

DIRECTIONS FOR MITIGATING UNEMPLOYMENT FOR THE Z GENERATION

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ABSTRACT: *Romania, like the other countries in the European Union, faces a high rate of unemployment among the young generation, which is characterized by a special audacity towards the labor market. They are big consumers of technologies and digital information, they are brave and do not appreciate authority. At the European, national and local level, efforts are being made to integrate them into the labor market through numerous programs dedicated to them.*

KEY WORDS: *unemployment, digital economy, programs, crises, young generations.*

JEL CLASSIFICATIONS: *E24, E02, J4.*

1. INTRODUCTION

For all countries and for the global economy, the youth unemployment rate is a difficult problem and a great challenge.

The EU unemployment rate was 6.0 % in September 2022. Eurostat estimates that 12.960 million men and women in the EU, of whom 10.988 million in the euro area, were unemployed in September 2022. Also, 2.747 million young persons (under 25) were unemployed, of whom 2.241 million were in the euro area. In September 2022, the youth unemployment rate was 14.6 % both in the EU and in the euro area.

Ever since 2008, the financial and economic crisis has particularly affected the young generation, in 2013 youth unemployment reached alarming levels of up to 50% in Spain and Greece, with an average of 25% in the European Union. The year 2019 reaches a historic low of 19%. But the health pandemic raises youth unemployment again to 18.2% for 2021.

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Generation Z, 1997-2012 - aged between 8 and 23 are also referred to as the "Mobile Generation", "Post-Millennials", "Gen Z", "Zers", "iGeneration", "iGen", "Homeland Generation" ('Homelanders'), 'Founders', 'Pivotals' 'Generation Nice', 'Screenagers', 'Share Generation', 'The New Silent Generation'. The first generation born into a digital world has instant access to information that is constantly available everywhere. They are avid consumers of technology and fans of the digital world, being very independent and do not accept the authority that they often challenge.

Members of this generation have an affinity for socializing and learning on the Internet, consuming and producing digital information, focusing on personalized careers, believing that they can achieve anything, seeking recognition from others and requesting instant and frequent feedback (Karakas, et al. , 2015).

Generation Z sees school as preparation for career and financial success, not just intellectual development. Members of Generation Z are more willing to engage when they can see how their knowledge and skills will be used in the future. Curiosity is the strongest motivator in choosing a course of study (Schenarts, 2020).

The studies has associated unemployment in young people group with many health problems, like lower life satisfaction, stress, depression, anxiety, higher mortality rates due to suicide, alcohol-related mortality, lower income and poorer quality of in life (Bartelink, et al., 2020).

2. REVIEW OF LABOUR MARKET IN ROMANIA AND HUNEDOARA COUNTY

The youth unemployment rate is defined as the percentage of unemployed people aged (15 to 24 years old) from the labour force (ILO, 2019A). Bruno et al. (2016) illustrated that the financial crisis has a great impact and significant on youth unemployment in the short and long run but the impact is larger on youth unemployment than the impact on total unemployment.

Romania ranks 8th in terms of unemployment rate in the European Union, in 2021. The unemployment rate in Romania fell to 5.3%. However, youth unemployment is over 22%

Tabel 1. Indicators for unemployment for august 2022

Indicators	Romania	Hunedoara County
Unemployment rate	2.56%	3.39 %
Number of unemployed peoples	224044	5795
Number of paid unemployed peoples	39090	1840

Source: ANOFM

At the end of August 2022, the unemployment rate registered at the national level was 2.56%, the total number of unemployed was 224,044 people, of the total number of registered unemployed, 39,090 were unemployed with benefits and 184,954 unemployed without benefits. Most of the unemployed were between 40 and 49 years

old (53,849), followed by those between 50 and 55 years old (43,824), at the opposite pole were people between 25 and 29 years old (14,629).

Taking into account the level of training, in the structure of unemployment, a percentage of 29.59% of the unemployed without education and those with primary training level were registered at the country level. At the level of Hunedoara county, the unemployed with no education and with a primary education level represent 19% of the total number of registered unemployed, at the national level. The unemployed with secondary school education represent 31.68% of the total number of registered unemployed in Hunedoara county, the unemployed with secondary school education represent 26%, and those with university education 4.58%, those with higher education are 7% unemployed with education high schools have the highest share in the total number of unemployed registered in the records.

Tabel 2. The structure of unemployment by age group at the end of August 2022

Age	Romania	Hunedoara
Over 55 years	44107	960
Between 50-55 de ani	43824	1295
Between 40-49	53849	1443
Between 30-39	33535	909
Between 25-29	14629	393
< 25 ani	34100	795
Totals	224044	5795

Source: ANOFM

Romania has a large percentage of young people who are not professionally employed and do not follow any educational or training program (NEET) and a large percentage of young people feel that they are overqualified for the work they do.

In Romania, every ten employees must support eight pensioners, in addition to children, the unemployed and other people who cannot work.

