

## YOUNG PERSONS INSERTION ON THE LABOR MARKET. CASE STUDY IN ROMANIA AND BULGARIA

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### **Abstract**

*The labor market in Romania and Bulgaria is influenced by the economic and social, political system, as well as the environment, that is why the supply and demand on the labor market has many times different trends. The desired labor force must be highly satisfactory and skilled, flexible and efficient, stable and loyal. The supply is influenced by the factors such as education system, vocational training, social area, even the family. The issue on the young graduates insertion on the labor market is present not only in Romania and Bulgaria, but the unemployment rate in Europe is much higher as unemployment rate in USA. The statistics regarding the unemployment shoed, in 2016, that the number of unemployed continues to increase in Europe, it is much higher than the unemployment rate in the United States of America, the image is tough especially for the young under 25 years old. Starting from aspects, the present study aims at making an analysis of the degree of young insertion on the labor market from the two neighbouring countries, and the proposal of some solutions to lead to the increase of the insertion degree and the unemployment decrease among the young graduates. The most marginalized group of young persons is the group formed of those who not only they do not have a job, but also no studies. For both countries, one of the education system priorities is the achievement of the interdependency between different components of the education system, as each individual starts in his educational path from the primary education, and passes to the following levels, or chooses other types of education (vocational).*

**Key words:** Bulgaria, labor market, Romania, national employment strategy, young unemployed

### **INTRODUCTION**

In the European Union, the analysis of the process of young graduates absorption by the labor market as well as the specific characteristics of this process is a priority in the formulation of employment policies and of those with educational profile, which pay more attention to increase the employability of those entering the labor market for the first time [2]. An assessment of the level of socio-professional insertion of the young graduates, according to their specialization and qualification level, leads to a conclusion on the transition of young persons from the pupil/student status to that of employee, the concordance between the supply and demand on the labor market, to conclusive information on the effectiveness of the educational act on all levels of the system [6]. Both in Romania and in Bulgaria, the insertion of young graduates in the labor market is a problem that has grown in recent years as a result of

restructuring in various fields of activity, economic development, the proliferation of new forms of employment, increase of unemployment among young persons, the prolongation of the study period, changes in the social protection system, migration to West Europe and geographic mobility [5]. As youth unemployment is a social problem with multiple implications in the two analyzed countries, facilitating the transition of young persons from study to the labor market must become a national priority [7]. It was observed that the degree of insertion in the labor market depends on one hand on the graduates' skills and aptitudes, his/her specialization and also his/her personality, the attitude towards work, the way of "selling" on the labor market, plus the concrete conditions, the opportunities, the general constraints of the labor market at some point when seeking for a job [1]. The specialists unanimously accept the idea that the integration of young persons on the

labor market is a factor of economic growth with a major role in creating their economic welfare and social comfort with consequences in their further development [12].

## MATERIALS AND METHODS

The present study aims at identifying some opportunities for increasing the socio-professional insertion of young persons on the labor market in Bulgaria and Romania, starting from the fact that in both countries the statistics show that the number of young unemployed is increasing. In terms of employment and youth unemployment, the factors and characteristics of the labor market generally apply, but there are also specific issues for the two countries where young persons are one of the most disadvantaged groups because most employers prefer not to hire persons without experience and without work experience [10]. In addition, a large proportion of young unemployed do not have qualifications and specialties, requested by the labor market, making it more difficult for them to enter the labor market. From this perspective, the present study is a qualitative research, which is based on an analysis of the specialized literature, but also on the interpretation of quantitative data derived from the analysis of statistical information, compared in evolution between the two countries. As research methods, we used documentation, analysis and data processing from a secondary analysis. These methods are based on the processes of synthesis, induction and deduction, analogy and comparative analysis [12]. Once the information has been defined, known and interpreted, the next step was the detailed documentation of the field of interest. In the analysis, the study of the available documentation for the field or for the analyzed system is a starting point for obtaining the first knowledge and information. The documentation also involves the analysis of legislation and the comparative analysis of different specialized sources. Documenting, analyzing and processing of data and information from the following sources: Europe 2020 Strategy; the National Employment Strategy 2013-2020, analyzed

comparatively for the two countries; the National Institute of Statistics of Romania and Bulgaria; scientific works in the field; sites with specialized studies; Specialty literature.

