

Model European Parliament
2nd Mediterranean Regional Session Athens 5-10 October 2018

Committee on Employment and Social Affairs (EMPL)

Youth unemployment rates still remain a war to be won for the EU and Southern European Member States in particular. What measures should be taken to achieve a considerable reduction in youth unemployment? Should European Member States support youth entrepreneurship, seek a different approach altogether or deploy a combination of approaches to amplify youth employment?

1. *Key Terms*
2. *Main Stakeholders*
3. *Measures in Place*
4. *Statistics/Graphs/Tables*

1. Key Terms

Unemployed

According to the International Labour Organisation (ILO), a person is defined as unemployed when they are out of work, want a job, have been actively looking for one in the past four weeks and are able to start working within the next two weeks. Note that one must fulfill all four requirements to be considered 'unemployed' - e.g., a stay-at-home mother is not, by definition, unemployed as the individual has decided to not seek a job.

Youth

According to the United Nations, 'youth' is comprised of people from 15 to 24 years old.

Youth Unemployment

The unemployment of young people (15-24 years old).

Labour Force / Workforce

Both the people who are in employment and in unemployment but not those who are *economically inactive*, such as children and pensioners.

Economically Inactive

A person who is not part of the labour force, meaning they are neither employed nor unemployed in spite of their working age. This can include pre-school children, school children, students, pensioners and housewives or -men.

Youth Unemployment Rate

The percentage of the unemployed youth compared to the total labour force of that particular age group. However, because the youth includes persons who are economically inactive like full-time students, youth employment rates tend to be higher than other employment rates.

Entrepreneurship

The desire and the process of starting a business, by managing its risks and working efficiently in order to generate the best possible profit.

Apprenticeship

The period of time in which a trainee learns a craft from an experienced individual.

Traineeship

A period when someone is trained in the skills needed for a particular job. Traineeships help businesses develop the talented workforce required to succeed.

NEETs

Abbreviation, referring to the youth that is Not in Education, Employment or Training.

ALMPs

Abbreviation, referring to Active Labour Market Policies. They are governmentally issued programmes that have the purpose of helping the unemployed find work by intervening in the labour market.

2. Main Stakeholders

The International Labour Organisation estimates there are 75 million 15-to-24-year-olds looking for work across the globe. However, this figure excludes a large number of youngsters who do not participate in the labour market at all. Among the 34 members of the OECD (Organisation for Economic Cooperation and Development) it is estimated there are 26m youths not in education, employment or training (NEETs). Altogether, there are around 290 million 15-to-24-year-olds not participating in the labour market— almost a quarter of the world's youth¹.

The increasing rate of youth unemployment in the past years has proven to pose a threat to the youth's mental health. This is due to the fear that young people have of either losing their job or not being able to find a permanent position. Specifically, there is an increasing rate of mental disorders, substance abuse and even in extreme cases, of suicide.

¹ The Economist. Why is Youth Unemployment so High? 2013. Last accessed 05/28/2018. Retrieved from <https://www.economist.com/the-economist-explains/2013/05/08/why-is-youth-unemployment-so-high>

The effects of youth unemployment can last for years². Those who begin their careers without work are more likely to have lower wages. The economic loss can be substantial, too, without even taking into consideration the loss of higher welfare payments (payments a government makes to the unemployed as part of social security). A possible explanation is that people may have not gone through training and experience accumulation that typically occurs with young workers.

Employers seem to prefer applicants who have previous experience in their respective fields and tend to reject anyone who has been unemployed for a long period of time. A high number of employers consider unemployment to be a sign of unproductivity. Additionally, employers expect from young people CVs that the average teenager/young adult could not have acquired previously - this makes it harder for the youth to find a first job, as they do not possess any kind of past experience in the working field.

The continuous inflation of youth unemployment rates also has a serious effect on national governmental, economic and budgetary matters, by threatening employment policy goals, as people are not distributed in positions that correlate with their skills. Workers forced into bad matches or no matches end up on a productivity trajectory well below what they might otherwise have expected.

