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on tackling youth unemployment: possible ways out
(2013/2045(INI))

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MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION

on Tackling youth unemployment: possible ways out (2013/2045(INI))

The European Parliament,

- having regard to its resolution of 14 June 2010 on ‘Promoting youth access to the labour market, strengthening trainee, internship and apprenticeship status’,¹
- having regard to the Commission communication ‘Youth Opportunities Initiative’ (COM(2011)0933), and to Parliament’s resolution of 24 May 2012 on the Youth Opportunities Initiative and its question for oral answer to the Commission on the Youth Opportunities Initiative² (O-000106/2012 – B7-0113/2012),
- having regard to the Commission communication on the implementation of the Youth Opportunities Initiative (COM(2012)0727),
- having regard to the Commission communication ‘Youth on the Move’ (COM(2010)0478),
- having regard to the Council conclusions on promoting youth employment to achieve the Europe 2020 objectives, adopted in Luxembourg on 17 June 2011,
- having regard to the European Council conclusions on a Youth Employment Initiative of 7 February 2013,
- having regard to the proposal from the Commission of 5 December 2012 for a Second-stage consultation of the social partners at European level on a Quality Framework on Traineeships (COM(2012)0728),
- having regard to the proposal from the Commission of 5 December 2012 for a Council Recommendation on a Youth Guarantee (COM(2012)0729),
- having regard to the Eurofound report of 13 June 2012 entitled ‘Youth Guarantee: Experiences from Finland and Sweden’,
- having regard to its resolution of January 2013 on a Youth Guarantee³,
- having regard to the political agreement reached in Council on 28 February 2013 on a Council recommendation on Establishing a Youth Guarantee,
- having regard to the Commission communication on ‘An EU Strategy for Youth – Investing and Empowering. A renewed open method of coordination to address youth challenges and opportunities’ (COM(2009)0200),

¹ Texts adopted, P7_TA(2010)0262.

² O-000106/2012; B7-0113/2012

³ Texts adopted, P7_TA(2013)0007.

- having regard to the proposal for an amendment to the Commission proposal ‘For a regulation of the European Parliament and the Council on the European Social Fund and repealing Council Regulation (EC) No 1081/2006’ (COM(2011)0607),
 - having regard to the statement by the Members of the European Council of 30 January 2012 entitled ‘Towards growth-friendly consolidation and job-friendly growth’,
 - having regard to Rule 48 of its Rules of Procedure,
 - having regard to the report of the Committee on Employment and Social Affairs and the opinions of the Committee on Regional Development and the Committee on Women’s Rights and Gender Equality (A7-0000/2013),
- A. whereas in January 2013 23 % of active young people were jobless, with the rates ranging from 15 % or less in Austria, Denmark, Germany and the Netherlands to over 55 % in Greece and Spain, indicating marked geographical differences;
 - B. whereas in 2011 7.5 million young people aged 15-24 and 6.5 million aged 25-29 were not in education, employment or training (NEETs), among them members of vulnerable groups such as young people with health problems or disabilities and single mothers, a development entailing serious social consequences such as poor or insecure future employment prospects or even mental and physical dysfunctions; whereas these problems are likely to increase in the near future;
 - C. whereas in 2011 the economic loss due to the disengagement of young people from the labour market was estimated at EUR 153 billion, corresponding to 1.2 % of EU GDP¹; whereas this represents a serious social and economic burden;
 - D. whereas young people are particularly disadvantaged during economic crises, more so than most groups; whereas for many young people current unemployment can be expected to turn into long-term unemployment, which brings risks of social exclusion; whereas this has alarming consequences for young individuals, lowering their self-esteem, leaving their ambitions unrealised, and delaying their assumption of an independent adult life including starting a family, and consequently also for society, negatively impacting on the social, economic and demographic situation in Europe;
 - E. whereas in the context of the Lisbon Strategy 2000-2010 the EU has undertaken to raise education levels, reduce school drop-out rates to less than 10 % by 2020, and increase the rate of completion of tertiary or equivalent education to at least 40 %;
 - F. whereas SMEs, which are a driving force for economic growth and job creation and for achieving the goals of the Europe 2020 Strategy, have shed more than 3.5 million jobs as a result of the economic crisis, with workplace closures affecting all workers, including the young;

¹ Eurofound (2012), ‘NEETs – Young people not in employment, education or training: Characteristics, costs and policy responses in Europe’. Publications Office of the European Union, Luxembourg.