## RESULTS AND DISCUSSIONS

In recent years, the economies of the European countries to which the economy of Romania and Bulgaria align, have been affected by profound changes. Over the last two decades, the European countries have had to face with various challenges, such as: rapid international economic integration - a fact well known by the term "globalization"; segmentation of the labor market, namely the dual existence of protected and less protected sectors; accelerated development and implementation of new technologies; reducing the working age population due to an aging population trend [5]. In this context, employers, in their desire to remain competitive, have an obligation to adapt to new technologies and organizational methods [11]. At the same time, employees must also adapt to these changes by acquiring permanently new skills needed to use new technologies [9]. In 2016, the active population in Romania was 8,979 thousand persons, of which 8,449 thousand employed and 530 thousand unemployed [8]. By age and gender, the feminine population was 15-24 years old, respectively 65 years of age and over, the largest deficit of inactive people. The feminine population aged 35-44 and 45-54 is the most active in the labor market (Figure 1.).

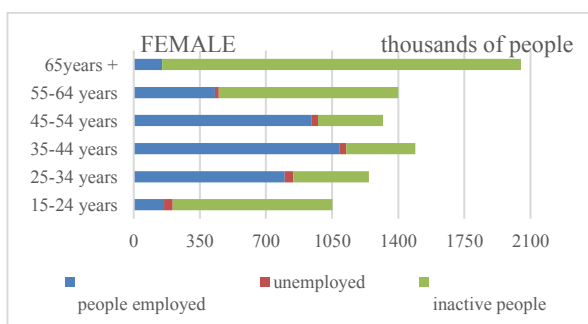


Fig. 1. Distribution of masculine population of 15 years and over, according to the participation in the economic activity and age group, in 2016, in Romania  
Source: Own calculation, data provided by I.N.S.-Romania Statistical Yearbook, 2016[8].

The masculine active population on the labor market records an increase in the 15-24 age group compared to the feminine population of the same category and a decrease in the occupied population in the age group of 65 and over. The most active masculine age categories on the labor market are those aged 35-44 and 45-54 respectively, as is the case for women (Fig. 2). The employment rate of young persons (15-24 years old) was 22.3% and that of the old persons (55-64 years) of 42.8%. (Fig. 3).

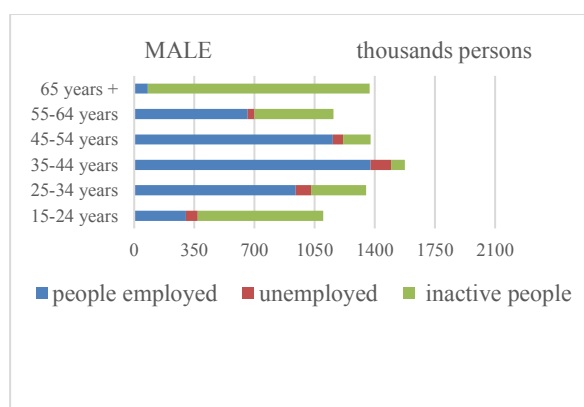


Fig. 2. Distribution of feminine population of 15 years old and according to participation in economic activity and age groups, in 2016, in Romania  
Source: Own calculation, data provided by I.N.S.-Romania Statistical Yearbook, 2016 [8].

The highest level of employment rate for older workers was recorded among graduates of higher education (86.2%). 65.2% of persons with college education were employed and 41.0% of those with low education.

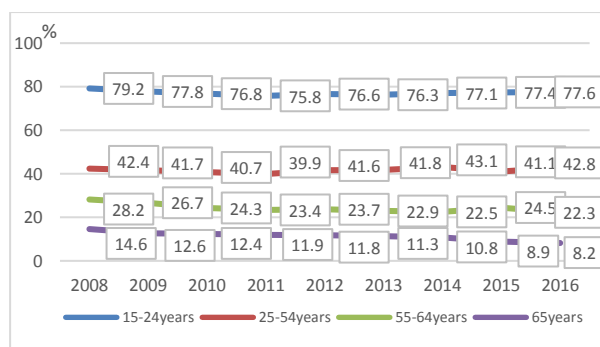


Fig. 3. Evolution of employment rate of 15 years old and over, on age groups, in Romania  
Source: Own calculation, data provided by I.N.S.-Romania Statistical Yearbook, 2016 [8].

