
Youth unemployment – a risk to social security

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Abstract

The purpose of this study is to investigate the social phenomenon of youth unemployment because it is related to the suboptimal use of young human resources in our aging society and the destabilization of our social security. Our future and labour market are the young people of the social group 15-29.

The author's thesis is that if tangible measures are not taken in the present to activate, engage and integrate young people (15-29 years) who are out of education, training or employment, the social security and sustainable development of our country is threatened.

The study identifies the legal and policy documents and suggests means for training, qualification and employment of unemployed youth.

The study of youth unemployment in the context of demographic crisis, imbalance in the labour market, which is dependent on the reproduction of human resources and their employability is important and valuable for the current and future security in the Republic of Moldova. Bulgaria. Research limitations. From the findings, models for integrating unemployed Roma youth can be explored and developed in the future.

Key words: social policy, youth unemployment, Neet's.

Introduction

Young people in our contemporary society are facing serious challenges of the XXI century. Digitalisation affects all spheres of public life: education, communications, economy, business, infrastructure. Global and national changes are creating an imbalance in the labour market, which is dependent on the reproduction of human resources and their employability. The future and the labour potential of our country are the youth of the social group - 15-29 years. Youth unemployment is a current socio-economic problem because it is linked to the sub-optimal use of human resources in our ageing society.

Results and Discussion

Observations of the labour force conducted annually by the National Statistical Institute show that its numbers over a 20-year period (from 2003 to 2023) are steadily declining due to the demographic situation of negative natural growth and external migration of persons of working age. The same regressive trend is also observed in the share of people of youth age (see Table 1).

The analysis shows that the active population, which includes people aged 15 and over who are working or unemployed but offering work, is steadily declining. Large shares of the country's population as a whole are ageing and leaving the labour market.

Table 1: Labour force by age group and sex (in thousands)

	Age (in years)	2003	2008	2013	2018	2023
Total	15-64	3237	3541,5	3374,4	3303	3089,6
Total	15-29	678,5	620,5	528,8	457,7	354,4
	15-24	291,2	296,7	217,0	139,2	134,4
Male	15-29	372,7	365,7	340,1	265,3	200,2
	15-24	157,3	170,4	131,4	82,8	154,2
Female	15-29	305,8	254,8	242,7	192,4	154,1
	15-24	133,9	126,3	85,6	56,2	54,8

Source: Infostat.

The economic activity rate, which measures the share of economically active persons (employed and unemployed) in a given age group, is expressed as a percentage. Analysing the dynamics over the 20-year period, it is found that it is influenced by the cyclicity of the economy, the prolongation of the labour force participation of the population and the need for labour income. The trend of economic activity shows that its increase is due to the older age groups of the population, while the active youth age groups are decreasing, mainly due to demographic and health reasons; migration and changing ethnic structure (see Table 2).

Table 2: Economic activity rate (%)

Age group	2003	2008	2013	2018	2023
15-64	48,5	53,5	54,0	55,0	56,1
15-29	42,6	44,0	46,8	43,5	41,6
15-24	27,4	29,7	28,6	22,2	23,2

Source: Infostat.

Unemployment is an important measure of a country's macroeconomic situation and social security. Economic growth and sustainable development of a country are achieved at a certain unemployment threshold. According to the Employment Promotion Act, an unemployed person is "a person who, upon registration with the Labour Office, is not working, is looking for work, and is willing to start work within 14 days of being notified by the Labour Office" [Employment Promotion Act]. The unemployment rate reflects the share of unemployed people as a percentage of the labour force. The unemployment rate increased during the years of the World Economic Crisis (2012-2013) and has been decreasing in recent years (see Table 3). Youth unemployment follows the same trend, but is substantially higher than the overall national unemployment rate.

Table 3: Unemployment rate (%)

Age group	2003	2008	2013	2018	2023
15-64	12,7	5,0	11,3	4,7	4,0
15-29	20,0	8,9	22,2	7,4	8,3
15-24	27,7	12,1	28,4	9,9	13,1

Source: Infostat.

