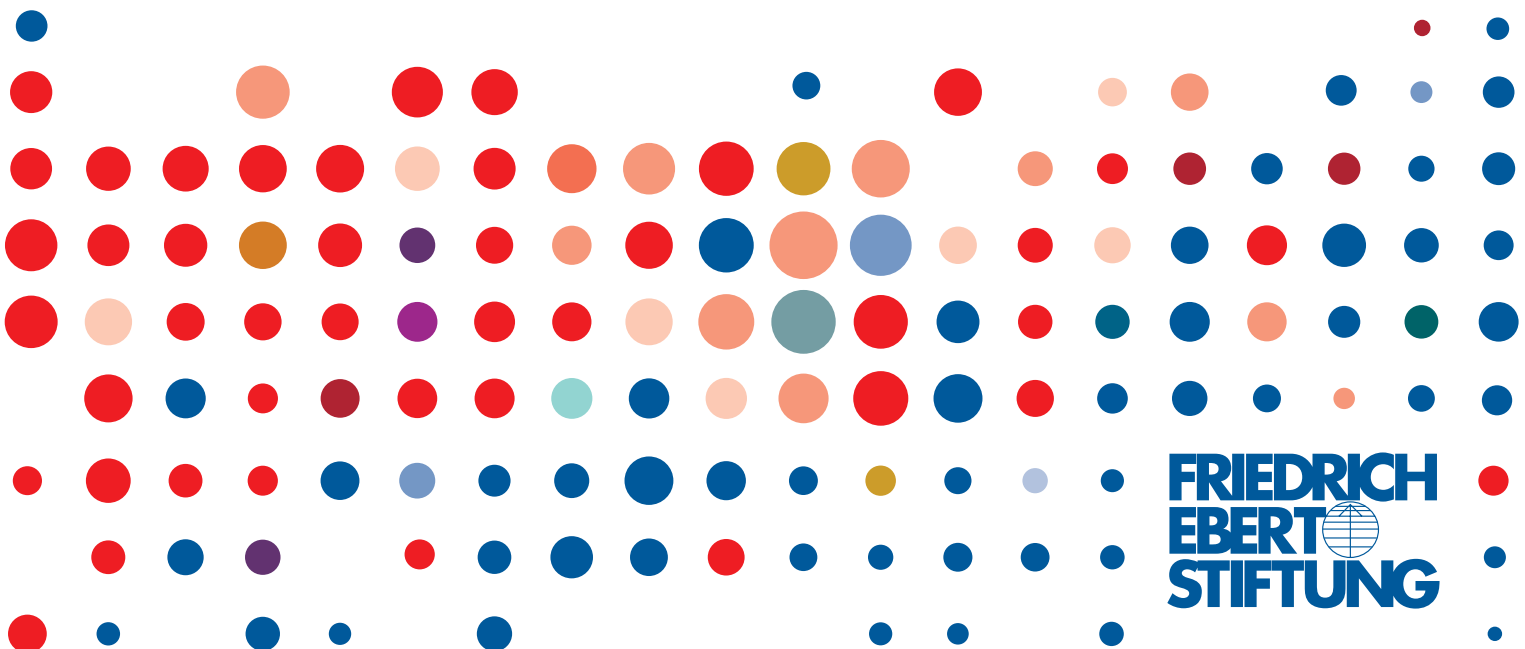


THE JOBLESS AND THE INSECURE

Mirna Jusić

FIVE POINTS ON YOUTH AND LABOUR MARKETS IN SOUTHEAST EUROPE 2019

- 1** Joblessness is high across the region, especially in SEE countries that have not joined the EU. A significant share of young people are neither in employment or in education in Albania, Kosovo and Bosnia and Herzegovina.
- 2** In the SEE countries that have not joined the EU and Slovenia, non-standard employment is very common, pointing to the precarity of young people's work.
- 3** Skills mismatches are a reality for young people in the region: survey results show that as many as 42%, on average, work in jobs that they have not been educated for.
- 4** Given their uncertain prospects of having secure employment, it does not come as a surprise that most young people from the SEE countries that have not joined the EU would prefer to work in the public sector.
- 5** Across the region, connections are seen as an important factor in finding employment as a young person. Party membership is being reported as an important asset for later employment, particularly in the WB-6 countries as well as in Croatia.



Introduction¹

In early 2018, more than 10,000 young people aged 14–29 from ten countries of Southeast Europe (SEE)² participated in Friedrich-Ebert-Stiftung's youth surveys, covering a broad range of issues that concern their everyday lives, not limited to employment. Survey results confirmed that young people in most countries of SEE share what has become an almost universal experience of young people everywhere: they are struggling to find quality jobs. This struggle may have dire consequences for a young person, among other things (in work) poverty or social exclusion;³ negative health effects;⁴ 'scarring' effects in terms of finding more rewarding employment later on;⁵ and a reduced sense of self-efficacy.⁶

1

Many SEE youth are jobless or NEETs

With the exception of Slovenia, Romania and Bulgaria, official labour force survey data over the years show rampant levels of youth unemployment, especially in BiH, Kosovo and Macedonia. While joblessness has recently declined in some countries as a result of the countries' improved economic performance in the aftermath of the 2008 economic crisis, youth unemployment rates remain worryingly high in most parts of the region (Figure 1.1).