In recent years, active labour market policies (ALMPs) have been established in the European Union, targeting mainly young people and other groups, such as elder and long term unemployed people. However, these policies often target and support temporary work placement, instead of permanent one. This can be detrimental to society, as job-seekers in desire of any type of placement in the labour force disregard the future prospects that the job may or may not possess - it serves only as a short-term solution. Although these initiatives aid vulnerable groups and combat unemployment, they do not provide the unemployed with a secure long-term, effective and permanent solution.

Traineeships, which are increasingly common for young people during or after their studies, as they can help them to gain relevant experience and find a foothold in the labour market, have become reason for concern as businessmen have been increasingly taking advantage of young trainees. A range of stakeholders have voiced concerns about the quality of traineeships. In particular, some traineeships tend to misuse young people³ as a cheap or free labour force, without helping the trainee at all - reports mentioned insufficient learning content and substandard working conditions.

² The Economist. Why is Youth Unemployment so High? 2013. Last accessed 05/28/2018. Retrieved from <https://www.economist.com/the-economist-explains/2013/05/08/why-is-youth-unemployment-so-high>

³ European Commission. Employment, Social Affairs and Inclusion: Traineeships. Last accessed 28/05/2018. Retrieved from <http://ec.europa.eu/social/main.jsp?catId=1045>

3. Measures in Place

In the past years the European Union has established several initiatives and bodies which have the goal of combating youth unemployment and reducing its rate. One of those is the *EU Youth Strategy* which aims at encouraging young people to actively participate in society and strives to provide them with equal opportunities in education and in business. It was first agreed on by the EU Ministers for the years 2010 to 2018, however in May 2018 the European Commission proposed the creation of a new *EU Youth Strategy* for the years 2019 to 2027. In order to achieve its goals, the *EU Youth Strategy*⁴ utilizes youth initiatives and makes sure that young people are taken into account when policies are formulated which directly concern them.

Another initiative by the EU is the *Youth Guarantee* whose purpose is to ensure that those under the age of 25 who have become unemployed or have left formal education within the last four months can get a good quality offer in continued education, training, apprenticeships and employment. In the past years, millions of young people have registered in YG schemes and the majority of those have left it accepting a position in employment or education. The Youth Guarantee schemes receive their budget from the *Youth Employment Initiative* which is one of the EU's main financial resources.

The Youth Employment Initiative was established in order to aid the youth that lives in regions where the youth unemployment is higher than 25%. With a budget of €8.8 billion for 2014-2020, it supports NEETs by providing them with apprenticeships, traineeships, job placements and further education which is bound to lead to a qualification.

The EU decided in 2014 on a *Quality Framework for Traineeships*⁵ that proposes guidelines for traineeships outside formal education to provide high quality learning content and fair working conditions. Alongside the traineeships framework, another key action was the creation of the *European Framework for Quality and Effective Apprenticeships*, setting out common criteria to promote the quality and effectiveness of apprenticeships.

A new (2018) initiative is the European Solidarity Corps⁶, which is aimed at creating opportunities for young people to volunteer or work in projects in their own country or abroad that benefit communities and people around Europe.

⁴ European Commission. Supporting Youth Actions in Europe. EU Youth Strategy. 2018. Retrieved from https://ec.europa.eu/youth/policy/youth-strategy_en

⁵ EUR-Lex. Commission Staff Working Document. 2017. Retrieved from <https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX%3A52017SC0322>

⁶ European Commission. European Youth Portal. European Solidarity Corps. Retrieved from https://europa.eu/youth/SOLidARity_no

