

CHAPTER 7

by Michiel Matthes¹

YOUTH EMPLOYMENT POLICIES AT THE EU LEVEL

Title of the book: Improving the Quality of Childhood in Europe · Volume 6

Editors: Michiel Matthes, Lea Pulkkinen, Belinda Heys, Christopher Clouder, Luis Manuel Pinto

Published by: Alliance for Childhood European Network Foundation, Brussels, Belgium · ISBN: 9789082290912

© 2016 Alliance for Childhood European Network Foundation private stichting (foundation) · © 2016 Text: the authors

© 2016 Design: Studio Marsel Stoop · Brussels, Belgium · studio@marselstooopen.com | Print: Printon Printing House · Tallinn, Estonia

All chapters are available for download on the website of the Alliance for Childhood European Network Group:

www.allianceforchildhood.eu/publications

SUMMARY

Youth unemployment in the European Union is about twice as high as the average unemployment rate in the whole population in the Member States. The total number of unemployed young people in the EU (aged 15 to 24 years) was 5.6 million in 2014.

The Member States requested the European Institutions to take action in this area, although the Lisbon Treaty gives little power to the European Commission in this respect. In response to this the Youth Employment Package was launched in April 2013 to address this situation.

The core element of this package was the recommendation to the Member States to introduce the Youth Guarantee to ensure that all young people in the EU up to the age of 25 receive a good quality offer of a job, continued education, an apprenticeship or a traineeship within four months of leaving formal education or becoming unemployed. Other elements of this Package are the European Alliance for Apprenticeships, the Quality Framework for Traineeships and EURES, which is the cooperation platform of the Public Employment Services.

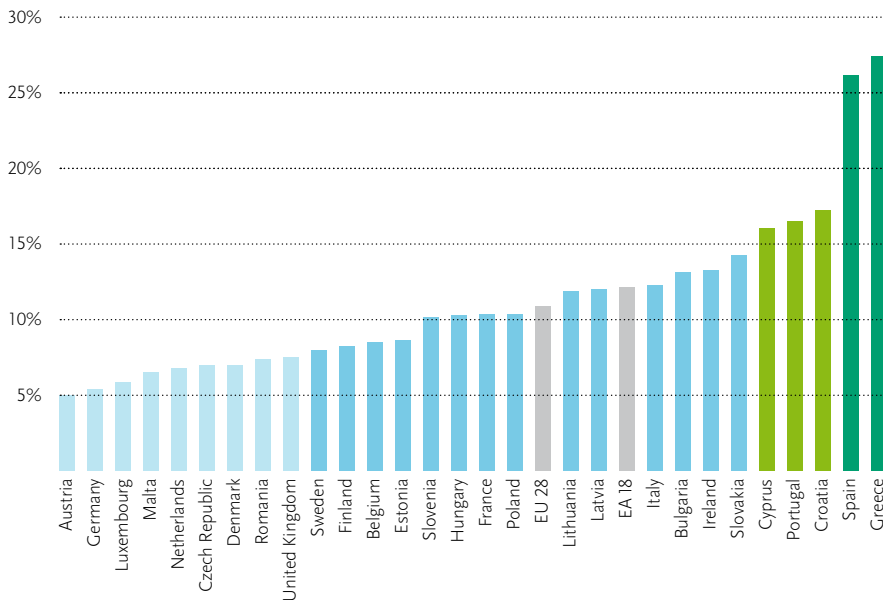
At the same time a monitoring system was put in place by incorporating this issue into the existing monitoring system, which is called the European Semester / Country Specific Recommendations.

1 INTRODUCTION

This chapter is based on the presentation that Jeroen Jutte of the European Commission, Head of Unit C1 European Employment Strategy and Governance, gave to the Working Group on the Quality of Childhood at the European Parliament on 8 July 2014. Jeroen Jutte gave permission that the audio recording of his presentation and his power point slides could be used for this chapter. In his presentation Jeroen gave an overview of the employment situation of young people in the EU and he described the programmes that have been developed by the European Institutions to address this situation. He started by remarking that the Member States of the EU take care of their children and young people when they are at school, but as soon as they have left school young people soon discover that they are on their own and that there is no process to guide them into employment. Especially in a time of an economic crisis, this results in high unemployment and a very difficult transition from education to work. The core question is therefore how to make this process of leaving education, whether secondary or tertiary, lead to a tangible result, and ultimately to help young people into work.

