

Pathways to work:

*Current practices and future needs for the
labour market integration of young people*

YOUTH: Young in Occupations and
Unemployment: THinking of their better
integration in the labour market

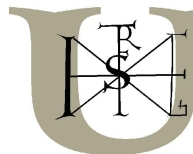
FINAL REPORT

SUMMARY

September 2008

ISFOL

cecos
CENTRO DI STUDI
ECONOMICI
SOCIALI E SINDACALI



NV
National
Training
Fund

The labour market integration of young people: a challenge for Europe

Summary

1. The aims of the study

The study provides a wider knowledge of the youth labour-market phenomenon and its evolution and also its strong and weak points in order to identify, understand and adopt suitable correctives. Following the EC challenges, the “Youth” project has attempted to answer two crucial questions: What are the main challenges to be tackled by youth integration policies in the coming years? Which of these challenges are of a European dimension and how should they become a priority for future youth policies at European level?

2. The labour-market performance

Young people constitute an exceptional resource for the renewal of society: the production of goods and knowledge, the dissemination of innovation, social activities and demographic reproduction. It is at this age that there is the greatest propensity for mobility, spirit of initiative, willingness to face risks and, naturally, ability to procreate. Labour market inefficiencies prevent young people being fully utilized and their difficult position in this market is evident Europe-wide. In 2005 in EU27 the employment rate for young people (15-29 years old) was 49.1% (8% difference between male and female employment rates, 53.2% versus 44.9%) compared with the 80.4% for the age group 30-59 (89% for male, 71.9% for female).

Early school leaving¹ is a persistent problem among the EU's young people. In the EU24 in 2005, 16.3% of young people, with a prevalence of males over females at 18.3% to 14.4%, were early school leavers. Again in the EU24, the NEET trend, that is young people who are not employed or in education or training, accounts for 7.2% of the 15 to 24 age group and 12% of the 25 to 29 one. Also here the gender dimension shows that women are less favoured. In the first age group, females account for 9.2%

¹ Defined as the percentage of the population aged 18-24 with at most lower secondary education and not in further education or training.

compared to the 5.3% of males and in the second age group, from 25 to 29, females account for 19.1% against the 5.1% of males.

3. The youth conditions

The young are the segment of European population that works most in low-quality jobs which require low qualifications and are poorly paid. There is a growing uncertainty about the stability of jobs and gender wage inequality. Many young people are denied access to the rights of social citizenship which the European social model has up to now guaranteed to workers. Undeclared work is most frequent among the young, and social mobility is less easy than in the past. Also the possession of high educational qualifications does not in itself constitute a resource for ensuring a permanent and well-paid job. Taken as a whole, these factors help to cause, for young Europeans, a growing delay in access to an adult life based on economic independence from their families and on the possibility of responsible choices connected to creating a family and parenthood.

4. The country clusterization

The analysis of youth employment and unemployment trends carried out within the context of the research has revealed their dimensions, making it possible to study the different aspects. A set of indicators has thus been defined for analysing the youth condition in the individual countries from a flexicurity angle. The indicators adopted, also in relation to data availability, were organised in the basis of the four pillars of the flexicurity approach (Flexible Contractual Arrangements, Comprehensive Lifelong Learning, Effective Labour Market Policies, Modern Social Security System) integrated with indicators covering the development of capabilities. This has enabled the construction of a factorial plan and the definition of four country clusters, describing the challenges that the countries in each cluster are facing to improve the efficiency of the youth labour market. This factorial plan will allow a periodical monitoring of the effectiveness of youth inclusion policies adopted Europe-Wide.

