

## SUMMARY NOTE

### “Decent Work for Youth – the EU Dimension” – 16-03-2012

Consultation event organized by the ILO Brussels Office for the EU and the Benelux, hosted by the EESC, on the occasion of Youth Employment Month (16 March 2012)

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## I. Summary of discussions

Representatives of the European Youth Forum, the European Trade Union Confederation Youth Committee, the employers organizations BUSINESSEUROPE and UEAPME, the European Commission, the Danish Presidency of the EU Council of Ministers, representatives of several EU member States, the European Economic and Social Committee (EESC), Eurofound and political groups of the European Parliament (S&D, ALDE and Greens/EFA participated) and other stakeholders met to share their views on the issue of youth employment in the EU and discuss possible solutions.

Participants welcomed the ILO presentation “The youth employment crisis: time for actions” and appreciated its approach. The consultation benefited from new and renewed position papers and proposals on youth employment presented by the participants covering different perspectives and from recent and upcoming initiatives by the EU institutions.

All participants recognized that the rising youth unemployment rates in recent years will require comprehensive and strengthened action on youth employment. The figures and challenges raised are well established.

Below follows a summary overview of arguments made and ideas and proposals raised by respective participants during the discussions at the consultation event. This synthesis does not necessarily reflect a consensus view amongst participants as different perspectives have been raised. The final part of this note includes a number of good practices.

### **Youth Opportunities Initiative and upcoming EU employment package**

The European Commission provided an overview of recent EU initiative and referred to the upcoming employment package. Youth employment will be an important part of this. The package will address supply and demand side of the labour market and will feed into the European Semester and future EC actions. In December 2011, the European Commission launched the Youth Opportunities Initiative, calling on Member States and their social partners to prevent early school leaving and the inflow into unemployment; helping youngsters develop skills relevant to the labour market; ensuring opportunities for young people to gain work experience and on-the-job training and helping young people find a first job.

The Commission is actively promoting better usage of the Structural Funds such as the European Social Fund and Regional Funds. The Commission has formed teams from different services to assess the best usage of policy measures and EU funds to develop concrete actions to support youth employment in Member States most affected by youth unemployment. The Commission has put forward a set of concrete actions to be financed directly with EU funds, including actions on youth employment guarantees, mobility, apprenticeships and entrepreneurship. The Commission is furthermore committed to ensuring decent internships and traineeships, and will launch a consultation to develop a quality framework. Participants welcomed these proposals. Participants underlined the necessity of using EU funds and other resources to target specific youth employment issues, including on the demand-side of the labour market.

### **Youth employment guarantees**

The basic principle of youth employment guarantees is that no young person should be without employment or training for longer than a certain period, however, the precise determination of the guarantee can vary.

Youth guarantees are seen as a regional and national commitment rather than a precise instrument for reducing youth unemployment. Some participants underlined that as a commitment by the government to young people, youth guarantees can furthermore strengthen the trust of young people in their political institutions and thus can contribute to social cohesion by overcoming disaffection of young people with the labour market and political institutions. The European Parliament has approved a budget for preparatory action by the EC on the youth employment guarantee.

➤ ***See the ‘Good Practices for Youth Employment’***

### **Education, training, skills and career guidance for the (re)integration of youth**

While the importance of quality education was acknowledged, some participants pointed out that Member States should make concerted efforts to promote not only learning but transition from school to the labour market as well as career guidance. Linkages need to be developed in order to adapt education and training to the (local) labour market. For instance, integrating school-to-work transition guidance and counseling into curricula and upgrading the curricula in order to recognize and develop soft skills through non-formal education could increase the integration of young people into the local labour market

Participants noted that countries with a strong dual apprenticeship programme, combining in-classroom and workplace training such as in Germany, Austria or the Netherlands, have experienced a higher chance of positive labour market outcomes for young people. Participants underlined that although they do not offer a one-size-fits-all solution, apprenticeships must be promoted, and suggested that a share of EU funds be earmarked to develop dual systems across the EU.

In this context some participants expressed strong concerns at the lack of adequate monitoring and evaluation of the effectiveness of employment programmes in fostering school-to-work transition and other employment policy measures.

➤ **See the ‘Good Practices for Youth Employment’**

In addition, ILO noted that strategies need to be developed for preventing and reintegrating early school leavers. Employment services can play a key role in easing the school-to-work transition, provided they have sufficient technical capacity and financial resources.

## **NEETS**

In discussing youth employment, participants noted that the current challenges transcend those of the financial and economic crisis, broadening the issue to social and demographic debates. A generation of young people is increasingly at risk of losing faith in their future prospects for the labour market. Even well-educated youths are finding it increasingly difficult to find work, indicative of the slower transition from education into the labour market.

