

## STRATEGIC ASPECTS OF YOUTH INCLUSION IN THE EUROPEAN AND NATIONAL CONTEXT

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### **Abstract:**

*The youngmen's social inclusion problem has known a large spread lately, both at a European and national level. The identified risks in the case of failing in finding a job, especially for the young generation, determined the member states to identify and implement a diversity of measures in order to support youngmen in occupying a job. The purpose of this study is to identify the main actual elements that refer to the legislative and institutional measures, with impact on the youngmen's inclusion, at a European and national level.*

**Key words:** Unemployment, youth, active measures, institutional framework, legal framework.

**JEL classification:** J13, J21.

### **1. INTRODUCTION**

The work market permanently represents a subject of big actuality because on this market is transacted one of the most important resource: the work force.

The young population is, doubtless, one of the most important resources for the socio-economic development of a nation. This category of population has the courage and the energy for proposing innovating ideas and progressive mechanisms in all socio-economic domains.

The unemployment among young people represents a global problem, but the countries in course of development are confronting this disfunctionality in a more critical way, because of the high levels of poverty it is necessary the implication of all family members in working activities for obtaining incomes, that the most frequently insure only the surviving (ILO, 2011). According to the international statistics, the unemployment among young people at word level increased with 3,4 million people during the period 2007 – 2012 and it is estimated that this trend will be kept in the future. Also, the same statistic indicates a diminution of the number of the young employees with about 22,9 million in 2012 than in 2008 (ILO, 2013a, b)

Economically, the unemployment among youngmen leads to an instability of the work market, to the increase of the costs with social assistance, to the erosion of the tax rate basis and to the unrecovered of the investment costs in education and professional formation.

Socially, the unemployment among young people is not only the problem of the respective unemployees, but it is also the problem of their families and of the society, generally. Failing in finding a job leads to the human capital disappreciation but also to the risk increase of some diseases like: malnutrition, stress, depression, and even cardiac problems (Msigwa1, Kipesha, 2013). There is also a considerable risk for the young unemployed people to be involved in law-breaking activities, fact that will keep them further away from the liquidated work market.

### **2. PRESENT-DAY MEASURES REGARDING THE YOUTH INCLUSION PROMOTION IN EUROPEAN CONTEXT**

In a European context, the first strategic document destined to youngmen, “The White Paper on Youth” was lanced in 2001. During 2010-2018, the European action directions regarding the youngmen's inclusion were brought together in a strategic document “EU Strategy for Youth – Investing and Empowering. A renewed open method of coordination to address youth challenges and opportunities”). The strategy aims the politics concerning the youngmen from Europe, their

education, the occupancy of the work force, the social inclusion, the civic attending, the undertaking.

The most recent strategic document of European level “Europe 2020” proposes that Europe become an inclusive society with a durable economy based on knowledge and innovation. From the six main objectives proposed by the this strategy, two of them refer to the youth and aim the diminuation of the school abandon rate until a level of 10% maximum and the percentage rise of the population between 30-34 years, with superior studies, until a level of 40% minimum, and, respectively, the reach of “a rate of the work force occupancy of 75% among young population aged between 20-64 years.”

The strategy “Europe 2000” also envisages a priority theme concerning the youth, named “The youth in movement” that proposes the increase of the performances in the education systems of the member states and the facility of market entrance of the young people.

Among the measures concerning the social inclusion of the young people in the Europe 2000 strategy, we can enumerate:

- “the integration and the consolidation of the UE mobility programs, those destined to universities and those destined to researches ( as Erasmus, Erasmus Mundus, Tempus and Marie Curie) and their correlation with the national resources and programs;
- the identification of the promoting methods of the enterprise spirit through mobility programs for the professional youngmen;
- the launch of a Cradle for offering jobs to young people, cradle that should promote the entrance of the youth on the work market through the apprenticeships, stages or other work experiences.”

The European average of the allocated costs for the politics concerning the work market in 2011 (the most recent available dates concern the budget allocation from 2011) was of about 2% of the Gross Domestic Income (Eurostat, 2014).

## **2.1. THE IMPROVEMENT OF THE CONTRIBUTION ON WORK FORCE MARKET**

In the context of the mentioned strategies, the member states of UE have promoted active measures on the work market. More member states have increased the financing allocated for the active measures on the work market for 2013 (Czech Republic, Ireland, Croatia, Poland and Sweden), but others (Holland, Slovenia) have diminuated it, giving a bigger importance to the efficiency (European Commission, 2013).

The most common instruments used for promoting the occupancy of the work force among young people have been: the total, partial and/or sectorial salary subventions, the diminuation of the non-salary costs with the force market, the formation strategies for the young people, the apprenticeship strategies, the guidance and the opportunities of hiring in the public sector.

