

A YOUTH GUARANTEE FOR EUROPE

**Towards a rights-based
approach to youth
employment policy**

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I. INTRODUCTION

The concept of a “youth guarantee”, also known as a “job guarantee” in some countries, is one where governments, regional authorities and public employment services commit to offering a young person a job, training or re-training within a certain period of being made unemployed or leaving formal education.

The core principle behind the youth guarantee is ensuring equality of opportunity for young people in the labour market. Early labour market activation measures, such as the youth guarantee, are being increasingly called for in response to growing levels of youth unemployment, which pose a real threat to the European social model and the ability of Europe to recover from the recent financial crisis.

Research has increasingly shown that the current youth unemployment situation could have economic and social consequences for the next decade and that it is putting the physical and mental health of an entire generation of young people at risk.

In order for the youth guarantee to be implemented fully and for the European institutions and Member States to make a real investment in youth employability, we must first understand the gravity of the situation, the potential of the youth guarantee to address youth unemployment and previous best practices of the implementation of a youth guarantee and a rights-based approach to youth employment.

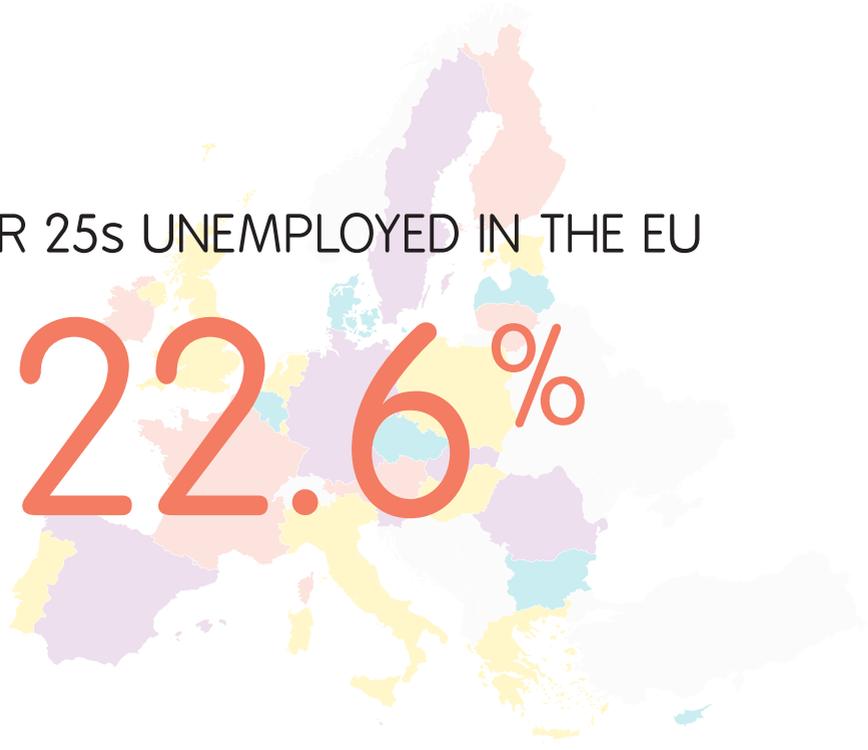
All statistics in this publication are as of July 2012, unless otherwise stated.

2. YOUTH UNEMPLOYMENT: NO EASY WAY OUT

2. Youth Unemployment: No Easy Way Out

UNDER 25s UNEMPLOYED IN THE EU

22.6%



Youth unemployment has been consistently higher than that of the adult population over the past number of decades.¹ There are a number of reasons for this, but one of the most significant is that often young people lack the skills in order to easily find a job. Those that do find work often find themselves victims of a “last in, first out” policy that makes new labour market entrants much more vulnerable.

