



Helping young workers during the crisis: contributions by social partners and public authorities



Helping young workers during the crisis:
contributions by social partners and public authorities



European Foundation for the Improvement of Living and Working Conditions

Helping young workers during the crisis: contributions by social partners and public authorities

Contents

Why focus on young workers?	1
Labour market situation of young people in Europe	3
National debates on the labour market situation of young people	8
Views, attitudes and actions of social partners	11
Government responses to help young workers	20
Commentary	28
References	30

Young workers in Europe have long faced many difficulties in their transition into the labour market and particularly in finding secure employment. The financial crisis of 2008 has worsened this situation significantly. Though there are important regional and sectoral variations, national debates as to the causes of these problems focus on a complex interaction of labour market structures, skills training, access to vocational training and apprenticeships, education systems, and reduction of job openings. While social partners have generally recognised the problems facing young workers, collective bargaining has not proved particularly useful (though there are some exceptions) in dealing with young workers' difficulties in the labour market. Governments have been particularly active in promoting a range of labour market policies. Of these the promotion of apprenticeships seems to have attracted widespread support across the EU.

Why focus on young workers?

The particularly vulnerable situation of young workers in the labour market has long been a concern of policymakers and social partners at European and national levels. In its **Europe 2020 strategy**, the European Commission emphasises the challenge of tackling high unemployment rates and improving skills levels through reducing early school leaving and encouraging 40% of young people to study to at least tertiary degree level. The strategy highlights initiatives to develop work opportunities and policies aimed at increasing young people's entry to the labour markets. Its recommendations seek to achieve the headline targets and to implement flagship initiatives such as **Youth on the move**, which aims to increase young people's chances of finding a job by enhancing the mobility of students and trainees.

Young people are in a particularly challenging position in relation to work opportunities and conditions of work. Delay in finding initial employment and long spells of unemployment often have long-term negative repercussions on career prospects, lifetime income, health prospects and social mobility; as noted in recent **report** published by the Organisation for Economic Co-operation and Development (**OECD**), some experts refer to this as 'scarring'. Unemployment and precarious work also bring with them the absence of financial autonomy which may constrain opportunities to live independently, start a relationship and begin a family.

Across the European Union, young people have been particularly badly hit by the economic crisis of 2008 and the subsequent financial challenges facing Member States. Youth unemployment typically reacts more quickly and more strongly to changes in economic trends than other groups. Unemployment is not the only challenge facing young workers. Even before the crisis of 2008, social partners and public authorities in many Member States were concerned about the situation of young workers because of the high rates of youth unemployment in comparison with other workers. In addition, young people have been far more likely than other groups to find themselves in precarious work and to move in and out of employment.

As shown in previous research, including a Eurofound **report** published in 2007 and a **report** from the International Labour Organization (**ILO**) published in 2010, young workers are often subject to more flexible and less secure employment conditions, including a comparatively high share of fixed-term contracts and temporary agency work. Combined with the effects of redundancy schemes that often target those with the least experience and fewest skills, as well as employer decisions to reduce recruitment efforts, young workers are notably more vulnerable than those in older age groups in an economic crisis.

An obvious manifestation of the vulnerability of young workers is seen in the steep increase in youth unemployment rates across EU Member States during 2009 and 2010, with rates often three times higher than average unemployment. There is also evidence in some Member States that the rate of precarious employment for this group of workers has increased since 2008. Although trends in precarious work are more difficult to capture than unemployment trends, Labour Force Survey data from **Eurostat** show a rise in young temporary workers in Austria, Belgium, the Czech Republic, Latvia, Luxembourg, Hungary and the UK.

These developments imply serious consequences for personal development as well as social cohesion. There is strong evidence from previous recessions that the effects of extended periods of unemployment early in life continue to have a negative impact on individuals throughout their adult life. This effect appears to manifest itself in a wide range of problematic outcomes including reduced life earnings, continued experience of unemployment and precarious work, poorer health outcomes, and even decreased life expectancy.

But the effects are not only on individuals. Serious concerns have been raised by policymakers about the potential impacts of negative experiences of labour market on young people's engagement with civil society more widely. Concerns have been raised about the implications on democratic engagement and the danger that some young people may 'opt out' of participation in civil society. Furthermore, it is probable that early experiences of insecurity in employment reduce the likelihood of young people establishing financial autonomy and may well be related to trends towards postponing starting a family.

Causal evidence of this is, of course, difficult to establish. But it is important to note that the interest of policymakers is not simply economic; the potentially problematic social outcomes of high levels of youth unemployment and precarious work are attracting increasing attention.

There are some exceptions to these trends. For example, young people in Norway have generally been less affected by the crisis of 2008 than in other European countries largely because of the very high proportion who continue in non-compulsory education, facilitated by legal rights to attend upper-secondary school, college and university, as well as financial support from the state to do so.

The following groups of young people are particularly disadvantaged in their labour market position:

- those who have experienced a lengthy period of unemployment;
- young people with low levels of qualifications and educational achievement;
- those facing health problems and disabilities;
- those from particular minority ethnic groups.

There is strong evidence that many Member States have responded to the multiple challenges of these groups by including particular measures to target them in existing and new initiatives for stimulating youth employment and opportunities. Some of these are outlined in this report.

Overall, the situation is generally rather bleak and likely to worsen. Unemployment tends to be a 'lagging indicator', often continuing to rise for many months after a period of recession and taking far longer to recover than economic growth figures. Youth unemployment is complicated by issues such as the fact that young workers may have opportunities to remain in or return to education and training if work is not available.

Social security provisions and mechanisms for providing unemployment benefits also impact young people's experiences. In some national systems, workers may only be eligible for unemployment benefits if they have worked for some period of time (for example in France) or if they have opted into unemployment insurance schemes (for example in Sweden).

Aims of this report

In the context presented above, this report examines the responses of social partners and governments in the EU Member States to address or mitigate labour market challenges that affect young people whether they are in formal employment, in training arrangements, seeking their first job, or unemployed.

The study is based on contributions from national correspondents of the European Industrial Relations Observatory (EIRO) network, covering the EU27 (with the exception of Latvia where no correspondent was in place when the study was launched) plus Norway. A key element of the study was the use of a questionnaire designed to gather national information on the following main issues:

- general debates and trends relating to young people and work since 2008;
- views, attitudes and actions by social partners helping young workers;
- government responses to helping young workers.

Labour market situation of young people in Europe

Internationally agreed definitions of ‘youth’ typically refer to those in the 15 to 24 age group. This definition, taken from the first page of the ILO 2010 report (3.23mb PDF), is used throughout this report unless otherwise stated.

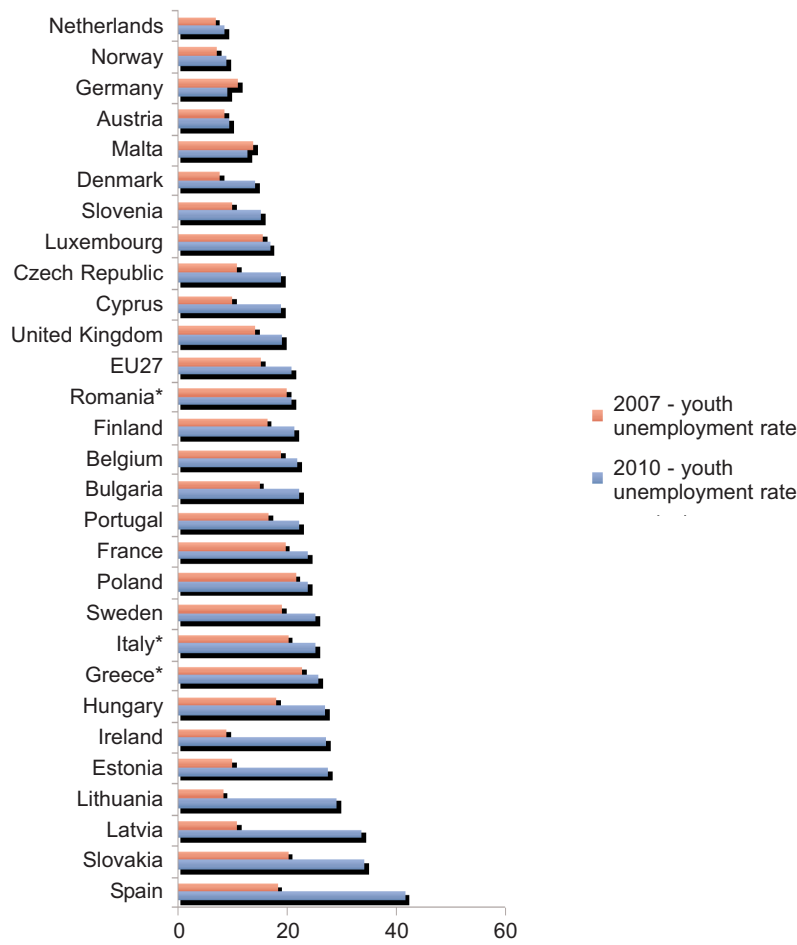
Social partners, public authorities, Member States, specific initiatives, national statistics, active labour market policies (ALMPs) or specifically targeted programmes may sometimes define ‘youth’ differently. Such groups are particularly relevant in the EU because there is evidence that young people are delaying their transition into the labour market, often through the extension of the provision of higher education. As that trend is particularly notable in developed economies and is a strong feature of the experiences of young people across the EU, the question arises as to what extent is the commonly accepted definition of youth still appropriate to capture the European youth. However, this report is not intended to engage in methodological debates.

Rate of youth unemployment

Youth unemployment was already a significant issue in all Member States before the financial crisis. Figure 1 shows the unemployment rate for those under the age of 25 in 2007, the last full year before the financial crisis of September 2008, compared with the rate in 2010.

In 2007, the rate of youth unemployment reached 15.4% in the EU and ranged from 7% in the Netherlands to 22.9% in Greece. The trend between 2007 and 2010 is even more striking; the EU27 youth unemployment rate experienced a dramatic increase, increasing by 5.3 percentage points to 20.7%, in 2010. This growth in the youth unemployment rate illustrates the dramatic impact of the economic crisis of 2008–2009 on the position of young people in the labour market across the European Union.