Country Groups		Main Features		
		<i>The strengths and weaknesses</i>	<i>The main challenges</i>	<i>The policy strategies</i>
Austria, Denmark, Netherlands, Sweden, Finland, United Kingdom and Ireland	FRIENDLY LABOUR MARKETS	These countries have launched preventive policies, with the priority of fostering the autonomy of young people. Active labour market and social security policies have the aim of supporting risk management in the different lifecycle transitions. The lifelong learning policy is conceived to reduce the time for entering the labour market or for returning to academic pathways.	<ul style="list-style-type: none"> i) The reduction of the high level of youth unemployment ii) The social inclusion of the weaker young groups iii) The reduction of the share of young NEETs iv) The completion of the education system reform 	<ul style="list-style-type: none"> a) To promote social inclusion with regard to weaker young people or those with immigration background or not involved in inclusion measures b) To strengthen and extend policies for promoting the autonomy of young people (culture, sport, health and housing) integrating ALMP and social policies c) To develop the competitive market of training and education i) To strengthen the learning demand ii) To diversify education pathways iii) To diversify actors iv) To improve the quality of the supply v) To enlarge the training market
	Highest Human Development Indicators and Best Per former in Youth Employment			

Country Groups		Main Features		
		<i>The strengths and weaknesses</i>	<i>The main challenges</i>	<i>The policy strategies</i>
France, Belgium, Germany, Luxembourg and Slovenia	<p>RIGID LABOUR MARKETS</p> <p>Low Youth Employment and Good Capability Indicators</p>	<p>These countries have low youth employment but good indicators of capabilities. The preventive approach is poorly developed. There is a lack of competition in the education systems and low social mobility. The labour market flexibilization initiatives are still under debate. The tendency is to activate unemployment by strengthening workfare policies and reducing the duration of income support.</p>	<p>i) The flexibility of the education and training system</p> <p>ii) The labour market flexibilization</p> <p>iii) The integration and personalisation of lifecycle-oriented policies and services</p> <p>iv) The development of workfare approaches</p> <p>v) The cooperation among public and private employment services</p> <p>vi) The participation of young females in the labour market</p>	<p>a) To pursue the reform of the school cultural model by: i) including other actors in education, such as enterprises and civil-society associations; ii) taking into account a wider range of knowledge and the diversity of educational and professional pathways; iii) encouraging enterprises to shoulder training responsibilities.</p> <p>b) To strengthen lifelong learning policies increasing the probability of access to training and to promote professional and personal growth for those without a qualified job.</p> <p>c) To promote fixed-term labour contracts for young people, together with measures that protect the young worker in transitions between different jobs, and to foster incentives for companies to transform fixed-term contracts into open-end contracts.</p> <p>d) To simplify active labour policies, personalized to the individual condition and based on activation of unemployed people.</p> <p>e) To promote cooperation among public and private employment services at local level.</p> <p>f) To support the participation of young females in the labour market. For those with children, besides parental leave and financial contributions, it is necessary to increase the number of childcare places and to encourage the early entrance of children into educational structures other than schools.</p>

