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Reversing the sharp decline in youth employment

Committee Opinion¹

Social, Health and Family Affairs Committee

Rapporteur: Ms Marietta KARAMANLI, France, Socialist Group

A. Conclusions of the committee

The committee welcomes the very comprehensive report presented by Ms Marija Pejčinović-Burić on behalf of the Committee on Economic Affairs and Development, which deals with a highly topical issue. In the current economic context, integrating young people into the national and international labour markets is a major political concern for the majority of member states.

The draft resolution is based on an excellent analysis of the situation of youth employment in Europe and the causes of significantly higher unemployment rates in virtually all European countries. Moreover, the explanatory memorandum advances a number of very practical and relevant proposals for action.

Nonetheless, the Social, Health and Family Affairs Committee believes that the resolution could have greater impact among the Council of Europe member states if it were supplemented by a number of points from the explanatory memorandum which go into greater detail regarding certain observations and proposals. The committee would therefore like to suggest a number of amendments to the text, set out below.

B. Proposed amendments

Amendment A (to the draft resolution)

In the draft resolution, at the end of paragraph 3, add the following sentence:

“Governments are obliged to act urgently, not only to avoid the direct consequences of unemployment for young people in terms of professional and life perspectives. They must also avoid negative effects on society as a whole, such as profound structural changes in the labour market which risks being less and less capable of welcoming all the young qualified people and risks marginalising certain categories of young people.”

Amendment B (to the draft resolution)

In the draft resolution, at the end of paragraph 4, add the following sentence:

“Such an approach should make it possible to address the major challenges in this field which are to help young people to find a first job quickly and to make the transition to more stable employment in the medium term.”

1. Reference to committee: [Doc. 12288](#), Reference No. 3695 of 25 June 2010. Reporting committee: Committee on Economic Affairs and Development. See [Doc. 12626](#). Opinion approved by the Committee on 21 June 2011.



Amendment C (to the draft resolution)

In the draft resolution, paragraph 5, replace the first sentence with the following sentence:

“Taking into account the size and implications of the youth unemployment problem, the Assembly considers that member states should frame committed and comprehensive policies in this field, while differentiating between the different groups of young people who are not all affected in the same way, depending on the level of training and their personal situation (‘high performers’, ‘poorly integrated new entrants’, ‘youth left behind’, and ‘those returning to education’). Such policies should be implemented in a context in which the greatest respect is accorded to all those concerned and to their various skills, potential and aspirations, and in a spirit in which even jobs perceived as low-skilled are acknowledged as being an important component of our economies and societies.”

Amendment D (to the draft resolution)

In the draft resolution, paragraph 7, replace the words “sees an overarching long-term interest for European states to” with the words “believes that European states should”.

Amendment E (to the draft resolution)

In the draft resolution, replace paragraph 8.1 with the following sub-paragraph:

“make youth employment one of the major priorities of employment policy and initiate immediate measures, drawing on best European practice in this field;”

Amendment F (to the draft resolution)

In the draft resolution, paragraph 8.6, replace the words “to help lifestyle change for the disadvantaged or vulnerable young people” with the words “to facilitate the access to the labour market and give professional perspectives to disadvantaged or vulnerable young people”.

Amendment G (to the draft resolution)

In the draft resolution, paragraph 8.9, after the word “fiscal” insert the words “or social”.

Amendment H (to the draft resolution)

In the draft resolution, in paragraph 8.9, after the words “long-term contracts” insert the words “or contracts considered to be the first truly stable and quality jobs for the young people who occupy them”.

Amendment I (to the draft resolution)

In the draft resolution, after paragraph 8.9. insert the following sub-paragraph:

“develop systems allowing young people, and in particular the most vulnerable amongst them, to have access to assisted employment which represent true ‘gateways’ between the training and working spheres;”

Amendment J (to the draft resolution)

In the draft resolution, paragraph 8.10, delete the words “, notably ‘flexicurity’ arrangements,”.

Amendment K (to the draft resolution)

In the draft resolution, after paragraph 8.11, insert the following paragraph:

“create, through appropriate conditions, not only more jobs for young people, but also employment of better quality for them;”

C. Explanatory memorandum by Ms Karamanli, rapporteur for opinion

1. The report by the Committee on Economic Affairs and Development gives a very good description of the dual role played in the current economy by young people (between the ages of 15 and 24, according to the definition put forward by the Organisation for Economic Co-operation and Development (OECD)²): they represent a considerable advantage for the competitive economies and, at the same time, because of their lack of seniority and work experience, constitute a more vulnerable group on the labour market, especially in times of crisis. The rapporteur believes that global competitiveness puts young people at a disadvantage, as they are the first to be affected by economic crises as a result of the frequent use made of temporary, and therefore insecure, work contracts.

2. The comprehensive explanatory memorandum written by the rapporteur contains a detailed analysis of the different youth unemployment situations and the difficulties that young people can encounter in entering the labour market. On the one hand, it describes the different groups of young people, who are not all affected in the same way, depending on their level of training and personal situation: notably “high performers”, “poorly integrated new entrants”, “youth left behind”, and “those returning to education”. On the other hand, it elaborates, in a differentiated manner, the possible solutions to youth unemployment which may have positive effects, but at the same time produce undesirable side effects, such as the development of efficient apprenticeship systems which benefit both companies and young employees, but which can be counterproductive if companies use them inappropriately and tend to exploit apprentices earning low wages. In this respect, the quality of internship and apprenticeship programmes should be a public policy priority.

