chances of a young individual with education, and the ones of a young individual without education are also on increase, so that not only the duration of seeking a job for a young specialist is shorter as compared to the one of a young individual without studies, but also the unemployment rate shows considerable differences;

- as result of the high unemployment rate within the European Union and, implicitly, in Romania, the purchasing power of young individuals diminished, so that not only the daily consumption of individuals underwent significant diminishment, but also high-value purchases (for instance real-estates for housing);

- during the year 2014 was recorded a much higher number of young individuals who wish to continue studying after a period of relaxation, as they are discouraged in their useless search for a job, but encouraged to obtain a diploma that subsequently would increase their employment chances;

- one of the reasons that contribute to the increase in the unemployment rate among young individuals in Romania is the mismatch between education and requirements on the labour market. Otherwise said, the educational system from Romania on one hand does not prepare the workforce depending on the specialisations needed and demanded on the market, and on the other hand, it has an overabundance of students for specialisations for which the market does not require labour force;

- European statistics show that, on average, the NEET rate among women is higher than among men, as well as among young individuals with a low educational level.

Acknowledgement

The work of Mariana Bălan is elaborated and published under the auspices of the Institute for the Research of the Quality of Life Romanian Academy, as part of the project co-financed by the European Union by the Sectorial Operational Programme Human Resources Development 2007–2013, within the Project Pluri-and Inter-disciplinarity in Doctoral and Post-Doctoral Programmes Project Code POSDRU/159/1.5/S/141086.

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