



The European Youth Guarantee

Anything Else But a Symbolic Flag?

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1. Youth Unemployment in Europe

- **Youth unemployment** is one of the most pressing challenges for European societies after five years of crisis, as evidenced by recent Eurostat data: in May 2013, 5,52 million young people (15–24) were unemployed in the European Union (EU), and the average rate of youth unemployment (23,1 %) was more than double than the overall unemployment rate (11 %). Also, the significant increase of the group of »NEETS« (young people Not in Employment and not in any Education and Training) from 11 % (2008) to 13,2 % (2012) is an issue of great concern. Even more worrying is the rise in long-term youth unemployment from 22 % (2008) to 33 % (2012).
- It is typical for **youth employment to be more vulnerable than the adult employment**, but this disadvantage has further aggravated since 2008. Whilst the reasons for increased vulnerability of youngsters to the crisis varies, some key determinants can be identified, namely: (a) the sektoral specialization of youth employment in some of the activities hit hardest since 2008; (b) the concentration of young employees in low paid and low skilled jobs, which also have been affected to a greater proportion by the crisis; and (c) the high level of precarious work which may have favoured the creation of jobs for young people in the periods of economic expansion, but has led to particular vulnerability in times of crisis.

2. The European Youth Guarantee (EYG)

- **The concept** of a youth guarantee implies an entitlement to a job, training or education for a defined group of young people seeking employment and an obligation for the public employment service (PES) or another public authority to provide the services and/or implement

the programmes within a given period of time. Evidence on the impact and effectiveness of youth guarantees is rather limited. Nevertheless, available findings suggest that these instruments can be effective in achieving the primary objective of ensuring a smooth transition of young people into the labour market. They can play an important role in keeping young people connected to the labour market or in education, thereby preventing the scarring effects arising from long-term unemployment, including those related to negative wage effects.

- In December 2012 the European Commission (EC) proposed measures to help Member States tackle youth unemployment and social exclusion. The **measures** included the Recommendation of a European Youth Guarantee to be launched in every country. It gives Member States clear benchmarks on the basis of six axes: (a) establishing strong partnerships with all stakeholders; (b) ensuring early intervention and activation to avoid young people becoming or remaining NEETs; (c) taking supportive measures that will enable labour market integration; (d) making full use of EU funding to that end; (e) assessing and continuously improving the Youth Guarantee; and (f) implementing the scheme rapidly.

3. Political Pointers Towards the Implementation of the EYG

- Implementation of the EYG is a **national issue** and will thus face one major hurdle in the ideological hegemony of a neoliberal approach all over at least Europe's conservative governments. This gives priority to an austerity agenda whilst preferring to leave the rest to »self regulation of the market«. At the same time the public sector is being subjected to cuts and increased deterioration of its capability to effectively implement policies.

- It may be argued that the youth employment crisis will not be overcome without stronger employment growth, i.e. that **job-rich recovery and growth** are necessary conditions to reduce unemployment sustainably. This implies a substantial change of the macroeconomic policies adopted by the European governments in May 2010, in the context of the sovereign debt crisis, and the implementation of short term measures aimed to escape from the »austerity trap«.

- However, structural hurdles include, particularly in the southern and eastern countries, the **industrial profiles**: a high sektoral specialization in activities particularly badly affected by the crisis; a strong proportion of small and micro companies; the predominance of a model of business competition focused on the reduction of costs and prices, emphasis on creating jobs requiring low qualification only, low levels of in-company training, and the unjustified (ab) use of temporary employment.

- Structural hurdles include, particularly in these countries, the **lack of adequate institutional capacities**. This refers in the first instance to the imbalances of the educational system, with some countries registering a rise of early school leavers, a high number of young people with poor qualifications, a mismatch between demand and supply of skills, and a bad performance of vocational training.

- There is **no »one-size-fits all approach«** to tackling the youth employment crisis. However, findings of different studies and national experiences allow us to give some policy pointers. For instance, different traditions of **school-to-work-transitions** have to be taken into account. To support young people during their first five years on the labor market, if needed, may thus be much more effective a guideline than going by a fixed age limit.

- In many cases, **capacities of national labour market institutions** need strengthening rather than downscaling.

- Youth guarantees should apply a **targeted and tailored approach** since young people do not form a homogeneous group

- Unless there is a provision of **sufficient funds**, often in conjunction with better allocation and effectiveness of their use, there won't be a real chance for the success of the EYG. It would probably remain a mere symbolic flag. Given the current level of youth unemployment, the six billion euros approved by the European Council are thus to be considered a mere drop in the ocean.

- **Quality of employment** must be made integral part of the political agenda. Even if »any job is better than none« sells well as a political slogan – sustainable growth, emancipation of young people and decent living and working conditions can be achieved only through good quality jobs.

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