

## Compte-rendu

# Youth Unemployment 2014, where are we?

A Panel Debate held in Brussels, 12 February 2014

**Catherine Vieilledent** introduced the debate by recalling that today's debate was a follow-up to a previous debate on Youth Employment which had been organized on 12 July 2012. Now was the time, with three months to go until the elections to the European Parliament. GRASPE, together with the Group Europe of UEF and the Permanent Forum of European Civil Society believe Brussels is neither a bubble, nor an ivory tower: we are most concerned with the situation of the younger generation and the risk of dismantling European solidarities. This was the meaning of the debate.

**George Vlandas**, representing GRASPE (Groupe de Réflexion sur l'avenir du Service Public Européen) recalled the aims of GRASPE. He underlined that the work of the European Commission is connected to the development of Europe. If there is a menace to EU development, the EC must be active. We have to understand what did not work in the developing process of the EU. Indeed one thing that is not working is the employment of young people.

At the beginning of his speech, **Mr. Malosse** (President of the Economic and Social Committee) refused to describe young people as a lost generation, because there was no fatality. But he did empathise: recently he met a Greek unemployed who said he felt like an immigrant in his own country. For Mr. Malosse, the EU has its share of responsibility in this crisis. There is a need for more policies at EU level directed to growth and youth employment. For example, treaties aiming to open the market are beneficial in the long-term, but not in the short-term. How can we imagine a Free Trade Agreement with an authoritarian government such as China using social dumping to increase the competitiveness of the Chinese industry? The Competition policy was developed during another era and should be adapted to the current global realities. Our competitors have very lax competition policies, if at all. So, this policy must be revised in order stop harming our industries. An example is the automobile industry.

Regarding Employment and freedom of movement, we should reflect on the Swiss vote; the outcome of the Swiss referendum is not only the result of Swiss xenophobia, as there was also an issue due to freedom of movement, i.e. internal salaries were decreasing due to the availability of cheaper workers from the EU. Our "internal" social dumping is breeding fear. On the other hand, we need a policy for employment and development and indeed we have skills gaps: 20.000 job places are available now in the agriculture sector but no one is interested. Apprenticeships are not very well paid or do not lead to a job in most South

countries and many young people are not interested in them. In Germany it is the opposite. Mentalities must change: we should enhance education in sectors that are not very attractive, and encourage young people to start their own enterprises. It is not acceptable that heavy bureaucracy is still an obstacle and discourages any young person willing to create an enterprise. We invited young people to suggest a work program for the Economic and Social Committee. They said that it was not acceptable that experience is an obstacle when looking for jobs. Europe does not value the spirit of young people, but mainly their previous job experience. Life experience is as important as job experience; volunteering should be recognised.

Mobility should be selective; I do not find it a social progress just allowing anyone to move between the countries. It is not with the current low budget that Europe will grow, but we have to transfer the budget and resources according to the competencies.

**George Vlandas** in response to Mr. Malosse's proposals: We could talk of a lost generation, and we should also consider that refusing trade with China would trigger crisis and war. As Emma Bonino said, we have a budget for austerity. We should discuss what kind of growth is most desirable. If we want a green growth, it has to be financed, while at present EU does not finance social investments. We need a Communitarian method to tackle these problems. We should say the truth, i.e. we decided to sacrifice young people. Who should fight to increase the budget and decide what kind of growth?

For **Mr. Frank Engel** (Member of the European Parliament), the European parliament is no longer interested in increasing the EU budget. It is however necessary to have a stronger budget if the EU wants to face attacks against the Euro from the financial markets. Mrs Merkel considered that austerity is good for the development. And this will not change probably even with the participation of Social democrats in her government. Europe has no competence to boost growth and its budget is in a lose-lose situation with requests for "juste retour". For example the Youth guarantee was limited to 6 billion Euros. Considering that the unemployed are 70 millions in Europe, the Youth Guarantee basically gives them less than 100 Euro per capita. We should describe young people as *Generation Stage*, or *Over Qualified Generation*.

There was a time in England when a 21 year old student, after his bachelor's, could enter the job market and find out if he needed to study more or if he was ready for the job market. But now young people are asked first to specialise and to discover afterwards if there is a place for them in the reality of the job market. If we count young people less than 25 years of age and underqualified, the unemployment rate reaches 100%. Currently we keep people in schools up to their 26th year of age and we declare them useless at 55. It is not possible to continue like this. This policy destroys the society because the young are not working, and are not contributing. We need a new industrialization and reorganization, a green economy and macro-economic management. If we want to have growth, we need to have a redistribution of tasks between different countries, not internal competition between countries which produce the same things.

