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Policy Proposal on Youth Unemployment

Two innovations for the EU to tackle the problem of youth unemployment:

Integration of funding streams for youth employability projects and ways of efficiently spending them as well as integration of services and the creation of a EU-wide youth portal

Brussels, 13-04-2014

Working Group: Youth Unemployment

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STUDENT FORUM MAASTRICHT

Student Forum Maastricht (SFM) is an annual student conference held at the Maastricht University Campus in Brussels. The conference is co-organised by the European Studies Association Concordantia, Maastricht University and the European Commission. The participants are post- and undergraduates with an academic focus on European Union related studies and a strong involvement in civil society. Together with officials from the European Commission and experts from civil society and interest groups in Brussels, they develop policy proposals for pressing topics within the Commission. The 2014 edition of SFM took place from April 9th to April 13th. The topics of this year's conference were Youth Unemployment, EU Migration policies, the European Neighbourhood Policy, Sustainable Development and EU Free Trade Negotiations. For more information on Student Forum Maastricht, please visit: www.student-forum.eu

INTRODUCTION

The following proposal has been written by students and a tutor from a variety of EU member countries in order to suggest and find solutions on the important issue of youth unemployment in the EU member state countries. In this process they met with several experts from EU institutions to tackle this problem and arrived to the following conclusions described below.

EXECUTIVE SUMMARY

The current situation in the EU concerning youth unemployment is more than alarming. More than 55% of the EU member states youth is unemployed right now and desperately seeking for opportunities to work. Moreover, the scale of this phenomenon is differing from each Member State as the Northern Member States have relatively low youth unemployment rates in comparison to the Southern Member States. In addition, there is an apparent education and skills mismatch in the EU youth. A lot of young people are not sufficiently educated or qualified for existing job offers and spots. Therefore, the policy proposal group worked on the issue of enhancing labour market access to young people in the EU, also taking in account youth in 'complex situations', for example migrants or young people with insufficient education levels.

By looking critical at the existing youth unemployment programs and structures provided by the EU, the group worked out a specific policy proposal to address a better access to the labour market for young people. The Youth Guarantee program already exists, but the group decided to further amend and build on this foundation. Therefore, the group proposes two innovative strategies for EU policy makers to implement in the future.

First of all, the integration of funding streams for youth employability projects and a new way of spending these funds. Hereby, a considerable amount of money will be channelled from the existing Youth Guarantee and routed into a new youth funding stream, taking into consideration the NEET rate and youth unemployment rate of a country in contrary to the former funding with respect to GDP per head. Moreover, the funding will be directed towards certain projects that concern themselves with different themes such as education etc. The funds should flow to sub-national institutions such as regional and local governments, large NGOs and universities, who then would be required to work with smaller, local and regional provider organisations to more adequately and better deliver programmes to support young people.

Second, the integration of services and the creation of EU-wide youth portal are recommended. There is a need to raise general awareness of job possibilities for young people through social media and the creation of a WikiEurope. The group proposed that this WikiEurope should become a centralised database including all policies already implemented and those, which are still under discussion. It should enable a job seeker to find information in a simplified, clear manner covering all necessary information and requirements that other EU-wide youth employment programs provide.

Within the context of securing quality of apprenticeship, employers could be recognised with a quality sign developed by the Quality framework for Traineeships (QFT). Concerning QFT, this would also tackle the issue of skill mismatches by bringing together relevant actors into one field.

The group is aware of the fact that there is a need to merge websites enabling young people to efficiently look for jobs, traineeships, apprenticeships and student exchange programmes in a simplified way. This would allow them to bypass unnecessary bureaucracy and could be built upon the already existing Youth on the Move website, yet improved in a more user-friendly and intuitive way. It should be addressed not only towards students, but also to NEETs, individual youths in difficult life situations and early school leavers (ESL).

Following the idea of transparency and cohesion, the group recommends to simplify the Country Specific Recommendations (CSRs), making them more accessible and understandable for people from different backgrounds. This would allow these people to get more involved and engaged in the process of implementation and promotion of the ideals of the European Union.

