



The youth employment challenge: main trends and policy responses

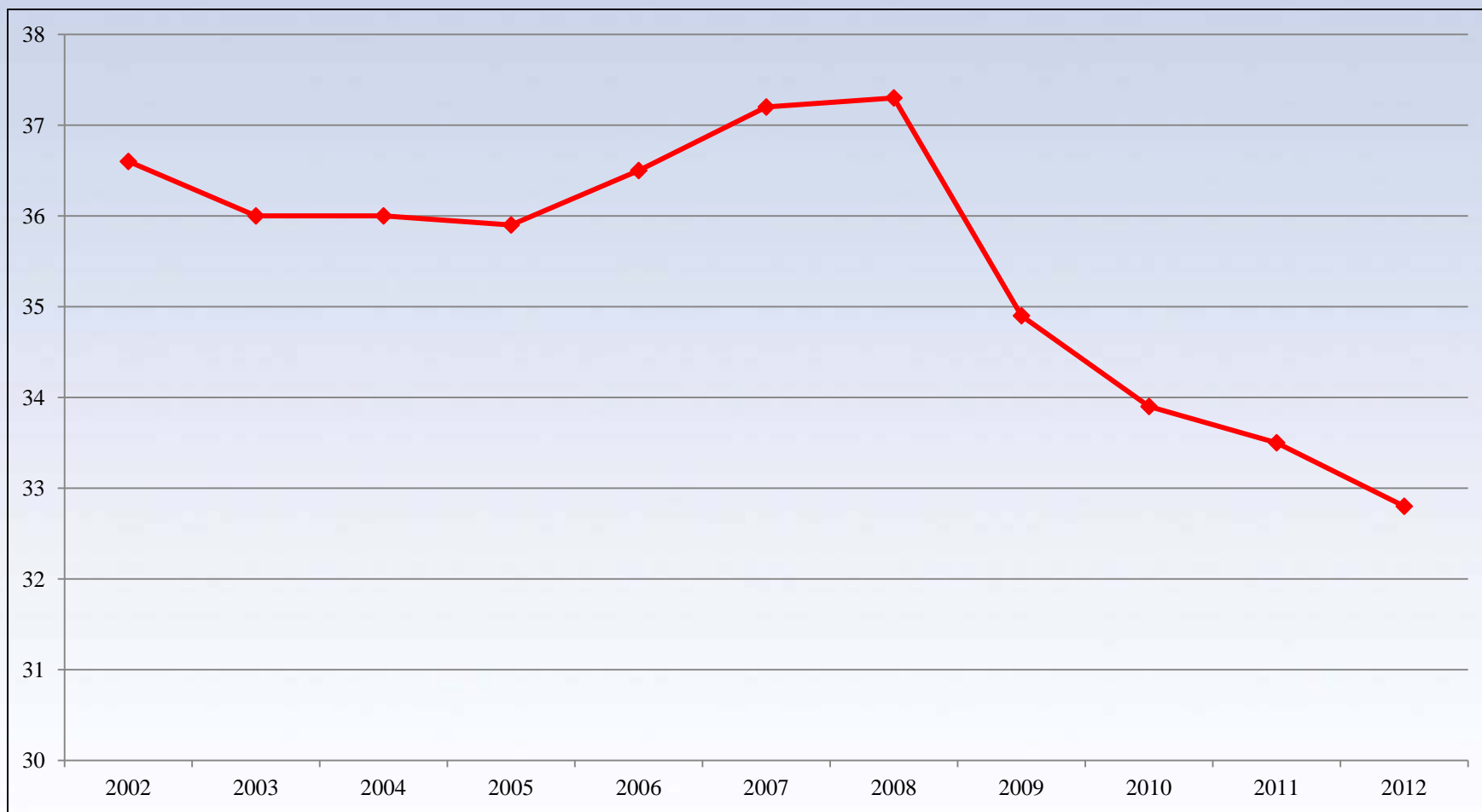
Lidia Salvatore

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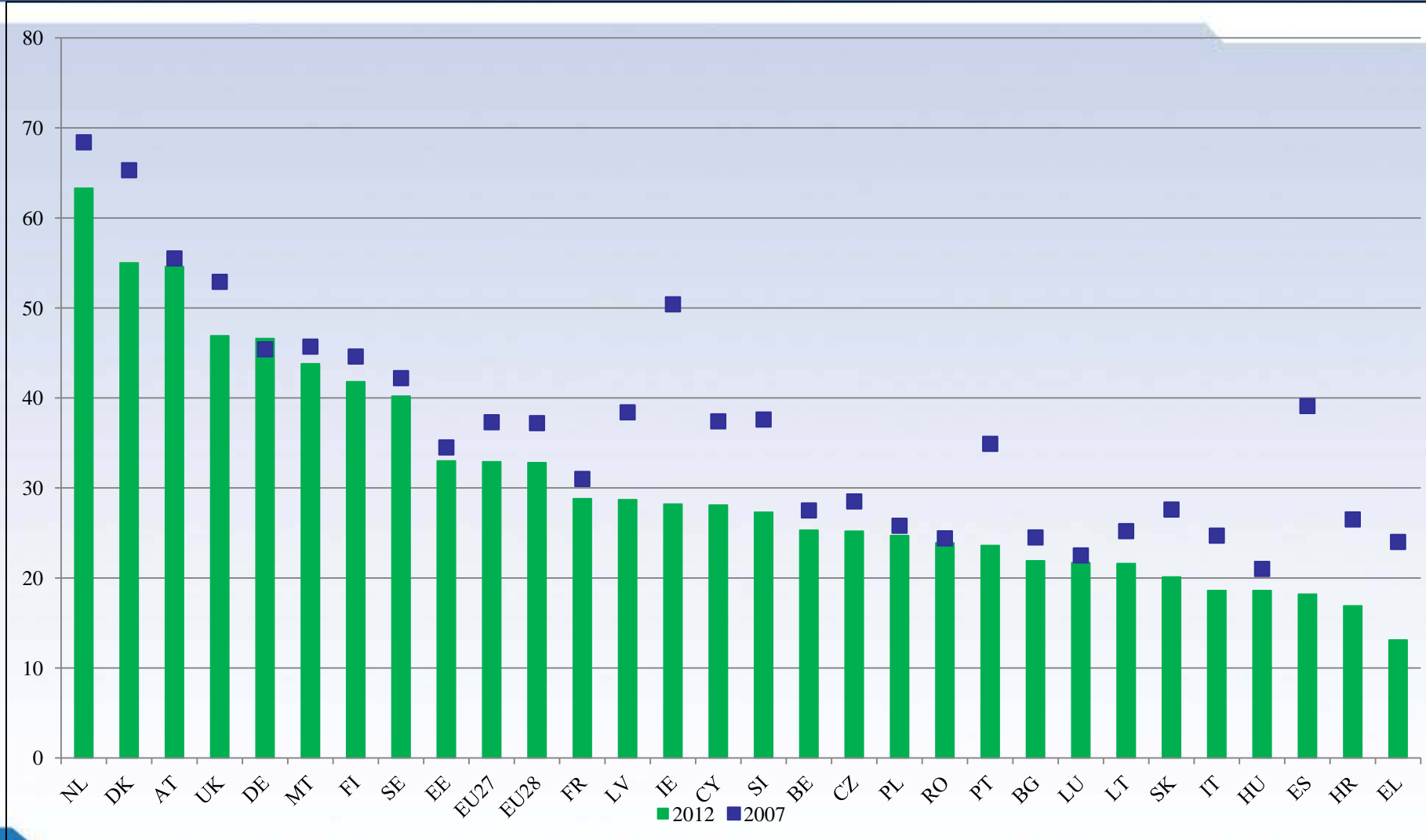
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Youth employment rate declined since the onset of the crisis



