Invest in people!

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AN INCLUSIVE LABOUR MARKET IN RURAL AREAS

Conclusions and recommendations of the research

We believe in the rural youth

POSDRU/83/5.2/S/57941
Risk of poverty among young people in rural areas

In 2011, 43% of households including young people lived in poverty. Out of these, 20.2% had reached the absolute poverty threshold.

Categories of youth in rural areas with a high poverty risk:

- People in large households, having at least two children (in the plain regions of North-East and South Muntenia)
- People with a low level of education (secondary school at most)
- Inactive (home staying) people, the unemployed, and workers in the informal sector
- Roma people: approximately two thirds of the young people living in absolute poverty are Roma, although they account for only 15% of the total population aged 16 - 35.

Social exclusion

It is determined based on the following factors:

a. The household (facilities, access to goods, family model, living conditions, health condition)

b. The local community: the degree of development of the township, social relationships, civic and political participation, and most particularly school attendance

c. The labour market: young people’s participation in the economy

A. The household

For 22% of the young people, the household income does not cover basic needs.

For 38%, the household income covers strictly basic needs.

Approximately 20% of the young people have no access to basic goods and services: two hot meals a day, two pairs of shoes, new clothes, running hot water,
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Internet.

Smoking is very common among the young: 40% of young men and 18% of young women smoke.

Most households rely on subsistence farming. Almost half of them (45%) own less than one hectare of land. The land-generated income only covers self-consumption needs, but is insufficient for modern, intensive farming.

B. Life within the local community

Although there are as many as 16 public or private utility services (transportation, utilities, social and cultural services, basic commercial and financial services), about 20% of the young people have access to only 9 such services at most, which places them in the category of people at risk of social exclusion.

Almost 20% of the school-aged young people (16-19 years old) from rural areas have dropped out of higher secondary school. One of the main dropout causes is the difficult access to educational institutions (15 km – the average distance to their high-school or school complex).

C. The local labour market

44% of employers believe it is unlikely they will hire new people in the near future.

The three main qualifications requested on the labour market are: skilled worker (69%), unskilled worker (23%), services and trade worker (23%).

The main sectors are: industry (46%), transport and warehousing (25%), trade (17%) and constructions (17%).

The most vulnerable youth on the labour market

- Unskilled youth who dropped out of high-school, vocational schools or apprentice schools;
- Young people aged 19 - 25, mostly recent graduates, with no professional experience, who have newly entered the labour market; young people above 25 have considerably more chances of finding a job;
- Young women, especially those of age to have their first or second child (23 - 28 years old); women account for over 72% of the inactive young persons;
- Roma youth: less than 38% of the Roma aged 19 and older are employed, as compared to 60% of young Hungarians and approximately 50% of young Romanians.

Job profiles of the young people in rural areas

In rural areas, only 5% of the young people gain income from farming.

Most employees in constructions and industry are men; in trade, education, health and social care, mostly women are employed.
Almost 30% of the employed young people live in households that are at risk of poverty. This is due to their low level of qualification and therefore to the low salary they can obtain known as the working poor phenomenon. Approximately 11% of employees work on the black market.

Having limited Internet access, young people find out about job opportunities mainly from relatives and acquaintances.

61% of the young people aged 19 and older who are unemployed or inactive, have never had a job. Of those who have had jobs, 60% are older than 26, while three quarters have been jobless for 3 years at most.

Almost half (46%) of the unemployed youth in rural areas have searched for a job in the past year. Only 10% of the unemployed or the inactive have received a job offer since they stopped working or graduated from a form of education. Men account for 72% of them.

Young people in rural areas expect to earn a net monthly salary of 1,100 lei.

The young, the employers and the authorities

Most employers (58%) and most authorities (51%) deem that the level of qualification of the young people in rural areas does not meet the market needs.

Over 80% of the unemployed or inactive young people over 19 have never attended vocational training or life-long learning courses.

Emigration

According to the research, approximately 7% of the young people in rural areas aged 16-35 were abroad when the data were collected. One in four young persons has at least one family member who has left abroad for more than 3 months.

