YOUTH UNEMPLOYMENT – THE MAIN STATISTICS IN ROMANIA COMPARED WITH THE EUROPEAN UNION ONES

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Abstract: Unemployment among young people is considered to be the biggest problem of Europe, especially since, although the recession has left the Euro Zone, there were not created any new jobs to reduce unemployment. Both at the level of Romania and at the level of some of the Member States of the European Union, the unemployment rate can no longer be neglected. A large number of young people with higher education accept jobs below the level of their skill, so that Romania has many shop-assistants with higher education, which is a disadvantage for the society as a whole. The article is aimed at addressing the problem of unemployment in Romania among young people between 15 and 24 years of age.

JEL classification: O15, J64

Key words: unemployment, youth, human resources, statistical indicators, European integration

1. Introduction

Unemployment is one of the macro-economic imbalances affecting the national economy and the population alike. Unemployment among youth is another problem so that in 2015, youth unemployment has reached its highest level, which has prompted authorities to take action to reduce the unemployment rate among people aged between 15 and 24 years.

An obstacle against inserting young people in the labour market is overqualification. Even if young people would be willing to accept a post whose requirements do not bring into question the higher education, employers/recruiters refuse to call them at interviews or to declare them admitted due to upper level studies. The problem is not that they are too qualified, but that will only work for a short time until they find a better place, as expected, and employers do not have time to waste recruting.

Another impediment is the lack of experience. School practice does not ensure high school and college graduates/masters with the security of finding a job, but represents an alternative for some of them. In recent years, some universities have concluded cooperation agreements with certain companies who need young employees

very well trained professionally. There has been some progress in this respect, but, nevertheless, the number of unemployed young people is still quite high.

There are young Romanians who, regardless of whether they attended some form of higher education or not, choose to emigrate, even if they work in a different field than the qualification obtained, in order to get better pay than in Romania. It is for this reason that many young people see migration as the best solution, encouraged also by their acquaintances who have gone abroad and which have managed to buy a car, to have a better living, etc.

Programmes of study, such as the Erasmus programme, encourage young people to do exchanges, to participate actively in the education system, to get to know other cultures. Some of the young people who study one or more semesters in other European Union countries choose to return to their country after graduation. The programme intended for young students-Work and Travel also encourages migration, because the young people who work in other countries during the summer holidays realize that they have other opportunities if working abroad and, in addition, already have friends there and experience, which would simplify the adaptation period.

Both at the level of Romania and at the level of some of the Member States of the European Union, the unemployment rate can no longer be neglected. Even if the average unemployment rate for young people at European Union level is a little lower than the unemployment rate of young people in Romania, there is a need for programmes and measures to reduce it. Conducting periodic statistics on the progress is a timely solution for Romania and other states of the European Union. Thus, they can see whether the measures imposed were beneficial and the confidence of citizens regarding their future opportunities for a better life will increase.

2. OBJECTIVES

Drafting the article began immediately after setting the goals, which were formulated as follows:

- 1. The analysis of the link between youth unemployment and human resources management;
- 2. The interpretation of statistical indicators relating to unemployment among young people in the European Union and Romania.

The information contained by this article focuses on the objectives established above, so that the conclusions are formulated according to those recorded for each goal.

3. METHODOLOGY

After selecting the area of interest and formulating the objectives, the next step of the research was the study of the specialized literature, which lead to designing the working methodology. We found and processed statistical data from several databases, National Agency for Employment (www.anofm.ro) and Statista (http://www.statista.com) being the main sources of information. The stage of collecting statistical data concerning the main statistical indicators regarding unemployment among young people in Romania and in the European Union was followed by that of the analysis and interpretation of these data. A comparative analysis of the situation of unemployment among young people in Romania and the situation of unemployed young people in the European Union highlights the differences in the rate of unemployment among young people in the EU member countries, the

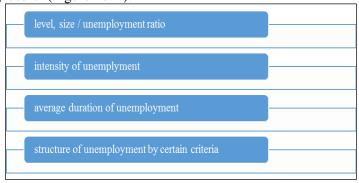
rate of unemployment being a more or less direct consequence of the mismanagemnt of human resources.

