

## From Policies To Reduce Youth Unemployment To Entrepreneurship Programs?

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**Abstract:** Romania has been looking for answers for many years on reducing youth unemployment. The methods by which public actors have proposed to implement policies in this area have not been successful. An overcoming of them and a decisive change of them is useful today and it is also required for the economic and social future of this country.

Entrepreneurship in Romania could be one of the answers sought by public actors at the national level, but it must be fully aware of the important elements of this, the necessary resources and a real analysis of them, but first of all, an analysis of the target group directly involved. How could Romania do these things? By imposing and observing conditions at national level, but also through a visible transition on the development of various programs of entrepreneurship in Romania.

**Key words:** entrepreneurship, youth unemployment, public policies

### **1. Public policies to reduce youth unemployment or entrepreneurial programs?**

Unemployment among young people in Romania is a matter of several years on the institutional agenda. To tackle this problem and have taken several measures, we have implemented several programs, but, however, the problem is still topical.

National institutions addressed the private sector as well as the direct target young people to solve it. The private sector has been stimulated through several policies to increase employability among youth through various means: reduction or exemption from taxes, providing minimum wage for every young employee, university graduate without experience. However, public policies in the field have not reached their full target, even though youth unemployment in Romania has suffered slight declines, but it has not reached the desired percentage.

In the third quarter of this year, unemployment among young people reached a maximum of 24.9%, in the first quarter being 20.4%, and the second by 22.2, and now it is 21.4%. The unemployment rate among young people in Romania is now higher than last year when it was 20.3%.

So far, national institutions - focused on increasing the employability of young people in the private sector by providing facilities on the private sector, but not through its development and increasing employability.

Public policies at national level to increase employability of young people have considered and envisaged providing private sector facilities without taking into account the employability of this sector, the imposed bureaucracy, the development of productivity in this field, and the need for employment in this area.

Public policies aimed at reducing youth unemployment and increasing employability in the private sector should be based on a clear analysis of the following elements: the real reasons behind unemployment among their motivation and motivating young people to become engaged immediately after the studies, the need to employ private companies, the analysis of productivity and its estimation for the coming years, the legislation that private companies and the whole bureaucratic process must respect, the training of young people and the fields studied by them.

In a previous research, which was based on the semistructured interviews conducted between October 2015 and January 2017, in the first, second and third year of college with 170 students, aged 19-24, both male and female, from rural and urban areas and from all regions of the country. Students are enrolled in the Faculty of Administration and Business, Public Administration and Business Administration Specializations, Law Faculty, Faculty of Management- ID and day, has been shown that at the base of youth unemployment there are other causes, the social ones and not just the economic situation at national level. These include: motivation and stimulation of the individual to integrate into the labor market, the formal education received and the behavior received as a model in the formal studies followed, personal and professional development formed by direct involvement, moral values, personal skills and competences, wishes and the aspirations of the individual, the behavior received as a model within the family within the school; family education and youth formation through other external factors without conscious awareness.

In the same research, based on participant observation framework applied to over 400 young students, between October 2015-January 2017, in the years I, II and III college and first year master with targeted youth aged 19 to 26 years, both male and female, from all regions enrolled in the following fields of study: business administration and Public administration, Law, Management, Marketing and human resources., have concluded the following:

- Over 60% of the target young people do not want to work nor are they looking for a job,

- 60% of young people have mistakenly and unknowingly chosen faculty or master programs,

- Approximately 60% of students do not benefit from a personal and professional development appropriate to their age, even having a behavior inappropriate of age,

- Within the same percentage, there was an underdevelopment of personal and professional skills and competences such as: responsibility, communication skills, writing in academic and professional language, creativity, flexibility and adaptability to new, objective thinking, critical thinking, language underdeveloped, non-academic in 55% of cases.