Figure 1: Youth unemployment rates in the EU27 and Norway, 2007 and 2010



Notes: Year average unemployment rate for under-25s.
 * 2009 data used because 2010 data unavailable.
 Source: Eurostat Labour Force Survey

Figure 1 shows the jump in youth unemployment across Member States. What is particularly striking is that all Member States with the exception of Germany and Malta experienced a notable jump in youth unemployment between 2007 and 2010. The Netherlands still reports the lowest rate at 8.7% and Spain reports the highest at a striking 41.6%. The relative size of the increase is also noteworthy. Estonia, Ireland, Latvia, Lithuania, Slovakia and Spain all report double digit percentage point increases in their youth unemployment rates over that period.

The exceptions of Germany and Malta are interesting and noteworthy. Very quickly after the start of the crisis, Malta established a tripartite forum to develop social policy to promote employment, with a specific target on young workers. There is strong evidence that this has been highly effective at mitigating the worst effects of the crisis for this vulnerable labour market group. Germany has faced a long-standing challenge of establishing sufficient training opportunities for young people. This has eased significantly since 2007 because of a decline in the numbers of school-leavers (a long-term population trend), which has mitigated the challenge of establishing sufficient training and apprenticeship placements. At the same time, the federal 2007 Apprenticeship Pact has increased the supply of apprentice and training positions, further working to reduce the rate of youth unemployment.

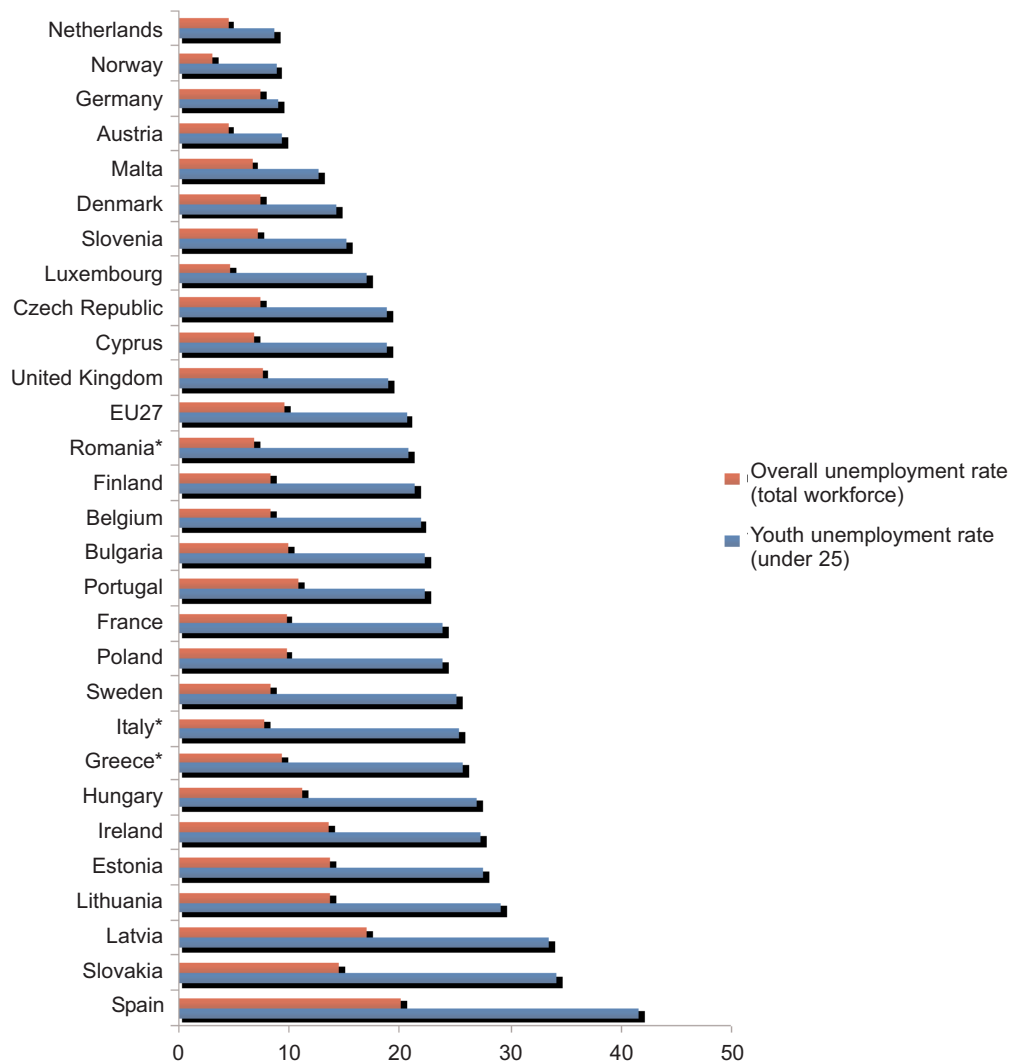
Youth unemployment versus total unemployment

The challenging situation for young workers in many countries is demonstrated by the higher levels of unemployment for young workers compared with unemployment in the labour market as a whole.

Figure 2 shows that the rates of unemployment for young people are higher than the general rate of unemployment in all Member States, with youth unemployment in most Member States is at least double, and sometimes triple, the rate for the workforce in total. This highlights the deep nature of the problems for young people but also for the economies and societies in which they live.

The exceptions are Denmark, Malta and the Netherlands where, nevertheless, the rate for young people is very nearly double of the overall unemployment rate. Germany is an exception to this common feature, but still reports a higher youth unemployment rate than for the overall workforce.

Figure 2: Youth and total workforce unemployment rates, EU27 and Norway, 2010



* 2009 data used because 2010 data unavailable.
Source: Eurostat Labour Force Survey

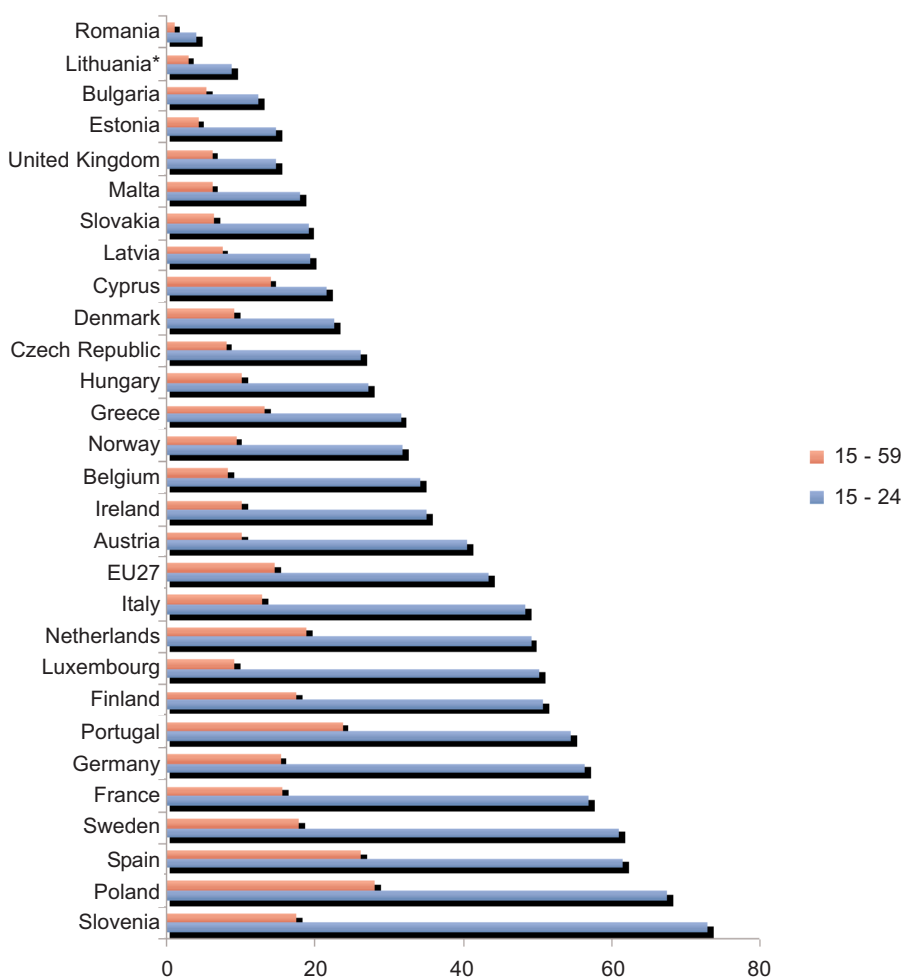
Security of employment

The challenges facing young people are not simply related to whether or not they are in employment. A common feature of the labour market debate in many Member States is that employers often complain about the mismatch between academic qualifications and the skills needed at the workplace, with the consequence that employers may prefer to hire older and more experienced workers. In addition, there are claims of lack of ‘work experience’ with the consequence that even highly qualified young people have increasingly difficulty in finding employment and have to undertake apprenticeships, traineeships and fixed-term contracts before gaining secure employment and full employment rights.

As a consequence, younger people are often subject to less secure employment conditions compared with older counterparts. The younger cohort of the working population is over-represented among workers on temporary employment contracts (including fixed-term contracts and temporary agency work), which reinforces the fragility and vulnerability of this group on the labour markets.

Figure 3 illustrates the higher propensity of young workers to be employed in ‘insecure employment’ in all Member States. Combined with the unemployment figures, it is clear that young workers in Europe are currently struggling to find employment and when they do, it is often characterised by temporary contracts.

