

COMBATING YOUTH UNEMPLOYMENT

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**YOUR
IS MY FUTURE**

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INTRODUCTION

For the Party of European Socialists the fight against youth unemployment is a top priority. Especially in times of crisis we need to give young people hope for a better future and the perspective to play a key role in developing our societies and economies. Tackling youth unemployment and the precariousness of young workers will not only reduce societal costs and social exclusion, it can also save billions of Euros, which are currently lost as a consequence of young people being forced to remain inactive. It is not only an indispensable investment in Europe's future it is also the best way to maintain young people's commitment to the European idea and integration. Therefore we as PES demand to introduce a legally enforceable youth guarantee by the end of 2013 throughout Europe. Every young person in Europe must be offered a job, further education or work-focused training at the latest four months after leaving education or after becoming unemployed. The youth guarantee must be supported by a genuine European employment strategy, financed with 10 billion Euros, taken from the 30 billion Euros unused in the European Social Fund. This way, up to 2 million new jobs for young people could be created by the end of 2013. All economic and fiscal policies have to fully take into account the objective of promoting employment for young people. All community programmes financed by the EU budget have to be focused on this objective.

The PES is paying great attention and support to the concerns expressed by young people protesting against the unacceptable consequences for the young generation of the present economic and financial crisis. We want to cooperate with youth organisations committed to youth employment issues. We will not accept the present generation to become, as formulated by the OECD, "a scarred generation of young workers facing a dangerous mix of high unemployment, increased inactivity and precarious work", a lost generation. Therefore there is an urgent need to implement the twenty very concrete measures that we lay out in this report to promote job, training and education opportunities for young people. This is crucial not only for the future of our youths, but for our collective future as societies.

1. The effects of unemployment on young people

As of December 2011, 5.5 million young people in the EU were unemployed¹. This figure is equal to the entire population of Denmark or more than twice that of Slovenia. Although the situation in European countries differs considerably, the average youth unemployment rate in the EU is more than twice as high as the “adult” unemployment rate (22.1% compared with 9.9%). The situation is grave in a number of countries, where nearly half of the young people are out of work (Spain, 48.7%, Greece, 47.2%)². In some countries the discrepancy between youth unemployment and “adult unemployment” is even higher (in Sweden it is 22.9% compared to 7.5%). Moreover there are large regional disparities - some regions have a much higher youth unemployment rate than others. Especially in rural areas, youth unemployment is a massive problem. In addition, many of those young people who are in employment are forced to work part time, have limited contracts, receive lower wages and enjoy a lower level of social security.

In the last few years, youth unemployment has been a widely discussed topic. For good reasons: To fight youth unemployment is not only a moral, social and economic challenge but also a prerequisite for a healthy society. The functioning of our European welfare systems depends to a large extent on the contributions of its citizens. They would fail if people had the feeling of being excluded from society and would no longer have the financial capacity to contribute.

The importance of the transition into the labour market can hardly be overestimated. It is defining not only the income prospects for the entire life, but also career prospects and the level of the future pension. Graduating into unemployment or experiencing out-of-employment periods early in the career means that the young workers’ skills levels as well as their “attractiveness” for employers are reduced and that finding a job becomes more and more unlikely. When unemployment rates are high, many young people are forced to enter the labour market at lower skills and pay levels than their education or experience would warrant. It is the so-called scarring effect. The simple experience of unemployment increases future unemployment risks and will most likely reduce future

earnings through the effect associated to human capital, such as foregone working experiences and a determination of skills. This influences not only

the development of pay and career opportunities throughout the working life, eventually leading up to lower pensions, but it also weakens purchasing power of Europe's citizens, reduces demand and negatively affects economic growth. The Euro fund estimates that for those 21 Member States for which data is available the consequences of millions of young people being neither employed nor receiving education or training causes costs of at least 2 billion Euro per week (figures for 2008, more recent data is not yet available), the equivalent of 1.1% of GDP in total³. During the financial, economic and employment crisis, which has hit young people disproportionately high, the economic and budgetary consequences of youth unemployment are even more severe. Tackling youth unemployment is a precondition for re-launching growth, for balancing budgets and for avoiding a social catastrophe. According to the Euro fund study, the reintegration of 10% of these young people into the labour market would achieve a yearly saving of more than 10 billion Euros.

In the case of young women, the effects of youth unemployment are even more worrying. As women are more often overqualified and underpaid for their jobs, unemployment at the start of the career further disadvantages them in the labour markets, feeding the cycle of pay inequality. This affects especially young women in countries where the employer carries the cost of maternity leaves, since employers are more reluctant to hire young women.

Moreover, young people who have never worked are often not entitled to any unemployment or other social benefits, increasing the risk of being socially excluded and reinforcing economic dependency from their families. Without income, it is not possible to have an independent start in life, move away from home or start a family. Many countries in Europe have seen an increase in the time young people stay with their parents and an increasing number return to their parents' home after the end of university education. Measures taken in some Member States that link parents' entitlement to benefits to the earnings of children living at home, are counterproductive. They hit the most vulnerable youth hardest and only delay independence further.