A comparison of the employment situation across the EU Member States in 2013 shows (Figure 1) that the unemployment rate in the whole population was highest in Greece and Spain and lowest in Austria, ranging from 25 to 5%. The graph showing the levels of youth unemployment in these countries (Figure 2) has more or less the same shape, but the scale is twice as high, ranging from 10 to 60%. Youth is defined here as young people aged from 15 until and including 24 years of age.

Figure 1
Unemployment in EU Member States 2013
Source: Eurostat



In Figure 2 we see that the youth unemployment rate in Greece and Spain was above 50 percent. We can furthermore see that two thirds of the countries had a youth unemployment rate of 20% or more (all countries to the right of the UK). That means that there were millions of unemployed young people in the EU.

The map of Youth Unemployment (Figure 3) shows that the high unemployment rates are mostly in what can be called the periphery, the southern periphery and the eastern periphery of the European Union. In the southern countries such as Portugal, Spain, Italy, Greece and Bulgaria, with the particular exception of Romania, although at 23% this is still unacceptably high, and in the Eastern countries such as Poland, Slovakia and Hungary, and in the far West it is Ireland which has a high youth unemployment rate. Moreover the UK, France, Belgium and the Czech Republic also have above or around a 20 percent unemployment rate.

It must be mentioned that since Jutte gave his presentation (in July 2014) youth unemployment in the EU has considerably improved. For the Euro countries taken together*, the youth unemployment rate has decreased from 23% to 21,5%, and for all 28 Member States the decrease was even greater, from 22% to 19.5% in the first quarter of 2016 (Eurostat, 2016)

* i.e. all the EU member states, except Bulgaria, Croatia, Czech Republic, Denmark, Hungary, Poland, Romania, Sweden and the UK.