4. ANALYSES

4.1 THE LINK BETWEEN YOUTH UNEMPLOYMENT AND HUMAN RESOURCE MANAGEMENT

Programmes to strengthen the economy based on tax rates strongly increase the rate of unemployment due to their size and duration. Instead, increasing the flexibility of the labour market reduces unemployment among the young and long-term unemployment (Agnello, L. et al., 2014, p. 235). Currently, there is no relationship between supply and demand on the labour market, which means that the functioning of the human resources market is characterized by impairment. Achieving maximum employment is an ideal of each society, but it is quite difficult to find jobs for all inactive people in the labour market.

Knowledge of the main characteristics of unemployment recorded statistically is particularly useful (Figure no. 1).



Source: Gh.H. Popescu, C.F. Ciurlău (2013). Macroeconomie, Economic Publishing House, Bucharest, 2013, pg. 602

Figure no. 1 Main characteristics of unemployment, statistically registered

Establishing these statistical features of unemployment by municipalities, counties, regions and at national level enables regular publication of concrete information, which helps responsible public authorities and institutions to assess the seriousness of this phenomenon and ensure that the programmes implemented to date have yielded or not.

Countries with more liberal labour markets and macroeconomic flexibility, such as the United States and the United Kingdom, have significantly lower unemployment rate than countries with rigid labour markets, such as France, Italy or Spain. Countries with a flexible labour market from the macroeconomic point of view have considerably reduced the unemployment rate. The adoption of effective policies in the area of labour market implies: an increase in the flow of information between employers and employees, the transparency of the regulations and rules of employment, reforms in the system of transfer and benefits and economic policy credibility. Also, the stability of the economy has a crucial role on the labour market (Cristea and Dracea, 2010, p. 186), and "brings new technology, capital, experience..." (Tufan et al., 2008, p. 69). To reduce the rate of unemployment educational programmes geared toward innovation and productivity are needed (Bhattarai, K., 2016, p. 101).

High unemployment among young people is a consequence of many economic and social factors, but is also a negative result of a deficient management of human resources. This

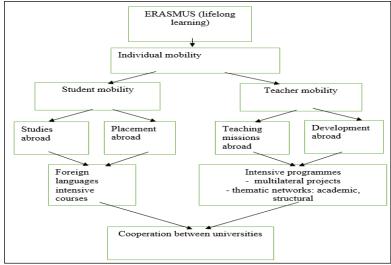
conclusion derives from the roles of human resources managers, because they are responsible for the performance of human resources within an organization. We believe that if managers motivated employees enough and they offered favorable working conditions and salaries, as expected, the economy would grow and the company would develop, which in turn would surely lead to the creation of new jobs. At the same time, organizational managers are able to conclude cooperation agreements with educational institutions, which would allow them to select the best trained young people.

Social inclusion of young people on the labour market has been hit by numerous setbacks in recent years, the largest being, perhaps, the lack of experience. The expectations of the young people without experience and of their parents were always great, because every graduate enters the labour market with optimism. Alongside these, young employees must be helped to integrate into the community. Social inclusion of young people is all the more important as there are many who want to leave the country after completing their studies, with negative impact on the public pension system (Cristea and Siminică, 2012). Therefore, there is a need for politics that help young people's inclusion in the labour market and in society. Proper identification of needs and barriers leads to taking the best solutions. It is ideal that the needs and obstacles should be identified by region, if the county this would require too much effort on the part of professionals. At European level youth employment is addressed in the Lisbon Strategy, Europe 2020 Strategy, Youth in Motion, a European Youth Strategy, the European Strategy for Employment and other strategies targeted on these directions.

