

THREE EASTERN CASES OF YOUTH UNEMPLOYMENT TRENDS – BULGARIA, ROMANIA, SERBIA³

The purpose of this paper is to conduct a comparative analysis of the youth unemployment situation in Bulgaria, Serbia and Romania, relatively similar to economic development and with different EU member state status. It analyses distinctions in the corresponding rates on a national level and makes an attempt to summarise skills required in these labour markets which young people need to improve.

Methodology: The article is a continuation of previous studies of the authors based on youth unemployment in Bulgaria and, in particular, the barriers before young people to enter the labour market successfully. The research focuses on trends of the levels of unemployment of young people during recent years using publicly available data from Eurostat as well as the skill mismatches which challenge youths to be more successful when starting their careers. The study gathers information from relevant scientific publications as well as from various reports, dedicated to this topic.

Findings: The article distinguishes between the different trends in youth unemployment, looking for specific reasons. It also suggests common barriers for young people to enter the labour market in the countries under review.

Practical implications: A clear view on the movement in unemployment rates amongst young people in neighbouring countries and the main barriers for them to start successful careers could be prerequisite for the countries commented to improve their policies towards management of this issue. Moreover, they could combine their efforts and create a synergetic effect trying to tackle the problem regionally.

Originality/value: The paper aims to outline common challenges of a few neighbouring countries in the Balkans and, as a result, formulates trends typical for those countries which could be applicable to the bigger part of the region. The study incorporates two points of view – from a national and individual perspective to analyse labour markets.

Keywords: youth unemployment; labour market; skills mismatch; Bulgaria; Romania; Serbia

JEL: J13; J24; J64

¹ Albena Vutsova, professor, Faculty of Economics and Business Administration, Sofia University “St. Kliment Ohridski”, avutsova@yahoo.com, orcid id: 0000-0001-8223-6727.

² Martina Arabadzhieva, postdoc, Faculty of Economics and Business Administration, Sofia University “St. Kliment Ohridski”, m.srebkova@gmail.com, orcid id: 0000-0001-5809-9443.

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1. Introduction

Youth unemployment has consequences beyond the personal loss of the individual and has negative outcomes for the social and economic future of Europe in the medium and long run (Dietrich, Möller, 2016). To analyse the problem and current situation, numerous variables have to be considered. It is linked with economic growth, population, specific conditions in different countries. On the other hand, youth employment is dependent not only on national and regional indicators, but on the individual performance of young people as well. Due to this fact, the differences between countries become even more – for instance, Pastore (2018) claims that youths receive unequal and incomparable preparation in different educational systems. According to his research, young people in Southern and Eastern Europe experienced the outcomes of the global financial crisis in one of the worst ways in Europe. Youth unemployment affects negatively individuals not only at a particular moment, but could have scarring effects identifiable throughout the continuous working life of these people (Mroz, 2006; Eurofound, 2018; Scarpetta et al., 2010). In addition, while an increasing number of young people are attending schools and universities, their employment, income and participation rates decrease (Pastore, 2018).

Another global trend, that worsens the overall situation of employment is the pandemic, which affected all aspects of economic and social life. In particular, in terms of conditions of labour markets, young people will have to face even more challenges (Grzegorzcyk, Wolff, 2020). Also, due to the urgency of the situation many governments did not consider the specific needs of youths when implementing measures to mitigate Covid-19 effects (Van der Graaf, 2021).

Some factors are typical, especially for East European countries, including Bulgaria, Romania and Serbia. Marku (2017) claims that the difficulties these states suffered amplified the levels of unemployed young people affecting the EU. Pastore (2018) support the view that young people in southern and Eastern Europe experienced unemployment in a worse way compared to other parts, especially after the global economic crisis. Usually, such circumstances force youths to practice mobility (Marku, 2017), but in the current pandemic situation, this would not be possible.

The purpose of the research is to make a comparative analysis of the trends concerning young people of labour markets in Bulgaria, Romania and Serbia. The targeted countries have differences in economic development, as well as different access to EU supporting financial instruments. The study will also summarise the main skills youngsters need to be successful at starting their careers and point out the general mismatches between employers' needs and the preparation provided.

2. Methodology

The article takes on a systematic approach using secondary data to conduct a comparative analysis of labour markets' conditions in Bulgaria, Romania and Serbia. In short, it applies a descriptive method, using synthesis and analysis, statistical research, including graphic method.

The first part of the study reviews scientific literature and what are the perceived factors which determine youth unemployment. Trends common for Europe as well as the three states are outlined. The paper builds on another article studying the topic within Bulgaria (Vutsova, Arabadzhieva, 2021). In the current research, the authors try to establish which characteristics are common for the region through investigating the specificities of labour markets in the three neighbouring countries.

To illustrate the current conditions, the study compares national trends of different indicators based on publicly available data, provided by Eurostat. To evaluate the extent to which economic situation affects the working environment for youngsters, the article uses analysis of the correlation between youth unemployment and business cycles in the countries under review. The data is part of a current thorough analysis on tendencies in Europe and indicates which are the most important common characteristics for Bulgaria, Romania and Serbia.