Figure 2
 Youth Unemployment in EU Member States 2013
 Source: Eurostat

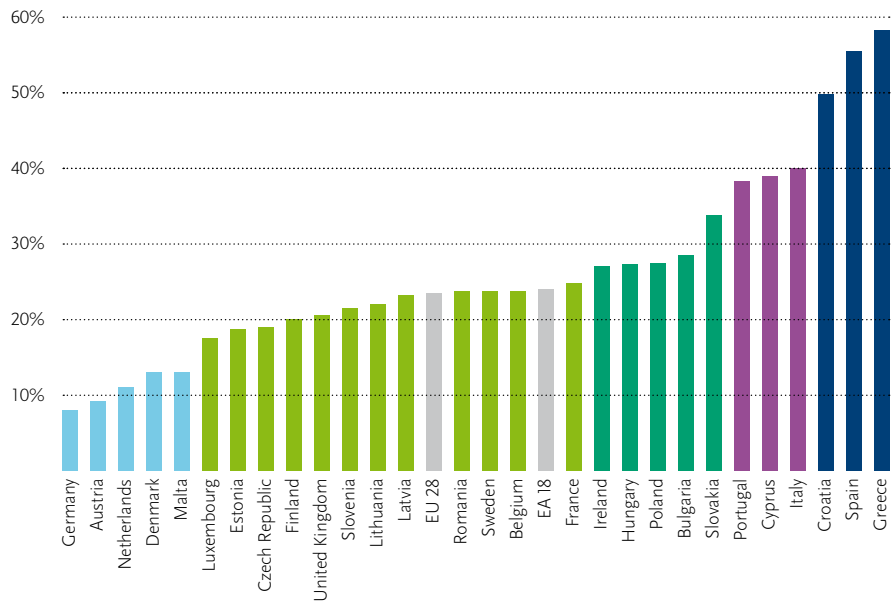


Figure 3
 Youth Unemployment 2013
 Source: Eurostat

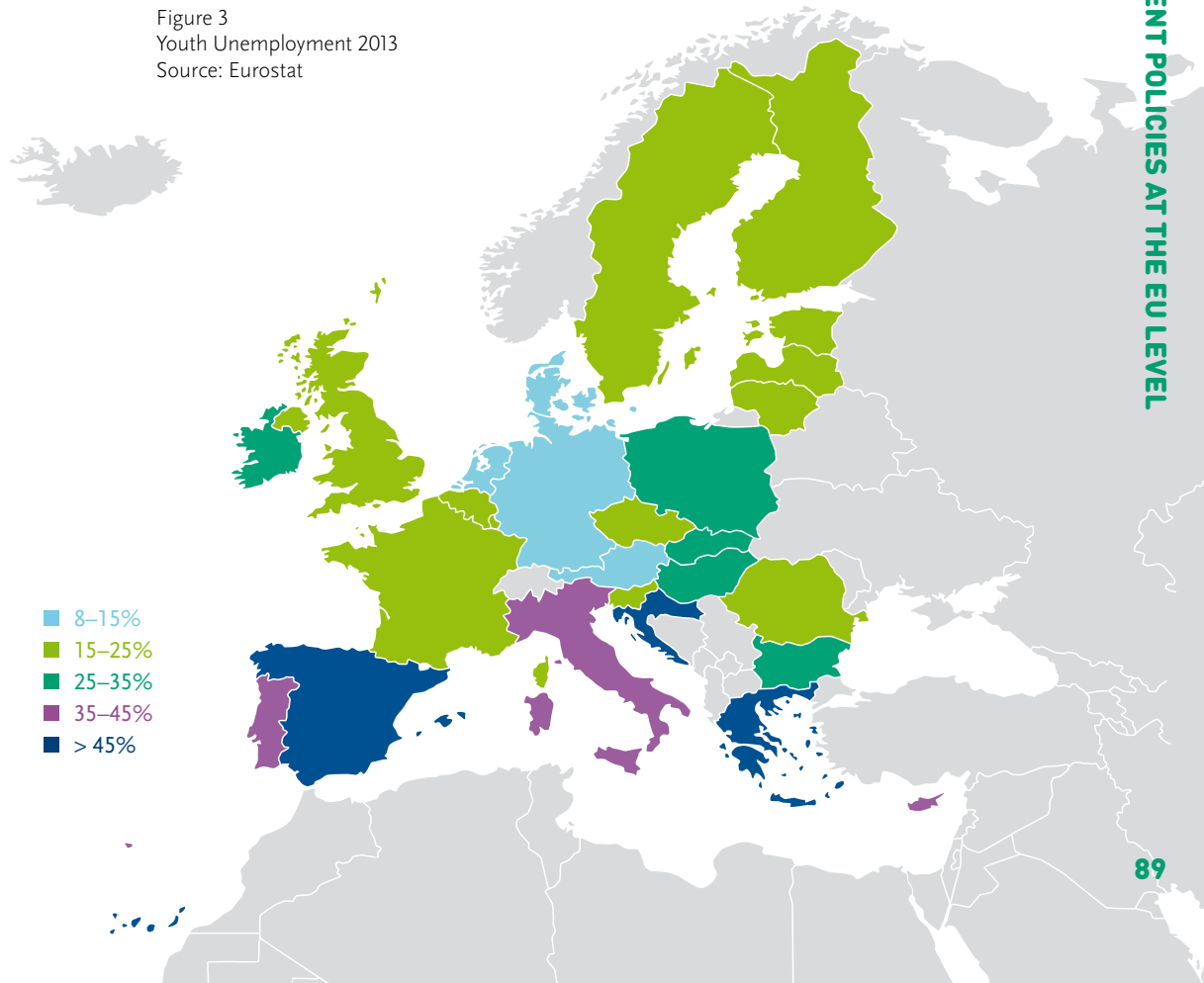
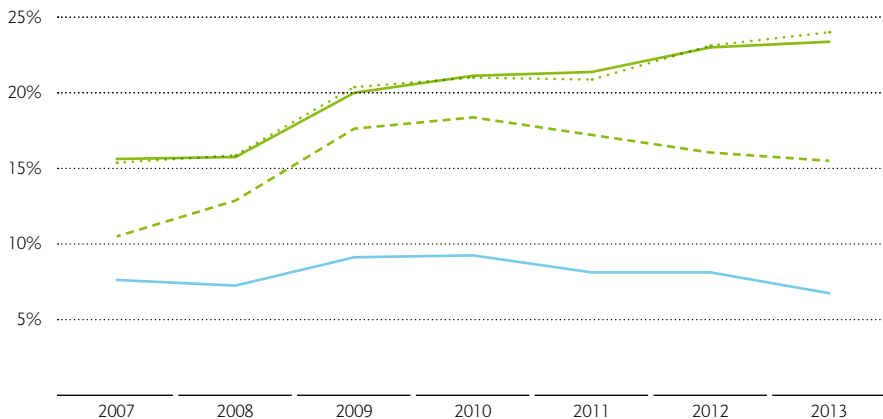


Figure 4
Youth unemployment globally
EU 28 EA 18 United States Japan Source: Eurostat



When we compare youth unemployment in the EU with the USA and Japan we see (Figure 4) that Japan has had the lowest unemployment rate, followed by the USA and then the EU.

