



WHITE PAPER

Fighting Youth Unemployment

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*"The best
social program
is a job"*

-Ronald Reagan

1. Introduction

The economic crisis has aggravated the position of the working youth with unemployment soaring at unprecedented levels. Since youth employment is an indicator for the development of the future labour force, the high levels of youth unemployment in the EU (22.6% in March 2012 with a peak of 51.1% for Spain and 51.2% for Greece) demonstrate a bleak long term future for the upcoming generation. Considering the competition which Europe's young people will have to face with countries such as China and India, the lack of employment experience of its youngsters will severely weaken theirs and Europe's competitive position. If action is not taken swiftly and immediately, then Europe's youth of today is truly a lost generation.

2. General

In January 2012, the European Council presented a set of steps for the Member States to take to reduce labour unemployment in its conclusions. Yet, in order for these plans to be successful, an ambitious programme and a firm financial commitment is of the utmost importance. However, the EU's Multi-annual Financial Framework has, unfortunately, too little focus on youth and their desire to enter the labour markets.

Additionally, it should be noted that EU funding related to youth employment is scattered amongst the various processes (European Social Fund, Equal Program, Erasmus, Leonardo da Vinci, Youth in Action, Progress). This cacophony of known and less-known instruments lacks coordination. To ensure that funding becomes more effective for the youth to use, more harmonisation between the different programmes is needed in addition to a better information campaign on the different financial instruments that are available to young people.

3. Education

OECD figures show that the economic crisis has reinforced the importance of good education and skills which is crucial to improving a person's economic and social prospects. In the long run, governments' budgets will benefit from investment in education, since the better educated are less likely to need unemployment benefits or welfare assistance, and pay more tax when they enter the job market.

With labour markets increasingly relying on higher skill levels and transversal competences, higher education should equip students with the advanced knowledge, skills and competences they need throughout their professional lives. Employability empowers the individual to fully seize the opportunities in changing labour markets. Therefore, systems should be put in place to inform young people of labour market opportunities related to the education they choose. Moreover, more and enhanced partnerships between educational institutions and businesses aim at better directing curricula towards labour market demands.

Opportunities to gain practical experience in the course of secondary or higher education should be increased. Employers often complain about youngsters' lack of practical experience. Gaining working experience during training, young people face lower barriers to gain real experience in business, facilitating their entry into the labour force. The combination of study and work should become the basic principle of as many types of training as possible and a single legal statute (including adequate labour law and social security provisions) should be created for the youngsters involved in these systems in each member state or region.

Young people who are trained towards a particular profession often do not or no longer find employment, whereas in other professions there is labour shortage. Re-education and -training will give youngsters the opportunity to gain the skills needed for the job vacancies available. Also lifelong learning and continuative training while employed should be promoted. In modern society, these forms of education become increasingly common and accepted (e.g. in several EU countries, employees are allowed to take leave to take part in training courses). Their implementation requires strong partnerships between public authorities, higher education institutions, students, employers and employees. The European Universities' Charter on Lifelong Learning developed by the European University Association provides a useful input for defining such partnerships.

Education systems should reflect societal diversity; therefore, equal opportunities to quality education should be promoted. Access to higher education should be widened by fostering the potential of students from underrepresented groups and by providing adequate conditions for the completion of their studies. This involves improving the learning environment, removing barriers to study, and creating the appropriate economic conditions for students to be able to benefit from the study opportunities at all levels.

At the European level, the integration of higher education systems needs to be strengthened through stronger cooperation between institutions and improved conditions for the mutual recognition of qualifications. The European Higher Education Area (EHEA), created with the Budapest-Vienna Declaration of March, 2010, aims at ensuring the objectives of the Bologna Process: more comparable, compatible and coherent systems of higher education in Europe. In the next decade, it will be crucial to consolidate the EHEA and promote its process of internal and external communication.

The mobility of students, early stage researchers and staff enhances the quality of programmes and excellence in research; it strengthens the academic and cultural internationalization of European higher education. Mobility is important for personal development and employability; it fosters respect for diversity and a capacity to deal with other cultures. It encourages linguistic pluralism and it increases cooperation and competition between higher education institutions. Therefore, in 2020, at least 20 per cent of those graduating in the European Higher Education Area should have had a study or training period abroad, as is the aim put forward in the Leuven Communiqué of the Conference of Ministers responsible for Higher Education from 2009.

4. Voluntary service and extracurricular activities

Many young people provide valuable services to the community on a voluntary basis or as extracurricular activities. They take part in associations, organise events, participate in democratic life and engage the community through their actions. Many of these activities are done without any financial remuneration but are beneficial to society. It promotes active citizenship, civic responsibility, prevents social isolation and reduces apathy amongst young people. Furthermore, during the process they gain valuable work experiences. Young people learn organisation, leadership, social and other practical skills. These life lessons are valuable experiences which provide for valuable contributions in a work environment. Yet, employers frequently fail to recognise these efforts and skills. Consequently, young people engage less and less into these vital activities for society that would otherwise have led to more active citizenship. Recognition of these experiences should be a key element when looking at youth employment and working experience.

