

AN ECONOMIC PERSPECTIVE ON THE SOCIAL AND PROFESSIONAL INTEGRATION OF YOUNG PEOPLE

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Abstract:

The research work focuses on the integration of young people from a social and professional point of view. By comparing some characteristics of the labour market in the Member States of the European Union, one can observe the relationship between education and income, the labour market being the means of communication between them. During the difficult period imposed by Covid-19, the main elements of labour market policies are analysed, which are addressed to young people to facilitate access to education, in order to integrate into the labour market and society. The paper concludes with proposals for solutions to support and motivate young people in difficulty to learn, a key element in increasing employment and reducing unemployment among them.

Keywords: youth, unemployment, employment, labour market policies, education, motivation

JEL Classification: E24, J64, J21

Introduction

The purpose of the paper is to identify methods and solutions for the training and education of young people in the labour market in order to facilitate their accumulation of experience and their adaptation as easily as possible to the changes. The situation of young people can be described in this period of crisis caused by the pandemic, being affected by risks, difficult conditions, layoffs, insufficient incomes. At the same time, looking from a positive angle, young people had opportunities to learn, new challenges on the labour market, opportunities for entrepreneurship.

In terms of education in the pandemic, the learning environment has changed, moved completely online, in all countries of the world and at all levels of education, governments have tried to change the systems, making it difficult to manage all the changes.

In this context, the paper analyses the characteristics of labour markets in the Member States of the European Union, the main elements of labour market policies.

1. The conceptual and contextual framework of the research paper

The study focuses on the category of young people aged 15 to 29, on the particular characteristics of this segment of the population and on the difficulties, they may encounter during social and professional integration. Young people, as a labour force, represent a potential for the future of the labour market with its new forms, from at least two perspectives:

- the ability to adapt and acquire knowledge and skills in line with the changes imposed by digitalization,
- the motivation for obtaining income.

Considering these aspects, a mix of labour market policies from an economic and social perspective (we refer to income policy, education policies and social policies that could be grouped in the form of active and passive measures to influence the labour market) is necessary, because “The COVID-19 crisis will be at least as important for the future of Europe as it was for the fall of the Berlin Wall for our parents' generation. At some point, we will have to answer our own children's questions about how we did it. If we make the right

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decisions now, we can proudly say that the pandemic was the time when Europe rediscovered its boldness and dynamism and offered its young people renewed hopes for the future. " (Von Hammerstein, E., Gamon, C., Ehm, Y., 2020)¹ As they develop their careers, their professional lives will be better prepared for changes in the labour market and new opportunities, while integrating and participating in society.

Globally, the pandemic has highlighted rising unemployment and declining employment, especially among young people. "Alarming high youth unemployment rates of 25-40% in countries such as Italy, Greece, Spain and even Sweden provide more than enough reasons for many to question the value of the EU. Moreover, despite living in an era of relative peace and prosperity, our generation has grown up in the midst of a multitude of crises: financial, migration, climate, and now the current health and economic crisis caused by COVID-19. " (Von Hammerstein, E., Gamon, C., Ehm, Y., 2020)²

The social integration of young people depends on a number of factors and can be influenced by certain risks. Young people can experience uncertainties, difficulties, and a determining factor is individual income. Income for young people has various representations: it can be the expression of a person's productivity level; the level of the debut salary can be perceived as a factor that creates opportunities for promotion in the profession and can be a measure of everyone's contribution to society. "Economic resources allow integration by participating in social activities with peers (for example, going to cafes, cinemas, sports clubs, etc.)" (Plenty, S., Mood, C., 2016, p. 1295) Young people, especially they should pay attention to improving productivity, focusing more on personal and professional development, on developing the skills and competencies needed in the labour market. "Young people should focus on education, training, discovering their unique contribution to society and, ultimately, on creating job opportunities for themselves and others." (Smith, M., Shanahan, G. The Conversation, 2017).³

2. Analysing the main elements of labour market policies

Increasing employment opportunities for young people is a priority for the European Union. Young people can look for a job while they are still in education, and experience is needed in any organization. Their occupation suffered a decline in the pandemic, and they became determined not to look for a job. "According to the International Labour Organization (ILO), the pandemic has 'disproportionately devastating' effects on employment opportunities for young people, and the latest figures show that young people face major obstacles, which prevent them from continuing their training and education, to try more jobs or enter the labour market. " (European Parliament, 2020)⁴, Figure 1 shows the employment situation of young people aged 15 to 29, as a percentage of the total population of the same age.