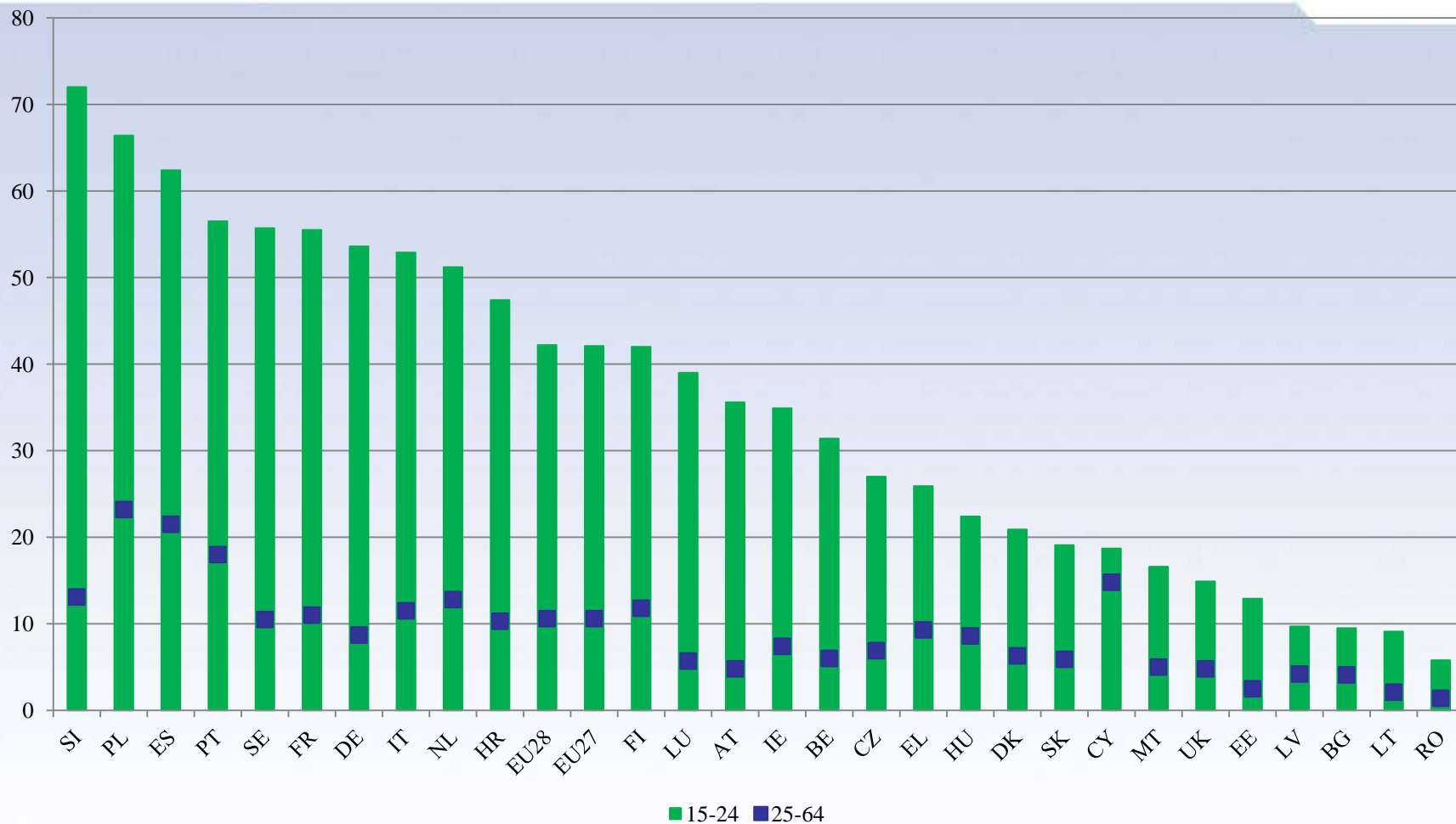
The situation is very diverse at MS level





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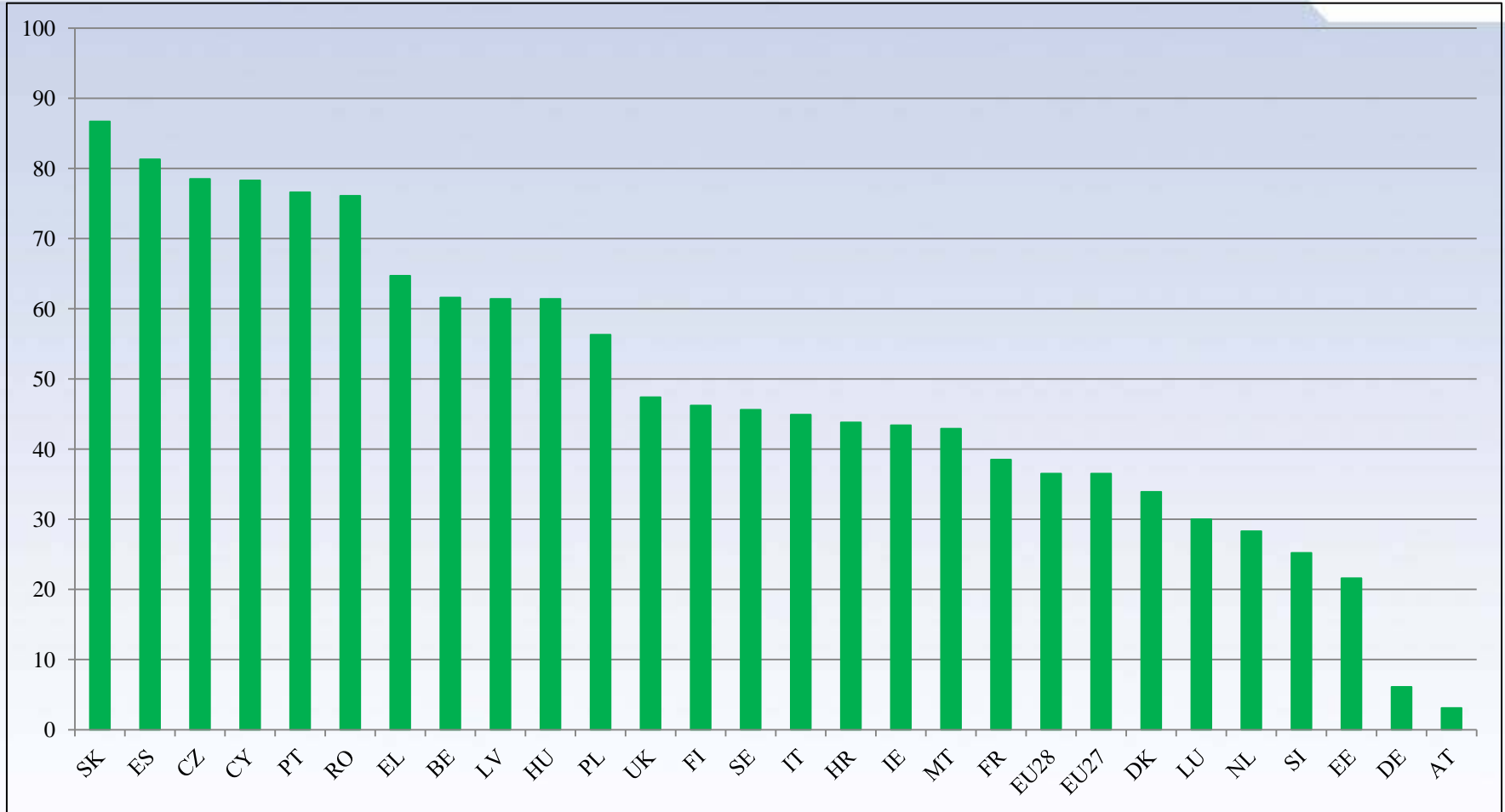
Youth are also predominant among those holding temporary contracts