Since 2000, managers in the university education system collaborate with universities abroad, offering students the opportunity to gain experience outside the state, through the Erasmus programme, but also through other projects that will be carried out at international level. For the period between 2014 and 2020, Erasmus + is the European Union's programme which should lead to achieving economic growth, but also the creation of new jobs, social inclusion and equity being the favourites.

Erasmus objectives are reproduced in Figure no. 2.

Through this programme cooperation with other cultures will also be encouraged. This mobility is desired to be advantageous for countries which send their young people to improve, as they return to their country with new powers to use in the field of study/activity. Unfortunately, not all choose to return to their country, but to settle in the countries/cities where they have attended the courses. The Erasmus+ programme wants to diminish intellectual unemployment, which is "part of unemployment as a phenomenon adjacent to the great depression, a crisis that by abruptly lowering the income and the purchasing power has affected the demand for professional intellectual services" (Sdrobiş, D., 2015, p. 88). The drain brain is a real issue for less developed countries that are in need of qualified personnel. Speaking about the current international migration, Todaro said that the irony of it is that "many of those who migrate legally from poor regions towards richer ones are exactly those that Third World countries afford the least to lose: those highly educated and qualified. Since most of these migrants leave permanently, this perverted brain drain not only represents a loss of valuable human resources, but it could prove to be a significant constraint for economic progress in the future of the nations of the Third World "(Todaro, M.P., 1996, p. 119).



Source: I.E Chirtoc (2011). Macroeconomie – impactul mobilității forței de muncă asupra creșterii economice, Academica Brâncuși Publishing House, Târgu-Jiu, pg. 139

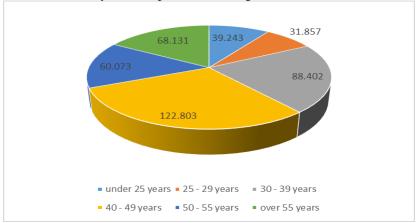
Figure no. 2 Objectives of Erasmus programme

The active involvement of organizational managers, educational managers and of Romanian public institutions could avoid the migration of young people to better paid jobs, because any temporary migration can change into definitive migration, which is a considerable disadvantage of Romania both economically and socially.

4.2 UNEMPLOYMENT AMONG YOUNG PEOPLE IN ROMANIA

Labour market analysis is carried out by means of segmentation, which means dividing the single market in several segments. "Labour market Segmentation is based on the General conditions of existence and manifestation of real contemporary economic systems" (Udrea, A., 2010, p. 45).

Age distribution of registered unemployed persons to the National Employment Agency at the end of May 2016 is presented in Figure no. 3.



Source: data taken from the site <u>www.anofm.ro</u> and processed by the author

Figure no 3. Age distribution of Romanian unemployed people on May 31, 2016

Of the 410,509 registered unemployed people at the National Employment Agency until May 31, 2016, there are 29.92% who fall into the age category of 40-49 years, 21.53% in the category of 30-39 years of age. A smaller percentage represents those aged between 25 and 29 years-7.76%. The most difficult to insert in the labour market are, most probably, the unemployed who are over 55 years of age and those falling within the group aged between 50 and 55 years, whose percentage is quite high 16.60% respectively 14.63% (Table no. 1). Even if they attended retraining courses, employers would be reluctant with regard to employing them, one reason being that age no longer allows them to easily assimilate certain information and to develop new skills, such as foreign language or digital.

Table no. 1 Age distribution of the unemployed in Romania on May 31, 2016

Age category	Number of unemployed people	Unmployed ratio
Under 25 years	39,243	9.56%
25 – 29 years	31,857	7.76%
30 – 39 years	88,402	21.53%
40 – 49 years	122,803	29.92%
50 – 55 years	60,073	14.63%
Over 55 years	68,131	16.60%
Total	410,509	100%

Source: data taken from the site www.anofm.ro and processed by the author

At the level of May 2016, there were registered 39,243 unemployed people aged under 25 years (9.56% of the total), decreasing compared to April 2016 (a reduction in the number of the unemployed by 1,058), but also compared to May 2015, fewer unemployed by 7,816 (Table no. 2), which means Romania has made some progress regarding the insertion of young people on the labour market.