The United Kingdom offers support for the unemployed people through a personalized assistance in searching a job, but at the same time it has roughened the conditions for keeping receiving benefits for the people who are looking for a job.

In Ireland, has been launched the initiative ”Jobpath” in order to increase the capacity of the services of work force occupancy through the involvement of some tertial private contractors , through the engagement of doubling the number of the social assistances who are dealing with the unemployed people and through the fusion with the social assistance institutions.

Austria has introduced a measure of professional assistance of the young people in order to help them finding an educational or professional orientation related to their personal needs.

The programme of granting the first job from Hungary pays back, during four months, 100% from the costs with the salaries and the contribution to the social insurances for the new people entered on the work force market.

More member states have adopted fiscal measures for promoting the job creation. Almost all member states have introduced new measures or initiatives (or they have consolidated the already existent ones) for stimulating the private investments in research, development and innovation. At

the same time, a big part of the member states has introduced subventions for SMEs for encouraging the undertaking process among young people (European Commission, 2013).

States like Italy, Lithuania, Poland or Slovenia have concentrated on the undertaking spirit stimulation among young people by diminishing the bureaucracy and improving the business environment. For attracting foreign investments, Czech Republic has prepared a paquet named "Welcome Package", that aims the facility and the acceleration of the entrance on the work force market for the citizens who come out of the European Union, involved in major investments.

More member states have taken measures for increasing the work code flexibility, by using contacts of limited duration (Czech Republic, for seasonal jobs in agriculture and building), the extention of the short duration work (Denmark, from 6 to 12 months), the diminuation of the compulsory break between two contracts on limited duration with the same employer (Italy), the extent of the work period and the using of the flexible work programme (Poland).

## **2.2. THE IMPROVMENT OF THE EDUCATION AND PROFESSIONAL FORMATION SYSTEMS**

The European United States are in a continuous search of the measures that can improve the youngmen's transition from the school environment to their job, by organizing stages of professional formation and apprenticeship and by consolidating the relevant institutions.

Member states of the U.E. have concentrated on the improvement of the education and professional formation systems for better reflecting the needs of the work force market (European Commission, 2013).

In Great Britain, the employeers have the possibility of conceiving thier own apprenticeship stages related to their specific needs; also, it has been introduced a programme of formation stages for offering to young people, who are lacking the competences and the experience required on the force work market, a personalized paquet of support that allows them to follow stages of apprenticeship or to find other jobs.

In Greece, the law concerning the restructuring of the secondary educational system put the basis of a reorganization of the professional educational system, by reevaluating the role of the Organization for the Work Force Occupancy in the implementation of apprenticeship programmes. In Denmark there have been created apprenticeship centers in the professional schools.

Also, there have been introduced relevant modifications in the tertial educational systems from more member states. In Estonia, after a reform, the superior educational system benefits of a more exact orientation, related to the needs on the force work market and strongly correlated to the employeers and the resots ministers, concerning the number of jobs that should be offered in various study fields.

Bulgary and Malta have implemented measures that aim the diminuation of the cases regarding the early school abandon and Austria has concentrated on the fight against the school absenteeism as a means of improving the educational results, especially for the underprivileged youngmen.

## **3. THE ANALYSIS OF THE LEGISLATIVE AND INSTITUTIONAL FRAMEWORK AT NATIONAL LEVEL**

In the context of the adopted strategies at European level and the concrete measures implemented by the member states, it is important to contour the legislative and institutional contexts that have as main subject the social inclusion of the young people in Romania.