4. Statistics/Graphs/Tables

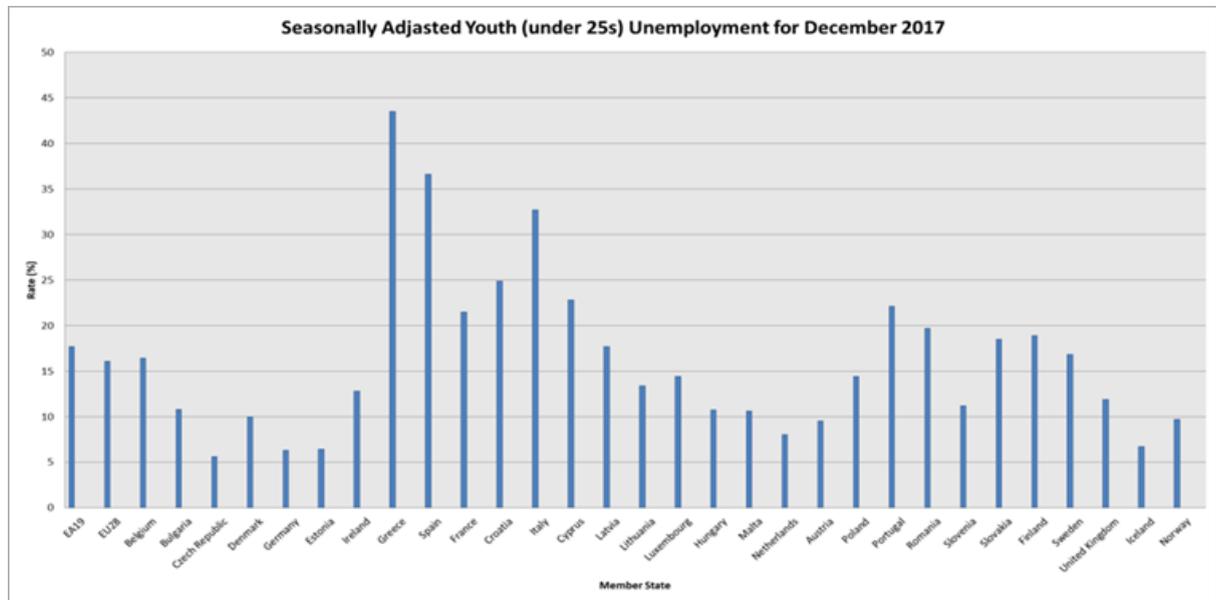
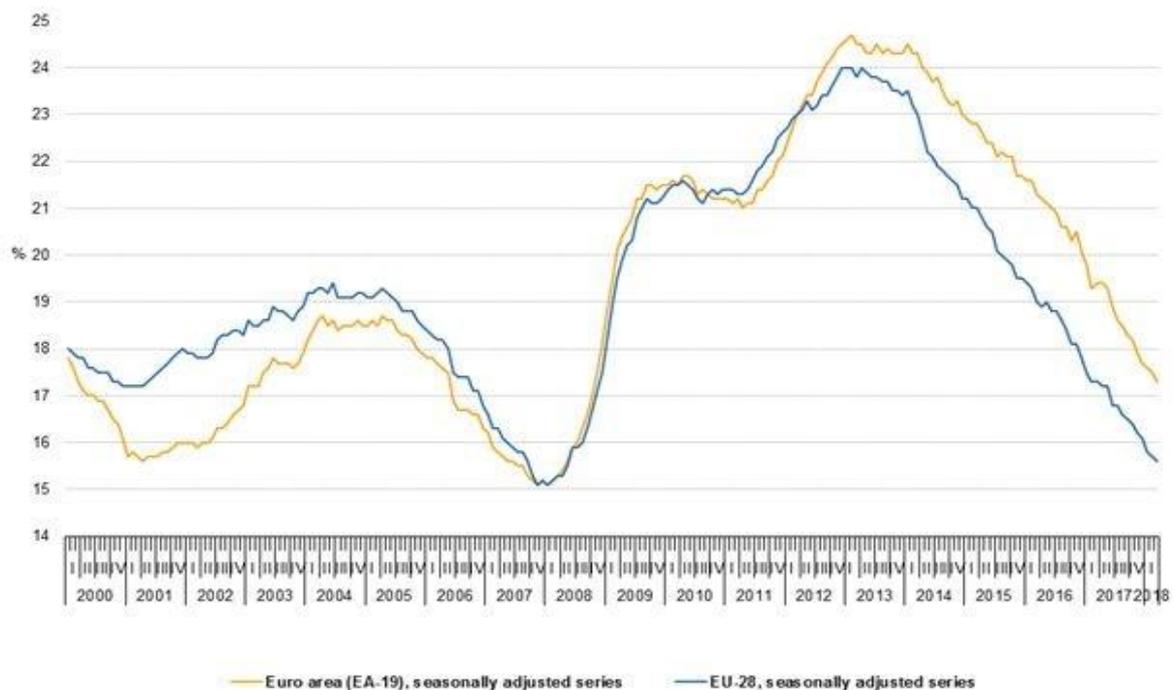