Figure 3: *Temporary employees as percentage of total employees, EU 27 and Norway, third quarter 2010*



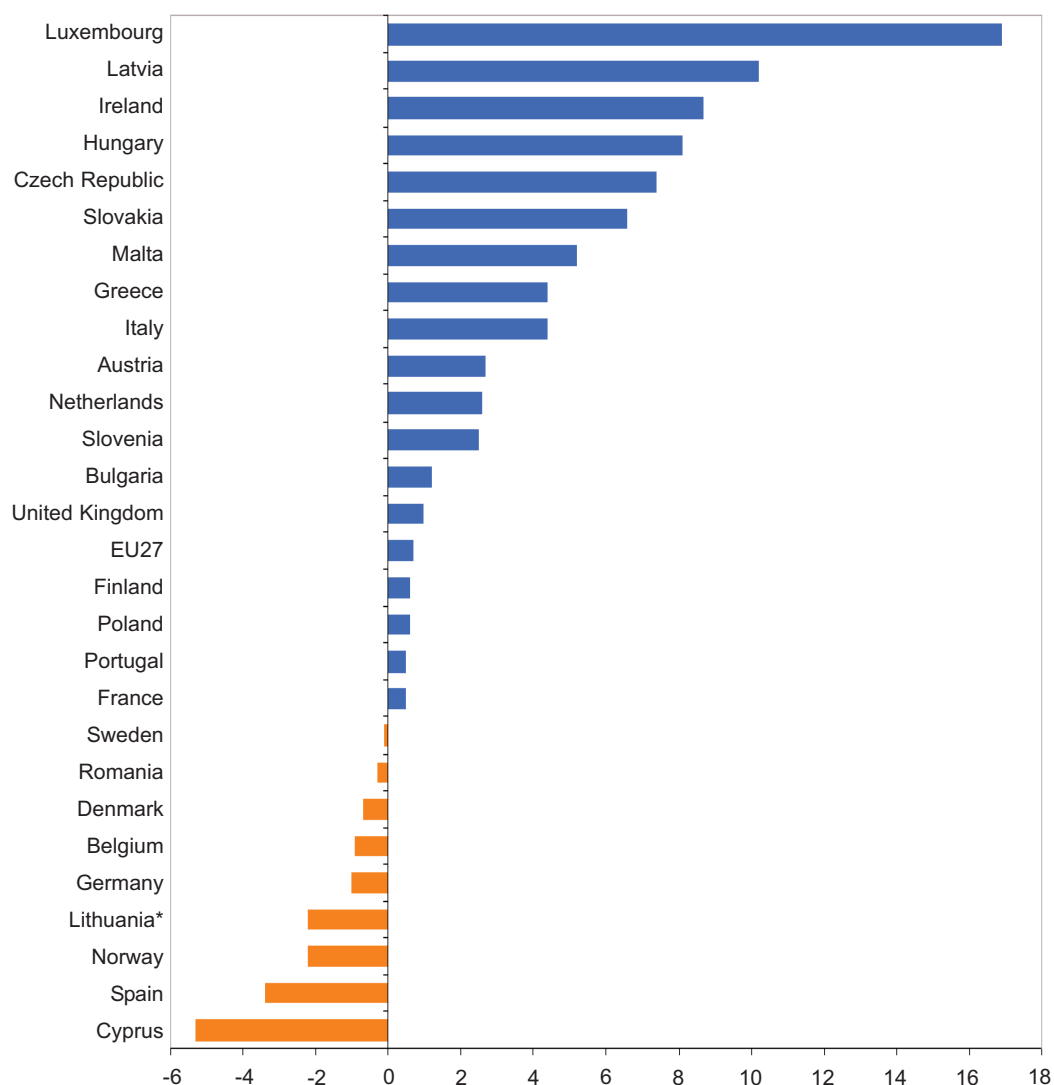
Note: * Potentially unreliable data as flagged by Eurostat
 Source: Eurostat Labour Force Survey

Use of temporary contracts

There is also evidence that the economic and financial situation has significantly worsened the prospects of this already vulnerable group by not only reducing employment opportunities, but also encouraging greater use of flexible contracts.

Figure 4 shows that although a small number of countries (Cyprus, Denmark, Portugal, Romania, Slovenia and Spain) registered a small reduction (less than 2 percentage points) in the proportion of young individuals with temporary contracts between quarter 3 2008 and quarter 3 2010, most of the countries recorded an increase in the indicator. Moreover, in six countries (the Czech Republic, Hungary, Ireland, Latvia, Luxembourg and Malta), this increase was more than 6 percentage points.

Figure 4: *Percentage point change in temporary employees as proportion of young employees, EU 27 and Norway, third quarter 2008 to third quarter 2010*



Notes: Based on temporary employees as a percentage of the total number of employees aged 15–24, own calculations

* Potentially unreliable data as flagged by Eurostat

Source: Eurostat Labour Force Survey

National debates on the labour market situation of young people

The extent of youth unemployment features highly in national debates about young people. However, unemployment is not the only challenge facing this group. Figures from all around Europe clearly show that, when young people are employed, they are more likely to be engaged in precarious work than their older counterparts. This is reported as being particularly problematic in Austria, France, Greece, Ireland, Italy, Luxembourg, Poland, Portugal, Slovenia and Spain. This list includes countries belonging, as defined in numerous research, to various clusters of welfare systems: southern; continental; and 'Anglo-Saxon'. This spreading illustrates that the development of a 'precariat' – a term coined by Professor Guy Standing, which combines 'precarious' with 'proletariat' (Standing, 2009) – is not particularly associated with any single economic or institutional pattern; it is common in many Member States.

The causes of youth unemployment and precarious work are strongly debated at national and international levels. Complex interactions of the following factors are likely to explain the particularly problematic effects for youth:

- mismatches between the skills requirements of employers and the skills held by young people;
- employers halting or reducing recruitment to cope with economic challenges;
- dynamics of migration patterns (inwards and outwards);
- labour market structures that may advantage older workers at the expense of new entrants;
- the early and severe impact of the crisis on sectors where young workers are employed in significant numbers (especially construction and manufacturing).

Furthermore, collective agreements can, in some circumstances, disadvantage young people. Collective agreements that protect jobs in exchange for working flexibility (often working time flexibility) in order to retain workers during the economic downturn can have the effect of halting recruitment into those organisations, thus 'blocking' labour market entry for young people.

The interactions of the economic and financial crisis with demographic changes (particularly the ageing population) present a challenge for governments to balance competing objectives. On one hand, there is considerable pressure to extend working lives through removing or raising compulsory retirement ages, delaying the age at which state pensions are received, etc. On the other hand, governments face pressures to facilitate the transition of young workers into the labour market. Resolving these competing pressures is particularly challenging during a period where job creation is likely to be scarce.

It seems probable that policymakers in many Member States will adopt a view of preferring to phase out or raise statutory retirement ages in response to pressures on pensions costs as a consequence of ageing populations and increased life expectancy. Indeed a **Green Paper** from the European Commission issued in July 2010 kick-started debate by recommending this.

Although it is important not to adopt a simplistic analysis of job creation and job matching in the labour market, this does raise questions about unintended consequences for workers at the start of their labour market experiences and highlights concern that extending the working lives of existing workers may narrow or limit the opportunities for developing and training young workers into secure employment in future. Countries such as France and the UK have already adopted measures to extend the working lives of older workers and it is vital that policymakers and social partners pay particular attention to evaluating the effects of these policies on young workers. Debates among social partners also reflect these tensions. In France, for example, it is clear that debates about older workers have a far higher profile than those about their younger counterparts.

One important and worrying aspect of the current situation is the generalisation of challenges facing young workers across the whole generation group. Difficulties in accessing and staying on the labour market are no longer limited to those leaving education with few skills. This is particularly disturbing, as skills and qualification can no longer be considered the straightforward solution for a smooth entry to the labour market.

There is evidence from many Member States that employment opportunities for university graduates are more limited than in previous years. This situation is likely to have a distorting effect if qualified young people are prepared to take employment for which they are overqualified. Although we did not routinely ask correspondents to identify the specific impact of the crisis on graduates, many raised this as an important issue.

- Slovenia is an example of a country that has used European Social Fund (ESF) money to develop new programmes to help graduates as a direct response to the crisis.
- The UK has reported a significant increase in the length of time it is taking graduates to find employment, as well as higher levels of unemployment amongst this group than before 2008.
- In Finland, there are also concerns about an increase in the unemployment rate among this group to around 25%.

Clearly the challenges facing young workers around the EU are not limited to those with few skills, though the evidence supports the view that this group finds it most difficult to make the transition to secure work.

National debates are also embedded in cultural, geographical and economic realities. Aspects of the debates on the challenges facing younger workers that are linked to gender, regional and sectoral characteristics are discussed below.

Gendered aspects

The effects of the crisis on young workers are not uniform and it is important to acknowledge some important differences in the impacts on young men and young women. Although some countries have not reported significant differences between young women and men, it is notable that there are different dynamics of unemployment and precarious work in many Member States that affect men and women differently.

Some countries (Belgium, Estonia, Greece, Ireland, Italy and the UK) report particular challenges for young men who seem to be worse affected by unemployment than young women. There is some evidence that, in these countries, young men are also likely to find themselves in the group who are ‘not in education, employment or training’ (NEETs) and in the group of long-term unemployed workers (more than 12 months). In these countries, this dynamic is accounted for by the particular combination of structural factors such as:

- the gender distribution of employment in those sectors of the economy quickly affected by the crisis (particularly construction and manufacturing);
- social trends such as poor skills levels (often because of low achievement at school);
- the socio-economic consequences of structural changes in labour markets (especially as the shift away from manufacturing work towards service work.)

In other national contexts such as in Austria and Germany, and where the male breadwinner model has been quite strong reflecting a difficult position of women (in general) in the labour markets, young female workers seem worse affected by unemployment and most particularly by precarious work. This is a particular issue of concern in the countries with a strong system of technical and vocational training, and most particularly in countries where that training has favoured high-skill work traditionally undertaken by men (engineering, etc.) In Austria, there is an important debate about the kind

of apprenticeship roles taken on by young women, with some evidence of efforts to encourage young women to seek employment in technical jobs which tend to offer higher rates of pay and job security. In these countries, employment debates are focused on the extent to which options chosen early in working life, such as training and apprenticeship opportunities, reinforce gendered patterns of employment. Attention here has been focused on debates about how to encourage young women to aspire to take up positions in these high-status professions, which has often meant looking to the early education choices of boys and girls.

This highlights a broader point: employment patterns can intersect in complex ways with other policy areas. For example, it is probable that gendered patterns of training and apprenticeship opportunities are likely to be influenced by gendered patterns of decisions taken during schooling (selection of subjects, focus on particular types of vocational/academic education, etc.)