However, despite benchmarking key indicators of labour markets, youth's performance and employment are related to independent factors as well. In order to elaborate on them, the article tries to explore the topic from the perspective of the individual and discusses common barriers before young people entering the labour market. In this way, the research is focused on youth both from a national and regional point of view as well as personal – commenting on major points related to youth unemployment in the neighbouring countries. To complete the task, the authors conduct comparison analyses based on previous research on youth's challenges starting their careers. The information was summarised by national organisations for each country gathered analysing documents, regulations, policies, observation and in-depth interviews with employers and other stakeholders.

This theoretical approach will allow making conclusions, that are the main points governments might take into consideration when tackling the issue of youth unemployment.

3. Factors Influencing of Youth Unemployment – A Brief Review

At a national level, youth unemployment policies and the career opportunities of young people are implemented through specially designed measures and interventions managed by various institutions, strategies, plans and policies in general. Most of them directly or indirectly influence the building of youth organisations and formations and increase the capacity of young people who take part in them. The gap of policies is identified and highlight problem areas for which additional efforts need to be made to support and encourage young people. In the Bulgarian case, there is a lack of a mechanism for monitoring the extent to which young people are involved in each of the implemented projects, in which youths are the main beneficiaries. This leads to difficulties in measuring their effectiveness and gaining knowledge about the opportunities and deficits in the field of youth capacity. In Serbia, the recommendations can be thought of as similar and complementary to the problems, identified in other two countries, part of the European Community. The state has noted the lack of established standards for working with young people and their organisations or formations. Accordingly, there is no official body or institution to monitor compliance with these standards. This raises the question of whether youth unemployment is tackled as a priority.

One of the main factors related to unemployment is economic growth. Many studies claim that business cycles impact levels of youth unemployment in a stronger way compared to the effect on adult unemployment (Tomic, 2018; Dunsch, 2017; Marconi et al., 2016; Gontkovičová et al., 2015; Hutengs, Stadtmann, 2014). Considering the economic situation, the European Commission (2013) also states that young people are more affected in terms of available work opportunities, more often employed temporarily and usually are the first to be dismissed as they have the least amount of experience. Scarpetta, Sonnet and Manfredi (2010) claim that because they are temporarily working, youth usually are less protected by employment policies and therefore more sensitive to economic changes. Part of the reason why youth unemployment is more susceptible to business cycles is their employment in cyclically sensitive industries and working in SMEs (Scarpetta et al., 2010; European Commission 2013). In addition to macroeconomic factors, the demographic situation has its impact as well, considering population growth and shares of specific age groups (Cvecic, Sokolic, 2018).

Some EC instruments help to tackle their unemployment problem, but unfortunately, they have a very temporary in time effect. Most of them are applicable in Romania and Bulgaria as member states.

Many researchers study other factors determining youth unemployment (Eichhorst, et al., 2013; Bell, Blanchflower, 2011; Scarpetta, et al., 2010). They all agree that such characteristics are:

- less work experience;
- inadequate or incomplete education;
- working on more unstable circumstances, related to the terms and conditions of the contracts;
- less developed professional networks and consequently fewer opportunities to benefit from such during a job search;
- difficulties due to skill mismatches.

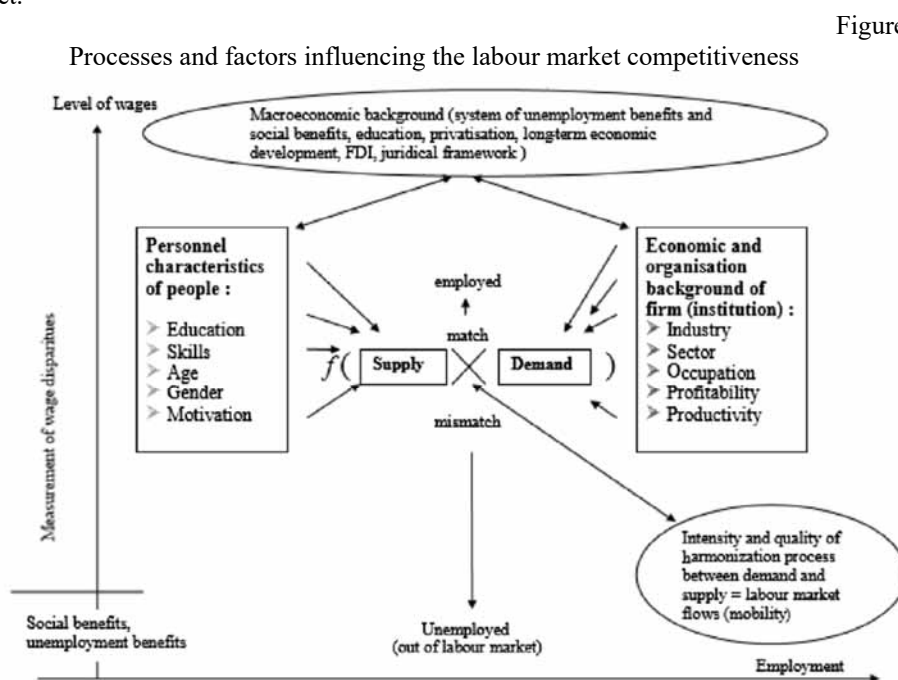
These factors are all typical for the three countries at the current moment and clearly represent areas where measures are to be taken by the governing authorities. Of course, account should also be taken of the fact that the life standard in these countries is significantly different from the EU average, and this should also be taken into consideration when designing possible targeted measures.