While there are some differences in comparison to official statistics,⁹ the 2018 FES Youth Surveys show that joblessness among youth is high in many SEE countries, especially in Kosovo, Albania and BiH (Figure 1.2).

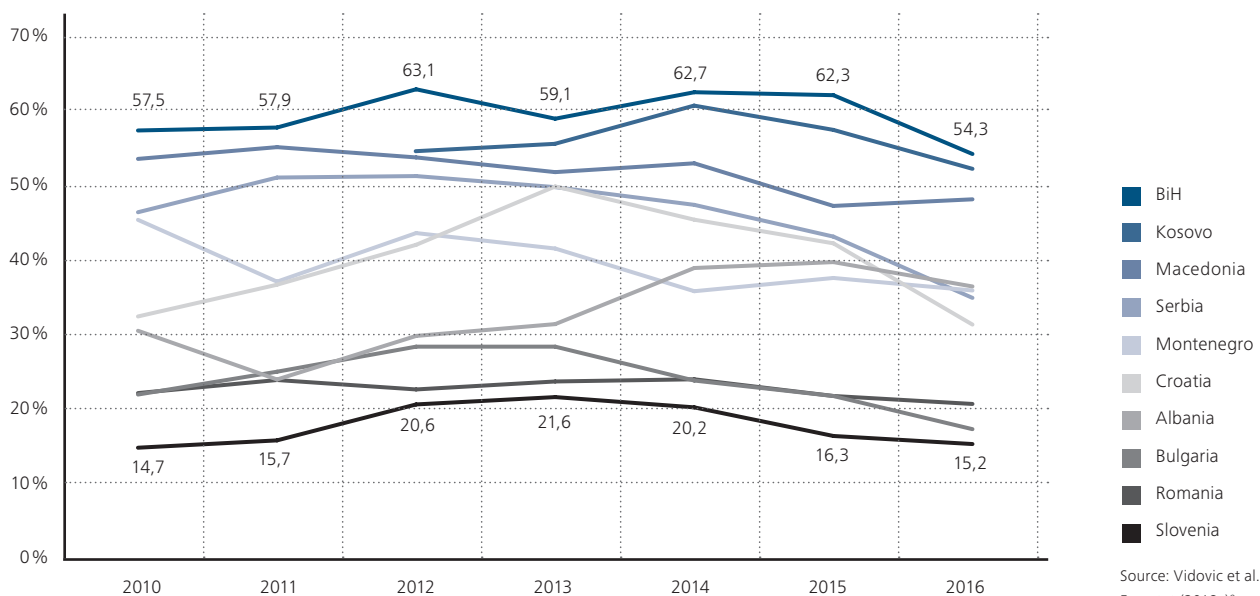
In addition to unemployment, being outside of employment, education or training (NEET) is another indicator of young people's

vulnerability.¹¹ In the Western Balkans' 6 (WB6) countries,¹² almost a quarter of youth had a NEET status in 2016.¹³ Survey data support such findings for Albania, BiH and Kosovo, where a large share of youth had such status (Figure 1.3).¹⁴ The NEET status is strongly negatively correlated with countries' level of socioeconomic development, expressed through the Human Development Index (HDI).

The implications of having a large cohort of youth outside of education and employment are very serious. Countries incur large economic costs by failing to integrate young people in labour markets. NEETs have also been found to be more socially disengaged, being less likely than non-NEETs to take an interest in politics, to vote, to trust institutions or to engage in civic activities,¹⁵ which is also confirmed by the 2018 Youth Survey data.¹⁶

Statistical analysis at the regional level suggests that economic and cultural capital matter when it comes to employment and NEET status. Respondents whose parents have only completed primary school are more likely to be unemployed; NEETs are also more likely to have parents with lower levels of educational attainment. Those from financially worse-off households are more likely to be unemployed, as are NEETs. Statistical analysis also indicates a potential regional gap in terms of employment opportunities, as young people from rural areas are slightly more likely to be unemployed. Youth who are NEET are also more likely to come from rural areas. One's level of qualifications is also important, as those with the highest degrees are more likely to be employed. On the other hand, it is important to note that those young people who left formal education before completing a degree at an earlier age are more likely to be NEET, as opposed to those who left at a later age. In addition to matters of socioeconomic status, gender also appears to matter, as young men are more likely to be in

FIGURE 1.1: Youth unemployment rates in SEE over the years (2010–2016), as a percentage of the active population, age 15–24



Source: Vidovic et al. (2018)⁷ / Eurostat (2018c)⁸

some form of employment, while young women tend to be NEET more often than men.