Table no. 2 Statistical indicators of unemployment among young people in Romania, in May 2016

Statistical indicators	Values
Current month	39,243
Percent values	9.56
Previous month	40, 301
Percent values	9.80
Differences between the current month and the	-1,058
previous one	
Percentage modifications in the currentmonth	97.4
compared to the previous one	
Current month previous year	47, 059
Percent values	10.56
Differences between current month and the same	-7,816
month of previous year	
Percentage modifications between current month and	83.4
the same month of previous year	

Source: data taken from the site www.anofm.ro and processed by the author

Of the 194,044 registered long-term unemployed people at the National Employment Agency until May 31, 2016, there are are 17,108 young people under 25, the unemployed at least half a year (Table no. 3). Long-term unemployed represent a percentage of 47.27%, 0.73% more than the percentage of long-term unemployed registered in April 2016. In May, 2016, the number of long-term unemployed under 25 years increased by 34 people.

Table no. 3 Statistic indicators regarding long-tern unemployment in Romania in May 2016

	Long-term unemployment	Under 25 years (unemployed for over 6 months)	Adults over 25 years (unemployed for over 12 months)
Current month	94,044	7,108	76,936
Percent values	7.27	3.60	7.66
Previous month	94,447	7,074	74,373
Percent values	6.54	2.37	6.99
Differences between current month and previous month	2,597	34	2,563
Percentage modifications between current month and previous month	0.73	100.2	101.5
Current month previous year	72,609	0,090	52,519
Percent values	6.46	8.03	4.58
Differences between current month and the same month previous year	21,435	-2,982	24,417

Source: data taken from the site <u>www.anofm.ro</u> and processed by the author

Table no. 4 shows that of the 410,509 unemployed people registered with the National Employment Agency until 31 May 2016, 39,243 are young people under 25 years of age, out of which women are less than half-13,544. Of all young people with primary, secondary and professional level of education (30,505) only 484 benefit from unemployment allowance of 75%, 164 benefiting from unemployment allowance of 50%. The number of young graduates of high school and post-high school education is 7,713 and the ones with university instruction is 1,025. Not all young unemployed benefit from an allowance; out of the 39,243 unemployed people 36,798 do not receive the allowance, that is 93.33%. No one wonders how these young unemployed people live without compensation, desperately looking for a job, but crashing at the requirements of employers which sometimes cannot be reached by graduates.

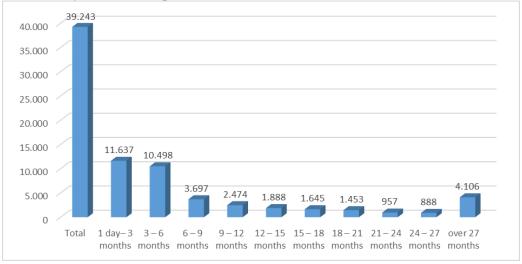
Table no. 4 Categories of unemployed people registered by levels of instruction in Romania in May 2016

Indicator	Total	Under 25 years
Unemployed people (total)	410,509	39,243
Women	169,366	13,544
All forms of allowance	73,589	2,445
- with primary,secondary and professional level of instruction	345,223	30,505
- beneficiary of unemployment allowance (75%)	39,163	484
- out of which women	15,858	207
- beneficiary of unemployment allowance (50%)	178	164

- out of which women	92	87
- unemployed people without allowance	305,882	29,857
- out of which women	118,366	8,938
- with high school and post-high school level of instruction	48,814	7,713
- beneficiary of unemployment allowance (75%)	23,663	1,076
- out of which women	13,162	562
- beneficiay of unemployment allowance (50%)	482	406
- out of which women	229	177
- unemployed people without allowance	24,669	6,231
- out of which women	11,895	3,021
- with university level of instruction	16,472	1,025
- beneficiary of unemployment allowance (75%)	9,904	218
- out of which women	6,072	107
- beneficiary of unemployment allowance (50%)	199	97
- out of which women	124	58
- unemployed people without allowance	6,369	710
- out of which women	3,568	387

Source: data taken from the site <u>www.anofm.ro</u> and processed by the author

Distribution of the unemployed people under 25 years of age by the duration of unemployment is illustrated in Figure no. 4, 10.46% of the total unemployed young people have become unemployed for over 27 months and 29.65% of the unemployed have recently entered, for up to 3 months.



