

YOUNGSTERS INSERTION ON THE LABOUR MARKET. A COMPARATIVE ANALYSIS ROMANIA - EUROPEAN UNION

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The insertion of young people into the labor market represents an important issue amongst all the countries within the European Union and this process is studied differently from one country to another. At present the European Union counts about 75 million young people with the age between 15 and 24 years old.

This article main objective is to study insertion rate of young people the labour market as well as it deals with their problems.

Key words: labor market, insertion rate, unemployment rate

Professional insertion should be seen as a process taking place in time as there is a convergence as well as divergences in the dynamics among learning and work. The methods concerning the transition between school and labour evolved lately becoming far more complex and even longer.

Theories about insertion of young people on the labour market :

- Initially, *insertion of young people on the labour market* was explained by taking into consideration the main features/factors such as: age, gender, social origin, etc.;
- Thurow¹⁰ (1975) explained *insertion of young people on the labour market* starting with the theory of competition for a job which allows a better understanding of the role of education in the hiring process, as well as the compatibility among job requirements and the level of the preparation of a person;
- Diambomba (1995) and Paul (1989) explained *insertion of young people on the labour market starting with the theory of human capital focusing on the year of studies*;
- Vincens (1989) and Diambomba (1995) consider that the process of *insertion of young people on the labour market could be explained by the mechanisms of labour market* ;
- Lepage (1987) and Vincens (1981) explained *insertion of young people on the labour market* starting with the theory of 'job search' which is focused on studying the behaviour of people while looking for a job;

However, each analysis concerning the insertion of young people on the labour market takes into account the period of time between obtaining a diploma and searching an employment.

In the process of professional insertion could be involved several actors such as: graduates- their evolution depends on the influence of various actors during this process, as well as their behavior do not submit to a strict economic rationality; employers **and universities** – education.

Main characteristics of young people:

In Romania as well as in the European Union was noticed a pattern according to which the insertion of young people become a very difficult process which involves longer period of time after graduating and actually finding a suitable job.

Currently, in the world there are around 1 billion of young people with age among 15 - 24 years, 85% of them live in the developing countries. The participation rate among young people decreased at world level

¹⁰ M. Bruyere, Ph. Lemistre, "La specialite de formation: un "signal" de competences specifiques et generales", 2006, pag.6,

from 59, 3% to 54, 4% between 1994 -2004 due to longer period of time for education. Currently, within the EU there are around 62 billions of young people, which represents 12, 7% of the entire population.

Table 1: Young population in European Union, year 2006

	% out of total population 2006		% out of forecasted total population 2050	
	less than 15 years	15-24 years	less than 15 years	15-24 years
UE27	15,9	12,7	13,4	9,7
UE25	16,0	12,6	13,4	9,7
Belgium	17,1	12,1	14,7	10,6
Bulgaria	13,6	13,6	11,5	8,2
Czech Republic	14,6	13,2	12,6	9,0
Denmark	18,7	11,2	15,7	11,8
Germany	14,1	11,8	11,9	9,2
Estonia	15,1	15,6	14,8	9,7
Ireland	20,5	15,2	16,0	10,2
Greece	14,3	12,0	12,3	8,9
Spain	14,5	11,9	11,5	8,2
France	18,4	12,8	15,8	11,0
Italy	14,1	10,4	11,2	8,4
Latvia	14,3	15,7	14,8	9,5
Lithuania	16,5	15,6	13,7	9,7
Hungary	15,4	12,9	13,8	10,0
Malta	17,1	14,4	14,5	10,7
Poland	16,2	16,2	13,0	9,4
Portugal	15,6	12,2	13,1	9,3
Romania	15,5	15,2	12,5	8,9
Slovenia	14,1	13,1	12,8	9,1

Source: www.eurostat.org

The table above shows that Poland, Slovakia and Cyprus have the larger segment of young population (among 15-24 years old). In the opposite direction are Italy, Luxembourg and Denmark. In 2006, Romania recorded a percentage (15,2) above the European average (12,7%). However, according to the estimates until 2050 the number of young people will drop significantly to 8, 9%.

According to INSSE there is a similar trend/pattern concerning the evolution of young population until 2025. It is expected a significant drop of young population to 29,3% (5,6 billions of young people) until 2025 (if fertility rate remains constant). The main explanations are: a drop in number of deliveries, longer period of time for education, social mobility, woman emancipation, etc. At urban regional level the young population will be around 10,8% (the lowest level) in Bucuresti-Ilfov in 2025 and 12,8% in North-Est.

Table 2: Evolution of young population during 2004-2025

	2004	2015	2025
Urban	14,4%	13,5%	11,6%
Rural	18,3%	16,4%	15,6%

Source: Projection of Romanian population per area, until 2025, page 19

The unemployment rate was 23,4% among young people in January 2007 (Romania), with Greece being the only one who recorded a higher rate - 24,7%). The rate is 3 times higher than the unemployment rate at the entire population level. Table 3 shows that EU member state recorded higher percentage for young people.