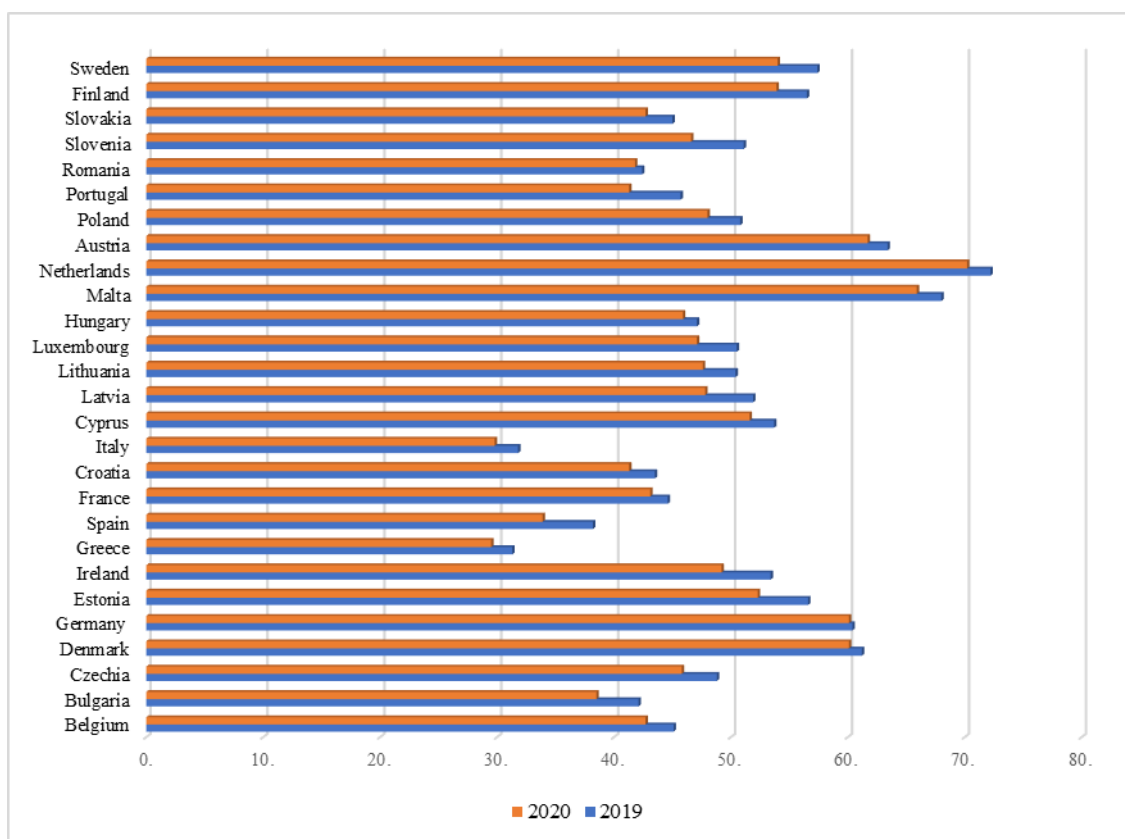
¹<https://www.project-syndicate.org/commentary/how-europe-can-overcome-crises-and-regain-youth-by-elisabeth-von-hammerstein-et-al-2020-11>

² Idem, <https://www.project-syndicate.org/commentary/how-europe-can-overcome-crises-and-regain-youth-by-elisabeth-von-hammerstein-et-al-2020-11>