The EU and its Member States should encourage recognition of these experiences by providing certificates. These certificates should reflect the work done, the experience gained and the time spent with these activities. Universities or governmental bodies can award these certificates. Additionally, unemployment tax benefits should be to those young people which have been active in voluntary service and extracurricular activities for a specific time. Through this, the society, which also reaps its benefits, can give back to the efforts done by these youngsters. To achieve this, a stable financial framework is an important component for facilitating the voluntary services and extracurricular activities. Without sound financial support many youth activities will not have the resources to take place.

5. Internships

For a lot of young people in the EU, internships are the last step before their full entry into the labour market. The value of internships for the career path of young people is very important. It provides for professional experience that presents an asset in later job applications. It also allows young people to adapt to the new environment of the labour market. As a step in between education and the labour market, internships are a valuable tool in joining on the one hand professional experience for students and/or recent graduates, and on the other hand a dynamic and highly-motivated workforce that is structurally added to the existing personnel for employers. In this regard, both employers and interns have a shared responsibility. This shared responsibility deserves framing, to the benefit of the employer-intern relations. For that purpose, enterprises should offer more high quality internship placements. Through this, young people should learn knowledge and good practises which should serve as a stepping stone for getting contracts with future employers. At the same time by following internships, their position in the labour markets should be strengthened. Through these and other measures, internships should become a truly genuine reflection of a working experience.

In addition, the duration of successfully fulfilled internships should count towards the years of professional experience in view, among others, of pension rights. Should the intern later be employed by the company or organisation (s)he has done an internship with, the period of the internship should be brought into account in eventual probation periods that precede full-fledged employment.

Although internships are now usually done between the end of one's education and the start of a professional career, it should also be possible for interns to benefit from the same social rights if they were to return to education after their internship. An internship should not per definition be followed by a 'definitive' entry into the labour market.

6. The Labour Market

Young people bring a great amount of advantages when being employed. They are often an ambitious, innovative and energetic workforce for their employers. However, over the past years, the position of the youth has rapidly weakened on the labour market. Many young people are now facing specific barriers (e.g. higher chance of losing their jobs during economic downturns, nonpermanent contracts, and competition with more experienced employees). This causes for unemployment rates among youth to be significantly higher and their working conditions often worse than those of their elders, leading to high economic and social (e.g. falling into a life of crime or non-active citizenship) costs. This underutilization of young people in the labour market leads to social exclusion, migration and dire long-term socio-economic consequences.

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Young people entering into the working life are subject to a whole new life experience and its challenges. For many of them it will be a learning curve leading to further specialisation in which vocational training and education play an important role. Yet, the burden of this training should not rest on the shoulders of the youth. Businesses and employers should be the main body carrying the training needs of young professionals. Especially young people with disabilities should have specialised (digital) training which will allow them a better and more productive working possibilities. Improving the legal standing of young people is a fundamental step in decreasing youth unemployment. Young people are usually awarded temporary contracts, which automatically end after a certain period of time without posing any obligations or responsibility on the employers, whereas older generations enjoy permanent contracts. Consequently, young people become a short-term adjustable labour force which can be disposed of whenever the employer desires.

This system of last-in, first-out disrupts the economic functioning of the labour market. A more equal position is needed between those just entering the labour markets, and those who have temporary contracts, and those who have been serving the labour market for a while who enjoy permanent contracts. Flexicurity provides for a possible system as it combines high numerical flexibility with high social security benefits. At the same time it maintains an active labour market policy which provides for training to upgrade skills of the unemployed and stimulate the unemployed to intensify their job search.

By introducing the flexicurity system, as was introduced in Denmark, for all employees, indiscriminately of the age, a more just labour market can be created. During the social dialogues which take place in this system it is important that the youth are also adequately represented. The freedom of movement plays a pivotal role of ensuring a genuine flexible European labour force. This will foster further integration and will make it easier for young people to explore new labour opportunities elsewhere in Europe. To ensure this happening, the EU and the Member States need to do more to reduce the barriers (such as language and administrative obstacles) which many young people still face when moving to other EU Member States. Stimulating integration into the new country through (language or cultural) education, providing translation and by reducing bureaucracy, the transition can be made easier and the barriers can be reduced.

Special attention has to be given to NEET (not in education, employment, or training). Youngsters in this category are vulnerable to the workings of the labour market and risk falling into social isolation. More needs to be done to get these young people to participating in the labour market. Through the offer of cheaper means of education and specialised labour counselling, attempts should be made to reactivate them on the labour market. However, in addition to these encouraging measures there should also be negative consequences in place to provide for additional incentives. Reducing unemployment benefits after a certain amount of time one does not apply to an education, a job or accept training proposals. Through this combination of positive and negative measures, the NEET should be kept as small as possible.

Various young people still experience discrimination either due to their age, their gender, as migrants or due to disabilities. These types of discrimination fundamentally undermine the functioning of the market. For that reason, specific protective measures have to be taken to support those young people who suffer multiple discriminations in the labour market.