Youth employment in the 20-year period from 2003 (542.8 thousand) through 2023 (325.0 thousand) is declining due to declining labor force reproduction. This is the reason why the labour integration of young people in Bulgaria and in the EU has become one of the European policy priorities. Comparing the level of youth unemployment and the same within the European Union, it is found that the share of unemployed and untrained young people in Bulgaria is 17.6% compared to 13.3% for the EU in 2021.

The types of youth unemployment, according to the causes, have different degrees of social risk (see Table 4).

Table 4: Types of unemployment

By attribute	Types of unemployment	Characteristics	Social risk
1. According to the way of manifestation	1. Apparent	Unemployed registered in the Labour Offices	Moderate
	2. Hidden	Unregistered workers in the informal sector	Medium High
2. According to the duration	1. Temporary	When moving from training to work	Moderate
	2. Seasonal	Related to agriculture	Medium High
	3. Continuous	Lasting more than 52 weeks	High
3. According to the reasons that give rise to it	1. Ongoing	Increase in youth entering the labour market for the first time and unemployed	Medium High
	2. Structural	Mismatch between the qualifications of youth and labour market requirements	Medium High
	3. Cyclical	Linked to economic recession/depression	High
	4. Stagnant	Long-term unemployed youth	High
	5. Generational	Youth are unemployed, their parents are unemployed	Very High

Source: The Author.

The reasons for economically inactive youth are:

- Unmotivation and discouragement - young people with higher education who cannot find suitable jobs and adequate pay for their educational qualifications. Young people with very low education who are willing to work but cannot find a job on the labour market due to their low qualifications.

- Sick youth with physical and mental illnesses.

- Family reasons (early marriage, maternity, caring for a sick family member).

As a social phenomenon, youth unemployment became relevant after the 1970s. Many economists, sociologists and political scientists began to study its causes and consequences for young people and society. There are two main approaches to analysing youth unemployment - macroeconomic and its relationship with other factors - social, demographic, political, educational, ethnic, etc. Youth unemployment leads to underutilization of human resources, reduction of gross domestic product and burden on the social security system in the country. It has the most serious

consequences for the individual young person – de-qualification, dissocialisation, low social status, poverty and marginalisation for some ethnic groups.

The category NEET's (Not in Employment, Education or Training) is an acronym from English and refers to young people (15-24) who are not in education, training or employment, i.e. not in employment, education or training. This term emerged in the 20th century in UK, originally referring to 16-18 year olds who had left educational institutions and were not working. NEET's became more popular during the Global Financial Crisis of 2008 when many young people, due to insufficient competences and skills, found themselves out of the labour market. During this period, youth unemployment in Greece and Italy exceeded 50%, and in the European Union as a whole it was around 30%. The Employment Committee of the European Commission then introduced a common definition and methodology for monitoring the groups of young people not in education, employment or training (NEET's) (15-24) and NEET's+ (15-29).

In Bulgaria, under the influence of population ageing, the size of the working-age population is continuously decreasing and the number of people over working age (65+) is over 26.3% (by 2023). According to the World Bank's projections for Bulgaria, in 2060 there will be 53 people (over 65) for every 100 people of working age [Importance of employability skills]. These data and projections allow to conclude that the working age population is declining at an accelerated pace, threatening the socio-economic development of the country, social security, education and health care. Under these conditions, the lack of employment of young people means large financial losses. Currently, the number of NEET's+ young people in Bulgaria (15-29 years) is 147 100, i.e. about 15% of the 2.9 million employed people. On this occasion, the Ministry of Labour and Social Policy (MLSP), under the project VS/2016/050, funded by the European Union's Employment and Social Innovation Programme, created a “Handbook for reaching and activating young people not in employment, education or training (NEET's)” [Guide to reaching and activating young people not in employment, education or training (NEET's)].