Participants underlined that inequalities, insecurity and vulnerability of youths across Europe are rising. This is particularly true for those youths who are not in education, employment or training (NEETS), which according to the ILO report on youth<sup>1</sup> are estimated to amount to 7.5 million aged 15-24 and to about 6 million aged 25-29.

It was noted that NEETS face greater risk of long-term exclusion from the labour market and as a result are often not only discouraged and disaffected by the labour market but importantly they equally lose trust in the political institutions which can present a threat to the foundation of the democratic societies in EU member states. Such shifts in consciousness are not clearly represented in national statistics (as the definitions of unemployment are highly specific) but the link between social exclusion and social unrest is clearly expressed in youth movements developing across Europe (such as the Spanish *indignados* movement).

Furthermore, participants noted that NEETS are more susceptible to a set of negative consequences originating from their disengagements from the labour market, including increased risk of poverty, decreased (mental and physical) health and wellbeing, increased likelihood of substance abuse, antisocial behaviour and involvement in criminal activities.

Participants moreover pointed to the large cost associated with NEETS. The Eurofound representative estimated that NEETs represent an annual cost of € 100 billion for EU Member States (€ 2 billion per week or an annual 1.6% of Member States' GDP), excluding the costs of

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<sup>1</sup> [http://www.ilo.org/wcmsp5/groups/public/---ed\\_norm/-relconf/documents/meetingdocument/wcms\\_175421.pdf](http://www.ilo.org/wcmsp5/groups/public/---ed_norm/-relconf/documents/meetingdocument/wcms_175421.pdf)

the social problems noted above and the loss of taxes on earnings<sup>2</sup>. This cost represents a significant loss of both economic and social potential. It was also noted that the social and economic cost of their exclusion goes well beyond the cost of targeted support measures aiming at promoting employment and social inclusion.

### **Youth entrepreneurship**

Participants stressed that while youth entrepreneurship is a very relevant issue it should not be perceived as an alternative to adequate employment opportunities for young people. The rate of success for youth enterprises remains relatively low - in part due to lack of adequate financing, training, adequate services and support, and in part due to the fact that many young people resort to rather than choose for entrepreneurship (as a last alternative to unemployment).

Many participants underlined that in the current context of low aggregated demand and fewer opportunities for credit, entrepreneurship represents a high-risk venture for young people without counterbalancing security. While the provision of credit is important to stimulate youth entrepreneurship, young people engaged in entrepreneurial activities need to be supported by socio-economic security systems. Young graduates and labour market entrants cannot be expected to be high risk-takers.

ILO noted that youth entrepreneurship programmes (including those providing micro-finance to start-ups) have been demonstrated to be more effective when an enabling environment is established, in which the provision of credit is supported by a broad range of services, and in which SMEs are encouraged to transition into formality as well as specific market barriers are addressed. Implementing such programmes in partnership with the private sector allows for the provision of coaching and joint ventures. The representative of the European Association for Crafts and SME's underlined that many attractive crafts and professions are not well known by youth while representing an important employment and entrepreneurship potential. Efforts should be made to improve the image of technical and vocational education and training towards young people, and align it to labour market needs by simultaneously improving the image of certain sectors and businesses (particularly crafts, SMEs) as potential sources of employment for young people.

➤ ***See the 'Good Practices for Youth Employment' (p.7)***

### **Social dialogue for effective actions on youth employment**

Social partners have a key role in the formulation and implementation of policies and actions for decent work for youth as they enable access of youth to regional, national and local policymakers in order to identify policy solutions. Several participants underlined that there is currently a deficit of youth participation and consultation with youth organizations and networks in social dialogue.

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<sup>2</sup> <http://www.eurofound.europa.eu/pubdocs/2011/72/en/2/EF1172EN.pdf>

Participants expressed the need for more initiatives of collective bargaining on youth employment issues across EU Member States, including in these EU Member states that are strongly affected by the sovereign debt crisis.

Youth employment is part of the new joint EU social partners work programme 2012-2014.

➤ ***See the 'Good Practices for Youth Employment' (p.7)***

### **Strengthening policy implementation, coordination and coherence**

While the Commission's initiatives for youth employment are welcomed, participants noted that the concrete delivery of EU programmes in the area of youth employment is not felt on the ground. In addition, effective and innovative projects and policy measures are not always well communicated at the European level.