Regarding the value of pensions, at the level of 2021, Hunedoara county is in first place, followed by Bucharest, being the only areas with amounts over 400 euros. The average pension for Hunedoara county is 2124 lei, in Bucharest it is 2026 lei, while the national average is 1602 lei.

The lowest pensions were recorded in Botoşani, Giurgiu and Vrancea - under 1300 lei, respectively 1273 lei in Botoşani county, the difference between the minimum and maximum value being 851 lei.

But the situation is totally different from Bucharest, the high level of pensions in Hunedoara being given, not by the high standard of living of the majority of the county's population, but by a small number of retired people, especially from the mining field, who have special pensions usually over 1000 euros.

About 13% of all pensioners in Romania are concentrated in Bucharest, with 2.63% in Hunedora County.

Pension spending will increase at a consistent pace due to rising life expectancy, declining birthrates and negative net migration amid the impending retirement of the baby boomer generation, and the need for tax increases becomes apparent for health spending and, social care.

Romania as a whole is aging, and some counties are doing it faster than others.

Japan which has an average age of 45.4 years and which we consider one of the oldest countries. In Romania there are two counties where the average age of the population exceeds the average age of the Japanese: Teleorman and Vâlcea. Hunedoara county ranks 5th among the "oldest" counties, with an average of 44.5 years, in Bucharest it is 42 years, and the national average is 42.3.

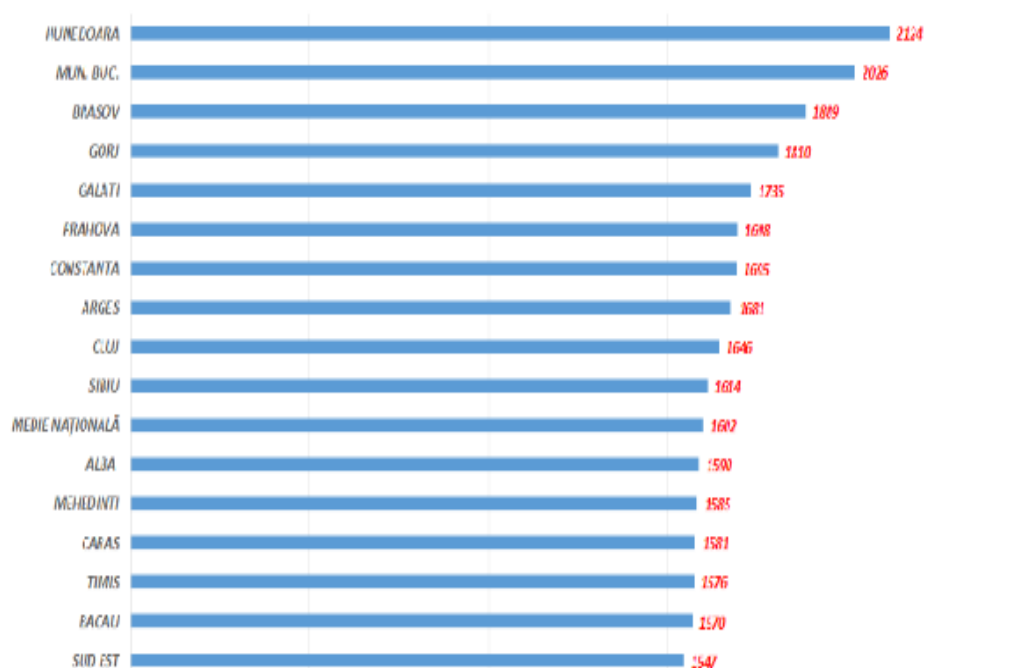


Figure 1. Average monthly pension in lei

The counties with the youngest population are: Iași, Ilfov, Suceava and Bistrita Năsăud, with the average age of the inhabitants around 40 years.

Young Gen Zers are not motivated by money, but by career advancement and positive feedback. They think very highly of themselves and are very cynical of their peers. A third consider their peers lazy (Schenarts, 2020). They appreciate hard work and want to be rewarded for it, they are ambitious and self-starters, and they are motivated to plan for their future.

Other intrinsic values are learning, continuous training, developing their skill set and creativity (Maloni, et al., 2019). They show confidence, look for dynamic teams and want to secure their future career. They prefer the independence that they can manage themselves. They want to work in companies that embrace social media, that offer

opportunities to work in multiple countries, and that provide ongoing feedback on formal annual reviews. Gen Z employees expect a good path in their career and expect to move up the career ladder quickly.

Younger employees in the HoReCa industry are more anxious about moving up the career ladder and are more likely to leave the company if they are not promoted within 6 months (Goh, & Okumus, 2020).

The main variables who impact the youth unemployment are educational factors, labour markets factors, migration and economics factors.

