Policy brief Romania

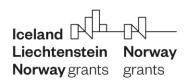
The 25+ NEETs Situation in Romania

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IN THE FRAMEWORK OF THE PROJECT 'LOST MILLENNIALS – TRANSNATIONAL RESEARCH NETWORK FOR THE EVALUATION OF INITIATIVES TARGETING 25+ NEETS'

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Project summary:

The project 'Lost Millennials' focuses on a regularly neglected group of the generation of Millennials: young people aged 25-29 neither in employment or education and training (25+ NEETs). This generation started their working life shortly after the economic crisis of 2008, perceiving uncertainty and lack of security for work and well-being, they are more likely to be inactive or in precarious jobs. The main objective of the project is to contribute to the successful integration of 25+ NEETs to the labour market through increasing knowledge on the effects of employment initiatives on 25+ NEETs, building capacity of stakeholders to perform impact studies and thus improving the quality of labour market interventions. This objective will be achieved through the creation of the transnational research network which will share know-how and good practices, the evaluations of governmental and community-based initiatives targeting 25+ NEETs, as well as the engagement of stakeholders to increase the policy-relevance of project results.

For more information, please visit our <u>website</u>, contact us on <u>Im.leadpartner@hetfa.hu</u> and follow our social media (<u>Facebook</u>, <u>LinkedIn</u>).

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Implemented by:























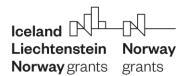






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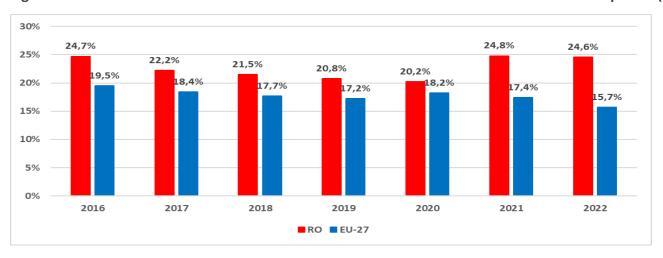
1. Key Points

- In Romania, there are substantial gaps regarding the 25+ NEET population. The most evident differences are between the genders, and between the settlement types (urban-rural).
- More emphasis should be placed on career guidance in preventing and tackling the NEET issue.
- A coordinated management of the NEET programs and projects leads to an effective, long-term improvement of the NEET situation.

2. Introduction

In Romania, the proportion of 25+ NEETs is among the highest in the EU and EEA countries. The economic recession during the COVID-19 pandemic affected even more the 25+ NEETs in Romania, as during this period, the percentage of this population has increased, while in the EU, we can see the opposite trend (as it is presented in Figure 1).

Figure 1 The evolution of the 25+ NEETs rate in Romania and in the EU27 in the 2016-2022 period (%)

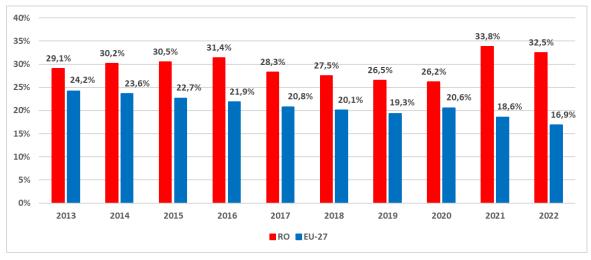


Data source: Eurostat, EDAT_LFSE_29 database

The situation is particularly harsh in the smaller, mainly rural areas. The gap between the rural and urban areas is present in many of the European states, but in Romania, this gap is even more significant (see Figure 2).



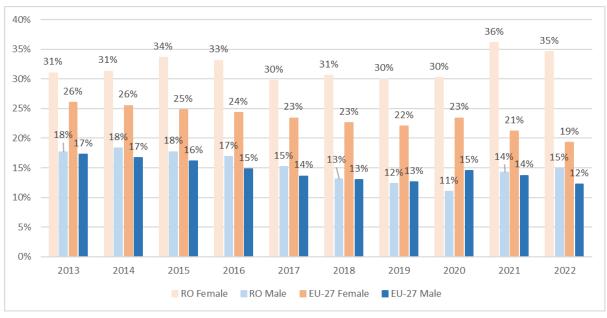
Figure 2 The evolution of the 25+ NEETs rate in rural areas in Romania and the EU27 (2013-2022, %)



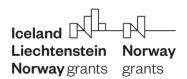
Data source: Eurostat, EDAT_LFSE_29 database

The gender gap in Romania is also considerable, as among the 25-29-year-old NEETs, the proportion of females is more than twice that of males. The evolution of the males 25+ NEETs rate in Romania follows the general decreasing rate of the EU, and the Romanian value is usually around 1 percent point higher than the EU average. On the other hand, the female 25+ NEETs rate in Romania is much higher than the EU average, and the COVID-19 pandemic economic effect just worsened this situation (see Figure 3).