These obstacles are not only common for young people as a whole, but are related to the so-called “scarring effect”. The German Institute for the Study of Labour (Nielsen, Reiso, 2011) defines this effect as “the negative long-term effect that unemployment has on future labour market possibilities in itself”. In addition, once an individual has experienced unemployment, they are more likely to suffer negative aspects of the labour market. Ayllon and Ramos (2019) claim that this aspect could become one of the most serious challenges for Europe as it could lead to a decrease in education and training investment, in tax income and “brain drain”, when youths seek work opportunities abroad. These assumptions could be visible in Bulgaria, but their effect is also enhanced by the pandemic wave. Systemic brain drain, for more than

30 years, proves to be a challenge before all Bulgaria, Romania and Serbia. In practice, the need for educated and skilful young people is rising, and the same are leaving, which leads to a vicious circle and aggravates the situation. Temporary measures taken by the governments of the subject countries are not able to solve the problem radically. It is necessary to adopt good international practices to ensure the attraction and/or retention of educated young people in these countries. The introduction of a package of targeted measures with an appropriate time frame is a possible solution.

Another important factor related to youth unemployment to discuss is the migration with the EU. Franc (2019) reports that more often, young people are immigrating to countries where economic growth is observed. The study shows that emigration quickly responds to changes in business cycles, which lead to the conclusion that young people are among the first to leave their country in search of work opportunities. Countries in Southeast Europe show steady high levels of emigration of youths and brain drain (Gjorgjievska, 2020). In some cases, this migration is a mimicry that starts as training abroad, but very quickly transforms into temporary employment. Other researches also confirm that Bulgaria, Romania and Serbia are considered migrant-sending economies (Noja et al., 2018). Still, given the limitations in migration opportunities due to the pandemic, governments could think of a way to support especially the skilful and educated young people.

The figure below represents different aspects from the supply and demand side of the labour market.



Source: Filipova, Gottvald, Simek, 2005.

The graph shows that on the one hand opportunities for youths are determined by macroeconomic factors and also the environment in which companies operate. The latter includes the system of unemployment and social benefits, which is closely connected to the decision of young people to be part of the active labour force. On the other hand, personal characteristics play a crucial role in the realisation of the labour market. Not only education and training, but also individual and soft skills are becoming more and more for finding employment. The lack of a proper skill set is often considered as a cause for unemployment.

An analysis conducted by O'Reilly et al. (2015) adds to and summarises the main factors which determine youth unemployment. Namely, these are:

- labour market flexibility associated with high shares of part-time and temporary contracts for young people, as well as an increasing number of internships or student practices, very poorly paid or not paid at all;
- skills mismatch – the imbalance between labour supply and demand and inadequate preparation for the labour market;
- youth migration within Europe – mobility of young people, part of whom are moving from East to West to find better work opportunities. While generally this situation is seen as balancing youth unemployment in Europe, in practice for the individuals, it often leads to unfavourable working conditions in terms of short and temporary contracts;
- family inheritance – it is estimated that children of long-term unemployed parents are likely to follow their working experience;
- youth unemployment is seen as a pressing issue and there is wider support on a European level.

During the last year, it became evident that the overall economic situation, including labour market conditions and youth unemployment, could be rapidly aggravated due to unexpected events like the pandemic. It is estimated that Covid-19 has increased unemployment, mainly in the south of Europe (Georgiou, 2021). Another effect is that young people are particularly vulnerable and likely to suffer a lack of education and economic opportunities (Van der Graaf, 2021). A report by the International Labour Organisation (2021) states that young workers are among the hardest hit by the pandemic effect during 2020 across all regions and income levels. The consequences of the pandemic also resulted in people moving towards inactivity rather than unemployment. This is especially true for young people, representing low-income countries. A big part of the ones to enter the labour market for the first time did not join the labour force (ILO, 2021). Again, Bulgaria, Romania and Serbia are countries for which these threads apply.