Figure 1: Eurostat. Unemployment Statistics. March 2018. Retrieved from http://ec.europa.eu/eurostat/statistics-explained/index.php?title=Unemployment_statistics

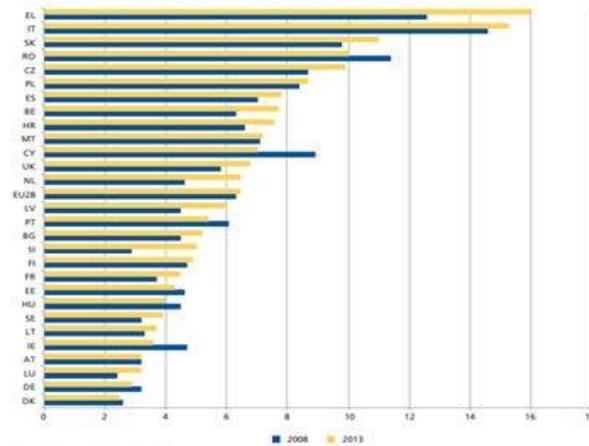
Youth unemployment rates, EU-28 and EA-19, seasonally adjusted, January 2000 - March 2018



Source: Eurostat (online data code: une_rt_m)

Figure 2: Eurostat. Youth Unemployment Rates. March 2018. Retrieved from http://ec.europa.eu/eurostat/statistics-explained/index.php?title=File:Youth_unemployment_rates,_EU-28_and_EA-19,_seasonally_adjusted,_January_2000_-_March_2018_.png

Figure 1: Percentage of self-employed in relation to total employment (15–29 age group), by EU Member State, 2008–2013



AT	Austria
BE	Belgium
BG	Bulgaria
CY	Cyprus
CZ	Czech Republic
DE	Germany
DK	Denmark
EE	Estonia
EL	Greece
ES	Spain
FI	Finland
FR	France
HR	Croatia
HU	Hungary

IE	Ireland
IT	Italy
LT	Lithuania
LU	Luxembourg
LV	Latvia
MT	Malta
NL	Netherlands
PL	Poland
PT	Portugal
RO	Romania
SE	Sweden
SI	Slovenia
SK	Slovakia
UK	United Kingdom

Source: Eurostat, Labour Force Survey

Figure 3: Eurofound. Retrieved from https://www.eurofound.europa.eu/sites/default/files/ef_publication/field_ef_document/ef1507e_n.pdf