The employment rate of the working age population (15-64 years) was 61.6%. This

indicator had higher values for men (69.7% compared to 53.3% for women) and values closer to the two residence areas (62.6% in the urban area and 60.2% in the rural area). (Table 1.). Higher values were recorded for the masculine population (75.0% compared to only 57.4% for the feminine population) and for the urban population (66.9% compared to 65.6% for the persons in the rural area). The analysis according to level of training (Table 2) reflects the fact that the employment rate of older workers (15-64 years) with *higher education* level was 86.2%. By sex, the employment rate of men with higher education exceeded by 5.5 percentage points that of women with the same level of education, and by areas, there were +2.5 percentage points in favor of persons in urban area, compared to rural area. 65.2% of persons with *college education* were employed, with differences between sexes (16.4 percentage points in favor of men) and between residence areas (4.5 points more for persons in rural area compared to urban area).

Table 1. Employment rate of working population according to level of education, gender and areas, in 2016, in Romania

	Total	Male	Female	Urban	Rural
TOTAL	61.6	69.7	53.3	62.6	60.2
High education (university master, doctorate, post doctorate and post university studies)	86.2	89.1	83.6	86.6	84.1
college (post high school vocation, complementary or apprentice)	65.2	72.9	56.5	63.3	67.8
Low (secondary, primary No education)	41.0	52.1	31.1	28.1	47.8

Source: Own calculation, data provided by I.N.S.-Romania Statistical Yearbook, 2016 [8].

With *low level education*, only 41.0% were employed, in this case the highest discrepancy (21.0 percentage points) was recorded by gender: for women, the employment rate was only 31.1 %, compared to 52.1% for the men. In Romania, in 2016, the employment rate of the population aged 20-64 was 66.3%, at a distance of 3.7 points from the national target of 70% set in the context of the Europe 2020 Strategy. The rate of unemployed young persons who do not attend any form of education or training (calculated for the 15-24

age group) was 17.4% in 2016, higher for women (20.8% compared to 14.1% for men) and in the case of residents in rural area (20.7% compared to 13.8% for young persons in urban area) (Table 2.).

Table 2. Unemployed young rate who do not attend any form of education or training, in 2016, in Romania

	Total	Male	Female	Urban	Rural
<b>TOTAL</b>	<b>20.8</b>	<b>14.7</b>	<b>27.3</b>	<b>17.0</b>	<b>25.3</b>
<b>15-24 years</b>	<b>17.4</b>	<b>14.1</b>	<b>20.8</b>	<b>13.8</b>	<b>20.7</b>
15-19 years	11.1	10.6	11.7	7.7	13.9
20-24 years	23.6	17.6	30.0	19.2	28.2
25-29 years	24.7	16.9	33.1	20.4	30.9
30-34 years	22.3	13.2	13.2	17.7	29.2

Source: Own calculation, data provided by I.N.S.- Romania Statistical Yearbook, 2016 [8].

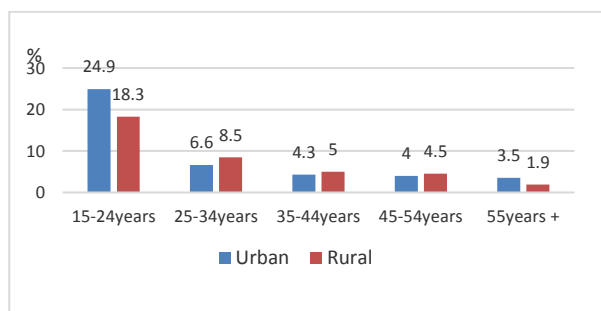


Fig. 4. Unemployment rate on age groups and areas, in 2016, in Romania

Source: Own calculation, data provided by I.N.S.- Romania Statistical Yearbook, 2016 [8].

