

Youth and the Labour Market in Romania

ADAPT LABOUR STUDIES BOOK-SERIES

International School of Higher Education in Labour and Industrial Relations

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Youth and the Labour Market in Romania

Edited by

Cristina Lincaru and Vasilica Ciucă

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P U B L I S H I N G

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FOREWORD

VASILICA CIUCĂ

The cases of the Romanian labour market and of youth employment performance were analyzed in an attempt to improve the quality and efficiency of youth employment. Recent developments in labour market participation of young people indicate an accentuation of labour market segmentation and a decrease in job security for young people with the risk of exclusion and marginalization, fuelled by longer transition processes towards decent employment.

This transition may seem clear when one looks at two aspects: education and employment. However, the diversity that characterizes young people as a group makes this transition a difficult and blurred process to categorize. The challenge the transition towards employment presents is faced by all, regardless of one's level of education, as employment security is uncertain. The map and the schedule of this journey are anticipated and projected by society and communities through policies and initiatives to stimulate the entry of young people into the labour market through for instance Public Employment Services (PES).

The situation young people find themselves in when they finish school and have no job opportunities is a rather delicate one as society offers no "safety nets". Families are also powerless while the function of PES itself becomes useless.

Under the "intangibles are the major drivers of growth" paradigm, the greatest challenge faced by labour market management is assuring a new security model while creating value through innovation, research and development, brand construction and networking according to specific community needs. Demand and supply must be approached holistically by all labour market actors. PES should act as an institutional integrator that continuously monitors, evaluates and analyzes the state of the Business System's effectiveness.

The pathway to employment for those under the age of 25 should facilitate the gaining of skills needed for integration into a social system (organization, community, etc.). Only in a community which is open to them will young people learn how to grow and transform their host community in a sustainable way.

This book, as well as others in the ADAPT Labour Studies Book-Series, intends to explain the challenges young people deal with while playing a vital role within the community they live in. As Kafka has been quoted as saying, “Youth is happy because it has the ability to see beauty. Anyone who keeps the ability to see beauty never grows old”. Therefore, young people, and those young at heart perform an integral role in society, and they must be well integrated to enable their successful engagement within our communities.

INTRODUCTION

IMPROVING THE QUALITY OF EMPLOYMENT FOR YOUTH: GLOBAL CHALLENGES AND INITIATIVES

VASILICA CIUCĂ

1. Introductory Remarks

Romania assumed the ambitious targets set by the Europe 2020 Strategy to achieve a smart, sustainable and inclusive growth, goals which were reiterated in the Conclusions of the European Council (June 28 to 29, 2012). These complex objectives require a national response that would provide an adequate framework based on sound public finances, structural reforms and investments to boost competitiveness. The success of this complex process is conditioned by the capacity at national level to formulate concrete innovative measures and initiatives on employment, education and skills, according to the specific country's need, and to focus on obtaining results.

In achieving this goal, an important objective is to stimulate employment among young people, by providing opportunities for acquiring work experience and through job-creation initiatives for young people. These interventions were to be financed through structural funds.

Therefore, the Ministry of Labour, Family and Social Protection (MMFPS) in partnership with the Ministry of European Affairs, the Ministry of Education, Youth and Sports and other central administration bodies in 2012 promoted a "National Plan for Jobs", which was integrated into the National Reform Plan (2007-2013). This action was a response to the rising trend of unemployment, particularly that of young people, due to the prevailing negative impacts and amplification of the economic crises in Romania and across the globe. To the same end, the European Council approved a "Pact for Growth and Jobs"¹ in June 2012.

¹ European Council. 2012. *European Council Conclusions*. European Council Brussels, 29 June 2012 (COD), EUCO 76/12, CO EUR 4 CONCL 2 European Council:Bruxelles 29 June 2012 (COD).