Regional and sectoral variations

Regional and sectoral variations in employment of young workers are also notable. Some regions, professions, sectors, cities, or areas present particular difficulties as a consequence of the crisis and report youth unemployment rates far higher than the EU average of 19.6% (unemployment rate of those under 25 in 2009 as recorded by the Eurostat Labour Force Survey).

Some important sectoral variations are largely explained by differences in the timing and impact of the recession and economic crisis. For example, the construction and manufacturing sectors were generally the first to suffer contraction in employment and young workers in these sectors have been particularly badly hit. In countries where these sectors employ large numbers of young workers, as for example in the construction industry in Ireland, the effect is sufficiently large to be clearly visible in national employment data.

By early 2011, the consequences of economic difficulties were widespread and the employment effects widely noted. Crucially, the impact of the crisis on employment in general, and youth employment in particular, is likely to continue to worsen. Furthermore, the effects of austerity measures on public sector employment mean that there is unlikely to be respite from these trends in the near future.

Regional variation also seems to be accounted for largely by the structural differences in labour markets. Again, because of the early impact of the crisis on the manufacturing and construction sectors, the industrialised regions of many Member States are reported as being hit earliest and so young workers in these regions and sectors have been badly affected.

The regional and sectoral effects clearly intersect and, in some countries, correspondents highlight specific structural issues relating to regional and sectoral impacts on young workers. Regions with long-term unemployment difficulties as a result of economic restructuring present particular challenges for young workers in developing appropriate labour market skills and seeking appropriate employment. Countries reporting this dynamic belong to the whole spectrum: Austria, Belgium, Bulgaria, the Czech Republic, Finland, France, Germany, Hungary, Ireland, Italy, Lithuania, Malta, Poland, Romania, Slovakia, Spain and the UK. In general, the crisis has exacerbated previously existing structural patterns of unemployment.

Overall, national debates have focused both on the problematic effects of the crisis on the labour market in general and on young people in particular. Where there is variation, however, is in the extent to which governments and social partners have responded to these challenges. The following section considers the views, attitudes and actions of social partners to helping young people.

Views, attitudes and actions of social partners

This section examines the views and initiatives of the social partners towards helping young people during the crisis.

Social partnerships, even long-standing ones, have been dramatically affected by the crisis. There is clear evidence that, in countries particularly badly affected by the crisis, tripartite social dialogue has struggled to cope with external shocks. Most notably in Ireland, Portugal and Spain, the pressures of the crisis has prompted a breakdown in national tripartite negotiations which has severely constrained the ability of social partners and governments to implement policies intended to help young workers within national social dialogue frameworks. This illustrates the depth of the impact of the crisis on employment and, consequently, on the formal mechanisms of industrial relations.

Tripartite and bipartite mechanisms of social dialogue are particularly well-suited to addressing issues such as training, apprenticeships, and issues of skills matching. But if the crisis continues to put pressure on these mechanisms of social dialogue, it seems possible that some of the potential measures to mitigate the worst effects on young people may well slip off the agenda.

Despite these pressures, there is evidence that:

- social partners recognise the problems facing young workers;
- collective bargaining can play a crucial role in overcoming those problems.

Employers' associations

Employers' associations around the European Union have, by and large, acknowledged the difficulties facing young people.

The two dominant themes of concerns of employers across the European Union relate to the extent to which:

- education systems provide young people with appropriate labour market skills;
- reform of the labour market in favour of deregulation is an appropriate and necessary response to the problems facing young workers.

In the countries where youth unemployment and skills deficits had been a major focus of public policy before the crisis (Belgium, France, Germany), there is evidence that employers have agreed to extend or deepen their commitment policies focused on youth training and job matching. In other countries (Denmark, Bulgaria, Luxembourg, Romania, UK), employers and employer associations complain that education systems are providing inappropriate or insufficient skills to young people.

Nevertheless, employers have been involved in debates as well as in bipartite and tripartite consultations to promote particular active labour market policies. For example, as an important response to the crisis, they have been asked to extend or expand the provision of training and apprenticeships for young workers.

Lobbying for more and better apprenticeships and vocational training

As illustrated by the examples below, a common theme in the response of employer associations to the crisis in many Member States has been to campaign and lobby for the development and extension of the use of apprenticeships as the main mechanism for facilitating labour market transitions of young people.

- The Confederation of Danish Industries (**DI**) has suggested measures to increase the attractiveness of vocational training for young people.
- In Bulgaria, the major employer associations signed an agreement with the relevant government departments to promote apprenticeships and vocational training.
- In Luxembourg, employers have increased the number of apprenticeships available as a direct response to the crisis, although some remain unfilled.
- Even during the crisis, the Confederation of German Employers' Associations (**BDA**) expressed concern about future shortages of skilled labour. Since 2007 BDA has committed significant resources to provide, on average, an additional 60,000 new apprenticeships each year. BDA's main concern is whether applicants for these apprenticeships have appropriate and adequate education levels and soft skills.
- In the UK, the Confederation of British Industry (**CBI**) has called for subsidies to promote apprenticeships and training for young people.
- Austrian employers and employer associations have also been very active with a series of initiatives to promote apprenticeships and training, as well as job coaching and placement opportunities.

Calls for educational reforms

At the same time, the crisis has prompted renewed concern among some employer associations which are campaigning for reform of education systems so that young people have greater opportunities to develop work appropriate skills before leaving formal education.

The high position on the agenda of employers' associations around the EU of debates about the future competitiveness of national economies means that the need to develop appropriate labour market skills during education is a common theme of their debates and policies.

Employers around the EU are expressing concern that education experiences are not equipping young people with the appropriate skills for the contemporary workplace. This concern appears consistently in arguments made by employer associations to explain the difficulties young people face in making the transition to the labour market. Many employer associations undertake lobbying activity to encourage changes to schooling so that young people are more prepared for work.

- Danish employers have focused on attempting to reform the links between education, training and employment to improve opportunities for young people. Their proposals include increasing opportunities for young people to undertake a series of short internships in different companies and to reform the 'school internship' to make it a more attractive option for young people.
- Similarly, employers in Bulgaria, Estonia, France, Poland and Romania are campaigning to reform education to provide more appropriate vocational skills.
- The Confederation of Norwegian Business and Industry (**NHO**) is particularly concerned about the drop-out rates from education (that is, those failing to complete upper secondary education). Here the focus is on improving basic skills in primary school and lower secondary education in an effort to engage young people more effectively.
- The CBI in the UK also has significant concerns about the school curriculum which it argues does not provide employers with the skills they require.

Employers in some countries are also concerned to ensure there is appropriate job matching between young workers and training opportunities.

- The Lithuanian Confederation of Industrialists (**LPK**) is clear that the primary challenge for young workers is the inappropriately theoretical focus of education. It argues that this is largely the result of the popularity of higher education over vocational education.
- In the UK, the CBI sees a clear need for improved career services to help with more effective job matching for young people. Interestingly, not all the activity is targeted at the lower-skilled end of the labour market.
- In Italy, **Confindustria** is also encouraging companies to invest in post-graduate education.

Calls for labour market reforms

The crisis has focused employers' attention on improving skills both in education and in the workplace, and in ensuring effective job matching. But in some countries a second dynamic has emerged with some employer associations reverting to previous arguments about labour market reforms in general. In some cases, they are asking for the removal and/or reduction of labour protection for young workers considered a disincentive to hire them.

- In Italy, employers are lobbying for an extension to the statutory limits on probation periods for open-ended contracts, as well as reducing protection for fixed-term contract workers, agency workers and freelancers.
- In Portugal, employers have lobbied hard to allow more flexibility when employing young workers and to make redundancy easier.
- In Sweden, the Confederation of Swedish Enterprise (**SN**) advocates less rigidity in employment laws and greater wage diversification to help young people.
- In the UK, employers have lobbied for the removal or reduction of the national minimum wage for young people. They argue that this acts as a barrier to entry and training, even though it is set at a lower rate than older workers.
- In Spain, the main employer association, Spanish Confederation of Employers' Organisations (**CEOE**) has expressed a desire to see the introduction of a special 6–12 month contract for young workers which would not include unemployment protection and would be exempt from some taxes.
- In Poland, employers have campaigned for changes to the law on the employment of temporary workers which would reduce employers' responsibilities and, it is argued, facilitate labour market entry for young people.

In some countries, wider debates have also drawn attention from employers.

- In Ireland, for example, employers have become engaged in debates about reforming social security systems so as to provide incentives to work.
- In Malta, a debate has emerged about the provision of maternity benefits. Employer organisations are concerned this may prove a disincentive for hiring young women.

This range of activities clearly indicates that, in most countries, employer associations do generally recognise the particular challenges facing young workers and have prioritised a number of objectives to improve their situation. It also demonstrates that the crisis has prompted particular attention on the key issue of training – particularly, although not exclusively, through apprenticeships.

Trade unions

Trade unions also acknowledge and recognise the difficulties facing young workers. There is evidence that the challenges facing young people are understood by trade unions in different countries and that many have initiated efforts to recruit and engage young workers. Since the crisis, some unions have pushed the issue of helping young workers up their agenda and have campaigned on it. But given the low membership of trade unions by young workers in many countries, serious challenges remain to their effective representation.

Three central issues can be identified in relation to trade union responses to helping young workers during the crisis. They are:

- campaigning to recruit more young workers;
- promoting more extensive use of apprenticeships and training to integrate young workers and promoting reform of education systems;
- campaigning to improve the transition from education to the labour market and to secure job opportunities for young workers.

Almost all countries report considerable interest from trade unions in trying to represent the interests of young workers more effectively as a consequence of the crisis, although some note that the interests of older workers often take higher priority. In many countries this is accompanied by a keenness to increase membership representation among the young workers group.

One specific concern emerges in countries where workers must actively sign up for unemployment insurance (sometimes run by the trade unions). In Sweden, for example, unions report that a large proportion of young workers had not signed up as members of the unemployment funds, leaving them particularly vulnerable when their jobs were threatened during the crisis. This development also has an impact on trade unions as there is a risk that fewer members will reduce both the funds available and their representativeness.