The unemployment rate was 5.9%, decreasing from the previous year (6.8% in 2015). By gender, the difference between the two unemployment rates was 1.6 percentage points (6.6% for men compared to 5.0% for women), and for residence areas by 0.7 percentage points (6.3% in rural area compared to 5.6% in urban area). The unemployment rate was the highest (21.6%) among young persons (15-24 years) (Fig. 4). The unemployment affected the graduates of low and medium education, whose unemployment rate was 7.6% and 6.2%, respectively. The unemployment rate was only 3.1% for persons with higher education. By 2020 - the period of implementation of the updated Employment Strategy 2013-2020 in Bulgaria, some threats can improve the correlation between labor supply and supply and the functioning of the labor market [4]: the slower exit from the recession and low economic growth in the EU and the slow

recovery of the economy in Bulgaria, which, together with the insufficient competitiveness of the economy, threaten to create more and better jobs; Globalization, which hides the risks of job reduction, economic activity and loss of income for certain professions, regions and industries [10]; unfavorable demographic trends - by reducing the number and aging of the labor force, which limits job supply; Deterioration of the quality of the labor force due to the emergence of highly qualified labor force and access to low-skilled and low-education persons; External migration processes, as well as delays in the quality and adequacy of education, low participation of the population in lifelong learning can also have an impact; regional disparities and disproportions, limited mobility, etc [2]. At the same time, there are certain favorable conditions, such as the country financial stability and the use of significant financial resources in the operational programs and other EU programs. Together with the main objective of employment, Bulgaria also defined two sub-objectives in the priority areas of labor market development: getting a job among the old persons (55-64) from 53% in 2020 ; reducing youth unemployment for the 15-29 age group to 7% in 2020 [3]. In 2016, in Bulgaria, the active population was 3,264 thousand persons, respectively 53.3%, of which 3,199.6 thousand employed and 64.4 thousand unemployed [3]. The employment rate of the working age population (15-64 years) was 68.7%. This indicator was higher for men (72.7%, compared to 64.6% for women) and different values for the two residence areas (71.6% in the urban area and 52.8% in the rural area) (Table 3.). The highest level of employment rate for older workers was recorded among graduates of higher education (87.1%). It should be noted that the persons with professional qualification have a higher employment level than the persons with secondary education, respectively 78.6% compared to 72.8% the category with secondary education. As the level of education decreases, the employment rate decreases also. Thus, 39.8% of persons with education level - secondary school and only

31.2% of those with low education or without studies (Table 3) were employed. The activity rate of 15-64 year-old population was 68.7% at a distance of 7.3 percentage points from the national target of 76% set in the context of the Europe 2020 strategy.

Table 3. Employed population and employment rate of population aged between 15 and 64, in 2016 in Bulgaria

Indicator	Labor force – thousand persons	Employment rates - %
<b>TOTAL</b>	<b>3,264.0</b>	<b>53.3</b>
<b>On gender</b>		
Men	1,749.3	59.5
Women	1 514.7	47.7
<b>Residence area</b>		
Urban	2,563.6	57.4
Rural	700.4	42.3
<b>Age</b>		
15-24	161.1	23.9
25-34	732.2	76.5
35-44	904.8	85.4
45-54	822.5	83.7
55-64	579.0	58.8
65 and over	64.4	4.4
<b>Education level</b>		
Higher	1,013.5	73.7
College	1,849.4	59.6
Including with vocational qualification	1,148.1	66.1
Secondary school	339.0	25.4
Primary school and no education	62.2	20.2

Source: Own calculation, data provided by Bulgaria's strategy on the Europe 2020 horizon (Преглед на напредък)

The rate of young persons who do not attend any form of education or training (calculated for the 15-24 age group) was 16.8% in 2016, higher for women (18.3% compared to 15.3% for men) and in rural area (19.5% compared to 14.1% for youth in urban area) (Table 4).