Considering the prevalence of joblessness in SEE, it is not surprising that the vast majority of young people in SEE, ranging from 63 % in Bulgaria to as many as 92 % in Macedonia, are somewhat or very frightened about not having a job.

2

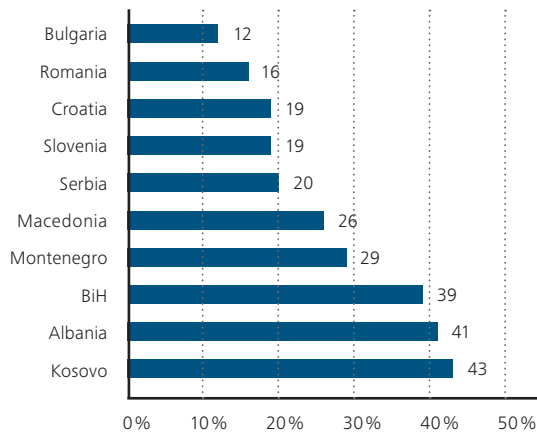
Precarious jobs prevail among SEE youth

Survey data confirm that youth in SEE, similar to their peers in other parts of Europe, have fallen victim to the “drastic deregulation” of labour market institutions, combined with a lack of demand for youth labour.¹⁷ In the WB6 and Slovenia especially, working on part-time contracts, in occasional jobs or being self-employed is much more common than permanent positions among young people who have a job (Figure 1.4). Non-standard work, such as temporary employment and some forms of self-employment, is usually (although not always) considered to be precarious work,¹⁸ defined by its uncertainty in terms of employment duration, low wages, lack of social security, worker protection, and access to collective bargaining and trade union representation.¹⁹

Statistical analysis at the regional level suggests that factors that contribute to standard employment include having graduate degrees, having better-educated parents, and coming from better-off households. Statistical analysis also points to the importance of practical education in finding permanent work, as those young people who have performed practicals or internships during the course of their education or training are more likely to be in ‘regular’ jobs.

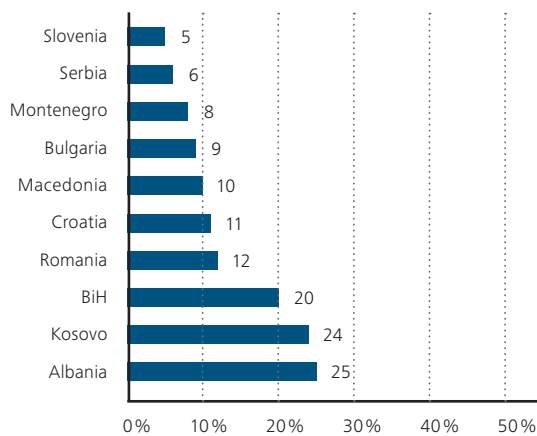
Although the context of a “political economy of insecurity”²¹ seems prevalent in SEE, youth survey data also show that the majority are satisfied with their jobs, especially in Bulgaria, Romania and Montenegro. Nevertheless, the finding that 37 % of SEE youth on average are either dissatisfied or indifferent towards their jobs should not be underestimated.

FIGURE 1.2: Youth unemployment rates (15–29), as a percentage of the labour force¹⁰



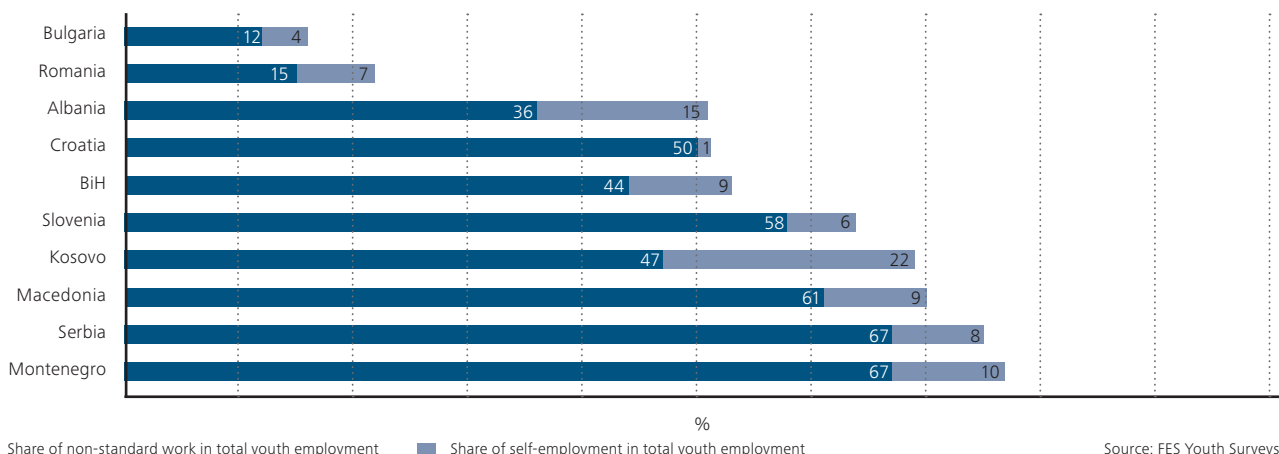
Source: FES Youth Surveys

FIGURE 1.3: Percentage of young people who are not employed, undergoing education or training (15–29)