Fewer young people are union members

Trade unions in all EU countries generally report lower levels of membership among young workers than other groups and, even before the crisis, many had initiated new strategies to attract them to become members (see TN0901028S). National debates tend to see this as a problem of collective representation because it potentially reduces opportunities for young people's interests to be represented in processes of social partnership and collective bargaining, and this seems to have been exacerbated by the crisis. Trade unions around the European Union generally see these lower levels of membership as a problem that needs to be addressed through recruitment programmes and better union organisation, although the precise mechanisms vary depending on the national context.

The lower levels of membership by young people are a consequence of a number of interacting effects. Due to the transient nature of their employment, young workers have typically been in the workplace for less time than their older counterparts, a feature which is exacerbated by the use of temporary employment contracts. They also tend to have less experience of work in general, which can affect their knowledge of work and rights. However, there are also structural concerns. In many countries, young workers are more likely to work in sectors where trade unions struggle to organise or to have contracts that are excluded from collective bargaining coverage.

Campaigns to recruit more young workers

Nevertheless, there are reports of campaigns to recruit young workers in almost all countries. It is relatively common for young workers to be organised into a separate section or branch of the trade union and this clearly has the advantage of

ensuring that they have a formal mechanism for expressing their interests within the movement. However, it may have the unintended effect of reinforcing divisions between young workers and their older counterparts.

- Youth sections of unions in Malta have held seminars on topics of particular interest to young workers such as education, training, precarious work and low-paid jobs. They have also organised courses for young workers to raise awareness of employment rights.
- FNV Jong, the youth section of the Dutch Trade Union Federation (**FNV**), has campaigned actively to recruit and organise young workers, and to engage young unemployed people. One example is its 2010 campaign called ‘How much longer do I have to serve?’ which aims to make young unemployed people visible and to give them a voice.

In countries where mobilisation is an important way of placing pressure on governments and decision-makers, there is some evidence of unions taking joint action with organisations representing young people.

- In France, for example, there have been joint actions against proposed reforms to increase the retirement age. During recent protests against increasing the age of retirement by two years, one of the most consistent arguments made by trade unions was that it would have a negative impact on job opportunities for young people. Strategic alliances were formed between youth groups, student groups and unions.
- In Slovenia, the trade union movement has organised joint protests with youth groups against the ‘Mini Jobs Act’ which allows for more flexible employment conditions in ‘mini jobs’ (that is, less than 14 hours per week) and which is likely to particularly affect working students.
- The Trades Union Congress (**TUC**) in the UK actively encourages affiliated unions to develop organising campaigns targeting young workers and apprentices.
- In Denmark, the youth department of the public sector union, Trade and Labour (FOA) had a campaign running throughout 2009 and 2010 which targeted young people to become active trade unionists.

Innovative ways to engage young people

There is also some evidence that trade unions are innovating in their efforts to engage young people. There is widespread use of social media such as networking websites (Facebook, Twitter, etc.) to target and engage young people in the activities of trade unions.

- The Confederation of German Trade Unions (**DGB**) runs online support and advice to trainees, students in internships, students in casual work, and for people planning internships.
- The Hungarian correspondent reports the use of ‘flash mob’ actions against unfair employment conditions. (A flash mob is a where a group of people gather in a public place to perform a collective, and often unusual, act such as singing a song or performing a dance.) In 2009, Hungarian unions organised a flash mob in support of the Global Action Day for Poverty.
- The General Confederation of Italian Workers (**CGIL**) has launched a Facebook and Twitter profile using the idea of young people being made an ‘indecent proposal’ of poor quality and insecure work. A second phase of this campaign was launched with an assertion that they should tolerate this work ‘no longer’.

Active labour market policies

Trade unions across Europe have developed activities to promote ALMP implementation as such policies are considered reasonably effective in supporting young workers. In many countries (Austria, Cyprus, Germany, Hungary, Ireland, the Netherlands, Portugal and the UK), this takes the form of campaigning and negotiating with employers and government for a more extensive use of apprenticeship and training positions.

Austrian unions have supported the implementation of supra-company apprenticeship training, which is offered by the Austrian Public Employment Service (**AMS**) to those young people who cannot find regular apprenticeship places in private companies. Young workers taking part in such apprenticeships are on equal legal terms as other apprentices in the company. The scheme's main aim is to transfer participants to regular apprenticeship places in companies.

Training content

Trade union activities have also focused on the details of training.

- In Hungary, for example, unions have expressed concern that the content of vocational training and education does not correspond with the labour market demands.
- In Poland, union leaders have expressed concern about the inefficient education system in which vocational training, apprenticeships and lifelong learning are not promoted or funded appropriately.
- In Austria, unions have expressed concern that vocational training is not given equivalent recognition with academic education.
- Much of the activities of the Irish Congress of Trade Unions (**ICTU**) since 2008 has been to lobby for investment in upskilling. However, the Irish government has so far invested only a quarter of the €1 billion requested and most of this is targeted at workers in general rather than young workers in particular.

Reforming the school curriculum

In countries where there is concern about the extent to which compulsory education provides appropriate labour market skills, there is evidence that unions have been actively involved in debates about reforming the education curriculum, providing training opportunities and promoting lifelong learning.

- The Czech Republic is a good example where unions have actively engaged with education bodies to develop a tripartite Committee for Human Resource Development which seeks to develop and deliver appropriate training and education.
- The Norwegian Confederation of Trade Unions (**LO**) has campaigned to reduce drop-out rates from upper secondary schools.

Secure, high-quality jobs for young people

Another item on the trade union agenda is to promote secure, high-quality jobs for young people to enter after their training or education. One area of concern for trade unions in some countries relates to the dangers of formalising systems which disadvantage young workers in relation to labour rights.

- In the UK, for example, the debate focuses particularly on the potential for exploitation of unpaid interns who benefit from few rights. There is also a debate within some unions over whether differential wage rates for apprentices and young workers in general are appropriate.
- Similarly in Portugal, one of the main trade union confederations, the General Confederation of Portuguese Workers (**CGTP-IN**), is keen not to differentiate between young workers and others because it risks institutionalising differentials in terms and conditions of work.
- Unions in the Netherlands have campaigned to give young workers (<23 years of age) the same salary as older workers and young people under 27 the same protections against abuse of flexible contracts.

- Similarly, the General Confederation of Labour (**CGT**) in France has identified the more precarious working conditions of young workers as a crucial disadvantage for young workers and is campaigning to ensure better access to secure work.
- Unions in Luxembourg have resisted the introduction of differential forms of labour contracts targeted specifically at the young, which they argue reinforces differences in job security between older and young workers.
- Polish unions have been active in campaigning for widening access to pre-school childcare in the hope that this would have the effect of encouraging young mothers into the labour market.
- Unions in Spain have raised profound concerns about how the existing labour market legislation and structures creates and reinforces inequality for young workers. Their specific concern relates to the use of fixed-term contracts which allows jobs to be shed in periods of recession. Young workers are particularly vulnerable to this dynamic and unions argue that this is one of the central reasons for the extraordinarily high youth unemployment rates in Spain. As a consequence, they are campaigning to regulate the use of fixed-term contracts in future.
- Similar arguments can be seen in the Finnish trade union movement which argues that the use of fixed-term contracts is generally associated with young workers and can contribute towards creating workers who are not as committed to their organisation as those on more secure contracts.
- In Sweden, unions have countered the assertions of employers that employment laws act as barriers to entry into the labour market for young workers. They argue that attention instead needs to focus on choices of subject specialism in higher education and more effective job-matching services.

Collective bargaining agreements during the crisis

Few collective bargaining agreements addressed the challenges of young workers during the crisis. The initiatives described below show how social partners concluded agreements at different levels in an effort to address the challenges facing young workers (mostly as a direct result of the crisis). These agreements generally focused on:

- facilitating labour market transitions;
- improving job opportunities and training positions for young workers.

National and sectoral agreements

Below are some examples of national level initiatives agreed between social partners to help young workers, although some pre-date the crisis.

In Austria, for example, a set of labour market initiatives which sought to address the challenges facing young apprentices were negotiated two months before the onset of the crisis. Since 2008, there have been further efforts to mitigate the negative effects of the crisis on young workers. A re-employment scheme set up following tripartite negotiations targets young workers who have lost their jobs and who were previously employed in small and medium enterprises (SMEs) or temporary agencies. The scheme requires the employer to contribute €1,000 per person being made redundant; this extends the period young people can claim unemployment benefit and pays them a small monthly sum (€100).

In some cases, existing bipartite mechanisms have been used to agree measures to help young workers following the crisis. Hungary is an example of a country with active bipartite and tripartite mechanisms for addressing the challenges confronting young people. Here a number of initiatives have been negotiated at national level, including facilitating opportunities for disadvantaged young people (aged under 35) to return to education and funding for programmes to help young workers into work. Bipartite mechanisms have also been used to agree improved vocational training mechanisms in both the construction and agriculture sectors which will particularly help young workers.

In France, bipartite negotiations in July 2010 provided the framework within which to launch an innovative new internet-based jobs advice website aimed specifically at young people. The website provides information and resources on training, occupations, job searches and lifelong learning. In 2009, two major national inter-sectoral agreements identified the need to support young people in the labour market, particularly their training requirements. An agreement on lifelong learning and vocational training acknowledges the need for more efficient integration of young workers into existing training schemes, while the agreement on the consequences of the crisis on employment targeted young workers by encouraging the development of more apprenticeships and ensuring training for young people.

The national bipartite Labour Foundation (**STvDA**) in the Netherlands regards tackling youth unemployment as a central priority for social partners. But although a national agreement was concluded in 2009, there have been significant difficulties in delivering its objectives including:

- a lack of data;
- a lack of clarity about the way sectoral agreements should be financed;
- differences between regions in the way they operationalise sectoral agreements;
- disagreement between the parties as to exactly where key responsibilities lie.

In an effort to address these difficulties, STvDA proposed a budget to ensure there are national funding mechanisms for the delivery of the objectives within sectoral agreements.

Before the crisis, the national tripartite social dialogue in Malta had established a range of measures to improve the country's economic growth rate. These measures included proposals aimed at:

- improving job opportunities open to young workers;
- strengthening measures for improving work-life balance and family-friendly policies, which are targeted particularly at increasing participation rates among young mothers.