Recommendations

BREAKING THE VICIOUS CIRCLE BETWEEN POVERTY, SOCIAL EXCLUSION AND UNEMPLOYMENT

Three major intervention areas
1. Employment
2. Education
3. Community

1. Employment
1.1 Stimulating the demand for workforce in:
   a. Agriculture
   ◆ Extending and facilitating the access of the young persons in rural areas to the support measures set out in the National Rural Development Programme and the National Environment Programme, both co-financed by European funds, in particular with a view to:
     — Extending and renewing the farming machinery fleet and the irrigation system
     — Building storage facilities for
agricultural produce
- Insuring crops
- Providing access to the services offered by the National Rural Credit Guarantee Fund and the National Credit Guarantee Fund for SMEs

- Promoting social economy forms of organisation (with community support)
- Establishing counselling and monitoring structures providing support to the young people accessing European funds, within the local councils

b. Industry
AT CENTRAL LEVEL: developing the national (re)industrialisation strategy for Romania

AT LOCAL LEVEL:
- Building fully equipped industrial parks
- Providing support for obtaining all necessary licenses and documents
- Ensuring flexibility in setting local taxes and payment terms (phased payments or lower taxes)

c. Public works in infrastructure, energy, environment and land planning
- Implementing the National Infrastructure Development Programme (including through access to European funds)
- Local authority representatives should take the role of matching local demand and supply between the available labour force and potential employers

1.2. Providing incentives for the employment of young people
Improving the applicable legal framework (Law 76/2002 and Law 116/2002):
- Reconsidering disadvantaged groups as part of a new employment strategy
- Extending support for young persons under 25, in particular those looking for their first job
- Providing support with transport / commuting expenses
- Ensuring the sustainability of such measures by the multiannual planning of budget appropriations

1.3. Encouraging private initiatives
Promoting entrepreneurship and extending facilities for young entrepreneurs to set up and develop SMEs (Emergency Government Ordinance No. 6/2011)
- Exempting employers from the payment of social security contributions on the income related to the time worked by a maximum of four permanent employees.
- Tax exemption for operations performed by the National Trade Register Office and its territorial offices.
- Providing counselling and support through the territorial offices of the AIPPMIM (Agency for the Implementation of Projects and Programmes for SMEs)
- Providing SMEs with guarantees from the National Credit Guarantee Fund for SMEs for loans taken based on business plans approved by the AIPPMIM, guarantees amounting to up to 80% of the value of the requested loan and limited to EUR 80 000.
1.4. Increasing employment through investment in human capital

- Involving the National Employment Agency (ANOFM) in the life-long training of young people
- Organising job fairs in rural areas
- Informing employers with regard to the insertion contract and on-the-job apprenticeship
- County employment agencies should organise information, counselling and vocational orientation sessions for final-year pupils.
- Providing training for unskilled young persons and/or young dropouts through the “Second Chance” programme.
- Monitoring ANOFM targets for the years 2012 and 2013, in compliance with the commitment undertaken by Romania before the EU through the National Reform Programme: counselling, orientation, vocational training, stimulating entrepreneurship for approximately 184,000 people under 25 per year, of whom a significant number coming from rural areas
- Legal recognition of the qualifications acquired on the job

1.5 Revising employment policies

- Priority actions benefiting vulnerable young people in rural areas.

1.6. Supporting young women in rural areas on the labour market

- Mother and child protection services
- Temporary day-care and shelter centres allowing mothers to look for a job
- Access of rural children to pre-school education

2. Education

- Preventing and fighting school dropout through community involvement
- Developing technological and vocational education in accordance with the market needs
- Organising formal internships (one to three months long) for final-year pupils, especially those attending vocational schools

3. Community

Fostering the active participation of local public authorities in development projects with a long-term impact for the community.

- Building infrastructure and utilities – roads, sewage networks, water supply
- Building and rehabilitating schools and dispensaries
- Ensuring transport options to the city
- Providing leisure opportunities through local events
- Facilitating investments in production
- Introducing broadband Internet
- Raising awareness among the youth with regard to disease prevention and the risks of an unhealthy lifestyle
- Promoting the concept of inter-communality for the shared management of resources
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