Table 4. Rate of Young persons who do not attend any form of education and training in 2016, in Bulgaria

	Total	Male	Female	Urban	Rural
<b>TOTAL</b>	<b>19.7</b>	<b>15.3</b>	<b>24.1</b>	<b>16.2</b>	<b>23.2</b>
<b>15-24 years</b>	<b>16.8</b>	<b>15.3</b>	<b>18.3</b>	<b>14.1</b>	<b>19.5</b>
15-19 years	13.1	11.2	15.0	10.8	15.4
20-24 years	21.6	16.9	26.3	19.2	24.0
25-29 years	23.7	15.8	31.6	20.4	27.0
30-34 years	23.3	17.3	29.3	17.7	28.9

Source: Own calculation, data provided by Bulgaria's strategy on the Europe 2020 horizon (Преглед на напредък)

At the end of 2016, Bulgaria recorded 200,000 unemployed with an unemployment rate of 5.8% (close to Romania -5.9%) higher among women with 0.6 points compared to unemployment in men population (Table 5.).

Table 5. The unemployed and unemployment rate on gender, age, level of education and areas, in 2016, in Bulgaria

Indicators	Unemployed-thousand persons	%
<b>In total</b>	<b>200.2</b>	<b>5.8</b>
<b>Gender</b>		
Men	112.4	6.1
Women	87.8	5.5
<b>Residence</b>		
In towns	134.8	5.1
In villages	65.4	8.5
<b>Age</b>		
15-24 years	26.3	13.9
25-34 years	51.2	6.8
35-44 years	46.6	5.0
45-54 years	40.5	4.8
55 and over	35.5	5.0
<b>Education level</b>		
Higher	35.2	3.4
College	99.6	5.1
Vocational school	60.7	5.2
Secondary school	48.8	13.3
Primary school and no education	16.5	24.1

Source: Own calculation, data provided by Bulgaria's strategy on the Europe 2020 horizon (Преглед на напредък)

The urban-rural distribution is 3.4 points for the rural area. By age category, the highest percentage is recorded among young persons, so that in the age group of 15-24 years the percentage of 13.9% exceeds by 8.1 the percentage of unemployment recorded in the total population. According to the level of education, the highest percentage of unemployed persons is recorded among the persons without education or just primary school graduates (24.1%), compared to the graduates of higher education, where the unemployment rate reaches 3.4% similar situation with that recorded in Romania.

## CONCLUSIONS

In the current economic context, both in Romania and Bulgaria, efforts are made to facilitate the insertion of young persons on the labor market, given that the 15-24 age group

is aware of increases in unemployment both generally and in particular depending on the youth specialization obtained through studies. This problem can find its solution by creating and diversifying jobs, but also by adapting the specializations of the educational system to the labor market requirements as important elements in facilitating the insertion of young persons on the labor market. In both countries it is needed to diversify the job offer, especially for young persons who are not adequately trained and for whom the offer comes from commerce, catering, construction, tailoring, etc. Institutionally, it is required and available to each organization, ways of intervening to support access for young graduates to the labor market, such as: counseling and individual career guidance on seeking and job search sources, according to skills, attitudes and competences; job qualification - as a useful and necessary measure for young persons who want to specialize in a particular profession as required by the market; facilitating, through the local public administration, the participation of young persons, especially rural ones, in the Job Fair to meet employers, other young graduates, unemployed, and employees looking for a professional change, to find out what are the market trends, the availability of jobs and the employment requirements, what is sought, what profile of employee; institutional information, even in the education institution graduated regarding the dynamics of the labor market, the employment situation, the market trends required for graduates to pass more easily for changing their social status; enhancing the partnership of the educational institutions with media, which has a fundamental role to inform young persons about legislation on labor and social protection, the dissemination of new professional models and good practices that will lead to change the attitude of young persons regarding the professional requirements of the employee status, to the skills and aptitudes required by the employer; organizing the job fair on specializations, which will bring about the harmonization of the interests of the two categories specific to the labor market, namely, willing employers -

suitable candidates with reduced financial and time costs - who have the opportunity to compare and choose the desired job; the possibility of a flexible work program for the young mother who, during the study period, have access on the labor market

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