2. The causes of youth unemployment

There are multiple causes of youth unemployment and they vary both between and within the EU Member States. A young person living in a rural area has less in common with their fellow citizens from a large city than with another young person living in a rural area in another European country. The main causes for youth unemployment are the following:

Lack of new jobs

The first reason for the high level of youth unemployment is the lack of new jobs, especially those, which are suitable for young people. While the economic crisis has aggravated the situation, it is not the only cause for the high level of youth unemployment. Too few investments in labour-intensive sectors, de-industrialisation in several Member States, outsourcing of production to other continents, reallocation of funds from the real economy to the financial markets, weakening of social security systems and active labour market policies, lack of corporate social responsibility, and the increased power of shareholders over stakeholders has resulted in a worrying shortage of jobs in Europe in the past decade. The austerity-only policies imposed by conservative governments and the general economic uncertainty have further worsened the situation and postponed many investments that would have contributed to job creation.

Conservative austerity-only policies

Austerity-only measures, which have been introduced by most conservative governments in Europe as a response to the economic crisis, have a bigger impact on young people than on other age groups, since they most often include cuts on education, social services, and public service jobs. Cuts in social services translate into reduced active labour market support and less individual support to young people without work experience. They also reduce the chances of young people to avoid unemployment by re-entering the education system.

Insufficient education and training

In the coming years, the number of low skill jobs will be reduced considerably, while more and more employees will need to be highly skilled⁴. A mismatch between skills requested and skills provided, causing even higher unemployment rates and weakening Europe's economy, can only be avoided with a major

reform and strengthening of Europe's education and training systems, providing more young people with much higher skills. Especially worrying are the high rates of early school leavers in the EU, which remain on average at 14%. The number of students in tertiary education levels stays behind that of the US and Japan and too low to transform Europe into a knowledge-based economy. Despite very positive experiences with the dual education system, which is a combination of formal education and work experiences required at the work place, too few Member States introduced such systems and too little support is given to high quality apprenticeships. In addition, only a small percentage of those young people who have found a job are provided with life-long learning opportunities.

A lack of guidance

In addition, in most Member States, very little career guidance and support is given to young people in the process of finding the right training place or a decent job. Introducing such services already in the education institutions would be necessary, in order to avoid gaps in the early phases of the career.

Many groups of young people are discriminated

Several groups of young people are hit particularly hard by youth unemployment. Even though the education level of young women is often higher than those of young

men, their unemployment rate is higher, their wages lower and they are more likely to end up in precarious jobs. Women represent 60% of university graduates while only 30% of women are in top positions. Moreover, only 68.7% of women between 25 and 34 years old are employed compared to 81.4% of men of the same age⁵. In addition, women represent up to 70% of those working in sectors with very low average wages, such as health care, social work, retailing and education. The experience in many Member States has proven that improving the participation of young women on the labour market has particularly positive effects on growth as well as on ensuring the economic independence of women at early and late stages of their life.

Young people with a migration background and those from a religious or ethnic minority face similar discriminations. Migrant youth does not have equal learning opportunities as they often have problems to meet the high demands of host language proficiency and they tend to have problems coping with the new and unknown school system. In addition, they often receive sufficient support neither from their parents nor from public institutions. As a consequence, many young migrants have below-average education outcomes and problems to find high quality jobs. Euro fund estimated that in 2008, young people with a migratory background were 70% more at

risk of finding neither a job, nor an education or training place, compared to the rest of the young people⁶.

Also young people with disabilities are disproportionately affected by youth unemployment: they are 40% more likely to end up without employment, education or training opportunities than other young people⁷. In addition to a lack of specific support to reach equal employment outcomes, disabled young people suffer from barriers to enter the labour market. Many employers are reluctant to hire them and there are too few jobs available which take account of their special needs. Tailor-made support measures taking into account their particular needs to enter the labour market and assistance at the workplace are therefore necessary.

The instrument of internships is abused

Internships, which can be valuable for gaining working experiences, are often badly paid or not paid at all. In many cases, they are used as job replacements and interns are asked to do the same work as the permanent staff, with insufficient guidance and support. This increases the segregation of the labour markets, leading to a two-class labour market with poorly paid or unpaid interns in the one end and full-time employees in the other end group, but adds to the disadvantage position of young people in the labour market.

Weak active labour market policies

Unemployment commonly exists despite a large number of available jobs. This mismatch is due to inefficient and insufficient job-placement services, which are often not youth-friendly. Particularly, apprenticeships, placements in companies and traineeships are crucial, as they offer young people to acquire both the relevant skills and work experience.

Obstacles to mobility

There is a geographical mismatch between available jobs and young unemployed people. This is especially the case between rural areas - in which there are usually less jobs available - and bigger cities in which there is sometimes a lack of qualified staff, but also between different regions and different EU Member States. Little support and too few incentives are given to young people to move from regions with high unemployment to regions where jobs are available. Insufficient language skills and complicated administrative procedures often prevent young people from moving to another country. But at the same time, not everyone is able or willing to move far away in order to find a job. Mobility should be a choice and be supported but it should not be an obligation. While there is a strong request for young people to be mobile, this is not a suitable solution to everyone.