Since the crisis, the most recent tripartite agreements have continued to draw attention to the difficulties faced by young workers and have strengthened the provisions for training. The 2009 Annual Progress Report monitored progress towards the targets set out in the National Reform Programme 2008–2010 and is clear that there is consensus among social partners about the need for further investment in this area.

Romania has a tripartite mechanism for running its National Employment Programme, which assists unemployed workers, including young people. There are national mechanisms to promote employment through subsidies, tax incentives, job counselling services and job fairs.

Bulgaria also puts considerable emphasis on tripartite consultations during the process of implementing employment policies. These mechanisms were put into operation during the negotiations on anti-crisis measures in both 2009 and 2010. As part of a wider package of employment measures, agreements between the social partners have been reached to increase the number of apprenticeships and the incentives for employers to train young workers.

There is limited evidence of how the social partners intend to respond to issues facing young workers in the coming months and years. But despite the pressures on social dialogue during the crisis, the social partners in France recently made youth employment their top priority for the 2011 Social Dialogue agenda. They also agreed to address wider issues such as transport and housing to try to ensure that young people have greater access to the labour market. However, the

Belgian Confederation of Christian Trade Unions (**CSC/ACV**) has stated that the challenges facing young workers should be a priority in the next round of national collective bargaining.

Sectoral and company agreements

Trade unions and employer associations in Member States have generally recognised the particular difficulties facing young workers in the labour market, but evidence of direct action through collective bargaining at sectoral, workplace or company level is extremely limited, though there are some notable exceptions. It is, of course, impossible to know whether youth unemployment and precarious work would have been worse without the interventions and innovations outlined in this report. In addition, the impact on individual young people who benefit from the schemes and initiatives discussed should not be underestimated or dismissed. But it is difficult to find wide evidence to paint an optimistic story about the broad impacts of the current situation for young people.

Although there has been evidence of innovation in company level collective bargaining in response to the crisis, particularly with an interest in job retention for existing workers, there is little evidence of this kind of innovation specifically to help young workers. In some ways, this reflects structural issues relating to the sectors in which young workers find themselves employed. Almost by definition, the most vulnerable young workers are likely to be employed in sectors where concluding and/or enforcing collective bargaining agreements is difficult. And, even where collective bargaining coverage is strong, the vast majority of correspondents report that there have been no specific agreements covering the particular issues facing young workers since the crisis.

Despite this generally gloomy analysis of the response of collective bargaining mechanisms to the problems facing young workers, there are a few examples of innovation. These come mainly from countries where youth employment has been a long-term challenge and where collective bargaining mechanisms are deeply embedded in employment relations systems. These collective agreements tend to cover issues such as the numbers of apprenticeships available and the terms and conditions under which young people are hired.

In France, for example, an agreement between **PSA Peugeot Citroën** and **four representative trade unions** and the Group of European Automobile Unions (Groupement des syndicats européens de l'automobile, GSEA) committed the company to hiring 7,300 young workers in 2010, mainly as apprentices; no information is yet available about whether this target has been achieved. Similarly, the French publisher **Bayard** signed a three-year agreement in 2010 with five unions on improving employment opportunities for both older and young workers by replacing older workers as they leave the company with recruits under the age of 30. The postal service, **La Poste**, signed an agreement in 2008 that sought to address the recruitment difficulties faced by young workers, especially those from disadvantaged groups such as those living in areas of high unemployment.

In Germany, it is also possible to find several relevant examples of both multi-employer and single-employer collective agreements. In 2010, a new multi-employer agreement was concluded in the chemical sector creating and funding new apprenticeship places through a fund administered jointly by the social partners. An innovative agreement in the Bavarian metalworking sector provides for the development of a job transfer agency for young workers not employed on a permanent contract at the end of their apprenticeship training. The transfer agency employs them and they return to their former employer as a temporary agency worker; they are then employed on a standard contract as soon as possible. The system is co-funded by the employment agency and the Bavarian State Ministry of Labour. Examples of single employer agreements include **Deutsche Telekom** where apprenticeships and subsequent permanent employment for young workers have been guaranteed. Similarly **Volkswagen** has agreed to expand its apprenticeship programme and guarantee standard employment at the end of training, subject to performance assessment.

Further examples include the Netherlands, where collective agreements (single employer and multi-employer) are sampled every six months by the Labour Inspectorate (**Arbeidinspectie**). Its data shows that, in each six-month period, agreements covering around 44% of the workforce contain provision for promoting employment among particular target groups. Young unemployed people and students (these two groups are treated separately) are explicitly covered in around 15% of these agreements. Examples of provisions targeting these groups mainly concentrate on increasing the number of training opportunities.

- In autumn 2009, the collective agreement in the painting, finishing and glass setting industry included a commitment to retain 500 young trainees in employment.
- In the 2010 agreement for the recreation sector, there was a clause committing employers to offer as many trainee positions as possible.
- In the woodworking industry, a budget was created to create extra traineeships specifically intended to encourage more highly skilled young workers into the sector.

The agreement in the automotive sector in Poland from 2008 suggests that the problems of young workers with fixed-term contracts remain one of the main issues facing the sector. The main agreement provides for the transfer of employees on fixed-term contracts onto open-ended contracts, although the numbers targeted are small (around 100).

In Denmark, the wages and working conditions of apprentices are generally integrated into the relevant parts of collective agreements. The 2010 pace-setting agreement in the manufacturing sector agreed a slightly higher pay rise for apprentices than for other groups of staff (2% in year 1 and 2.5% in year 2 compared with 1.1% and 1.7%).

In Sweden, recent collective agreements have addressed the issue of youth employment, but there is a clear discrepancy between unions and employers over the interpretation of employment law and wage levels covering young workers. Some collective agreements provide specific provisions to recruit and train young people on lower terms and conditions than older workers, but these are not widespread and are aimed at particular sectors such as the private service sector. There is pressure from unions to extend more generally agreements in the metalworking sector to help young workers move from education to training. Employers have tended to prefer less rigid employment law and increased wage diversification to help young people establish themselves in the labour market.

Government responses to help young workers

Governments have generally been responsible for the bulk of initiatives to help young workers. However, there are relatively few reports of changes to labour legislation developed in order to try to help young workers, with most government initiatives being part of wider labour market policies and programmes.

Changes to labour law

Changes to labour legislation demand attention because they demonstrate an alternative rhetoric and mechanism for thinking about the challenges facing young workers. These initiatives have largely been justified as measures aimed at reducing barriers to labour market entry for young workers, but are highly contested by social partners.

- For example, in the Netherlands, there was a temporary change to labour law up to 30 June 2010 which allowed employers to offer young workers (up to the age of 27) four consecutive fixed-term contracts rather than the general rule of three consecutive fixed-term contracts.
- The 2010 reform of Spanish labour law attempts a similar reform with a number of detailed changes to the legal protection of young workers.

- In Greece, labour law has been altered to allow workers under 25 to be paid 84% of the national minimum wage specified by the national general collective agreement.

Active labour market policies

In many Member States, initiatives to help young workers have formed part of wider programmes of active labour market policies (ALMPs) to stimulate the labour market more generally. The timing of these initiatives has tended to depend on the extent to which issues affecting young people in the labour market were policy priorities prior to the financial crisis. In countries where there has been a long-standing policy concern in this area, there is evidence of well-established policy developments and good evaluative evidence. In countries where there has been a more immediate crisis in this area, there are examples of fast responses by governments but often little evidence of evaluation in relation to their effectiveness.

Belgium and Germany are examples of Member States with long-standing and extensive programmes of national, regional and sectoral policies that seek to integrate young workers more effectively into the labour market. Here, continuity of policy is the notable trend.

- In Belgium, there is continuity in the implementation of the federal level Rosetta Plan, which gives financial incentives to employers hiring young workers (less than 26 years-old).
- In Germany, the 2007 federal Apprenticeship Pact helped limit the worst effects of the crisis and has been extended in 2010 as a result of the crisis.

Measures to help young workers are not always uncontested by social partners, especially where proposals include increasing labour market flexibility.

- In France, proposals in 2006 to make redundancy procedures more flexible for employees under the age of 26 were met with considerable public and trade union resistance and were subsequently dropped.
- In Sweden, there is an active debate about the extent to which labour laws act to protect or to hinder young workers.
- In the UK, the social partners disagree profoundly over the extent to which it is appropriate for governments to intervene in labour markets. In general, these tensions reflect long-standing debates and some degree of disagreement between social partners about appropriate measures for helping young workers.

In some countries (France, Sweden, UK) the crisis has served to emphasise the differences between social partners. In others (Belgium, Germany) continuity of policy and position is more evident.

Countries where the challenges of youth employment have more recently been recognised tend to be those that experienced a general period of growth in employment prior to the financial crisis.

The Czech Republic stands as an example where a period of strong economic growth has been halted by the crisis and young workers are disproportionately badly affected by the change of economic conditions. The Czech government has initiated a number of ALMPs including:

- preferential treatment of young workers in training programmes;
- a new initiative to subsidise wages for under 30s who have been registered as unemployed for more than five months.

Such initiatives are typical of countries that have experienced a more recent jump in youth unemployment. ALMPs have tended to focus on immediate initiatives to facilitate labour market transitions of young workers through developments such as:

- more effective job matching processes;
- investment in and promotion of apprenticeship programmes;
- incentives for state and employer funded training opportunities.

There is good evidence that ALMPs can be very effective when supported by social partners and governments.

Use of ALMPs to stimulate employment

There are several important examples of how the crisis has stimulated governments to revise or reassess their wider programme of ALMPs with the intention of boosting employment across the labour force, including but not only targeting young workers.

Malta presents an interesting example of a rapid response from government in collaboration with social partners. In 2008, the Maltese government established a Rapid Reaction Unit as a direct response to the crisis. The issue of employment in general, and employment for young people in particular, has been central to the political agenda in Malta.

Slovakia and Slovenia both provide examples of countries with a broad range of ALMPs as a direct result of general measures to limit the impact of the crisis on the labour market, some of which are directly targeted at young workers. As with the other examples, the general objectives are to maintain employment in enterprises that have been particularly badly affected by the crisis. Young workers are targeted through specific measures to provide work experience and subsidies for employers hiring disadvantaged young people.