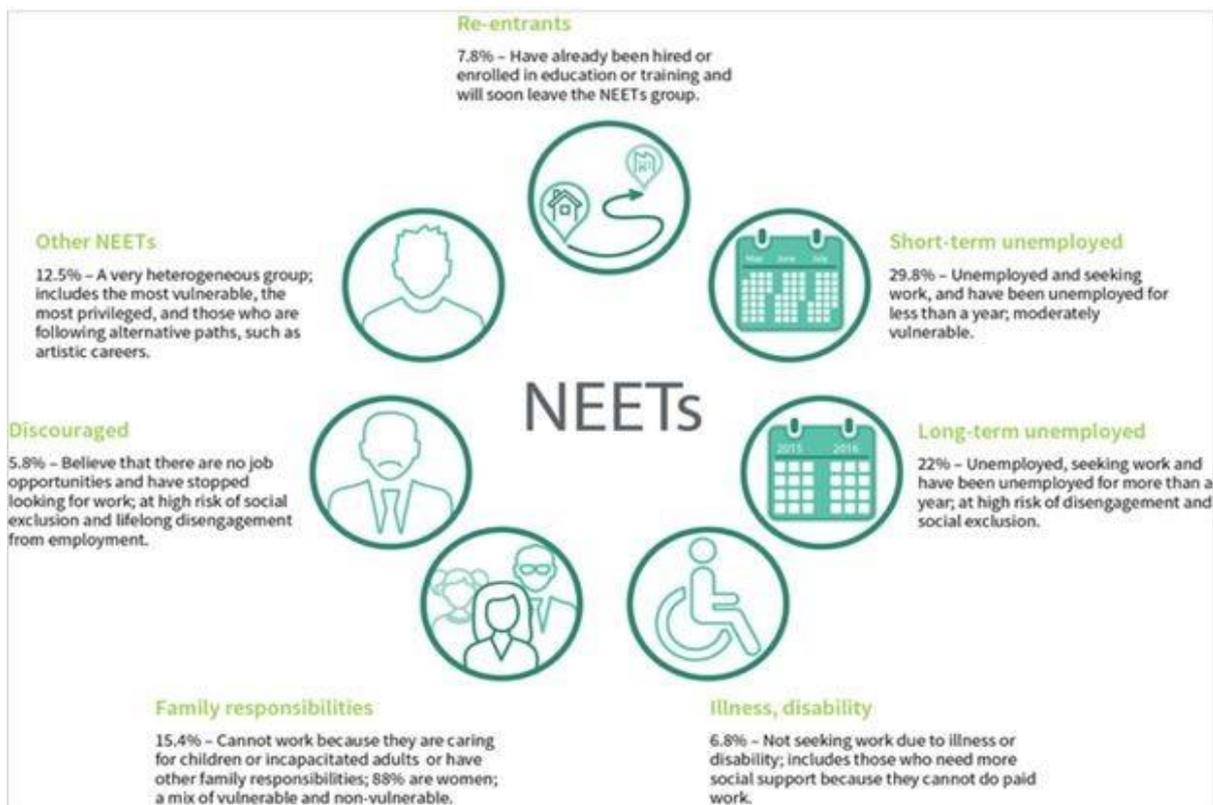
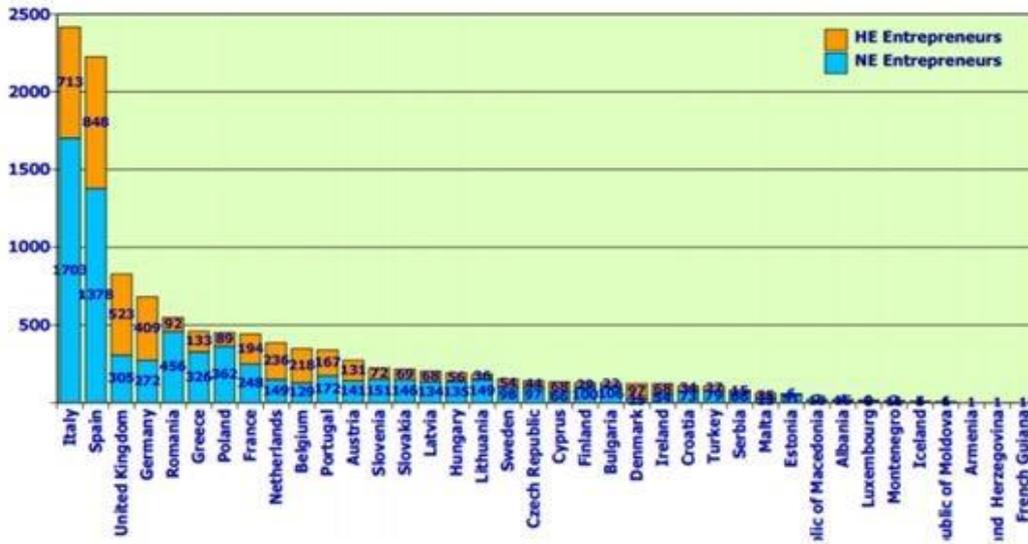


Figure 4: Eurofound. Retrieved from <https://www.eurofound.europa.eu/topic/neets>

1. Country of origin of entrepreneurs



The majority of registered new entrepreneurs come from **Italy** (22.3%), **Spain** (20%), **Romania** (5.7%), **Poland** (5.1%) and **Greece** (4.6%). Host Entrepreneurs are mostly based in **Spain** (18.3%), **Italy** (15.7%), **United Kingdom** (11.4%), **Germany** (8.6%), and **Belgium** (4.7%).