- G. whereas the economic crisis which began in 2008 has negatively affected both demand and supply on the labour market, thus dramatically increasing uncertainty over job prospects and making it essential for all unemployed people to be better informed about employment prospects;
1. Stresses that the policy measures implemented by Member States need to be diversified and should tackle all potential obstacles in young people's pathway to sustainable employment, paying particular attention to vulnerable groups that are more likely to suffer from multiple disadvantages;
 2. Stresses that the involvement of all relevant stakeholders, including training and education providers, individual employers, public and private employment services, social partners, third-sector organisations, and health and other authorities, is essential for the successful implementation of a variety of measures fostering youth employment and employability in an integrated fashion; emphasises that measures must be flexible so as to meet the continuously evolving needs on the labour market;
 3. Recognises the particularly difficult situation in certain regions where the level of unemployment among young people is above 25 %; welcomes the fact that EU support for youth employment will be further boosted through the proposed EU Youth Employment Initiative, with a budget of EUR 6 billion over the seven-year period 2014-2020;
 4. Welcomes the decision of the EPSCO Council on 28 February 2013 to agree on a Council recommendation on implementing a Youth Guarantee; recommends extending eligibility to graduates aged under 30; stresses that the success of this measure will be highly dependent on other factors, e.g. the infrastructure and capacity of public and strengthened private employment services, the availability of student places, the provision of training and apprenticeships, and the transferability and implementation of successful experiences from other Member States; stresses that the Youth Guarantee must be integrated within the broader framework of active labour market policies while ensuring high quality standards;
 5. Encourages the Member States to boost their support for enterprises, cooperatives and third-sector organisations wishing to participate in Youth Guarantee schemes in close cooperation with public and private employment services, including through tax incentives, subsidies for fixed employment costs, and the possibility of accessing funding for on-site training, which will support enterprises in providing high-quality employment and training offers, and will represent an investment in young people's potential in an effective and targeted way;
 6. Calls on the Member States to draw up further specific outreach strategies targeted on NEETs, which should combine effective forms of intervention aimed at tackling early school-leaving and the reintegration of early school-leavers with strategies facilitating a smooth transition from education to work, and an increase in the employability of young people, together with the removal of the practical and logistical barriers faced by young people with more complex needs;
 7. Supports the establishment of the Erasmus for All Programme and the creation of a separate chapter for youth as well as a separate budget allocation, together with increased

support for those who are active in youth work but not in an institutionalised fashion; is of the opinion that acquiring more and different skills, also by studying abroad, will promote young people's participation in society and improve their prospects on the labour market;

8. Calls on the Member States to support self-employment among young people by creating facilities and preferential conditions for starting up their own businesses, through, e.g., cutting red tape and introducing favourable tax policies;
9. Welcomes, in the context of promoting self-employment among young people, the proposed successor to the Progress Microfinance Facility included in the Programme for Social Change and Innovation for the period 2014-2020, in order to better meet demand, also among young people;
10. Calls for an ambitious holistic policy approach which looks at education, training, employment and self-employment initiatives, for all young people at all the various levels, in an integrated way;
11. Calls on the Member States to ensure high-quality frameworks for traineeships, backed up by financial support and mandatory monitoring, as well as a common quality standard for traineeships and work placements; stresses that active promotion and awareness-raising in respect of such programmes is needed among entrepreneurs;
12. Emphasises that the Alliance for Apprenticeship should also support European and national campaigns for changing perceptions of vocational education, and should organise a regular forum for discussions on the monitoring of the European apprenticeship strategy with all relevant European and national stakeholders; stresses that incentives should also be provided to facilitate funding for crossborder training activities enabling companies and social partner organisations to become involved in establishing dual education systems;
13. Encourages the Member States to foster the mobility of young workers by means of further progress towards the mutual recognition of qualifications and skills and enhanced coordination of national social security systems, especially as regards pension systems, as well as by continuing to invest substantially in language learning;
14. Stresses the need to introduce reforms to EURES with the aim of proactively matching jobseekers and job-changers to existing vacancies, and where necessary, to reform public employment services so as to better target their activities and approaches on young people; stresses that raising of awareness of EURES is needed so as to increase its visibility and availability, as a career advice system that supports students in becoming more aware of their aspirations and capabilities, as well as of existing job opportunities;
15. Calls on the Member States to properly recognise and validate non-formal education and acquired skills, as a form of valorising competencies required on the labour market;
16. Stresses that the problem of 'brain waste' needs to be addressed, since having highly qualified and skilled young people working far below their potential results in non-use of their actual skills and qualifications, while at the same time having negative effects on them in social and psychological terms;

