

Characteristics of the Youth Employment – Romania 2000 – 2020 Data

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Abstract

For this paper the statistical data has been analyzed, data of the employment rate recorded for Romania, time period 2000 – 2020. The employment rate characteristics have been explored to observe the course by Romanian region and women's employment rate. The gap between men's and women's employment rate has deepened from year 2000 to 2020. Youth's employment rate was observed correlated with the NEETs rate and young people discouraged to search of a job. Youth living in rural areas, 15- 34 years old, have a higher tendency to be discouraged to become employed. The recommendation is to implement more partnership programs between schools, local authorities and enterprises for the youth living in the rural area to increase the participation of young people in the labour market, to reduce urban and rural areas' gap and bring well-being to the individual and to the community.

Key words: youth employment, early school leavers

J.E.L. classification: J21, I24

1. Introduction

Opportunities for the individual's employment arrive as a matching to the level of training and education. Demand and supply of jobs are influenced by the continuous changes of the labour market and the required skilled labour force.

Income support policies, facilitation of employment of youth, adults over 50, women and disadvantaged groups could have a raising effect of the employment rate. Economic cycles, adapting the artificial intelligence into the working environments, unexpected healthcare events could also influence the employment rate. (OECD, 2021)

The employment rate represents the individuals from 15 to 64 year olds working in gainful employment. The rate is seasonally adjusted and it displays the percentage of the total working age population active on the labour market.

2. Literature review

Employability is defined as a set of competences and personal attributes a person acquired that helps him or her obtain and maintain a job. New elements have been added in the literature revised, thus employability definitions by the individual's perspective, are connected to the degree of successful careers and job satisfaction. (Pool and Sewell, 2007)

Companies search for the adequate skilled candidate to enhance its performance and productivity on a competitive global market. The performance of an enterprise is co-dependent of the employee's performance, therefore the need for collaboration training programs to upgrade the skills and knowledge of the personnel. To withstand the rapid changes of the global market, enterprises invest in human capital development to obtain the required abilities and skills. (Peters et al, 2017)

Employers recruit job seekers with the necessary knowledge, skills and experience to improve the performance of the company by producing better result. Employability competences are abilities, values and knowledge that an individual possesses to become competent and competitive on the labor market. (Hillage and Pollard, 1998) European Company Survey 2019 data shows that

77 % of the employers encountered difficulties to find the candidates with the adequate skills for the job vacancies. (EUROFUND, ECS, 2019)

Regarding the employability skills, some researchers display three types: technical, cognitive, non-cognitive. For individuals to become employed, they are required to possess relevant abilities and competences to make them competitive and productive. Employability competences are defined as abilities, aptitudes and skills that a person acquired and that are searched by employers for a person to be able to adapt to changing situations and working environments. (Fugate, et al., 2004)

European Skills Agenda & Youth Employment Support describes employability skills by European Skills, Competences, Qualifications and Occupations classification (ESCO) as knowledge, skills, transversal skills and language skills and knowledge. Young people are encouraged to display their abilities through Europass. It also recommends youth to understand their skills acquirement and need of improvement by searching the ESCO website. (EC, 2021)

Candidates can use tools as curriculum vitae or Europass to document and display their competences obtained through education and training alongside skills developed through the participation in non-formal education, extracurricular activities and voluntary work. Documenting and describing their acquired competences enable the individual and the employer to match the job vacancies. (Römgens, Scoupe and Beusaert, 2020)

3. Research methodology

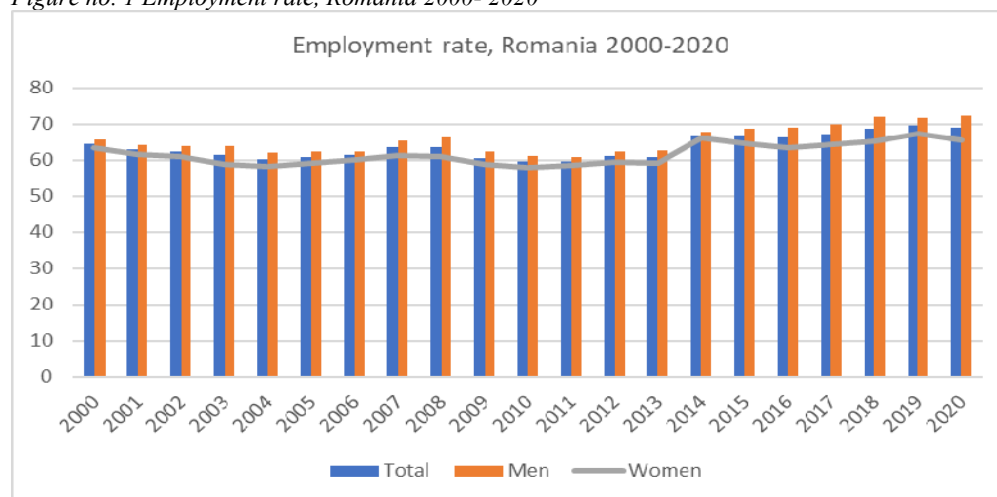
For this paper the statistical activity rate data has been analyzed, data of the employment rate recorded for Romania, time period 2000 – 2020. Romanian national and European Union data on employment is seasonally published by INSSE and Eurostat.