4. Labour Market in Bulgaria, Romania and Serbia

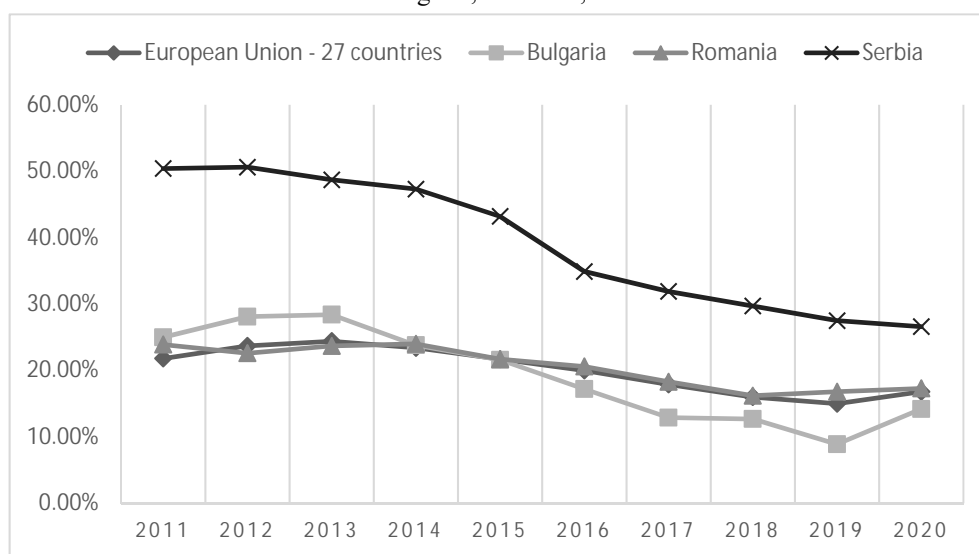
Until 2019 general trend of unemployment is to slowly decreasing, not surprisingly in 2020, the percentage of unemployed (Eurostat). An interesting exception is Serbia – there overall, as well as youth unemployment has slightly dropped. The European Commission (2021) explains this small decrease with the falling labour participation in the country. Still, youth

unemployment in Serbia is associated with extremely high levels, the corresponding rates in Romania have been continuously slightly above the average for the EU and Bulgaria presents a better situation where the rate of unemployed young people has been below the EU average since 2015.

The variations of youth unemployment over the last decade in the three countries are represented in Figure 2.

Figure 2

Trends in the youth unemployment rate in percentages over the period between 2011-2020 for Bulgaria, Romania, Serbia



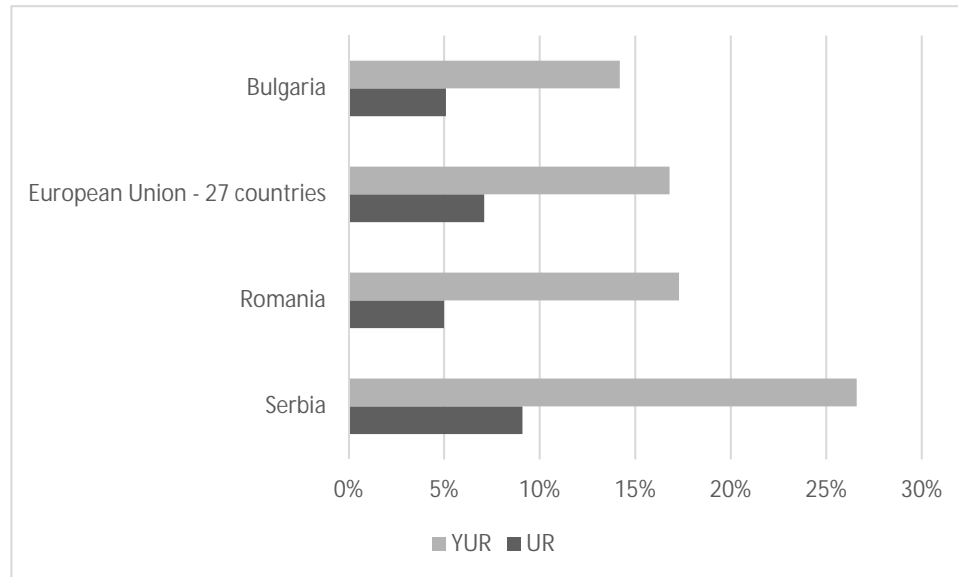
Note: Data for the youth unemployment rate in Serbia for the period between 2011-2013 is not available in Eurostat, and the numbers were taken from World Development Indicators, provided by the World Bank.

Source: Eurostat, World Bank.

Figure 2 shows the tendencies in youth unemployment over the last 10 years in the countries under review. Serbia permanently holds higher rates of unemployment among young people, which even decreasing still remain higher than the corresponding rates in Bulgaria and Romania. While these levels in Romania are close to the average for the 27th countries in the EU, the number of unemployed youths in Bulgaria has decreased during the last 4 years. Although there has been a decrease in youth unemployment over the last decade, they continue to be a serious issue for the 3 states, especially when analysing them in relation to average unemployment.

Figure 3 shows the ratio between youth unemployment and the average unemployment rate for 2020 in the countries under review.

Figure 3
Comparison between youth unemployment and the average unemployment rate for 2020 (%)



Source: Eurostat.

