

POLICIES FOR TACKLING YOUTH UNEMPLOYMENT

Young people in Europe are subject to higher rates of unemployment than older generations. They are the hardest hit by economic downturns and the first to lose their jobs as the result of a crisis. Furthermore, they face a number of challenges in making the transition from education and training to the labor market. In order to identify the chances and address the challenges facing young people in the labor market, the European Commissions surveyed youth employment policies in 33 European countries (European Commission 2011).

Policy measures that target students when they are still in school can facilitate the transition of young people from the education system into the labor market. Table 1 summarizes the European Commission's survey of school education and training policies in European countries. The table shows that there are vast differences in the countries' approaches to facilitate the transition of students to the labor market.

Labor market programs designed specifically with young people in mind are another way to tackle youth unemployment. See Table 2 for a summary of the policies in place in 2010 according to the European Commission (2011). Active labor market programs, for example, include the provision of information, advice and guidance (France, Malta, and Iceland), new types of contracts for young people (Luxembourg, Serbia), employer incentives to hire or train young people (Luxembourg, Serbia), matching young job seekers with job opportunities (Netherlands), providing young people with work experience (Slovakia, all countries that have measures to link education with work experience, see Table 1) and establishing a job guarantee for the young unemployed (see the last column in Table 1). In several countries, active labor market programs are not specifically designed for young people, but young people are targeted in the context of larger labor market programs (Czech Republic, Estonia, Lithuania, Slovenia, Macedonia, Norway, Belgium, UK). Another way to encourage unemployed youths is to condition their access to unemployment benefits to their willingness to participate in labor market programs. Furthermore, a number of countries have introduced incentives such as hiring subsidies and reductions in the non-wage costs of labor in order to

encourage companies to recruit young people and/or create additional jobs for young people. Another policy approach is to promote self-employment. This can be achieved via the development of appropriate support and guidance in terms of business plans and the access to start-up capital.

The European Commission's summary of youth employment measures allows a comparison of existing labor market policies, which is an important step towards being able to evaluate different forms of labor market interventions. Such evaluations are an important base for future investments and the design of policies. Finally, it is important to bear in mind that the impact of all measures to address (youth) employment depends greatly on the stage that the economy is at, and on the ability of the labor market to create jobs.

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Reference:

European Commission (2011), *European Employment Observatory Review: Youth Employment Measures*, 2010, European Union.

Table 1
School education and training policies (in place in 2010)

Country	1	2	3	4	5	6	7	8
Austria				x				x
Belgium	x				x			
Bulgaria	x						x	
Cyprus							x	
Croatia	x	x	x					
Denmark					x			
Estonia	x	x	x					
Finland	x		x		x	x		x
France	x				x			
Germany		x			x	x	x	
Greece	x		x	x				
Hungary		x	x					
Iceland	x					x		
Ireland				x	x		x	
Italy	x				x			
Latvia	x	x	x			x		
Lithuania		x	x					
Luxembourg	x		x		x		x	
Macedonia	x	x		x	x	x		
Malta					x		x	
Netherlands			x					
Norway			x		x	x		x
Poland					x	x	x	
Portugal	x		x		x			
Romania	x		x					
Serbia		x						
Slovenia					x			
Slovakia		x	x					
Spain	x	x	x		x			
Sweden					x			x
United Kingdom					x			x

1 Measures to prevent early school leaving and to guarantee that all young people acquire basic skills
2 Measures to ensure that the vocational training system enables young people with only basic education to enter the labor market
3 Measures to promote the recognition of non-formal and informal learning
4 Measures to encourage the young unemployed to follow special training programs aimed at facilitating insertion in the labor market
5 Measures to link education with work experience
6 Measures to ensure that education systems meet the qualification demands of the labor market (reforms)
7 Measures relating to higher education and lifelong learning
8 Youth guarantees

Source: European Commission (2011).

Table 2
Labor market and employment-related policies and access to benefits (in place in 2010)

Country	Active labor market policies	Access to social security benefits	Tax system and labor market legislation	Promoting self-employment among young people	Promoting mobility of young people
Austria	x	x	x		
Belgium	x	x	x	x	x
Bulgaria			x		
Croatia	x	x	x		
Czech Republic	x		x		x
Estonia	x		x		
Finland		x	x		x
France	x				
Germany	x				
Greece			x	x	
Hungary			x		
Iceland	x				
Ireland	x	x			
Italy			x		x
Latvia	x			x	
Lithuania	x		x	x	x
Luxembourg	x		x		
Macedonia	x				
Malta	x				x
Netherlands	x	x	x		x
Norway	x		x		
Portugal				x	x
Romania			x	x	
Serbia	x			x	
Slovenia	x			x	
Slovakia	x	x	x	x	x
Spain			x		x
Sweden	x				
United Kingdom	x	x			

Source: European Commission (2011).