SUMMARY  Young people have been hit particularly hard by the economic crisis with regard to their employment prospects. More than 5.5 million young people (under 25 year olds) are currently unemployed in the EU. The unprecedented high level of youth unemployment (EU average 22.6%) is exacerbated with widespread precarious forms of work. This has put the issue of youth employment at the top of EU priorities, in order to give every young person the possibility to fulfil his or her potential and avoid losing a generation of young Europeans.

Among the EU measures complementing national policies to tackle youth unemployment, the Commission has launched the "Youth on the Move" initiative in the context of the "Europe 2020" strategy, followed by the "Youth Opportunities Initiative" in December 2011. With its "employment package" adopted in April 2012, the Commission has proposed a set of concrete measures to boost jobs, identifying key opportunities for EU job-rich recovery.

Priorities on the EU agenda are reducing early school leaving, modernising education, developing skills relevant to the labour market, facilitating the transition from school to work, improving access to the labour market for getting the first work experience and on-the-job training, as well as better use of European funds for specific activities tackling youth unemployment.

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Context

The employment situation in the European Union for young people aged between 15 and 24 years old is alarming. The economic crisis has hit young people disproportionately hard, with a rise in unemployment from 15% in the first quarter of 2008 to 22.6% in March 2012.

The unemployment rate for young people in the EU is now twice as high as that of the working population overall (and three times as high in those European countries hardest hit by the crisis).

Youth unemployment exposes young people to persistent difficulties, poverty and social exclusion. Moreover, it disconnects them from the labour market and thus prevents them from contributing to the overall development of their country and the European Union in general.

As underlined by the European ministers for social affairs and employment, who met informally in Horsens (Denmark) in April 2012, the high levels of youth unemployment in the European Union are a threat to social cohesion and to the future of each individual. There is a need for stronger partnership between political authorities, business and trade unions at all levels of governance (European, national, regional and local) in order to avoid a "lost generation" of young Europeans, with a heavy economic and social cost.
In March 2012, 24.8 million men and women were unemployed in the EU. The unemployment rate in the EU was 10.2% compared to 8.2% in the USA and 4.5% in Japan. 5.5 million young people aged 15 to 24 years were unemployed (303 000 more than in March 2011) – a number equal to the entire population of Denmark. The average EU youth unemployment rate was 22.6% in March 2012. The highest rates were observed in Greece (51.2%) and Spain (51.1%) and the lowest in Germany (7.9%), Austria (8.6%) and the Netherlands (9.3%).

Long-term youth unemployment is on the rise: 30.1% of the young have been without work for more than one year (26.1% in 2007). Unemployment tends to decrease the higher the level of educational achievement: for young people with lower secondary education, the employment rate was 20.6% in 2011, compared to 53.3% for those with a higher education qualification. There are however some exceptions, e.g. in Greece, Italy and Portugal where there is a high unemployment rate for young people with tertiary education.

The number of young people not in education, employment or training (NEETs) has increased from 10.9% in 2007 to 12.8% in 2010.

While EU Member States are primarily responsible for tackling youth unemployment, the EU can play a supporting and complementary role. The EU can help Member States improve the situation of young people by reviewing national policies, highlighting priorities from an EU perspective and suggesting possible actions, based on good practices. This is done through the comparison and coordination of national economic, employment, education and social policies in the context of the Europe 2020 Strategy.

The EU also provides financial support to national actions in line with agreed priorities, mainly through the European Social Fund (ESF). The Commission has urged Member States several times to make greater and better use of ESF funds which remain uncommitted to projects for the current 2007-13 programming period. Other EU Funds such as the European Regional Development Fund also support measures helping to tackle youth unemployment. A variety of EU programmes address youth education and employment, such as the Progress programme, the Lifelong Learning Programme (and its sub-programmes Erasmus for higher education and Leonardo da Vinci for vocational education and training), and Youth in Action.

**Youth unemployment in Spain**

Young Spaniards have been hit particularly hard by the crisis: youth unemployment has risen to 50%, with strong regional differences (e.g. from 30% in the area of Aragon to 65% in the Ceuta region). A high rate of school drop-outs (especially for men) is one reason. Those who do work often have only temporary contracts or low-paid part-time and/or precarious jobs.

The lack of jobs has driven many young Spaniards to emigrate not only to EU countries, but also to Latin America countries like Brazil, Argentina, and Chile. Spain has become a net exporter of people for the first time since 1990 (Spain’s National Statistics Institute expects more than 500 000 people to leave Spain each year until 2020 if demographic trends continue). According to a survey (Eurobarometer Flash "Youth on the move", 2011) 68% of young Spaniards are willing to work in another EU country. Many of them are highly skilled young professionals. This could lead to a "brain drain".

The Spanish government has taken measures to reform access to the labour market benefiting young people. These measures may however take time to produce their desired results.
With its 2010 initiative Youth on the Move (one of the flagships of Europe 2020) the Commission has set out how the EU can reach some of the "Europe 2020" strategy targets, by:

- improving and modernising education and training systems,
- making stronger policy efforts to fight youth unemployment,
- promoting learning and worker mobility,
- and also promoting greater involvement on the part of business.

