

## THE INSERTION OF YOUNG PEOPLE ON THE ROMANIAN LABOUR MARKET

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### **Abstract**

*The insertion of young people on the labour market poses a real challenge for countries where youth unemployment exceeds by far that of adults, and the education and training of young people should take into account the current and future requirements of the labour market. The article underlines the importance of education and training of young people (pupils and students) for an active life in the labour market, the reduction of school abandonment rate amid the distrust of the population in the education system, but also economic and social shortcomings. In this respect, we present the current situation of young people without jobs and identify their needs on the labour market, with particular emphasis on vocational training programmes, tailored to the requirements of employers. Linking education to the prevailing requirements of the labour market in order to reduce the unemployment rate of young people implies the need to develop partnerships between businesses and educational establishments, vocational guidance and counselling of pupils and students, placing the emphasis on the applicability of knowledge into practice.*

**Keywords:** education, training, young people insertion, labor market, active population, NEET rate  
**JEL Classification:** E24, I23, I25, J01, P46

### **Introduction**

The education system plays one of the most important roles within a society, generations of students contributing to the economic growth of the country. The correlation between education and economic growth has been extensively studied in the literature, demonstrating the direct connection between them. As Hanushek and Woessmann (2010, p. 251) specify, economic growth is strongly affected by the skills of workers and the quality of education. The education and training of young people have been talked about a lot in recent years, the information submitted in this respect having the aim of pulling an alarm bell for the representatives of the state and the citizens, directly and indirectly responsible for the discrepancies between the requirements of the labor market and the education system.

The education and training of young people are influenced by a variety of factors: social issues, health, material situation, the level of training of teachers, their teaching strategy, family influences, young people's desire to learn, their motivation to follow certain courses/schools in order to quickly enter the labor market, the budget for educating each child, access to education etc. Reference to these factors is necessary in order to highlight the fact that in the process of instruction there are more parties involved, on whose personal and group motivation depends the educational and professional future of the young.

Although in Romania compulsory education is of 10 school years, not all students enrolled in school complete this number of classes, school absenteeism is a phenomenon encountered frequently, especially among the Roma students. It is desirable, however, that, by the end of 2020, compulsory education should be of 12 classes. It remains to be seen, however, whether this change will be viewed with optimism by the general public, especially now, when young people are increasingly skeptical with regard to the usefulness of so many years of study, due to the large number of young people without a job.

The high rate of youth unemployment in Romania and in most member countries of the European Union prompted economists and representatives on the system of education and the labour market to think about a better correlation of the system of education with the needs of the labour market, thereby increasing the number of graduates to find a job in the field of training immediately upon completion of studies. The education system should represent, in any society, the core economic and social element; education is to create values, abilities and expertise for the graduates and to help pupils and students to carry out their own ideals concerning their professional career.

In Romania, in order to facilitate the access of graduates on the labour market, one of the most concrete solutions can be the creation of professional schools and promoting the need for them, since young people who learn a trade shall find work more easily than those who accumulate the theoretical information but do not have the opportunity to put it into practice. Promotion campaigns on the role of the school for an immediate insertion on the labour market are more than welcome, especially in a number of projects in which young people who choose to abandon school is rather high.

## Background

In Romania, children are enrolled in pre-primary education since the age of 3; before that age they can be enrolled in day nurseries. Pre-primary education is intended for children aged between 3 and 6. After completion of this programme, the children are enrolled in grade 0, at the age of 6 years, attending primary education, which lasts until the completion of the fourth class. Secondary education begins in the 5th (fifth) grade and ends with the graduation of twelfth class (XII). Until the 10th grade we talk of lower secondary education, and classes XI-XII/XIII are included in the upper-secondary education. Afterwards, we talk about the other two forms of education: post-secondary education and higher education. Up to the end of class X education is compulsory, and after that, every teenager is responsible for his/her decision to attend other studies or not. Although compulsory education provides only 10 classes, the majority of students choose to complete 12 classes, even though they will not pass all the Baccalaureate exam, considered an adulthood exam.

One of the great shortcomings of the current system of Romanian education is the small number of hours of practice, students not having the opportunity to put into practice the theoretical information gained at the course. As long as they can not implement the information given by the teachers, it will be difficult to save and store in time, students having the impression that the school does not offer them anything concrete. The applicability of the theory makes students more careful, more concerned with what they learn in school and, in addition, makes them feel useful. The successful application of practical exercises shall determine the increase of self-esteem, too.

According to the Strategy of the National Employment Agency for the period 2014-2020, "the youth employment problem is, currently, an absolute priority, discussed and

analysed in all the EU countries and at all levels" (the Strategy of the National Agency for Employment 2014-2020, p. 9).