The data scrutinized was represented in tables and figures, with the purpose of displaying the results. The findings are the followings: the employment rate increased since 2000 to 2020; there is a substantial gap among youth employment rates by residential area; the gap between women’s and men’s employment rate has deepened since 2000.

4. Findings

The data analyzed and shown in figure no. 1, displays from the year 2000 to 2011 the employment rate which has dropped almost 4 %, followed by an increasing trend from 2012 to 2020, recording a value of 69.1 % in 2020. As pictured in figure no. 1, the gap between men’s and women’s employment rate has deepened from year 2000 to 2020, from 2 % percent difference in 2000 to 7 % difference, higher men’s rate, in 2020.

Figure no. 1 Employment rate, Romania 2000- 2020

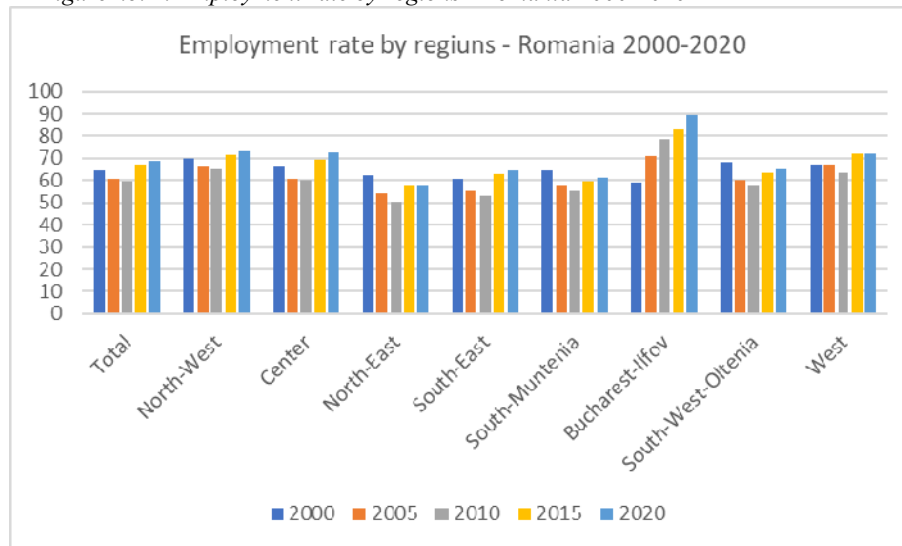


Source: TEMPO Online, INNSE data for Romania

Analyzing the statistical data for the indicator early leavers from education, women have a higher tendency to drop out of school. From the year 2008 to 2018 there can be seen a slight decreasing trend, reaching 15.6 % in 2020. (TEMPO online)

The same gap as the employment rate, women are more inclined to leave the education system earlier than men do. Further research will be conducted to find good practices of reducing the gap between the women’s and men’s employment rate by participating in training activities and partnership between local authorities, companies and school units to better prepare the young individuals for the labour market requirements. (Light, 2001)

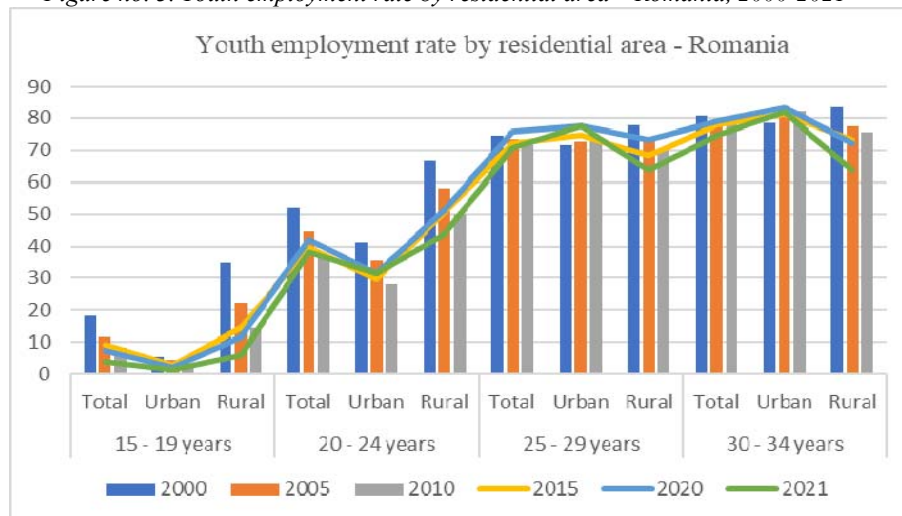
Figure no. 2. Employment rate by regions - Romania 2000-2020