Source: FES Youth Surveys

FIGURE 1.4: Share of non-standard work and self-employment in total youth employment (in %)²⁰



Source: FES Youth Surveys

3

SEE youth bear the brunt of skills mismatches

The FES youth surveys also confirm the perception of widespread skills mismatch in the SEE region.²² Survey data suggest that a substantial share of SEE youth – 42% on average – find themselves in jobs they have not been trained for, which corresponds closely to findings produced by the last round of FES youth surveys, carried out between 2011–2015. Nevertheless, in some countries, such as Bulgaria, working in professions people are not trained for occurs less frequently (Figure 1.5).

Having a higher or lower level of education/qualifications than required by one’s job is another form of skills mismatch. Survey data show that while a majority of working youth have begun working in a profession in line with their achieved level of education, the share of young people who are overeducated is still substantial, especially in some WB6 countries such as Kosovo, Serbia, Albania and BiH, but also in Slovenia (Figure 1.6). Under-education is much less common, possibly because a large share of SEE youth are in non-standard employment, which may not yield as many occupational choices as standard work.²⁴

Factors such as cultural and economic capital once again seem to matter when it comes to skills mismatches: statistical analysis shows that respondents with parents who have tertiary degrees are much less likely to be working in jobs outside one’s profession. Furthermore, one’s level of education also matters, as MA graduates are less likely to work outside of their profession. A premium is also afforded to MA degrees when it comes to vertical mismatches, as those with MA degrees are less likely to be overeducated for their jobs in comparison to less educated peers, including those with BA degrees. Economic capital is also important, as those who are members of the poorest households tend to work in jobs that require lower levels of education more frequently.

Beyond personal traits and access to sources of capital, the structure of school-to-work transition systems and access to key elements of social welfare, such as effective placement services, income support, and active labour market policies are also important in helping reduce skills mismatches. For instance, over-education is expected to be more common in general with a sequential type of education, which is inherent to SEE countries, while dual education is less likely to yield such vertical mismatches.²⁶

FIGURE 1.5: Working in a profession trained or educated for²³

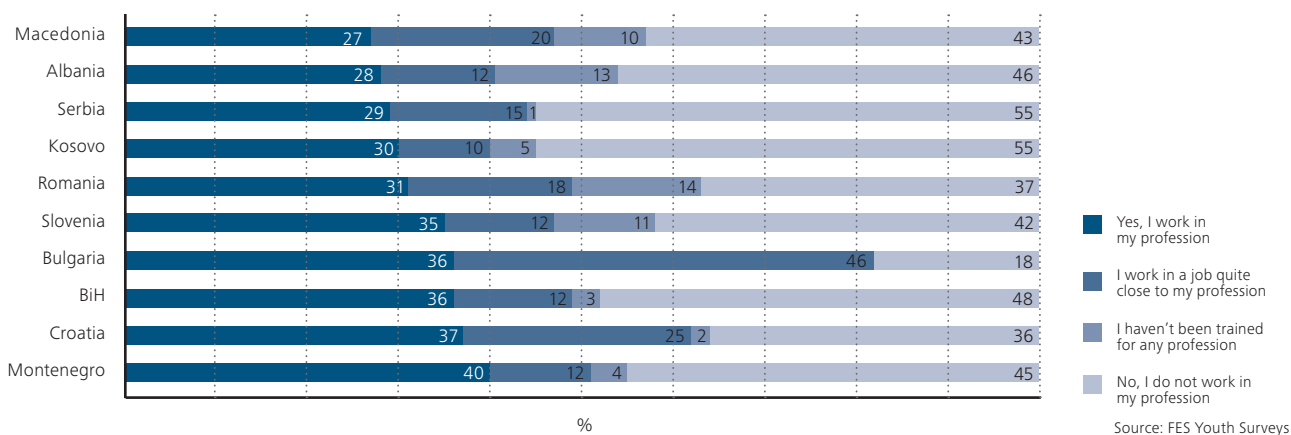
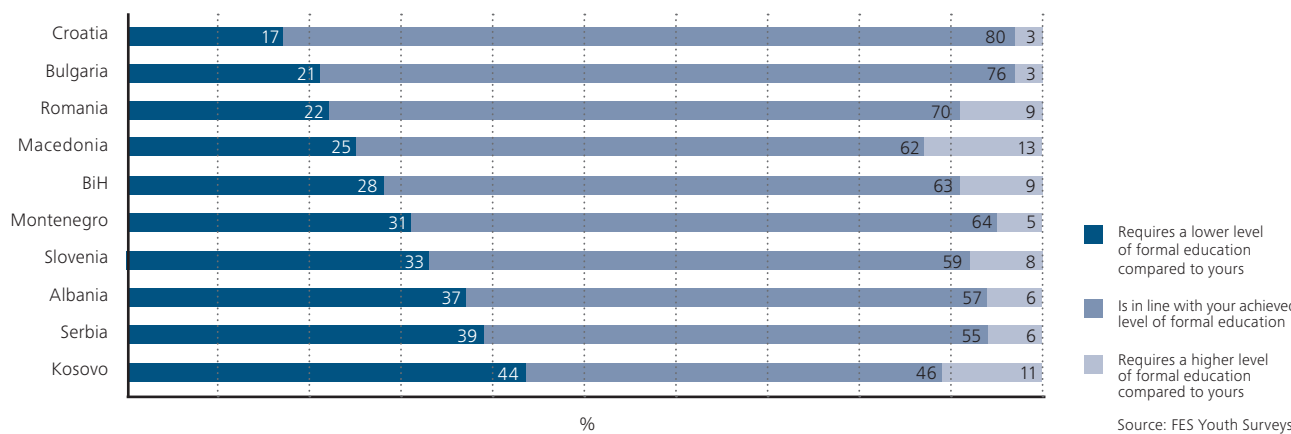