While the EU promotes policy coordination and coherence in its Europe 2020 strategy, achieving these remains difficult to achieve in practice as the EU must be sensitive to the principle of subsidiarity in developing and implementing actions for youth employment. However, participants felt that this principle should not prove to be an obstacle in the response to the youth employment crisis.

Participants furthermore widely shared the view that there is no one fits all model for institutional arrangement. The EU and the Member States can however ensure that the responsible ministries or agencies implementing youth employment policies and actions have the technical capacity and ability to implement while ensuring political support for policy coherence and coordination at the national level.

### **Macroeconomic policies for youth employment**

Macroeconomic policy can play an important role in increasing youth employment, yet some participants expressed concern at the policy agendas dominated by fiscal consolidation and austerity in many European Member States. Reductions of government expenditure in certain Member States are expected to aggravate the youth employment crisis.

ILO pointed out that actions to support youth in entering the labour market have to be accompanied by demand-led, job-rich recovery, mobilizing both private and public resources. To achieve such growth, balance must be achieved between fiscal stability and job-rich growth, which requires the political commitment of Member States to effectively respond to the social characteristics of the crisis, as well as their capacity to absorb and utilize EU support funding. It also requires active involvement and commitment of the private sector.

There is a growing awareness among policymakers that 'youth' are not one homogenous group, and are thus not all equally affected by the crisis or the policy response. Participants noted that, as there is no single universally effective policy recommendation, policymakers must be mindful in designing policy responses highly context specific to specific sub-groups of youths and to the country characteristics. There are also significant regional differences. For instance, peripheral

states of the EU such as Spain, Portugal, Greece, Ireland and the Baltic states have seen the rise of structural youth unemployment as a consequence of the sovereign debt crisis.

Participants stressed that reaching young people with policy measures remains a challenge and that there is a need for stronger outreach to youth through public employment services but also through networks of youth as young unemployed people often do not turn to state authorities for assistance. ILO pointed out that employment services need to be strengthened and coordinated, targeting specific groups of youths with their interventions.

ILO stated that the current crisis requires that active labour market policies be targeted and tailored to the needs of disadvantaged youth. Creation of decent work, coherent and interlinking policies and solidarity between generations provide key markers for tailored active labour market policies.

### **Addressing supply and demand including the EU single market mobility**

The ILO report for the ILC 2012 on the youth employment crisis, reviewing 140 country policies addressing youth unemployment, shows that few comprehensive policy frameworks exist that address both the supply and demand side of youth employment, while taking into account the quality and quantity of employment opportunities and ensuring coherence among all policy areas.

Policy interventions predominantly focus on the supply side of youth employment, endeavoring to provide training or stimulate entrepreneurship. While supply-side interventions were perceived as important, many participants stressed that greater emphasis must be placed on demand-side interventions. Public investment in education and entrepreneurship will only increase the chances of positive labour market outcomes if the labour supplied matches the demand in both quality and quantity. However, it was noted by participants that despite unemployment rates being high, there is evidence that a significant number of vacancies are left unfilled.

The EU single market labour mobility may prove to be an important factor in overcoming the mismatch between labour demand and supply in some countries. However, participants agreed that the single European labour market, already backed up by EU-wide legal entitlements, is far from being achieved. Differences in qualifications, language, social security standards and perceptions are persistent obstacles to labour mobility, particularly for young people and should be addressed. Additional legal and policy efforts, backed-up by EU-funds such as language courses and widening the scope of e.g. the Erasmus programme, will be required.

### **Decent work for youth**

Participants stressed the importance of providing decent work for young people. It was pointed out that across Europe young workers are disproportionately and increasingly represented in precarious work that often is unpaid or low-paid and temporary in nature. This in turn can also

have important implications for the demographic development in a country as these youth may delay important life decisions such as marriage and having children.

Furthermore, some participants pointed out that while traineeships can provide valuable work experience, currently traineeships for many young people do not lead to more permanent and better paid forms of employment. Quality standards for traineeships and internships can be used as a tool to promote decent work for youths. Many participants stressed the need to develop regulatory framework for labour contracts for young workers at the national and European level.

ILO noted that policies facilitating the integration of young people into the labour market should respect the rights at work of young people and thereby operate from a rights-based perspective. The International Labour Standards provide a normative framework for designing regulatory frameworks for youth employment contracts and addressing the youth employment crisis.

### **Social security and youth**

First-time job seekers and unemployed young people with little work experience are often not eligible for unemployment benefits and for other social security entitlements. Several participants pointed to the importance of providing access to social protection for young people. ILO noted that there is a tendency in several countries to make the receipt of social security or social assistance conditional upon active job search or participation in active labour market programmes. However, some participants noted that conditional employment benefits require availability of jobs and are most effective if matched with labour market activation measures.