3. Policy proposals to fight youth unemployment

1. A Europe-wide youth guarantee should be introduced, ensuring that every young person in Europe must be offered a job, further education or work-focused training at the latest four months after leaving education or after becoming unemployed.

Based on the good experience of those Member States which have successfully implemented youth guarantees or are in the process of doing so (Finland and Austria), this instrument should be made compulsory on the European level. By 2013, all Member States should introduce a law which stipulates that young people up to the age of 25 (for young people who recently graduated up to the age of 30) must be offered a job, further education or work-focused training at the latest four months after leaving education or after becoming unemployed. Investing in job creation, improving education systems and reforming labour markets (see the following policy proposals) are necessary to ensure that the European youth guarantee will be a success and that young women and men are equally prepared and have access to the labour market. For those young people that have not found a job or a training position after four months, the Member States must provide public apprenticeship places based on the dual education system (see box “Best practice Germany: The dual education system”). The investments needed to implement a youth guarantee are much lower than the costs of youth unemployment and a poorly skilled workforce.

The youth guarantee needs to be backed by active labour market policies helping equally young women and men to bridge the gap between the education or training system and the labour market. To this effect, tailor-made job placement services for young people need to be provided, staffed with a sufficient number of employees who have enough time for every young person to find them a suitable training or job placement. Towards the end of their education, young people should receive personalised career counselling and guidance, that helps them to find the right tertiary education offer, a training place in the dual education system or a job. The availability of vocational training in the

framework of the dual education system needs to be improved. With the instrument of the European Youth Employment Strategy (see policy proposal 2), the creation of new jobs for all young people can be supported, therefore bridging shortages on the labour market for youth.

The youth guarantee should be enshrined in a European Employment and Social Progress Pact, which should complement the Stability and Growth Pact⁸. In addition, the European Youth Guarantee must be enshrined in the annual growth survey 2012 as one of the central instruments to overcome the crisis. Its implementation must be scrutinised within the framework of the European semester. Member States not introducing a youth guarantee by the end of 2013 should be sanctioned in accordance with the EU treaties. EU structural funds and the European Social Fund should be used to co-finance measures in the framework of the youth guarantee.

Best practice Austria: Training Guarantee

The Austrian Training Guarantee was introduced in June 2008. It guarantees that no young person is out of employment, education, or training for a longer period than six months. If upon completion of the compulsory education, young people do not continue with tertiary education, do not find a place in a formal apprenticeship programme, or directly continue with a job, they will be given the “guaranteed” opportunity to enter a full-fledged apprenticeship programme in a public supra-company apprenticeship training entity. It revolves around training courses (preceded by vocational guidance modules and accompanied by special coaching), which teach the skills and knowledge needed in the apprenticed trade in question. The Training Guarantee is embedded in the Austrian dual education system.

2. A European Youth Employment Strategy needs to be adopted, equipped with at least 10 billion Euros of funds on the European level annually. The money should be used to support the creation of new jobs for young women and men.

The first priority in overcoming the devastating youth unemployment in Europe must be the creation of new jobs for young people. Instead of continuing to implement conservative austerity-only measures, major investment programmes are needed, focusing amongst others on the creation of new jobs for young people. On the European level, a European Youth Employment Strategy needs to be adopted, equipped with at least 10 billion Euros annually. In the short term, unused EU funds should be redirected to finance the Youth Employment Strategy. From 2014 on, the financing for the Youth Employment Strategy must be included in the regular EU budget. Once a European Financial Transaction Tax is implemented, a part of the revenues should be invested in the European Youth Employment Strategy. Complementary youth employment programmes on the national level need to be equipped with sufficient funds, including specific programmes for job creation in rural areas, in regions with particularly high youth unemployment and for young people with fewer opportunities, including women and people of different ethnic background to combat double discrimination.

The funds from the Youth Employment Strategy should be used to financially support those companies, civil society organisations, public authorities, and other employers creating new, decent jobs for young people. A specific emphasis must be put on ensuring sufficient jobs for young women and for supporting them to enter the labour market. Also, specific projects, for example in the green growth sector, in which at least 30% young people are employed, should receive funding. Especially those regions with the highest youth unemployment rates and those, which are in a severe economic crisis, should benefit from the funds.

3. A major public and private investment programme for the EU of 210 billion Euros annually over the next ten years must be launched. It should be used to kick-start growth in Europe, create new jobs and decarbonise Europe's economy, especially in those countries suffering most from the economic crisis.