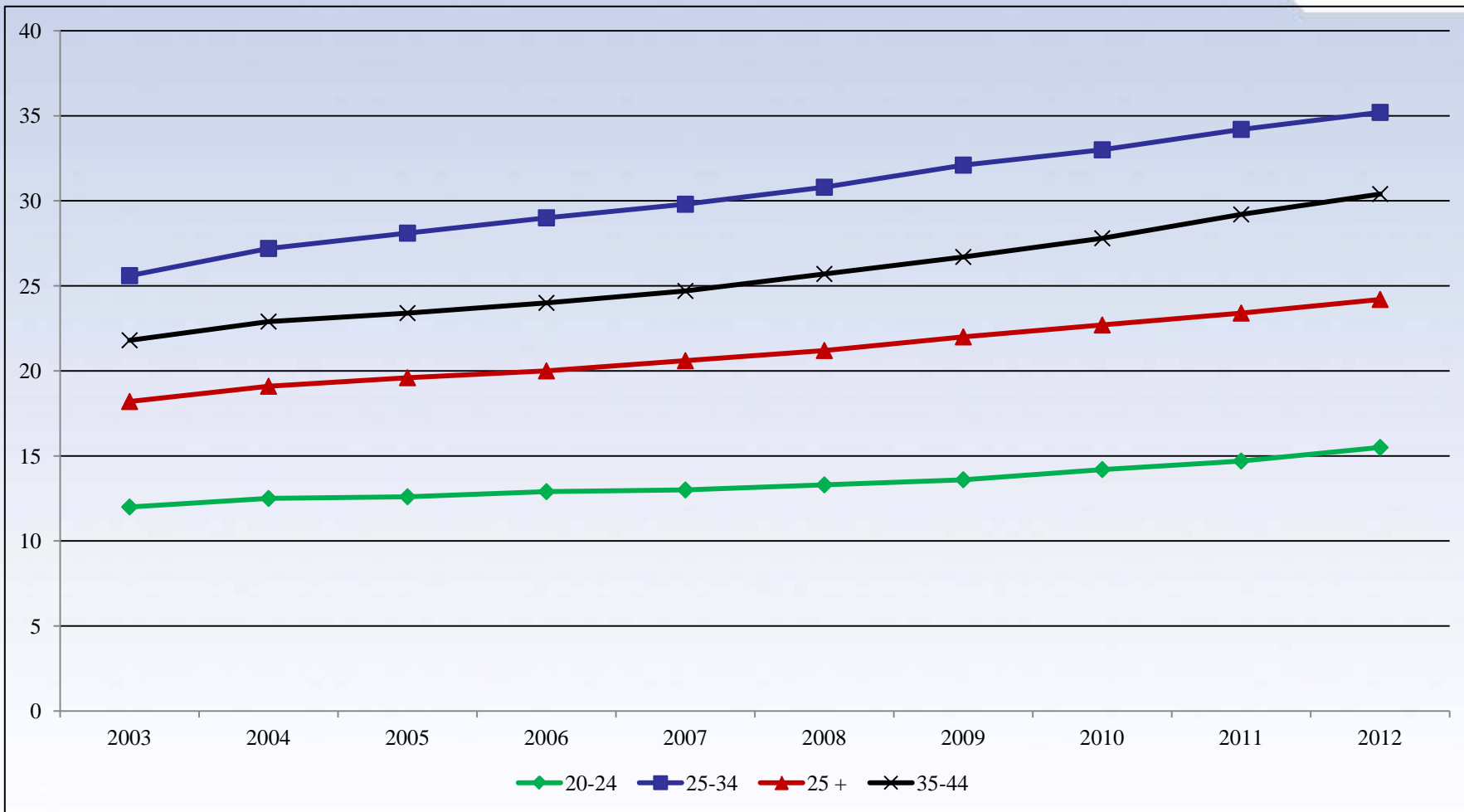


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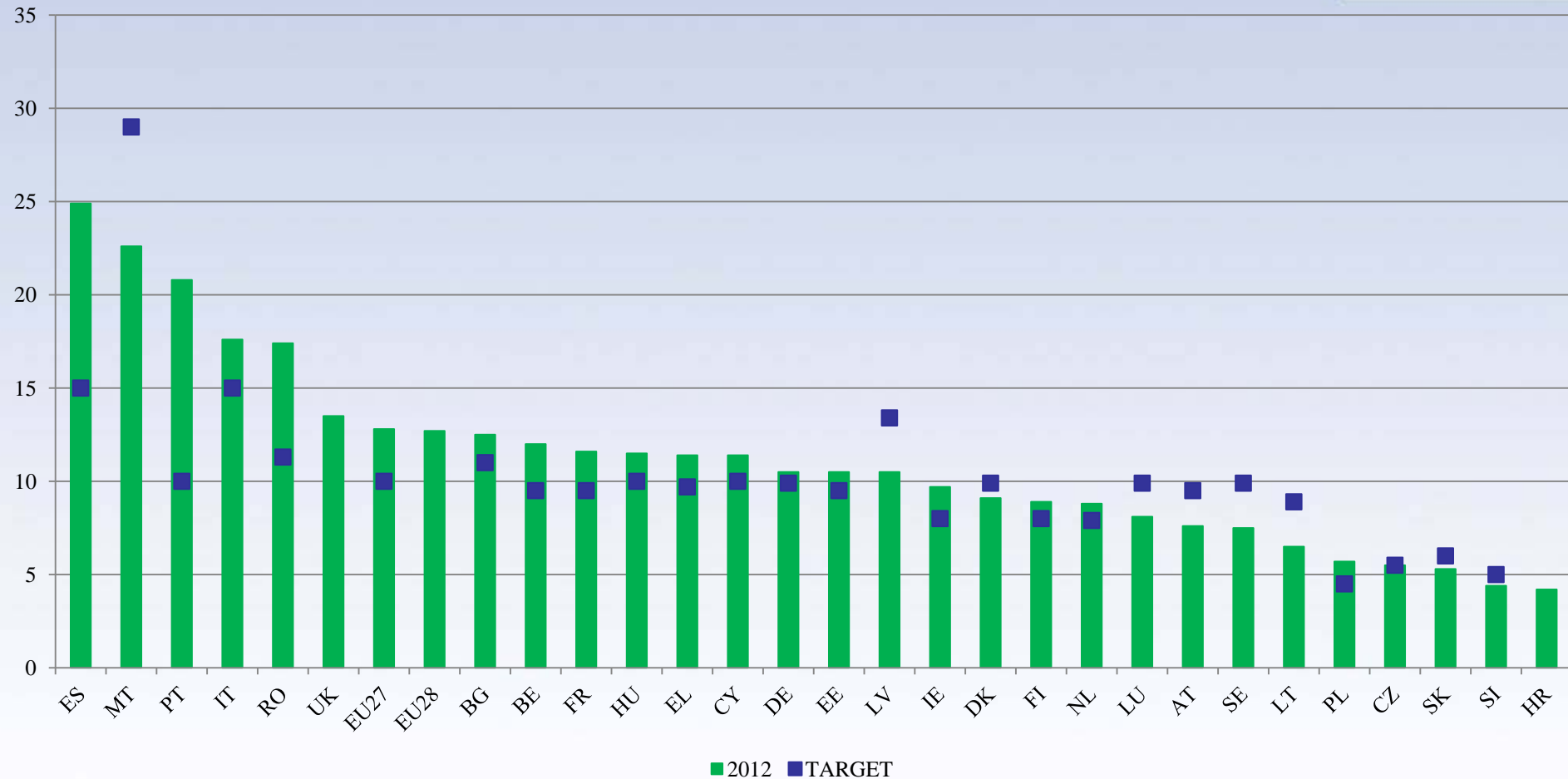
Among those the share of discouraged workers is alarming in some MSs