Jutte remarked, however, that these statistics about the youth unemployment rates do not give the full picture of the situation. The European Commission is therefore focusing on another indicator, which is called NEETs, standing for Young People Not in Employment, Education or Training. The graph in this respect is depicted in Figure 5.

The NEETs indicator allows for the assessment of the situation of youth unemployment more precisely. When unemployment in a country is high it may be wise for young people to take more education or training in order to improve his/her chances in the labour market later on. According to Jeroen Jutte the NEETs-indicator is the main focus of the DG Employment, Social Affairs and Inclusion.

To conclude this introduction Jeroen Jutte gave the main indicators regarding youth unemployment in the EU:

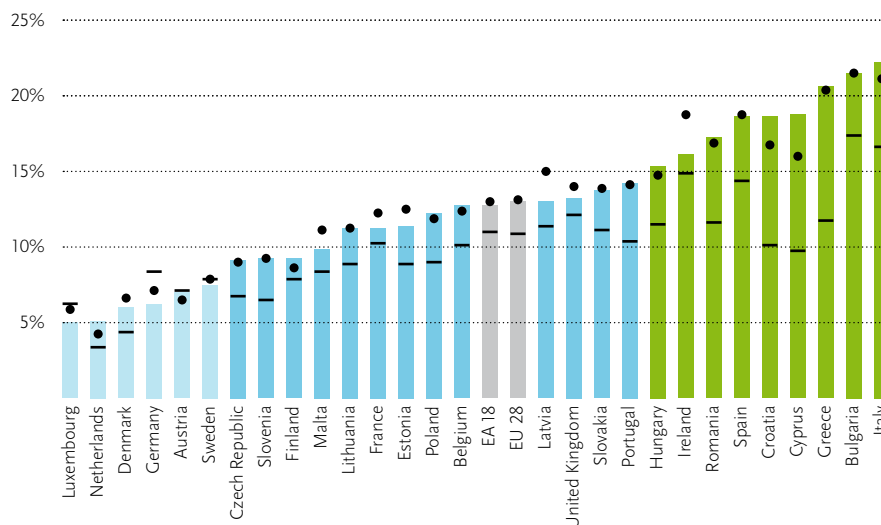
- 5.6 million young people (aged 15-24 years) are unemployed. This is twice as high as the rate for adults.
- 11.9% in the age group 18-24 years leave school early.
- Young people are over-represented in part-time work and temporary contracts.

2 THE YOUTH EMPLOYMENT PACKAGE

2.1 An overview of initiatives taken by the European Institutions

The work that the European Commission can do is governed by what is laid down in the Lisbon Treaty and this treaty gives the European Commission little

Figure 5
Percentage of young people (age 15-24) not in employment, education or training (NEETs)
■ 2013 ● 2010 — 2008 Source: Eurostat



power to act in this domain. On the whole, the responsibility lies with Member States. Notwithstanding these limitations, and in consultation with the Member States, the European Institutions have taken a number of measures in this area in view of the grave situation that most Member States face in this respect:

- 1 In December 2012 the European Commission, instigated by European Commissioner László Andor, launched in December 2012 the Youth Employment Package². The core element of this package was the recommendation to the Member States to introduce the Youth Guarantee to ensure that all young people in the EU up to the age of 25 receive a good quality offer of a job, continued education, an apprenticeship or a traineeship within four months of leaving formal education or becoming unemployed. The Council of the European Union accepted this proposal and published the Council Resolution on establishing a Youth Guarantee in April 2013.
- 2 In July / October 2013 the Council launched the European Alliance for Apprenticeships, stipulating the minimum standards in the European Union in this respect.
- 3 This was followed in March 2014 by the Council Recommendation 'Quality Framework for Traineeships'.
- 4 The fifth element within the European Employment Package was the launch of EURES (standing for European Employment Service). It is the cooperation platform of the Public Employment Services in the Member States and other organisations on the EU level designed to facilitate the free movement of workers within the 28 EU Member States plus Switzerland, Iceland, Liechtenstein and Norway (European Commission, 2014). This new regulation was adopted by the Council of the European Union on 2 December 2015 and is currently in operation.