The Youth Employment Strategy needs to be complemented by a comprehensive policy to step up public and private investments in job creation. A public and private investment programme of 210 billion Euros annually over the next ten years would create 12 million new jobs, would push unemployment down to 7.7% and would also reduce youth unemployment considerably⁹. To reach these objectives, it is essential to better target private and public investments to those projects creating new and better jobs, for example in the green economy, the IT sector, nano-technologies, and in the health and care sector. Additional revenues need to be collected, for example by introducing a European Financial Transaction Tax, Eurobonds, and green taxes, stepping up the European Investment Bank financing and by reducing environmentally unfriendly subsidies. By supporting green growth more strongly, 10 million new jobs can be created, amongst others in the construction sector (retrofitting of houses), in the energy sector, in the service sector, in the transport sector and in the recycling sector. It is important to ensure that these jobs are not only male jobs, but also available for women, who are often underrepresented in scientific, technologic and IT domains¹⁰. A large proportion of the funds should be used to support youth entrepreneurship and Small and Medium Sized Enterprises. The European Structural Funds should increasingly support those projects having a large positive effect on the creation of high quality jobs for young people. Especially for the countries in a difficult economic situation, the proportion of national funds to co-finance EU funds should be reduced. In programme countries, EU funds for fighting youth unemployment should be available without national co-financing. Those initiatives having the biggest positive impact on the labour markets need to be frontloaded and better financed. Special programmes and funds should be put forward to increase young women's training and

participation in Research and Development as well as in the IT sector and green economy.

The lacking support to Europe's industry and the resulting weakness of our manufacturing sector contributed considerably to job losses. Considering that many service sector jobs are directly dependent on manufacturing jobs, Europe needs to strengthen its industrial base. Regulatory instruments and direct support to improve the framework conditions for enterprises in this sector are needed to overcome unemployment and youth unemployment. These should be designed in a way that they support especially those manufacturers, who address the triple challenge of decarbonising our economy, of making our economy more innovative and producing higher quality products and of improving the working conditions of employees. Further investments in education, better infrastructure, to reduce energy and raw material use, and to support innovation in Europe are of particular importance. The European budget needs to provide for the necessary resources to attract private investments, e.g. in the form of public-private partnerships.

Mobilising 210 billion Euros annually requires an increase of a mere 1.1% in public expenditure. This can be financed by introducing a tax on financial transactions and carbon taxes, by fighting tax evasion, making our tax systems more progressive, and by phasing out unsustainable energy subsidies.

4. To allow for equal access of young people to high-quality employment, national and European legislation needs to be adapted.

In order to reduce the gap between those who have a decent job with a living wage and those who do not, some aspects of the labour markets should be reformed. There should be no job without social rights and there should be no sectors in the labour market which are out of reach for young people. It is essential that the need to allow more young people in the labour market must not be used as an excuse to reduce workers protection or to lay off more experienced workers. We must encourage

mechanisms that break the glass-ceiling and thus increase young women's participation at all levels of the labour market and decision-making bodies. A European approach for quota of women in company boards, based on the Norwegian model, should be introduced. In addition, young people should receive further guidance, counselling, and financial support for funding their own companies and therefore creating new jobs.

Comprehensive short-time work schemes need to be introduced or strengthened, allowing companies to keep their staff in times of economic difficulty. Furthermore, restructuring policies need to be reformed to ensure that the workers suffering from layoffs, especially young people are supported in the period of change by the companies concerned as well as by means of active labour market policies in finding a new job as soon as possible.

Member States should test new forms of incentives for companies to increase employment of young people, and fully integrate them in their structures, e.g. through tax breaks or direct subsidies. In addition, a reward or prize for the most youth-friendly company could be established. Sanctions should be introduced for companies which employ young people in precarious working conditions, which abuse the instrument of internships, which do not employ young people and for those laying many young people off for the only reason of increasing the shareholder's profit. Such sanctions could take the form of penalties or the exclusion from European and national subsidies. The aim of reducing the number of precarious job contracts, especially for young people should be included in collective agreements.

When implementing policies to increase youth employment, decision makers must be extremely careful not to play out young employees against more experienced ones. Bringing more young people in employment must not result in higher unemployment rates for older workers. Where this is in the interest of the employees, job sharing between young employees and older workers should be facilitated, allowing for a good transfer of work experiences. Taking into consideration possible negative effects of increasing the retirement age on youth employment, reforms of pension systems must carefully pay attention to the needs of future generations.

5. European and national legislations need to be revised to ensure decent work and quality jobs for all young people.

The European Union should strengthen relevant legislation to ensure a higher quality of work for young people and to allow them to benefit from a more stable labour market environment. A decent quality of employment is not only crucial for ensuring the autonomy of young people, but is a precondition for fair and sustainable growth. European minimum standards should be introduced, ensuring that young people are not exploited through unpaid internships, by receiving lower wages, working longer hours, having temporary contracts, and generally facing a lower level of protection at work. The European Commission should screen all existing EU legislation on its youth-friendliness and propose a revision where necessary. EU action to reduce and harmonize the contractual arrangement schemes today existing in Europe is needed, together with a strengthening of the apprenticeship contracts. A reform of the labour market must lead to higher tax burdens for companies that force young people to accept precarious contractual arrangements, while at the same time giving tax incentives to companies to give decent work contracts. A European pact for minimum wages should be introduced, stipulating that EU Member States ensure that all workers and employees receive a wage above the poverty threshold, either through collective bargaining or by law, while ensuring compatibility with, and respect for, national traditions and praxis and the autonomy of social partners. The European Working Time Directive should be revised, in order to limit working time to a 48-hour average working week in the entire EU. On the European, national and regional level, dialogues between parents, education institutions, representatives of the public administration, and the social partners should be organised, in order to develop common strategies to support young people. In addition, the European Commission should assess the development of the polarisation of wages in Europe and develop a concrete action plan to reduce it.