FIGURE 1.6: Formal education requirements of young people’s jobs²⁵

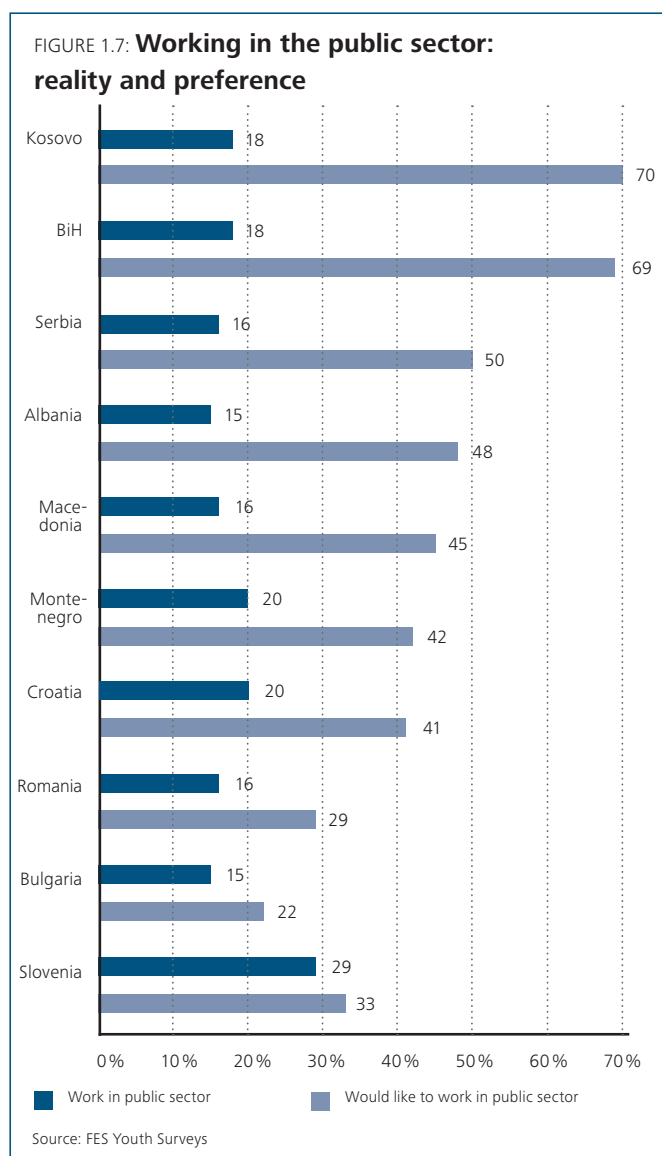


4

Most youth from WB6 countries prefer public sector jobs

While the vast majority of working SEE youth (74%) are employed in the private sector, the public sector is the desired workplace destination for young people from the WB6 countries (Figure 1.7). This is in line with the findings from 2011–2015 youth surveys, with the caveat that Croatian youth have since shifted their preference towards private sector jobs along with other EU peers. Public sector employment is more desirable among the general population in the WB6 and in Croatia as well.²⁷ Given these results, it does not come as a surprise that youth from countries with a lower HDI prefer employment in the public sector.