Estonia provides a further example of this wider national approach. Its 2009–2010 plan to tackle the economic crisis deals with all workers, not just young workers, with a particular focus on providing wage subsidies for employers recruiting unemployed people. There are some mechanisms planned to improve access to apprenticeships and training programmes which are likely to benefit young workers in particular.

Specific ALMP targeting young workers

Although some Member States have focused on the general issue of employment, some have identified young workers as needing particular help and support during this period and have developed coordinated programmes with the specific intention of assisting them.

An example is in the Netherlands where the Action Plan on Youth Unemployment of 2009 consists of a wide range of measures including:

- initiatives to keep young people in education;
- programmes to fight youth unemployment at regional level;
- job matching services;
- initiatives to promote apprenticeships;
- initiatives to support disadvantaged young people.

Although there is some concern about whether there is sufficient funding for these initiatives, there is evidence that some aspects have been successful.

- Specific measures kept 10,000 qualified students in education for an additional year in both 2009 and 2010.
- Thirty regional covenants concluded to fight youth unemployment resulted in 29,000 young unemployed workers being placed in a job, training or apprenticeship in 2009 and a further 38,00 in 2010.
- The Dutch Public Employment Service (Centre for Work and Income, **CWI**) has been working with young immigrants to develop 'soft' skills and working with employers to improve diversity policies.

Similarly French President, Nicolas Sarkozy, announced a wide-ranging package of measures in 2009 to help young workers which included:

- subsidies for apprenticeships;
- promoting training opportunities;
- opportunities for young people to return to education;
- subsidies for recruiting young workers.

Some commentators have been critical of the wide range of initiatives to support young workers which lead to unnecessary complexity and inefficiency. Concerns have also been raised about the introduction of new programmes before older ones have been evaluated.

Other countries have had programmes of support to facilitate young people's labour market transitions which precede the crisis, often by many years.

In Sweden, for example, the 2006 labour market reforms (in particular the implementation of general fixed-term employment and a reduction in employers' payroll taxes) were developed specifically to help young people. The reforms include a Youth Employment Guarantee, which is a 15-month programme aimed at young unemployed people who have been registered unemployed for three months or more. The programme provides coaching and help with job searching, as well as support for internships, education and entrepreneurial activities. These measures have been evaluated as being reasonably successful in providing incentives to hire young people. As a result, the response of the government during the crisis has been to make small adjustments to these programmes rather than implement large-scale changes.

Similarly, the Austrian government has a long-standing and wide-ranging set of ALMPs targeted at young workers (apprenticeships, training programmes, career counselling services, etc.) These have been extended in response to the crisis through a 'guarantee' for workers aged between 19 and 24 of either a subsidised work or training placement.

In Finland, the government has responded to the increased unemployment rate of young workers since the crisis of 2008 by introducing a new arrangement called a *Sanssi* card. This 'unemployment voucher' gives employers the right to have some of the salary of the young person paid by the state. Unemployed people under 25 automatically qualify for the card and new graduates under 30 are also targeted. The subsidy is capped at €500 per month for 10 months and must not be larger than half of the salary costs. By August 2010, 1,400 young people were employed through the scheme.

In Luxembourg there has been a concerted effort since 2009 to extend existing initiatives targeting young workers with low levels of qualifications and to develop new programmes with more highly skilled young people.

Similarly, the Cypriot government has extended a package of existing measures to help young workers including:

- job placements;
- subsidies for employers hiring young workers either into regular jobs or apprenticeships;
- schemes particularly targeted at hiring vulnerable groups;
- a scheme to promote self-employment.

Bulgaria is a further example of a country that has developed a wide range of ALMPs specifically targeted at young workers. However, evaluation evidence indicates that these have had relatively little impact on the specific challenges facing young people and that many vulnerable groups (migrant workers, those from areas of particularly high unemployment, etc.) are not covered effectively by these initiatives. The correspondent reports that the barriers to integrating young people into the labour market are not related to the extensive number of initiatives available; rather there is a relatively low level of funding to support them and institutional constraints such as poor matching of employer skills requirements with education and training programmes.

Main mechanisms used

The main mechanisms used by governments to support young workers during the crisis are:

- promotion of apprenticeships, training and work experience programmes;
- development of education systems to improve the skills of young people at the point that they leave education;
- other instruments including taxation incentives and other subsidies for employers to hire and train young workers.

Apprenticeships, training and work experience programmes

The promotion of apprenticeships, training and work experience programmes are core policy initiative for many governments and are being used in almost all Member States in an effort to stimulate employment of young people. Many of these have been long-standing.

- Germany, for example, has long had a strong system of vocational training and apprenticeships which has aided young people's transitions into the labour market. The development and funding of the system is strongly supported by social partners. The government has facilitated extension of apprenticeship placements through the provision of a training bonus of up to €6,000 to employers offering an additional placement to a disadvantaged young person who has been seeking training for 12 months or more. Although there was concern over the initial fall in the number of apprenticeship places available in the immediate aftermath of the financial crisis of 2008, this corresponded with a larger fall in the number of school leavers and so the impact was not as severe as feared. However, there are still many young people who do not achieve the educational levels required to access apprenticeships and these remain a concern.
- Debate and policy initiatives in Denmark have primarily centred on ensuring that there are sufficient apprenticeships for school leavers. Subsidies for employers providing apprenticeships are substantial, although there is good evidence that the crisis has reduced the number of opportunities available.
- In Romania, changes to the law in 2010 have allowed state support to be provided through the Unemployment Fund for employers taking on apprentices with the intention of providing more flexible and appropriate transitions into work.

- Similarly, in the Czech Republic grants and subsidies are being offered to employers to promote training opportunities for school leavers and graduates, especially those in long-term unemployment.
- The Greek government has announced a subsidised work experience programme targeted specifically at young workers.
- Efforts by the Irish government to promote apprenticeships are on a small scale, targeting only a small number of young people and attracting relatively small amounts of state funding. Employers are being supported to provide workplace training and assessment for around 500 apprentices who have been made redundant (mainly in the construction sector) by subsidising the employer by €340 per week for each apprentice hired on industry-agreed rates.

Some national correspondents highlighted the concerns over the transition between the end of an apprenticeship and achieving a good quality job. In Germany, for example, there is concern that around 30% of young workers are unemployed after their initial training and a further 25% are on fixed-term contracts. If apprenticeships and other training interventions are promoted by social partners and governments as a central platform of ALMPs for young workers, it is vital that the question of what happens to apprentices after the end of their training is evaluated effectively.

Focus on education systems

The intersection between employment and education is blurred in any discussion of young people's labour market transitions.

Debates in relation to education systems and the difficulties facing young people fall into two broad categories.

In some countries, for example Portugal, a largely effective response to the crisis has been to attempt to increase young people's participation in education by promoting and strengthening vocational education options through initiatives such as the launch of 50,000 new occupational traineeships vacancies and the reinforcement of the support for companies hiring young people.

In other countries, the national education system is seen as partly responsible for the mismatch between the skills requirements of employers and the skills with which young people leave formal education. In Hungary, for example, a key debate focuses on the extent to which the education system provides appropriate skills for young people's labour market transitions. Social partners and the government agree that the education system is poorly adapted to addressing the needs of employers and preparing young people for work. Vocational training systems are also weakly developed. As a consequence much of the action in Hungary around this issue is focused on improving skills and employability at all levels of the education system.

There are examples of national systems that place considerable emphasis on ensuring that young people find some kind of employment or apprenticeship soon after leaving formal education. In Germany, particularly, the potential gap between school education and labour market skills is being addressed through the offering pre-vocational training to young people who fail to complete their school education and to applicants from disadvantaged backgrounds. Recent efforts to improve the provisions for these groups have focused on streamlining provisions at regional level to ensure that they are better coordinated. There are also examples of employers associations working to improve the links between businesses and schools to ensure appropriate career guidance and skills developments. This is facilitated by a strong vocational training system and well-established mechanisms for developing labour market skills. In countries where vocational, education and training (VET) systems and links between employers and schools are much weaker, it seems likely that considerable investment would be required to launch similar initiatives.

Other instruments

The issues of initial vocational training and pre-vocational training often intersect with issues of tax incentives for employers to encourage them to recruit young workers. Many governments choose to promote training opportunities for young workers through direct subsidies, but some have opted to use taxation measures as well or instead.

Opportunities for employers to reduce their contributions to taxes and/or social security if they recruit young workers are a common mechanism reported in countries such as Greece, Lithuania, the Netherlands, Spain and Sweden. More broadly, in Ireland, from June 2010, the government initiated a €36 million scheme providing social insurance exemptions for employers taking on workers who had been unemployed for six months or more. However, it is not clear whether this initiative will survive future austerity measures.

Comparatively few national correspondents report specific initiatives to promote entrepreneurship among young people, but some Member States have been active in this area.

- Cyprus has two such schemes; one aimed at women of all ages, the other aimed specifically at young people (20–39).
- In Romania, the government developed a programme between 2008 and 2010 to provide funding for around 100 young entrepreneurs each year whose business plans have been judged to be particularly innovative.
- The Polish government also provides targeted support for young people seeking to establish new business enterprises.

In general, these seem to be rather small-scale initiatives in comparison with the attention paid to developing apprenticeships and training opportunities. However, any efforts to roll out such initiatives on a wider basis incur significant costs for governments.

Some countries report specific measures to stimulate opportunities for young people in the public sector.

- In Germany, there is a commitment for federal governments to increase the share of apprenticeship positions to 7% of all employees.
- In the UK, a 2010 agreement between the unions and civil service employers negotiated a significant increase in the recruitment of apprentices in the civil service.

Evaluation of ALMPs

Despite the extent of programmes implemented in some countries, evaluation is at least, in some areas, weak or not reported.

Effectiveness

There is mixed evidence regarding the effective evaluation of the wide range of programmes discussed. It is perhaps unsurprising that countries where youth employment has been long-term concern have more robust evidence of evaluation than those where it is a more recent concern.