³ <https://theconversation.com/universal-basic-income-is-it-really-what-todays-youth-need-72979>

⁴ <https://www.europarl.europa.eu/news/ro/headlines/society/20200709STO83004/covid-19-cum-combate-ue-somajul-tinerilor>

Figure 1. Employment of young people aged 15 to 29 (%)

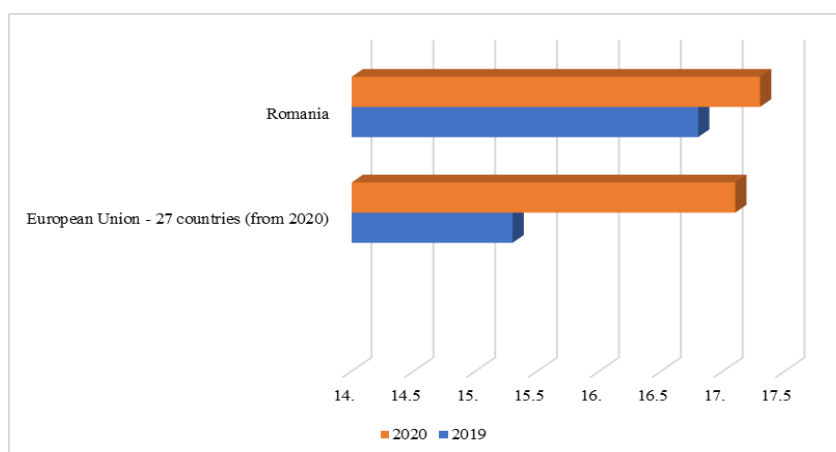


Source: authors' processing, according to Eurostat, (accessed on 21.09.2021)¹

It is noted that in all EU Member States there has been a decrease in employment, even significant in some cases. For example, Sweden, Slovenia, Spain, Estonia, Ireland, Bulgaria suffered. In Romania, in 2019 the employment rate was 42.4%, and in 2020 it decreased to 41.8%, which can cause concern among public policy makers. Layoffs were needed, so employees were left without income in the difficult and restrictive conditions imposed by the pandemic.

The following figure (Figure 2) shows the unemployment rate of young people aged 15 to 24, in 2019 and 2020, as a percentage of the total population of the same age on the labour market.

Figure 2. Unemployment of young people aged 15 to 24 years



Source: Eurostat, (access date 11/11/2021)¹

¹ Youth employment by sex, age and educational attainment level, https://ec.europa.eu/eurostat/data/browser/view/YTH_EMPL_010_custom_1516059/default/table