Young people from SEE may be attracted by the ‘safe’ public sector because they place a high premium on job security (92%). The importance of job security in choosing work is significantly positively correlated with the preference for public sector employment, corroborating analyses of the previous round of youth surveys (2011–2015).²⁸



5

Connections are seen as vital for finding work

Merit-based criteria such as education and expertise are perceived as important for a young person to find a job, but SEE youth also rank highly non-merit-based factors, such as connections with people in power. Interestingly, the expectation that party membership yields work for youth is especially strong among youth residing outside of the EU (Figure 1.8).

Not surprisingly, statistical analysis shows that youth from countries with a lower HDI are more likely to consider connections with people in a position of power or acquaintances as important factors for finding employment as a young person. On the other hand, the preference of public sector employment correlates positively with the perception that connections with people in power are an important factor in finding a job, as well as the perception that party membership is important for obtaining employment as a young person, suggesting that merit-based criteria may not be perceived as vital for public sector employment. This corresponds with the findings of the FES 2011–2015 youth surveys.²⁹

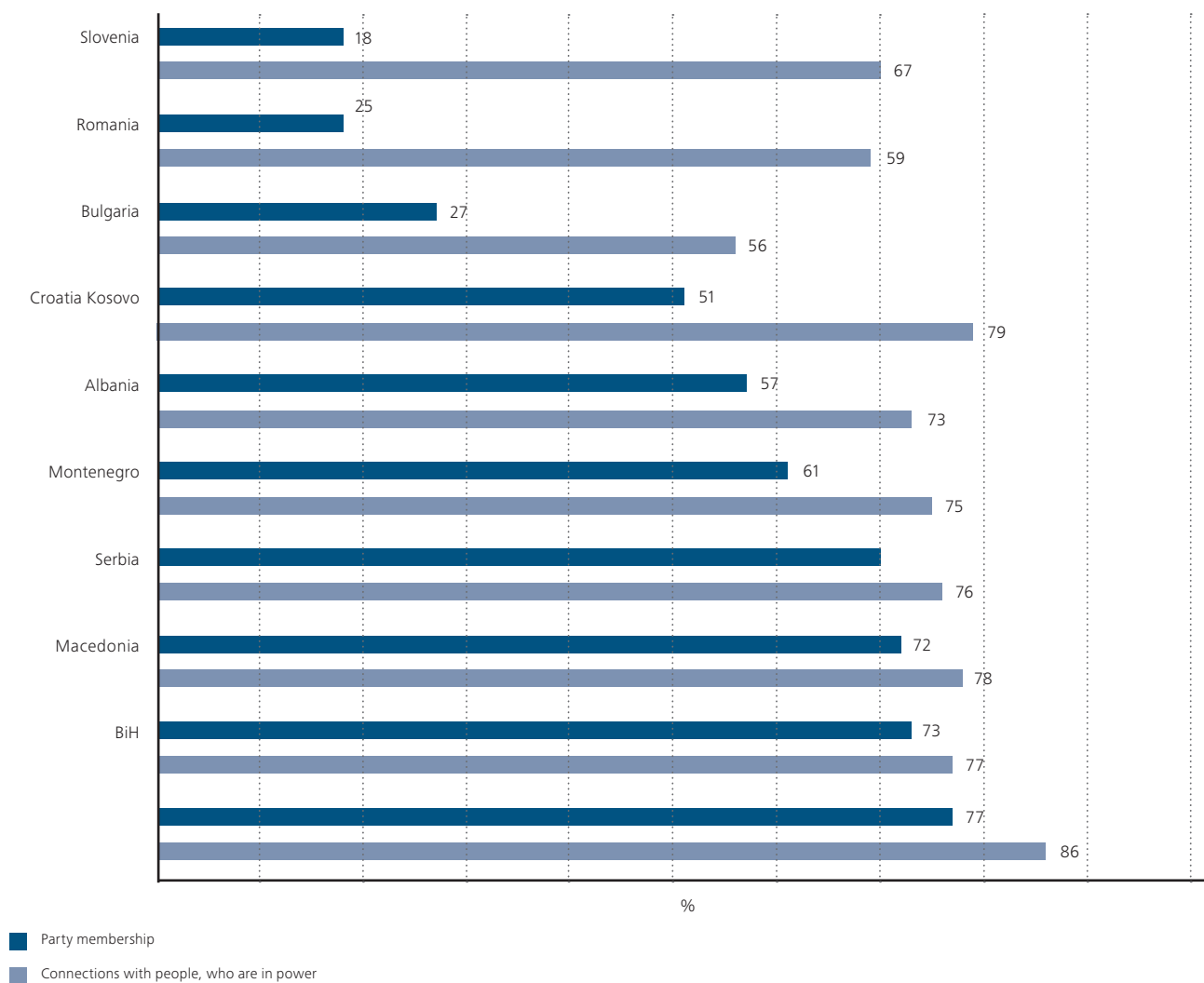
Conclusion and recommendations

Youth surveys confirm that the SEE region continues to suffer from high unemployment rates, especially in the WB6 countries, many of which also display high NEET rates. With the threat of joblessness looming large, a vast majority of SEE youth are anxious about the prospect of not having a job. Lower levels of economic and cultural capital are a common trait of NEET and unemployed youth, suggesting inherent inequalities in SEE labour markets. With some exceptions, the majority of youth employed in SEE countries tend to work in non-standard jobs and face significant skills mismatches, suggesting poorly facilitated school-to-work transitions by education and labour market institutions. In all countries that are not EU members, young people exhibit a stronger preference towards public sector employment, which correlates positively with job security as one of the most desired traits in employment. Political party membership as a condition for finding a job as a young person ranks especially high among WB6 youth and in Croatia.