Source: data taken from the site www.anofm.ro and processed by the author

Figure no. 4 Distribution of the unemployed people under 25 years of age by the duration of their unemployment period in May 2016

When analyzing the statistical data linked to the number of registered unemployed people in relation to the duration of unemployment (Table no. 5), it can be noted that the total number of unemployed people registered at the National Employment Agency more than 27 months ago represents about a quarter of the total

number of unemployed people. Although, most of the time, there have been talks about discrimination against women on the labour market, the number of women falling under the category of unemployed people is lower than that of men.

Table no. 5 Distribution of registered unemployed people by duration of unemployment in Romania after May 2016

	Total	Women	Men	under 25 years	Women under 25 years	Men under 25 years
Total	410, 509	169, 366	241, 143	39, 243	13, 544	25, 699
1 day – 3 months	76, 592	33, 654	42, 938	11, 637	4, 450	7,187
3 – 6 months	72, 881	31, 178	41, 703	10, 498	4, 180	6, 318
6 – 9 months	43, 225	19, 002	24, 223	3,697	1,204	2,493
9 – 12 months	29, 938	12, 602	17, 336	2,474	771	1,703
12 – 15 months	19, 139	7, 975	11, 164	1, 888	601	1, 287
15 – 18 months	20, 320	7, 871	12, 449	1,645	470	1,175
18 – 21 months	15, 083	5,870	9,213	1,453	392	1,061
21 – 24 months	9, 964	4, 126	5, 838	957	318	639
24 – 27 months	12, 142	7, 758	7, 357	888	250	638
Over 27 months	111, 225	42, 303	68, 922	4,106	908	3,198

Source: data taken from the site www.anofm.ro and processed by the author

The situation of unemployment among young people under 25 years of age is not a happy one and brings only disadvantages to the Romanian society, because young people are the future of any country and should be encouraged to work, especially when they are fully capacitated and can quickly assimilate any information necessary to responsibly perform any activities.

4.3 UNEMPLOYMENT AMONG YOUNG PEOPLE AT EUROPEAN LEVEL

At European level, youth unemployment is a priority for all EU Member States, young people being those who need encouragement, care and integration in the labour market in order to be able to start a family.

For previously institutionalised young people entering the labour market is particularly important for a successful transition into adult life. Being employed, they not merely have a source of income, but work gives them a source of social control, increases their self esteem and feelings of responsibility and helps to build and maintain certain conventional identities. Impossibility to make a successful transition in the labour market is associated with increased risk of engaging in criminal behavior. Unfortunately, the prospects of employment of young people are reduced for several reasons. One of these reasons is that they come from disadvantaged family backgrounds with few economic and social resources. Another reason is the low level of education, some abandoning school. Thus, young people may experience difficulties because of the stigmatization associated with delinquent behaviour and with a prior institutionalisation (Verbruggen, J., 2016, p. 729).

It is desirable that young people from all EU Member States should have a guarantee that, within four months following the completion of their studies, they will have a job or will be signed up for retraining programmes to work on one of the job vacancies.

In the period 2010-2014 youth unemployment in the EU has had a changing tendency, as one of growth for the period 2010-2013, following one of decrease for the period 2014-2015. (Table no. 6). Compared with the average unemployment rate in the European Union, the unemployment rate from Romania is slightly higher, the increasing and decreasing trends being the same.