More and more young people pursue tertiary education

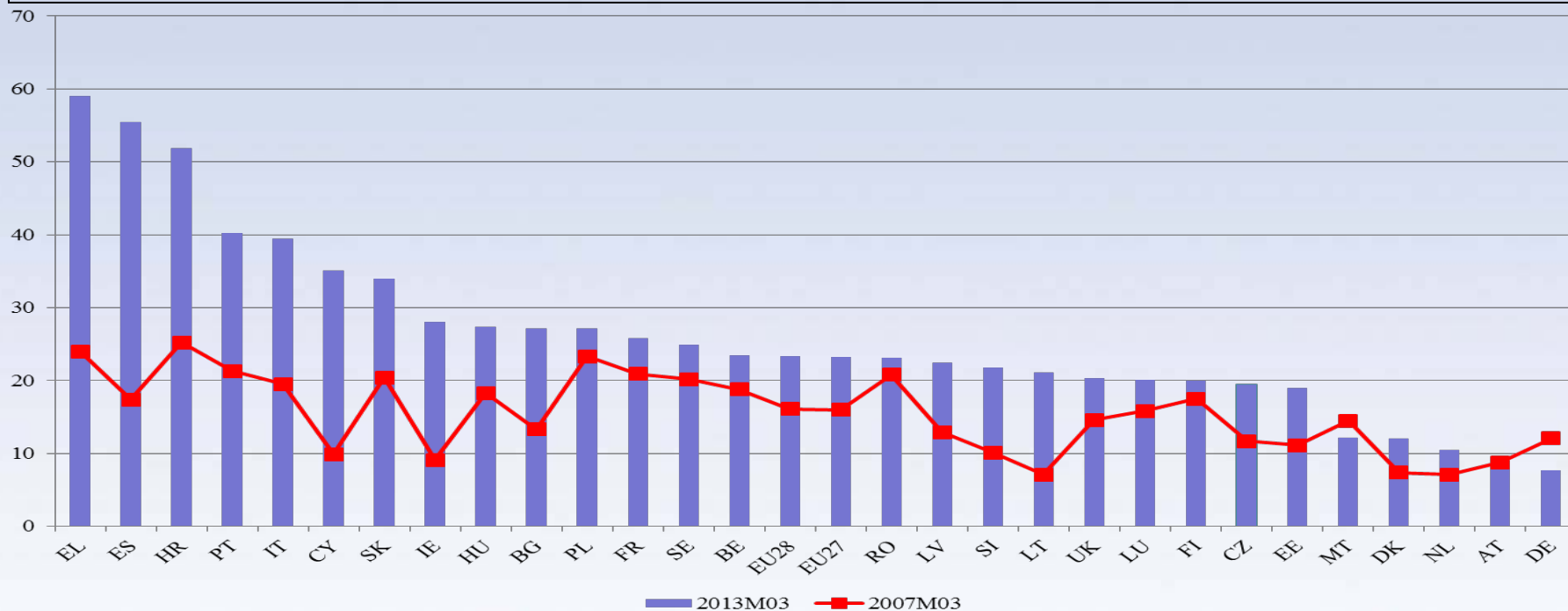


early school leaving rates remain higher than targets (18-24 years old)



Youth unemployment

Youth unemployment rate in June 2013 at **23.5%** \approx **5.7 Millions**

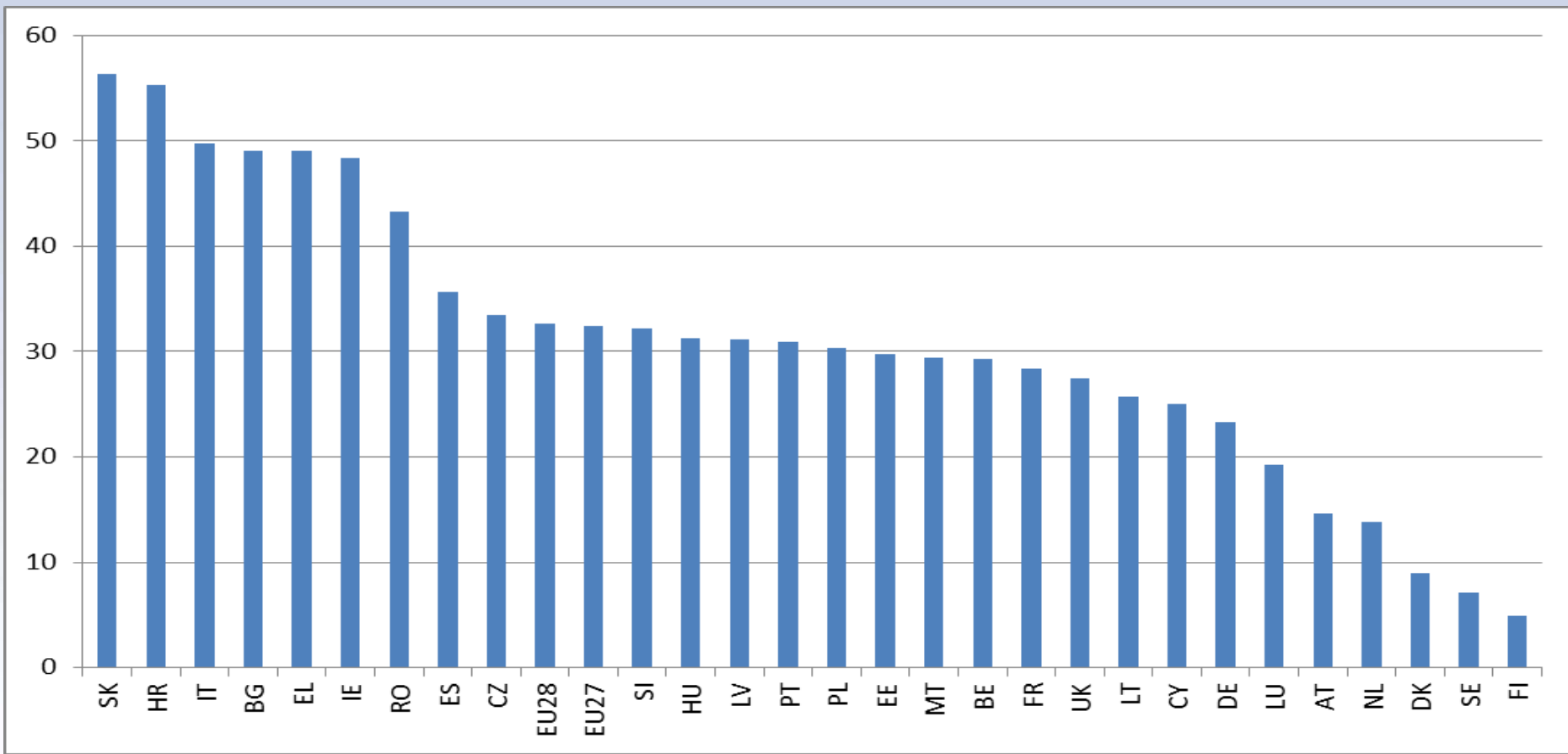


- ✓ Youth unemployment rates have doubled or in some cases tripled since the onset of the recession;
- ✓ The situation at Member State level is very diverse;