Adults believe that those who have more education have more chances professionally, but the young, looking around them, tend to contradict them, because there are few people who, in spite of their higher education, have found a job after graduation. No matter how skeptical the young are, for their active participation in social life it takes education and training related to the needs of the labour market, the extent of education being used "as a measure of human capital, the education structure being useful information to estimate the available targets at a population" (Serban, p. 128).

The environment influences the education and training of young people, but also their behavior on the labour market. Young people are in charge of the status which they will receive on the job market, because "the correlation between education and work force is neither independent of the conditions in the labour market, nor limited to the level of education of the people" (Serban, p. 128). There are a number of factors that influence young people's inactivity in the labour market, but education and training may hold the lead role. Each individual is faced with certain difficulties the moment he/she decides to change the social status to become a student/ learner. Employment represents a real responsibility, a proof of maturity.

### **Methods**

The objective of the research is to present the reality about the education and professional training of young people in Romania for an active life on the labor market. Analyzing and interpreting statistical data represent the research method used in that article. The data published on the website of the National Institute of Statistics are taken up and processed with care so as to help accomplish the research objective.

### **Results and discussions**

To reduce the number of unemployed, bringing back to the fore post-secondary, professional and foremen education is considered to be an effective and lasting solution. A few years ago these forms of education were attended by a relatively large number of young people, however, the mentality has changed, and young people are embarrassed to attend one of these two forms of education, opting to go to faculties. Analyzing the evolution of the number of people enrolled in one of these forms of education in the period 1995-2015 (Table 1), we find that young people have dropped out of such a form of education in one of the fields: Machinery, Electrical Engineering and Electronics, Mining, Petroleum, Energy, Metallurgy, Geology, Chemistry, Industrial Chemistry, Building Materials, Construction, Exploitation and Industrialization of Timber, Transportation, Post and Telecommunication, Food Industry, Light Industry, Printing Industry, Agriculture, Forestry, Water Management, Trade, Finance, Accounting, Administration, Theology, Tourism, Services, Computers, Metrology, Health, Culture, Education, Social Welfare, Catering, Industry and Services, Industry, Other industrial activities, General Education, Services for the population, Activities in agriculture, Agriculture and Food, Management, etc.. For many of the profiles the number of young people enrolled is not known, meaning little transparency or a lack of interest on the part of the authorities.

**Table no. 1. Evolution of Romanian pupils enrolled in professional, post secondary and foremen education, on training profiles, years 1990, 2005, 2015**