**Think Young** held that the existing skills mismatch in Europe today constitutes a central challenge that needs to be overcome in order to tackle economic stagnation and high youth unemployment rates. It is essential for the EU to foster communication and collaboration between employers, educational institutions and young job-seekers in order to realign the skills taught with the requirements of the job market. Entrepreneurship and vocational training need to become more viable and attractive options for young Europeans in order to enhance productivity, efficiency and innovation in the economy. *ThinkYoung* has launched the following initiatives aimed at tackling the related problems of skills mismatch and youth unemployment: a study on the causes of [skills mismatch](#) and how it can be tackled ; the “[Fail2Succeed](#)” campaign aimed at reducing the negative stigma towards entrepreneurial failure and harmonising EU bankruptcy legislation ; [entrepreneurship schools](#) both in Brussels and Hong Kong.

**Ignacio Doreste** (ETUC Youth, European Trade Unions Confederation) underlined the fact that there is a broad agreement on the fact that youth unemployment in Europe is a problem (and, hence, many different political actions have been deployed); still there is a gap when it comes to identifying the cause. While those in favour of the current austerity measures to fight public deficits believe youth unemployment is a problem of the *offer side*, the Trade Union movement, some political parties and many other civil society organisations hold that the lack of investment and the decrease of domestic consumption are sinking national economies. For the latter, it is a problem of the *demand side* and thus the necessary macroeconomic policies should be implemented.

Entrepreneurship might be a solution for a (small) percentage of young people population, yet it is not going to be the magical solution to solve the situation of the 5.6 million young unemployed. Furthermore, the financial sustainability of these potential companies would always depend on the macroeconomic environment they live in. The current response of the European Commission to the crisis may help, in certain cases, to improve the figures on the paper but the reality at street level for the majority of the population is that working and social conditions are only worsening. This political irresponsibility is not only jeopardizing the future of an entire generation but also the pillars of European Union democracies. The possibility of Euro-sceptic and extreme-right wing groups gaining power within the Parliamentary elections of next May would be an outcome of this negligence.

For **Peter Oomsels** (JEF Europe) we need three objectives: a bigger budget, more democracy and more central policies. All these things would help deal with youth unemployment which reached 30 %; at the moment young people have less stable jobs, 42% of them are on temporary contracts, 32% work part time (twice the adult rate). There are cases which discriminate young people. There are also consequences for democracy; people are losing faith in democracy and in their governments. EU leaders have realised they are not solving problems with only austerity and so they are trying with new solidarity systems. The Youth guarantee does not have enough funds to be efficient, but in the meantime the governments are helping banks. Even the EU is unable to propose new solutions to tackle youth unemployment. EU needs a stronger budget and more competencies in social rights and youth unemployment. If young people lose faith in democracy as a tool to find

solutions to their problems, that could bring up a cynical generation in the future. For Mr. Oomsels we should create more democracy by initiating a new European convention developed by EU citizens.

**Project 668** explained that the initiative aimed to help current and former trainees of the EU institutions as young professionals link up with potential recruiters. Mutual support was another way. The initiative started in April 2012 with a small group of 11 motivated trainees, turning into a transnational team of volunteers. They were active on social media platforms sharing information on vacant posts (e.g. #ThankGodIt'sFriday) and providing job hunting tips and tricks (e.g. Monday Morning Inspiration). They also built partnerships with companies and organisations in focused events, workshops, etc.

**Georges Vlandas** commented that in the USA, the Federal budget is 25% of the states' GDP and in Europe the EU Budget is less than 1% and again this relatively small amount is subject to exceptions and "horse trading". The social policy must be financed in a proper way and the method should not be "intergovernmental."

For **Aurore Chardonnet** (CESI-Youth, European Confederation of Independent Trade Unions), EU leaders were late to understand the risks of a young generation excluded from work. Work being the main form of participation in society and the main source of income, social inclusion depends mainly on "job market inclusion"; this has long-term effects in the form of the "scarring effect". These are scars which last for the whole working life. There is still a cultural aspect that needs to be changed. Young people have difficulties to get a "first chance", to demonstrate what they are capable of. They are asked to be experienced and "ready-to-work" even before they start to work. Social partners as well as the European Commission could play a decisive role in changing such culture since it has mainly to do with communication and recognition.