The increasing deregulation of the labour market of the past 20 years has made the transition from education to full-time employment even more difficult. Even when young people do manage to find a job they are often stuck in a cycle of temporary contracts and poorly paid work. This intrinsic lack of stability in the labour market has resulted in the rapid spiralling of youth unemployment since the onset of the economic crisis. According to latest figures released by the International Labour

Organization (ILO), youth unemployment in the EU and other developed countries soared 26.5% from 2008 to 2011, the steepest increase from all the world regions ranked by the ILO.²

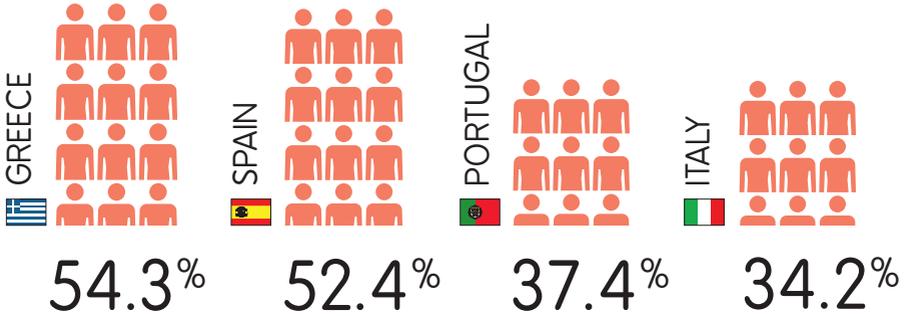
We now face a situation in Europe where countries such as Spain and Greece have a youth unemployment rate of over 50% and in Bulgaria, Ireland, Italy, Lithuania, Portugal and Slovakia, youth unemployment exceeds 30%.³

1. http://epp.eurostat.ec.europa.eu/statistics_explained/index.php?title=File:Unemployment_rate_by_gender_and_age,_2006-2011_%28%25%29.png&filetimestamp=20120502101521

2. International Labour Office, *Global Employment Trends for Youth* (Geneva 2012)

3. http://epp.eurostat.ec.europa.eu/statistics_explained/index.php/Unemployment_statistics

TOP YOUTH UNEMPLOYMENT RATES IN EU COUNTRIES



The longer this situation continues the more difficult it will become to rectify. Recent research has shown that long periods of unemployment for young people have potential “scarring” effects which have a harmful impact in later life, particularly for young people not in employment, education or training. It can lower future income levels, skills validity, future employability, job satisfaction, happiness, and

health levels. Estimations that a six month spell of unemployment at the age of 22 would result in an 8% lower wage at 23, and even at ages 30 and 31 wages would be 2-3% lower than they would have been otherwise highlight that the mass youth unemployment levels like the ones we are currently facing could affect European society for decades to come.⁴

NEET YOUNG PEOPLE

12.8% NOT IN:
EDUCATION,
EMPLOYMENT,
OR TRAINING

4. Bell, D., Blanchflower, D., Youth Unemployment: Déjà Vu? (University of Sterling, 2009)

3. YOUTH ON THE MOVE (TOWARDS A YOUTH GUARANTEE)

The European Youth Forum and youth organisations have been highlighting for years that unemployment when young not only hinders personal development and lowers life chances, exposing youth to poverty and social exclusion, but also prevents young Europeans from contributing to the overall development of their local community, their country and Europe as a whole.⁵

In an effort to address the developing youth employment crisis the European Commission launched the Youth on the Move initiative in September 2010. This initiative, which forms part of the Europe 2020 strategy, encouraged Member States to identify and overcome legal and administrative obstacles that might prevent them from ensuring that all young people are in a job or further education within four months of leaving school.⁶ The reference to the youth guarantee in Youth on the Move was a welcome development but the overall focus of the initiative was on skills and mobility. The upgrading of young people's skills is an important medium and long-term

measure to address youth unemployment and the skills mismatch in Europe but has had little or no immediate impact on the current situation.

In December 2011, in reaction to the further increase in youth unemployment since the launch of Youth on the Move, the European Commission launched the Youth Opportunities Initiative. This Initiative aimed to elaborate on the Youth on the Move strategy and usher in a more proactive role with regards to addressing youth employment on a European level.

The Initiative committed to redeploy existing money from the European Social Fund (ESF) toward youth employment projects. On the youth guarantee, the Commission stated that it believed more could be done by Member States to make it a reality and that it would launch a "preparatory action" with a budget of €4 million in order to fund local youth guarantee projects and "inspire schemes to be implemented with ESF support."