In order to avoid the prospect of “a lost generation of young people who become permanently excluded from productive employment”³⁰ in SEE, the complex problem of youth employment needs to be tackled both on the demand side, by creating more and better-quality jobs, and on the supply side, by revamping the school-to-work regimes to improve young people’s employability. In line with country-specific contexts, SEE governments may take the following policy avenues:

- Policies to deter emigration need to be enhanced, especially in SEE countries that have not joined the EU. The development of such policies needs to take on an integral, multi-faceted approach, targeting economic insecurity, weak job opportunities and career prospects as the most significant motivational factors underlying migration. More attention should also be devoted to the effects of media and the political debate on youth emigration.
- To tackle unemployment and high NEET rates, youth guarantee schemes – comprised of active labour market policies and opportunities to continue education and training – could be introduced.
- Youth mobility schemes, in which young people would be able to continue education or work abroad for defined periods of time, should be developed or expanded.
- Addressing high NEET rates requires measures in the realm of education including, but not limited to, preventing early school-leaving and the re-engagement of youth who left school early;³¹ apprenticeships and internships as a means to acquire skills and work experience thus easing school-to-work transitions; measures of more general support for youth from underprivileged social backgrounds, such as scholarships, subsidised tuitions, or local tutoring.
- Skills mismatches between educational systems and labour markets may be addressed through better coordination and information-exchanges between the private sector and education and training institutions. Stronger social dialogue, modernisation of educational curricula and greater opportunities for internships and apprenticeships would also be effective measures in this regard.
- Employment protection needs to be enhanced in order to prevent a vicious cycle of temporary and casual jobs for youth. Encouraging better youth representation through labour unions may lead to greater employment security and quality.
- To secure better-quality jobs, strengthening online job search tools and platforms, investing in effective job-placement services, and better training opportunities are needed to increase young people’s chances of finding employment.

FIGURE 1.8: Share of youth who perceive party membership or connections with people in power as important in finding a job



Source: FES Youth Surveys

About the Author

Mirna Jusić is a senior researcher at the Center for Social Research Analitika, Sarajevo, and one of its co-founders. Mirna holds an MA degree in Public Policy from the Department of Public Policy, Central European University, Budapest and an MA Degree in State Management and Humanitarian Affairs from Sapienza University of Rome, the University of Sarajevo and University of Belgrade. She is currently a PhD candidate at the Public and Social Policy program, Institute of Sociological Studies, Charles University in Prague. Her research interests are in the fields of governance and social policy.

Endnotes

- [1] This “Five points on...” is based on the research results published in the regional study Youth Study Southeast Europe 2018/2019. For further information on the study’s methodology and statistical analysis, see: [full reference to regional study]
- [2] Surveys were conducted in Albania, Bosnia and Herzegovina (BiH), Bulgaria, Croatia, Kosovo, Macedonia, Montenegro, Romania, Serbia and Slovenia.
- [3] Fahmy, E. (2014). The Complex Nature of Youth Poverty and Deprivation in Europe. In L. Antonucci, M. Hamilton, & S. Roberts, S (Eds.), *Young People and Social Policy in Europe: Dealing with Risk, Inequality and Precarity* (pp. 37–61). Basingstoke: Palgrave Macmillan.
- [4] O’Higgins, N., & Coppola, G. Editor’s introduction. In G. Coppola & N. O’Higgins (Eds.), *Youth and the Crisis: Unemployment, education and health in Europe* (pp. 1–9). Abingdon, Oxon: Routledge, 2016.
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- [6] Mortimer, J.T., Kim, M., Staff, J. & Vuolo, M. (2016). Unemployment, Parental Help, and Self-Efficacy During the Transition to Adulthood, *Work Occup*, 43(4), 434–465.
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- [8] Eurostat. (2018). Youth unemployment rate - % of active population aged 15-24 [tipslm80]. Retrieved from <http://ec.europa.eu/eurostat/web/products-datasets/product?code=tipslm80>
- [9] These can also be attributed to methodological differences in terms of how unemployment is measured.
- [10] Pertains only to young people who are employed and those who are unemployed, but seeking employment.
- [11] Not all NEETs are necessarily disadvantaged or socially excluded; however, NEET has been shown to be a relevant predictor of unemployment later on. For more on this, see: Furlong, A. (2006). Not a very NEET solution: Representing problematic labour market transitions among early school-leavers. *Work, Employment and Society*, 20(3), pp. 554-555.
- [12] Refers to Albania, BiH, Kosovo, Macedonia, Montenegro and Serbia.
- [13] Vidovic et al. (2018). *Western Balkans labor market trends 2018*. p. 21.
- [14] NEET rates are much lower in some countries such as Bulgaria, Serbia, Macedonia and Montenegro in comparison to official statistics and the last round of youth surveys. This could potentially be due to methodological differences.
- [15] Salvatore, M., Mascherini, L., Meierkord A. & Jungblut, J. (2012). NEETs: Young people not in employment, education or training: Characteristics, costs and policy responses in Europe. Dublin: European Foundation for the Improvement of Living and Working Conditions. p. 2.
- [16] For more, see: Jusić, M. & Lavrič, M. (2018). Political and Civic Participation, in Miran Lavrič, Smiljka Tomanović and Mirna Jusić report: *Youth in Southeast Europe 2018: In Search of Solidarity-based Europeanization*. [full reference to regional study].
- [17] Maestripieri, L. & Sabatinelli, S. (2014). Labour Market Risks and Sources of Welfare among European Youth in Times of Crisis. In L. Antonucci, M. Hamilton, & S. Roberts (Eds.), *Young People and Social Policy in Europe: Dealing with Risk,*