Table no. 6 The unemployment rate among young people aged between 15 and 24 years, in Romania and in the EU

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Year	Romania (%)	EU (%)
2010	22.1	21.0
2011	23.9	21.7
2012	22.6	23.2
2013	23.7	23.6
2014	24.0	22.2
2015	21.7	20.4

Source: data taken from the site <u>www.anofm.ro</u> and processed by the author

In May 2016, the highest rate of unemployment for young people was in Greece-50.4% (Table no. 7). With an unemployment rate of 21%, Romania is not so bad as regards unemployment among young people, because there are countries with much higher unemployment rate, such as: Greece - 50.4%, Spain - 43.9%, Italy -36.9%, Croatia-31.4%, Portugal - 28.4%, Cyprus-27.9%, Slovakia-25.3%, France-23.3%, Finland-21,3%. Germany and Malta have the lowest unemployment rates, less than 10%, which means that the rest of the EU Member States should follow their example and review the economic situation and the labour market in the two states, to identify the factors which have contributed to the maintenance of such a small number of unemployed young people.

Table no. 7 The unemployment rate among young people in the Member States of the European Union, May 2016

State	Unemployment rate
Greece	504%
Spain	43.9%
Italy	36.9%
Croatia	31.4%
Portugal	28.6%
Cyprus	27.9%
Slovakia	25.3%
France	23.3%
Finland	21.3%
Romania	21%
Euro Zone	20.7%
Belgium	20.3%
Sweden	19.3%
EU	18.6%
Poland	17.3%
Luxembourg	16.7%
Slovenia	16.1%

State	Unemployment rate
Irland	15%
Hungary	14.4%
Latvia	14.2%
Bulgaria	13.8%
Lithuania	13.4%
Great Britain	13.2%
Estonia	12.5%
Austria	11.3%
Denmark	11.2%
The Netherlands	11.1%
The Czech Republic	10.1%
Germany	7.2%
Malta	6.9%

Source: data taken from the site http://www.statista.com and processed by the author

Given the fact that the young people are the future of every state, permanent programmes are needed to reduce the rate of unemployment among young people and the creation of jobs. Linking education with the requirements of the labour market, as well as the actual implementation of training practice in multinational companies, will enhance opportunities for young people to integrate in the labour market.

5. CONCLUSIONS

Youth unemployment represents a real challenge for all the states of the world in which the rate of unemployment among young people is at a high level, and this no longer a novelty. The Strategy for Europe and other European documents address the problem of unemployment and unemployment among young people, which means that unemployment is a main objective of all Member States of the European Union. Young labour force should be encouraged irrespective of the situation and risks, especially amid the problems faced by pension schemes around the world, type PAYG, problems which will worsen in the years to come, affecting the current young generation particularly (Cristea et al., 2011, pp. 1086-1097).

One of the reasons for the increase in the rate of unemployment among young people is the fact that employers are putting more and more emphasis on experience, and native education is ineffective in this respect. Authorities hope to put an end to this situation by means of programmes on European money, through which young people are helped to practice. In the context of changes in the socio-economic situation from Romania (Cristea et al., 2010, pp. 3356 - 3365), prevention of unemployment among young people and stimulating the employment of graduates of educational institutions should constitute one of the main concerns of educational and organizational managers.

The general scarcity of jobs on the labour market constitutes a real disadvantage in Romania. Not only have the long-term unemployed young people suffered, but also their families. For some, the granting of unemployment allowance is even an offense. As well as their placement on the labour market, many overestimating their potential and being so choosy that they would rather not work at all than work in a field considered inferior to their instruction, or on a low salary. Imbalances in the labour market are numerous and the states are not the only responsible for this situation.

The citizens have a share of the blame, as do organizational managers. Things can change relatively quickly, as long as all members of the society and the public and private institutions realize the seriousness of an elevated rate of unemployment among young people and decide to apply the right solution to reduce it. Lowering the level of the unemployment rate among young people will certainly lead to the decrease of the overall unemployment rate.

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