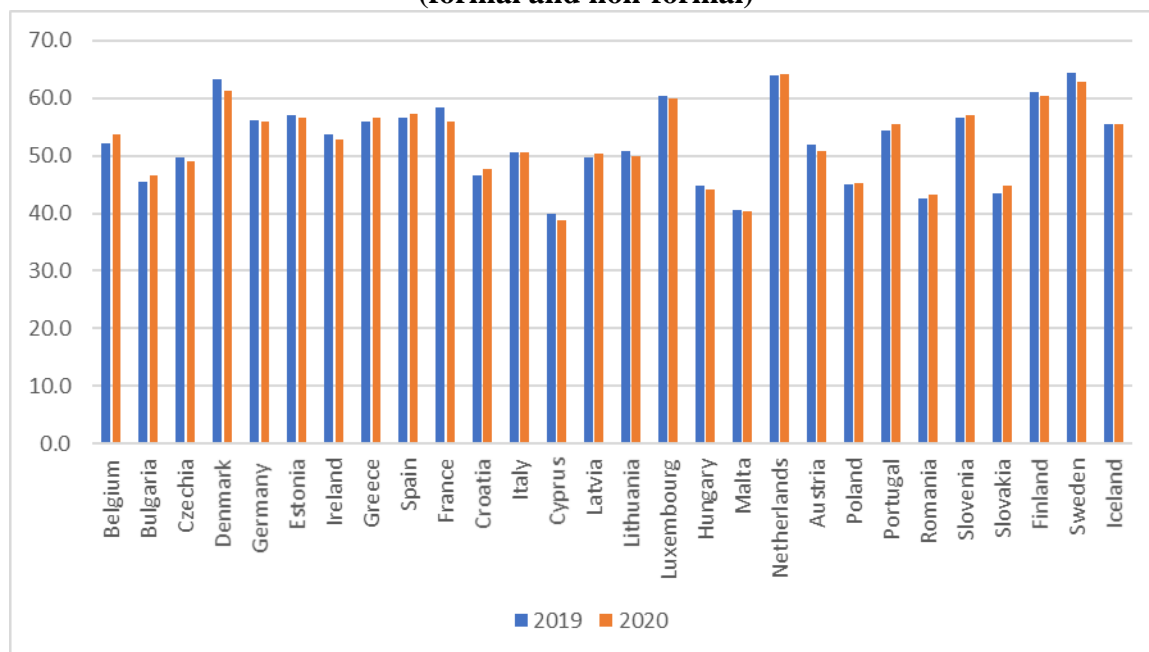
Unemployment in Romania is increasing, since 2018, but it is observed that in 2020 Romania has a slightly higher percentage than in the EU member states, which can be an alarm signal. The rise in unemployment was mainly caused by the conditions imposed in the pandemic. The work in the pandemic took place mainly from home, where there was an improvised office, with the help of the Internet, connected on different devices depending on the possibilities of the individual or the employers. In general, from the very beginning, each company acted by allocating its own resources or using support and facilities to save jobs, protect health, but also maintain employee income and continue business.

Starting from the level of companies, through internal policies to support the motivation of young people for work, this will become an important factor in their integration from a professional point of view and in society. It can be positively influenced by a number of factors, such as training programs within the organization for the skills needed in the labour market, the benefits offered by employers for training and for the transmission of their own knowledge among teams. The employment of young people has proven to be effective over time, but above all it has proven to be beneficial for organizations that have undergone massive transformations of internal processes following the Covid-19 pandemic.

Knowledge and education are important factors for the participation and integration of young people in the processes of social, economic and political development. Each level of education completed is essential because it can provide young people with a career basis, so they can build a plan for their long-term professional and personal development. In society, education offers a status, responsibility and trust.

In the following figure, it is the rate of participation of young people in the types of education and training, formal and non-formal.

Figure 3. Participation of young people aged 15-29 in the types of education and training (formal and non-formal)



Source: Eurostat, (Access date 15/11/2021)²

Graduated levels of education can provide more opportunities, adolescents can be open to change and work. It is to be appreciated the flexibility of the educational system, which can

¹Unemployment by sex and age, https://ec.europa.eu/eurostat/databrowser/view/UNE_RT_A_custom_1518592/default/table?lang=en

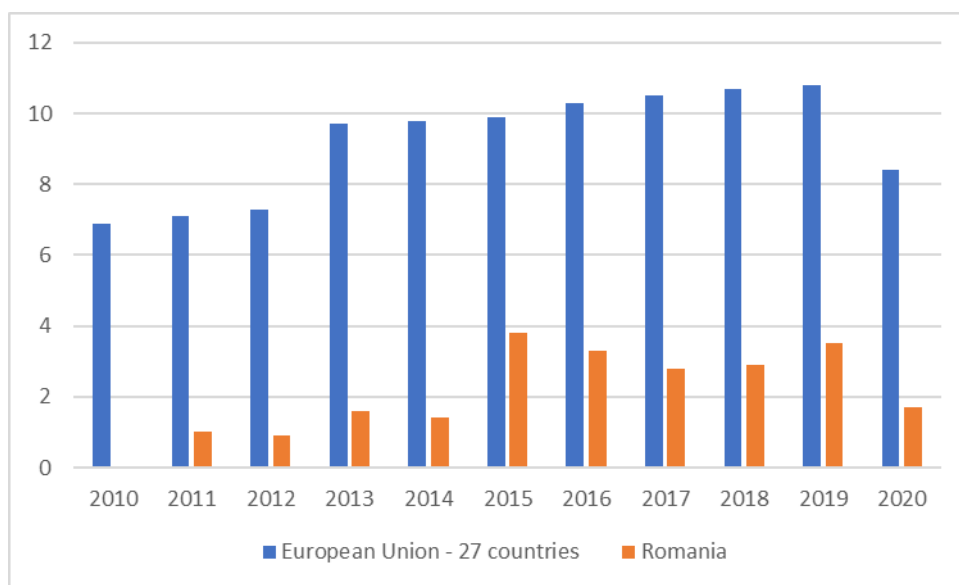
² Participation rate of young people in education and training by sex, age and labour status (incl. NEET rates), <http://appsso.eurostat.ec.europa.eu/nui/submitViewTableAction.do>