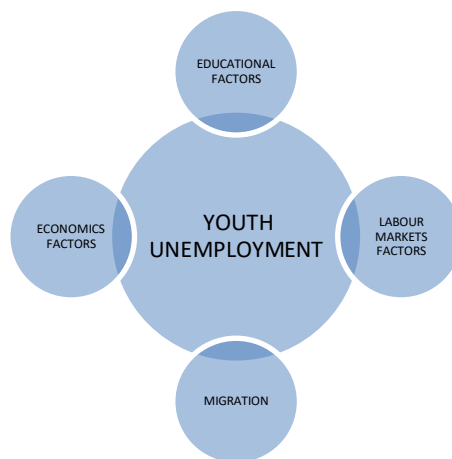


Figure 2. Variables who impacted youth unemployment

Feldmann (2007) found that in particular, among young people and women, economic freedom can ultimately decrease unemployment. Gorry (2013) found that the minimum wages impacted on the unemployment rate and youth unemployment. Bruno et al. (2016) studied the financial crisis short and long-run impacts on unemployment of youth in OECD countries.

3. DIRECTIONS FOR REDUCING UNEMPLOYMENT AMONG GENERATION Z

Although conditions on the EU labor market have registered major improvements, combating unemployment and the consequences of the health crisis also address employers and address major challenges on the way to quality jobs and social inclusion in Europe.

Efforts have been made in several areas, including helping young people enter the labor market, tackling long-term unemployment, improving skills and facilitating worker mobility within the European Union.

In the EU, member states are responsible for policies in the fields of unemployment, higher education and youth training systems. The role of the EU is to coordinate member states and support their efforts through cooperation to achieve policy

objectives and funding instruments, through a series of programs such as the Erasmus+ program or European funds.

The youth employment initiative has been integrated into the European Social Fund Plus (ESF+) for the period 2021-2027. Member States with a high percentage of young people who are not employed, do not study and do not follow professional training courses above the EU average, must allocate a minimum of 12.5% of the ESF+ funds for youth.

Since 1997, EU countries have set common objectives for employment policy to combat unemployment and create more and better jobs in the EU, also known as the European Employment Strategy.

The European Social Fund (ESF) is the EU's main instrument for guaranteeing fair work opportunities for all EU citizens - workers, young people and all people looking for a job. The European Parliament has proposed increasing the financing of this fund in the long-term budget of EU 2021-2027. With a budget of €88 billion, the new European Social Fund Plus (ESF+), focuses on education, vocational training and lifelong learning, as well as ensuring equal access to quality jobs, social inclusion and the fight against poverty.

The European Program for Employment and Social Innovation (EaSI) aims to modernize employment and social policies, improve access to finance for social enterprises or vulnerable people who want to set up a micro-enterprise and promote labor mobility through the network EURES. The European Jobs Network facilitates mobility by providing information to employers and jobseekers, as well as a database of job vacancies and applications across Europe.

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The EU has adopted a series of programs and measures to combat youth unemployment.

The EU is creating a European education space that allows all young people to benefit from quality education and training and to find universal jobs.

The EU program in the field of education, training, youth and sport is called Erasmus+ and focuses on transnational mobility and cooperation. It started as a student exchange program in 1987 and has grown into an umbrella program that now covers school and higher education (international), vocational education and training, adult learning, non-formal and informal youth learning and sport.

Erasmus+ enables students to study abroad, provides teaching and training opportunities for staff working in the education sector, supports internships and youth exchanges. Organizations (schools, universities, youth organizations, etc.) can receive funds to build strategic partnerships and alliances with organizations in other countries.

The new Erasmus+ 2021-2027 program was adopted by the Parliament on May 18, 2021 and resulted in a supplement of EUR 1.7 billion for the financing of the program, which leads to a total of more than EUR 28 billion. This budget is almost double the funding of the previous period, 2014-2020. The new Erasmus+ will focus on social inclusion, the green and digital transition and will allow the participation of disadvantaged people.

The Your First EURES Job initiative aims to promote labor mobility by informing young people about employment opportunities in other EU countries. This platform collects the CVs of young people between the ages of 18 and 35 from all 28 of EU member states and from Norway and Iceland, who are looking for a job. This initiative, by promoting jobs or internships available for young people, is also addressed to employers.

The European Solidarity Corps is a program started in 2016 that finances volunteer activities, internships and jobs for young people in solidarity projects that benefit communities and people in Europe. Until September 2019, over 161,000 young people - registered in the program. In 2021, the new program for the period 2021-2027 was approved. It now includes humanitarian aid and for the first time is a stand-alone volunteer program with its own budget.

4. CONCLUSIONS

Millennials and Z generation is the next generation that dominates the global and they will face many uncertainties in technology, society, workplace, and business challenges. Unemployment alleviation for young generation requires the synergy and collaboration of many parties like, European institutions, government, business actors.

For reduces the unemployment for z generations It is important to design policies that can stimulate the digital creative economy. Unemployment mitigation policies in the future must be adjusted to policies that are friendly to the younger generation and adapt to the use of technology and information.

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