The new trend is about E2E, namely Education to Employment. Beside mobility and the enhancement of entrepreneurship skills promoted by the European Commission, we shall also encourage other ways which improve young people employability such as volunteering activities or non-formal education. These are means to develop the so-called "soft skills". This would particularly benefit the most vulnerable people. Among the actions undertaken by the European Union in the past months, the *Youth guarantee* has raised hope. Such guarantee will not solve the issue of youth unemployment but is definitely a necessary step, notably to maintain the social link with vulnerable young people. We have now to take care of its implementation through proper and effective communication - involving national youth organisations to publicise the opportunities available. But success also largely depends on the participation of private companies and deeply relies on public employment services, which should receive appropriate training and human resources since they are a contact point with young unemployed.

The European Commission also released a *Quality Framework for traineeships*. Given the current situation on the job market and the vulnerability of interns' rights, the principles of such quality framework could lead to a positive evolution. However, either compensation and/or remuneration should become obligatory from a given length of the internship (in order to avoid increasing inequalities and

abuses). An intern is not a volunteer. He is learning as well as providing work for the organisation which employs him. Remuneration is also part of the needed recognition and valorisation.

Despite the terrible issue of unemployment, some young people are actually working. But even for them, the situation is not entirely ideal. They are the most hit by precarious jobs, short term contracts. Besides that, they sometimes feel “lucky” because their friends do not even have the chance to work. One should not oppose workers between each other or confront insiders and outsiders. Employed young people also have the right to demand quality jobs, to have prospects and be able to plan their lives as their parents did. This is a condition of confidence in the future. They will build families. They have a higher consumption coefficient. They are part of the recovery which will create more jobs. Social partners and specifically trade unions have a particular role to play. The involvement of young people in trade unions is vital in order to ensure that their working rights are protected and that they are fairly represented. It is also part of their participation in society.

The next question which could be asked shall be “Where are we going now?” Our young generation is facing a current job shortage whereas massive retirements are on the way. Employers should already think about the future and how to ensure the replacement of those workers. Some sectors are more attractive than others; one should make manual labour or the public sector more attractive. These are challenges that we can overcome with strong political will, involvement of social partners and fair share of economic wealth.

For **Thomas Maes** (Young European Socialists) it is obvious that the current scandal should be addressed as soon as possible by the next administration. There is actual growth in EU, but not growth of employment. The Youth guarantee and Youth employment initiative were well intended but the available funds did not really change the situation. There are still economic differences between the Member States (core/periphery divide) and a lack of centralization at EU level. There are Member States policies that are trying to enforce these disparities with permanent immigration from periphery to the core and back. The EU should overcome these disparities through a new centralization by ensuring a stronger EU budget employed for a true youth guarantee. Europeans are wrong if they think that the EU is democratic, while most of the decisions are taken through the intergovernmental process.

For **Mr. Andrea Gerose**, if we have a problem of unemployment, it is mainly a problem of the internal market. The employees’ cost is very high and they do not earn a lot. The only way to increase the employment rate is to decrease the costs for employers.

**Mr. Grosjean** (Permanent Forum of European Civil Society) presented a Citizens’ initiative called “[New Deal for Europe](#)”, a special European plan for sustainable growth and employment. The call to arms is very widely spread across civil society, trade unions, and employers’ unions. This initiative was presented and the collection of signatures (1 million in 7 countries at least) should start in early March asking the European Commission urgently to launch a full-fledged investment plan.

**H. Malosse** replied to earlier speeches to underline the need for voluntary mobility, not forced mobility. But he did not think that public spending was the key for employment.

**R. Vancampenhout** reminded the audience that not all European parties had candidates for the Presidency of the Commission, only four of them so far, most likely five. It is essential to vote in the May elections for a democratic Europe. He mentioned as candidates, among others, the liberal G. Verhofstadt and Mr Tsipras (EL) for the left.

**Olivier Vaudin** regretted that the representative of ETUC had left early. He remarked that the EMU was not functioning in an optimal way and generated deflation. In his opinion, the crux of the May elections was a new paradigm for macroeconomic policy. Wage bargaining and social dialogue must be revived, the minimum wage was essential.

**Georges Vlandas** referred to an important next step, the mid-term review of the EU budget, which we should not let pass. He also insisted on the fact that firms and private companies have the duty to train their employees, not ask for ready-to-use staff. Above all, the social project of the 1950s must be rebuilt if Europe was to make any progress.

**Catherine Vieilledent** observed that unpaid internships had to be ended. Some petitions were circulating on the internet on the subject. She concluded by congratulating the participants for their active participation, especially the many representatives of youth organisations who had accepted the invitation to debate. Drinks were available for further interaction.