7. Youth Entrepreneurship

Youth entrepreneurship, if successful, can provide for a significant reduction in youth unemployment and provides for innovative that business ideas. Yet, more often than not young people find it difficult to establish successful businesses. They are hindered by bureaucratic barriers, lack financial support to start-up a business or are not presented with the fundamental knowledge at universities and schools on how to act successfully in a business environment. For that purpose, YEPP presented a resolution to the EPP congress in Marseille addressing the opportunities youth entrepreneurship offers to the EU and its internal market. The resolution called upon the EU to more strongly stimulate financial support of banks and other institutions to young entrepreneurs, to cut national bureaucracy and to integrate entrepreneurship the various education programmes.

A study presented by the European Commission in March 2012 shows that the inclusion of entrepreneurship training in higher education helps young people develop “more entrepreneurial attitudes and intentions, get a job earlier after finishing their studies, can innovate more even as employees in a firm, and start more companies”. In another study also conducted by the European Commission in March 2012, found that to date, 12 countries or regions (Denmark, Estonia, Lithuania, the Netherlands, Sweden, Wales and Flanders) have launched specific strategies to promote entrepreneurship education.

It can thus be said that the EU is becoming more entrepreneurial minded. However, more efforts still need to be done. Barriers in terms of bureaucracy will need to be further reduced, the efforts of introducing the integration of entrepreneurship in education should be increased and more financial means to establish businesses by young entrepreneurs should be made available.

8. Family life

Family values are the cornerstone of a prosperous European society. Yet, unemployment has a profound effect on especially young couples as it can disrupt family harmony and/or future family planning. European countries need to do more to ensure a successful combination of working and family life. Through taxation benefits and by improving other financial mechanisms such as child benefits, birth and adoption grants and child raising allowances, countries can reduce some of the financial pressure which many young families face while working in a globalised economy.

Yet, financial support is only a part of the solution. In an ever more demanding 24-hour economy, the time available which families can spend together become increasingly scarce and its combination with work nearly impossible. By promoting forms of flexible work to facilitate the reentering of women with children into the labour market, the combination family life and work becomes more feasible. Additionally, the number and quality of child day care centres should be increased. Through these mechanisms, both parents in a family can continue to participate in the working life (either part-time or full time) in combination with their family life. The burden should, however, not solely lie with the national administrations. The private sector should also play a more prominent role in accommodating young families in their needs. Enterprises should facilitate sick-child leave, maternity and paternity leave. Additionally, enterprises should carry part of the costs for child day care and permit more time flexibility. Through these mechanisms, not only the quality of family life will improve but at the same time it will generate more gender equality. Mostly young women decide to leave the labour market as they focus on child care and family life. By making a combination of family life and work possible, young women could, part- or full-time, participate in the labour market which would further stimulate the economy.

9. Actions to be taken

YEPP believes that urgently more effort is needed to reduce the levels of youth unemployment in Europe. To secure the future for the upcoming generation, actions are needed today and the European institutions and the Member States should act rapidly and decisively. The Youth of the European Peoples Party therefore concludes that:

1. The EU has to commit itself financially (through the multi-annual framework) and politically by stepping up its efforts in reducing youth unemployment. YEPP encourages the European Institutions to prioritise economic growth, innovation and employment creation around Europe, but not at the expense of fiscal discipline.

2. The EU and its Member States need to focus education policy on the employability of young people. Education systems should be better adjusted to equip students with the adequate knowledge, skills and competences they need throughout their professional lives.

3. Opportunities to gain practical experience in the course of secondary or higher education should be increased. The combination of study and work should become the basic principle of as many types of training as possible.

4. The EU needs to put mechanisms in place that encourage and recognize voluntary service, non formal education and extracurricular activities of young people as important contribution to societies, active citizenship and valuable working experiences.

5. Encouraging private enterprises to open up for more internships as a way to help young people getting contacts with future employers and strengthening their position on the labour market.



6. Member States themselves should not be only ones responsible for offering young people jobs or internships since that simply expands the public sector and increases public expenditure. Nevertheless, YEPP encourages governments to conduct conclusive studies on whether offering training to those who have been unable to get a job or an internship from the labour market helps tackling social exclusion.

7. YEPP is encouraging the member states to indentify and to tear down thresholds which make it harder for employees to move and to work in other member states and therefore stimulating mobility inside the EU.

8. The employers need to increase their offer vocational training to young people which ensures a smoother integration into a working environment and better performance at the work floor.

9. YEPP is recognising the advantages of a flexible labour market, as shown in Denmark, and is encouraging the member states to follow that example. YEPP is at the same time stressing the importance of labour market regulations not discriminating against young people.

10. The EU and its Member States should offer protection to the vulnerable youth segments, reduce the NEET group and actively combat (age) discrimination on the work floor.

11. Youth entrepreneurship is an important tool in reducing youth unemployment and should be further stimulated through tax cuts, practical education and by cutting red tape. YEPP reiterates the Youth Entrepreneurship resolution adopted by the EPP in Marseille.

12. Member States and businesses should implement labour policies so that young couples do not have to choose between career and starting a family by stimulating the use of child day care centres and improving the financial means for young couples. Additionally, women should be stimulated to re-integrate into the work force after child birth through flexible work conditions.



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