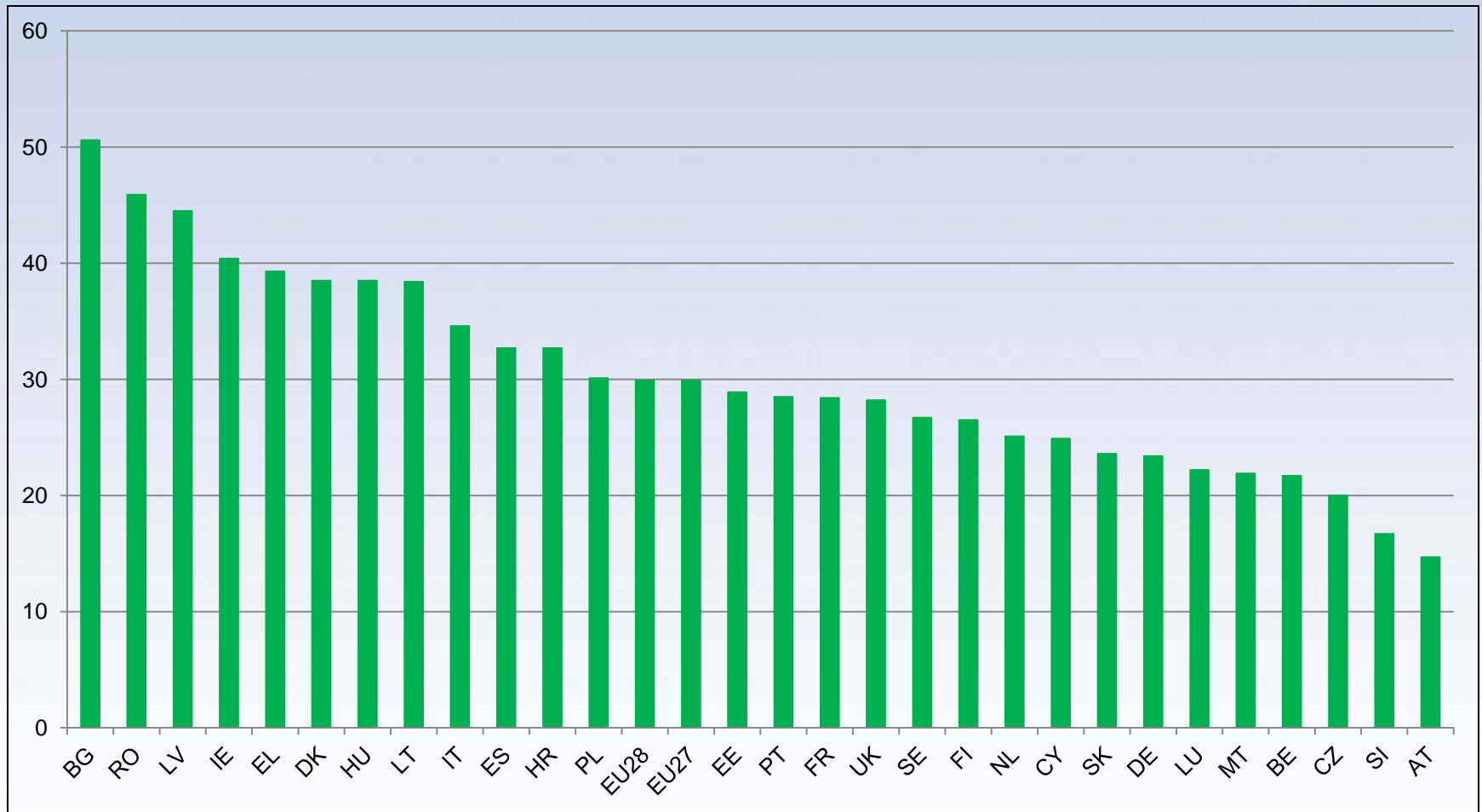


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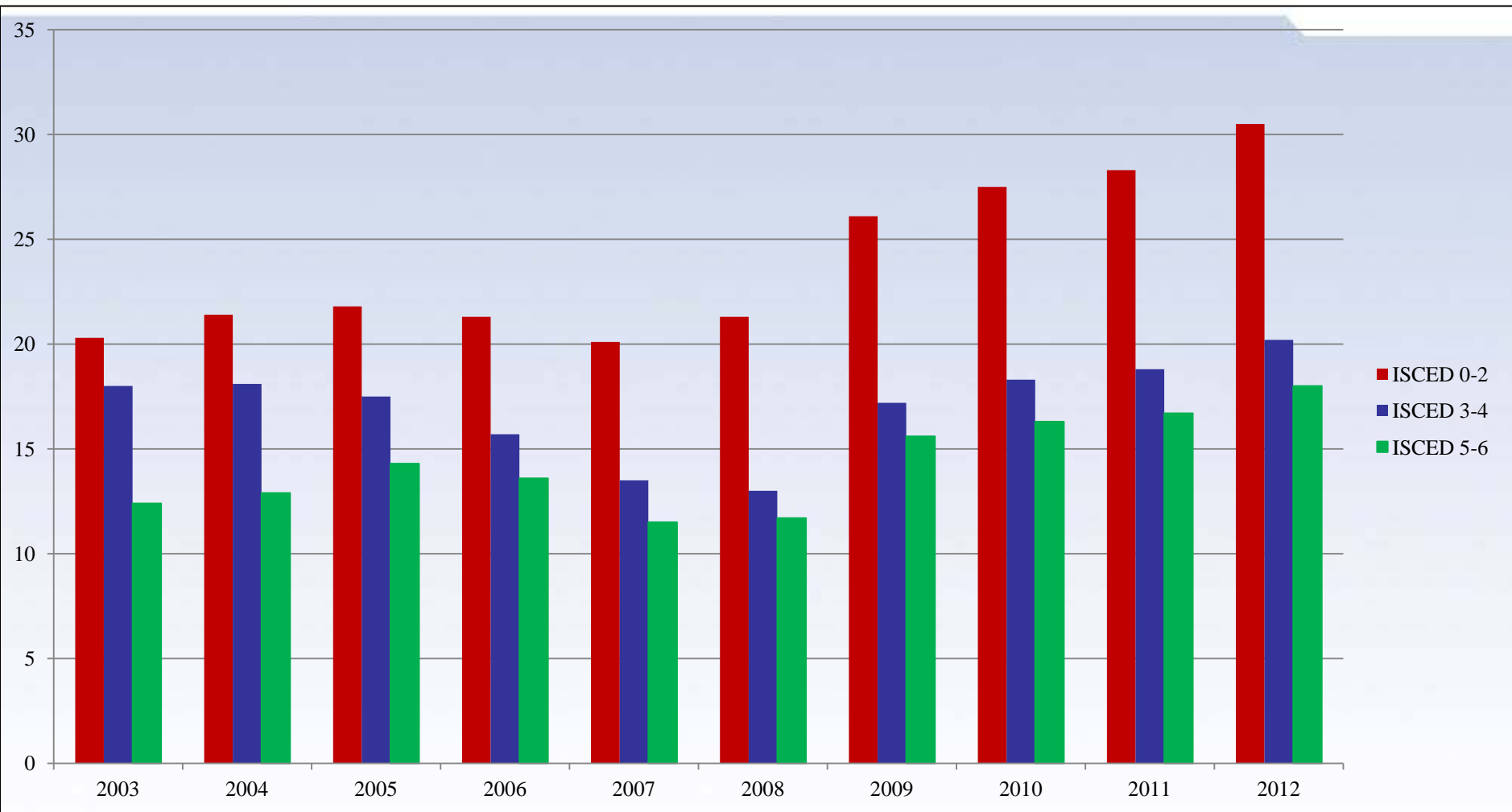
Youth long term unemployment rates are also dramatic in some countries



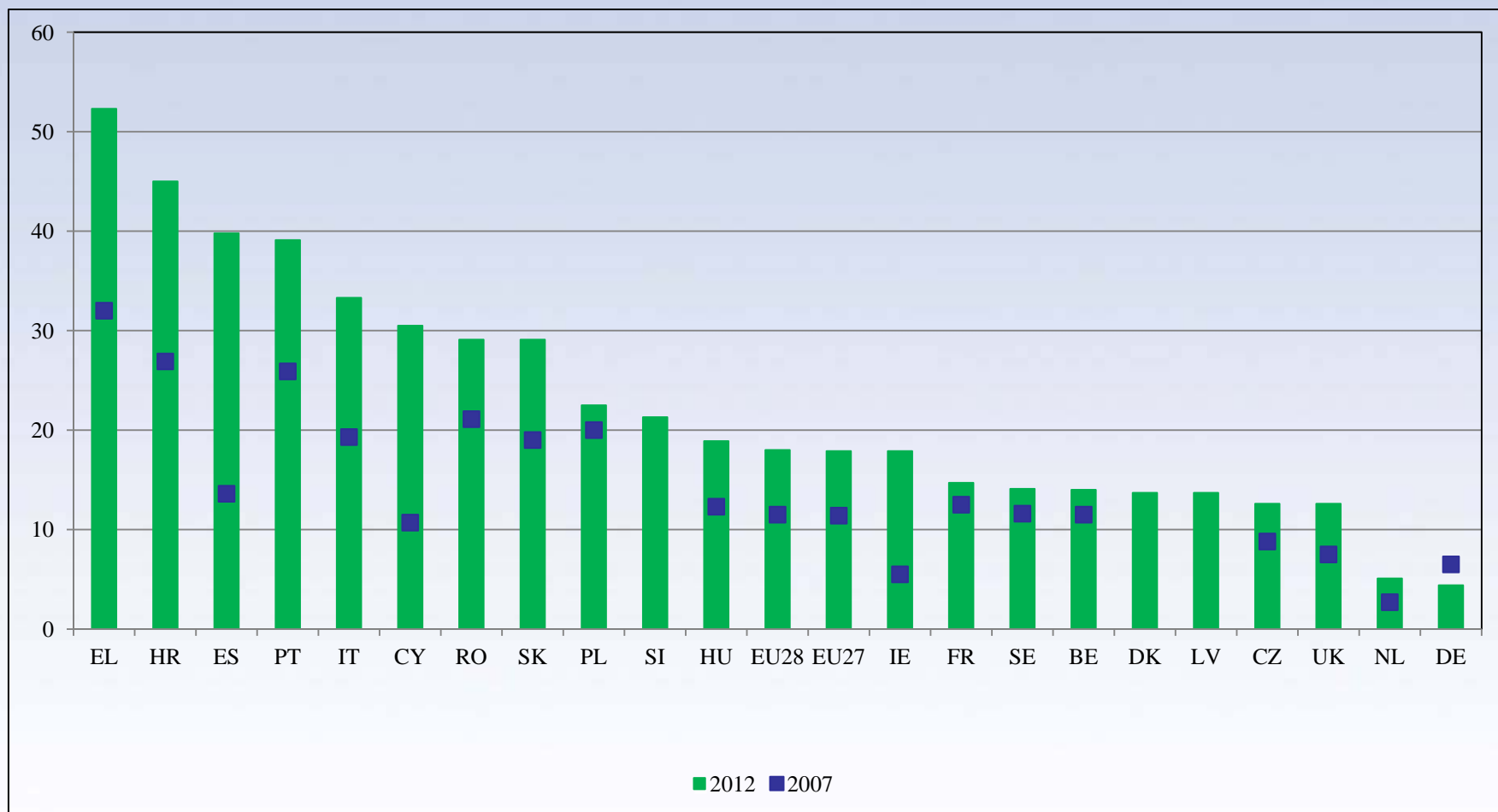
Many youth are at risk of poverty and social exclusion



Youth unemployment rate by educational level



Unemployment among those youth with tertiary education grew dramatically in some MSs



The size of youth unemployment led to a renewed sense of urgency for a better understanding of the issue

Traditional indicators for labour market participation are frequently criticised for their limited relevance for youth.