- Poor behavior learned from the high school studies,

- behaviors, wrong copied or misunderstood within the family, and a great influence of parents and family members on their decisions,

- a low motivation for personal and professional development in more than 60% of cases proven and validated by sending information about certain useful activities such as: courses, trainings, free seminars; paid

internships; free national and international projects, or a spending charge of up to 50 euros; activities in various fields, involving both professional and personal development and even free travel activities. Within them, only 20% participated - they already work in advanced fields, participating in other volunteer activities; internships or other national and international projects, and 90% of them have scholarships received within the faculty.

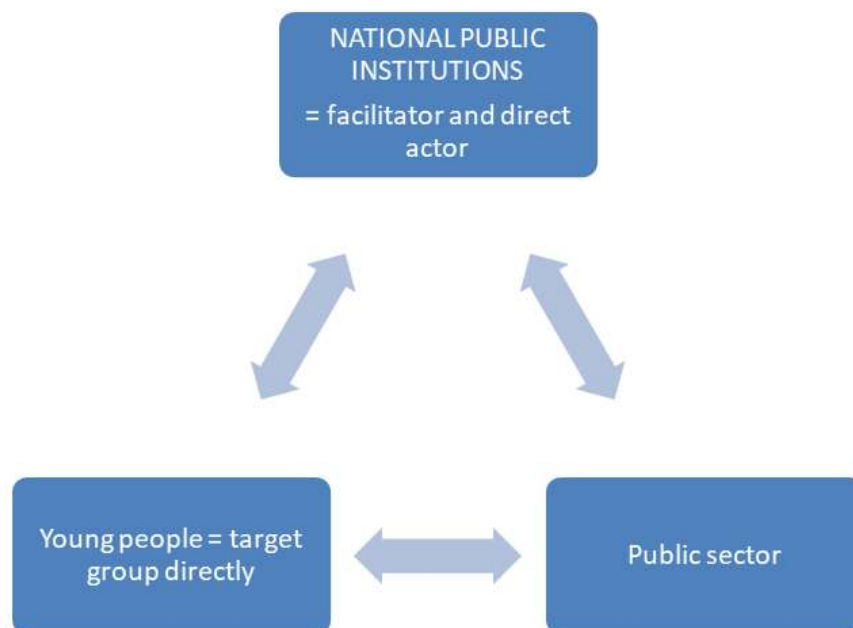
- There was an active involvement of more than 80% of the target young people and an increased interest among them in practical seminar activities: role play, team competitions, individual and team projects, brainstorming, focus group, etc

The same conclusions were also made on the basis of completed questionnaires in that period, in over 500 students and fresh graduates.

## **2. Key elements of public policies on youth unemployment and entrepreneurship programs**

It is necessary that the implemented public policies and future policies include an objective, real and profound analysis of the following actors directly involved in this issue: young unemployed - as a direct target group, the private sector - as a potential remedy for the unemployment problem and potential entrepreneur and public institutions at national level - as a facilitator between young people and the private sector and as the main actor directly involved in solving this problem at national level.

Fig. 1-Elements of public policy analysis on youth unemployment reduction



Source: Author's own processing

From public policies on reducing youth unemployment, national public institutions have made a useful transition to implementing programs on entrepreneurship development in Romania. These could be a more effective solution to increase employability among young people but also a durable one. However, in programs of this kind are found several weaknesses that may affect drastically achieve the objectives, development and duration: reducing visibility nationwide target group small (women, young people with a certain age, young people from certain backgrounds, SMEs), insufficient budget allocated bureaucratic process very complex, lengthy and long-winded unreadiness public institutions locally to provide counseling and accurate information of those interested, the existence of several institutions with competences in the field that can confuse and

lower interest in applying to such a program.

Programs on entrepreneurship development in Romania can be a real solution and a successful transition from public policies on reducing youth unemployment if they will be implemented with the observance of some essential conditions for their development.