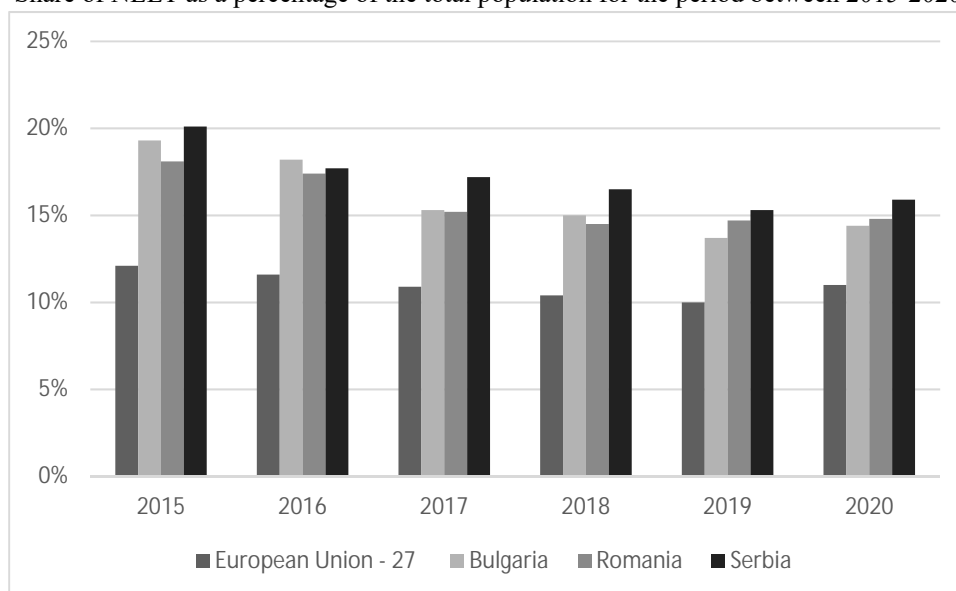
As mentioned above, the level of youth unemployment does not present the full picture of young people who are discouraged from participation on the labour market. More and more become inactive due to barriers, that prevent them from a successful professional start. In this relation, an interesting index to look at is NEETs – young people neither in employment nor in education and training. The figure below shows how percentages of this group have changed during the last five years.

What draws attention is that all three countries have higher rates of NEET compared to the EU average throughout the given period. This fact implies that a challenge before these states is to involve more youngsters in the labour market or in preparation to enter it. This is proven by the percentage of young people who are active, but not seeking employment – it almost doubled for Serbia for the last year, being 11.8% in 2019 and 20.8% in 2020. Predominantly Serbia scores the highest levels of youths outside the labour force and education system, but percentages for all countries have been close throughout the years. In Serbia, this trend is due to the fact that previous generations had the opportunity to study and work abroad, unlike Bulgaria and Romania. A decrease in this group is observed until 2019, but due to the pandemic, there has been a slight increase of NEET in 2020 (ILO, 2021).

The disproportion between labour supply and demand is represented by the labour market slack. This indicator reflects “the unmet demand for paid labour within a given population. The term describes the shortfall between the workers’ desired amount of work and the amount of paid work available” (Eurofound). The imbalance is most perceivable in Serbia and more moderate in Bulgaria and Romania.

Figure 4

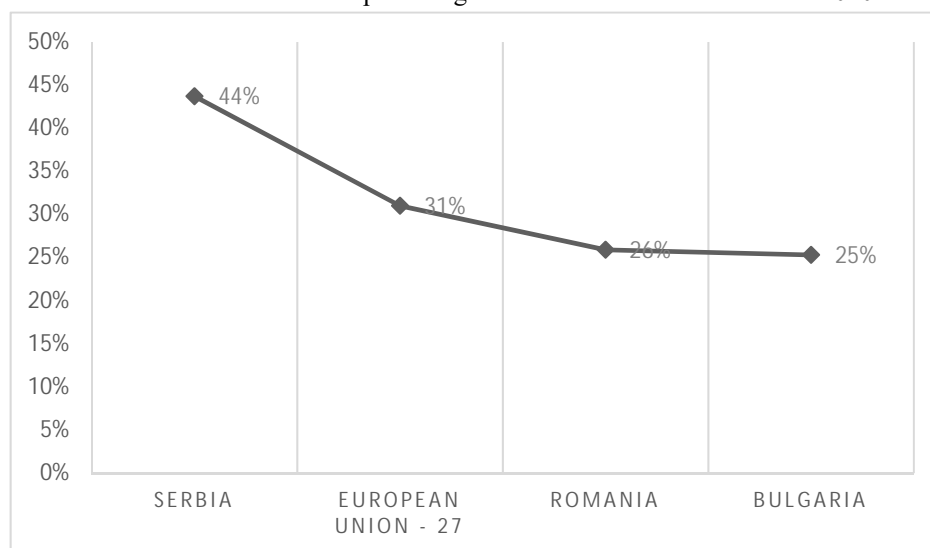
Share of NEET as a percentage of the total population for the period between 2015-2020



Source: Eurostat.