### 3.1. THE LEGISLATIVE FRAMEWORK WITH IMPACT ON THE YOUTH INCLUSION

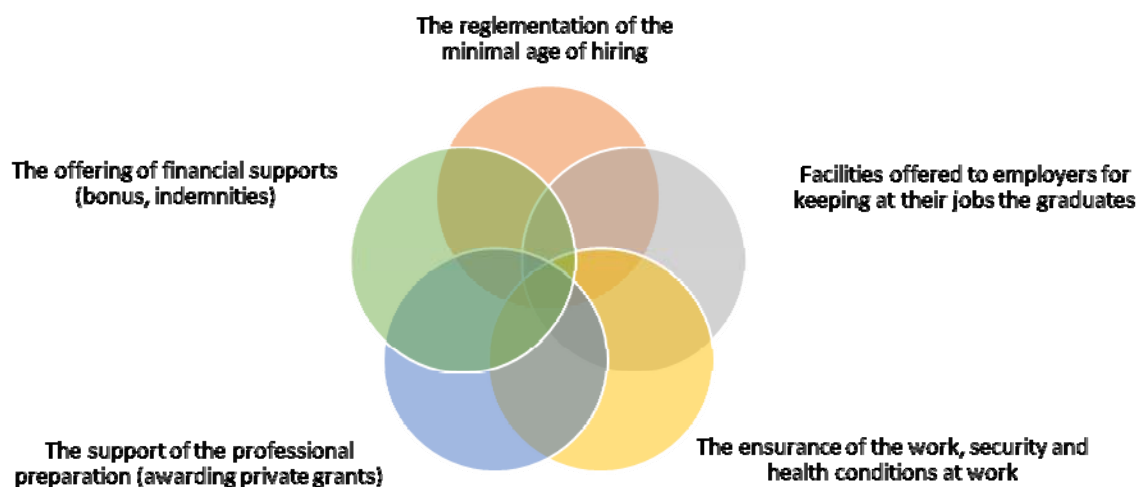
The Romanian Constitution situates the following rights and fundamental liberties regarding the work and the social protection of work, by the article 41, paragraph 1, the right to work is uncompelled, ensuring the basis of exercise by youngmen of a free professional choice of the job.

The general context for the organization, the administration and the function of the educational system in Romania is readjust by the Constitution and the Law of National Education (organic law).

According to the National Education Law/2011, article 16, paragraph 1,” the general compulsory education last 10 classes and includes the primary and the secondary education”.

The compulsory 10 classes education presents some advantages for the social inclusion of the youngmen at the end of the educational cycle (Work, Family and Social Protection Ministry, 2012):

- The implementation of some complementary measures of social protection in terms of increasing the public effort for education for the young people having a difficult material situation, especially in the rural environment, with a major risk of school abandon;
- It offers access to the work market for the young people beginning with de age of 15-16years;
- It improves the basic educational level of the young people, aspect that increase the chances of being hired;
- It diminuates the pressure on the work market and reduces the cost of (re)intergration by keeping the young people in the educational and professional formation system.



**Figure no. 1. The protection forms of the youth**

According to article 5 from the Law 279/2005 regarding the apprenticeship at work, the young people who are 16, but not more than 25, can be hired on the condition that they do not have a qualification for the job where the apprenticeship is organized. The apprenticeship is partially financially supported (article 17 Law 279/2005). In this way, by signing the apprenticeship contract, the employer "can receive each month, as a demand, from the budget ensurances for unemployment, during the period of the apprenticeship contract, for that apprentice, a sum equal to 60% from the value of the reference social indicator of the unemployment ensurances and stimulating the work force occupancy".

According to the law 72/2007 regarding the stimulation of hiring of the pupils and students, the employeers who hire pupils and students during the holidays have the right to a financial input equal to 50% from the reference social indicator, to a national level, ensured for each pupil or

student (art.1). The financial input is awarded at the employee's demand from the budget of the unemployment insurances for a period of maximum 60 working days.

According to the law 76/2002 regarding the unemployment insurances system and the stimulating of the work force market occupancy, there are brought under regulation the measures for realizing the elaborate politics in the purpose of the population's protection for the unemployment risk and the insurance of a high level of the occupancy (Art.2). The measures mentioned by the law have as purpose the reach of some objectives, among which we remember:

- The prevent of the unemployment and the fight against its social effects;
- The hiring or the rehiring of the people who are looking for a job;
- The support of occupancy for the people who belong to some underprivileged categories;
- The insurance of the chance equality on the work market;
- Support for the unemployed people in finding a job.

From the unemployment insurances budget are paid the hiring indemnities or bonuses, while the employees have some facilities: remission from pays, sums received from this budget. The employees who hire students for an unlimited period benefit of remissions during a year, at the pay of the contributions to the unemployment insurances budget. The employees of the disabled youngmen and who are recent graduates receive monthly subventions for each graduate for a period of 18 months. The young graduates benefit of this bonus only once on the condition that this right is required during a period of one year from the graduation.

According to OUG 6/2011 regarding the stimulation of the foundation and the development of the microenterprises by the young undertakers, one of the provisions is the offering of facilities to the youngmen who want to put the basis of an enterprise. The youngmen with the age until 35, who have never had an enterprise before, can receive irredeemable finance of maximum 10.000 euros for founding microenterprises, on the condition that they should hire at least two people and invest yearly 50% from their profit.