Further complicating evaluation efforts is the fact that many evaluation reports are highly contested by the social partners. This leads to a situation where counter-evidence is sometimes presented by social partners about the effectiveness of particular ALMPs, making it difficult to reach a definitive conclusion. This disagreement between social partners is typically driven by disputes about the analysis of the roots of the problems facing young workers.

As highlighted above, employer associations around the EU have generally tended to focus on labour market rigidities and lack of appropriate work skills as explanations for the poor situation confronting young people. Trade unions, on the other hand, have tended to emphasise the responsibility of employers to provide adequate and effective training mechanisms and the need for government support for young workers who are more socially and economically disadvantaged.

Despite these differences, a pattern emerges across Europe: apprenticeship and training programmes are generally regarded as being highly effective mechanisms for preparing young people for work and providing employers with appropriate skills, although there are some concerns over whether young people leaving apprenticeships and training programmes have sufficient opportunity to seek quality jobs. These positive evaluations of apprenticeship programmes might be expected in relation to the general support they receive from both employers and unions as discussed above.

‘Deadweight costs’ are under scrutiny in several countries. The potential risk that governments invest in mechanisms to help people find work or to stimulate job creation, when those people would have found work anyway or those jobs would have been created without government subsidies, should not be underestimated. Nevertheless, given the serious effects of the financial crisis on labour markets around the EU, governments in most Member States decided to adopt ALMPs targeted at this group – the first objective being to counter the risk of scarring young people’s experiences of work in the future.

For a wider evaluation of initiatives, a consistent issue relates to the extent to which such programmes receive sufficient funding, especially when they are not funded by central government. Clearly, it is crucial to have appropriate funding mechanisms in place if such initiatives are to succeed. It is also essential that funding and outcomes are consistently evaluated to ensure that the relevant parties continue to prioritise investment in effective measures to help young people.

An area of contention around the evaluation of ALMPs and other initiatives arises from a general concern by trade unions across the European Union that such crisis responses do not result in the creation of parallel flexible labour markets for young workers which undermine their general labour rights.

Budgetary issues and the impact of austerity measures

Some countries have committed considerable resources to these initiatives regardless of whether programmes for assisting young workers are long-standing or more recent.

- In 2010, the Polish government committed €81 million to stimulate employment for workers under 30 in the form of scholarships to continue education, subsidies for apprenticeships, targeted support for disadvantaged young people, job matching services. etc.
- Austria is another example of a country that has increased its funding for ALMPs for young people in recent years. From 2001 to 2008, the amount of support for ALMPs targeting young people doubled from €169 million to €387 million. This level of funding has not been affected by the crisis.

Given the investment sums involved, it is vital that effective evaluation programmes are in place. However, these are often absent or inconsistent, or the nature of the interventions makes them difficult to evaluate.

It is also important to consider the impact of austerity measures on government initiatives to help young workers.

- The UK is a notable example where some ALMPs targeting young workers have been cut as part of the austerity measures. These include provisions to reduce the length of subsidised training, employment or voluntary work to young people who have been unemployed for 12 months or more.

- In Ireland, social welfare rates for young workers in Ireland have been cut since 2009 because of the perception that they were acting as a disincentive to seek work.
- Bulgarian trade unions have also raised concerns over cuts to ALMPs as a direct result of the crisis.

The risk here is that withdrawal of support for ALMPs may worsen the already challenging situation confronting young workers, particularly where ALMPs focus on subsidising training or placement opportunities for young workers who have been unemployed for a substantial period. Even in countries that are not yet facing immediate cuts, there is some evidence of growing concern about this issue. For example, although ALMPs in Poland have not yet been targeted as a consequence of austerity measures, there are considerable concerns that they will be; current proposals indicate that the relevant funds may be cut by up to 50%.

If ALMPs are a direct target of cuts as part of a wider programme of austerity measures, it seems likely that the effectiveness of governments' efforts to support young workers will decrease.

State funding for post-compulsory education is also seen as problematic in some Member States. Concern has been expressed in countries as diverse as Denmark and the UK about the potentially problematic effects of cutting state support either direct grants to students or more widely to post-compulsory education institutions, typically as part of austerity measures. There are fears that students may drop out if subsidies are cut and if they are expected to make a higher financial contribution to their post-compulsory education.

These developments have the potential to undermine established objectives to raise the skills levels of young people around the European Union and therefore merit further research into the dynamics of how they impact the educational and labour market decisions of young people.

Commentary

So far, governments have been key drivers in the implementation of initiatives to help young workers during the crisis. Active labour market policies (ALMPs) have been a feature of almost all EU Member States since 2008, with a notable increase in attempts to address the particular difficulties faced by young people in their labour market transitions.

Social partners are highly aware of the difficulties confronting young people, but collective bargaining mechanisms have played a very minor part in the response to the crisis for helping young workers. Social partnership mechanisms have also been under considerable strain and have collapsed in some countries (particularly those badly hit by the crisis), leaving the state as the main actor in this area.

Although young people face many labour market challenges and there is good evidence that these have increased as a result of the crisis, there are examples of good practice and innovation in helping young people make the transition into work, and secure work in particular. These initiatives require support and commitment from social partners and governments, but can be highly effective when appropriately targeted and supported.

Expanding training and apprenticeship opportunities is widely recognised as a generally effective measure to promote youth employment and develop work-relevant skills. In some countries, debate has emerged over the employment rights of young people engaged in internships and training. Many countries have increased the incentives for employers to offer vocational training placements and apprenticeships as a central strategy to helping young workers. Although some attention needs to be paid to ensuring there are appropriate job vacancies at the end of a period of training, most of the evaluation of the effectiveness of these programmes is very positive.

Nevertheless, it is recommended that Member States pay greater attention to evaluating all measures to support young workers. Particular issues might include evaluating whether the variety of schemes is appropriate (too many, too few?) to address the challenges facing young workers. It is also important that in countries where there have been new measures to help young workers as a direct result of the crisis that these programmes are evaluated within an appropriate time span.

There seems to be scope to explore further the particular impacts of the crisis on young workers with different levels of education, skills and training. Initial evaluation seems to indicate that this crisis is affecting young workers across a wide range of skills levels, which is a marked difference from the pre-2008 situation. If this pattern persists, it raises very considerable concern for the future integration of a wide range of young people into work and broadly into civil society.

There is important evidence from some national contexts (notably Ireland) that lessons from previous periods of high unemployment, economic crisis and recession indicate that prevention is better than cure in relation to disadvantaged groups in the labour market. In other words, ensuring that disadvantaged groups (including young people) have appropriate skills before a crisis hits helps to mitigate the worst effects of crisis on them as a group.

It is also important that ALMPs are coordinated to provide extended support for young workers at different stages of their training and labour market transitions, rather than piecemeal and fragmented. This emerges as a particular concern, for example, after the end of apprenticeships or training programmes. Support to provide high-quality opportunities for people who have received training is crucial to avoid them having to move out of the labour market or into low-skill, poor-quality, precarious jobs. Similarly, ensuring that support for the long-term unemployed does not just cease at the end of a particular programme is essential.

The danger of responding in a crisis situation is that labour market interventions may stand at odds to other policies such as taxation, education or social welfare. Priority should be given to policies that deliver labour market policy objectives. Providing robust support for apprenticeship programmes seems a particularly effective policy for young people because they have the dual benefit of both developing the work appropriate skills so needed by employers, while also developing and providing opportunities for young people. The national economy is also likely to benefit if such initiatives take place on a wide scale because of a general tendency to upskill the workforce.

This report also highlights an interesting and important tension in state policies where pressures to help young workers' transitions into (secure) work need to be balanced against pressures to extend the working lives of older workers through the removal of compulsory retirement ages. In several countries, it is clear that there is a more lively debate about the position of older workers in the labour market than younger ones. There seems a strong case for governments and social partners to recognise the intersecting debates about the challenges facing young workers and those facing older workers. Although the economics of job creation are no means linear or simple, it seems evident that there is at least the potential that an extension of working life through the removal or raising of the compulsory retirement age may have unforeseen consequences for some young workers. Attention must be paid to evaluating policy developments in this area in relation to its effects across labour markets.

Overall, governments' policies towards young workers have tended to emphasise the importance of getting young people into work, no matter the quality of the jobs available. Comparatively little emphasis has been placed on concerns over the impact of precarious work on young people. Indeed, in some countries, governments have chosen to remove or reduce employment protections for young workers so as to increase hiring opportunities. This is a point of serious concern in the long-term. There is a danger of creating and deepening divisions between generations and of young people being disproportionately disadvantaged as a consequence of the crisis. The insecurity associated with precarious work sets up the very real possibility that problematic early experiences of work may feed through into reduced opportunities later in life and again raises the danger of disengaging young people from civil society.

The impact of austerity measures on programmes to support young workers is clearly of concern across Member States. However, some initiatives require comparatively little direct funding. For example, it is still possible even in times of fiscal challenge to promote efforts to:

- create more effective links between employers and schools;
- increase the educational attainment of young people while in statutory education;
- reduce drop-out rates from statutory education.

Melanie Simms, IRRU, University of Warwick

References

Biletta, I. and Eisner, M. (2007) 'Youth and Work' Report for European Industrial Relations Observatory. Available at: <http://www.eurofound.europa.eu/publications/htmlfiles/ef06100.htm>

European Commission (2010) 'Green Paper: Towards adequate, sustainable and safe European pension systems'. Available at: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=COM:2010:0365:FIN:EN:PDF>

International Labour Organisation (ILO) (2010) 'Global Employment Trends for Youth'. Available at: http://www.ilo.org/wcmsp5/groups/public/---ed_emp/---emp_elm/---trends/documents/publication/wcms_143349.pdf

Scarpetta, S., Sonnet, A. and Manfredi, T. (2010) 'Rising Youth Unemployment During The Crisis: How To Prevent Negative Long-Term Consequences On A Generation?' *OECD Social, Employment And Migration Papers*, No. 106. Available at: <http://www.oecd.org/dataoecd/10/8/44986030.pdf>

Standing, G., *Work after globalization: building occupational citizenship*, Cheltenham, Edward Elgar Publishing, 2009, pp. 109–114.

EF/11/29/EN