At the end of December 2011, the Commission launched the "Youth Opportunities Initiative" in response to the steady alarming rise of youth unemployment in the EU since 2008.

On 30 January 2012 Commission President Barroso proposed at the informal European Council to strengthen cooperation with the 15 Member States in which the situation of young people is most difficult. Teams of EU and national officials have been set up for the eight countries with the highest youth unemployment rates (Greece, Spain, Ireland, Italy, Lithuania, Latvia, Portugal, and Slovakia). They met in the Member States concerned in February 2012 to develop specific action plans for tackling youth unemployment. For the other seven countries (Bulgaria, Cyprus, France, Hungary, Poland, Romania, and Sweden), bilateral meetings at technical level have taken place to explore ways of making full use of EU funding for tackling youth unemployment. The Commission will report on the follow-up actions at the European Council meeting in June 2012.

On 1 March 2012, the European Social Partners (the European Trade Union Confederation (ETUC), BUSINESSEUROPE (private employers), UEAPME (small businesses), and CEEP (public employers)), the Commission, the current and two subsequent Council Presidencies held the Tripartite Social Summit for Growth and Employment. The social partners presented their 2012-2014 work programme which includes actions on youth employment with a focus on the link between education, young people’s expectations and labour market needs.

The Spring European Council invited the Member States to develop and implement comprehensive initiatives on employment, education and skills. Each will include a "National Job Plan" in their "National Reform Programmes" to be submitted to the Commission.

The Commission will pay special attention to youth unemployment when presenting the draft 2012 country-specific recommendations under the European Semester.

On 18 April 2012, in response to the call from the European Council for greater focus on job creation, better quality employment opportunities and geographical mobility, the Commission adopted an "employment package" (a communication, "Towards a job-rich recovery", plus nine working documents, two of which are consultation papers) presenting new measures and identifying key opportunities for EU job-rich recovery.

The proposals focus on the demand-side of job creation, setting out ways for Member States to encourage hiring by reducing taxes on labour and supporting business start-ups. It seeks to focus on the areas with the biggest job potential: the green economy, health services, and information and communications technologies (ICT). The Commission also lays down ways to involve more employers and workers’ representatives in setting EU priorities. Finally, the employment package paves the way for reinforced coordination and monitoring of employment policies at EU level. From 2013, as part of the "European Semester", the Commission plans to introduce a scoreboard to keep track of Member States’ progress in implementing their "National Job Plans".
Key success factors

Even if the causes of youth unemployment vary from one Member State to another, some factors are common, such as early school leaving without qualifications, lack of relevant skills and precarious employment.

Preventing early school leaving

In 2010, more than six million young people in the EU had left school with lower secondary level qualifications at best. Early school leaving contributes directly to unemployment as employability depends strongly on the level of qualification achieved: in 2011, 28% of EU early school leavers (ESL) were outside the labour market. The OECD estimates that about one-third of ESL are at risk of facing persistent difficulties in accessing stable employment, and risk marginalisation over time. ESL in employment tend to be in more precarious jobs, are often dependent on social assistance, and participate less in lifelong learning.

There are considerable differences between EU Member States, e.g. the percentage of the population aged 18-24 with at most lower secondary school education and not on further education or training was 36.9% in Malta and 28.7% in Portugal compared to 5.4% in Poland and 4.7% in Slovakia in 2010. Moreover the percentage of ESL who are employed varies a lot: e.g. more than 70% of ESL were in employment in Malta and in Portugal in 2010, whereas large numbers (70% and more) of ESL were either unemployed or inactive in Slovakia, Bulgaria and Hungary.

Under the Europe 2020 strategy, EU heads of state or government agreed to reduce the early school leaving rate to 10% (from the current level of 14%). In order to help them achieve this, the Commission approved an action plan in January 2011 "Tackling early school leaving: a key contribution to the Europe 2020 agenda", followed by guidelines in a Council Recommendation adopted in June 2011. The solutions identified are mix of measures such as prevention (e.g. assisting children with immigrant backgrounds), intervention to address emerging difficulties rapidly (e.g. absenteeism and low performance levels), and compensation (e.g. offer second-chance learning).

As far as the profile of ESL is concerned, male pupils are more likely to drop out of school education than female pupils. Early school leaving is also strongly linked to social disadvantage, low education, migrant and Roma backgrounds.

In a policy statement supporting the Commission's approach, the European Social Network (ESN) agrees that extra-curricular activities can raise the self esteem of pupils at risk, and have benefits for children's learning and development which not every child will receive at home. It underlined, as did the European Parliament in a resolution on tackling early school leaving adopted on 1 December 2011, the necessity of diverse learning approaches and the need to
provide a holistic solution, since early school leaving is not just a school issue.