U.M.: nr. people

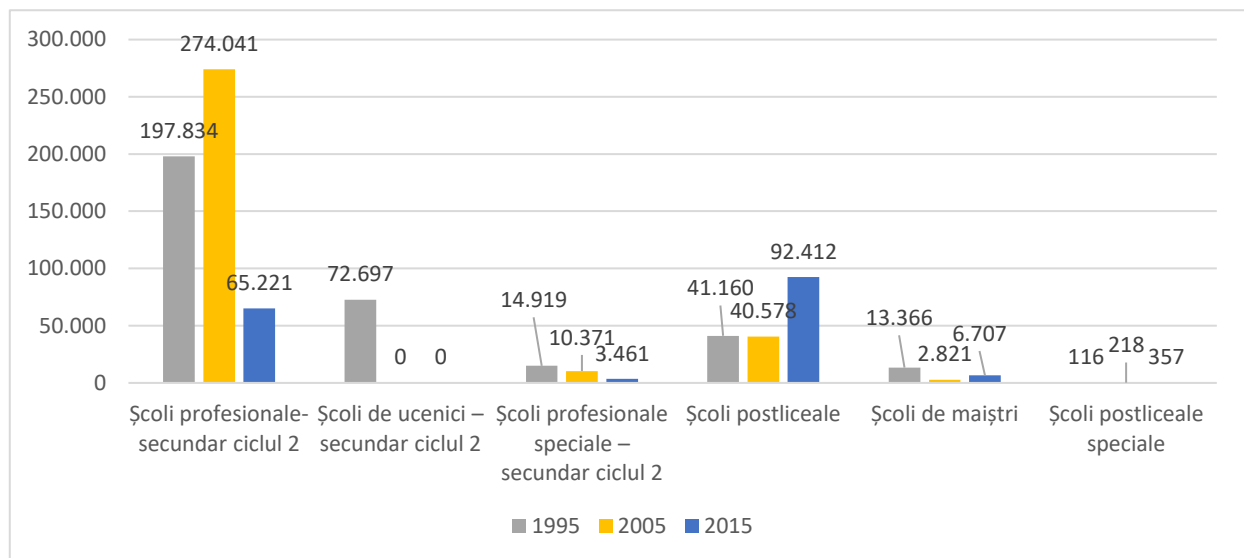
Training profile	Professional schools - secondary cycle 2			Special professional schools – secondary cycle 2			Post secondary schools			Foremen schools			Special post secondary schools		
	1995	2005	2015	1995	2005	2015	1995	2005	2015	1995	2005	2015	1995	2005	2015
<b>Total</b>	<b>197.834</b>	<b>274.041</b>	<b>65.221</b>	<b>14.919</b>	<b>10.371</b>	<b>3.461</b>	<b>41.160</b>	<b>40.578</b>	<b>92.412</b>	<b>13.366</b>	<b>2.821</b>	<b>6.707</b>	<b>116</b>	<b>218</b>	<b>357</b>
Machinery	29.121	66.068	9.243	2.030	1.277	194	1.493	309	1741	4066	542	1762			
Electrical Engineering and Electronics	9.388	30.650	3.246	96	40		1.750	78	1.080	1.318	260	1.004			
Energy	5.559	1.744	345				444	54	550	1.383	477	673			
Industrial Chemistry	4.495	2.957	315				881		931	700	101	125			
Building materials	2.258	1.455	93		21		20			84	32				
Construction	16.266	19.039	3.592	2.825	2.123	637	1.824	301	1.859	606	348	1.390			
Exploiting and industrialization of timber	11.742	15.383	2.526	2.394	1.050	347	377	200	475	579	135	80			11
Transportation	40.059	15.299	15.532	309	263	201	78	619	3.957	907	654	1054			
Light Industry	15.173	34.738	5.298	4.759	3.300	764	1.212	227	767	367	29	162			
Agriculture	12.288	25.083	5.253	578	359	138	2.012	41	845	497		161			
Trade	4.274	10.600	2.740	43	59		1.106	1.913	1.905						
Finance, accounting, administration							7.441	2.969	824						
Tourism		1.773	368			10	1.018	633	2.794						
Services							966	1.328	1.655					22	65
Computers							1.321	1.616	3.777						
Metrology							73								
Health							13.570	26.677	63.912				116	167	239
Culture							186	127	185					19	
Education							728	228	92					10	27
Social work								487	15						
Catering	8.262	23.693	7.685	1.269	1.140	586									

Source: Statistical data collected from the site [www.insse.ro](http://www.insse.ro), the Tempo-Online database, and processed by the author

Machinery, Electrical engineering and electronics, Industrial Chemistry, Construction, Exploitation and industrialization of timber, Transport, Light industry and Agriculture are areas which still have attendants, but their number in 2015 is much smaller compared to their number recorded in 1995.

At the level of 2015, most trainees were enrolled in post-secondary schools (92.412), and the fewest in post-secondary special schools (357). If the number of young people enrolled 2015 in professional schools-secondary cycle 2 is 3 times lower than that of those enrolled in the same form of education in 1995 (Chart 1), the number of those enrolled in the post-secondary special schools, foremen schools and post-secondary schools experienced a slight increase in 2015 compared to the one recorded in 2005.

**Chart no. 1. The situation in Romania registered in professional, post-secondary and foremen education, on training profile, years 1995, 2005 and 2015**



*Source: Statistical data collected from [www.insse.ro](http://www.insse.ro), the Tempo-Online database, and processed by the author*

Concerned about their professional future, many young Romanians go to faculty after graduating 12 classes, their desire being, unfortunately, not necessarily to form in a given domain, but to get a diploma that perhaps will be useful in the future. Nowadays, one can speak of a "hunger of diplomas", more and more being those wanting a complex portfolio of diplomas in various specializations, in order to get certain high positions within the institutions in which they work. In 2015, a number of 410,697 students were registered in higher education, diploma cycle. In the second cycle of master and post-graduate education 107,269 people were registered, about a quarter of the number of those enrolled to get a diploma, and for doctoral and postdoctoral programmes 17,252 people were registered. The reduced number of doctoral and postdoctoral students is associated with the strict discipline that is required in carrying out the research underlying the completion of these studies, as well as the inclination to search of a lower number of people (Table 2).