5. European Youth Forum, Position Paper on Youth Guarantee (Antwerp, 2010)

6. European Commission, Youth on the Move (Luxembourg Publications Office, 2010)

THE COST OF EU YOUTH UNEMPLOYMENT



SOCIAL SECURITY



SOCIAL EXCLUSION



ECONOMIC LOSS

€100,000,000,000

The European Foundation for the Improvement of Living and Working Conditions estimated that the cost of youth unemployment and Social Exclusion was €100 billion for 21 Member States in 2009. This estimation does not include costs such as health and crime.

As of 2012 European youth face a situation where there is an immediate necessity for a youth guarantee to be introduced in order to address youth unemployment in the short term. There is now potential funding available in order to make this a

reality. What is still missing is a political commitment in many Member States to invest in quality early labour market activation measures for youth under a youth guarantee.

4. CURRENT YOUTH GUARANTEES IN EUROPE

Some countries in Europe have had youth guarantees or another form of early labour market activation in place for young people since the 1990s. These policies have had varying levels of success and provide useful information on what works and what does not work when it comes to the youth guarantee.

Denmark

Denmark first introduced a youth guarantee in 1990. It was originally targeted towards 18-19 years olds who were unemployed and did not have access to unemployment benefits, but was eventually rolled out to all young people under the age of 30.

Focusing on vocational training and education and training, the Danish youth guarantee showed positive early results in reducing youth unemployment.⁷ However, the condition of not being able to receive unemployment benefits if you do not

participate in the scheme and even the possibility of municipalities stopping the payment of child benefits for families not wishing to participate in the scheme have harmed participation rates and the relationship between young people and public employment services.⁸

Sweden

Sweden has a youth guarantee scheme aimed at providing young people under the age of 25 a job or training within 100 days of unemployment. Despite a municipal follow up responsibility for tracking down young people under 20 who are no longer studying, the coordination of measures has been a major problem with poor division of responsibilities between secondary schools, social services and the labour exchange.⁹ The scheme has also suffered from a lack of emphasis on training measures and the fact that training and education for unemployed people has not been tailored to those under the age of 25.

7. Price, R., McDonald, P., Bailey, J., Pini, B., Young People and Work (Surrey, 2011)

8. Ibid

9. Price, R., McDonald, P., Bailey, J., Pini, B., Young People and Work (Surrey, 2011)

Austria

Although Austria does not have the rights-based approach to a job or training of the youth guarantee, it has taken special measures to ensure that there are training places for young people and that the public employment services are youth accessible.

For example, in Austria the “C’mon 14” and “C’mon 17” programmes provide intensive counseling for young people identified as facing challenges in completing their education and accessing the labour market. These young people receive a detailed needs assessment and specialised counseling and assistance by an external provider. This can also include detailed follow-up for a period of time when a young person has found employment.¹⁰

Providing tailored services for young people at risk of long-term unemployment and social exclusion has formed the backbone of early labour market activation measures for young people is one of the reasons why Austria has one of the lowest youth unemployment rates in Europe.

Finland

In Finland the youth guarantee involved the prospect of a job being offered to a young unemployed person under the age of 25, or a recent graduate under the age of 30, within 3 months of being made unemployed or leaving education.¹¹ Schemes are tailored according to the needs and age of the young person in question; for younger unemployed people educational programmes are given preference, whereas for young people over the age of 25 finding a job is prioritised.¹²

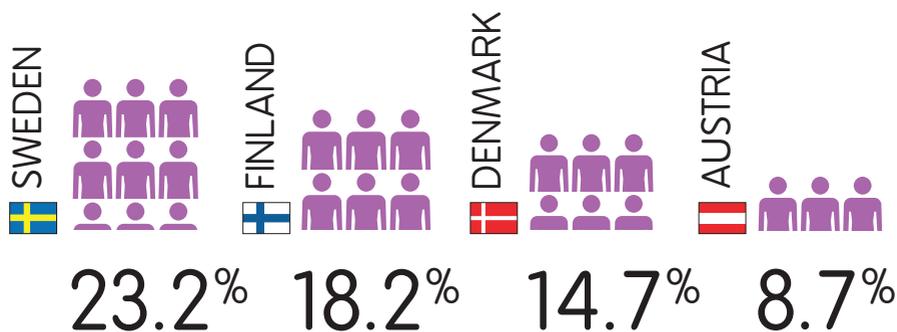
In early 2012 the Finnish government announced that it would re-launch the youth guarantee at the beginning of 2013 with a commitment to a €60 million per year investment in the scheme.