**Linking education, training and work**

*Developing relevant skills*

The [Agenda for new skills and jobs](#) was adopted by the Commission in 2010 as one of the flagships of "Europe 2020". It aims at equipping people with the right skills for employment, particularly in sectors facing labour shortages and with job creation potential, such as the health sector and ICT. The European Centre for the Development of Vocational Training (Cedefop) forecasts greater demand for high-level qualifications. The EU skills "Panorama" to be launched by the Commission by the end of 2012 is a first step towards the converging of all existing forecasting tools. It will provide a single overview of European, national and sectoral findings on the short to medium-term prospects for jobs and skills needs up to 2020. The Commission will also launch a European Skills Passport by the end of 2012.

**Vocational training in Germany**

A majority of young people who complete school do not enter university but participate in vocational training schemes, combining classroom training (theory) with hands-on, step by step practical training in a company, over a two-three year period (dual education system). Since 2004, employers have agreed to offer vocational training to all interested school leavers ("Ausbildungspakt"). This integrated approach is said to be one of the reasons for the low youth unemployment rate in Germany (7.9% in March 2012). There are similar training systems in Austria and in the Netherlands, which also have low youth unemployment rates.

**Creating better apprenticeships**

In June 2010, the Commission adopted a communication "[A New Impetus for European cooperation in Vocational Education and Training to support the Europe 2020 strategy](#)". In December 2010, EU ministers and the Social Partners (Copenhagen Process) agreed on common objectives in vocational training for 2011 to 2020. The European Centre for the Development of Vocational Training (Cedefop, Thessaloniki) and the European Training Foundation (ETF, Turin) contribute to reforms in order to provide young people with the right skills to find a suitable job.

**European Voluntary Service**

The [European Voluntary Service](#) can also help young people enter the labour market by equipping young volunteers with non-formal learning, new skills and work experience abroad that are valued by employers. The budget has been reinforced in order to provide at least 10 000 volunteering opportunities in 2012.

**Improving labour market access**

Access to the labour market is a central issue as many young people struggle to find their first job. The search is more difficult in periods of recession, when young people have to compete with job-seekers who have more employment experience in a market with fewer jobs on offer.

**European Youth Guarantee**

In a [resolution](#) adopted on 6 July 2010, the European Parliament called on the Council and Commission to devise a "European Youth Guarantee" in order to ensure that no young person is out of employment, education or training involuntarily for a period longer than four months. The Commission plans to present a proposal for a Council recommendation by the end of 2012. The EP Committee on Employment and Social Affairs (EMPL) welcomed this in April 2012, underlining that the guarantee scheme needs to be legally enforceable if it is to make any real improvement in the situation of young people.

"Your First EURES job"

The pilot project "[Your First EURES job](#)" was launched by the Commission in 2011 to help young people find work and to help employers find workers in any Member State. The goal for 2012-2013 is to help around 5 000 young people find a job in any...
EU country other than their country of residence through direct financial assistance.

**Partnerships with enterprises**
The Leonardo da Vinci programme gives opportunities for individuals to improve their work-related skills through placements in enterprises. To improve the matching of jobs with job-seekers, the Commission proposes to transform the EURES portal into a true European placement and recruitment tool, allowing online application. In terms of mobility, the "Erasmus for young entrepreneurs" action is expected to finance around 600 further exchanges in 2012. The Commission has proposed to turn this pilot project into a permanent programme.

**Reducing precarious employment**
Young people generally tend to work as employees (only 2.5% of self-employed people in the EU were aged under 25 in 2011 (Eurostat)) but often do not have full-time permanent posts.

**Providing security in employment**
Young people are over-represented among workers with temporary contracts: in 2011, 42.5% of workers aged 15-24 were employed on temporary contracts (10.9% for the 25-64 category). Many jobs offered to young people during the economic crisis were on temporary contracts, often with low wages. A related aspect of temporary jobs is in-work poverty: people who despite their jobs live under the "at-the-risk-of poverty" threshold.

There were 5.7 million young part-time workers in the EU in 2011. The main reasons for part-time employment in 2011 for young workers were education/training (53%), "could not find a full time job" (28%) and family/personal responsibilities (5.8%). There were 1.5 million "under-employed" part-time workers (who wished to work more hours and were available to do so).

In its communication "Towards a job-rich recovery", the Commission stresses the need to ensure appropriate contractual arrangements to prevent the excessive use of non-standard types and the abuse of bogus self-employment.

**Providing quality internships**
Traineeships can help young people acquire relevant skills to enter the labour market. However many young people are "caught" in a cycle of unpaid internships. The Commission launched, in April 2012, a public consultation on a "Quality Framework for Traineeships" to ensure their educational value and help young career starters to make a smooth transition from education to work.

**Further reading**
- Youth programmes and policies in the EU, European Parliament Library briefing, 2011
- Implementing the Youth Opportunities Initiative: first steps taken, European Commission, 2012
- Youth and work, Eurofound, 2011
- Young people and NEETS, Eurofound, 2011
- Young Greeks and the crisis. The danger of losing a generation, N. Malkoutzis, 2011

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http://www.library.ep.eu
The bars show the 2011 unemployment rates on the scale on the left axis. The number above each bar represents the change in the unemployment rate since 2008. For the EU27 as a whole the unemployment rate for people under 25 years old was 21.40% in 2011; that is an increase of six percentage points in comparison with 2008.

Source: Eurostat (une_rta)