In the context of high unemployment and the global financial and economic crisis, the following are supported as viable solutions regarding the employment of young people. These reforms aimed at:

(d) Tackling unemployment and addressing the social consequences of the crisis effectively; pursuing reforms to improve employment levels; stepping up efforts to increase youth employment, notably to improve young people's first work experience and their participation in the labour market, with the objective that within a few months of leaving school, young people receive a good quality offer of employment, continued education, an apprenticeship, or a traineeship, which can be supported by the ESF; and developing and implementing effective policies to combat poverty and support vulnerable groups. Member States will swiftly implement their National Job Plans and develop more ambitious and precise National Job Plans for the next European Semester ones. Member States should use the possibilities of financing temporary recruitment subsidies from the European Social Fund.²

The June 2012 Council established that “Boosting employment, for both women and men, in particular for young people and the long-term unemployed, is a clear priority”, with special recommendation that youth unemployment policies and actions pursue initiatives presented in the Commission's ‘Employment package’, putting emphasis on quality job creation, structural reform of labour markets and investment in human capital.³ As a result, the Commission launched the reform bearing in mind that “one of the priorities for action is to ensure a smooth school-to-work transition for young people.”⁴

This integrated approach to the transition from school to work as a process offers a fresh perspective on an innovative and positive youth trajectory, either to education or to employment or to a mixed one, eliminating as far as possible the risk of social exclusion, and the risk of poverty that comes along with inactivity.⁵ The 2012-2013 National Plan

² European Council. 2012. *European Council Conclusions*. European Council Brussels, 29 June, 2012 (COD), EUCO 76/12, CO EUR 4 CONCL 2 The European Council Brussels, 29 June 2012 (COD) 8. Brussels: European Union.

³ European Council. 2012. *European Council Conclusions*. European Council Brussels, 29 June, 2012 (COD), EUCO 76/12, CO EUR 4 CONCL 2 The European Council Brussels, 29 June 2012 (COD) 13. Brussels: European Union.

⁴ European Commission. 2012. *European Commission Press Release, July 2012 Youth Unemployment: Shows that Apprenticeships and Traineeships are Useful but Need to be Improved*, IP/12/731. Brussels: European Commission.

⁵ Definition of “inactive”: a person who is neither in education nor in school, or who drops out of school, has low education and no practical skills.

developed under the coordination of the MMFPS reflects recommendations from the Council to

Ensure that young people are either in employment, education or training within four months of leaving school, and the definition of a Quality Framework for Traineeships.⁶

Within this context, the role and responsibility of the PES is to identify and formulate solutions, to design Active Labour Market Policies (ALMPs) and other suitable active measures, and to present an integrated approach for young people so as to obtain a positive transition towards quality and sustainable employment.

2. International Labour Standards Concerning Youth Employment Promoted by the ILO

In July 2012, the ILO at its 101st International Labour Conference (ILC) adopted a Resolution concerning the youth employment crisis: a call for action continuing the Resolution concerning youth employment adopted at the 93rd ILC of 2005. This new call for action was made in order to tackle the new and severe youth employment crisis.⁷ The framework of the employment policy provided by the ILO is sound and comprehensive.

The ILO encouraged the development of employment strategies in its 1964 Convention 122, the Employment Policy Convention, ratified and enforced in Romania since 6 June 1973 (C122/1973),⁸ providing that:

1. With a view to stimulating economic growth and development, raising levels of living, meeting manpower requirements and overcoming unemployment and underemployment, each Member shall declare and pursue, as a major goal, an active policy designed to promote full, productive and freely chosen employment.

⁶ European Commission. 2012. *European Commission Press Release, July 2012 Youth Unemployment shows that Apprenticeships and Traineeships are Useful but Need to be Improved*, IP/12/731. Brussels: European Commission.

⁷ *Resolution Concerning the Youth Employment Crisis: A Call for Action*, Resolutions adopted by the ILC at its 101st Session, Geneva, 14 June 2012, 3.

⁸ http://www.ilo.org/dyn/normlex/en/f?p=1000:11200:0::NO:11200:P11200_COUNTRY_ID:102824 (accessed 14 March 2013).