10. Scharle, A., Weber, T., Youth Guarantees: PES Approaches and Measures for Low Skilled Youth People (Brussels, 2011)

11. Price, R., McDonald, P., Bailey, J., Pini, B., Young People and Work (Surrey, 2011)

12. Eurfound, Youth Guarantee: Experiences from Sweden and Finland (Dublin, 2012)

YOUTH UNEMPLOYMENT IN COUNTRIES WITH A FORM OF THE YOUTH GUARANTEE



5. THE YOUTH GUARANTEE COOKBOOK

In order to ensure that measures enacted to address youth unemployment of are the highest quality and actively work in the interests of young people, youth organisations and other civil society organisations need to ensure that a European Youth Guarantee contains all the right elements for success. There are a number of key ingredients required in order to make the ideal youth guarantee.

Funding

On a European level, the European Youth Forum believes that at least €10 billion from the European Social Fund should be allocated towards the youth guarantee. It is estimated that with this sort of investment 2 million young people can be brought out of unemployment by 2014.¹³ Considering that youth unemployment is costing the EU well in excess of €100 billion per year, this is a relatively small investment.¹⁴

Timing

The youth guarantee should be implemented across Europe as soon as possible. It should commit to providing a job, training or re-training to all young people within 4 months of unemployment.

13. <http://www.youth-guarantee.eu/>

14. Eurofound, Youth People and NEETs in Europe (Dublin, 2011)

Age

We believe that the youth guarantee should be provided for all young people under the age of 30, as young people up to this age can face structural hurdles in finding employment.

Priorities

The most important priority of the youth guarantee should be to find quality, labour market focused education and work for young people, this can include the immediate placement of a young person in a vacant position by the public employment services or by providing quality training and career counselling.

Accessibility

The youth guarantee must be available to all young people and anti-discrimination measures should be put in place to ensure equality of access.

Any education and training opportunities within the youth guarantee scheme should be accompanied by a scholarship to cover minimum expenses and/or reimbursement of incurred costs. Subsidised student housing should also be provided if necessary.

Any on the job training provided under the youth guarantee, whether it is a placement or internship, should be remunerated at least at the minimum wage of the country in which it takes place.

Partnership

A range of social partners, including business associations, trade unions and youth organisations should be involved in the design and implementation of youth guarantee schemes.

Youth organisations in particular have shown that they are adapt in providing career focused training via non-formal education and developing a culture of entrepreneurship among young people.¹⁵ In this regard youth organisations should be seen as organisations eligible for investment under the youth guarantee according to their capacity to reach out to young people and enhance their employability.

Recognition

There should be formal recognition of all competencies acquired under the youth guarantee.

15. www.youthemploymentaction.org

Commitment

The European Youth Forum believes that a core element of the youth guarantee is showing a commitment to young people, providing youth-friendly public employment services, and reaching out to disadvantaged and marginalised youth.

The idea of providing a service to young people is key to the success of this proposal. In no way should participating in the youth guarantee be necessary in order to retain, or be eligible for, unemployment benefits. Making the youth guarantee obligatory in this regard will only serve to further alienate and marginalise disadvantaged youth.

6. CONCLUSION

The current youth unemployment situation in Europe has proved to be complex and has presented significant challenges for governments, businesses, trade unions, public service providers, youth organisations, and most importantly young people themselves. But it is by no means intractable.

The European Youth Forum believes that young people need a rights-based approach to employment policy; in that all young people have a right to quality, stable employment. The Youth Forum strongly urges European governments and social partners to commit to investing in young people by introducing youth guarantees.

Young people and youth organisations also have a role to play in making a European Youth Guarantee a reality. In this document we have established the core principles behind a youth guarantee and established what will work and what will not work for young people. What remains now is to ensure that these principles are adopted by governments and local authorities in Europe.

Together we can make a European Youth Guarantee a reality.



european
youth forum