Inequality and Precarity (p. 154). Basingstoke: Palgrave Macmillan; Cavalca, G. (2016). Young people in transitions: conditions, indicators and policy implications: To NEET or not to NEET? In G. Coppola & N. O’Higgins (Eds.) *Youth and the Crisis: Unemployment, education and health in Europe* (pp. 272–287). Abingdon, Oxon: Routledge.

[18] For more, see Mortimer et al. (2016). (2016). Unemployment, Parental Help, and Self-Efficacy During the Transition to Adulthood; MacDonald, R. (2009). Precarious work: Risk, choice, and poverty traps. In Furlong A. (Ed.), *Handbook of youth and young adulthood: New perspectives and agendas* (pp. 167–175). London: Routledge.

[19] International Labor Organization. (2011). *From precarious work to decent work. Policies and regulations to combat precarious employment*. Geneva: ILO. p. 5.

[20] Non-standard work refers to the following response options: I have a temporary contract for a full-time job; I have a temporary contract for a part-time job; I have occasional job(s). For self- and non-standard employment, calculated as % of employed youth.

[21] Furlong, A. (2006). Not a very NEET solution: Representing problematic labour market transitions among early school-leavers. *Work, Employment and Society*, 20(3), p. 567

[22] Arandarenko, M., & Bartlett, W. (Eds.). (2012). *Labour Market and Skills in the Western Balkans*. Belgrade: FREN – Foundation for the Advancement of Economics.

[23] Question pertains only to young people who are working.

[24] International Labor Organization. (2014). *Skills mismatch in Europe: statistics brief*. Geneva: ILO. p. 15.

[25] Question pertains only to young people who are working.

[26] Caroleo, F. E., & Pastore, F. (2016). Overeducation: A disease of the school-to-work transition system, In G. Coppola & N. O’Higgins (Eds.), *Youth and the Crisis: Unemployment, education and health in Europe* (pp. 36–56). Abingdon, Oxon: Routledge. p. 37; 39; Pastore, F. (2015). *The Youth Experience Gap: Explaining National Differences in the School-to Work Transition*. Basel: Springer. pp. 3–4.

[27] Regional Cooperation Council. (2017). *Balkan Barometer 2017 Public Opinion Survey*. Sarajevo: RCC. p. 73.

[28] Jusić, M., & Numanović, A. (2017). *The Excluded Generation: Youth in Southeast Europe*. Sarajevo: Friedrich-Ebert-Stiftung Dialogue SEE. p. 41.

[29] Ibid.

[30] O’Higgins, N., & Coppola, G. (2016). Editor’s introduction. p. 3.

[31] See, for instance: Council of the European Union. (2011, 1 July). *Council Recommendation of 28 June 2011 on policies to reduce early school leaving*. Official Journal of the European Union C 191/1. Also see: Salvatore et al. (2012). NEETs: Young people not in employment, education or training: Characteristics, costs and policy responses in Europe.

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The data was collected in early 2018 from more than 10,000 respondents aged 14–29 in the above-mentioned countries who participated in the survey. A broad range of issues were addressed, including young peoples’ experiences and aspirations in different realms of life, such as education, employment, political participation, family relationships, leisure and use of information and communications technology, but also their values, attitudes and beliefs.

Findings are presented in ten national and one regional study and its accompanying policy papers, which have been published in both English and the respective national languages.

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