Among the facilities given through the Programme for stimulating the foundation and development of the microenterprises by the young undertakers, we mention (Work, Family and Social Protection Ministry, 2012):

- The employees' acquittance from the pay of the social insurance contributions for the incomes related to the worked time for maximum four employees on unlimited period;
- The acquittance from paying the taxes for the operations realized by the National Trade Register and its territorial offices;
- Receiving guidance and support from the territorial offices of the Agency of Projects and Programmes Implementation for SMEs (APPISME);
- Receiving assurance from the National Fond of Credits Assurance for SMEs for the credits contracted on the business projects basis accepted by APPISME, until maximum 80% from the value of the required credit, in the limits of 80.000 euros.

The interest for the youngmen's inclusion problem is also reflected by the degree of having access to the European Grants. Until 13th of December 2013, there were made pays of 1,82 milliard euros in projects of developing the human resources (The Operational Sectorial Programme for the Human Resources Development).

At the financed operations from the Social European Fond have participated 296.704 people aged between 15-24 years. The classification of the participants at the actions financed by the Social European Fond related to their age is presented in the following table (Ministry of European Funds, 2014):

**Table no. 1. The distribution of the beneficiaries' number aged between 15-24 related to the primary financial axis**

Primary axis	Number of people aged between 15-24		
	Men	Women	Total
1. The education and the professional formation in supporting the economic increase and the social development on knowledge	9.634	19.374	29.008
2. The correlation of the long life learning with the work market	43.381	43.310	86.691
3. The adaptability increase of the workers and enterprises	19.306	27.013	46.319
4. The updating of the public occupancy service	15	21	36
5. The promotion of the active occupancy measures	45.935	46.906	92.841
6. The promotion of the social inclusion	13.795	28.014	41.809
Total	132.066	164.638	296.704

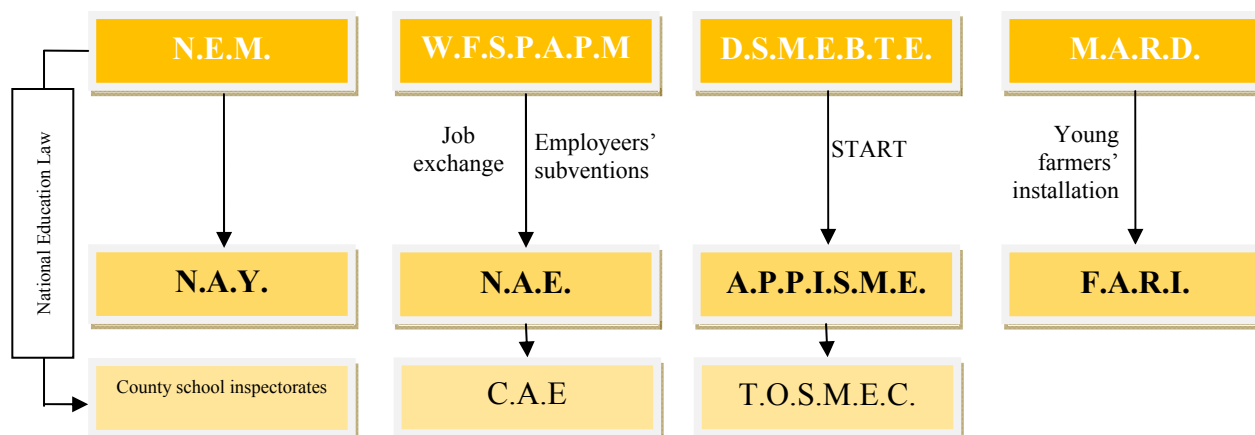
The people aged between 15-24 years represent 24,525% from the total number of the participants at the operations financed by Social European Fond. The most youngmen have attended activities from the field destined to the projects financed at the level of the primary axis 5 and 2 (92.841 people in the case of the primary axis 5, respectively 86.691 people in the case of the primary axis 2).

### 3.2. THE ANALYSIS OF THE INSTITUTIONAL CONTEXT WITH IMPACT ON THE YOUTH

From the perspective of the fundamental assurance of the youngmen's rights, mentioned in the Constitution, respectively of the rights given through the active legislation it is necessary the realization of an analysis at institutional level. Grace to their relevance in the analysis of the inclusive market for youngmen, the accent was put on the right of learning and the right of working.

While the conformation to the right of learning represents the mission of the National Educational Ministry (N.E.M.), the conformation to the right of working represents one of the objectives of the Work, Family, Social Protection and Aged People Ministry (W.F.S.P.A.P.M.).

The law 333/2006 regarding the foundation of the information and guidance centers for young people, anticipates their organization within the National Authority for Youth (N.A.Y.). The youngmen aged between 14-35 are assured the information, the guidance and the consultancy in the fields of specific interest. The services of these information centers are free, accessible, nondiscriminatory and assure the privacy of the dates having a personal character (art. 2-4).