Modern youth transitions tend to be complex and protracted.



*The need of moving **beyond** the dichotomy between the employed/unemployed so as to capture the various '**shades of grey**' that represent current labour market attachment*



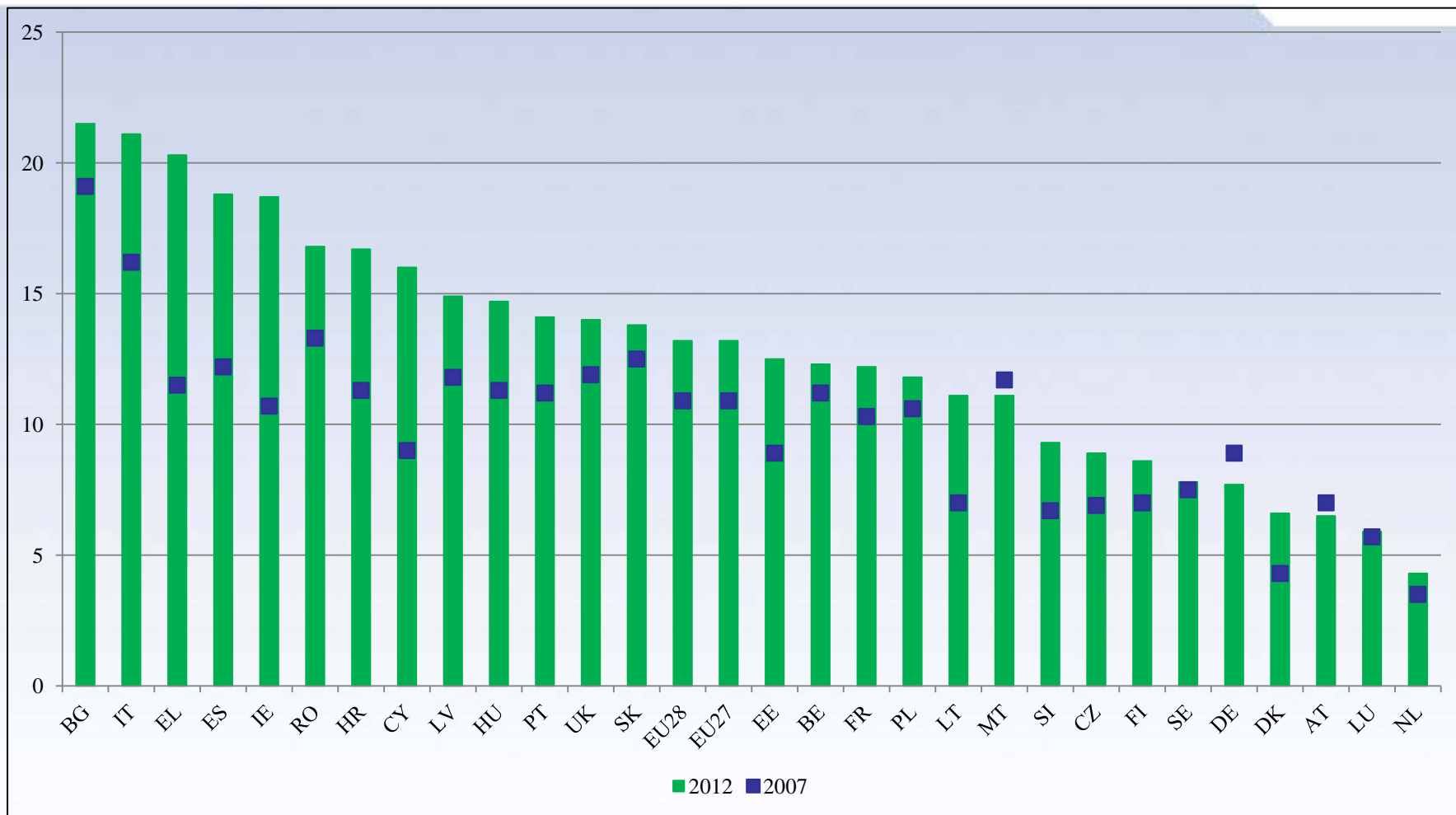
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Young NEETs:

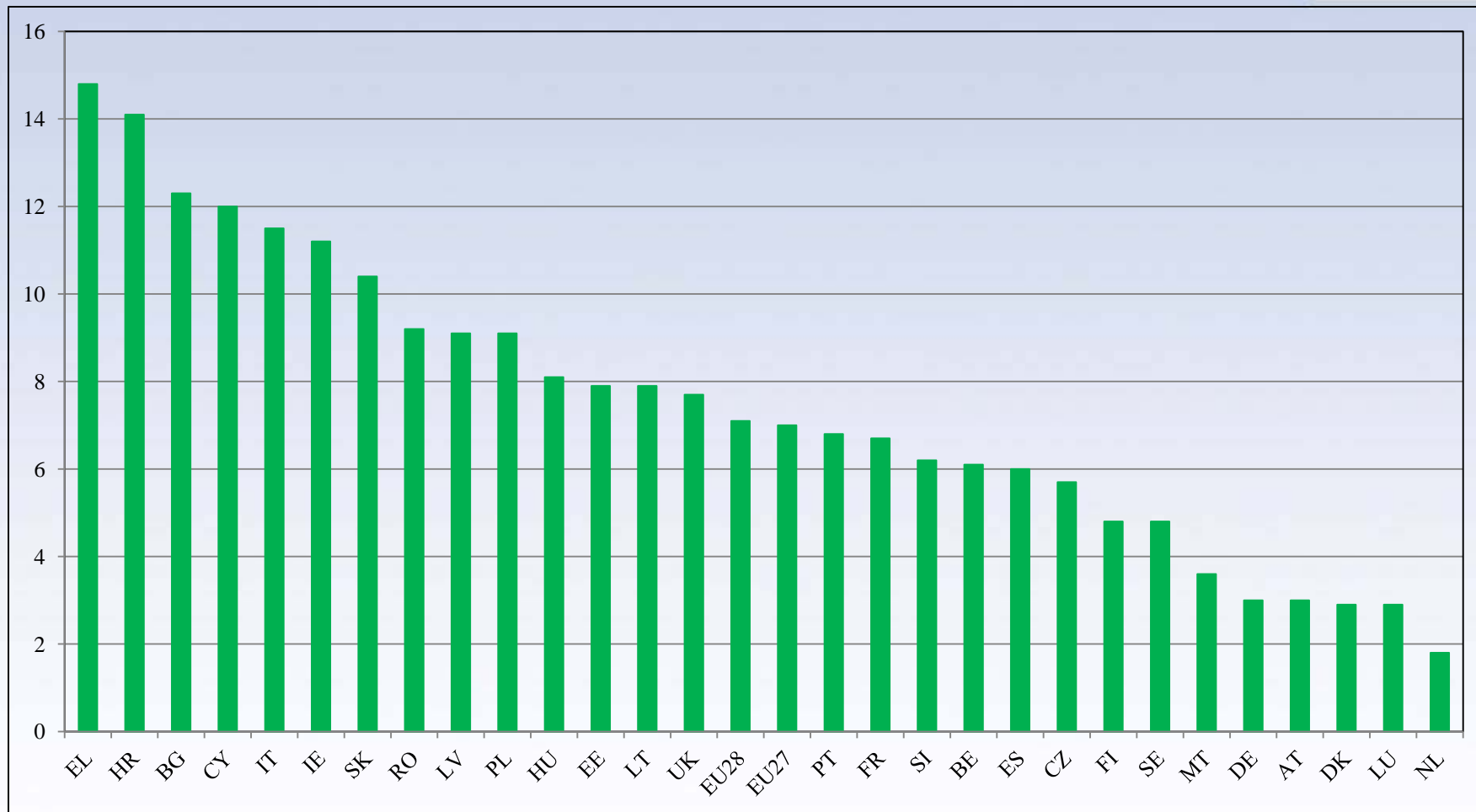
NOT accumulating human capital through formal channels



7.5 millions NEETs 15-24
6.4 millions NEETs 25-29



In some MSs the share of young NEETs which are educated is very high (ISCED 3-6)



Consequence of being NEETs

NEET status may lead to a wide range of **negative social conditions**, such as *disaffection, isolation, insecure and underpaid employment, crime, and mental and physical health problems*.