6. By 2020, all Member States should introduce the dual education systems for all occupations not requiring higher education.

The dual education system has proved extremely successful in providing workers with the skills needed, by combining work training in a company with work related education in a vocational school (see box). Those countries having introduced the dual education system (Belgium (Wallonia), Denmark, Germany, Finland, France, Ireland, Luxembourg, The Netherlands, Austria, Portugal, Slovenia) have on average lower youth unemployment levels. Based on the experience of these countries, the dual system should become the norm in Europe. By 2020, all Member States should introduce the dual education systems for all occupations not requiring higher education. This should include binding targets for companies of a certain size (at least 10 employees) to offer apprenticeship places and incentives to employ the young people they educate. The Open Method of Coordination should be used to exchange experiences on the characteristic of the dual education system.

Best Practice Germany: The dual education system

The dual education system in Germany has become a textbook model in Europe as it combines apprenticeships in a company and vocational education at a vocational school. Vocational schools and companies are given a joint educational responsibility. Trainees enrolled in the dual education system spend one or two days in a vocational school and three or four days in their company. Vocational schools run different classes, depending on the occupation the trainees are specializing in. The apprenticeship ends after two or three years with a school leaving examination and is accredited by a diploma and a certificate of apprenticeship. Both are a guarantee for employers that the employee has acquired the necessary skills and knowledge related to the respective field of work.

7. National expenditure on education should reach at least 6% of the respective national GDP and 6% of the EU budget needs to be spent on education.

Only a quantum leap in education and skills will allow Europe to remain competitive on the global markets and to safeguard a high level of welfare for all Europeans. Therefore, at least 6% of the EU budget should be allocated to supporting education, for instance by allocating larger proportions of the structural funds, including the European Social Fund, to education measures and by strengthening the Erasmus, Comenius, Leonardo da Vinci and the Grundtvig Programmes and its successor the “Erasmus for all Programme”. In addition, Member States should agree on the European level to increase their investments in education to at least 6% of their GDPs¹¹. This rule should be enshrined in the European Employment and Social Progress Pact. Its implementation needs to be closely monitored in the framework of the European Semester. Member States, which do not fulfil the objective, should be warned and sanctioned in case of consistent breach of the target.

Reducing the number of early school leavers is a major challenge. The Europe 2020 Strategy of reducing it from 14% to 10% is a step in the right direction, but not sufficient. Increased funding for education must be used to quickly reduce the number of those leaving school without any degree. Member States should gradually move the obligatory education age to 18, ensuring that every young person receives education by this age.

8. Common objectives and strategies for education should be defined on the European level and its implementation monitored through a strengthened Open Method of Coordination.

Common objectives and strategies on education policies should be set on the European level as well as new indicators to measure the quality of education introduced. These objectives would include reducing the number of early school-leavers, improving the quality of the education systems and ensuring equality of pupils from all backgrounds. The implementation and delivery should be monitored in the framework of a strengthened Open Method of Coordination. In the framework of the Europe 2020 Strategy, binding targets on the percentage of young people in higher education, training and life-long learning could be set on European level for each Member State. The non-compliance with these targets should be sanctioned.

9. A quantum leap on pre-primary, primary and secondary education quality needs to be ensured in all Member States, allowing everyone access to high quality education.

The quality of pre-primary, primary and secondary education is essential for young people's personal and professional development. Improving our pre-primary and primary education systems will not only increase the active participation of young people in all spheres of society, but it will allow them to find a decent job and reduce social exclusion. To reach this objective, much larger investments in more and better-educated teachers and in new and more modern buildings and facilities are needed. Amongst others, all schools should be equipped with a sufficient number of computers and have access to broadband internet.

In most Member States, structural reforms are needed to allow all young people equal access to education, for example allowing young people to learn together for a longer period. In order to reduce the number of school drop outs, more support must be given to children and youth from disadvantaged backgrounds: more social workers need to be employed and additional language courses must be offered. In response to an ever-rising volume of global knowledge, school curricula need to be updated more regularly throughout Europe. In light of the necessity for pupils to require more and better skills during formal education, an open debate should be held on costs and benefits of increasing the length of compulsory education to eighteen years.

10. Ambitious targets for increasing the number of tertiary education graduates need to be agreed and achievements monitored.

In the future, the number of jobs requiring highly skilled workers will increase, while the number of jobs for lower qualified workers will decrease. Several professions only requiring apprenticeships today, will require tertiary education degrees in the future. Preparing young people for the labour markets of tomorrow therefore requires an increase in the number of higher education graduates. The Europe 2020 target that 40% of the population between 30 - 34 years should have completed tertiary education by the end of the decade should be seen as a minimum level. Those Member States who have already achieved this level should commit themselves on increasing the percentage of those finishing tertiary education by at least 10% by 2020. For each Member State, the concrete targets should be based on independent and reliable scenarios on future needs for the number of apprenticeship places under the dual education system (see policy proposal 13) and for the number of students in the tertiary education system.