**Table no. 2. The number of students and learners in Romania attending higher education in 2015**

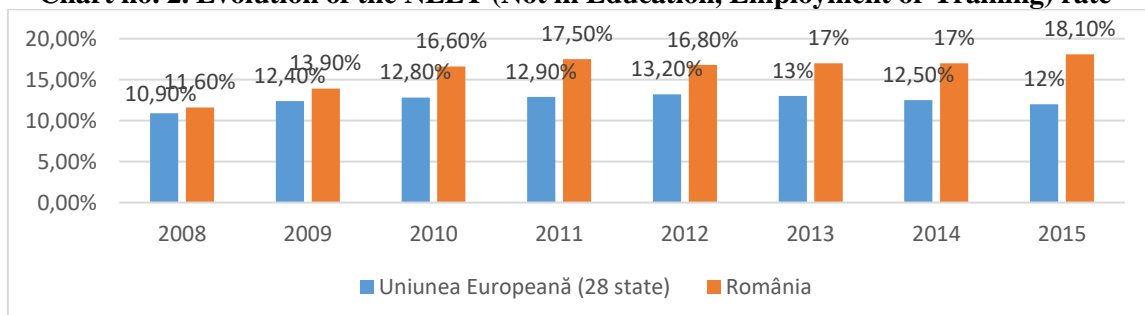
U.M.: nr. people

Level of instruction	Students enrolled for a diploma		Learners enrolled for master and postuniversity education		Learners enrolled for doctoral and postdoctoral programmes		Total students and learners enrolled in superior education	
	Public property	Private property	Public property	Private property	Public property	Private property	Public property	Private property
Number of people	351.450	59.247	96.495	10.774	17.067	185	465.012	70.206
<b>Total</b>	<b>410.697</b>		<b>107.269</b>		<b>17.252</b>		<b>535.218</b>	

Source: Statistical data taken from [www.insse.ro](http://www.insse.ro), from Tempo-Online database, and processed by the author

Although there are many state and private universities, with many majors, the education and training system can be characterized as "inefficient, unattractive and unadjusted to the structure and the evolution of the current job market" (Vasile and Anghel, 2016, p. 67). Romania has made and still has to make a number of efforts to determine the growth of the employment rate for young people and reduce the rate of unemployment among them, because the large number of academic majors related to the current labor market demands do not offer young people the opportunity to work according to the abilities and knowledge they have, being forced to work involuntarily in the areas that do not bring them any satisfaction (Rambu et al., 2016, p. 246).

One indicator reported in international statistics with regard to the involvement of young people in education, employment or training is NEET (Not in Education, Employment or Training), which, 2015 in Romania had the value of value 18.10% with 7.20% higher than that value recorded in 2008 and 6.10% higher than the EU average (Chart 2). During the period under review, 2008-2015, it is observed that, for 2015, the value of this indicator is the highest, which draws a wake-up call to motivate young people for education or involvement in employment, but also for the support of the families in their orientation activities beneficial to personal development. This indicator is calculated based on the total number of young people able to work (15-24 years old) who are not registered to any education form and who are not employed, who consume without producing and influence the economy and the values of the society negatively.

**Chart no. 2. Evolution of the NEET (Not in Education, Employment or Training) rate**

Source: Statistical data collected from the site and

<http://appsso.eurostat.ec.europa.eu/nui/submitViewTableAction.do> and processed by the author

Regarding the employment rate in the labour market, with particular emphasis on the employment rate of young people aged between 15 and 24 years, in Romania, during 1996-2015, one can observe a significant decrease in the number of young people who are active on the labour market (Table 3). Out of the total of 9,159,296 active people existing at the end of the year 2015, there are 139,797 people belonging to the category of 15-19 years, while 544,490 people fall in the age group of 20-24 years (7.47% of the total number of active people). Out of them, in the same year of reference (2015), 98,655 people in the age group of 15-19 years and 437,411 people in the age group of 20-24 years were employed. The difference between the number of active young people and the number of employed young people is quite high (148,221 people, representing 21.66% of total active youth), suggesting the need for finding and enforcing immediate measures and solutions. Data reported by the National Institute of Statistics of Romania for the first quarter of the year 2016 show a decrease in the active population (8,833,949 people) and thus a decrease in the number of young people active on the labour market (569,488 active young people aged 15-24 years).

The problems of the education system in Romania which have direct effects on the labor market are many, which is why there is a need for institutional managers and national, regional and local authorities able to correctly manage social and economic difficulties generated by the lack of correlation between the educational system and the needs of the labour market. The mentality is one of the factors that must be changed immediately, "for if until a few years ago, only those with many years of experience were promoted in a manager position, now emotional intelligence and leadership potential come first" (Dănciulescu, 2016).