offer the possibility to choose one path, or more at once, even the possibility to easily change the chosen path. "The educational system is built so as to permanently offer the student education and training options, paths that ultimately lead to employability, in different forms (professions and occupations or entrepreneurship)." (Ministry of National Education, 2019, p. 9)¹ The school can train an individual, can give him an identity and a decision-making capacity, can develop the empathic side of future adults.

In the figure 4, it is the participation rate of young people in the types of non-formal education and training, which are mainly components of training programs in companies.

Through the internal policies of the companies, the involvement of young people in non-formal training programs will support the motivation of young people for work, and this will become an important factor in their integration from a professional and social point of view.

Figure 4. Participation rate of young people aged 15-29 in non-formal education and training



Source: Eurostat processing, (Access date 20/09/2021)²

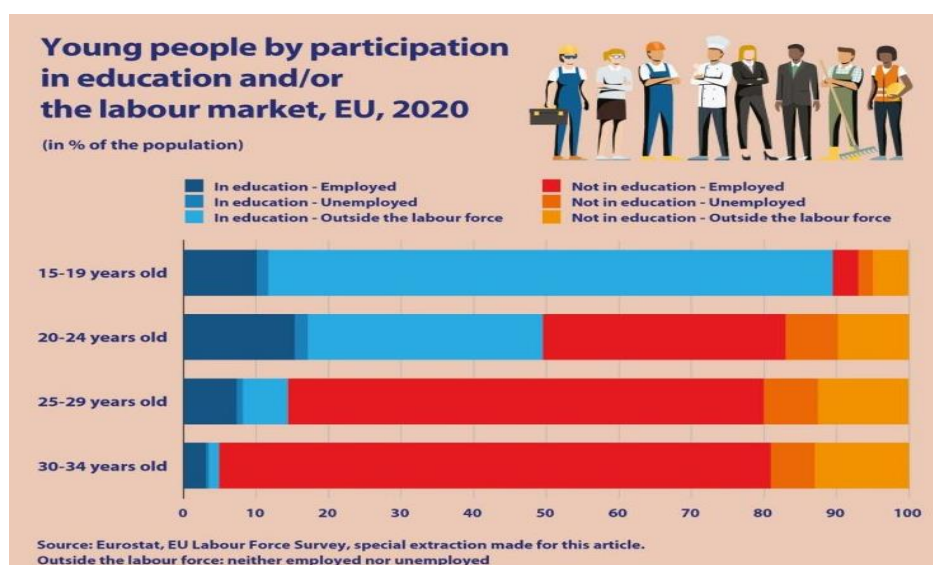
As we can see in figure above Romania is far away from EU countries, but it was observed progress between 2014-2019. In 2020, the pandemic situation disturbed the companies strategies and training programmes.

To exemplify by age groups, the participation of young people in education and the labour market, the following figure can be seen. Most start with affordable, temporary or flexible jobs.