In our country, a nationally representative survey was conducted in 2014 by UNICEF, “Status Assessment and Profile Analysis of Adolescents and Young People Not in Employment, Education or Training (NEET's)” [Status assessment and analysis of the profile of adolescents and young people not in employment, education or training]. This survey covered young people aged 15 to 24.

On the basis of the analysis of the main factors for the acquisition of NEET's status is built the state policy related to youth unemployment. The main factors for getting into the NEET's group are numerous and are given in Fig. 1:

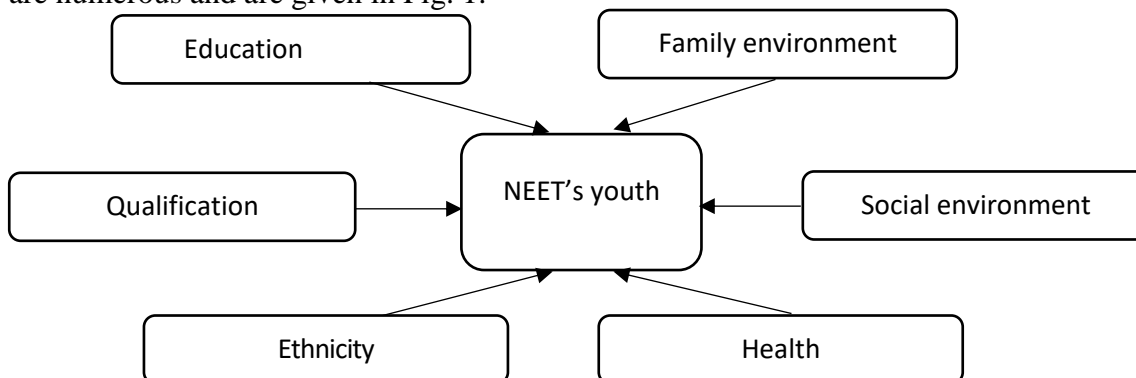


Fig. №1: Factors for getting into NEET's

Family environment influences the acquisition of NEET's status. Generational unemployment influences the youth and they perceive it as a pattern of behaviour that leads to the marginalisation of entire generations. If families have a history of addiction, alcoholism, violence and criminal acts, the chances of young people falling into the NEET's group are very high. A serious problem is absentee parents who go abroad to work, leaving children in the care of relatives who fail to create respect in the young generation and they usually fall into the NEET's.

In its study “Assessment of youth outside the employment, education or training system and recommendations for integration policies” [Institute for Market Economics], the Institute for Market Economics (IME) analyses the distribution of inactive youth according to poverty. In its conclusion, the IME argues that there are more non-poor than poor youth in NEET's. The source of income for these youth is the family and they receive between 500 and 2300 BGN per month as a basic income from their parents.

The social environment influences the economic activity of young people. In their quest for a better quality of life, young people are migrating from small towns to large socio-economic centers in the country or abroad. Many of them are unable to cope with rents, finding jobs and means of living. This discourages them and turns them into NEET's youth.

The reason for the youth to fall into NEET's status is their health condition. Severe physical and mental illness and disability leave these youth out of training and the job market.

A key factor in youth falling into NEET's status is education. For graduates of tertiary and secondary education the opportunity to enter the labour market is high, while for those with primary and primary education - the chance is significantly lower. The growing demands of the labour market are directed towards educated youth, with digital skills, high qualifications and competences. The role of public policy is to ensure quality education, reducing the drop-out rate and targeted educational activities with minority groups.

The Organization for Economic Co-operation and Development (OECD) has developed a comprehensive assessment of the quality and effectiveness of PISA education. This is a standardized international assessment of 15-year-olds that allows comparison of the quality of education in mathematics, reading and science performance. Data from the most recent PISA assessment in 2022 show lower scores, regional disparities in learning, and segregation between students of low socioeconomic status relative to students of higher socioeconomic status.

Low educational attainment, insufficient qualifications and work experience are the reasons why young people remain in the NEET's group. The unwillingness to study and enters the labour market demotivates these youth and leads them to lose work habits.