THE PROBLEM

Equity and Youth Unemployment:

More than 55% of young people between 15 and 24 years in the EU are currently unemployed. Nevertheless, there is a wide spread between individual EU member countries regarding youth unemployment. Germany has the lowest rate of youth unemployment of 7.6 %, while Greece has the highest (55.9 %), while Spain and Croatia have youth unemployment rates of 55.7 % and 49.9 % respectively.

Long-term unemployment is also on the rise in the EU; 32.4 % of the young unemployed have been jobless for more than 12 months in 2012. Moreover, the long-term unemployment rate increased drastically by 3.8 percentage points (to 7.3 % of the young labour force) between 2008 and 2012, compared to a 1.9 percentage point increase for adults (to 4.4 %).

For some groups the situation of unemployment is particularly bad. In 2012 the unemployment rate for migrant youth was 30.5 %, while the rate for national youth was lower at 21.5 %.

Education and Skills Mismatch:

Regarding education and skills mismatch, the EU provides enough job vacancies. Nevertheless, young people do not necessarily have the required skills for a respective spot. Currently there are 2 million vacancies and 5.5 million unemployed young individuals in the EU. With regard to this, 34 % of employers consider young employees or job candidates not enough qualified.

THE EU'S CURRENT RESPONSE

In order to tackle the problem of youth unemployment in the EU, the EU institutions support youth employment through a variety of mechanisms within the scope of the Europe 2020 strategy. These mechanisms include:

1. Supporting student mobility through exchange programmes such as Erasmus Plus and supporting the transferability of qualifications and skills.
2. Funding mechanisms that are used by national governments to fund services to support employability and skills programmes such as the Youth Employment Initiative and the European Social Funds, from which the majority of funds are used in order to support youth employment projects in member states
3. Influence and soft power is used through country specific recommendations and targets, for example the reduction of early school leaving below 10 % and the increase of the proportion of young EU individuals gaining a degree to 40%, as described in the EU Youth on the Move, a comprehensive package of policy initiatives on education and employment for young people in Europe. This was launched in 2010 and is part of the Europe 2020 strategy for smart, sustainable and inclusive growth.

In particular, the following programmes and initiatives try to either increase youth employment or provide young people with skills and qualifications required in a future job.

Youth on the Move: A project consisting of EURES and Erasmus Plus (including education and traineeship), which gives an opportunity for young people through the providing of information and training opportunities on various training programmes and occupations.

EURES (European Employment Service): This program aims at facilitating labour mobility for professionals and students in order for them to gain experience around the EU member states. Currently there are over 1.4 million job vacancies and nearly 31 000 registered employers.

Erasmus Plus: This program focuses on providing education and traineeship opportunities for students going abroad all over Europe.

Youth Guarantee: This is a new approach on tackling youth unemployment through the ensuring of a guarantee for all young people under 25 years, whether registered with employment services or not, to receive a good-quality, concrete job offer within four months of leaving formal education.

EEA and QFT: These programmes focus on the transition of individual young people from school to work, as these are the key moments for them. Targets of these programmes are to issue a certification after a completed traineeship and addressing the education skill mismatch.

THE YOUTH UNEMPLOYMENT GROUPS' RESPONSE

We propose two innovative solutions for the EU in order to help to tackle the problem of youth unemployment.

1) First of all, integration of funding streams for youth employability projects and a new way of spending these funds.

Currently the EU plans to spend around 60.8 Billion Euros on projects involving young people between the period of 2014 and 2020, either through the European Social Funds or the new Youth Guarantee. Nevertheless, the EU has very little leverage over how this money is spent, as these funds flow to national governments and there is little transparency for EU citizens to find out how this money is spend and on which projects. In addition, 6.4 Billion Euros earmarked for the Youth Guarantee is unlikely to be enough money to efficiently tackle the problem. The European Trade Union Confederation estimates that it will require 21 Billion Euros per year to adequately fund this Youth Guarantee.

We propose investing 20 Billion Euros into the Youth Guarantee, which efficiently will help to achieve its objectives. The remaining 40 Billion Euros should be removed from the European Social Funds and channelled into a new youth funding stream.