2. The said policy shall aim at ensuring that:
- (a) There is work for all who are available for and are seeking work;
 - (b) Such work is as productive as possible;
 - (c) There is freedom of choice of employment and the fullest possible opportunity for each worker to qualify for, and to use his skills and endowments in a job for which he is well suited, irrespective of race, colour, sex, religion, political opinion, national extraction or social origin.
3. The said policy shall take due account of the stage and level of economic development and the mutual relationships between employment objectives and other economic and social objectives, and shall be pursued by methods that are appropriate to national conditions and practices.⁹

The C122/1973 was fulfilled through the Job Creation in Small and Medium-Sized Enterprises Recommendation, 1998 (No. 189), and the Promotion of Cooperatives Recommendation, 2002 (No. 193). These recommendations promote the valorisation of all the employment opportunities in a diversified form, benefitting existing jobs and job-creation strategies, including cooperatives.

The second major fulfilment of the C122/1973 was made by the ILO in 1975 through the Human Resources Development Convention, 1975 (C No. 142), the Convention concerning Vocational Guidance and Vocational Training in the Development of Human Resources (enforcement: 19 July 1977) adopted in Geneva, at the 60th ILC Session (23 June 1975)—Status: Up-to-date instrument (Technical Convention). Convention 142/1975 has not been ratified by Romania, and assumes that:

Each Member shall adopt and develop comprehensive and coordinated policies and programmes of vocational guidance and vocational training, closely linked with employment, in particular through public employment services. (Article 1, Co 142 /1975).

2.1. Recent Resolutions Concerning Youth Employment

Since 1978, the ILO has adopted five resolutions regarding employment during the International Labour Conferences, three of which are directed to youth.¹⁰ The most recent documents concerning youth employment are:

⁹ C 122: *Employment Policy (Supplementary Provisions)* Recommendation, 1984 (No. 169). Guidance on the Implementation of Convention No. 122.

¹⁰ The 2005 Resolution contained an appendix listing international labour standards relevant to work and young persons, actualised by the Resolution

- a) Resolution Concerning Youth Employment ILC, 64th Session, 1978;
- b) Resolution Concerning follow-up to the World Employment Conference ILC, 65th Session, 1979;
- c) Resolution Concerning Young People and the ILO's Contribution to the International Youth Year ILC, 69th Session, 1983;
- d) Resolution Concerning Young People, with a Detailed Set of Conclusions ILC, 72nd Session, 1986;
- e) Resolution Concerning Youth Employment ILC, 86th Session, 1998, called for the Prioritization of Youth Employment (62);
- f) Resolution on Promoting Youth Employment (A/RES/57/165), 2002;
- g) Resolution Concerning Policies and Programmes involving Youth A/RES/58/133, 2004;
- h) Resolution Concerning Youth Employment, Resolutions adopted by the ILC at its 93rd Session, Geneva, June 2005;¹¹
- i) Resolution Concerning the Youth Employment Crisis: A Call for Action, Resolutions adopted by the ILC at its 101st Session, Geneva, 14 June 2012.

2.2. ILO Conventions Concerning Youth Employment

Youth employment policy promoted by the ILO through conventions and related recommendations covers three areas: employment policy governance, public and private employment services and other areas influencing youth employment policy. Within the context of an economic crisis, it is very important to keep in mind those actions that prioritise fundamental rights (see point d.). Below are the documents grouped by area of governance, and their status in Romania:

concerning the Youth Employment Crisis: *A Call for Action*, Resolutions Adopted by the ILC at its 101st Session, Geneva, 14 June 2012.

¹¹ <http://www.ilo.org/public/english/standards/relm/ilc/ilc93/pdf/resolutions.pdf> (Accessed May 2013, 13).

a) Governance Convention on employment policy (and related Recommendations)