These programmes and their funding are explained in paragraphs 2.2 – 2.4 based on the presentation of Jeroen Jutte and the websites of the various programmes mentioned.

2.2 The Youth Guarantee

The European Commission describes the ‘Youth Guarantee’ on its website as follows: “... (it) is a new approach to tackling youth unemployment which ensures that *all young people under 25* – whether registered with employment services or not – get a good-quality, concrete offer within 4 months of them leaving formal education or becoming unemployed.

The good-quality offer should be for a *job, apprenticeship, traineeship*, or continued *education* and be adapted to each individual need and situation. EU countries endorsed the principle of the Youth Guarantee in April 2013” (European Commission, 2016).

Within the Youth Guarantee arrangement Member States have committed themselves to address the following elements:

- to consider issues that are of a more general nature. They consist of principles of mutual obligations between the organisations and the persons they serve, cycles of inactivity, etc.
- to take national, regional and local circumstances into account.
- to pay attention to gender and diversity issues.

In this context one must be aware that each Member State is different as is each national labour market. Therefore the Youth Guarantee framework should be implemented differently in each Member State.

The Youth guarantee is an outcome-based approach, i.e. aimed at reducing the number of NEETs. It furthermore aims to bring about long-term structural reforms. In this context we should think about the functioning of the Public Employment Services:

- are they sufficiently equipped to help young people to get a job or to bring them back into an educational programme?
- how are the coordinated partnerships functioning? In this context we consider how ministries, employers organisations, trade unions and youth organisations are working together in such a way that NEETs are brought back into the labour market or into educational programmes.
- Does the Central Government invest sufficiently in this area and does a Minister or a (Deputy) Prime Minister take ownership of the Youth Guarantee and does he/she coordinate the various activities?

2.3 Funding the Youth Guarantee Programme

The European Commission can contribute some funding as a result of a decision taken in the context of the General Financial Framework Negotiation, and the European Social Fund has a budget line for the Youth Guarantee. However, it is the intention of the whole scheme that Member States also draw from their national budgets for the Youth Guarantee programme and that they invest in the organisations mentioned in paragraph 2.2. On top of this the European Commission advocates for the involvement of employers’ organisations and trade unions in the financing of the Youth Guarantee programme.

2.4 Youth Employment Initiative (YEI)

The YEI is an extra financing arrangement set up to pay for the implementation of the Youth Guarantee Programme. It exclusively targets NEETs aged up to 25 years, and where Member States consider it relevant, also those aged up to 30 years, in those regions in the Member States where youth unemployment is above 25%. The money available in this scheme is €6 billion, to be spent over several years.

2.5 The monitoring of the Youth Guarantee by the European Commission

Jutte mentioned that the European Commission is monitoring the implementation of the Youth Guarantee in the Member States in three ways:

- via the European Semester
- through the Multilateral Surveillance Reviews by the Employment Committee
- through the Peer Review Mutual Learning Programme.

He explained that the European semester is an annual cycle of macro-economic budgetary and structural policy coordination in which the European Commission, the Council of the EU, the European Parliament, the Heads of State of the Member States and their governments participate. The European Commission has incorporated the topic of child poverty and the Youth Guarantee in this annual cycle of consultations.

The Multilateral Surveillance Reviews by the Employment Committee (EMCO) is, in turn a Committee based on the Lisbon Treaty, on which all Member States are represented, usually by their Ministers of Employment and Social Affairs. A detailed exchange about the employment policies pursued in the Member States and the outcomes attained takes place in this Committee. The Youth Guarantee has become an integral part of these consultations.

The Peer Review Mutual Learning Programme takes an approach similar to that of the EMCO, but is more focused and is formed of a maximum of eight countries which are taking part in the consultation.