A direction of action for higher education institutions is providing students with the knowledge of entrepreneurship in any discipline (technical, legal, filologic, etc.) for the formation of skills to start and run a business. Young people need knowledge of financial management, with which to conduct economic and financial analyses (Buse et al., 2007), of the main indicators of product (Cîrciumaru et al., 2010), models of analysis to avoid the risk of bankruptcy (Siminică et al., 2009; Marcu and Sitnikov, 2009) or correlations of the main indicators of outcome with macroeconomic indicators to manage systemic risk, by no means negligible in a business (Marcu et al., 2016). The knowledge of the overall economic environment, of its impact on the business, is extremely useful for anyone managing a business, especially in terms of financial and economic crisis (Cristea et al., 2010). Furthermore, macro-economic level knowledge in the area of public finances, such as the implications of public debt on the entire society (Marcu and Meghișan, 2011), or effective investments on the capital market (Acatrinei et al., 2013) are particularly useful.

**Table no. 3. Annual data concerning the active population by age group and gender, 1996-2016 (first quarter)**

U.M.: nr. people

Year	Total			15-19 years old			20-24 years old		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
1996	11.421.092	6.209.018	5.212.074	550.370	323.512	226.858	1.200.926	684.534	516.392
1997	11.471.511	6.215.834	5.255.677	502.724	286.241	216.483	1.170.244	676.448	493.796
1998	11.284.094	6.130.926	5.153.168	458.572	272.194	186.378	1.125.458	647.383	478.075
1999	11.279.935	6.104.549	5.175.386	419.295	255.153	164.142	1.100.544	644.614	455.930
2000	11.283.126	6.089.473	5.193.652	405.319	245.572	159.748	1.071.859	623.272	448.587
2001	11.151.080	5.995.013	5.156.067	376.318	218.968	157.350	1.046.620	600.669	445.951
2002	10.079.450	5.525.610	4.553.840	343.156	209.620	133.536	985.029	562.773	422.256
2003	9.914.263	5.464.742	4.449.522	275.367	175.060	100.306	885.936	519.071	366.865
2004	9.958.257	5.501.826	4.456.431	307.883	196.944	110.938	981.959	565.595	416.365
2005	9.839.811	5.478.296	4.361.514	243.815	152.891	90.924	890.060	525.564	364.497
2006	10.039.953	5.598.525	4.441.427	227.034	145.464	81.571	836.848	494.097	342.751
2007	9.986.795	5.597.647	4.389.149	203.157	134.114	69.044	816.791	490.658	326.133
2008	9.808.372	5.561.342	4.247.031	175.691	117.974	57.716	757.378	461.778	295.600
2009	9.576.391	5.428.423	4.147.968	159.805	101.488	58.318	688.528	414.822	273.706
2010	9.364.524	5.279.967	4.084.557	130.131	80.959	49.173	652.371	390.909	261.462
2011	9.187.574	5.131.638	4.055.936	126.013	74.330	51.684	634.221	375.890	258.331
2012	9.232.261	5.181.335	4.050.926	123.406	74.623	48.783	618.959	367.305	251.654
2013	9.202.116	5.190.963	4.011.153	121.443	73.243	48.200	583.159	351.231	231.928
2014	9.242.420	5.227.881	4.014.539	120.510	73.463	47.047	548.389	332.999	215.391
2015	9.159.296	5.243.245	3.916.051	139.797	85.409	54.387	544.490	332.099	212.391
2016 (first quarter)	8.833.949	5.043.766	3.790.183	103.631	61.853	41.778	465.857	294.487	171.371

Source: Statistical data taken from [www.insse.ro](http://www.insse.ro), from Tempo-Online database, and processed by the author



## Conclusions

Education and its impact on the economy and, consequently, on the labour market, is demonstrated both quantitatively through the direct correlation between education and gross domestic product, but also qualitatively, through individuals' skills, which must be taken into account. Regarding university education, several years ago, the number of young people registered in the upper education was downright surprising, because the arrival of private universities and the option of selecting a "tuition fee" place have encouraged young people to pursue a college education. The introduction of the type Bologna education prompted the increase of people going for a master's diploma, but, at present, due to the small number of budget places, many young people have quit as they do not have their own financial resources. Others are making efforts to pay for a place at the masters in the hope of a professional future as expected. Currently, things have taken a different turn, universities are faced with the inability of filling the number of budgeted places.

The professional training of young people involves their preparation for an active life in the labor market, involves dedication and passion on the part of teachers, but also motivation on the part of the young people and their families. At the same time, the professional training of young people involves a great deal of concern on the part of employers, who, through cooperation agreements with universities, can prepare young graduates on the wanted profile, the hours of practice being an effective way of testing and guiding. True, there are such partnerships concluded with some employers, but their number has to be extended.

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