- C111—Discrimination (Employment and Occupation) Convention, 1958 (No. 111) Convention Concerning Discrimination in Respect of Employment and Occupation (Entry into force: 15 June 1960) Adoption: Geneva, 42nd ILC session (25 June 1958) - Status: Up-to-Date Instrument (Fundamental Convention). Ratified by Romania on 6 June 1973.¹²
- C122—Employment Policy Convention, 1964 (No. 122), Developing a Youth Employment Strategy Ratified by Romania on 6 June 1973.¹³
- R083—Employment Service Recommendation, 1948 (No. 83).
- R111—Recommendations: R111- Discrimination (Employment and Occupation) Recommendation, 1958 (No. 111).
- R122—Employment Policy Recommendation, 1964 (No. 122).
- R169—Employment Policy (Supplementary Provisions) Recommendation, 1984 (No. 169). Guidance on the implementation of Convention No. 122.
- R189—The Job Creation in Small and Medium-Sized Enterprises Recommendation, 1998 (No. 189).
- R193—The Promotion of Cooperatives Recommendation, 2002 (No. 193).
- C142—The Human Resources Development Convention, 1975 (No. 142) —Convention Concerning Vocational Guidance and Vocational Training in the Development of Human Resources (Entry into force: 19 July 1977) Adoption: Geneva, 60th ILC session (23 June 1975)—Status: Up-to-Date Instrument (Technical Convention), (not ratified by Romania).
- R195—Human Resources Development Recommendation, 2004 (No. 195).

¹² http://www.ilo.org/dyn/normlex/en/f?p=1000:11200:0::NO:11200:P11200_COUNTRY_ID:102824 (Accessed June 24, 2013).

¹³ http://www.ilo.org/dyn/normlex/en/f?p=1000:11200:0::NO:11200:P11200_COUNTRY_ID:102824 (Accessed May 30, 2013).

a) Conventions Concerning Public and Private Employment Services:

- C2—The Unemployment Convention, 1919 (No. 2), ratified by Romania on 13 June 1921, in force, technical.
- C88—Employment Service Convention, 1948 (No. 88), ratified by Romania on 6 June 1973, in force, technical.
- C181—Private Employment Agencies Convention, 1997(No. 181), not ratified by Romania.
- R188—Private Employment Agencies Recommendation, 1997.
- R198—Employment Relationship Recommendation, 2006 (No. 198).
- C150—The Labour Administration Convention, 1978 (No. 150), ratified by Romania on 4 November 2008.

b) Other influential documents:

- C168—The Employment Promotion and Protection against Unemployment Convention, 1988 (No. 168), ratified by Romania on 15 December 1992, in force, technical.
- C044—Unemployment Provision Convention, 1934 (No. 44), not ratified by Romania.
- C102—Social Security (Minimum Standards) Convention, 1952 (No. 102), Romania has accepted Parts II, III, V, VII and VIII, ratified on 15 October 2009.
- R202—Social Protection Floors Recommendation, 2012 (No. 202) Recommendation concerning National Floors of Social Protection Adoption: Geneva, 101st ILC session (14 June 2012) — Status: Up-to-date instrument (Convention).
- R067—Income Security Recommendation, 1944.
- R069—Medical Care Recommendation, 1944.

c) In addressing the youth employment crisis,¹⁴ actions should take account of

- The ILO Declaration of Philadelphia (1944).
- The ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up (1998).
- The Decent Work Agenda (1999).
- The Global Employment Agenda (2003).
- The Conclusions Concerning the Promotion of Sustainable Enterprises (2007).
- The ILO Declaration on Social Justice for a Fair Globalization (2008).
- The Global Jobs Pact (2009).
- The ILC Conclusions Concerning the Recurrent Discussion on Employment (2010), and the Body of International Labour Standards Relevant to Work and Young Persons.

3. ILO Youth Employment Policy Areas

Regardless of location, whether living in a developed, developing or transition economy, young people are likely to be affected by the economic crisis. The situation of youth employment thus deserves urgent attention. Not only does it threaten to violate the principle of equality and solidarity between generations, which is an important aspect of social justice, but any further prolonging or deepening of the crisis will also increase the likelihood of political and social unrest as more and more young people lose faith in the current economic paradigm. In 2005, motivated by this realisation, a resolution was adopted at the International Labour Conference (ILC) calling for an integrated approach to solving the youth employment crisis. This approach was aimed at combining micro and macroeconomic interventions that would address both the demand and supply sides of the labour market and the quantity and quality of employment.

The youth employment crisis has reached intolerable dimensions. It poses a threat to political stability and social cohesion. This is evidenced by higher unemployment, lower quality jobs, rising marginalization of youth

¹⁴ ILO. 2012. *Resolution Concerning the Youth Employment Crisis: A Call for Action*, Resolutions adopted by the ILC at its 101st Session, Geneva, 14 June 2012, 3.