

YOUTH UNEMPLOYMENT AND THE IMPACT OF A HIGH EARLY SCHOOL LEAVING RATE ON SOCIETY'S DEVELOPMENT AND ECONOMIC GROWTH

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Abstract: *Through the socio-economic implications it generates, unemployment is a particularly complex social phenomenon, associated with poverty, leading to a significant reduction in living standards. It affects all sectors of the national economy. Economic reality has demonstrated that there is no single solution to unemployment. There are no pure and perfect ideas, only programs integrated into anti-crisis policies. The phenomenon itself cannot disappear but can only be managed.*

The early school leaving rate indicator reflects the proportion of the population aged 18-24 with a low level of elementary education who do not pursue any form of formal or non-formal training within the total 18-24-year-old population. This indicator expresses the proportion of young people with a low level of education, essentially those at high risk of poverty, social exclusion, and marginalization. A high value of this indicator indicates the low efficiency of the education system and a reduced demand for education among the 18-24-year-old population.

School dropout leads to unemployment, social exclusion, poverty, and health problems. Personal or family issues, learning difficulties, precarious socioeconomic conditions, school environment, relationships between teachers and students, and overall living standards are just a few factors influencing school dropout.

Keywords: unemployment, early school leaving rate among young people, school dropout rate.

1. Introduction

According to Alfred Sauvy's opinion, full employment represents: "At any moment, any individual willing to work should be able to find a job near their residence, an activity that suits them, in the profession they wish to practice, under normal conditions, etc. This should happen in a permanent manner, despite global movements, foreign competition, monetary fluctuations, climate and harvest inequalities, technical investments, and changing tastes." [1] In his view, the essential elements of full employment are:

- Ensuring a job for every individual capable and willing to work;
- Implementing the principle: the right person in the right place.

This concept represents an ideal towards which a perfect society strives. History has demonstrated that nowhere has full employment of 100% of the working-age population been achieved, nor has there been complete alignment in modern and contemporary society between education, professional competence, individual desires and preferences on one hand, and the

content of the position they occupy or the role they should fulfill on the other.

Representatives of classical economic thought, such as Adam Smith, David Ricardo, John Stuart Mill, and Jean Baptiste Say, recognize only voluntary unemployment, which includes individuals who do not wish to work for the salary offered by the employer. The causes of this type of unemployment lie in factors that make the labor supply exceed demand. They believe that the market, through its mechanisms, can automatically regulate this imbalance and establish equilibrium between labor supply and demand without state intervention.

Prominent economists in the history of economic thought consider that equilibrium is achieved and normal employment conditions are ensured if there is an underemployment rate of 2-5% of the total active population, meaning that the employed population is approximately 95-98%. Full employment is compatible with the natural rate of unemployment, with normal unemployment.

School dropout generates unemployment. Unemployment is an economic phenomenon that inherently implies that the labor supply exceeds demand. It should be noted that the labor supply does not consider the entire working-age population, but only those willing to be employed as salaried workers.

2. Literature and Practice in the Field

The early school leaving rate among young people (18-24 years old) represents the proportion of the 18-24-year-old population with a low level of education who are not engaged in any form of training (formal or non-formal) within the total 18-24-year-old population. This indicator reflects the proportion of young people with a low level of education, essentially those at high risk of poverty, social exclusion, and marginalization. A high value of this indicator signifies the low efficiency of the

education system and a decreased demand for education among the 18-24-year-old population.

On the other hand, reducing the early school leaving rate in education and vocational training for young people aged 18-24 has a positive social impact, as it leads to lower unemployment, increased incomes, and greater access to inclusive education. Inclusive education is the process of providing equal opportunities for all children with special needs to receive effective and high-quality education.

An increase in the quality of early education services contributes to higher school participation rates, improved academic performance, and reduced risk of early school leaving.

The dropout rate is the difference between the number of students enrolled at the beginning of the school year and the number of students recorded at the end of the same school year, expressed as a percentage relative to the number of students enrolled at the beginning of the year.

Based on data published by the National Institute of Statistics (INS) [2], the seasonally adjusted unemployment rate was 5.4% in September 2023, similar to the rate recorded in August. However, youth unemployment remains high at 22.3%, according to data published by INS and cited by Agerpres. The estimated number of unemployed persons (aged 15-74) for September 2023 was 444,400, down from the previous month (446,600) and also from the same period the previous year (448,200). The unemployment rate analyzed by gender shows values of 5.8% for males and 4.9% for females.