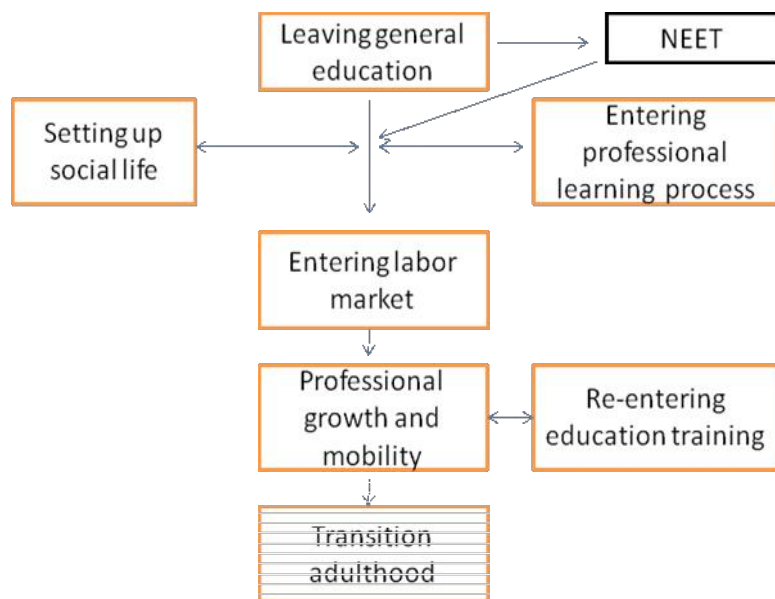
Country Groups		Main Features		
		<i>The strengths and weaknesses</i>	<i>The main challenges</i>	<i>The policy strategies</i>
Greece, Italy, Portugal, Spain and Poland	STRONGLY SEGMENTED YOUTH LABOUR MARKETS	<p>The youth situation in these countries features a low level of youth employment and a high level of unemployment, including long-term unemployment. These countries have a high number of early school leavers and young NEETs.</p> <p>The reform of the education and vocational training systems is overdue; they are still dominated by public monopolies and by the absence of competition among schools. There are difficult relations between the education/training system and social actors.</p> <p>The preventive approach to the social inclusion policies of youth has not been adequately developed. The employment services and the workfare policies are weak, with a low level of investments for supporting young people during their transition stages. There is a low level of integration among the different policies and the lifecycle approach is underdeveloped. There is a lack of initiatives addressed to young people with immigration background. The youth labour market features a high degree of flexibility not adequately balanced by security measures and income support. Investments during the transition stages are low. Capability levels are also unsatisfactory.</p>	<ul style="list-style-type: none"> i) The creation of a competitive, pluralistic, integrated, personalized, market-oriented and high-quality system of lifelong learning ii) The promotion of economic independence for young adults iii) The integration of labour-market flexibilisation measures with security components iv) The extension of the employment services network v) The promotion of a higher participation of women in the labour market 	<ul style="list-style-type: none"> a) The reform of the lifelong learning system should strengthen citizens' choice capacities and favour alternating learning strategies. The state monopolies must be replaced by a plurality of actors such as enterprises and civil associations and a stronger link between training and education system and enterprises must be created at local level. The reformed education system must operate on the basis of the quality of learning outcomes instead of standardized curricular pathways and with personalized pathways to return a significant portion of young people to education. Small and medium-size enterprises must be encouraged to assume growing responsibilities for the qualification of young people. b) Young people must be helped to achieve economic independence, encouraging family formation and access to housing. Policies aimed at developing capabilities and educational levels must be promoted, ensuring that the quality of work and an adequate level of income helps young people to develop their professional abilities and social autonomy. c) Measures to improve the social-risks management of young workers must be developed to conciliate flexibility with social protection in the transition phases and to increase the social acceptance of flexibility and overcome the division between insiders and outsiders. d) The network of employment services must be extended by introducing forms of cooperation between public and private organizations, increasing public expenditure on ALMP and promoting the diffusion of personalized and integrated activation measures to allow direct access to work (subsidized jobs, apprenticeships, internships). e) The participation of young females in the labour market must be improved, developing life-work conciliation policies and measures such as increasing parental leave and the number of childcare places.