Source: TEMPO Online, INNSE data for Romania

The residents of Bucharest area have the highest employment rate increase for the reviewed period by 30.4 percentage points. North-West, West and Central areas have a higher employment rate, over 70%. North-East area recorded the lowest employment rate 58.1 %, 11 % lower than the national rate. (Figure no. 2) Employment rates are influenced by many factors, one of them is the migration of active age individuals. Further research would be conducted to observe the reason for lower employment rates parallel to researching good practice for achieving higher employment rates.

Figure no. 3. Youth employment rate by residential area – Romania, 2000-2021



Source: TEMPO Online, INNSE data for Romania

The youth employment rate data researched for this paper represents the number of employed persons aged 15 to 24 and 25 to 34 year olds represented as the percentage of the labour force for that age category. From the year 2000 to 2021 the employment rate of young people, dropped for all young adults age categories. (Figure no. 3)

According to some researchers one third of the people that left Romania in the year 2007, the EU accession year, constituted by 25 to 34 years old young adults. Among the listed reasons for emigrating were the lack of employment opportunities and low wages. The economic crisis led to lower employment rates till 2012. For over half of the unactive youth, the reasons implied for not working were the personal responsibilities and obstacles ran across on the previously job search. (Pisica et al, 2015)

Young people residents of the rural areas of Romania, record a lower employment rate. Rural areas are predominant agricultural area. The vulnerability of young adults on the labour market is seen by the gap between urban and rural areas, gap noticed in participation in education and training, training accessibility, early school leavers and NEETs, inequalities that reflect into the participation of young people in the labour market, thus the raising number of individual living in poverty.

Table no. 1. Young people's employment rate by age and regions, Romania 2000-2021

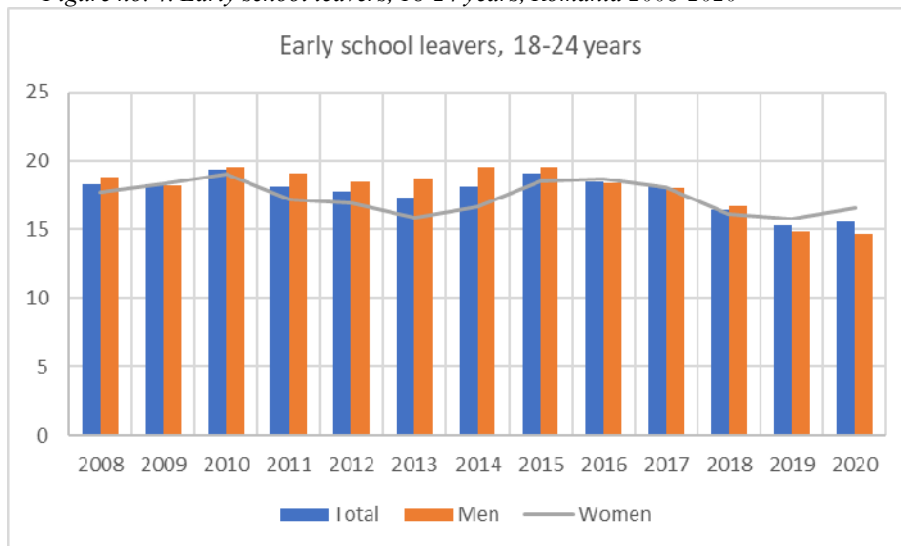
Age/ time	Time	2000	2005	2010	2015	2020	2021
15 - 24 year olds	total	35.2	28.4	24.3	24.5	24.6	20.8
	North-West	39.5	28.1	25.1	21.5	20.4	21.1
	Center	32	27.6	19.2	18.3	17.1	16.7
	North-East	41.7	33.8	31.4	36	36.8	26.2
	South-East	33	29.4	23.3	22.2	24.4	25
	South-Muntenia	34.3	29.2	24.9	24.7	28.2	21.4
	Bucharest-Ilfov	25.9	21.7	21.3	23.2	19.8	19.8
	South-West-Oltenia	35.5	26.7	25.4	21.8	23.8	19.2
	West	35.1	26.1	19.3	20.6	12.6	9.2
	25 - 34 year olds	total	77.9	76.4	75.9	74.9	77.6
North-West		77.8	78.6	78.5	80.6	82	81.4
Center		76.2	74.1	69.8	68.8	70.7	68.9
North-East		78.7	80.8	77.4	82.1	84.3	73.4
South-East		74.8	73.7	70.9	70.8	71	66.6
South-Muntenia		78.2	73.9	75.7	70.9	74.3	72.2
Bucharest-Ilfov		78.7	79.6	84.5	80.9	86.1	82
South-West-Oltenia		79.3	74.8	70.1	65.1	72.3	59.3
West		79.7	74.7	76.8	73.7	71.5	72