INS data reveals that among young people aged 15 to 24 years, the unemployment rate remains high at 22.3%.

If we analyze the data for adults aged 25-74 years, the unemployment rate was estimated at 4.5% for September 2023 (4.2% for women and 4.6% for men). The number of

unemployed individuals aged 25-74 represented 78.2% of the total number of unemployed persons estimated for September 2023.

In Romania, according to data published by the National Institute of Statistics (INS), the unemployment rate reached 5.3% in November 2024, decreasing by 0.1 percentage points (pp) compared to October 2024. The unemployment rate for men was 0.5 percentage points higher than that for women.

The estimated number of unemployed persons (aged 15-74) for November 2024 was 435,600, down from the previous month (441,100) and from the same period the previous year (449,400).

By gender, the unemployment rate for men exceeded that for women by 0.5 pp (the values being 5.5% for men and 5% for women).

INS reports that the youth unemployment rate (15-24 years old) remained high at 25.3% during the period July - September 2024.

For adults (25-74 years old), the unemployment rate was estimated at 4% for November 2024 (3.8% for women and 4.1% for men).

The number of unemployed individuals aged 25-74 accounted for 70.9% of the total number of unemployed persons estimated for November 2024.

Factors negatively influencing the school dropout rate include [3]:

- Low family income and lack of social support, which prevent children from enrolling in the education system or force them to drop out at some point.
- Lack of education and weak collaboration between teachers and parents, leading many students to quit school as they approach middle school or high school graduation.
- Poor teacher-parent collaboration, an unwelcoming school environment, or an overly demanding curriculum can increase dropout rates. Schools should

provide a safe and supportive space for students.

- Poor exam results discourage many students from continuing their education.
- A toxic family environment negatively affects a student's ability to study.
- Lack of extracurricular activities.
- Insufficient career guidance. Career counseling helps individuals discover, accept, and apply their abilities and interests in line with their aspirations and values. Reality shows that young people's main issue is not finding a job but securing a stable and suitable one.
- Common reasons for school dropout also include physical disabilities, drug abuse, and teenage pregnancies.

The negative effects of school dropout are immense:

- Increase in the unemployment rate.
- Lower national income levels.
- Higher crime rates.
- Decline in the quality of life for those who drop out of school.

The state, civil society, and educational institutions must take action to reduce school dropout rates, as this affects the proper organization and development of society. The role of education is essential.

A high-quality educational system is crucial for reducing school dropout rates.

School dropout leads to unemployment, social exclusion, poverty, and health problems. In the long term, it impacts societal evolution and economic growth. Those who drop out of school early tend to participate less in the democratic process and remain inactive citizens. We observe that the process of innovation and economic growth is also affected, as it relies on a competent workforce throughout the entire economy, not just in high-tech sectors.

According to the European Commission, *“reducing the European average early school leaving rate by just one percentage point would allow the European economy*

to have nearly half a million additional skilled young workers every year.”[4]

Efforts to lower this dropout rate must be maintained by authorities in collaboration with educational institutions and parents. The lack of a system that supports students in completing their education remains one of the main factors keeping dropout rates at significant levels.

3. Conclusions

- The impact of early school leaving – High dropout rates among young people (18-24 years old) indicate educational inefficiency, lower social mobility, and a greater risk of poverty and exclusion.
- The importance of inclusive education – Ensuring quality education for all students, including those with special needs, helps reduce dropout rates and improves overall access to better opportunities.
- The correlation between education and unemployment – A lower dropout rate can positively impact social and economic

conditions by decreasing unemployment and increasing income levels.

- Factors influencing school dropout – Financial difficulties, weak collaboration between teachers and parents, a toxic family environment, lack of extracurricular activities, and insufficient career counseling all contribute to early school leaving.
- Negative effects of school dropout – Increased unemployment, reduced national income, higher crime rates, and a lower quality of life for those who abandon education.
- The necessity for systemic intervention – The state, civil society, and educational institutions must take action to combat school dropout and improve the overall educational system.
- The role of quality education – A well-structured and accessible education system is essential to reducing dropout rates and ensuring better opportunities for young people.

References

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