Figure 3 The evolution of the gender gap among the 25+ NEETs rate in Romania and in the EU27 in the 2013-2022 period (%)



Data source: Eurostat, EDAT_LFSE_29 database



3. Analysis of the major policy challenges related to 25 + NEETs in Romania

The following challenges have been identified for the NEET issue in Romania:

There is a lack of appropriate career guidance services to provide a long-term solution for the NEETs. The first programme to address the NEET issue in Europe was the Youth Guarantee (YG). In this programme, however, only part of the many interventions - and only in a few selected countries - have been devoted to career guidance (Neagu, 2022), even though career guidance enables people to take control of their lives and helps them make informed, meaningful, long-term career decisions (Cedefop et al., 2019). Career guidance increases individuals' motivation, helps make them more employable, and allows them to manage career breaks and periods of caring responsibilities (Hooley, 2014).

Initiatives considering the significant discrepancies within the NEET group (gender gap, urban-rural cleavages) are rare. Even though the most significant gap in percentage points between cities and rural NEET rates for 15-29-year-olds was registered in Romania (19.1 percentage points in 2022) (Eurostat, 2023a), and even more significant for 25-29-year-olds, where it reached 22.4 percentage points, there were no specific measures targeting rural NEETs in the YG programme (Petrescu et al., 2022). In addition, in Eastern European countries, being female significantly increases the likelihood of becoming a NEET (Rocca et al., 2022). However, the YG programme ignored differences within the NEET group (Petrescu et al., 2022). Furthermore, even if some projects target the rural NEETs, most of them come from the civil society sector, as the central government usually deals with these problems at a NUTS 2 or, in better cases, at a NUTS 3 level.

Prevention is not emphasised enough; initiatives focus on solving the current NEET issue. Career guidance in schools can be a significant element in preventing NEET status by helping to overcome inequalities in opportunities related to students' backgrounds and parental experiences and expectations (Musset & Kurekova, 2018). In Romania, due to the shortcomings of school counselling services, even those with good school results, especially disadvantaged ones, under-planned their educational and professional pathways relative to their abilities (Sava, 2020). At the same time, research highlights the link between low educational attainment and becoming NEET, as the lower the educational attainment, the higher the likelihood of becoming NEET (Caroleo et al., 2022). At the same time, various studies (e.g., Gatsby, 2014; Lőrinc et al., 2020) have shown that career guidance effectively prevents NEETs. However, it is not given enough prominence in different policies on the transition from school to work.

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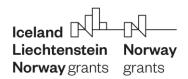
¹ Source: own calculation based on Eurostat (2023b).



Eurofound (2016) states that the NEET category is heterogeneous, and Romania is not an exception (heterogeneity can be detected in the causes and socio-demographic characteristics). The NEET category includes not only the short-term or long-term unemployed but also groups of people who are not looking for work or people who are unable to work for various reasons. On the one hand, the cause of this 'unavailability' is family responsibilities, illness, or disability. On the other hand, there are discouraged workers who believe they have no suitable job opportunities. These are primarily vulnerable young people at high risk of social exclusion. In addition, a distinction is made between the category of reentrants who are soon to start working or studying again. The last sub-group, the group of other inactive people, is very heterogeneous, where young people in privileged situations and hard-to-reach, vulnerable young people can be found (Eurofound, 2016). One of the barriers to labour market entry or re-entry can be ethnicity. Some ethnic minority groups, most notably the Roma community, are at greater risk of unemployment and inactivity (Eurofound, 2017). In Romania, there is a significant Roma minority among NEET youth, whose specificities need to be considered (Toderiță et al., 2019). In addition, in Romania, another subcategory is young people working temporarily abroad, who contribute to the increase in inactivity among emigrants and those remaining in the country who receive money from abroad (Caroleo et al., 2022).

Public-private partnerships to reach 'invisible' NEET groups are not common. One of the reasons for the failure of the YG programme is the lack of involvement of non-governmental youth organisations in reaching NEET youth (Petrescu et al.,2022; Sava, 2020). This is particularly important in rural areas where most NEETs live, with relatively low institutional capacity (Sava, 2020). Reaching disadvantaged NEETs and linking them to career guidance services can increase their labour market opportunities and training participation (OECD, 2021). Therefore, efforts to reach them are of great importance. To reach marginalised, disadvantaged NEETs, proactive strategies and cooperation between different institutions (Public Employment Services, NGOs, youth organisations, health and social services) are needed (ETF, 2020)

There is a lack of coordination between policies to address the NEET issue. Policy studies have developed coordination to address policy problems more effectively, as they may typically require action from two or more policy areas (Tosun et al., 2019). Because of the heterogeneity of the NEETs group, it is not sufficient to focus only on labour market policies when tackling the problem; combining policies and holistic approaches is needed (Assmann-Broschinski, 2021). At the same time, more cooperation is needed for policy initiatives to promote youth employability than for older ones because educational institutions play a significant role in youth-oriented employment policies (Tosun et al., 2019). In Romania, managing problems related to NEET young people is the responsibility of several ministries, and cooperation between them is not entirely seamless (Petrescu et al., 2022; Sava, 2020).