**Figure no. 2. Institutional context with impact on the social inclusion of the youth**

*Adapted after: Work, Family and Social Protection Ministry, An inclusive market in the rural environment, 2012*

The National Agency for Employment (N.A.E.) is a public institution under the authority of the Work, Family, Social Protection and Aged People Ministry, from a central level, having in

subordination 41 county agencies and the Bucharest County Agency and also other formation centers affiliated.

The National Agency for Employment ensures to the young people the possibility of finding a job or developing professionally. It facilitates the youngmen's access to the opportunities of the work market by organising job exchanges that aim the young people who have left the educational system.

According to the National Project of Professional Formation for the year 2013, the number of the student-beneficiary of the free services professional formation was of 43.880, among who, 9366 (21%) were youngmen aged under 25 years. These programmes aim „the increase of the qualification level and the development of some activities in other fields, different from the agricultural field”.

An institutional relevant actor in the encouragement of the undertaking activities among young people is the Department of Small and Medium-sized Enterprises, the Business and Tourism Environment (D.S.M.E.B.T.E.) within the Romanian Government.

Through the subordinated structure, the Agency for Projects and Programmes Implementation of the Small and Medium-sized Enterprises (A.P.P.I.S.M.E.) was initiated in 2011 the Programme START in order to develop the undertaking abilities among youngmen and the facility of their access to obtain financing. The programme is implemented according to the precautions OUG/2011 for stimulating the foundation and the development of the microenterprises by the young enterprising. The beginner enterprising must ”be aged until 35 years, the day when he registers the license demand of the society with limitedated responsability at the Trade Register” and to ” found for the first time a commercial society with limitedated responsability”( article 2, paragraph 1a and c).

The institutional interlocutors from A.P.P.I.S.M.E. for the programme START are eight Territorial Offices for Small and Medium-sized Enterprises and Cooperations (T.O.S.M.E.C.) having the head office in Braşov, Cluj-Napoca, Constanţa, Craiova, Iaşi, Ploieşti, Târgu Mureş and Timişoara.

Another important institutional relevant actor from the youth side from the rural environment is the Ministry of Agriculture and Rural Development (M.A.R.D.). According to the National Programme of Rural Development (2009), to the strategic objective “the improvment of the commercial competivity farms and their associations, respecting the durable development principles”, MADR implements the Measure 112 “Young farmers’ installation”. According to the Solicitant’s Guide, the eligible beneficiaries are “the farmers aged until 40” who are forced not to end their activities for a period of three years. The programme is financed in a proportion of 20% by the contribution of the Romanian Government and of 80% by the UE contribution.

Also, M.A.R.D. implements the measure 312 “Support for the creation and the development of the micro-enterprises” having as specific objective “the variety of the economic activities non-agricol from the farms and the encouraging of the small undertakers in the rural environment”.

#### 4. CONCLUSIONS

The human capital is considered the most important resource both at the level of an economic organisation and at the level of a state. A category that should be given importance is that belonging to youth, to whom the society, the state, should ensure the basis of a successful start in consolidating their carrier. Although, both at the level of the developed countries, and especially, of those with a diminuated degree of development, the problem of youth unemployment persists. The causes have different nature and act differently related to the specific circumstances of each country or region. The specialists insist on the fact that the fail of a youngman in finding a job cand have bad consequences, both on the fellow, his/her family and on the economy in general.

The analysis of the legislative context, at the national and European level, indicated the preoccupation of the states for the improvement of the unemployment problem among youth.

The European Social Fond supports the efforts to fulfill the objectives of the Europe Strategy 2020 through actions of fighting the unemployment, with a special accent on youth,

offering strategies of formation and apprenticeship for requalification and professional perfection, education, the support of social inclusion and the consolidation of the administrative capacity. For the period 2014-2020, the preoccupation of the European states concentrates on the priority of the Europe Strategy 2020 politics.

The politics of the member states in the field of work market fluctuate related to the national priorities and circumstances. The common identified elements can be classified in this way:

- Services for supporting the unemployed people and the employers: information services, guidance services and financial support services;
- Active measures: professional formation (in institutions, at work or alternative); subventions/credits for stimulating the employment: stimulations for recruitment (temporary or permanently) and stimulents for keeping the occupancy; support for occupancy and reability (destined to those having a diminished work capacity); direct creation of new jobs and stimulents for the activities on their own;
- Passive measures: financial support for the people who don't work (unemployment help, compensatory pays).

At national level, it was stressed the existence of a legislative and institutional consolidated cadre, but which, at least at the present, does not succeed in being efficient.

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