Figure 5: Erasmus for Young Entrepreneurs. 2017. Retrieved from [https://www.erasmus-entrepreneurs.eu/press/EYE_Programme_statistics_\(January_2017\)_58a61ff0b9417.pdf](https://www.erasmus-entrepreneurs.eu/press/EYE_Programme_statistics_(January_2017)_58a61ff0b9417.pdf)

	Youth unemployment rate				Youth unemployment ratio			
	2007	2014	2015	2016	2007	2014	2015	2016
EU-28	15.9	22.2	20.3	18.7	6.9	9.2	8.4	7.7
Euro area	15.6	23.8	22.4	20.9	6.7	9.5	8.8	8.2
Belgium	18.8	23.2	22.1	20.1	6.4	7.0	6.6	5.7
Bulgaria	14.1	23.8	21.6	17.2	4.2	6.5	5.6	4.1
Czech Republic	10.7	15.9	12.6	10.5	3.4	5.1	4.1	3.4
Denmark	7.5	12.6	10.8	12.0	5.3	7.8	6.7	7.9
Germany	11.8	7.7	7.2	7.0	6.1	3.9	3.5	3.5
Estonia	10.1	15.0	13.1	13.4	3.8	5.9	5.5	5.8
Ireland	9.1	23.9	20.9	17.2	5.1	8.9	7.6	6.7
Greece	22.7	52.4	49.8	47.3	7.0	14.7	12.9	11.7
Spain	18.1	53.2	48.3	44.4	8.7	19.0	16.8	14.7
France	19.5	24.2	24.7	24.6	7.2	8.7	9.0	9.0
Croatia	25.4	44.9	42.3	31.1	9.2	15.3	14.0	11.6
Italy	20.4	42.7	40.3	37.8	6.3	11.6	10.6	10.0
Cyprus	10.2	36.0	32.8	29.1	4.2	14.5	12.4	10.7
Latvia	10.6	19.6	16.3	17.3	4.5	7.9	6.7	6.9
Lithuania	8.4	19.3	16.3	14.5	2.3	6.6	5.5	5.1
Luxembourg	15.6	22.3	16.6	19.2	4.0	6.0	6.1	5.8
Hungary	18.1	20.4	17.3	12.9	4.6	6.0	5.4	4.2
Malta	13.5	11.7	11.8	11.1	7.3	6.1	6.1	5.7
Netherlands	9.4	12.7	11.3	10.8	4.3	8.6	7.7	7.4
Austria	9.4	10.3	10.6	11.2	5.6	6.0	6.1	6.5
Poland	21.6	23.9	20.8	17.7	7.1	8.1	6.8	6.1
Portugal	21.4	34.7	32.0	28.2	8.6	11.9	10.7	9.3
Romania	19.3	24.0	21.7	20.6	6.1	7.1	6.8	5.8
Slovenia	10.1	20.2	16.3	15.2	4.2	6.8	5.8	5.1
Slovakia	20.6	29.7	26.5	22.2	7.1	9.2	8.5	7.2
Finland	16.5	20.5	22.4	20.1	8.8	10.7	11.7	10.5
Sweden	19.2	22.9	20.4	18.9	10.1	12.7	11.2	10.4
United Kingdom	14.3	17.0	14.6	13.0	8.8	9.8	8.6	7.6
Iceland	7.1	10.0	8.8	6.5	5.6	7.7	7.1	5.4
Norway	7.2	7.9	9.9	10.9	4.4	4.3	5.5	6.1
Switzerland	:	:	:	:	:	:	:	:
Turkey	17.2	18.0	18.6	19.6	6.3	7.3	7.7	8.2
United States	10.5	13.4	11.6	10.4				
Japan	7.7	6.2	5.5	5.1				

Figure 6: Eurostat. Youth Unemployment. 2017. Retrieved from [http://ec.europa.eu/eurostat/statistics-explained/index.php?title=File:Youth_unemployment_figures,_2007-2016_\(%25\)_T1.png](http://ec.europa.eu/eurostat/statistics-explained/index.php?title=File:Youth_unemployment_figures,_2007-2016_(%25)_T1.png)