2.6 The European Alliance for Apprenticeships

Jutte explained that the European Alliance for Apprenticeships is one of the elements of the Youth Guarantee Programme. It was launched by the European Commission on 2 July 2013. It is basically a programme that fosters the creation and maintenance of platforms in the Member States in which the business sector, public authorities, the social partners and youth representatives participate. The purpose of the Alliance is to improve the supply and the quality of apprenticeships in order to match the supply to the demand and to change the mind-set that people have about apprenticeship type learning. It was found that effective vocational education and training systems, in particular those that include a strong work-based learning component, appear to facilitate the transition of young people from education into work (European Commission, 2014).

2.7 The Quality Framework for Traineeships

Jutte remarked that the European Commission found that traineeships did not meet certain minimum standards with regards to the quality of the learning content, fair pay for the work done along with good and safe working conditions. For this reason the European Commission has made a Council Recommendation regarding a Quality Framework for Traineeships.

2.8 The main challenges for the Youth Guarantee Programme

Jutte presented the challenges of the Youth Programme as follows:

- Is there a sufficient supply of good quality offers of jobs, continued education, apprenticeships or traineeships? It is no mean task to create a system from scratch that can actually deliver such a service offering within one and a half years. For many countries this is a serious issue.
- Implementing the reforms, in particular with regards to the way that the Public Employment Services (PES) operate. In the Youth Guarantee Programme the PES organisations play a crucial role. Are they equipped for this? Do they have the manpower of the right quality to hold intake interviews within the necessary timeframe with those who are eligible?
- ‘Silo thinking’. The third challenge is ‘Silo Thinking’. This means, for example, that a PES organisation may not be willing to speak with the Ministry of Education or with the Ministry of Employment and Social Affairs, etc. The European Commission tries to stimulate an open dialogue and good cooperation between the main stakeholders that play a role in delivering the services to the young and unemployed people.
- Outreach to non-registered young people (NEET’s). Then there is quite a big group of young people who are not registered. There are more of these young people in some countries than in others. How and where can you find these young people? How do you reach them? For some countries, such as Bulgaria, this is a big issue. These young people should and must not be left behind. So this is, again, a real challenge.
- Long-term strategic planning. The elements in the Youth Guarantee programme require the perseverance and cooperation of many stakeholders. This cannot be brought about within a few months, but it will take several years before the services are really functioning in a professional way. Long term strategic planning and implementation are prerequisites in this respect.
- Provisions for monitoring and evaluation. The European Commission wants results and Member States should want the same. The Member States should want value for money. That is why it is important to collect data, to monitor, to evaluate and also to stop practices that simply do not work. This requires a culture of monitoring and evaluation. In some systems it exists, in others it is not so strong.

3 COUNTRY SPECIFIC RECOMMENDATIONS

The last part of the presentation of Jutte was on the Country Specific Recommendations. The European Semester procedure (explained in paragraph 2.5) offers a tool for each Member State to examine the following topics among others in the annual consultation:

- public finances and welfare systems
- the financial sector
- labour market
- products and service markets
- education
- social inclusion
- administration

As a result of the procedure, each country receives feedback on each topic and these are called 'Country Specific Recommendations' (Europe 2020 / European Semester, 2016).

In 2014 under this procedure the DG Employment, Social Affairs and Inclusion looked at the transition from school to work and discovered that:

- There was a real need for reform to bring about successful transitions from school to work.
- The effectiveness of the PES services was an issue. The same was true for the quality of education and training and the quality of apprenticeships.
- The outreach activities with regards to NEETs, i.e. contacting and relating to them, was a third issue that needed to be addressed.

In the Country-Specific Recommendations framework the following concrete recommendations were made in 2014:

- Eighteen Member States received a Country Specific Recommendation on the transition from school to work.
- Eighteen Member States received a Recommendation related to the delivery of the Youth Guarantee service offering.
- Eight Member States had an explicit mention of the Youth Guarantee in their recommendations.