And within them should be taken into account in real mode, the following: the group's target interest young people to become entrepreneurs, practical training them on business, actors involved in their implementation, the need to increase productivity nationwide, areas of interest, existing budget, relations between target group-institutions and businesses, curricular area of educational institutions high school and higher in the field.

1. The target group- we recommend a detailed analysis of its specificity, the areas

of interest, the motivation of the target group to get involved in the programs implemented for the development of the entrepreneurship at the national level, its real needs and the potential of the target group,.

2. Young people's interest in becoming an entrepreneur - for young entrepreneurship programs to be successful, there must also be a visible implication from them and a direct participation of young people throughout the process,

3. Their practical training - on the training of young people will depend the success of the implemented programs and their success in this field,

4. The need to increase productivity at a national level - this element will dictate the need to develop such programs and justify their existence

5. areas of interest they will dictate the areas of entrepreneurship development

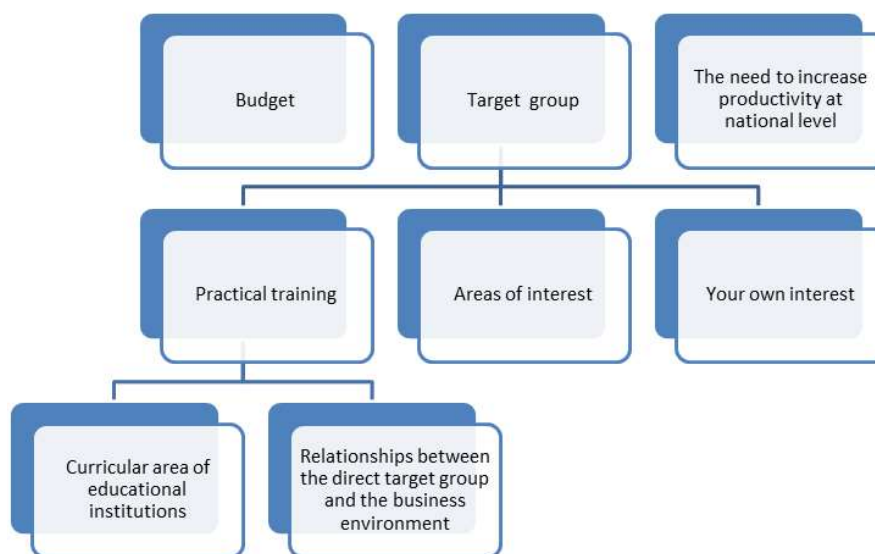
programs,

6. the existing budget- it will make up the financial resources involved in entrepreneurship programs \

7. The relationships between the direct target group and the business environment - the relations between the two directly involved actors - the public institutions and indirectly involved - the private environment will be an important starting point in the development of the entrepreneurial programs implemented and it is recommended that it whether objective, sincere, professional and both actors have shared interests

8. The curricular area of higher education institutions in the field - the fields studied within the educational institutions can be reflected in the future business areas developed at national level by young people.

Fig. 2. Elements of the analysis of entrepreneurship development programs



Source: Author's own processing

### Conclusions

Moving from public policies on reducing unemployment in Romania to youth entrepreneurship programs is a useful and important one for Romania at present. But this shift should be done in a conscious, assumed, objective and mindful way and to take account of all those directly and indirectly involved in this process, by legislation, but also the elements that make up the private sector in Romania.

No entrepreneurship program for young people will be successful, regardless of the financial and material resources implemented if it does not represent a real necessity, if Romania is not ready to increase its

productivity at national level, if the bureaucratic and legislative system will not diminish in terms of the conditions imposed on future entrepreneurship at national level. Also, these programs should also take into account a real analysis of the direct target group, which puts more emphasis on their own desires, needs, expectations, knowledge and areas of interest, not just economic ones at national level.

Higher education institutions also play an important role in this transition to the implementation of entrepreneurship programs: by providing well-prepared human resources with a practical base, knowledge in the field, but also motivated, interested and willing to affirm in the environment business.

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