

Józef Pociecha<sup>1</sup>, Sabina Augustyn<sup>1</sup>, Zina Palyan<sup>2</sup>

<sup>1</sup>*Department of Statistics, Cracow University of Economics, Poland*

<sup>2</sup>*Department of Statistics, Kiev National University of Economics, Ukraine*

**YOUNG PEOPLE ON A LABOUR MARKET.  
A COMPARATIVE ANALYSIS OF CRACOW AND KIEV  
YOUTH UNEMPLOYMENT 2000-2006**

Post-socialistic societies faced new reality after overthrowing communism. Political and economic alterations forced young people to find their place in competitive labour market and experience the unemployment phenomenon. Youth unemployment has a specific character due to demographic and socio-economic features of this group, as well. Age characteristics determine a particular social motivation of young people, their labour behavior and their adaptation to the existing labour market. The economic and legal environment determines young people's unequal competitive ability because of their different levels of education, professional training and practical experience. Furthermore, youth unemployment has regional features even within one country, particularly in industrially developed, agrarian or recreational regions. Highly urbanized areas, such as the megalopolises of Cracow and Kiev, which are science-education and business centers, have specific youth unemployment patterns. They attract the young from other regions. The concentration of university and school students in large cities increases the number of inactive young people in early age groups, on the one hand, and complicates the employment of educated young people, on the other hand.

Youth unemployment in large cities is caused by nationwide crisis processes: the restructuring of patterns of ownership, a decline the GDP rates due to closure of large state-run industrial enterprises, the ruination of state and collective agricultural enterprises and also deformation of the social

infrastructure. All this gave rise to rampant unemployment, regional inequalities in workforce needs and changes in the labour market structure. The worsening economic crisis in Ukraine, and particularly Kiev, has created a demand for hi-tech workers and engineering professions to disappear; low salaries have depreciated the prestige of the professions of a teacher, doctor and cultural worker. At the same time, a large group of the self-employed has formed in the areas of small trade and services. This resulted in a loss of a generation of social infrastructure skilled workers, craftsmen, while professional training of a new generation was reduced to a minimum because of a shrinking demand, loss of training sites and low wages and social guarantees.

Socio-economic factors play an important role. Specifically, a rather large number of baby-boomers have reached their working age, having a new value system and standards of life while lacking in adequate qualification. At the same time, the modern youth is relatively inactive economically as they are more inclined to study rather than to work.

A new market environment has caused disproportions in the area of high education. One cannot justify a huge number of economists and lawyers who are trained but are not absorbed by local labour markets, while there is demand for specialists in natural and fundamental science. The inertness of the system of state regulation of high and secondary specialized education contributed to this too.

Labour and education migration also has an impact. Young people are known to be the most active part of migrants, who are inclined to take risks, search, retrain and better adapt to new conditions. The outflow of young people, especially educated youth means that the most promising segment of the labour market is lost and can be restored only if the government provides additional spending on education. On the other hand, young people studying or working in more developed countries, more often return to their own country to apply the high qualification they gained abroad. However, young people

in cities have to compete with their peers who come from other regions of the country to seek better jobs or education.

It is clear that comparative analysis of youth unemployment in large cities of two European, although neighboring countries, reveals more diverse rather than common features. However, there are similar problems and hence similar solutions.

The paper focuses on some problems of statistical comparative analysis of youth unemployment in Cracow and Kiev. Yet it is hard to analyze unemployment patterns, structural changes even in one city because of lack of comparative data. Monthly labour force sample data in Ukraine and Poland, end-of-year data of the State Employment Office and enterprises' statistics data are a source of statistical information about youth unemployment. National information from all sources is not compared by its registration time, by its overall volume and coverage degree, nor by respondents' categories (survey data by place of residence, complete data by place of employment and data about young people who are registered at a State Employment Office and received the unemployed status). A methodology to measure the unemployment rate is also inadequate. Following the ILO methodology, the number of the unemployed is divided by the number of economically active population of a respective age. The registered unemployment rate is measured in relation to the number of working age population. Also, in Ukraine the registered youth unemployment rate is measured only as a whole for persons aged fewer than 28 without age-sex distribution. That's why the findings of household sample surveys, using the ILO methodology, are the most acceptable for international comparison. However, there are no methodological differences in measuring the level of employment, unemployment and economic inactivity in Ukraine and Poland, which allows making a correct statistical analysis of current youth unemployment, its future trends and solutions.