The challenges of the policies are also multiple. First, we should mention that there is a *discrepancy* between the laws and the actual everyday practices, meaning that there are good laws which are not put into practice. For example, the new law of education demands that 'On completion of secondary and high school education, the school counsellor and the class teacher are obliged to issue a recommendation for placement in the form of education at higher education, with the character of school guidance for each pupil individual pupils. In the case of secondary school leavers, it may be a recommendation in the form of vocational guidance for employment on the labour market.' (Art.98, phar3 law nr 198/2023). Furthermore, the law does not mention any quality standard for these activities.

A lesson learned from WP 5.5 (Evaluation practices assessing the impacts of initiatives targeting 25+ NEETs) was that in Romania, one particular challenge is the *over-bureaucratization* of the projects and interventions, which makes the system rigid, and it cannot accommodate the local social-economic environment. A particular consequence of this over-bureaucratization is that the implementors always focus on the quantitative fulfilment of the indicators, sometimes to the detriment of the qualitative ones.

4. Policy solutions and recommendations

Based on empirical and desk research, complemented by the findings of other experts, several shortages that contribute to the very high rate of 25+ NEETs in Romania have been identified. On this basis, the following recommendations have been defined, including a general recommendation and several suggestions related to career guidance that could help address Romania's NEET challenge.

General recommendation: Establish a coordinated inter-sectoral and intra-sectoral service system

The NEET problem is linked to several sectors: education, the labour market and the social sphere. These activities are resource-intensive, very diverse and require inter-sectoral cooperation. At the same time, at the local level, intra-sectoral coordination is essential to coordinate activities, avoid overlaps, learn from each other, and reach the disadvantaged (Bálint et al., 2024). A coordinated system of services is essential to address a complex and multifaceted problem such as that of NEETs.

Recommendations regarding the career guidance system:

More emphasis should be placed on career guidance in preventing and tackling the NEET issue.
Career guidance helps people of all ages and backgrounds to fulfil their potential and navigate the radically changing world of work (Cedefop et al., 2021). At the same time, career guidance has proven beneficial in preventing people from becoming NEET (Mann et al., 2020). Career guidance can, therefore, be one possible response to the NEET challenge (Bálint et al., 2024).



Recommendations regarding career guidance activities:

Career education:

- O Strengthen career management skills, emphasising future orientation and learning through work experience. Forward-thinking is essential to encourage people in vulnerable situations to be aware of what they want to achieve in their future and to motivate them to take action towards what they want to achieve (Masdonati & Fournier, 2015). Work-based learning, in turn, helps individuals gain a more in-depth understanding of different job areas before entering the workplace (Watts, 2009).
- o Involve economic sector representatives more actively in career education. The partnership and cooperation of business associations, chambers of commerce, etc. could be a significant step forward not only in preventing NEETs [e.g. collaboration with employers (Bálint et al., 2024)], but also in helping them to leave the NEET situation permanently [e.g. sensitising employers to the problems of these young people (Bálint et al., 2023; Toderiță et al., 2019)].

Career counselling:

o Separate the jobs of school counsellors and career guidance specialists, increase the number of school counsellors/career guidance specialists, and involve the teachers in career guidance responsibilities. Often, much of the school counsellor's time is spent dealing with the behavioural issues of children with problems, marginalising career counselling (Watts-Sultana, 2004). At the same time, teachers have a prominent role in personal counselling in several ways. On the one hand, they can meet students more often and, where appropriate, have closer contact with them, while on the other hand, providing credible advice on careers related to the subjects they teach, thus creating a link between the subject and the labour market and the world outside school. Linking subjects to careers is an element of quality career guidance. There is consensus in the literature that high-quality career guidance is not only the responsibility of qualified career guidance professionals but also requires the involvement of the more comprehensive teaching staff and school staff (Musset & Kurekova, 2018).

Career information:

O Create a national career portal that provides one-stop access to labour market information, training, occupations, and career pathways. In addition to career information, such a portal could also offer the opportunity to assess individual preferences and personality traits, such as interests and skills (OECD, 2021). The advantages of these portals include a one-stop-shop approach, regular updating of information and the presentation of high-quality career information, a key feature of



high-quality career guidance services. Online portals can, therefore, be a reliable resource for career guidance professionals, but they can also be used by students, parents, employees and anyone else who needs them. It also allows remote access to career guidance services for people where face-to-face services are inaccessible or difficult to access (OECD, 2021).



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