¹ Education unites us - Vision on the future of education in Romania, Ministry of National Education, <https://www.edu.ro/sites/default/files/Educatia%20ne%20uneste%20-%20Viziune%20asupra%20viitorului%20educatiei%20in%20Roma%CC%82nia.pdf>

²https://ec.europa.eu/eurostat/databrowser/view/YTH_EDUC_060_custom_1365057/default/table?lang=en

Figure 5. Young people in education and / or the labour market, 2020



Source: Eurostat takeover, (Access date 11/15/2021)¹

As shown in the figure above, usually by the age of 20, most adolescents are still in education and not many have the courage or opportunity to move on to the next stage, to break away from family, to hire. However, after 20 years, young people can feel ready for a career, to integrate into the labour market and begin to assume the risks and responsibilities that may arise in the situation of assuming the separation from the basic family and integration into society.

Under these conditions, the incomes, respectively the incomes from salaries become a main element of balance / imbalance of the labour market. At the level of Romania, over the years the minimum wage has registered a sharp increase. For young employees, the income obtained on the basis of the minimum gross salary for those with higher education, can be an additional motivation, and the increase of salaries has proven to be beneficial to stimulate employment. In a first phase. it is even possible to increase employee productivity by putting more effort into completing tasks, improving the ability to adapt to change. There are also opinions that increase the minimum wage would lead to a segmentation of the labour market, and some industries risk becoming uncompetitive. Romania's position in this aspect is given by the Government of Romania, through the National Strategy of May 19, 2021 for employment 2021-2027, Published in the Official Monitor no. 559 bis of May 31, 2021.

At European level, an example of a successfully implemented program is the Youth Guarantee, which aims to bring all young people benefits, job offers, further education, offers for students such as internships, apprenticeships. Employers are with people who are having difficulty finding employment. "Therefore, strengthening the Youth Guarantee at this time is important to help mitigate the impact of the COVID-19 crisis and prevent a new youth unemployment crisis. The proposal is based on the experience and lessons learned during the 7 years of implementation of the 2013 Youth Guarantee and integrates the changing realities of the labour market, as well as the double digital and green transition. " (European Commission, 2020)

The HP Life program, implemented by HP Foundation and Junior Achievement Romania, from 2020 young people were able to take free entrepreneurship courses on the Ja

¹https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Participation_of_young_people_in_education_and_the_labour_market#Participation_of_young_persons_in_formal_education_and_in_the_labour_force

Romania platform. In addition, young people have the opportunity to work with HP volunteers and can receive opinions, feedback, advice for their business plans. They can learn how to run a business; they can develop their entrepreneurial skills and competencies. (Kipper, L., 2020)¹

“ACTIMOB NEET’S - Activation and mobility for young people”, co-financed by the European Social Fund, through which ANOFM offered young people NEET financial benefits to increase their employment, with a budget of 40,866,506.91 euros. Those between 15 and 25 years old could receive subsidies in the form of insertion, activation, classification and installation bonuses. During 2017-2019, the program had significant achievements, “through the project, between 16 May 2017 - 15 May 2019, 1134 activation / employment / installation bonuses were granted to unemployed young NEET’s who were employed and 7,471 subsidies to employers who have employed young unemployed NEET’s”. (ANOFM, 2019)²

3. Proposals for solutions to support and motivate young people to learn

Motivating young people is essential in the process of integration into the labour market, but also throughout life. On the part of employers, the process of integration (onboarding) can be helpful, being important the first interaction with the work environment, with the team, with the work tools. The onboarding process should be part of the Human Resource Management Strategy and business strategy. A well thought out, planned process that should not be limited to a few days, but should continue for weeks, even months, being important to enrich the employee experience, adaptation to the workplace to achieve professional performance. It may even be necessary to involve him in decision-making in the company, in relevant projects and with a high degree of importance in order to have the right to express his opinion, to solve certain problems. Facilitating all the processes, from finding the job, to integrating the new employee in the organization, will be capitalized by both each individual and the company, and ultimately by the entire company.