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## Documents

### La « Réforme de l'alternance » (Altis institut)

Dans le cadre d'un accord-cadre tripartite, la Fédération Wallonie-Bruxelles, la Région wallonne et la Commission communautaire française, œuvrent au redéploiement du pilotage de l'alternance et de la création d'un statut unique pour les jeunes de cette filière.

Il est important de préciser que leurs instances politiques souscrivent communément à la Stratégie 2020 de la Commission européenne qui préconise l'intensification de la formation en l'alternance comme moyen de résorber le chômage des jeunes non qualifiés.

La « Réforme de l'alternance » a pour objectif prioritaire de valoriser la formation en alternance et d'harmoniser le statut de ses apprenants.

Elle place le jeune au centre de la démarche et, sur des principes d'égalité de traitement et de simplicité d'accès, refonde une filière de formation en alternance de qualité, intrinsèquement attractive, ancrée tout autant sur des valeurs éducatives que sur des enjeux socio-économiques.

Ses éléments les plus importants sont :

- la simplification du statut du jeune en alternance confirmant la nécessité de réaliser un travail de clarification et d'harmonisation par le biais d'un contrat d'alternance entre le jeune et l'employeur qui règle les droits et devoirs des parties et génère une rétribution progressive. Ce contrat est accompagné d'un plan de formation tripartite, jeune-entreprise-opérateur, détaillant le parcours du jeune et les compétences à lui faire acquérir une rétribution similaire, qu'il choisisse un Centre de formation d'Education et de Formation en alternance de l'enseignement (CEFA) ou d'un Centre de formation du réseau de l'IFAPME/SFPME. Ce travail d'harmonisation concerne également les conditions d'accès, le mode d'inscription, l'accompagnement et l'encadrement du jeune et les modalités pratiques du stage ;
- la simplification du pilotage de l'alternance qui implique une structure unique rassemblant la Région wallonne, la Communauté française et la Commission communautaire française : l'Office Francophone de la Formation en Alternance ;

Cette réforme ambitieuse mais indispensable a pris plusieurs années du fait de la complexité de son processus législatif nécessitant un travail coordonné entre les trois instances politiques.

Quoi qu'il en soit, l'accord de coopération qui sera bientôt finalisé unifiera le pilotage et la promotion de l'alternance et donnera des balises identiques ainsi qu'un contrat unique pour tous les jeunes.

Pour plus d'information sur ce qui existe, jusqu'ici, en matière d'alternance en Belgique francophone : [www.altis-institut.be](http://www.altis-institut.be)

### [Slides from Project 668](#)

#### **The UEF Group Europe calls upon the EU and the Member states to get together to combat youth unemployment and boost long term growth and job creation in Europe**

The recent financial and economic crisis has led to a deep social crisis. With unemployment rates reaching record highs and growing discrepancies between the South and North of the Eurozone, an urgent reaction and a policy rethink from all sides of policymakers, stakeholders and civil society are needed. Youth unemployment has been double or even triple the rate of general unemployment in Europe for the last 20 years, now totalling 5.6 million and a total of 7.5 million are neither being educated nor are they working Europe cannot afford a lost generation.

The Federalists share the view that all common European undertakings in this regard must be coordinated to stimulate general economic recovery and call for employment policy reform. Initiatives are needed to promote entrepreneurship and to retain as many existing jobs as possible.

To successfully tackle this problem, its causes should be understood and the roots of the initial crisis should be addressed:

- a sluggish economic growth, with public finance (local, national and European) starkly constrained, and failing to play a central role in the production of public goods;
- severe imbalances between countries and groups, with uneven support of low income students and a braindrain from South to North; compared to the estimated cost of young people not in employment, education or training (€153bn, ie 1.21% of GDP a year), the Youth Guarantee remains modest (21 bn euros a year in the Eurozone)
- a rigid labor market - also shift in mentality - :- there are obstacles to studying and training abroad, in particular failure to recognise skills abroad, to ensure the portability of rights, the rising cost of further education;
- inadequate perceptions: mobile youths are felt to be tourists that weigh on social welfare systems; efforts to facilitate the integration of young students or mobile workers are uneven;
- a mismatch between potential employees skills and employer's needs -diverse, flexible but also tailor designed apprenticeships should be introduced; internships should be paid; educational systems should embed foreign language learning.

Questions for the debate : (Source : [rapport McKinsey](#))

1. Is the scale of youth unemployment in Europe a result of the lack of jobs? Lack of skills? Or lack of coordination?
2. What are the obstacles that youths face on their journey from education to employment?
3. Which groups of youth and employers in Europe are struggling the most?
4. What can be done to address the problem?
5. Can we afford to wait and see?

## Photos