17. Calls on the Member States to develop personalised career counselling and guidance, starting already during secondary school, with the aim of enabling young people to make well-informed choices about their higher education, while introducing mechanisms that can monitor the opportunities offered and assess the success rate of those young people's subsequent transition to work;
18. Emphasises that all financial resources invested in actively combating youth unemployment should be spent effectively; calls on the Member States to introduce a monitoring and evaluation system for employment measures implemented, as well as a system of verification of the effectiveness of those measures, with a view to working increasingly towards evidence-based policies that can also be shared at EU level;
19. Instructs its President to forward this resolution to the Council and Commission.

EXPLANATORY STATEMENT

Young people are currently facing a very difficult situation in the labour market. The unemployment rate for all people of working age is around 11%, whereas for young people it is twice as high (23%). Currently, in the whole of the European Union, over 5.5 million people under the age of 25 are unemployed. There are, however, tremendous differences between countries: while youth unemployment in Germany and Austria is below 9%, in crisis-stricken Greece and Spain the figure is over 55%. The economic crisis which affected and is still affecting EU countries to a greater or lesser extent has meant that not only are there no new jobs, but employers seeking to make savings are cutting back on existing employment. Most frequently, and in the largest numbers, it is people employed on fixed-term contracts and those performing work not based on an employment contract who are let go, i.e. typically young people who are entering, or have recently entered, the labour market. Statistics for Europe as a whole show that young people account for 40% of those employed on temporary contracts, but make up just 13% of total employment. In addition there are the problems of lack of experience and qualifications not matching labour market requirements. All together this makes for a less than optimistic outlook for a young person entering adulthood. A lack of work and of any indication of imminent change in the poor prospects for young people is reflected in a worsening demographic situation in Europe. Young people are putting off until some future date any decision to start a family and have children, as their employment future is so uncertain.

Therefore, action to tackle youth unemployment must be coordinated with action to stimulate general economic recovery and employment policy reform. Initiatives are needed to promote entrepreneurship and to retain as many existing jobs as possible, and measures should also be taken to encourage entrepreneurs to create new jobs. Real improvement in the situation of young people depends to a large extent on state support and improved cooperation between employment services, careers advisory services, training institutions and youth support services, including the active participation of the social partners and representatives of young people and youth organisations.

The EPSCO Council's adoption of a Youth Guarantee will provide an important political impetus. The aim of the initiative is to provide young people under the age of 25 with employment, continued education, an apprenticeship or training. Given the clear statistical evidence highlighting the structure of unemployment among young people, the age limit for recipients of this support should be raised to 30. The money provided for this purpose from a separate budget allocation and from the European Social Fund will give real support to Member States in these difficult times. Particular attention should also be paid to the important elements needed to ensure that the initiative proves successful, such as having an appropriate operational structure, the effectiveness of public and private employment services and the provision of high quality training and apprenticeships.