The necessary investments for more university places need to be prioritised in national budgets. Increasing the number of graduates must not result in a lower quality of tertiary education. On the contrary, every Member State should ensure that the quality of their universities

improves. The quality of teaching should be closely monitored, the university infrastructure modernised and guidance and support for students improved. In addition, tertiary education needs to better respond to the needs of the people after they graduate. However, rather than reducing education to the needs of the markets, young people should be informed throughout their education career about future job opportunities and they need to receive guidance and support in receiving the right education for the jobs they want to take up in the future.

All Member States, especially those favouring a privatisation of the tertiary education system, need to guarantee the access of all young people to high quality tertiary education. Especially young people from disadvantaged backgrounds need to receive the necessary financial support to attend a university. The implementation of these targets could be monitored in the framework of the Europe 2020 Strategy or a reformed Bologna Process.

11. Access to lifelong learning must be improved and guaranteed.

Young people who have left the education system face the same needs as pupils to regularly upgrade their skills. While a broad consensus about the need of strengthening lifelong learning exists, little has improved in the last years. Within the Open Method of Coordination, pressure should be increased on those Member States, which are lagging behind. The aim should be that throughout the EU, national legislation is introduced guaranteeing every employee the right to spend at least ten days a year of his or her working time in training and education measures. Especially the percentage of women participating in lifelong learning must be increased. The possibility for companies to deduct the costs of lifelong learning from taxes must be increased. Private, public and civil society actors offering training and education measures must receive the necessary public support. Public administration must become a role model and increase efforts to strengthen the skills of employees, for example by improving language, social and IT skills. Furthermore, education systems must be reformed in order to allow a quick and easy re-entrance into the education system

at every age. Special attention should be paid to giving women continuous access to training, in order to break the glass ceiling as well as remain competitive with their male colleagues even when coming back from maternity/parental leave. In addition, the EU should increase the financial support to lifelong learning.

12. Non formal education needs to be recognised throughout Europe.

Non-formal education, for instance the engagement of young people in non-governmental organisations, is crucial in the development of young people. It helps them to acquire valuable soft skills that are usually not provided in the formal education system. Rather than learning 'hard knowledge' from textbooks, young people 'learn by doing' through peer-education methods and voluntary work. Due to the participatory nature of the activities, young people take responsibility for their own learning and engage actively in the process. Although a large proportion of young people participate in non-formal education, too little is done to ensure its quality, to support young people participating in it and to recognise the learning outcomes. Therefore a European Quality Assurance Framework with concrete targets should be introduced. It should take the form of an agreement between all stakeholders in non-formal education on how quality assurance in that field is to be structured, contain an agreed set of standards, procedures and guidelines on quality assurance and specify the role and obligations of all stakeholders.

The European Youth in Action Programme, from which 1 million young people will profit in the period 2007 - 2013, supports young people with valuable non-formal education experience and mobility possibilities. It is crucial that Youth in Action remains an independent programme in the EU budget 2014 - 2020, rather than being incorporated into the "Erasmus for all Programme", and that it receives additional funds. Furthermore, Youth in Action should have a pan-European approach to allow also non-EU European young people to fully participate.

13. Social dialogue, social contracts or tripartite negotiations on youth unemployment.

Depending on national traditions, in each Member State and on the European level, specific social dialogue meetings or tripartite negotiations on youth unemployment should take place. Employee and employer representatives should discuss the necessary policies to overcome youth unemployment. The employers' representatives should make concrete commitments to create additional apprenticeship places, to create additional jobs for young people and to strengthen the dual education system in each Member State. Trade unions will play an important role in ensuring that there are structural discriminations of young people. They should also propose concrete strategies to increase the representation of young people in trade unions and work councils.

14. Overcoming the gender pay gap of young employees.

Already when entering the labour market, young women are paid worse than young men. Later in their careers, especially after giving birth to children, the gender pay gap increases considerably: while it amounts to 3,1% for employee under 30 years old, it is 23,8% for the 40 - 49 years old¹². There is a large divergence in the gender pay gap between different Member States. While in Malta young women between 25 and 34 received only 0.6% lower wages than young men, in the Czech Republic the difference was 18.0%¹³. In many Member States, the gender pay gap is caused by the segregation of labour markets, leading to women being more often employed in low-income sectors than men. Overcoming the gender pay gap already in young years is not only a question of social justice and equality, it would also increase purchasing power in the EU and it would encourage more women to become a mother, therefore improving the demographic development in the EU. In order to reduce the difference in pay between young men and young women, the EU should collect data on the gender pay gap in different age groups annually. Based on the data, all Member States should agree

to reduce the gender pay gap for all age groups by 1% a year, until equality in wages has been reached. The implementation of this target should be monitored through the European Semester and the instruments of the Europe 2020 Strategy. Especially the tool of gender budgeting should be used to reduce the gender pay gap. In addition, the EU should improve the monitoring of the implementation of anti-discrimination and gender equality legislation, both at national and at European level. The Commission should develop an action plan on reducing the gender pay gap, including new measures, such as excluding companies with a large gender pay gap from public procurement and the access to EU funds.

