

**„Babeş-Bolyai” University Cluj-Napoca**

Faculty of European Studies

**YOUNG PEOPLE AND THE WORK FORCE IN ROMANIA**

**STATUS QUO AND PERSPECTIVES. CASE STUDY:**

**CLUJ-NAPOCA MUNICIPALITY**

**~ SUMMARY ~**

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**Keywords:** young people, employment, youth unemployment, Romania, Cluj-Napoca, unemployment, social inclusion, social exclusion, social vulnerability, employment for subsistence, employment for self-actualization, career counselling, transition from school to active life, insertion into the labour market.

## ARGUMENT

The situation of the youth employment is the focus of our thesis, as besides the fact that it is and will remain a topical issue for a long time, stimulating the growth of employment among young people can be the foundation for a society based on active participation and social inclusion, with an increased quality of life.

In the short term, the lower the employment rate among young people, the greater the burden on the state for two reasons: 1. less money is collected for pensions, whereas in Romania the pension system is pay-as-you-go, where pensions are funded from current employee social contributions; 2. some of the non-working youth are beneficiaries of unemployment benefit, which is an extra cost to the state. In the future, low youth employment results in low quality of life, lower pensions and a precarious lifestyle for today's young people.

It is important that the employment rate of the young people is high enough so that:

- Social assistants are no longer a burden on the state. This can be achieved by reducing their number through a series of functional, integrated measures, such as providing new jobs, along with the involvement of people who are able to work, but not employed (professional training).
- The citizens feel satisfied with their social status because they are active citizens, both productively and in a participatory way in the decision-making process. This has the effect of greater participation and quality of life.
- Young people should be convinced that they can achieve their personal and professional development potential in that state. This means that the society has a potential to ensure the sustainability of the proposed economic measures, both in the short and long term.

## **RESEARCH METHODOLOGY**

The social dimension of the European Union consists in ensuring the social cohesion or the social convergence of all elements included in the social policy, namely access to education and lifelong learning, decent living conditions and jobs, non-discriminatory access to the labour market, regardless of gender, by ensuring equality of chances, etc. In this respect, it is necessary to investigate the extent to which these social policies are effective and what their costs are related to the expected results.

This thesis is part of a positivist paradigm given that we start from a hypothesis and we use the analysis of statistical indicators and the opinion interview to answer the research questions.

**The hypothesis** of this thesis highlights the fact that youth employment is an important pillar for social inclusion in a society contributing to medium- and long-term socio-economic development and that beyond any active or passive measures to stimulate

employment, education is the basic foundation. Thus, we demonstrate through this doctoral thesis that there is a relationship of interdependence between the unemployment rate and the levels of education of the population, especially among young people.

**The main objective** of this thesis is to analyse a potential causal relationship between the employment rate among young people and the socio-economic development of Romania, measurable by the level of GDP, school abandonment rate and salary levels in different economic sectors during the period 2010-2017. This major objective has four research objectives:

1. Studying the most important concepts, treatises and theories in the field of work.
2. Achieve a radiography of the Romanian labour market during 2010-2017.
3. Investigate the main proposed and implemented measures to increase youth employment through strategies.
4. Analysing the perception of the various relevant actors on the labour market in Cluj-Napoca regarding the employment of young people.

In order to meet the objectives abovementioned, our thesis answers the following research questions:

1. What employment measures are laid down in the EU Treaties?
2. What was the evolution of employment for 2010-2017 in Romania?
3. What are the main measures to stimulate youth employment at European and national level?
4. What is the perception of the various relevant actors on the labour market in Cluj-Napoca regarding the employability of young people under the age of 30?

The answer to these questions was based on an in-depth analysis of the youth unemployment phenomenon. The research strategy combines three types of studies: a descriptive study on the reflection of employment in the European Union treaties or in strategies at the European and the local level, an explanatory study on the identification of causes of youth unemployment, respectively a normative study because in the final chapter we offer a series of recommendations and solutions that can be applied at government level. In our analysis we used secondary data: from INSSE and Eurodesk databases, Eurobarometers and other studies, as well as primary data obtained through interviews with different employers and other key players on the labour market from Cluj-Napoca.

## **THE CONTENT OF THE DOCTORAL THESIS**

The doctoral thesis is structured in six chapters. The first chapter is an introductory one, presenting a brief insight into the subject and highlighting the relevance of the research theme, the quantitative and qualitative methods used.