This would allocate funding in a similar way to the ESF, but rather than allocating funding with respect to indicators such as regional GDP per head, it would instead place more emphasis on indicators related to young people such as the youth unemployment rate and NEET rate.

The funding would also be directed towards projects that fall into specific themes. These could include:

- 1) Education: Such as projects that offer second chance education to early school leavers.
- 2) Job seeking: Including projects that provide employability and job search support to those looking for a job, as well as projects that directly create jobs for unemployed young people.
- 3) Training: Such as projects, which fund employers to provide high quality traineeships.
- 4) Entrepreneurship: Including schemes, which offer loans to start businesses for young people
- 5) Equity: Such as projects that target risk groups in the youth labour force, could offer language training for young migrants and asylum seekers

We also believe that funds should be routed to projects in a different way than under the current European Social Funds. Rather than passing the money to national governments, we believe the money should flow to sub-national institutions such as regional and local governments, large NGOs and universities, who then would be required to work with smaller, local and regional provider organisations to more adequately and better deliver programmes to support young people.

This is especially important for two reasons. First, to offer the EU more direct levers in order to support youth employment through innovative projects. Second, to be more transparent, as funding information, project evaluations and details of involved organisations would be stored in an EU-wide transparency register, which could be accessed by all EU citizens as well as used to promote knowledge sharing and good practice.

2) Second, integration of services and the creation of an EU-wide youth portal

We suggest that in order to improve the situation of young people, the harmonization of the various projects and policies is crucial. Young people struggle to navigate through the array of EU programmes concerning youth unemployment, due to the fragmentation of information (Youth on the Move, EURES, Erasmus Plus, QFT). Additionally, there is a need to raise general awareness of possibilities through social media and creation of a WikiEurope.

We propose that WikiEurope should become a centralised database including all policies already implemented and those, which are still under discussion. It should enable a job seeker to find information in a simplified, clear manner covering all necessary information and requirements. This could be connected to the QFT initiative, but we suggest it to be in a more developed form. Furthermore, we propose to include the possibility to rate companies offering traineeships and apprenticeships, to have greater leverage for potential employees. We hope that this will lead to the employers competing over traineeship and apprenticeship ratings. Within the context of securing quality of apprenticeship, employers could be recognised with a quality sign developed by the Quality framework for Traineeships (QFT). Concerning QFT, this would also tackle the issue of skill mismatches by bringing together relevant actors into one field.

We call upon the need to merge websites enabling young people to efficiently look for jobs, traineeships, apprenticeships and student exchange programmes in a simplified way. This would allow them to bypass unnecessary bureaucracy. This may be built upon the already existing Youth on the Move website, yet improved in a more user-friendly and intuitive way. It should be addressed not only towards students, but also to NEETs, individual youths in difficult life situations and early school leavers (ESL).

Following the idea of transparency and cohesion, we recommend to simplify the Country Specific Recommendations (CSRs), making them more accessible and understandable for people from different backgrounds. This would allow them to get more involved and engaged in the process of implementation and promotion of the ideals of the European Union.

Eventually, we think it is also essential to stress the importance of promotion of the European Union in social media and everyday life, building a bridge between the bureaucracy and the European citizens.

We argue that by implementing the measures described above, namely simplifying the bureaucratic processes, broadening the scope of people involved, informing them about the projects and opportunities that the EU provides and facilitating transition from the educational system to the labour market would have a substantial effect on the lives of young people and the European Union. Moreover, the enhancement of a quality safeguard would have a positive influence on the youth that encountered difficulties finding jobs in the past.

CONCLUSION

Mr. Swoboda, who held a very informative speech at the Student Forum, argued that Europe and the European Union in general lack resources. Therefore, youth and young people in the European Union should be recognised as EU resources and hence, should be invested into. In our opinion, it is crucial to invest in young people because they are the future of the European Union. Thus, this proposal recognises this circumstance and would like to raise the awareness on the importance of young people and their future employment. We hope that this research and our proposal results will be helpful for EU policy-makers in the near future.