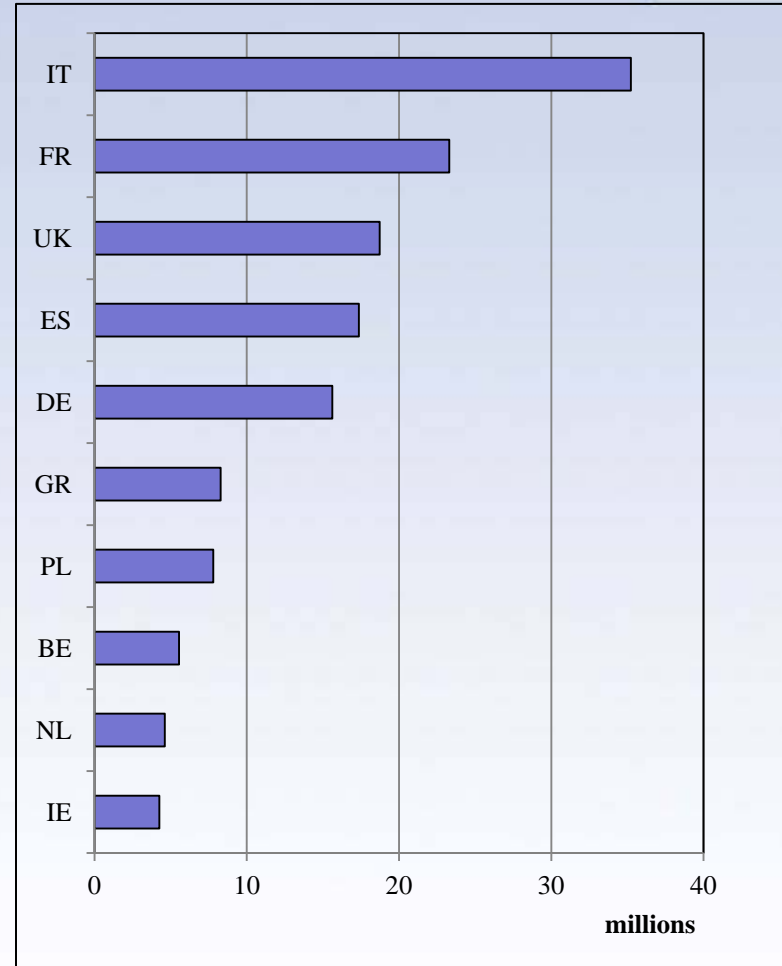
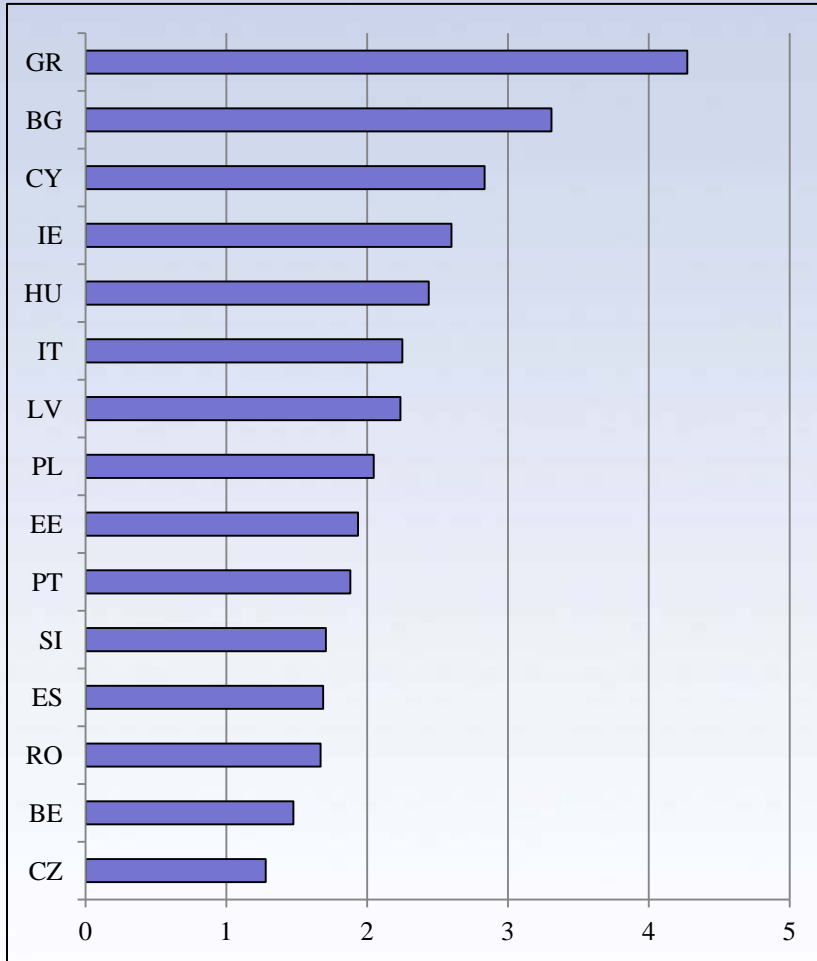
These outcomes each have a **cost attached to them** and therefore being NEET is not just **detrimental** for the individual but also for **societies and economies as a whole**.





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The economic cost of NEETs equals to €163 billion = 1.26 % GDP



Social cost

Young People scored considerably lower compared to the other age categories in terms of **political and social engagement**, while they have a level of trust similar to other age groups.

NEETs, and in particular those who are **unemployed**, record a substantially **lower level of democratic and social engagement** than non-NEETs



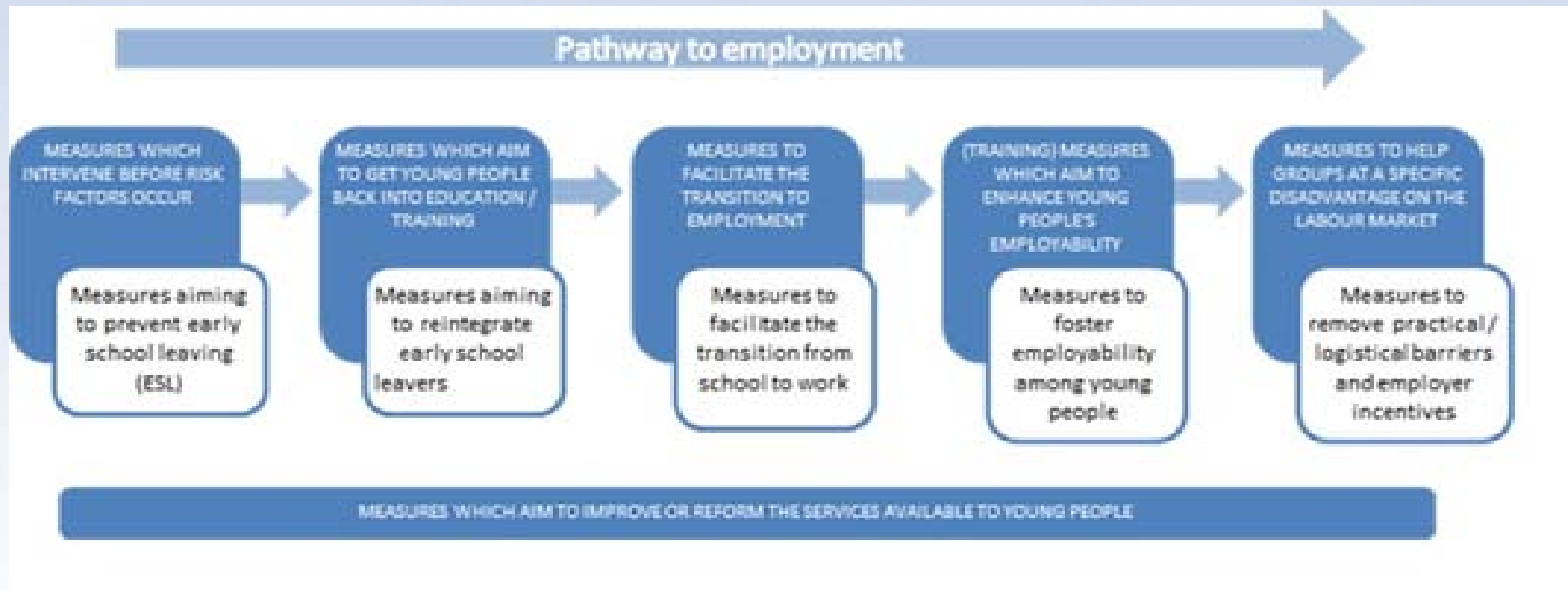
Challenges:

- Our **educational systems** seem not to equip young people with those **skills** required on the LMs and fail to **retain** young talents;
- High shares of youth unemployment rates and the dramatic **consequences of disengagement** call for **immediate action**;
- Should policy responses be focused on engaging youth in general or also **tailored** to **disadvantaged** groups?
- What if we do not succeed in **re-absorbing** youth in the labour market or education?