Other Country-Specific Recommendations in 2014 were:

- The following countries needed to carry out reforms to facilitate the school to work transition: Belgium, Bulgaria, Czech Republic, Spain, France, Croatia, Hungary, Ireland, Italy, Latvia, Poland, Portugal, Romania, Sweden, Slovenia and Slovakia.
- Explicit recommendations regarding the Youth Guarantee were made for those countries which were assessed as facing important implementation challenges. These countries were: Bulgaria, Spain, Hungary, Croatia, Italy, Poland, Portugal and Slovakia.
- Outreach to young people not in employment, education and training (NEET'S) was needed in Bulgaria, Estonia, Hungary, Italy, Latvia, Poland, Portugal, Romania, Sweden, Slovenia and Slovakia.
- More apprenticeships must be created in Estonia, Spain, France, Croatia, Ireland, Italy, Latvia, Lithuania, Malta, Poland, Portugal, Romania, Slovakia and the UK.

- The topic of early school leaving was a problem in many countries, but the following Member States received a specific remark regarding this point: Belgium, Spain, France, Hungary, Italy, Malta, Portugal and Romania.
- Labour markets can be more or less open to young people wishing to join the workforce. Where the market is segmented and less accessible to young people it is referred to as labour market segmentation. In this respect the following countries received a specific recommendation: Germany, Spain, France, Hungary, Italy, Poland, Portugal, Croatia and Slovenia.

In a personal communication at the time of finalizing this text in April 2016 Jeroen Jutte assessed that the Country-Specific Recommendations improved markedly in 2015. In 2014 there were in total 10 recommendations with regards to Employment Protection Legislation (EPL) and labour market segmentation, but in 2015 only 4 countries received a recommendation in this respect. A similar improvement occurred in the domain of Active Labour Market Policies (ALMP) and employment services: in 2014 19 countries received a recommendation, but in 2015 this had decreased to 8 countries. For skills, education and training, 25 countries received a recommendation in 2014, but this was only necessary for 14 countries in 2015. For youth employment the trend was similar: 18 recommendations in 2014 and 5 in 2015.

4 CONCLUSIONS

After working on this text as an editor I have drawn the following general conclusions for myself about the subject. Many people in Europe will not be aware of the great steps forward that have been taken on the European level since 2011 to improve the employment situation for young people. At the heart of the improvement package lives the insight that a national government can play an important role in stimulating youth employment; secondly, that the national governments are encouraged to take certain measures, and thirdly, that between the various governments and the European Institutions a dialogue is taking place with regard to progress in this respect.

Although the national labour markets within the EU are still fragmented due to language, educational systems, culture, geography, etc. important steps have been taken to connect these labour markets and to move in the direction of an integrated European market in this domain. However, we must not deny that at present the average level of youth unemployment in the EU member states is still around 19.5%, which is unacceptably high. All stakeholders concerned must therefore continue to work hard to ensure that all young people, when leaving school or becoming unemployed, get a job, or an offer for continued education, an apprenticeship or a traineeship, so that the term 'youth unemployment' will in the near future merely be a word that you find in the history books.

REFERENCES

- Europe 2020 / European Semester.* (2016, February 10). Retrieved from http://ec.europa.eu/europe2020/making-it-happen/country-specific-recommendations/index_en.htm
- European Commission (2014, April 12, 2016). EU measures to tackle youth unemployment. Brussels, Belgium: European Commission., retrieved from http://europa.eu/rapid/press-release_MEMO-13-968_en.htm
- European Commission.* (2016, February 10). Retrieved from DG Employment, Social Affairs & Inclusion: <http://ec.europa.eu/social/main.jsp?catId=1036>

BIOGRAPHY

Michiel Matthes is the Chairman of the Alliance for Childhood European Network Group, and the coordinator of the Working Group on the Quality of Childhood at the European Parliament, both of which advocate for the improvement of the quality of childhood in Europe. Michiel Matthes is the editor of the 'Improving the Quality of Childhood in Europe' series. (www.allianceforchildhood.eu)

ENDNOTES

- 1** This chapter is based on the presentation that Jeroen Jutte of the European Commission, Head of Unit, DG EMPL, Unit CI European Employment Strategy and Governance, gave to the Working Group on the Quality of Childhood at the European Parliament, on 8 July 2014. The audio recording of this presentation was typed out by Elisabeth Matthes and Paula Beens. In addition, Marion Briggs worked on the text, which was finalised by Michiel Matthes. Jeroen Jutte has given permission for the use of his PowerPoint slides in this chapter.
- 2** In November 2014 László Andor was succeeded by Marianne Thyssen as European Commissioner. The new name of the DG is DG Employment, Social Affairs, Skills and Labour Mobility.