Source: TEMPO Online, INNSE data for Romania

Romania still records significant differences between regions and reached a high level of poverty. Among the European Union's citizens, Romanian people have the higher risk of poverty and social exclusion, a rate of 35.8 % for the year 2020. (EUROSTAT data)

The recommendation is to raise the level of flexibility and mobility of the working force inside Romania. The mobility of the working force is very low, the paper states that legal benefits were provided, but implementing the mobility is delayed by the lack of integrating measures for the family members, by providing social and educational services. (Ministry of Investments and European Projects, 2021)

Figure no. 4. Early school leavers, 18-24 years, Romania 2008-2020



Source: TEMPO Online, INNSE data for Romania

To understand the characteristics of youth employment and the transition from school to work, data for early school leavers and NEETs provided was analyzed. The published by INSSE, TEMPO online, data found applies for the time period 2008 to 2020.

According to EUROSTAT data, Romania has one of the highest rates of early school leavers in the last five years, 2017-2021, and the highest value recorded in European Union Member States for 2021, 15.5%. (EUROSTAT data) The role of education and training is crucial in a life of an individual, there is a direct correlation between the level of education and employment rate. (Breen et al, 1995)

Table no. 2. NEETs rate, Romania 2008-2020

Time	Age	2008	2010	2015	2020
Total	15-24	12.4	16.6	18.1	14.8
	25-29	17.9	23.2	25.3	20.2
	30-34	17.5	20.1	21.6	20.7
Men	15-24	9.6	14.2	15	11.6
	25-29	10.2	15.7	17.7	11
	30-34	9.1	12.4	13	10.6
Women	15-24	15.4	19.2	21.4	18.1
	25-29	25.9	31.1	33.6	30.2
	30-34	26.1	28.1	30.8	31.6
Urban	15-24	9.7	12.9	15.1	10.7
	25-29	14.9	20.2	22.1	16.5
	30-34	14.5	17.3	18.4	16.1
Rural	15-24	15.9	20.9	21	18.3
	25-29	22.2	27.8	30.1	24.8
	30-34	21.8	24.1	26.5	27.6

Source: TEMPO Online, INNSE data for Romania

As also seen in previous tables and figures, there is a significant gap between rural and urban areas. NEETs rate is higher in rural area, 27.6 % for 30 to 34 year olds, compared to 16.1 % in the urban area for the same age group rate recorded in 2020. Women’s NEETs rate for the group age

25 to 34 is almost three times higher than men's. Romania also has the second highest NEETs rate among Member States, recorded in 2021, according to EUROSTAT data. High NEET indicator translates into high risk of exclusion from the labour market, followed by social exclusion and poverty increase, whereas in Romania 1 in 4 young adults age 25 to 34 from rural areas were in this situation in the year 2020. (table no. 2)

5. Conclusions

Young adults represent a sustainable potential for economic growth, but a significantly unused potential of rural areas 'youth. Development of partnership programs with all the stakeholders, national and local authorities, school units, NGO's, training companies and companies is required for an adequate valorization of the human capital, particularly focused on youth, especially from the rural area and disadvantages population. Presenting the benefit of partnerships and the benefits of attending different school activities and extra-curricular activities with an impact on employability. Concerning the urban and rural areas difference, more projects require to be implemented, targeted on the need of the individual, training programs adapted for the individual needs, style of learning and characteristics of the community.

The recommendation is to implement more partnership programs between schools, local authorities and enterprises for the youth living in the rural areas and for the women to increase the participation of young people in the labour market, to reduce urban and rural areas' gap, alongside the men and women's gap and bring well-being to the individual and to the community.

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