The second chapter presents employment by analysing employment policies in the European Union from a number of key concepts such as the social policy, the work force, the employment, the human capital, employment rates, etc., continuing with the presentation of relevant economic theories employment and analysing the responsible institutions in the field in order to provide an overview of the phenomenon. In this chapter we analysed the European Union treaties in shaping the general framework of the studied phenomenon as well as the results of the Lisbon Strategy, together with the provisions and indicators established within the Europe 2020 Strategy. This chapter ends with the analysis of the European financing programs for 2007-2013, respectively 2014-2020.

In the third chapter, we used the comparative analysis of a series of occupational strategies at the national and the European level. The analysed strategies are: the National Strategy on Social Inclusion and Poverty Reduction 2015-2020, the National Strategy for Employment 2014-2020, and the National Strategy for Youth Policy 2015-2020. We also presented some youth employment and training programs such as Youth Guarantee or Erasmus Plus.

The fourth chapter analyses employment in Romania, focusing on employment among young people aged 15-29. This age category is vulnerable when it comes to unemployment and the difficulty of finding a job. We have used several methods of statistical analysis in this chapter, with the processing of the TEMPO data series provided by the National Institute of Statistics. In this chapter are highlighted socio-economic indicators such as: GDP, Employment Population, Activity Ratio, Employment Rate, Labour Productivity, Unemployed according to the International Labour Bureau etc.

The fifth chapter presents the results of the 56 interviews with key players on the labour market in Cluj-Napoca. These results are quite relevant at the local level.

The final chapter presents the final conclusions of the research, focusing on the development of key concepts: self-employment and subsistence employment.

## **PERSONAL CONTRIBUTIONS**

**The importance of our research** theme results from the fact that, as shown by a Eurofound report, the role of the workplace lies not only in ensuring decent living conditions but, above all, in providing citizens with the proper mechanisms to achieve their potential

and goals in life. A job ensures both incomes, gain to survive, and social status, and a role in the society of the person holding it. Thus, the people employed have a greater degree of satisfaction with their lives, with the result that employment is a milestone for development and well-being<sup>1</sup>.

The most important contribution is the proposal of two theoretically grounded concepts, namely: employment for subsistence and employment for self-actualization.

**Employment for subsistence**, in our view, refers to the situation where an employee, perhaps due to the economic situation or the low level of education or because he is at the beginning of his professional career or, most often, because of his low career aspirations, manages to cover some of the basic, security and physiological needs as they are presented in Maslow's Pyramid of Needs.

**Employment for self-actualization**, in addition to covering basic needs through salary, offers the concerned person a certain social-professional status in a certain field, a certain degree of financial independence - the employee manages to save, the salary covers his basic needs, but above all, through this job, the employee feels that everyday activities bring him satisfaction, workplace successes are part of him, define him, and can now, also, contribute to the development of the community which is part of (through donations, volunteering or even through the work he performs).

## LIMITS AND FUTURE RESEARCH DIRECTIONS

However, as with any research, this work is affected by certain limits that are due to the author's subjectivism, inherent in any research, to the methods used or to the access to relevant information. From the point of view of the methods used, we do not consider that it was necessary to use other parameters statistically. However, in the future, we also intend to use other primary data collection methods, such as the questionnaire. In this way, we can do more in-depth research, discover new research niches that correlate with secondary data at the national or the European level, we can achieve a certain degree of relevance in the whole studied population. The information used is the one offered by INSSE and Eurodesk.

## CONCLUSIONS

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<sup>1</sup> Eurofound, *The gender employment gap: Challenges and solutions*, Publications Office of the European Union, Luxembourg. Research report, 2016, pp. 62-67.

As we have pointed out, and in the course of our thesis, because of the high degree of competitiveness and technology, the type and content of occupations are in continuous dynamics, along with the transformations produced in various sectors of activity. Thus, increasing the chances of getting a job is done through professional development and continuous professional training, with an emphasis on specialization in a particular field or profession. A successful strategy would be to accumulate more qualifications, as well as gaining a high degree of proficiency and professionalism; their diversification would increase the chances of finding and keeping a service.

The transition from school to active life is a long and costly process for both society and the person concerned and his / her family. And if the individual fails to commit after graduation, there are a number of costs on the one hand for the individual (low living standards, call for loans) and on the other hand for the society (social aid - unemployment, lower financial resources attracted to the state budget).

Our study case on Cluj-Napoca city revealed that the majority of interviewees consider that a correlation of the theory with the practice, the education system with the labour market is necessary. Thus, employers' expectations are largely linked to the educational system that should better shape young people's professional lives through practice programs, knowledge of real business needs, and the development of cross-cutting skills. Young people should also be oriented before going to university to study what they like so that they do not have to work in areas other than those studied.