3. From a social point of view, it is particularly commendable that the draft resolution mentions in such a detailed manner the causes of low employment rates amongst young people and the measures to be employed at national level. Thus, the text highlights the mismatch between the qualifications of young people and labour market needs, as well as the eroding public spending on employment. It then lists, amongst the principal measures to be taken, the promotion of better qualifications and skills, of more mobility, of improved access to job offers and apprenticeship schemes, as well as a greater interaction between employers, state employment agencies and young jobseekers. However, as rapporteur for opinion, I believe that certain elements of the explanatory memorandum could be better reflected in the text of the resolution.

4. In order to better illustrate the difficulties that young people encounter in a professional context and the urgent nature of the situation, reference should be made to the most important challenges they are confronted with (first, rapid access to the labour market, then access to more stable employment in the medium term) and the consequences of unemployment for young people and for society as a whole, which are described very well in the explanatory memorandum. I would also suggest including in the draft resolution the above-mentioned distinction of different categories of young people concerned, in order to show that political measures must be adapted to the specific focus group. The urgent need to provide a political response to this issue should, moreover, be expressed in the draft resolution, which speaks only of a “medium-term priority” for the moment, instead of picking up on the idea expressed in paragraph 34 of the explanatory memorandum which refers to a problem that “will penalise society as a whole in the future if nothing is done now”.

5. Furthermore, the Assembly should be careful in its wording to avoid any misinterpretation of these recommendations. For example, the Social, Health and Family Affairs Committee has reservations regarding what could be interpreted as a “security” argument in paragraph 7 of the draft resolution which says that there is an “overarching long-term interest in European states ... to support the European Union and Council of Europe action ... in order to help southern Mediterranean countries to fully tap their development potential and offer their youth a better future”, and links this proposal directly to the large-scale emigration of qualified young people. A similar misinterpretation, suggesting a “security” argument, could also be made with regard to paragraph 5.

6. It is indeed the duty of the Council of Europe to “export” its expertise and its values, but this should not be done with the aim of preventing an aggravation of problems in Europe. Support should be provided to non-member countries in order to increase respect for human rights in Europe’s partner countries which have numerous relations and interdependencies with member states. In this connection, I would refer to Resolution 1779 (2010) on co-operation between the Council of Europe and the Maghreb countries in the field of social cohesion, which states in paragraph 4: “In these times of world economic crisis, the Assembly is convinced that the Council of Europe should continue to regard social cohesion as an essential factor of democratic stability and that all endeavours to promote the Organisation’s values beyond its boundaries should embody a social component.”

2. Scarpetta S., Sonnet A. and Manfredi T., “Rising youth unemployment during the crisis: how to prevent negative long-term consequences on a generation”, OECD, 2010. www.oecd.org.

7. Paragraph 8.6. of the draft resolution, which proposes “to help lifestyle change for the disadvantaged or vulnerable young people” through different measures, does not seem very precise and certainly deserves to be better linked to the main objective of the report, which is to facilitate young people’s access to an active and fulfilled life based on stable employment. I would therefore suggest making the paragraph concerned a bit clearer.

8. Lastly, I would like to draw attention to the emphasis placed on the concept of “flexicurity” in paragraph 8.10 of the draft resolution. There is no doubt that this concept is currently being strongly promoted by the European Commission and, in its view, lies at the heart of labour law modernisation policies in each member state in order to stimulate a new impetus for employment and growth. Nonetheless, the concept is still challenged in some member states and is sometimes implemented in very different ways.³ Given that the young belong to the category of people who are most affected by precarious employment and that certain measures being implemented as part of flexicurity strategies are not favourable to their training or their sustainable integration into the job market, the recommendation of this concept without further definition seems risky and inappropriate.

9. For example, a recent report by the French *Conseil d’analyse économique* (Council for Economic Analysis), published in 2010, comments that, in recent years, the employment market certainly adapts more quickly to cyclical variations, but at the cost of severe inequalities which end up reducing overall performance. Given that those employed on insecure or flexible contracts would have little access to training, and therefore little hope of improving their “employability”, the long-term consequences would be a loss of “human capital”.⁴ I therefore suggest that the term “flexicurity”, which masks a whole series of complex and sometimes contradictory policies, should not be used as such “in isolation”, but must be put into context and defined in greater detail.

10. The last changes I wish to propose are aimed at specifying certain of the measures that could be envisaged by member states. Thus, in my view, not only fiscal measures, but also social measures (concerning social security contributions) can encourage companies to offer better perspectives to young people (Amendment H). The preoccupation of states must be, to the same extent, to enhance the access to employment for young people and to verify that their jobs are somewhat stable and of quality, which implies good working conditions, fair remuneration and possibly perspectives for integration into the labour market, and jobs which offer young people professional perspectives. A first, long-term contract is not necessarily a guarantee of employment of quality for young people (Amendment I). This aspect should also be underlined in a separate paragraph (Amendment K): the priority of states must be to facilitate the creation of jobs for young people which guarantee them dignity, financial security and perspectives for professional evolution based on the improvement of their competences and experience. Finally, a certain number of states and territorial authorities have implemented, with success, programmes of assisted employment allowing young people to fulfil tasks of general interest or new activities leading to job creation in the long run. More frequent use of such measures should be promoted by the Assembly in its text (Amendment J).

3. Garabiol P.: “La flexisécurité: une révolution européenne”, Fondation Robert Schuman, European Issues No. 73, 1 October 2007. www.robert-schuman.eu (in French only).

4. “Flexisécurité: le Conseil d’analyse économique livre ses propositions”, Mathilde Lemoine, Le Monde, 6 May 2010, www.lemonde.fr (in French only).