Country Groups		Main Features		
		<i>The strengths and weaknesses</i>	<i>The main challenges</i>	<i>The policy strategies</i>
Czech Republic, Estonia, Hungary, Latvia, Lithuania, Slovakia, Cyprus, Malta, Romania and Bulgaria	<p>LOW EMPLOYMENT AND SKILL MISMATCHES IN THE CONVERGENT/TRANSITION ECONOMIES.</p> <p>This group of countries mostly consists of new east European entrants, to which Romania, Bulgaria and Malta have been added, albeit for these latter not all the data are available. These countries are still involved in economic convergence processes with the EU15.</p>	<p>Young people have low levels of employment associated with high levels of unemployment, also of long duration, and a high portion of young people from low-income families. The labour markets provide little employability for young people, and there are low levels of productivity linked to skill mismatches. Forms of flexible contracts have not yet been introduced. Capability indicators are particularly low and so are youth income support investments. The situation of these countries is also marked by the extreme weakness of social partners who have difficulty in contributing to the reform and extending the citizenship rights of the European social model.</p>	<p>i) The conclusion of economic restructuring process and the convergence of their economies with those of the EU15</p> <p>ii) The introduction of new national strategies and new structures for education and training systems</p> <p>iii) The increase of labour market flexibility</p> <p>iv) The extension of the ALMP</p> <p>v) The modernization of the social security system</p>	<p>a) To support the convergence process by developing policies covering all four pillars of the flexicurity approach.</p> <p>b) To encourage the education and training system to compete by including other actors in education, such as enterprises and civil associations. Learning strategies must be aimed at fostering social inclusion and reducing early school leavers. Enterprises must be encouraged to play a role in training policies. The development of education in entrepreneurship and the ability to manage one's own human capital must be encouraged.</p> <p>c) To promote fixed-term labour contracts for young people, together with measures that protect young workers in transitions between different jobs.</p> <p>d) To strengthen cooperation and actions of public and private employment services with the involvement of non-traditional partners to promote innovative ALMP addressed to active and inactive people, especially to the disadvantaged groups and young NEETs.</p> <p>e) To modernise the social security system, encouraging the activation of unemployed people, reducing their dependence on the social security system and encouraging their early return to the labour market.</p> <p>f) To promote youth employment through legal devices and fiscal incentives and extend alternative employment solutions. The greater participation of young women in the labour market must be implemented by developing life-work conciliation services.</p>

In general, in all the Member States, education in entrepreneurship and the ability to manage one's own human capital, understood both as the ability to design lifelong learning strategies and to manage one's own professional career, must be part of the learning strategies in lifelong education and training pathways.

5. Flexicurity measures and youth lifecycle

The policies studied here are analysed from a youth lifecycle perspective. This approach was chosen because the age groups considered are, more than others, undergoing transitions between various life stages combined with psychological and physical development. The results of the policies depend on their capacity to adapt to young people's pathways and conditions.



5.1 Leaving general education - Early leavers

The measures addressed to early leavers are for young people who abandon their education before reaching the age fixed by national regulations. The measures are aimed at building educational pathways focusing on personalised forms of learning or encouraging young people to create life and work plans. Other measures are targeted at young people with special needs or background (immigrants, disabled, etc.).

5.2. Developing social life

The policies supporting the process of developing social life aim to facilitate young people's access to cultural and sporting infrastructures, to the different types of non-formal education, associative and voluntary work, and access to and construction of social and informal networks.

5.3 Entering a professional learning process

Policies providing professionalization pathways outside of school and before entering the active labour-policy channel aim to offer the basic skills (cognitive, organizational and social) for accessing a professional activity.

5.4 Entering the labour market

These are public actions mainly focused on external flexibility and on wage flexibility. There are basically three levers through which public policies intervene on the transition between school/training and labour market: labour contracts, active labour policies, social and unemployment benefits.

5.5. Professional growth and mobility

Policies supporting professional growth and mobility focus on young people's working relations inside the firm. Professional growth mainly concerns young workers' possibility of developing their competences by work experience, based on actual practice of productive activity. Mobility concerns the possibility of improving their position both in a vertical sense - inside the workplace - and outside towards new and better jobs.

5.6. Re-entering education/training pathways

These policies are targeted at young workers who have entered the labour market early with low levels of education and/or qualifications or who are employed in low-skilled jobs.

5.7. Transition to adulthood

Adulthood is achieved when people become economically independent of their families of origin and have the possibility of exercising all the prerogatives of responsible choice connected to creating a family and parenthood. The policies and measures involving this stage in a young person's lifecycle aim to tackle the demographic crisis by supporting a life-work balance which encourages and supports parenthood. The policies aim to reduce the costs and difficulties encountered by young households in managing a whole range of responsibilities (family creation, access to

maternity and paternity leave) and personal interests (access to credit, availability of housing).

6. Managing transitions and risks

One of the reasons for the insufficient performance of the European economic system is the poor participation of young people in production and innovation processes. Europe cannot deprive itself, in the future, of the support of its potentially most productive population in constructing the European knowledge society which the European Union intends to achieve with the Lisbon Strategy.