All these activities must be linked to an increase in support for enterprises and third-sector organisations wishing to participate in the Youth Guarantee scheme, in close cooperation with public employment services, through tax incentives, subsidies for fixed employment costs and

the possibility of accessing funding to support companies providing high-quality training. It is important that Member States are not restricted to the solutions set out in the Commission proposal, but can also apply instruments whose effectiveness has been tested in other Member States and which allow for better adaptation to the specific characteristics of individual labour markets.

Discussion of the situation of young people must not ignore the so-called NEETs (people not in education, employment or training). The percentage of NEETS in Europe has risen in recent years, and currently stands above 1.5%. This phenomenon should be looked at more closely, especially as those who abandon education without even basic qualifications are condemning themselves to social exclusion. Member States should develop a more specific approach to NEETs, combining effective intervention, consisting of tackling early school-leaving and reintegration of early school-leavers, with measures to facilitate the transition from school to work, increase the employability of young people and remove the practical and logistical barriers faced by young people with more complex needs.

Undoubtedly, as well as a lack of vocational experience one of the most important reasons for high youth unemployment is qualifications not matching the requirements of the labour market. For this reason, education needs to be modernised by transforming education policy into a basic instrument for investing in the future of young people and improving their situation in the labour market by adapting the school curriculum to current and future labour market needs. A system of individual careers counselling will be helpful in achieving this goal. It should already be available in secondary school, together with a system for monitoring future job offers with a view to ensuring subsequent employability, so that young people can make more enlightened and better considered choices concerning the direction of their further education.

One important element in the policy for introducing young people to the labour market is to promote self-employment. All actions aimed at developing entrepreneurial, independent initiatives and developing individual talents should be continued and supported. Young people should know how to set up their own business and where they can find help with administration. The system of benefits and preferential conditions in the form of tax exemptions or reliefs should encourage them to do so. That is why it is vital that the idea of supporting self-employment and providing help to obtain start-up funds is continued in the Programme for Change and Innovation 2014-2020.

Job mobility is another way to tackle unemployment among young people. There are over a million registered job offers in the EU, yet the positions remain vacant because in the places where they are available there is a lack of people interested in them. Living outside one's own country is not popular. Only 2% of EU citizens live in a country other than their country of origin. But given that young people have a greater tendency and ability to move in search of work, it should be made easy for them to do so. Further progress towards the mutual recognition of qualifications and skills, coordination of national social security systems, in particular the pension system, and substantial investment in language learning are essential elements of mobility support. Continued reform of the EURES network, through which young people have access to information and can actively seek jobs, is one element. This needs to be further promoted in order to increase its visibility and availability, along with improving the careers advice system.

Also worth stressing is the creation within the Erasmus for All programme of a separate chapter for youth, with a separate budget allocation, together with support for groups of young people who are active in youth work but not in an institutionalised fashion. Acquiring a variety of skills, including in an informal way, will promote the participation of young people in society and improve their competitiveness in the labour market.

It is extremely important to provide young people with high-quality traineeships, to give adequate financial support to traineeship organisers, and to introduce compulsory monitoring of the system which ensures that traineeships, and their effectiveness, are maintained at an appropriate level. What is needed is continued strong promotion of traineeships among employers, who should treat the system as an opportunity to prepare a person for a specific job, and hence as an opportunity to recruit and retain a trained, well-qualified worker. Support should also be given to further developing vocational education. European and national campaigns should be organised to promote vocational education and the European apprenticeship strategy should be monitored.

It is also very important for Member States to recognise and validate non-formal education, i.e. skills acquired outside the formal education system. These skills can make a positive contribution to the personal development of a young person, increase their active citizenship, strengthen their social integration and enhance their employability.

The issue of 'brain waste' also needs to be addressed, i.e. the problem of having highly qualified and skilled young people working far below their potential, which has negative effects on them in social and psychological terms.

In conclusion, all action taken by Member States should be analysed in terms of its effectiveness and any mechanisms introduced should be monitored as they evolve. The funds spent should be effectively accounted for. The very difficult situation facing young people requires decisive intervention and investment of appropriate financial resources, but in the current economic situation in Europe, with the prevailing policy of financial consolidation, those funds must be properly targeted and bring about a visible improvement in the situation.