## **II. Good Practices for Youth Employment**

### ***Youth employment guarantees***

In the Austrian example, the guarantee provides that no young person (age) should remain without education or training for longer than 4 months. A similar approach was also included in previous EU employment guidelines adopted some years ago in the framework of the European Employment Strategy.

Such schemes have received backing from the European Parliament, ETUC and the EYF, calling for a European Youth Guarantee, incorporating the guaranteed offer of decent work and decent apprenticeships at the European level. The European Council (EPSCO) has endorsed national youth guarantees. The EU is expected to adopt conclusions on this at the end of 2012.

- <http://ec.europa.eu/social/main.jsp?catId=1006&langId=en>
- <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//NONSGML+TA+P7-TA-2010-0400+0+DOC+PDF+V0//EN>
- <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//NONSGML+REPORT+A7-2012-0021+0+DOC+PDF+V0//EN>

- [http://youthforum.org/index.php?option=com\\_content&view=article&catid=78%3Aissue-10&id=786%3Abetter-internships-and-a-european-youth-guarantee&Itemid=88&lang=en](http://youthforum.org/index.php?option=com_content&view=article&catid=78%3Aissue-10&id=786%3Abetter-internships-and-a-european-youth-guarantee&Itemid=88&lang=en)
- [http://www.consilium.europa.eu/ueDocs/cms\\_Data/docs/pressData/en/lsa/128043.pdf](http://www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/lsa/128043.pdf)

### ***Apprenticeships***

BUSINESSEUROPE noted its 2012 report providing recommendations to the EU, its Member States, employer organisations and companies on how to use EU funds in order to improve the quality and appeal of dual-learning apprenticeships for young people and to contribute to the EC's Youth Opportunities Initiative.

The EU is recommended to provide seed funding for Member States that wish to establish or reform their dual learning systems; ensure funding for cross-border training activities of employers' organisations; support European and national campaigns for changing the perception of vocational education, and; organise a regular forum for discussions on monitoring of the European apprenticeship strategy.

Member States are recommended to provide a well-functioning general school system; set up the framework conditions for dual learning apprenticeship systems, and; integrate work-based learning in educational systems. Employer organisations are recommended to contribute to the design of curricula and their adaptation over time and; inform and motivate companies to become involved in the dual system. Lastly, companies are recommended to ensure a high level of quality of training; provide for clear task descriptions and working conditions for apprentices, and; encourage employees to share their experience as former apprentices.

<http://www.buinesseurope.eu/Content/Default.asp?pageid=568&docid=29967>

The ETUC has also addressed quality internships and apprenticeships in their resolutions e.g. Resolution on more investment in lifelong learning for quality jobs (2010)

[http://www.ekhist.uu.se/Saltsa/ETUC\\_Resolution\\_Lifelong\\_learning.pdf](http://www.ekhist.uu.se/Saltsa/ETUC_Resolution_Lifelong_learning.pdf)

### **European Quality Charter on Internship and Apprenticeships**

The European Youth Forum in collaboration with the social partners has elaborated an European Quality Charter on Internships and Apprenticeships

<http://qualityinternships.eu/>

The European Youth Forum has furthermore adopted the position paper 'Youth Employment in Europe: A Call for Change' (2011) which features youth entrepreneurship, apprenticeships and includes a chapter on internships.

[http://www.youthforum.org/images/stories/Documents/YFJ\\_YouthEmployment\\_ISSUU.pdf](http://www.youthforum.org/images/stories/Documents/YFJ_YouthEmployment_ISSUU.pdf)

### ***Micro-finance programmes for youth migrants embedded in enabling environment***

Several participants highlighted the potential of micro-finance credit for young migrants in relation to business start-up and entrepreneurship provided that these are backed up by a framework of adequate support services. Participants referred to successful examples of start-ups by migrants in Brussels that reportedly had a high success rate.



<http://www.microstart.be/en/welcome>

***Youth employment as part of the new EU social partner's joint work programme***

The EU social partners ETUC, Business Europe, UEAPME and CEEP have included youth employment in their joint action programme 2012-2014. This can contribute to more effective action at both EU, national and local level.

- <http://ec.europa.eu/social/main.jsp?langId=en&catId=329&newsId=1211&furtherNews=yes>
- [http://www.etuc.org/IMG/pdf/SD\\_work\\_prog\\_2012-2014.pdf](http://www.etuc.org/IMG/pdf/SD_work_prog_2012-2014.pdf)
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