Table 3: Education level and occupation level

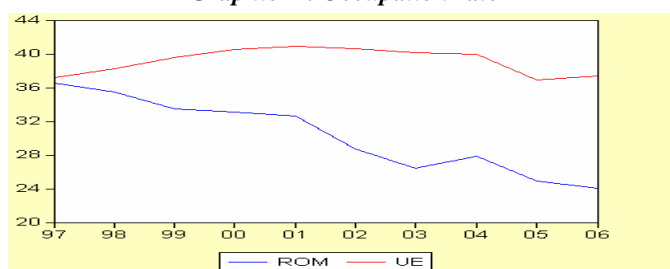
	Level of Education		Unemployment Rate 2007		Unemployment Rate 2006	
	20-24 years	25-64 years	15-24 years	Total	15-24 years	Total
UE27	77,4	69,3	16,8	7,5	36,0	64,3
UE25	77,5	69,1	16,5	7,5	36,9	64,6
Denmark	77,1	81,0	6,5	3,3	63,7	76,9
Poland	91,1	84,8	26,2	12,6	23,5	53,9
Portugal	49	26,5	17	7,6	36,1	68
Romania	76	73,1	23,4	7,5	24,9	59,6
Slovenia	90,5	80,3	10,2	5	35,3	67,1
Slovakia	91,8	87,9	23,4	11,2	25,7	59,3
Greece	84,1	60	24,7	8,7	24,5	61
Ireland	85,8p	65,2p	9,4	4,4	48,0	68,1
France	82,6	66,4	21,3	8,4	28,8	63,0

Source: www.eurostat.org

On the one hand, the current situation could be explained by lack of concordance among level of education (a theoretical one) and the demands of labour market and on the other hand by the desire of companies to hire more qualified personal. The importance of the diploma at the beginning of career is higher as the unemployment rate is smaller among the young people with a higher level of education compared to other categories as well as the period of time for finding a job is shorter for an educated person.

Occupational rate among young (15-24 year) is smaller than overall population as many of them are caught in the educational system and do not have a job. For the young aged 19-24 years was noticed an increase in education level (university level) from 26,7% in 1998 to 51,2% in 2005. In 1997 to 2006 **occupational rate** in Romania dropped from 36% to 24% while in UE was noticed an increase (less for 2005 year).

Graphic 1 : Occupation rate



Source: www.eurostat.org

There was an increase of the gross rate for higher education mainly for women during 1996 - 2007. (Table 4).

Table 4: Rate for higher education

	1996/1997	1999/2000	2002/2003	2005/2006
Superior	22,2	28	38,9	47,5
Women	23,3	30,8	44	54,4
Men	21,1	25,2	34,1	40,9

Source: www.insse.ro

The phenomenon could be explained by an increase in private educational offer at university level as well as by higher qualifications requirements from the employers' part. The labour market requirements shaped the students profiles. This is the reason why there is a drop in the number of students with technical degree as well as an increase in numbers of students for other profiles both for men and women. (Table 5).

Table 5: Students distribution by profiles

Profiles	2000/2001		2005/2006	
	F	B	F	B
Total	53,5	46,5	55,4	44,6
Technical	28,4	71,6	29,4	70,6
Economic	60,9	39,1	62,6	37,8
Juridical	52,7	47,3	49,3	50,7
Medico-pharmaceutical	64,6	35,4	69	31
University	67,7	32,3	67,5	32,5
Arts	54,9	45,1	55,8	44,2

Source: www.insse.ro

The change was caused by the desire of higher incomes or a higher wage for a short period of time. According to a research made by INCMPS¹¹ the most wanted jobs are in the field of: marketing, sales, human resources, IT etc, and in many cases university degree is neglected in the favor of the opportunities in the market.

According to the Euro barometers of 2007 the most wanted jobs within EU are in the field of: commerce and administration (20,1%), engineering and constructions (13,3%), IT (10,2%).

The main methods¹² used by people at the beginning of their career in searching for a job are through: specialized web sites (40%) and acquaintances (22,86%) .

Table 6: Methods to search employment for the current job 2007

acquaintances	22,86%
web sites	40%
newspaper	14,29 %
jobs fairs	2,86 %
recruitment firms	8,57 %
another	8,57 %

¹¹ http://www.mmssf.ro/website/ro/rapoarte_studii.jsp

¹² Data from a research made for the PhD paper "Romanian labour market", author Mihaela Dobre

Based on indicators/ indices above could be concluded that the insertion of young people represents a major challenge, reason for why Ministry of Work and Social Protection took several measures aiming at: increasing occupational rate among young, human development, improving social status of young population, etc. According to Lisbon declaration there is a substantial effort towards diversification of educational system and developing of an European educational system focused on vocational training and involvement of firms in preparing the young even from university.

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