Ethnicity is one of the main factors for non-participation in the labour market. The changing ethnic structure of the young population and the demographic catastrophe in the country require urgent measures to integrate Roma youth. Early marriages, motherhood, leaving educational institutions, lack of qualification, subsistence on social benefits make them uncompetitive on the labour market, where motivated people with responsibility towards work and society are sought.

The national policy for integration, employment, education and training of NEET's is based on national and European legal, programmatic and strategic documents. The Bulgarian normative strategic documents are:

- Youth Act [Youth Act], which regulates the activities and services to support NEET's by the state and municipalities.

- Employment Promotion Act [Employment Promotion Act]. It provides for measures to help the unemployed to realise their potential in the labour market and to encourage employers to create jobs. Mobility of unemployed youth is encouraged in the Act.

- Social Welfare Act [Social Assistance Act], which: enables NEET's to receive welfare benefits and services; assist youth at risk; assist the enterprising; support the highly educated; and provide internships and subsidized employment to inactive youth.

- Employment Strategy 2023-2030 [Employment Strategy of the Republic of Bulgaria 2021-2030], which aims to achieve 79% employment (20-64) by 2030; an unemployment rate (4%); improving the quality of the workforce; reducing youth unemployment and creating healthy working conditions.

- National Youth Strategy 2021-2030 - Engaging, Empowering, Developing [National Youth Strategy 2021-2030 - Engaging, Empowering, Developing], which considers young people as capable and “ready to develop their full potential and consciously contribute to the development of the Republic of Bulgaria in the context of the European family and the global world” [National Youth

Strategy 2021-2030 – Engaging, Empowering, Developing: 6]. To achieve this vision, 7 priorities are listed, the second of which is: “Promoting employment and supporting young people not in education, employment or training (NEET's)”. This strategy is based on the National Development Programme “Bulgaria 2030”. It sets out the main objectives, which are linked to the European Youth Goals 2019-2027, Europe's Pillar of Social Rights, skills programmes for the low skilled and digital learning.

There are numerous institutions in Bulgaria tasked with activating, engaging and integrating NEET's youth into training and employment. The Ministry of Labour and Social Policy has a primary responsibility in these processes, which develops and finances with state and EU participation various measures, programmes and projects that create training and employment for young people (15-29 years).

The Employment Agency is responsible for labour market policy and measures related to the training, apprenticeship and employment of NEET's young people. In the labour offices under its jurisdiction, inactive youth, after registration, can benefit from mediation services and job placement, inclusion in: subsidized employment; educational and qualification courses; temporary work, etc. Under the Employment Promotion Act, private employment intermediaries can work in the country and can refer youth for employment.

The Agency for Persons with Disabilities assists disabled youth for employment in specialized organizations and enterprises.

The Ministry of Education and Science (MES) is taking measures to: prevent and prevent young people from dropping out of educational institutions; use different forms of vocational training; and return school leavers to school.

The National Agency for Vocational Education and Training (NAPET) organises and supervises the activities of Vocational Training and Qualification Centres.

Conclusions

The main programs and projects working with NEET's youth are:

- The “Start of a Career” programme, which aims to provide job opportunities for highly educated, graduated young people to gain work experience. It smooths the transition between training and employment, thus preventing the de-skilling, discouragement and immigration of educated young people.

- The Youth Employment Project provides the opportunity for traineeships, training and apprenticeships with an employer (6-9 months), making it easier for inactive young people to find employment. The Employment Agency aims to support 15200 NEET's youth to join the labour market for 2023-2024.

- The National Inactive Activation Programme aims to support NEET's youth to enter employment, return to education and enter apprenticeships. The recruitment of youth mediators aims at reducing youth unemployment among Roma youth.

- Training and employment programme for long-term unemployed persons who are registered at the Labour Office. The main priority of this programme is to improve the professional qualifications and provide employment for unemployed youth.

The phenomenon of “youth unemployment” is relatively new for our country, but its significance for social security in the country is great. It is imperative to undertake effective social policy and measures in education, institutions, employment with the participation of the whole society to tackle the problem.

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