15. A European framework regulation on internships must be implemented, protecting young people from exploitation.

The PES calls upon the European Commission to put forward a European framework regulation on internships. The regulation should define minimum standards for internships, namely that internships must be based on a written contract, health insurance must be provided, working hours must be fixed and by no means above 48 hours on average, and at least the national minimum wage must be paid for internships longer than three months. Internship contracts must be concluded, offering protection under the labour law and the internship needs to be taken into account for the calculation of pension payments. Rather than replacing regular jobs, internships must include educational elements and therefore facilitate the integration in the labour market. In addition, interns should not represent more than 10% of the workforce of a company, a non-governmental organisation, or a public administration. For students still enrolled in formal education, internships should be valorised in the form of European Credit Transfer and Accumulation System (ECTS) points. In order to facilitate the transition between education and work, internships should not exceed six months. Member States will be in charge of monitoring and enforcing the European internship regulation. Member States, which fail to make progress, should be sanctioned according to EU law.

16. Young people need to be protected from discrimination.

In line with the Europe 2020 Strategy target to strengthen social cohesion, to reduce social inequalities, and to fight poverty, concrete measures to overcome discrimination of young people are needed. The European Commission should better monitor and enforce the implementation of the Antidiscrimination Directive and develop a specific action plan to improve the social integration of young people. This should include specific programmes to financially support social integration of young people, especially young women, young migrants, young people with disabilities, young LGBT people, young people from ethnic and religious minorities, as well as young people with fewer financial means. Young people from these groups should be supported individually with guidance, counselling and skills training measures specifically aimed at their needs. Young migrants in particular should be offered to improve their language skills in order to raise their qualification levels.

Disabled young people need more specific support not only to enter the labour market but also during the job to maintain their job, depending on the severity of their disability. To enter the labour market, an integrative vocational training programme, apprenticeship training or the acquisition of partial skills should be offered. For young people with severe disabilities, personal assistance at the workplace should be introduced ensuring a needs-based, self-determined, self-organised and equal employment participation of these young people.

Labour legislation could be reformed in order to ensure the positive discrimination of young people from disadvantaged backgrounds, ensuring that their employment is given priority to employing young people from less disadvantaged backgrounds with the same qualifications. Employers not respecting these rules should be sanctioned on the European or national level. Especially the gender pay gap must be overcome by ensuring that young workers of both genders receive the same wage for the same work at the same place. Additionally, young people should be more actively involved in consultation and workers participation mechanisms. Youth quotas in workers councils should be considered.

17. Young people from disadvantaged groups need to receive more support for social integration.

A broad range of specific programmes on the European and national level need to be set up to support young people from disadvantaged groups. Amongst others, programmes are needed to provide appropriate information about training and career choices, to give comprehensive counselling with due regard to every individual's situation and support young people in finding a job or a training opportunity. Free of charge language training and support with administrative procedures must be provided especially for young people with a migration background. For young people with severe disabilities, personal assistance in the workplace needs to be introduced to ensure a need-based, self-determined, self-organised, and equal employment participation of this part of the youth. On the national level, programmes for young people who cannot be placed in a formal apprenticeship programmes after completing the compulsory education need to be established, providing fully-fledged apprenticeship programmes in a supra-company training entity.

Best Practice Switzerland: Early intervention as a step to reach equal opportunities

Early intervention (meaning education in early childhood) is widely seen as a means to establish equal opportunities for young people from disadvantaged backgrounds in school and professional education. Particularly for migrant children, social and linguistic competences can be improved better in the early stage of the childhood (birth until entering the kindergarten). In Switzerland, specific public day-care centres have been created for the children from disadvantaged backgrounds. In addition, visits at home or parental counselling are offered. Early intervention needs to be based on clear concepts and specific goals for the children's development. It supports the emotional, cognitive as well as social competences of the children and alleviates different social backgrounds.

18. Every parent in Europe should receive the right to access affordable childcare.

Especially for young parents, the access to affordable childcare is fundamental for a good work-life balance, finding a decent job, career prospects, and for social integration. Therefore, all Member States need to increase investments in good quality, affordable and accessible childcare as well as the right to equal parental leave. Women still represent the majority of part-time workers and caretakers in the private sphere. Giving equal rights and conditions to paid parental leave as well as to flexible working arrangements for all mothers and fathers would enhance work-life balance, shared work in the private sphere as well as equal access to the labour market for women and men. In order to ensure progress throughout Europe, the right of access to good quality childcare should be enshrined in national or regional legislation. Progress on providing childcare should be analysed in the framework of the Europe 2020 Strategy and the European semester.