Figure 5

Labour market slack as a percentage of the extended labour force in 2020



Source: Eurostat.

Provided the fact that the effects of the Covid crisis are yet to be experienced, it is vital to analyse to what extent youth unemployment in the countries under review is related to business cycles. A recent research (Vutsova et al., 2021) studies the correlation between GDP and youth unemployment applying data from Eurostat on a quarterly basis. The relation between GDP and youth unemployment level is stronger compared to the one to overall and adult employment. In Table 1, information about the countries under review is shown.

Table 1

Correlation between GDP and youth unemployment

Age	Between 15 – 25	
Country	Correlation	Significance level
Bulgaria	-0,93471	0
Serbia	-0,89016	0
Romania	-0,88375	0
European Union - 27	-0,86621	0

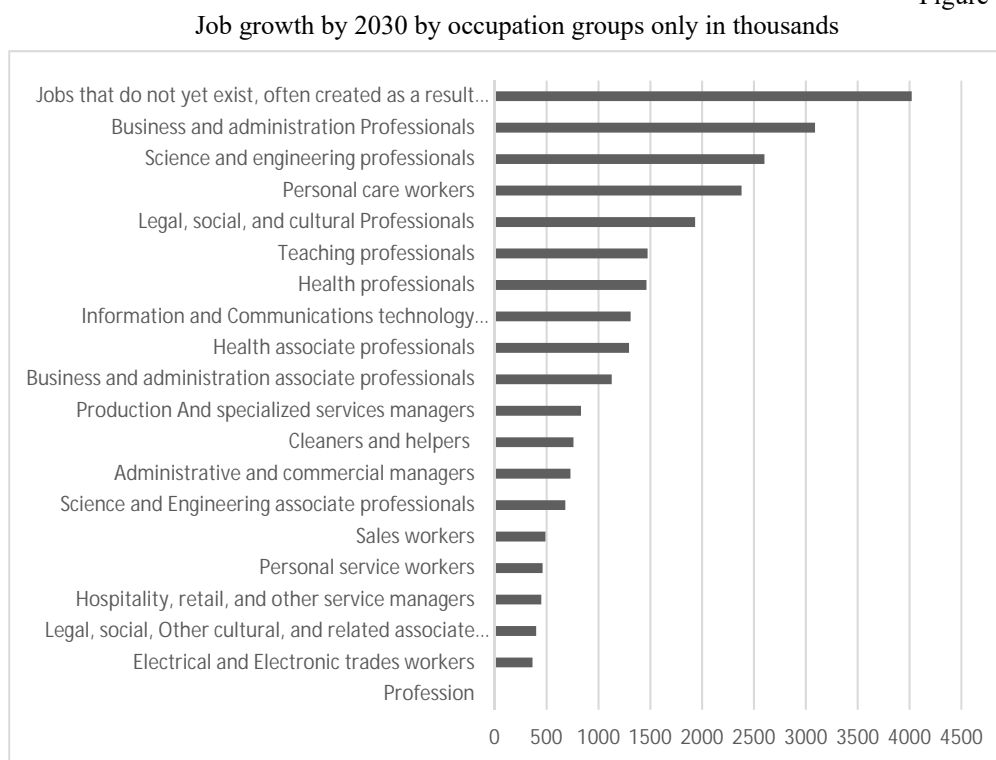
Source: Eurostat, Vutsova et al., 2021.

Youth unemployment is more sensitive to variation in GDP in all countries compared to the EU average. These countries are still developing and under these conditions GDP influences more strongly the population left out of the labour force. This further reaffirms the importance of tackling youth unemployment as the post-Covid economy situation will mostly likely result in difficulties for young people entering the labour market. Moreover, this situation requires rapid economic transformation and young people with new specific digital skills, which is difficult to achieve in a short time. Previous research (Cedefop, 2016) also suggests the need for new types of skills supporting the transition from primary and manufacturing activities towards knowledge-based services. The report envisages that more specialists with higher education in specific fields (engineering and natural sciences) will be needed on the labour market in Southern Europe. A current study by Cedefop (2021) claims that the demand for knowledge of ICT systems and applications, especially in business and public services, different software and web tools, including ones for data analysis, make up for around 50% of the growth in skills demand.

From other perspective, the labour markets will be changing due to the restructured demand for jobs. Figure 6 shows the occupation groups which will be mostly needed by 2030 in Europe, according to McKinsey Global Institute (2020).

It is visible that a considerable amount of the jobs which are expected are related to the transformation to the digital economy. The study does not name all of them as in recent decades, markets are changing fast. Since 2019 OECD has also found a tendency that future jobs will include non-standard work. It is supposed that the high share of workplaces is becoming vulnerable as a result of the pandemic, the importance of the demographic characteristics, as well as the shrinking share of migrating population.

Figure 6



Source: McKinsey Global Institute, 2020.