Policy initiatives

- EU MSs actively engaged in designing and implementing measures aimed at re-integrating young people into the labour market;
- Interventions must be **diversified** considering the needs of the **various NEETs subgroups**;



- **Evaluating policy effectiveness** is challenging but should be promoted
- Hard to indicate most successful approach.

Strengths

- Forces PES to **focus on young people** and to **provide tailored services**;
- Encourages **immediate action** to address youth unemployment, before disengagement sets-in;
- **Avoids** LT consequences or **scarring effects** of youth unemployment;
- Contribute to re-building the **trust in institutions**;
- Particularly effective for youth who are **work-ready**.

Weaknesses

- **Money is not always attached** to the youth guarantees-impact may be minimal;
- The **success** of the PES depends quite strongly on **other public policies** (e.g. availability of apprenticeship places) and the **broader LM situation** in the country;
- **Less effective for hard-to-reach groups**, who may require cooperation between social and health services;
- **Does not remove structural problems** and **cannot be considered as a universal remedy**.

Strengths

- Ensures that young people acquire **skills relevant to the labour market** and **reduces skills mismatches**.
- Enables employers to **assess the competences of young workers**, and for some learners may lead to employment with the employer after training has been completed.

Weaknesses

- May require a **culture change** in countries where dual training is not currently embedded in the education and training system.
- Can be **difficult to engage enough employers**, as measures involved are costly for them.

Fostering youth entrepreneurship

Promote growth




Create jobs



Avoid disengagement



Active inclusion of disadvantaged young people

- **Alternative provisions of training** (*LV e-learning initiative, MT Pathway to Independent Living Programme, AT IBA Programme*);
 - **Adapt the existing work place or training environment** (*AT Managing diversity programme*);
 - **Language support measures** (*BG Roma, CY,EL,IT,MT,PT,SE Migrants*);
 - **Caring responsibilities** (*CY,HU, IE,MT, PL, PT, UK Childcare support*)
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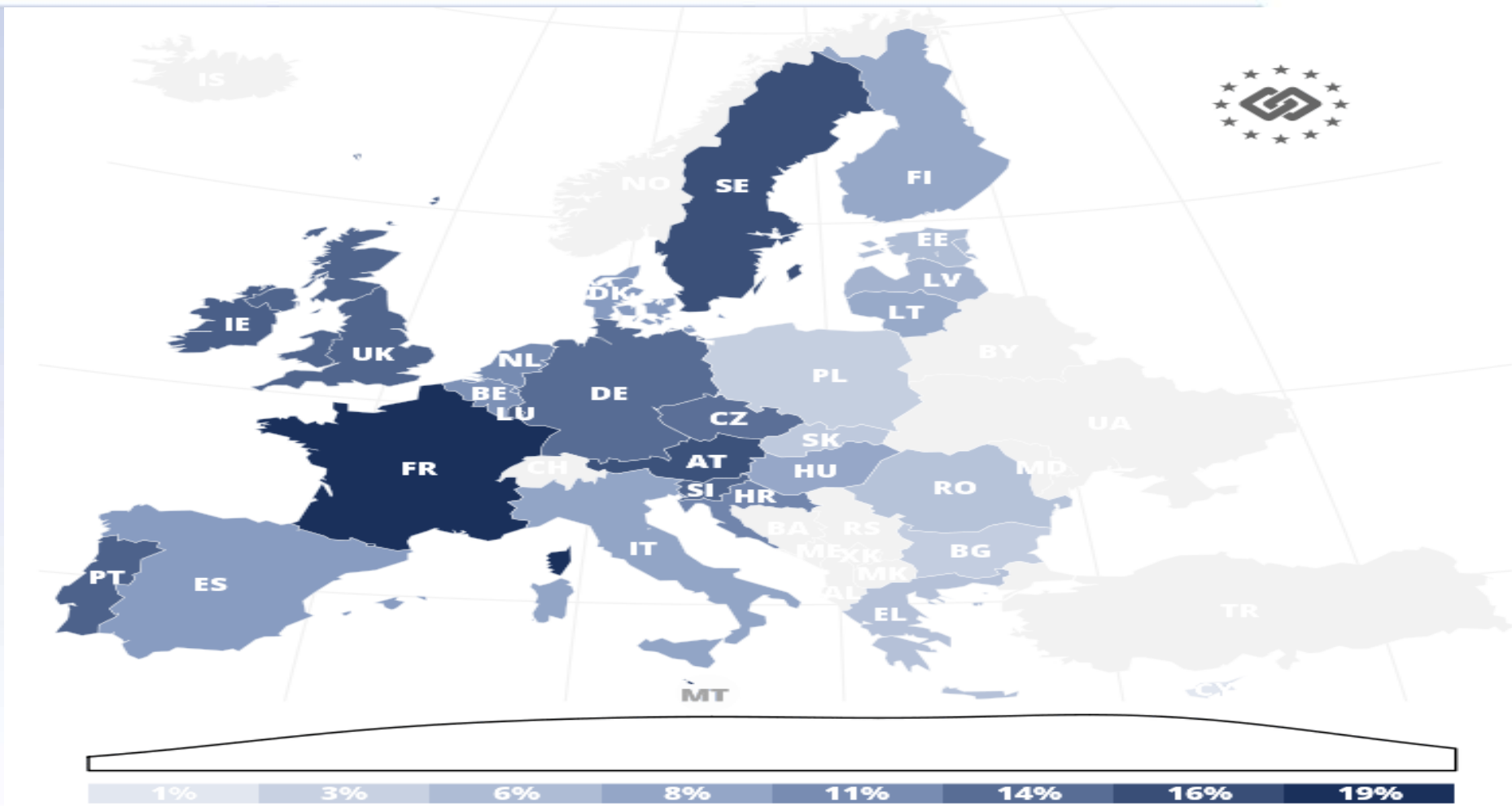
Active inclusion of young people: potential of volunteering

May be especially relevant for young people at risk of social exclusion:


- Opportunity for **integration** in social and economic networks, improve **participation** as active citizens, **empowerment** role;
- Opportunity for **non-formal learning**;



young people engaged in unpaid voluntary work



Conclusions

- ✓ The crisis hit all young people
 - Unemployment rates are alarming: **disengagement** is as pressing as **unemployment**
 - The well educated are also at risk
 - ✓ Economic and social costs of disengagement call for **coordinated actions** between governments and social partners
 - tailored to sub-groups needs
 - ✓ Governments are responsible for initiatives promoting the employability of young people: the **effectiveness** of policy measures should be assessed. **Youth Guarantees, Apprenticeships - VET and youth entrepreneurship** deserve particular attention also for their role in **empowering young people**.
 - ✓ Volunteering activities can contribute to empower those youth most at risk of social exclusion, while offering the opportunity to learn in non formal settings.
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- **NEETs – Young people not in employment, education or training: Characteristics, costs and policy responses in Europe**
- **Youth Guarantee: Experiences from Finland and Sweden**
- **Effectiveness of policy measures to increase the employment participation of young people**
- **Recent policy developments related to those not in employment, education and training (NEETs)**
- **Active inclusion of young people with disabilities or health problems**



- **Labour market transition of young people;**
- **Youth entrepreneurship: youth's attitudes towards entrepreneurship and approaches fostering youth entrepreneurship;**
- **Social inclusion of young people;**
- **Social situation of young people ;**
- **Evaluation of start up support for young people.**

Thanks

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