The objective of full employment for young people is to give everyone, man or woman, the opportunity to find forms of employment able to meet their particular situation and their aspirations of independency.

This objective would be achievable under three conditions:

- i) the coordination of monetary, financial and income policy in order to stimulate sustainable economic growth;
- ii) labour market and social policies must be reformed to guarantee everybody an appropriate balance between flexibility and a wider concept of security, transforming social policy into social risk management in all transition phases;
- iii) developing individual autonomy through investments and improved capabilities to encourage people to accept and to manage risks associated with the transition phases of their lifecycle.

7. The five common challenges

The analysis of the demographic and economic trends and policies adopted have revealed varying levels in the performance of youth labour markets in the different countries. However, common to all countries is an evident low level of young women's participation in the labour market, showing there are still cultural obstacles to their access to the labour market that the policies adopted have not been able to correct.

The analysis of the successes and limits of the public policies undertaken by the European Union countries highlights the existence of five great challenges common to all.

7.1 CHALLENGE 1: To acquire a production mentality and a capacity to build and develop social networks in as short as possible timeframe

Families and young people have to acquire a greater capacity for and freedom of choice in education, training and work pathways that foster the acquisition of the production mentality and access to the social relations essential for developing their abilities and social skills for achieving personal independence. The reform of education and training systems, involving all the Member States, must ensure the exercise of these freedoms by the personalization of learning pathways, autonomy and competition among education and training agencies.

7.2 CHALLENGE 2: To safeguard access to work and increase the quality of the first job

For most of the young, their first job is an important stage in the transition towards adulthood. For many of them it can also constitute a social stigma difficult to remove in the future. Employment services, social partners and firms are required to ensure that this important transition is as successful as possible.

Young people are activated when the services are capable of offering them the chance to improve, in transition phases, their position on the labour market and to obtain forms of income support and investments in training their human capital.

The most successful flexicurity policies envisage the full involvement of social partners. Collectively-agreed social risk management policies should provide new kinds of security able to protect citizenship rights connected with the work condition and incentives for young people to accept flexible contractual forms.

7.3 CHALLENGE 3: To foster the professional growth of young workers, their mobility and career advancement

The institutions are required to adopt public policies and to persuade the social partners to adopt modern human-resource management

strategies that encourage young workers to invest in the development of their human capital.

The recognition of learning, its certification and the value attributed it in the internal labour market within the framework of a collective regulation of work relations by social actors, constitute the best way to encourage young people to enhance their professional and cultural capital investing personal or collectively agreed resources.

7.4 CHALLENGE 4: To support access to an independent lifestyle

The possibility of making young people the protagonists of the Lisbon Strategy depends on the implementation of European and national policies according to an holistic, integrated and multidisciplinary approach that enables these young people to accept and to manage the risks connected to the transitions to the adulthood.

The development of the qualities needed to achieve adulthood and autonomy, freedom and individual and social responsibilities marking the condition of an adult in the European social system (formation of a family, parenthood) constitute the strategic objective of European policies and of the Member States with regards to young people.

7.5 CHALLENGE 5: Promoting the participation of young people in a new governance

The participation of young people in choices that concern them constitutes the premises for restoring their faith in the future. Europe and Member States must thus create occasions for listening to the voice of young people in reformed governance practices at every level.

The integrated policies must promote forms of involvement for young people and their organizations in social and political initiatives with the aim of developing critical capacities towards the existing social structures typical of the new generations.

8. Security and faith in the future

It is necessary to effectively overcome the widespread conviction that the life conditions of the new generations are destined to deteriorate. This

attitude can only be modified if young people's perceptions of their future change. It is thus necessary to reduce their uncertainties and increase their confidence in their possibility to manage the risks, the investments and those sacrifices which appear necessary, even for these new generations, to enter adult life.

The success of the construction of Europe depends on the outcome of this global challenge and on the opportunities which, in a new climate of security and faith in the future, the European social model will be capable of providing for the young generations.