Another specificity for the European labour market will be that more and more professions will require workers with tertiary education at the expense of jobs without this requirement. The report also states that a crucial element for all local economies will be to overcome labour market mismatches. However, in the countries under review, trends are also determined by the economic development during recent years. This means that in some aspects, the demand, driven by new technologies and digitalisation, could be slower in the region.

An important characteristic of the labour market of Southeast Europe is that for the last 10 years, one of the fastest developing sectors has been sourcing (Bulgarian Outsourcing Association, 2019). Bulgaria and Romania are the SEE countries with the most investments in other companies within the region and Serbia is a large sourcing destination itself. The countries present favourable conditions for international companies to outsource activities: low corporate tax rates, average hourly labour costs, language skills and education, cultural similarity to European and North American clients, government support and small-time zone differences. From this perspective, more digital skills will be required from young people.

The effect of Covid on future employment could not be estimated entirely. Its consequences are experienced differently in different economic sectors and types of workers (Lee at al.,

2020). The worst-hit industries remain the ones requiring direct contact with people and travelling.

The youth labour market in Bulgaria, Romania and Serbia has several common specificities. As mentioned, the three countries have high levels of youth unemployment, especially Serbia, which is considerably higher than the average EU unemployment rate. At the national level, these levels are significantly influenced by the economic situation, which is worsened by the pandemic, their relevant psychological consequences for workers and the starting financial crisis. At the same time, there is no coordination and coherency between governments and other youth organisations, which makes it difficult to access the opportunities and weaknesses of the implemented youth policies. From an individual point of view, as part of tendencies across Europe, young people will need to improve their digital skills to be better prepared for entering the labour force into the transformed world economy. The need for more specialists with higher education should be well understood. It is not about simply more youngsters with university diplomas, but people with specific skills, which they are trained to apply into their future job. The challenges before youths are even serious, taking into account the demographic situation in the three countries and the fact that their group is the most vulnerable on the labour market in terms of job stability.

5. Barriers before Labour Market Inclusion

To analyse barriers to youth for labour market inclusion the article analyses research of skills, demanded by the labour market in the countries under review. The Center for Research and Analysis, Bulgaria, together with partner organisations from Serbia and Romania, makes an overview of the youth labour markets in the countries. The skills-based profiling and matching model, which helps to better identify the strengths and weaknesses of job seekers and to define job search action plans. The use of this model brings benefits for all parties: job seekers, economy/education system, as well as for career practitioners or other employment intermediaries. Profiling on the basis of skills is carried out in several stages, by checking basic skills, filling in questionnaires, self-assessment tests, practice tests, conducting interviews and more. Serbia has also aligned itself with the most sought-after competencies in the global labour market in the transition to a fully digital economy.

Diagnostics on required skills of young people for sustainable employment opportunities show that the new skills needed in the digital society are related to different skills sets. Similar skills are sought in young people in the three countries, accompanied by other predominantly soft skills that are most preferred by employers.

In Bulgaria, abilities that can provide sustainable employment in the digital society are concentrated around literacy and numeracy skills, problem-solving skills in technology-rich environments, cognitive and socio-emotional skills and high-level ICT skills. Romania also notes the importance of similar skills and includes a recommendation aimed at including digital literacy, ICT and programming skills, and targeted extra-curricular activities in very early school curricula. The requirements, indicated by employers in Serbia are similar.

All of these required skills could be summarised as lack of proper qualifications of young people entering the labour market. Higher education does not prepare them properly and in the three countries, it seems that young people are aiming at acquiring a degree more than gaining useful knowledge and skills. There are other characteristics that prevent them from successfully starting their careers as well. In addition to proper qualification, youths generally lack proper preparation in terms of education. Too often, training and education do not offer what is expected by the employers and relevant institutions should aim to provide work competences (Pastore, 2018). Another dimension of the issue is the education attainment level. In some countries like Bulgaria, for certain jobs, people with secondary education are sought (Ministry of Labour and Social Policy, 2019). CEDEFOP (2021) suggests that VET could be a solution to the challenges presented by the pandemic and the exposed digital skill gap. At the same time, more and more evidence is gathered around the idea that the number of employees with a tertiary education will have to increase in order to respond to new trends in the labour market (McKinsey Global Institute, 2020). However, only increasing the number of young people with a university degree will not solve the problem. The skill mismatch is partially due to the inadequate programmes provided by a higher education institution, which are not fully and properly preparing their students for working life (Lauder, Mayhew, 2020; CEDEFOP, 2021), as higher access to tertiary education, does not necessarily mean fit to enter the labour market. In addition, crises, which are to be expected due to the shrinking of the economy, lead to a decline in employment among groups with the lowest qualifications (Nonchev et al., 2011).

Other challenges for young people starting their professional path usually are the lack of experience, the lack of information about vacant positions, unrealistic expectations, overall economic situation, constrained opportunities due to location, disability or discrimination (Center for Research and Analysis, 2020).