19. European Programmes to support the mobility of young employees need to be strengthened.

With the increasing economic and labour market integration in the European Union, the need for mobility rises. Ensuring that all vacancies in Europe are filled with qualified workers is a precondition to reducing unemployment, while strengthening growth in Europe. Workers therefore need to receive more support to search for employment in other Member States. This requires improved information about Europe-wide vacancies, a better recognition of educational achievements, improved language training for all young people, simplified administrative procedures and financial support to move. This must be accommodated in the upcoming “Erasmus for all Programme”. The activities previously financed by the predecessor programmes, such as the “Leonardo da Vinci” and “Grundtvig” programmes, need to receive

more funding under the new “Erasmus for all Programme”. The Europe-wide database for job vacancies EURES needs to be extended and promoted in every Member State. The necessary resources should be provided in the EU budget. In addition, progress must be made on recognising qualifications and education outcomes Europe-wide. The European Qualifications Framework (EQF), which was developed for this purpose, should be strengthened and the implementation of the respective National Qualifications Frameworks has to result in harmonization of national rules.

20. The EU public procurement rules need to be made youth friendly.

Around 17% of Europe’s GDP is created through public procurement. Since contracts by public authorities are important drivers for job creation and since public procurement is often seen as an archetype for the rest of the economy, it is essential that public procurement is made youth friendly. The upcoming revision of EU public procurement rules should therefore respect the need to support youth employment. The creation of new jobs for young people should be a criterion in the assessment of public procurement tenders. Companies, which exploit young people by paying wages below minimum wages or replace real jobs with internships, should be blacklisted for public procurement.



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NOTES

¹ These are the December 2011 Eurostat figures for the number of unemployed people in the age between 15 and 24. See:

<http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&language=en&pcode=teilm011&plugin=1>

According to Eurostat, youth unemployment is defined as follows: “Unemployment rates represent unemployed persons as a percentage of the labour force. The labour force is the total number of people employed and unemployed. Unemployed persons comprise persons aged 15 to 25 who were: a. without work during the reference week, b. currently available for work, i.e. were available for paid employment or self-employment before the end of the two weeks following the reference week, c. actively seeking work, i.e. had taken specific steps in the four weeks period ending with the reference week to seek paid employment or self-employment or who found a job to start later, i.e. within a period of, at most, three months”. Source:

<http://epp.eurostat.ec.europa.eu/tgm/refreshTableAction.do?tab=table&plugin=1&pcode=tsdec460&language=en>

² Greek figures are only available for October. Source:

http://epp.eurostat.ec.europa.eu/cache/ITY_PUBLIC/3-31012012-AP/EN/3-31012012-AP-EN.PDF

³ This is the sum of costs resulting from a reduction of economic activity, direct financial losses to individuals and families, tax losses, lower social insurance contributions, increased social expenditure as well as higher expenditure for health and crime. The Euro fund is currently working on a new study on the situation of NEET's in Europe. The study is not finalized yet, but first results can be found here: <http://www.eurofound.europa.eu/pubdocs/2011/72/en/1/EF1172EN.pdf>

⁴ The Neujobs FP 7 project is researching in detail future skill needs in the EU. For preliminary results see: www.neujobs.eu/

⁵ Data is only available for the EU21 for 2010, excluding Lithuania, Latvia, Malta, Cyprus, Bulgaria and Romania. See OECD:

http://stats.oecd.org/Index.aspx?DatasetCode=LFS_SEXAGE_I_R

⁶ Eurofound. “Young people and NEET's in Europe: first findings”: p. 3. Online available: <http://www.eurofound.europa.eu/pubdocs/2011/72/en/1/EF1172EN.pdf>

⁷ Eurofound. “Young people and NEET's in Europe: first findings”: p. 3. Online available: <http://www.eurofound.europa.eu/pubdocs/2011/72/en/1/EF1172EN.pdf>

⁸ PES Policy Paper “A European Employment and Social Progress Pact for fair growth - Limiting and overcoming the employment and social crisis”. 2 December 2010. See:

http://www.pes.org/sites/www.pes.org/files/adopted_pes_council_policy_paper_1_en.pdf

⁹ Arbejderbevægelsens Erhvervsråd: “Ways out of the crisis”, March 2011. See: http://www.fepseurope.eu/fileadmin/downloads/political_economy/1103_ECLM_WaysOutOfCrisis.pdf

¹⁰ The PES presented a detailed policy paper on creating 10 million new green jobs. See: http://www.pes.org/sites/www.pes.org/files/adopted_pes_council_policy_paper_2_en.pdf

¹¹ In 2008, on average the EU Member States spent 5.07% of their GDP annually for education. The education expenditures in Denmark (7,6), Cyprus (7,4), Sweden (6,7), Belgium (6,5%), Finland (6,1) and Malta (6,01) exceeded 6%. Source and further information: <http://epp.eurostat.ec.europa.eu/tgm/table.do?tab=table&init=1&language=en&pcode=tsdsc510&plugin=1>

¹² The only figures available are from 2006 - Eurostat: The unadjusted gender age gap by age. See: http://epp.eurostat.ec.europa.eu/statistics_explained/index.php?title=File:The_unadjusted_GPG_by_age._%25_2006.png&filetimestamp=20101008074320.

¹³ [Eurostat](#): See Eurostat figures for 2009 - “Gender pay gap in unadjusted form by age in % - NACE Rev. 2: B to S excluding O”. See: http://epp.eurostat.ec.europa.eu/portal/page/portal/labour_market/earnings/database

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