Financial rewards can be a priority for young people, even if they are at the beginning of the road and have no experience, their interest is growing to achieve financial goals. Revenue could be granted according to the achievement of objectives over a period of time. "Increasing the minimum wage can lead to increased employee motivation, taking over the function of efficiency wage - employees respond to wage increases by making a greater effort to perform work tasks, thus increasing labour productivity." (Document of National Institute of Scientific Research in the Field of Labour and Social Protection - INCSMPS, 2016, p. 138)³

Long-term unemployment can be detected and kept under control by employment agencies, young unemployed can be professionally trained and integrated into the labour market through existing programs that offer specialized help. Young people are interested in the development and training programs of an organization, the opportunities for advancement and growth. In fact, the positive effects of on-the-job or off-the-job training on employment growth over time are well known.

To overcome the crisis caused by Covid-19, people in vulnerable situations could receive grants before employment, and organizations could offer training courses to young people during the probationary period to gain experience in the field. They are eager to constantly learn new things, to keep up with technology changes and keep up to date with the most innovative business ideas. The goal of people in the 15-29 age group is to reinvent themselves, to adapt to any change in order to reach the best version of it.

Young people who leave the education and training systems can acquire feelings of fear, distrust because they cannot integrate into society. On the other hand, they will face a lack of

¹ <https://www.prwave.ro/hp-life-un-program-digital-de-antreprenoriat-pentru-tineri/>

² https://www.anofm.ro/upload/6822/Brosura_ACTIMOB_NEETs.pdf

³ https://mmuncii.ro/j33/images/Documente/Transparenta/2016/Studiu_salariu_minim_proiect.pdf

skills, qualifications, knowledge that will make it difficult for them to start in the labour market and integrate into a job, which will give rise to other feelings of frustration and stress, which it will involve additional costs to society for social and health care.

There is a level of awareness among the young generation of these problems and the need to adapt to the skills needed in the labour market, which leads them to look for ways to know, improve and learn, knowing that they prefer informal programs, innovative methods and fast.

The use of technology in the processes of employment, integration and learning in the workplace can be a plus for attracting young people because they are open to digitization and automated processes or subject to intervention by artificial intelligence. The ability to analyse, critical thinking, knowledge of foreign languages, creativity, the ability to learn are specific to young people and, to the same extent, are skills sought in the labour market.

Conclusions

The labour market is in an unfavourable period for new entries to the labour market, but the positive effects of the crisis caused by Covid-19 will not delay to appear. Unemployment has risen and the employment situation among young people has worsened in the countries of the European Union. Young people had the opportunity to take advantage of their time for knowledge, personal and professional development, having the opportunity to adapt more easily, to learn quickly and to adapt to changes. They are the main beneficiaries of the education, formal and non-formal training programs implemented, they need new information, but they also have numerous ways to access it.

The integration of young people from a professional point of view can be a challenge for employers, but with the necessary support the objectives of the implemented programs can be achieved. The Youth Guarantee, being the best-known project for young people, continues to have positive effects on youth employment, the unemployment situation, helping more than 24 million individuals in difficulty. The idea of facilitating the process of finding a job is beneficial to organizations, to increase productivity and competitiveness.

The education system has encountered difficulties, taking place online. It still has the power to prepare young people for the challenges they will face in the labour market. Their guidance can give them confidence that they can achieve their ideals. The Member States of the European Union can provide support to young unemployed people to facilitate their integration into work in society.

Wages are a path of communication between employers and employees, and the relationship between income and education is visible through progress over time. Young people with a solid foundation obtained from education can get results faster, are more productive and motivated. Income can influence the mental state of the individual, it can demoralize him if he is not satisfied financially. An increase in salary, of any kind, can reflect good work results, with employees becoming confident in their work.

Without claiming to be completely exhausted on the subject of youth issues, we intend to continue the research in the following directions: an analysis of the impact of the increase of the minimum wage on the participation of young people in the labour market; an analysis of the social situation of young people in the NEET category and possible economic policies of influence, a perspective on the labour market after the recovery from the Covid-19 crisis and new creative professions for young people.

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