Figure 7 illustrates both the skills needed for the new economic paradigm and potential industries with the prospects to create more jobs. It is not surprising that in the forthcoming years, the physical and manual skills, as well as basic cognitive skills, will become less and less needed on the labour market and technological and personal, i.e., social and emotional or soft skills will be mostly sought after. According to Cedefop Skills OVATE (Online Vacancy Analysis Tool for Europe) (2020), two of the five most sought skills during 2020 are working with others and adaptability and resilience, both of which represent human qualities. To support the evidence of McKinsey Global Institute research, Cedefop analysis points to digital (technological) skills as most needed in recruitment.

The European Skills Agenda (2020) points out the increasing demand for transversal skills like working together, critical thinking, and creative problem-solving. Moreover, the agenda focuses on the importance of personal qualities such as empathy and adaptation to change.

All of these factors create a space where young people should improve their technological and digital skills, and at the same time, their human and personal characteristics and motivation will have crucial significance.

Figure 7

Demand for technological, social and emotional skills in Europe

	Hours in 2018, billion	Change in number of hours 2018–30, %	Examples
Physical and manual skills	159	-18	Craft and technician skills Fine motor skills
Basic cognitive skills	76	-28	Basic literacy and numeracy Basic data input/processing
Higher cognitive skills	106	4	Quantitative and statistical skills Project management
Social and emotional skills	93	30	Interpersonal skills and empathy Teaching and training others
Technological skills	54	39	Advanced IT skills/programming Scientific R&D

Source: McKinsey Global Institute, 2020.

6. Results

The countries under review are no exception from the general trend and have much higher levels of youth unemployment compared to the overall one. For Romania and Serbia, these numbers are above the EU average. Although young people in Bulgaria seem to be in a better situation, the numbers of NEET continue to be high even more after starting to experience the effects of the pandemic. Dealing with this specific group of youngsters forms one of the challenges before the labour markets in Romania, Serbia and Bulgaria.

Labour market conditions in Serbia appears to be the most difficult for young people to start their professional life. Still, most of the problems typical for this country overlap with the ones in Bulgaria and Romania – generally high percentage of young unemployed, a trend to emigrate towards economies with GDP growth, need for better preparation for entering the labour market in terms of education. Moreover, all three states show a high correlation between GDP and youth unemployment which is a prerequisite for deepening the problem in the forthcoming years.

Labour markets in Romania, Serbia and Bulgaria are determined by slower economic development, as modest innovators and, in part, are less responsive to the needs of digitalisation compared to Western European economies. Still, given the expected trends, more young people with tertiary education to enter the workforce will be needed. But the crucial moment will be overcoming skill mismatches. Post-covid higher-skilled service sectors showed growth (ILO, 2021), which is an additional reason and warning for the importance of adequate preparation for the labour market and, respectively, the need for a new type of trained labour force.

The research into national labour markets' supply and demand showed that in all countries, there's a need to strengthen cooperation between employers, educational institutions, as well as institutions that deal with career counselling. Such actions will contribute to coordinated action between the states to contribute to the improvement of methods and services related to supporting, training and preparation of young people for their participation in the labour market as a whole.

7. Conclusion

Bulgaria is a typical representative of East European countries (Vutsova, Arabadzhieva, 2021). Common trends with Romania and Serbia describe common problems for the region and, to some extent, for Europe. The EU tendencies are related to the overall downturn of economies and restricted migration due to the Covid-19 crisis. Both of these factors will affect mostly young people and pose an additional burden for them to start their careers successfully. In addition, there are a few main characteristics of the three neighbouring countries which represent the situation in Europe.

- Uncertain labour market conditions. At the moment, it is difficult to predict how labour markets will change. On the one hand, it is not clear what would be the effects of the current pandemic situation and on the other how will economic sectors and the way of work transform over the coming years. It is almost clear, however, that digital transformation will be high on the agenda of the countries.
- Youth migration is heavily restricted and even after more than a year of the initial outbreak of Covid-19, travelling is extremely limited. This, of course, restricts, to some extent, one of the EU's fundamental freedoms – the free movement of people, but also has an effect on active economic emigration aiming at stable working places.

What is specific for the region and specifically for Bulgaria, Romania and Serbia are:

- Youth unemployment. It is a pressing issue among Bulgaria, Romania and Serbia and it is likely to aggravate. Young people suffer not only from fewer work opportunities, but also the proper education and training provided to them suffered (Lee et al., 2020).
- Skill mismatches. Young people are investing in higher education and lacking adequate preparation for the workforce, this is a common situation not only for Romania, Serbia and Bulgaria, but a considerable part of Europe (Lauder & Mayhew, 2020). The digital transformation gap became especially evident during the last year and reaffirmed the importance of addressing new skills, required by the labour market. This imposes coherence on employment policies and educational policies.
- Lack of motivation and a good understanding of forthcoming economic transformation. Young people from these countries seek to obtain a degree of higher education (HE) rather than be motivated to study a specific speciality and then put it into practice. The fetishisation of a HE certificate without a clear awareness of the performance of a specific job increases the risk of lack of employment. Preferences towards study in the so-called soft sciences also contribute to this risk.

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